



Additional Documents List City Council Regular Meeting June 15, 2022

Item No.	Agenda Item Description	Distributor	Document
23	Adoption of 2022-2023 Annual Budget and Resolution	Ken Louie, Interim Finance Director	Two Memos that provide corrections and adjustments.
	Emailed Public Comment Item #2, #23	Christina Muñoz, Deputy City Clerk	Emailed Public Comment
25	Approve Proposed FY 2022-23 Water Conservation Program & Resolution Declaring Stage 2: Serious Water Supply Shortage	Ted Gerber, Public Works Director	Memo provides updates.



City of South Pasadena Finance Department

Memo

Date: June 15, 2022
To: The Honorable City Council
Via: Arminé Chaparyan, City Manager *AC*
From: Ken Louie, Interim Director of Finance
Re: June 15, 2022 City Council Meeting Item No. 23 – Adoption of 2022-2023 Annual Budget and Resolution- “Rogan Fund Match”

This memo provides further adjustments to item 23:

Throughout the budget process and more recently at the budget hearings, there have been lengthy discussions regarding the designation for “Transportation Projects - Rogan Fund Match”. The attached Fund Balance Summary for FY 2021-22 and FY 2022-23 more accurately depicts how the funds should be displayed. You will recall that the final consensus was to reinstate the full usage of these funds which will be used in FY 2022-23, and have budgeted in the amount of \$338,483. The enclosed version now correctly accounts for the funds in both the “Rogan Match Fund” and modifies the related “Street Improvement Program”.

Also please note that the designation of “Advances to Other Funds” was increased to \$250,000 from the originally stated \$100,000. This slightly reduced the Undesignated General Fund beginning balance.

These adjustments do not affect any of the revenues or expenditures under consideration tonight for the Fiscal Year 2022-23 budget. They are corrective actions with regards to fund balances. The affected amounts are shown in yellow in the attached balances document.

FY21/22 Fund Balance - Projected

Fund	Description	06/30/21 Fund Balance	Year-End Revenues	Year-End Expenditures	Revenues Minus Expenses	06/30/22 Year- End Fund Balance
101	General Fund					
	Revenues & Expenditures					
	Operating		34,814,461	30,635,139	4,179,322	
	Capital			-	-	
	Transfers/Interfund Loans		-	5,872,720	(5,872,720)	
	Reserves					
	Undesignated	15,968,365			-	14,274,966
	Arroyo Golf Course / Bike Trail	600,000			-	600,000
	CalTrans Vacant Lot Purchases	392,000			-	392,000
	Legal Reserve	500,000			-	500,000
	Library Expansion	200,000			-	200,000
	Maint. Yard / Comm. Ctr	267,067			-	267,067
	Renewable Energy Sources Reserve	700,000			-	700,000
	Retiree Pension Reserve	500,000		500,000	(500,000)	-
	Retiree Medical Reserve	500,000		500,000	(500,000)	-
	Tree Replacement	-			-	-
	Storm Water	600,000			-	600,000
	Library Park Drainage Reserve	22,000			-	22,000
	Financial Sustainability Reserve	900,000			-	900,000
	Slater Reimbursement Reserve	345,876			-	345,876
	Vehicle Replacement Reserve	100,000			-	100,000
	SR-110 Interchange Proj (Rogan Fund Match)	1,410,000	-		-	1,410,000
	Cell Tower Revenue Reserve	-	4,374,439	4,374,439	-	-
	Assigned Reserves					
	Stables CIP Reserve	20,739			-	20,739
	Nonspendable					
	Advances to other funds	450,000			-	450,000
	Inventory	5,083			-	5,083
101	General Fund Total	\$ 23,481,130	\$ 39,188,900	\$ 41,882,298	\$ (2,693,398)	\$ 20,787,731
103	Insurance Fund	(742,387)	2,655,245	2,083,045	572,200	(170,187)
104	Street Improvements Program	2,520,208	-	15,500	(15,500)	2,504,708
105	Facilities & Equip. Replacement	2,574,719	1,000	658,500	(657,500)	1,917,219
106	Technology Surcharge	3,126	4,000	-	4,000	7,126
201	MTA Pedestrian Improvement	(29,951)	-	-	-	(29,951)
205	Prop "A"	1,493,431	541,611	358,309	183,302	1,676,733
207	Prop "C"	1,076,101	475,442	351,496	123,946	1,200,047
208	TEA/Metro	169,094	-	18,100	(18,100)	150,994
210	Sewer	4,769,349	2,165,551	1,381,752	783,799	5,553,148
211	CTC Traffic Improvement	(23)	23	-	23	0
215	Street Light & Landscape	428,350	977,953	1,131,544	(153,591)	274,759
217	Public, Educ. & Gov't. Fund	181,680	19,000	-	19,000	200,680
218	Clean Air Act	120,248	34,700	5,000	29,700	149,948
219	CalRecycle Local Asst. Grant	-	35,000	-	35,000	35,000
220	Business Improvement Tax	2,011	78,530	108,000	(29,470)	(27,459)
223	Gold Line Mitigation Fund	63,213	-	-	-	63,213
226	Mission Meridian Public Garage	(353,004)	-	10,000	(10,000)	(363,004)

Fund	Description	06/30/21 Fund Balance	Year-End Revenues	Year-End Expenditures	Revenues Minus Expenses	06/30/22 Year- End Fund Balance
228	Housing Authority	78,563	22,428	400	22,028	100,591
230	State Gas Tax	931,133	628,563	666,075	(37,512)	893,621
232	County Park Bond	(173,785)	336,431	41,500	294,931	121,146
233	Measure R	1,071,145	329,831	31,773	298,058	1,369,203
236	Measure M	1,338,684	369,475	13,404	356,071	1,694,755
237	Road Maint. & Rehab. Acct.	715,650	499,149	-	499,149	1,214,799
238	MSRC Grant	(150,000)	30,000	-	30,000	(120,000)
239	Measure W	123,877	229,227	229,227	-	123,877
241	Measure H	(74,454)	-	-	-	(74,454)
242	Prop C Exchange	58,096	-	10,000	(10,000)	48,096
245	Bike & Pedestrian Paths	1	4,828	-	4,828	4,829
248	BTA Grants	(416,948)	-	-	-	(416,948)
249	Open Streets Grant	(24,914)	448,340	200,000	248,340	223,426
255	Capital Growth	549,174	40,000	-	40,000	589,174
260	CDBG	53,000	66,514	42,000	24,514	77,514
270	Asset Forfeiture	221,095	-	20,000	(20,000)	201,095
272	Police Grants - State (COPS)	486,423	102,500	101,000	1,500	487,923
274	Homeland Security Grant	(21,011)	-	-	-	(21,011)
275	Park Impact Fees	853,882	166,000	-	166,000	1,019,882
276	Historic Preservation Grant	5,102	40,000	-	40,000	45,102
277	HSIP Grant	(44,701)	-	-	-	(44,701)
278	Housing Element Grant	150,000	-	-	-	150,000
295	Arroyo Seco Golf Course	2,017,136	1,269,800	1,240,728	29,072	2,046,208
310	Sewer Capital Projects	(633,430)	425,808	185,000	240,808	(392,622)
327	2000 Tax Allocation Bonds	924,867	-	-	-	924,867
500	Water	72,811,450	20,923,614	9,603,584	11,320,030	84,131,480
503	Water Efficiency Fund	925,422	237,176	176,861	60,315	985,737
505	2016 Water Revenue Bonds	(33,620,794)	2,446,638	2,546,250	(99,613)	(33,720,406)
506	SRF Loan - Water	(90,562)	132,483	51,280	81,203	(9,359)
510	Water & Sewer Impact Fees	981,112	200,000	-	200,000	1,181,112
550	Public Financing Authority	(4,543,038)	556,188	152,000	404,188	(4,138,850)
927	Redev. Obligations Trust Fund	155,695	195,800	195,800	-	155,695
		56,934,032	36,688,848	21,628,127	15,060,721	71,994,753
227	Successor Agency to CRA	(635,170)	195,800	40,800	155,000	(480,170)
	Successor Agency Total	(635,170)	195,800	40,800	155,000	(480,170)
	TOTAL CITY & CRA	79,779,992	76,073,548	63,551,226	12,522,322	92,302,314

FY22/23 Fund Balance

Fund	Description	06/30/22 Fund Balance	Year-End Revenues	Year-End Expenditures	Revenues Minus Expenses	06/30/23 Year-End Fund Balance
101	General Fund					
	Revenues & Expenditures					
	Operating		42,224,170	40,205,050	2,019,120	
	Capital			795,000	(795,000)	
	Transfers/Interfund Loans		-	383,079	(383,079)	
	Reserves					
	Undesignated	14,274,966	1,789,067		1,789,067	16,905,074
	Arroyo Golf Course / Bike Trail	600,000			-	600,000
	CalTrans Vacant Lot Purchases	392,000			-	392,000
	Legal Reserve	500,000		500,000	(500,000)	-
	Library Expansion	200,000			-	200,000
	Maint. Yard / Comm. Ctr	267,067		267,067	(267,067)	-
	Renewable Energy Sources Reserve	700,000			-	700,000
	Retiree Pension Reserve	-			-	-
	Retiree Medical Reserve	-			-	-
	Tree Replacement	-			-	-
	Storm Water Reserve	600,000			-	600,000
	Library Park Drainage Reserve	22,000		22,000	(22,000)	-
	Financial Sustainability Reserve	900,000		900,000	(900,000)	-
	CalTrans Housing/626 Prospect Ave Litig. Reserve	345,876			-	345,876
	Vehicle Replacement Reserve	100,000		100,000	(100,000)	-
	Transportation Projects - Rogan Fund Match	1,410,000	-	338,483	(338,483)	1,071,517
	Assigned Reserves					
	Stables CIP Reserve	20,739			-	20,739
	Mental Health Reserve	200,000			-	200,000
	Nonspendable					
	Advances to other funds	250,000				250,000
	Inventory	5,083				5,083
101	General Fund Total	\$20,787,731	\$ 44,013,237	\$ 43,510,679	\$ 502,558	\$21,290,289
103	Insurance Fund	(170,187)	2,940,000	2,364,071	575,929	405,742
104	Street Improvements Program	2,504,708	-	-	-	2,504,708
105	Facilities & Equip. Replacement	1,917,219	1,000	1,014,000	(1,013,000)	904,219
106	Technology Surcharge	7,126	15,000	-	15,000	22,126
108	SR110 General Fund Reserve	-	338,483	338,483	-	-
201	MTA Pedestrian Improvement	(29,951)	-	-	-	(29,951)
205	Prop "A"	1,676,733	656,217	786,453	(130,236)	1,546,497
207	Prop "C"	1,200,047	568,430	607,785	(39,355)	1,160,692
208	TEA/Metro	150,994	-	-	-	150,994
210	Sewer	5,553,148	2,165,551	2,036,174	129,377	5,682,525
211	CTC Traffic Improvement	0	-	-	-	0
213	SB2 Planning Grant	-	160,000	160,000	-	-
215	Street Light & Landscape	274,759	1,292,079	1,603,282	(311,203)	(36,444)
217	Public, Educ. & Gov't. Fund	200,680	11,000	-	11,000	211,680
218	Clean Air Act	149,948	34,700	-	34,700	184,648
219	CalRecycle Local Asst. Grant	35,000	-	-	-	35,000

Fund	Description	06/30/22 Fund Balance	Year-End Revenues	Year-End Expenditures	Revenues Minus Expenses	06/30/23 Year-End Fund Balance
220	Business Improvement Tax	(27,459)	86,500	110,500	(24,000)	(51,459)
223	Gold Line Mitigation Fund	63,213	-	-	-	63,213
226	Mission Meridian Public Garage	(363,004)	-	15,000	(15,000)	(378,004)
228	Housing Authority	100,591	45,528	11,700	33,828	134,419
230	State Gas Tax	893,621	757,620	1,291,418	(533,798)	359,823
232	County Park Bond	121,146	470,000	97,500	372,500	493,646
233	Measure R	1,369,203	399,573	367,415	32,158	1,401,361
234	LACMTA Measure M MAT	-	475,000	475,000	-	-
236	Measure M	1,694,755	448,516	417,415	31,101	1,725,855
237	Road Maint. & Rehab. Acct.	1,214,799	592,093	585,093	7,000	1,221,799
238	MSRC Grant	(120,000)	-	-	-	(120,000)
239	Measure W	123,877	251,179	295,270	(44,091)	79,786
240	Measure M MSP	-	250,000	250,000	-	-
241	Measure H	(74,454)	-	57,083	(57,083)	(131,538)
242	Prop C Exchange	48,096	-	-	-	48,096
245	Bike & Pedestrian Paths	4,829	24,172	25,000	(828)	4,001
247	SGVCOG Grants	-	50,000	50,000	-	-
248	BTA Grants	(416,948)	-	-	-	(416,948)
249	Open Streets Grant	223,426	-	-	-	223,426
255	Capital Growth	589,174	40,000	450,000	(410,000)	179,174
260	CDBG	77,514	264,533	131,407	133,126	210,640
270	Asset Forfeiture	201,095	-	60,000	(60,000)	141,095
272	Police Grants - State (COPS)	487,923	102,500	130,000	(27,500)	460,423
274	Homeland Security Grant	(21,011)	44,369	1,240	43,129	22,118
275	Park Impact Fees	1,019,882	166,000	825,000	(659,000)	360,882
276	Historic Preservation Grant	45,102	-	-	-	45,102
277	HSIP Grant	(44,701)	554,365	554,365	-	(44,701)
278	Housing Element Grant	150,000	-	-	-	150,000
295	Arroyo Seco Golf Course	2,046,208	1,634,600	2,048,815	(414,215)	1,631,993
310	Sewer Capital Projects	(392,622)	425,808	425,808	-	(392,622)
327	2000 Tax Allocation Bonds	924,867	-	-	-	924,867
500	Water	84,131,480	15,008,595	12,513,845	2,494,750	86,626,230
503	Water Efficiency Fund	985,737	265,000	210,395	54,605	1,040,342
505	2016 Water Revenue Bonds	(33,720,406)	2,448,838	2,501,050	(52,212)	(33,772,618)
506	SRF Loan - Water	(9,359)	-	264,966	(264,966)	(274,325)
510	Water & Sewer Impact Fees	1,181,112	200,000	-	200,000	1,381,112
550	Public Financing Authority	(4,138,850)	-	531,676	(531,676)	(4,670,525)
927	Redev. Obligations Trust Fund	155,695	196,500	196,500	-	155,695
		71,994,753	33,383,749	33,803,711	(419,962)	71,574,790
227	Successor Agency to CRA	(480,170)	196,500	196,500	-	(480,170)
	Successor Agency Total	(480,170)	196,500	196,500	-	(480,170)
	TOTAL CITY & CRA	92,302,314	77,593,486	77,510,890	82,595	92,384,909



City of South Pasadena Finance Department

Memo

Date: May 17, 2022
To: The Honorable City Council
Via: Arminé Chaparyan, City Manager
From: Ken Louie, Finance Director

June 15, 2022 City Council Meeting Item No. 23 Adoption of 2022-2023
Annual Budget and Resolution

The memo provides corrections to Item 23:

- Page 23 – 1: Reflects the third recommendation to City Council to receive and file the Annual Consolidated Financial Report (ACFR). A draft was provided as Attachment 5.
- Page 23 – 6: The Final Annual Consolidated Financial Report (ACFR) dated June 13, 2022 is the updated Attachment 5.
- Page 23 – 21: An updated signed City Manger's Budget Message is attached.



City Council Agenda Report

ITEM NO. 23

DATE: June 15, 2022

FROM: Arminé Chaparyan, City Manager *AC*

PREPARED BY: Ken Louie, Interim Director of Finance

SUBJECT: Continued Public Hearing and Adoption of Fiscal Year 2022-2023 Annual Budget

Recommendation

It is recommended that the City Council:

1. Conduct a Public Hearing, continued from June 1, 2022, regarding the adoption of the Fiscal Year 2022-23 Annual Budget; and
2. Approve a Resolution adopting the Fiscal Year 2022-2023 Annual Budget.
3. Receive and file the Annual Consolidated Financial Report (ACFR) for 20-21

Background

The City of South Pasadena adopts a comprehensive Annual Adopted Budget ("Budget") for all funds including the General Fund. In addition to the General Fund, there are Enterprise Funds, Special Funds and Internal Service Funds. Unlike the General Fund, Enterprise funds such as the Water and Sewer Funds can be for-profit, and serve to provide a public service while making sure that they are solvent, where revenues meet or exceed expenses. The City also has Special Funds which include but are not limited to Prop A, Prop C, and Metro grants. These funds must be spent on a specific purpose, are usually funded via a federal, state or county source, and are highly regulated by a third-party secured by the grantor. Internal Service funds are implemented within the agency to ensure that all funds are paying/receiving their fair share of revenue and expenses, as is the case with the City's Fund 103 - Insurance Fund, which collects from the appropriate internal entity so each entity can be charged its fair share of insurance costs.

The Budget process begins early in the calendar year and is a lengthy process of department meetings, and revenue and expenditure analyses, and projections for the year ahead. Once all departments have submitted their proposal for the upcoming fiscal year, they confer on the final proposal with the City Manager. The proposed budget is presented to the Finance Commission, where their recommendation of the document is requested for the City Council's consideration, and on May 23, 2022, the Finance Commission unanimously recommended this budget for City Council's consideration.

A budget study session was held with the City Council and community on May 25, 2022, where staff solicited input and received direction on the proposed budget, one-time federal grant monies and City fund classifications. The City Council also heard from the City’s auditor on a positive draft report, and the forthcoming finalization of the 2021-2022 audit. The City Council then held a public hearing on June 1, 2022 to formally review the 2022-2023 proposed Annual Budget and to approve of the five-year Capital Improvement Program (CIP). The CIP was approved, and the only material change to the budget that resulted from their discussion and direction was a retitling of a Reserve Fund from “Slater Reimbursement” to “Caltrans Housing/626 Prospect Ave Litigation Fund”. The City Council had no numeric changes to the proposed budget as presented, though Staff gave mention that on Page 32 there were a couple of cleanup items:

- Fund 213 – SB2 Planning Grant was inadvertently listed twice appearing as Fund 216 as well but this has been removed for the final adoption.
- Fund 237 – Road Maintenance and Rehab will only need \$585,093 (instead of \$592,093) for Street Repairs. We have removed and zeroed the line-item “CIP Expenses”. Total for this fund is \$585,093.

Analysis

The Proposed Budget features Total Budget Revenues of \$77,593,486 and Total Budgeted Expenditures of \$78,102,983 for a net organizational change of negative \$509,498. The General Fund is budgeting revenues/inflows of \$44,013,237 and Expenditures/outflows of \$43,510,679 for a projected net positive change of \$502,558. This budget also includes the consideration and allocation of the Coronavirus State and Local Recovery Funds (SLFRF) as noted.

Major Revenues/Inflows

Property Tax	\$18,140,368
Sales Tax	\$ 5,806,000
Utility Users’ Tax	\$4,299,703
Planning/Bldg. Fees	\$1,636,200
SLFRF	\$6,059,235
All Others	\$8,071,731
Total	\$44,013,237

Major Expenditures/Outflows

Labor costs	\$24,870,216
Operations & Maintenance	\$10,498,90
CIP Contribution	\$1,133,483
Transfers Out	\$383,079
SLFRF	\$5,830,000
Capital Outlay – Equip.	\$795,000
Total	\$43,510,679

Net Proposed Change **\$502,558**

Department Specific Proposed Budget Highlights

Below are some highlights in the proposed budget, reflecting the big takeaways from each respective department:

Library

- New full-time Librarian
- New workstations for Support Services Division
- Budgeted \$20,000 for books/DVD's/CD/e-books
- Requesting Coronavirus State and Local Fiscal Recovery Funds (SLFRF) consideration for RFID Automated System (\$160,000)

Community Services

- Return of all Senior, Recreation events, classes, programs
- Funding for Festival of Balloons/Fourth of July Fireworks Show and Event
- Construction of Berkshire and Grevelia Pocket Parks- Funding via impact fees and grants
- Requesting Coronavirus State and Local Fiscal Recovery Funds (SLFRF) consideration for Registration System Software (\$50,000)

Fire

- Requesting Coronavirus State and Local Fiscal Recovery Funds (SLFRF) consideration for three (3) critical apparatus replacement:
 - Air Utility Apparatus (\$600,000)
 - Rescue Ambulance (\$250,000)
 - Breathing Apparatus (\$150,000)

Management Services

- Phase II of Class and Comp Study
- City General Election (November)
- Recruitment and employee engagement efforts
- Return of Commissioner Congress program
- Requesting Coronavirus State and Local Fiscal Recovery Funds (SLFRF) consideration for IT Master Plan Implementation (\$100,000) / Employee Engagement/Retention (\$150,000)

Community Development

- New Senior Management Analyst focused on housing programs
- New Part-Time Code Enforcement Officer for weekends/evenings
- Convert 3 part-time positions into 1 full-time Permit Counter Technician
- Historical Residential Property Survey

Public Works

- New Transportation Engineer
- Increase in tree planting budget to accelerate planting

- Requesting Coronavirus State and Local Fiscal Recovery Funds (SLFRF) consideration for Asphalt truck replacement (\$300,000)

Police

- Unfreezing of Deputy Chief position
- Unfreezing of Officer position
- Continued exploration of fleet replacements and carryover of Mental Health programming funding
- Implementation of city-wide license plate reader
- Requesting Coronavirus State and Local Fiscal Recovery Funds (SLFRF) consideration for Electronic Control Device (ECD) replacement (\$70,000)

Staffing Changes from FY 21/22 Budget to Proposed FY 22/23 Budget

In the FY 21/22 Budget Mid-Year, City Council approved five (5) positions: Deputy City Manager, Management Services Director, two Management Analysts in Public Works and an Accountant in Finance. Positions were added in a reorganization of the City Manager's Office and in development of the Management Services Department, as well as a reorganization of the Public Works Department. In the proposed FY 22/23 budget, three (3) new positions are being proposed: Transportation Engineer (Public Works), Permit Counter Technician and Senior Management Analyst for Housing (Community Development). We are also requesting the unfreezing of three (3) positions: Deputy Police Chief, Police Officer and Librarian. These positions reflect a change of 11 new or unfrozen positions across the organization between the two fiscal year budgets, and provide for further capacity for priority areas. All other modifications are reclassifications of existing positions.

Comprehensive Audit Update

The City uses Rogers, Anderson, Malody and Scott, LLP (RAMS) to conduct its annual audits. The audit for fy 2020-2021 has now been completed with no material misstatements or inconsistencies. RAMS Audit Manager, Brianna Shultz had previously testified to the City Council at a special meeting held on May 25, 2022 that there were no material items of concern. Staff is seeking a receive and file action on this item to begin to focus on the fy 2021-2022 audit.

State and Local Fiscal Recovery Funds (SLFRF)

The City has received \$6,059,235 in unrestricted one-time federal grant monies for COVID-19 response and recovery. These funds were intended to assist local entities in offsetting the costs and circumstances encountered due to the COVID-19 pandemic. However, in January 2022 the "Final Rule" with regards to these funds was issued and does not place any restrictions on the use of these funds for entities receiving less than \$10 million. At the regular meeting of June 1, 2022, the City Council approved the use of \$5,830,000 of this relief funding as listed below. The adoption of these projects leaves \$229,235 available for future appropriation:

- \$1,000,000 COVID-19 Emergency Response (expended and anticipating partial recovery of funds via FEMA)

- \$3,000,000 Labor/ Capital Improvement Program (CIP) Injection Fund
- \$1,000,000 Fire Apparatus/Ambulance
- \$300,000 Public Works Asphalt Utility Truck
- \$530,000 Citywide Technology Enhancements
 - \$160,000 Library RFID Automated System
 - \$150,000 Employee Engagement and Retention
 - \$100,000 IT Master Plan Implementation
 - \$70,000 Police Electronic Control Device (ECD) Replacement
 - \$50,000 Community Services Registration Software

Designated Fund Balances Adjustments

The City Council approved the following changes to Designated/Committed fund balances at the regular City Council meeting held on June 1, 2022:

Removal of designations (\$1,789,067) and their return to Undesignated Fund Balance:

- \$900,000 Fiscal Sustainability Reserve
- \$500,000 Legal Services Reserve
- \$267,067 Maintenance Yard Community Center
- \$100,000 Vehicle Replacement Reserve
- \$22,000 Library Park Drainage Reserve

The following designated fund balances will now be renamed:

- “SR-110 Interchange Rogan Match” becomes “Transportation Projects- Rogan Fund Match”
- “Slater Reimbursement” becomes “Caltrans Housing/626 Prospect Ave Litigation Fund”

Capital Improvement Program (CIP)

In accordance with section 65401 of the California Government Code, a City that has adopted a General Plan and recommends, prepares plans for, or constructs major public works, shall also prepare a coordinated program of proposed public works for the ensuing fiscal year. The CIP for fiscal year (FY) 2022-2023 is included in the City’s Preliminary FY 2022-2023 Budget and was approved at the regular City Council meeting held on June 1, 2022.

In addition, a Five-Year CIP is included as an attachment to the Budget, which outlays planned physical improvements, such as buildings, transportation and street projects, parks, water & sewer facilities, etc. These projects are to be recommended for adoption in future proposed budgets for fiscal years 2023-2024 through 2026-2027. This CIP does not include costs for operational functions, programs, and routine maintenance activities, as is typical of CIPs. Furthermore, the attached five-year CIP includes references to the City’s current General Plan to demonstrate that the proposed projects support, promote, or implement the statements, goals, policies and programs in the General Plan.

Fiscal Impact

The net General Fund fiscal impact of the Proposed Budget is a positive increase to fund balance of \$502,558.

Community Outreach

The proposed budget document has been made available for public review through the posting of the document for the Finance Commission meetings, on the City's website, through the City's social media and e-newsletter communications tools. The City held a Special City Council Meeting on May 25, 2022 where the public had the ability to comment and provide feedback on this item.

Commission Review

The Finance Commission met on May 16, 2022 to receive a presentation on the FY 22/23 Proposed Budget, and provided good feedback to staff deliberate on the Proposed Budget. The Commission met a second time on May 23, 2022 for further discussion, and unanimously approved their recommendation for the City Council to consider adoption.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by a Notice of Public Hearing posted in the *Pasadena Star News*.

Attachments:

1. 2022-23 Annual Budget Resolution
2. Proposed Changes Made During June 1, 2022 Budget Hearing
3. City Manager's Budget Message
4. Full Draft Fiscal Year 2022-23 Budget (link)
5. Annual Consolidated Financial Report (ACFR) - June 13, 2022

City Manager's Budget Message

Fiscal Year 2022/2023

June 15, 2022

Honorable Mayor and City Councilmembers and South Pasadena Community Members:

It is my pleasure to present to you the FY 2022/23 Annual Budget for your review. As we bring down the curtain on a successful 2021-22 year in which we embarked on right-sizing the organization, re-organized departments for maximum functionality, re-established our Capital Improvement Program (CIP), and drafted the first citywide Financial Policies and Procedures, to name a few accomplishments. Our theme of "Going Back to the Basics of Good Governance" was consistent and included in all our efforts. Additionally, we continue to navigate the organization through the ripple effects of the ongoing pandemic.

This guiding document communicates the priorities of the community, and as we continue to align the City's services, programming and focus to the adopted Strategic Plan, we look to you to fund the priorities that you have set. This is the first budget process under our new leadership and administration, and we are committed in bringing better and best practices to the annual budget process, and one that is a comprehensive and collaborative effort. We have held numerous meetings with staff and department directors, review sessions with the Mayor and City Council, and hosted presentations at Finance Commission and a Special Study Session to invite your review, input and guidance on the budget. We have worked hard to align our annual audit and final findings, to ensure the City Council has all pertinent information in their consideration, and moving forward, we will continue to make improvements. You will notice that all departments have identified Key Performance Indicators (KPI's) and a commitment to quantify our accomplishments and efforts, and this information will help to inform and guide future efforts. As we look to see which programs and services are doing well, we take the opportunity to revamp and reimagine other efforts.

This is a status-quo budget, with some adjustments as we bring back our levels of service and programming. Citywide operations are back in full force, and we continue to work on our staffing recruitment and retention and provide all of the services that our community has come to love and expect from the City of South Pasadena. Our staff has served this community through the pandemic, and together we have weathered the impacts of COVID-19 and the ebbs of flows of surge periods together, including impacts to our own health and staffing levels at certain times. While you learn some new names and faces at City Hall and across our organization, we are thrilled to attract professional team members as we define new standards and professionalize the agency while implementing better practices. We look to the future with cautious optimism as we work toward our new theme of 'Recovery, Resilience, and Rebuilding'.

I wish to thank the City Council for their leadership as we continue to work through the restoration of services impacted by the pandemic and continue working for an improved tomorrow. I am also appreciative of South Pasadena residents for their continued support of the City. We look forward to a phenomenal 2022-2023 fiscal year.

Respectfully submitted,



Arminé Chaparyan
City Manager

FY 2022/23 Annual Budget- Highlights

Revenue

Economists consider today's economy to be shaky as inflation has severely escalated in 2022, fuel costs have more than doubled in recent months as the tensions overseas continue to build. Nationally, the Country is experiencing supply chain issues as products/deliveries attempt to recover from international issues and the pandemic. Fortunately, however, based on the makeup of South Pasadena, the current climate has not been as damaging as it has been to other cities that have a different revenue base such as tourism-based (transient occupancy tax) or big-box stores-reliant (sales tax). Our city is blessed to be a beautiful bedroom community with a growing business hub, at a time where property values continue to rise and median county property values reach all-time highs. Furthermore, as the overall property tax rate in the City may be in line with other cities, the percentage of what is returned to the city is a very palatable 24 cents on the dollar. The total Property Tax to the General Fund will be an estimated \$18.1 million which represents more than half of total revenues (\$36.1m).

One other interesting revenue note is the stellar performance of the City's new Measure A – “.75 cents” Sales Transaction Tax as it is now outperforming its traditional counterpart the Bradley-Burns 1% Sales Tax (\$3m to \$2.9m). This of course is due to the fact that the Measure A Transaction Tax is transaction-based and any activity traced to South Pasadena will generate the tax. In the new era of online purchases and direct deliveries, this has been a significant revenue stream. Now having been acclimated to this new convenience in life (expedited due the pandemic), we do not anticipate consumers ever reversing this trend.

The American Rescue Plan Act of 2021 created the State and Local Fiscal Recovery Fund (SLFRF) which is a one-time federal grant for pandemic response and recovery, a total of \$6,059,235 in unrestricted funds to the City. These now-unrestricted funds provide an opportunity for the City Council and community to provide input on priority and opportunity uses of the funds to alleviate and shift some otherwise reliance on the General Fund. City Council has taken the time to have fruitful discussion and provided direction to staff on the allocation and prioritization of the funds, as follows:

- \$1 million for COVID-19 Emergency Response (expended and seeking reimbursement via SLFRF and FEMA)
- \$1 million for Fire Department apparatus and replacement of ambulance
- \$3 million for Labor/ Capital Improvement Program (CIP) infusion
- \$300,000 for Public Works Automated Asphalt Truck
- \$530,000 for Citywide technology enhancements
 - \$160,000- Library RFID Automated System
 - \$150,000- Employee Engagement and Retention
 - \$100,000- IT Master Plan
 - \$70,000- Police Electronic Control Device (ECD) Replacements
 - \$50,000- Community Services Registration Software

As part of the budget process, staff is requesting that the City Council finalize the list of how the funds will be spent as the funds must be encumbered by 2024 and spent by 2026.

Expenditures

The goal for the budget season was to build a status-quo budget that returned the pre-pandemic levels of service and programming. Comparing the upcoming budget expenditure totals to recent years would not be an accurate or fair comparison as the City experienced many closures and unusual expenditures during the pandemic, and this budget was a significant clean-up effort of

the past. While there was savings in many of our parks programs, the City experienced increased overtime costs due to insufficient staffing and was required to perform emergency measures and purchases to mitigate the effects of the pandemic. Going forward, we look forward to the return to a full slate of programs in our Senior and Recreation events, classes and programs. We look to re-instate many ventures that were tempered, tabled or went unbudgeted. Some of our expenditure highlights for the upcoming year are:

Positional changes

Restore Full-time Librarian
Sr. Management Analyst in the creation of a Housing Division
Part-time Code Enforcement Officer for weekends/evenings
Transportation Engineer
Unfreezing of Deputy Chief position
Unfreezing of Officer position
Convert 3 part-time positions to 1 full-time Permit Counter Tech

Capital items

Workstations for Support Services Division in the Library
Budget for books, DVD's, CD's, E-books in the Library
Fire Air Quality Apparatus (SLFRF funded)
Fire Rescue Ambulance (SLFRF funded)
Breathing Apparatus (SLFRF funded)
Asphalt Pickup Truck (SLFRF funded)
Citywide technology improvements and enhancements (SLFRF funded)
Emergency improvements to Eddy House facility

Programming

Return of all Senior and Recreation events, classes and programs
Festival of Balloons/Fourth of July Fireworks Show and Event
Construction of Berkshire and Grevelia pocket parks using Impact Fees/grants

Studies and Programs

Funding for Phase II of Class and Comp Study
Funding for City General Election (November)
Funding for recruitment and employee engagement
Return of Commissioner Congress
Historical Homes Survey
Increase in tree planting budget
Continued exploration of fleet replacements and electrification efforts
Implementation of citywide license plate reader

The City is in the final stages of labor negotiations with employee groups. The result of this finalization will have a financial impact on the upcoming budget.

The grand total of budgeted General Fund expenditures/outflows is \$43.5m with \$24.8m attributable to labor costs, \$11.6m in Maintenance and Operations, \$5.8m SLFRF projects, \$795,000 in Capital and \$383,079 in Transfers Out. The budget as it stands today, when comparing revenues to expenditures is a net positive of \$502,558 (please see schedules).

The chart below summarizes General Fund Operating revenues from FY 2019 to the Proposed FY 2023.

General Fund Operating Revenue History

Revenue Category	Actual	Actual	Unaudited	Budgeted	Estimated	Proposed
	2018/19	2019/20	Actual 2020/21	2021/22	2021/22	2022/23
Property Taxes	15,368,198	15,491,557	17,085,308	16,490,087	17,447,789	18,140,368
Assessments & Special Taxes	330,941	342,237	347,931	357,170	357,170	360,000
Sales Taxes	2,563,117	2,864,474	5,446,338	4,836,713	5,601,838	5,806,000
Utility Users Taxes	3,228,320	3,445,454	3,738,531	3,383,000	4,260,000	4,299,703
Franchise Fees	1,132,910	950,130	1,200,408	1,169,000	1,212,000	1,217,000
License & Permits	892,560	861,697	808,280	819,280	903,280	903,280
Fines & Forfeitures	339,636	264,601	143,449	265,000	265,000	140,000
Use of Money & Property	1,057,074	989,984	4,787,570	438,500	398,500	508,500
Other Agencies	711,179	64,239	955,205	345,000	345,000	345,000
Current Services	3,082,342	2,985,842	3,079,621	3,276,000	3,456,000	3,877,200
All Other Revenues	(2,130,764)	74,367	185,338	89,500	84,500	6,143,735
Reimbursement From Other Funds	483,384	483,384	483,384	483,384	483,384	483,384
Operating GF Revenues	27,058,896	28,817,965	38,261,363	31,952,634	34,814,461	42,224,170

General Fund – Operating Expenditures

The overall General Fund expenditures/outflows, are estimated at \$43.5m. The Operating Expenditure portion is \$41,721,612. This is approximately \$200,000 more than what was budgeted last year. The upcoming budgeted year has an infusion of \$5.8m in SLFRF funds whereas last year had a \$4.4m infusion from a onetime Cell Tower revenue stream.

General Fund Operating Expenditures By Type

Fd	Category/Fund	Actual	Actual	Unaudited	Budgeted	Estimated	Proposed
		2018/19	2019/20	Actual 2020/21	2021/22	2021/22	2022/23
101	Wages & Benefits	17,615,843	19,457,515	22,095,018	22,510,093	22,440,911	23,923,772
101	Operations & Maintenance	6,436,170	6,677,254	6,519,308	10,069,477	8,109,228	15,996,878
101	Capital Outlay	405,680	95,613	39,802	105,500	85,000	284,400
101	Other Expenses	-	-	-	-	-	-
101	Transfer Out	1,860,956	2,451,729	2,521,877	1,498,281	1,498,281	721,562
101	Capital Projects	213,344	-	-	-	-	795,000
	Operating GF Exp	26,531,994	28,682,111	31,176,005	34,183,351	32,133,420	41,721,612

Wages and Benefits make up the "Lion's Share" of the total expenditures as each year shows a gradual increase.

GENERAL FUND EXPENDITURES BY DEPARTMENT

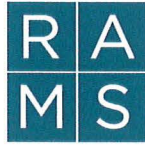
The chart below shows the General Fund expenditures by department from Fiscal Year 2018 to the present. Of note for this fiscal year:

- Public Safety, composed of the Fire and the Police Department, accounts for 48% of the General Fund budget.
- The Management Services department which includes City Clerk, Information Services, Grants Management, Legal Services, and Human Resource has now been split off from the City Manager's Office as a new department.
- While the Public Works General Fund portion is only 8%, it is important to note that other functions of the department are accounted for in other funds such as the Water, Sewer and other special funds.

General Fund Expenditures by Department

Department/Program Exp	Actual		Unaudited	Budgeted	Estimated	Proposed
	2018/19	2019/20	Actual 2020/21	2021/22	2021/22	2022/23
City Council	41,990	45,401	35,890	50,119	50,162	49,194
City Manager	1,142,872	1,512,868	1,577,656	813,119	745,940	1,089,081
Management Services						
Management Services	-	-	-	251,660	215,829	459,346
City Clerk	281,872	113,311	115,512	329,711	307,700	409,359
Elections	58,244	185,743	76,843	165,500	52,750	166,000
Human Resources	453,421	324,830	350,761	685,224	727,405	762,848
Transportation Planning	86,257	12,835	287	-	90	-
Legal Services	331,356	492,566	607,285	450,000	450,000	450,000
Information Systems	547,079	573,881	541,110	601,850	702,250	764,200
Finance						
Finance	1,082,072	755,116	871,011	967,676	903,836	875,851
City Treasurer	9,165	9,211	8,444	9,250	9,250	8,752
Non-Dept/Overhead	1,044,550	1,060,512	1,642,946	2,514,682	1,786,000	8,446,340
Police	8,391,436	9,171,740	10,398,243	9,960,831	9,956,435	10,684,973
Fire						
Fire	4,695,243	5,435,419	6,315,749	6,292,549	6,605,019	6,580,280
Emergency Preparedness	386,516	91,913	31,932	55,000	40,000	55,000
Public Works						
Admin & Engineering	614,100	586,534	618,493	1,017,348	744,746	773,121
Environmental Services	44,051	54	653	83,410	64,210	304,979
Park Maintenance	493,227	497,591	476,793	672,292	496,997	906,969
Facilities Maintenance	640,250	799,206	826,985	971,565	1,002,645	1,018,059
Community Development	1,116,412	1,876,257	1,806,432	3,483,795	2,629,503	2,994,886
Library	1,672,375	1,525,685	1,608,369	1,849,686	1,817,646	1,867,814
Community Services						
Senior Services	336,850	330,809	202,374	396,764	322,451	427,928
Community Services	192,289	172,667	217,223	214,635	201,258	338,866
Recreation and Youth Services	796,066	656,232	323,135	848,404	803,016	771,205
Capital Projects	213,344	-	-	-	-	795,000
Misc/Transfers Out	1,860,956	2,451,729	2,521,877	1,498,281	1,498,281	721,562
Operating GF Expenditures	26,531,994	28,682,111	31,176,005	34,183,351	32,133,420	41,721,612

ATTACHMENT 5
Annual Consolidated Financial Report (ACFR)
June 13, 2022



June 13, 2022

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California Society of
Certified Public Accountants

In planning and performing our audit of the financial statements of the City of South Pasadena (the City) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 13, 2022 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Observation 1:

During our audit procedures over the June 30, 2021 audit, we noted the City is utilizing the *Master Schedule of Fees for Service for Fiscal Year 2010/11, and Reallocation of Administrative Expenses Among Various Funds* as the basis for the allocation of administrative funds between the General Fund and the Water Fund.

We recommend the City have a cost analysis done by a third party, at a minimum, every 5 years, to ensure a true reflection of costs is charged amongst the funds. We are including this comment again in the current year as the timing and completion of the 2021 audit was near the June 30, 2022 year-end date. We understand these changes could not have been fully implemented in sufficient time.



Observation 2:

During our audit procedures over the June 30, 2021 audit, we noted that there was a lack of documentation for the review process within the payroll processing function.

We recommend the City consistently document their various review procedures over the payroll cycle. We are including this comment again in the current year as the timing and completion of the 2021 audit was near the June 30, 2022 year-end date. We understand these changes could not have been fully implemented in sufficient time.

We believe that the implementation of these recommendations will provide the City with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

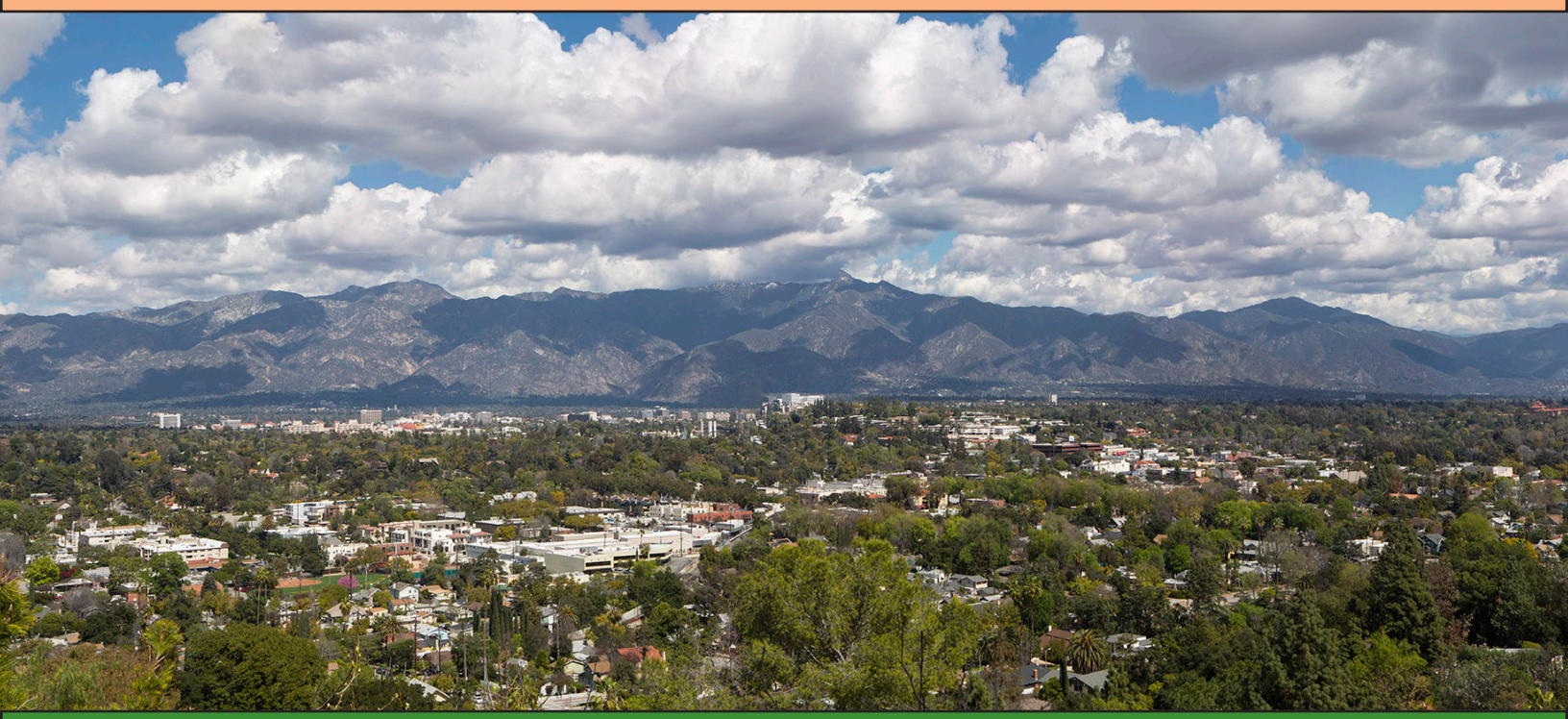
This communication is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2021



CITY OF
SOUTH PASADENA, CALIFORNIA

CITY OF SOUTH PASADENA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY: FINANCE DEPARTMENT

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CITY OF SOUTH PASADENA

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June 13, 2022

Honorable Mayor and Members of the City Council,

We proudly present to you the City of South Pasadena's Annual Comprehensive Financial Report. This report consists of management's representations concerning the finances of the City of South Pasadena. It was prepared by the Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the data presented is complete and reliable in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary to enable the reader to gain a good understanding of the City's financial activity have been included.

The City's financial statements have been audited by Rogers, Anderson, Malody & Scott, LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021, 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, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the City of South Pasadena

South Pasadena is located approximately six miles northeast of downtown Los Angeles, on the



west side of the San Gabriel Valley between the cities of Pasadena, San Marino, Los Angeles and Alhambra and has a population of 25,992. Founded in 1874 by the Indiana Colony, the City encompasses 3.44 square miles and was incorporated as a General Law city of the State of California on March 2, 1888. South Pasadena is noted for its beautiful, historically significant homes on tree-lined streets, for its excellent public schools and

for a small-town atmosphere in the midst of greater Los Angeles.

The City is a full-service general law city that operates under the Council-Manager form of government. The City Council consists of five members, each representing one of five districts, elected to four-year staggered terms of office. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected official is the City Treasurer who serves a four-year term of office.

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

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

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

Towards the end of FY 2020/2021, the City of South Pasadena, the greater Los Angeles region and the State of California, began to rebound from the economic effects of the pandemic. Local business began to re-open and many County-led restrictions began to be lifted.

The four largest sources of revenue to the City's General Fund and their overall share are Taxes at \$27.1 million (72%), Use of Money and Property at \$4.8m (13%), Charges for Services at \$3.2m (9%) and Licenses and Permits at .8m (2%).

The City of South Pasadena generates the lion's share of its revenue from taxes and more specifically Property taxes which make up more than half of the General Fund revenues. This revenue stream has proved solid despite the wavering of its other counterparts during the pandemic. While revenue streams such a Sales Tax and Transient Occupancy Tax at other cities suffered tremendous fluctuations during the pandemic, the City enjoyed the continued uptick of local property values which increased local valuations and ultimately revenue. This continued strong showing was further compounded by the fact that the City 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. Additionally, many cities that had no or low property tax rates at the onset of the 1970's era Prop 13 were left with a frozen low tax rate.

The Utility Users Tax (UUT) is the second largest revenue source for the General Fund, at \$3.7 million. At the November 2020 General Municipal elections, the South Pasadena community voted to extend the UUT in perpetuity, while retaining the amount at the current 7.5%. For this renewal, the usual sunset clause was removed.

In November 2019, Measure A was placed on a special election ballot. It represented an initiative to create a ".75" Transaction Tax on all applicable goods and transactions taking place in the City. The measure was passed by the voters and despite having a lower percentage (.75% to 1.00%) than the traditional Bradley-Burns Sales Tax would eventually outpace the original sales tax. This is largely due to the advent of the pandemic forced consumers to stay indoors and the "at-home" delivery of food, goods and services. The transaction tax would now pick up such transactions and the City would benefit from the full .75% (not allocated to County pool).

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

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, error and omissions; injuries to employees and natural disasters. The City utilizes a 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.

The City has five retirement plans Miscellaneous (Classic), Safety (Classic), Miscellaneous PEPPRA, Police PEPPRA and Fire PEPPRA. PEPPRA stands for Public Employees' Pension Reform act of 2013. This act drastically limited the benefits a retiree may receive in an effort to limit the spiraling retirement costs that cities were facing. The spirit of PEPPRA is to have new employees beginning in 2013 pay a greater share of their retirement costs. The two major plans amongst those listed above are the Miscellaneous and Safety (Fire and Police) plans for Classic members. The Miscellaneous plan is approximately 71% funded and the Safety plan is about 68% funded. South Pasadena offers one of the lowest pension formulas (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.

At the beginning of 2021-2022, the City received an advance payment of its Cell Tower revenue in the amount of \$4,374,439. The City responsibly conducted an actuarial study as it examined the potential benefits of paying down unfunded liability. The City would eventually use the Cell Tower proceeds as well as an additional \$1,000,000 to pay down pension and Other Post Employment (OPEB) debt. This will serve to reduce annual payments over the next few fiscal years.

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. In early fiscal year 2022-23, the City will adopt organization-wide financial policies and procedures.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Pasadena for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City has applied for the June 30, 2020 award but has not heard back officially from GFOA.

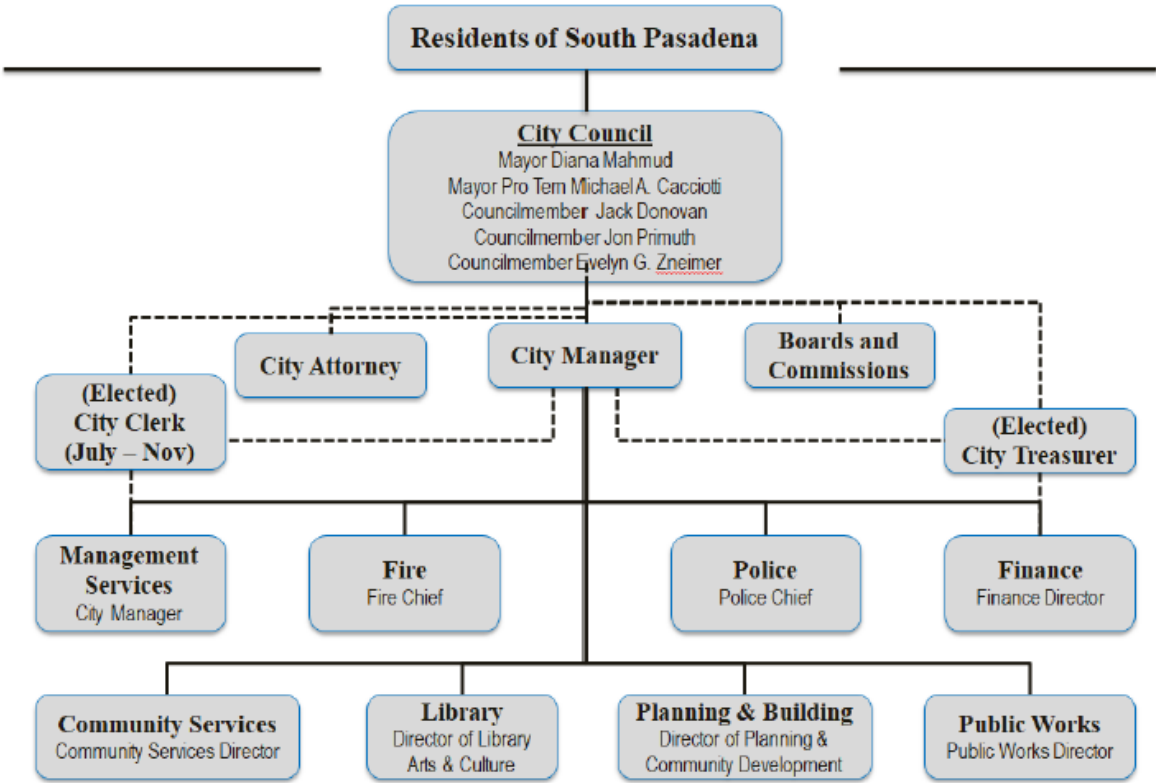
The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff. Despite the lack of staffing and all the perils that came with the two

major waves of the pandemic, we feel a sense of accomplishment in completing this audit. Finally, a sincere measure of gratitude to our audit firm of Rogers, Anderson, Malody & Scott, LLP, for their contributions toward improving our financial reporting and year end processes.

Respectfully submitted,


Arminé Chaparyan
City Manager

Organization Chart



CITY OF SOUTH PASADENA, CALIFORNIA

OFFICIALS OF THE CITY OF SOUTH PASADENA

CITY COUNCIL

Diana Mahmud
Mayor

Michael A. Cacciotti
Mayor Pro Tempore

Evelyn G. Zneimer
Councilmember

Jack Donovan
Councilmember

Jon Primuth
Councilmember

ADMINISTRATION AND DEPARTMENT HEADS

City Manager	Arminé Chaparyan
Chief City Clerk	Lucie Colombo
City Treasurer	Gary E. Pia
City Attorney	Teresa L. Highsmith
Director of Finance	Vacant
Director of Library, Arts, and Culture	Cathy Billings
Police Chief	Brian Solinsky
Director of Community Services	Sheila Pautsch
Fire Chief	Paul Riddle
Director of Public Works	Shahid Abbas
Director of Planning and Building	Joanna Hankamer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Pasadena
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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Jenny W. Liu, CPA, MST
Brenda L. Odle, CPA, MST (Partner Emeritus)

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Veronica Hernandez, CPA
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Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information Included in the Annual Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
June 13, 2022

CITY OF SOUTH PASADENA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

(A) Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$95,361,365. Unrestricted net position in a negative amount of (\$9,932,600) 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 \$13,037,060.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$40,053,954 an increase of \$9,258,444. Of this amount, \$17,410,725 or approximately 43% 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 \$18,710,860, or 67% of the total General Fund Expenditures.
- The City's net investment capital assets decreased \$1,029,332 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, 2021

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, 2021

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 and deferred outflows exceeded liabilities and deferred inflows by \$95,361,365 at the close of the most recent fiscal year. This represents an increase of \$13,037,060 or 16% from the prior year, primarily due to an increase in other taxes accompanied by decreases in expenses in various departments. Capital Assets are by far the largest portion of the City's net position; \$93,434,710 or 98% 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, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 43,101,331	\$ 34,450,764	\$ 20,028,678	\$ 17,594,852	\$ 63,130,009	\$ 52,045,616
Capital assets, net	60,662,686	59,395,318	85,166,004	84,733,676	145,828,690	144,128,994
Total assets	103,764,017	93,846,082	105,194,682	102,328,528	208,958,699	196,174,610
Deferred outflow of resources	12,342,964	9,290,434	6,039,225	6,201,041	18,382,189	15,491,475
Long-term liabilities	58,104,665	51,014,404	61,210,771	63,751,103	119,315,436	114,765,507
Other liabilities	4,858,626	5,260,167	4,188,395	4,426,924	9,047,021	9,687,091
Total liabilities	62,963,291	56,274,571	65,399,166	68,178,027	128,362,457	124,452,598
Deferred inflow of resources	3,236,341	4,323,058	380,725	566,124	3,617,066	4,889,182
Net investment in capital assets	60,662,686	59,395,318	32,772,024	25,255,248	93,434,710	84,650,566
Restricted	10,700,987	9,634,946	1,158,268	1,158,406	11,859,255	10,793,352
Unrestricted	(21,456,324)	(26,491,377)	11,523,724	13,371,764	(9,932,600)	(13,119,613)
Total net position	\$ 49,907,349	\$ 42,538,887	\$ 45,454,016	\$ 39,785,418	\$ 95,361,365	\$ 82,324,305

The second portion of the City net position of \$11,859,255 represents special revenue resources that are subject to external restrictions on how they may be used. Unrestricted net position shows a negative balance of (\$9,932,600).

CITY OF SOUTH PASADENA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

The City's governmental current assets increased by \$8,650,567 and capital assets increased by \$1,267,368. Current assets increased due to more cash on hand and capital assets increased due to completion of capital projects.

The City's business-type current assets increased by \$2,433,826 due to capital spending on water and sewer projects.

City of South Pasadena Change in Net Position For the Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 5,375,188	\$ 5,499,348	\$ 15,898,361	\$ 14,126,942	\$ 21,273,549	\$ 19,626,290
Operating contributions and grants	4,370,683	3,428,427	30,604	90,833	4,401,287	3,519,260
Capital contributions and grants	1,429,167	976,308	-	-	1,429,167	976,308
General revenues:						
Property taxes	16,772,602	15,491,557	-	-	16,772,602	15,491,557
Other taxes	10,674,440	7,896,945	-	-	10,674,440	7,896,945
Intergovernmental	-	-	-	-	-	-
Use of money and property	4,859,029	1,356,990	62,447	265,004	4,921,476	1,621,994
Other	152,783	197,666	24,736	652,353	177,519	850,019
Total revenues	<u>43,633,892</u>	<u>34,847,241</u>	<u>16,016,148</u>	<u>15,135,132</u>	<u>59,650,040</u>	<u>49,982,373</u>
Expenses:						
General government	8,488,362	10,256,658	-	-	8,488,362	10,256,658
Public safety	18,962,727	16,650,223	-	-	18,962,727	16,650,223
Community development	1,830,130	1,891,456	-	-	1,830,130	1,891,456
Community services	3,415,967	3,768,976	-	-	3,415,967	3,768,976
Public works	3,568,244	5,536,975	-	-	3,568,244	5,536,975
Water	-	-	7,935,991	8,817,002	7,935,991	8,817,002
Sewer	-	-	1,280,104	1,189,754	1,280,104	1,189,754
Golf course	-	-	1,131,455	1,030,565	1,131,455	1,030,565
Total expenses	<u>36,265,430</u>	<u>38,104,288</u>	<u>10,347,550</u>	<u>11,037,321</u>	<u>46,612,980</u>	<u>49,141,609</u>
Income before transfers	7,368,462	(3,257,047)	5,668,598	4,097,811	13,037,060	840,764
Transfers	-	(321,132)	-	321,132	-	-
Increase in net position	7,368,462	(3,578,179)	5,668,598	4,418,943	13,037,060	840,764
Net position, beginning, as restated	42,538,887	46,117,066	39,785,418	35,366,475	82,324,305	81,483,541
Net position, ending	<u>\$ 49,907,349</u>	<u>\$ 42,538,887</u>	<u>\$ 45,454,016</u>	<u>\$ 39,785,418</u>	<u>\$ 95,361,365</u>	<u>\$ 82,324,305</u>

Governmental Activities

Governmental activities net position increased by \$7,368,462 due to a decrease in expenses, mainly in general government, and Public Safety.

CITY OF SOUTH PASADENA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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 these funds at the end of the fiscal year shows \$11,523,724. Total net position for these funds was \$45,454,016 an increase of \$5,668,598 (14%) over the prior year, due to increases in the capital construction expenses and other capital improvement projects in process.

(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 \$40,053,954 an increase of \$9,258,444 from the prior fiscal year. Approximately 43% 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, committed by City Council action for specific purposes, or represents net position that are non-spendable resources.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$18,710,860, while the total fund balance reached \$25,643,607. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance (\$18,710,860) and total fund balance to total fund expenditures (\$28,023,716). The unassigned fund balance represents 67% of General Fund expenditures. Note the fund balance increase of 38% over the previous fiscal year.

General Fund Budgetary Highlights

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

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

CITY OF SOUTH PASADENA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

The General Fund reflected a net total favorable budget variance of \$3,122,187 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$2,363,269, a favorable variance in total expenditures of \$711,367, and a favorable variance in transfers out of \$47,551.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2021, amounts to \$60,662,686 and \$85,166,004 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, park improvements, roadways, vehicles, computer equipment, furniture, other equipment, and construction in progress.

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

Long-term liabilities. At the end of the current fiscal year, the City of South Pasadena had total liabilities outstanding related to governmental activities of \$58,190,993.

Governmental Activities Long-term Liabilities

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Employee compensated absences	\$ 863,279	\$ 935,322
OPEB liability	17,511,294	14,581,610
Net pension liability	39,816,420	35,591,004
Total long-term liabilities	<u>\$ 58,190,993</u>	<u>\$ 51,107,936</u>

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

Business-Type Activities Long-term Liabilities

	Business-Type Activities	
	<u>2021</u>	<u>2020</u>
Employee compensated absences	\$ 88,987	\$ 66,358
Loans payable	14,740,387	15,138,700
Bonds payable	42,560,331	44,066,081
OPEB liability	2,709,600	2,256,277
Net pension liability	2,836,413	3,736,073
Total long-term liabilities	<u>\$ 62,935,718</u>	<u>\$ 65,263,489</u>

Business-type activities long-term liabilities decreased \$2,327,771 during the current fiscal year due to principal debt service payments on the 2012 State Loan, 2013 Water Revenue Bonds, and 2016 Water Revenue Bonds. Further details on long-term debt can be found in Notes 5 through 8 in the Notes to Financial Statements section of this report.

CITY OF SOUTH PASADENA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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. To mitigate this situation, in 2021-2022 the City Council would give direction to use the \$4.3m in Cell Tower revenue as well as an additional million from reserves to pay down the current CalPERS unfunded liability as well as setting up an Other Post- Employment Benefits (OPEB) trust. The effect will be to lower required CalPERS contributions as well as responsibly setting up a trust for future employee post-retirement benefits.
- Despite all the issues brought on by the pandemic, the City of South Pasadena remains fiscally healthy due to its strong Property Tax base. The City is fortunate to receive \$.24 of each property tax dollar paid. Many cities receive as low as 5%.
- The 2019 implementation of the Measure A .75% Sales/Transaction Tax would loom large for the City in future years and would eventually outpace the Bradley-Burns traditional 1% Sales Tax.

During the 2021 fiscal year, unassigned fund balance in the General Fund remained substantial at \$18,710,860. The City has a policy of keeping no less than 30% in reserves when comparing Unassigned/Unrestricted Fund Balance to Annual Revenues. Under this formula, the General Fund would be at approximately 53% well over the 30% requirement.

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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 39,319,620	\$ 17,104,822	\$ 56,424,442
Receivables:			
Accounts	434,838	1,654,913	2,089,751
Taxes	1,841,371	-	1,841,371
Accrued interest	9,551	10,880	20,431
Internal balances	150,000	(150,000)	-
Due from other governments	163,087	-	163,087
Inventories	11,434	249,795	261,229
Restricted assets:			
Cash and investments with fiscal agent	-	1,158,268	1,158,268
Capital assets, not being depreciated	5,016,730	11,855,758	16,872,488
Capital assets, net of accumulated depreciation	55,645,956	73,310,246	128,956,202
Total assets	<u>103,764,017</u>	<u>105,194,682</u>	<u>208,958,699</u>
Deferred outflows of resources			
Deferred loss on debt refunding	-	4,906,738	4,906,738
Pension related	9,310,461	663,254	9,973,715
Other post-employment benefits related	3,032,503	469,233	3,501,736
Total deferred outflows of resources	<u>12,342,964</u>	<u>6,039,225</u>	<u>18,382,189</u>
Liabilities			
Accounts payable	1,407,298	1,497,245	2,904,543
Accrued liabilities	689,085	38,234	727,319
Accrued interest	-	589,875	589,875
Deposits payable	939,915	338,094	1,278,009
Claims and judgements payable	1,736,000	-	1,736,000
Compensated absences, due within one year	86,328	8,899	95,227
Loans payable, due within one year	-	406,048	406,048
Bonds payable, due within one year	-	1,310,000	1,310,000
Noncurrent liabilities:			
Bonds payable, due in more than one year	-	55,584,670	55,584,670
Compensated absences, due in more than one year	776,951	80,088	857,039
Net pension liability	39,816,420	2,836,413	42,652,833
Other post-employment benefits liability	17,511,294	2,709,600	20,220,894
Total liabilities	<u>62,963,291</u>	<u>65,399,166</u>	<u>128,362,457</u>
Deferred inflows of resources			
Pension related	1,437,764	102,422	1,540,186
Other post-employment benefits related	1,798,577	278,303	2,076,880
Total deferred inflows of resources	<u>3,236,341</u>	<u>380,725</u>	<u>3,617,066</u>
Net position			
Net investment in capital assets	60,662,686	32,772,024	93,434,710
Restricted for:			
Community development projects	1,192,835	-	1,192,835
Public safety	585,167	-	585,167
Community services	2,342,999	-	2,342,999
Public works	5,724,949	-	5,724,949
Capital projects	855,037	-	855,037
Debt service	-	1,158,268	1,158,268
Unrestricted	(21,456,324)	11,523,724	(9,932,600)
Total net position	<u>\$ 49,907,349</u>	<u>\$ 45,454,016</u>	<u>\$ 95,361,365</u>

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

CITY OF SOUTH PASADENA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,488,362	\$ 1,615,244	\$ 1,415,551	\$ -
Public safety	18,962,727	2,077,333	176,000	-
Community development	1,830,130	-	23,916	-
Community services	3,415,967	324,106	931,932	-
Public works	3,568,244	1,358,505	1,823,284	1,429,167
Total governmental activities	36,265,430	5,375,188	4,370,683	1,429,167
Business-type activities:				
Water	7,935,991	12,022,464	30,604	-
Sewer	1,280,104	2,108,764	-	-
Arroyo Seco Golf Course	1,131,455	1,767,133	-	-
Total business-type activities	10,347,550	15,898,361	30,604	-
Total Primary Government	\$ 46,612,980	\$ 21,273,549	\$ 4,401,287	\$ 1,429,167

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Business license taxes

Utility users tax

Other taxes

Use of money and property

Other

Total general revenues and transfers

Change in Net Position

Net Position, beginning

Net Position, ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,457,567)	\$ -	\$ (5,457,567)
(16,709,394)	-	(16,709,394)
(1,806,214)	-	(1,806,214)
(2,159,929)	-	(2,159,929)
1,042,712	-	1,042,712
<u>(25,090,392)</u>	<u>-</u>	<u>(25,090,392)</u>
-	4,117,077	4,117,077
-	828,660	828,660
<u>-</u>	<u>635,678</u>	<u>635,678</u>
<u>-</u>	<u>5,581,415</u>	<u>5,581,415</u>
<u>(25,090,392)</u>	<u>5,581,415</u>	<u>(19,508,977)</u>
16,772,602	-	16,772,602
5,132,645	-	5,132,645
995,705	-	995,705
392,174	-	392,174
3,738,531	-	3,738,531
415,385	-	415,385
4,859,029	62,447	4,921,476
152,783	24,736	177,519
<u>32,458,854</u>	<u>87,183</u>	<u>32,546,037</u>
7,368,462	5,668,598	13,037,060
42,538,887	39,785,418	82,324,305
<u>\$ 49,907,349</u>	<u>\$ 45,454,016</u>	<u>\$ 95,361,365</u>

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

CITY OF SOUTH PASADENA

**BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled cash and investments	\$ 23,465,987	\$ 15,819,365	\$ 39,285,352
Receivables:			
Accounts	401,687	33,151	434,838
Taxes	1,824,126	17,245	1,841,371
Accrued interest	-	9,551	9,551
Due from other governments	-	163,087	163,087
Due from other funds	1,308,865	-	1,308,865
Advances to other funds	150,000	-	150,000
Inventories	11,434	-	11,434
Prepaid items	1,171,430	-	1,171,430
	<u>\$ 28,333,529</u>	<u>\$ 16,042,399</u>	<u>\$ 44,375,928</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,091,634	\$ 292,475	\$ 1,384,109
Accrued liabilities	668,264	20,821	689,085
Deposits payable	930,024	9,891	939,915
Due to other funds	-	1,308,865	1,308,865
	<u>2,689,922</u>	<u>1,632,052</u>	<u>4,321,974</u>
Fund Balances:			
Nonspendable:			
Advances to other funds	150,000	-	150,000
Inventories	11,434	-	11,434
Prepaid items	1,171,430	-	1,171,430
Restricted for:			
Community development projects	-	1,192,835	1,192,835
Public safety - police	-	585,167	585,167
Community services	-	2,342,999	2,342,999
Public works - streets and roads	-	5,296,279	5,296,279
Capital projects	-	855,037	855,037
Public works - street lighting	-	428,670	428,670
Committed to:			
Capital projects	-	5,009,495	5,009,495
Arroyo Golf Course Facility	600,000	-	600,000
CalTrans Vacant Lot Purchases	392,000	-	392,000
Legal Services Reserve	500,000	-	500,000
Library Expansion	200,000	-	200,000
Maintenance Yard/Community Center Reserve	267,067	-	267,067
Renewable Energy Sources	700,000	-	700,000
Retiree Medical Benefits	500,000	-	500,000
Retiree Pension Benefits	500,000	-	500,000
Stormwater Reserve	600,000	-	600,000
Library Park Drainage Reserve	22,000	-	22,000
Financial Sustainability Reserve	900,000	-	900,000
Slater Reimbursement Reserve	345,876	-	345,876
Assigned to:			
Stables CIP Reserve	72,940	-	72,940
Unassigned	18,710,860	(1,300,135)	17,410,725
	<u>25,643,607</u>	<u>14,410,347</u>	<u>40,053,954</u>
Total fund balances	<u>25,643,607</u>	<u>14,410,347</u>	<u>40,053,954</u>
Total liabilities and fund balances	<u>\$ 28,333,529</u>	<u>\$ 16,042,399</u>	<u>\$ 44,375,928</u>

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

CITY OF SOUTH PASADENA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds		\$ 40,053,954
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.		60,662,686
Deferred outflows and inflows of resources related to pensions and other post-employment benefits liabilities have not been reported in the governmental funds.		
Pension related deferred outflows of resources	\$ 9,310,461	
Pension related deferred inflows of resources	(1,437,764)	
Total other post-employment benefits related deferred outflows of resources	3,032,503	
Total other post-employment benefits related deferred inflows of resources	<u>(1,798,577)</u>	
		9,106,623
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Compensated absences	(863,279)	
Net pension liability	(39,816,420)	
Total other post-employment benefits liability	<u>(17,511,294)</u>	
		(58,190,993)
Internal service funds are used to charge the cost of activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		<u>(1,724,921)</u>
Net position of governmental activities		<u>\$ 49,907,349</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, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 27,192,833	\$ 1,735,181	\$ 28,928,014
Assessments	-	892,903	892,903
Licenses and permits	813,180	32,250	845,430
Intergovernmental	954,213	2,220,318	3,174,531
Charges for services	3,257,994	251,587	3,509,581
Use of money and property	4,784,070	74,960	4,859,030
Fines and forfeitures	143,449	-	143,449
Miscellaneous	489,721	64,639	554,360
	<u>37,635,460</u>	<u>5,271,838</u>	<u>42,907,298</u>
Expenditures			
Current:			
General government	5,167,897	136,458	5,304,355
Public safety	16,748,679	38,582	16,787,261
Community development	1,819,769	10,361	1,830,130
Community services	2,326,661	607,791	2,934,452
Public works	1,922,924	1,560,703	3,483,627
Capital outlay	37,786	2,043,993	2,081,779
	<u>28,023,716</u>	<u>4,397,888</u>	<u>32,421,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,611,744</u>	<u>873,950</u>	<u>10,485,694</u>
Other Financing Sources (Uses)			
Transfers in	-	1,294,627	1,294,627
Transfers out	<u>(2,521,877)</u>	<u>-</u>	<u>(2,521,877)</u>
Total other financing sources (uses)	<u>(2,521,877)</u>	<u>1,294,627</u>	<u>(1,227,250)</u>
Net change in fund balance	7,089,867	2,168,577	9,258,444
Fund Balances, beginning	<u>18,553,740</u>	<u>12,241,770</u>	<u>30,795,510</u>
Fund Balances, ending	<u>\$ 25,643,607</u>	<u>\$ 14,410,347</u>	<u>\$ 40,053,954</u>

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

CITY OF SOUTH PASADENA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net changes in fund balances - total governmental funds	\$	9,258,444
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital asset expenditures, net of deletions of capital assets	\$	2,509,163
Depreciation expense, net of deletions of capital assets		<u>(1,241,795)</u>
		1,267,368
Certain revenues in the governmental funds are deferred inflows of resources because they are measurable but not available under the modified accrual basis of accounting. However, the revenues are included on the accrual basis used in the government-wide statements. This amount represents the change during the year:		
Grants and other reimbursement revenue		(54,700)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in compensated absences		72,043
Changes in pension related items		(2,355,135)
Changes in total other post-employment benefits related items		<u>(660,718)</u>
		(2,943,810)
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>(158,840)</u>
Changes in net position of governmental activities	<u>\$</u>	<u>7,368,462</u>

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

CITY OF SOUTH PASADENA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 9,456,833	\$ 6,418,577	\$ 1,229,412	\$ 17,104,822	\$ 34,268
Receivables:					
Accounts	1,432,985	221,928	-	1,654,913	-
Accrued interest	6,477	4,401	2	10,880	-
Inventories	237,062	-	12,733	249,795	-
Restricted:					
Cash and investments with fiscal agent	1,158,268	-	-	1,158,268	-
Total current assets	12,291,625	6,644,906	1,242,147	20,178,678	34,268
Noncurrent assets:					
Capital assets, not depreciated	11,830,243	25,515	-	11,855,758	-
Capital assets, net of depreciation	63,241,639	9,289,772	778,835	73,310,246	-
Total noncurrent assets	75,071,882	9,315,287	778,835	85,166,004	-
Total assets	87,363,507	15,960,193	2,020,982	105,344,682	34,268
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on debt refunding	4,906,738	-	-	4,906,738	-
Pension related	538,581	124,673	-	663,254	-
Other post-employment benefits related	391,144	78,089	-	469,233	-
Total deferred outflows of resources	5,836,463	202,762	-	6,039,225	-
LIABILITIES					
Current liabilities:					
Accounts payable	1,328,554	110,992	57,699	1,497,245	23,189
Accrued liabilities	31,747	6,487	-	38,234	-
Accrued interest	422,256	167,619	-	589,875	-
Deposits payable	338,094	-	-	338,094	-
Claims and judgements payable	-	-	-	-	1,736,000
Compensated absences	6,533	2,366	-	8,899	-
Loans payable	163,097	242,951	-	406,048	-
Bonds payable	1,310,000	-	-	1,310,000	-
Total current liabilities	3,600,281	530,415	57,699	4,188,395	1,759,189
Noncurrent liabilities:					
Advances from other funds	-	150,000	-	150,000	-
Compensated absences	58,796	21,292	-	80,088	-
Total other post-employment benefits liability	2,258,674	450,926	-	2,709,600	-
Net pension liability	2,303,253	533,160	-	2,836,413	-
Loans payable	5,869,812	8,464,527	-	14,334,339	-
Bonds payable	41,250,331	-	-	41,250,331	-
Total noncurrent liabilities	51,740,866	9,619,905	-	61,360,771	-
Total liabilities	55,341,147	10,150,320	57,699	65,549,166	1,759,189
DEFERRED INFLOWS OF RESOURCES					
Pension related	83,170	19,252	-	102,422	-
Other post-employment benefits related	231,988	46,315	-	278,303	-
Total deferred inflows of resources	315,158	65,567	-	380,725	-
NET POSITION					
Net investment in capital assets	31,385,380	607,809	778,835	32,772,024	-
Restricted	1,158,268	-	-	1,158,268	-
Unrestricted	5,000,017	5,339,259	1,184,448	11,523,724	(1,724,921)
Total net position	\$ 37,543,665	\$ 5,947,068	\$ 1,963,283	\$ 45,454,016	\$ (1,724,921)

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, 2021**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Arroyo Seco Golf Course	Total	
OPERATING REVENUES					
Sales and service charges	\$ 12,022,464	\$ 2,108,764	\$ 1,767,133	\$ 15,898,361	\$ 781,294
Miscellaneous	24,736	-	-	24,736	-
Total operating revenues	12,047,200	2,108,764	1,767,133	15,923,097	781,294
OPERATING EXPENSES					
Administration and general	374,717	273,875	1,077,664	1,726,256	-
Pumping	1,159,331	-	-	1,159,331	-
Transmission/collection	3,144,462	-	-	3,144,462	-
Treatment	-	624,917	-	624,917	-
Insurance costs and claims	-	-	-	-	2,167,384
Depreciation expense	1,426,794	196,473	53,791	1,677,058	-
Amortization expense	22,500	-	-	22,500	-
Total operating expenses	6,127,804	1,095,265	1,131,455	8,354,524	2,167,384
Operating income (loss)	5,919,396	1,013,499	635,678	7,568,573	(1,386,090)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	38,035	24,399	13	62,447	-
Interest expense	(1,804,132)	(184,839)	-	(1,988,971)	-
Operating grants and contributions	30,604	-	-	30,604	-
Capital projects	(2,805)	-	-	(2,805)	-
Miscellaneous expenses	(1,250)	-	-	(1,250)	-
Total non-operating revenues (expenses)	(1,739,548)	(160,440)	13	(1,899,975)	-
Income (loss) before transfers	4,179,848	853,059	635,691	5,668,598	(1,386,090)
TRANSFERS					
Transfers in	-	-	-	-	1,227,250
Total transfers	-	-	-	-	1,227,250
Change in net position	4,179,848	853,059	635,691	5,668,598	(158,840)
NET POSITION					
Net position, beginning	33,363,817	5,094,009	1,327,592	39,785,418	(1,566,081)
Net position, ending	\$ 37,543,665	\$ 5,947,068	\$ 1,963,283	\$ 45,454,016	\$ (1,724,921)

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, 2021**

	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	\$ 11,890,991	\$ 2,075,023	\$ 1,767,830	\$ 15,733,844	\$ 781,294
Cash paid to suppliers for goods and services	(5,252,662)	(806,393)	(1,049,388)	(7,108,443)	(2,146,352)
Cash paid to employees for services	(564,941)	(136,744)	-	(701,685)	-
Cash received from (payments to) others	24,736	-	-	24,736	-
Net cash provided by (used for) operating activities	6,098,124	1,131,886	718,442	7,948,452	(1,365,058)
Cash flows from noncapital financing activities					
Cash paid to other funds	-	(150,000)	-	(150,000)	-
Cash received from other funds	-	-	-	-	1,227,250
Cash received from operating grants	30,604	-	-	30,604	-
Net cash provided by (used for) noncapital financing activities	30,604	(150,000)	-	(119,396)	1,227,250
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(2,054,396)	(25,515)	(32,280)	(2,112,191)	-
Principal paid on capital debt	(1,430,359)	(237,954)	-	(1,668,313)	-
Interest paid on capital debt	(1,815,882)	(189,420)	-	(2,005,302)	-
Net cash provided by (used for) capital and related financing activities	(5,300,637)	(452,889)	(32,280)	(5,785,806)	-
Cash flows from investing activities					
Interest received	44,294	30,142	24	74,460	-
Net cash provided by investing activities	44,294	30,142	24	74,460	-
Net increase (decrease) in cash and cash equivalents	872,385	559,139	686,186	2,117,710	(137,808)
Cash and cash equivalents, beginning of year	9,742,716	5,859,438	543,226	16,145,380	172,076
Cash and cash equivalents, end of year	\$ 10,615,101	\$ 6,418,577	\$ 1,229,412	\$ 18,263,090	\$ 34,268
Cash and investments	\$ 9,456,833	\$ 6,418,577	\$ 1,229,412	\$ 17,104,822	\$ 34,268
Restricted:					
Cash and investments with fiscal agent	1,158,268	-	-	1,158,268	-
Total cash and cash equivalents	\$ 10,615,101	\$ 6,418,577	\$ 1,229,412	\$ 18,263,090	\$ 34,268
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 5,919,396	\$ 1,013,499	\$ 635,678	\$ 7,568,573	\$ (1,386,090)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,426,794	196,473	53,791	1,677,058	-
Amortization	22,500	-	-	22,500	-
(Increase) decrease in operating assets:					
Accounts receivable	(152,035)	(33,741)	697	(185,079)	-
Inventories	8,512	-	(1,562)	6,950	-
Deferred outflows of resources	(87,400)	(9,034)	-	(96,434)	-
Increase (decrease) in operating liabilities:					
Accounts payable	(582,664)	92,399	36,838	(453,427)	21,032
Accrued liabilities	6,178	(2,322)	(7,000)	(3,144)	-
Deposits payable	20,562	-	-	20,562	-
Compensated absences	6,762	15,867	-	22,629	-
Net pension liability	(717,067)	(182,593)	-	(899,660)	-
Other post-employment benefits liability	377,882	75,441	-	453,323	-
Deferred inflows of resources	(151,296)	(34,103)	-	(185,399)	-
Total adjustments	178,728	118,387	82,764	379,879	21,032
Net cash provided by (used for) operating activities	\$ 6,098,124	\$ 1,131,886	\$ 718,442	\$ 7,948,452	\$ (1,365,058)

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

CITY OF SOUTH PASADENA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
 JUNE 30, 2021

	Private Purpose Trust Fund
	<u>Successor Agency of the Former CRA</u>
Assets	
Pooled cash and investments	\$ 155,695
Restricted assets:	
Cash and investments with fiscal agents	<u>196,526</u>
Total assets	<u>352,221</u>
Liabilities	
Accrued interest	6,800
Long-term liabilities:	
Due within one year	155,000
Due in more than one year	<u>525,000</u>
Total liabilities	<u>686,800</u>
Fiduciary Net Position (Deficit)	
Held in trust for other purposes	<u><u>\$ (334,579)</u></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, 2021

	Private Purpose Trust Fund Successor Agency of the Former CRA
Revenues	
Taxes	\$ 285,849
Total revenues	<u>285,849</u>
Expenses	
Contractual services	3,693
Interest expense	48,050
Total expenses	<u>51,743</u>
Change in net position	234,106
Net position (deficit) held in trust, beginning	<u>(568,685)</u>
Net position (deficit) held in trust, ending	<u>\$ (334,579)</u>

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

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Note 1: Summary of Significant Accounting Policies

A. Description of Entity

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

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

The City of South Pasadena was incorporated on March 2, 1888, under the general laws of the State of California. The City provides a full range of municipal services, including public safety (police and fire), streets, sanitation, refuse collection, sewer, water, parks and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

Blended Component Units

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. All fiduciary activities are reported only in the fiduciary fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

The City reports the following major governmental fund:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

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

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

- The Private Purpose Trust Fund accounts for the assets and liabilities of the former community redevelopment agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former community redevelopment agency are paid in full and assets have been liquidated. Please refer to Note 11 for more information.
- The Internal Service Fund is used to accumulate and allocate costs internally among the City's functions for general liability and worker's compensation insurance. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Note 1: Summary of Significant Accounting Policies (continued)

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

Proprietary funds and the internal service fund distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Governmental and Proprietary Funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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.

Note 1: Summary of Significant Accounting Policies (continued)

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

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

Note 1: Summary of Significant Accounting Policies (continued)

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

Other Postemployment Benefits (OPEB)

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

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

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Fund Equity

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

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies (continued)

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

Fund Equity (continued)

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

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

Net Position

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

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

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

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

E. Use of Estimates

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

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 2: Cash and Investments

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

Statement of net position:	
Cash and investments	\$ 56,424,442
Cash and investments with fiscal agents	1,158,268
Statement of fiduciary net position:	
Cash and investments	155,695
Cash and investments with fiscal agents	<u>196,526</u>
Total cash and cash equivalents	<u><u>\$ 57,934,931</u></u>

Cash and investments at June 30, 2021, consists of the following:

Cash and cash equivalents:	
Petty cash	\$ 9,235
Deposits with financial institutions	10,657,686
Investments	<u>47,268,010</u>
Total cash and cash equivalents	<u><u>\$ 57,934,931</u></u>

The City of South Pasadena maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

A. Deposits

At June 30, 2021, the carrying amount of the City's deposits was \$10,657,686 and the bank balance was \$9,851,885. The difference between the two represents outstanding checks and other reconciling items.

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

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 2: Cash and Investments (continued)

B. Investments

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

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

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

C. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer’s Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021:

Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End				
				AA+	AA / AA-	A+	A / A-	Not Rated
Local Agency Investment Fund	\$ 29,503,040	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,503,040
Money Market Mutual Funds	103,429	N/A	-	-	-	-	-	103,429
U.S. Treasury Notes	8,630,587	N/A	8,630,587	-	-	-	-	-
Government Agency Securities	3,879,321	A	-	3,879,321	-	-	-	-
Medium-Term Notes	5,151,633	A	-	302,800	439,575	2,666,043	1,743,215	-
Total	\$ 47,268,010		\$ 8,630,587	\$ 4,182,121	\$ 439,575	\$ 2,666,043	\$ 1,743,215	\$ 29,606,469

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, 2021, 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
Federal National Mortgage Association	FNMA	\$ 3,362,038

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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	\$ 29,503,040	\$ -	\$ -	\$ -	\$ 29,503,040
Money Market Mutual Funds	103,429	-	-	-	103,429
U.S. Treasury Notes	1,508,341	900,072	4,971,681	1,250,493	8,630,587
Government Agency Securities	-	517,283	2,652,833	709,205	3,879,321
Medium-Term Notes	-	435,211	3,883,643	832,779	5,151,633
Total	<u>\$ 31,114,810</u>	<u>\$ 1,852,566</u>	<u>\$ 11,508,157</u>	<u>\$ 2,792,477</u>	<u>\$ 47,268,010</u>

H. Fair Value Measurements

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

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2021.

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Debt securities:				
Money Market Mutual Funds	\$ 103,429	\$ 103,429	\$ -	\$ -
U.S. Treasury Notes	8,630,587	-	8,630,587	-
Government Agency Securities	3,879,321	-	3,879,321	-
Medium-Term Notes	5,151,633	-	5,151,633	-
Total investments measured at fair value	17,764,970	<u>\$ 103,429</u>	<u>\$ 17,661,541</u>	<u>\$ -</u>
Investments not subject to fair value measurement LAIF	<u>29,503,040</u>			
Total investments	<u>\$ 47,268,010</u>			

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 3: Capital Assets

Capital asset activity was as follows for the year ended June 30, 2021:

Governmental activities:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 2,454,245	\$ -	\$ -	\$ 2,454,245
Construction in progress	2,122,448	1,113,836	(673,799)	2,562,485
Total capital assets, not being depreciated	4,576,693	1,113,836	(673,799)	5,016,730
Capital assets, being depreciated:				
Buildings	11,654,674	310,118	-	11,964,792
Improvements other than buildings	6,029,175	1,759,008	-	7,788,183
Infrastructure	92,953,602	-	-	92,953,602
Machinery, equipment, and vehicles	11,891,842	-	(13,808)	11,878,034
Total capital assets, being depreciated	122,529,293	2,069,126	(13,808)	124,584,611
Less accumulated depreciation for:				
Buildings	(7,939,788)	(318,150)	-	(8,257,938)
Improvements other than buildings	(2,166,436)	(371,459)	-	(2,537,895)
Infrastructure	(48,066,986)	(53,255)	-	(48,120,241)
Machinery, equipment, and vehicles	(9,537,458)	(498,931)	13,808	(10,022,581)
Total accumulated depreciation	(67,710,668)	(1,241,795)	13,808	(68,938,655)
Total capital assets, being depreciated, net	54,818,625	827,331	-	55,645,956
Total governmental activities	\$ 59,395,318	\$ 1,941,167	\$ (673,799)	\$ 60,662,686

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

Governmental Activities:	
General government	\$ 370,026
Public safety	305,637
Community services	481,515
Public works	84,617
Total depreciation expense – governmental activities	\$ 1,241,795

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3: Capital Assets (continued)

Business-type activities:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 84,685	\$ -	\$ -	\$ 84,685
Construction in progress	10,912,307	2,038,904	(1,180,138)	11,771,073
Total capital assets, not being depreciated	<u>10,996,992</u>	<u>2,038,904</u>	<u>(1,180,138)</u>	<u>11,855,758</u>
Capital assets, being depreciated:				
Buildings	4,180,702	-	-	4,180,702
Improvements other than buildings	4,105,620	1,218,340	-	5,323,960
Infrastructure	77,125,424	-	-	77,125,424
Machinery and equipment	2,032,206	32,280	-	2,064,486
Total capital assets, being depreciated	<u>87,443,952</u>	<u>1,250,620</u>	<u>-</u>	<u>88,694,572</u>
Less accumulated depreciation for:				
Buildings	(1,335,637)	(83,340)	-	(1,418,977)
Improvements other than buildings	(3,668,592)	(88,356)	-	(3,756,948)
Infrastructure	(7,737,421)	(1,370,749)	-	(9,108,170)
Machinery and equipment	(965,618)	(134,613)	-	(1,100,231)
Total accumulated depreciation	<u>(13,707,268)</u>	<u>(1,677,058)</u>	<u>-</u>	<u>(15,384,326)</u>
Total capital assets, being depreciated, net	<u>73,736,684</u>	<u>(426,438)</u>	<u>-</u>	<u>73,310,246</u>
Total business-type activities	<u>\$ 84,733,676</u>	<u>\$ 1,612,466</u>	<u>\$ (1,180,138)</u>	<u>\$ 85,166,004</u>

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

Business-type Activities:	
Water	\$ 1,426,794
Sewer	196,473
Arroyo Seco Golf Course	<u>53,791</u>
Total depreciation expense – business-type activities	<u>\$ 1,677,058</u>

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 4: Interfund Receivable, Payable and Transfers

A. Due To/From Other Funds

At June 30, 2021, the City had the following internal balances:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	
	<u>Nonmajor Funds</u>	<u>Total</u>
General Fund	<u>\$ 1,308,865</u>	<u>\$ 1,308,865</u>

The due to General fund of \$1,308,865 for various Nonmajor Governmental Funds was a result of temporary cash deficit balances in those funds.

B. Advances to/from Other Funds

The General Fund advanced \$750,000 to the Sewer Fund on July 11, 2012, in order to fund the construction of the Arroyo Drive, Marengo Ave, Meridian Ave, and Huntington Drive Sewer Improvement Project. The advance bears interest at the City's portfolio rate of return, with payments due within ten years. The balance outstanding at June 30, 2021 is \$150,000.

C. Transfers

	<u>Transfers In</u>		
	<u>Internal Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers Out: General Fund	<u>\$ 1,227,250</u>	<u>\$ 1,294,627</u>	<u>\$ 2,521,877</u>
Total Transfers In:	<u>\$ 1,227,250</u>	<u>\$ 1,294,627</u>	<u>\$ 2,521,877</u>

All transfers were made as budgeted or as approved by Council. \$509,948 was transferred from the General Fund to the Street Improvements Fund for various projects. \$784,679 was transferred from the General Fund to the Facilities and Equipment Capital Projects Fund for planned facilities maintenance and equipment replacement, such as improvements to the stables and City Hall server upgrades; \$1,227,250 was transferred from the General Fund to the Internal Service Fund for increasing the City's coverage of the actuarial estimated liability for insurance claims and the general cost of insurance.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5: Long-Term Debt

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Business-Type Activities:					
2012 State Loan Payable - Direct Borrowing	\$ 8,945,432	\$ -	\$ (237,954)	\$ 8,707,478	\$ 242,951
SRF State Loan Payable - Direct Borrowing	6,193,268	-	(160,359)	6,032,909	163,097
2013 Water Revenue Bonds	4,635,000	-	(390,000)	4,245,000	405,000
Issuance Premium	256,341	-	(27,712)	228,629	-
2016 Water Revenue Bonds	35,170,000	-	(880,000)	34,290,000	905,000
Issuance Premium	4,004,740	-	(208,038)	3,796,702	-
Total Business-Type Activities	<u>\$ 59,204,781</u>	<u>\$ -</u>	<u>\$ (1,904,063)</u>	<u>\$ 57,300,718</u>	<u>\$ 1,716,048</u>

2012 State Loan Payable (Direct Borrowing)

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

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 242,951	\$ 182,857	\$ 425,808
2023	248,053	177,755	425,808
2024	253,262	172,546	425,808
2025	258,581	167,227	425,808
2026	264,011	161,797	425,808
2027-2031	1,405,584	723,457	2,129,041
2032-2036	1,559,500	569,541	2,129,041
2037-2041	1,730,271	398,770	2,129,041
2042-2046	1,919,742	209,299	2,129,041
2047-2048	825,523	26,094	851,617
Total	<u>\$ 8,707,478</u>	<u>\$ 2,789,343</u>	<u>\$ 11,496,821</u>

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 5: Long-Term Debt (continued)

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 annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 163,097	\$ 101,869	\$ 264,966
2023	165,882	99,085	264,967
2024	168,714	96,253	264,967
2025	171,594	93,373	264,967
2026	174,523	90,443	264,966
2027-2031	918,340	406,492	1,324,832
2032-2036	999,453	325,379	1,324,832
2037-2041	1,087,731	237,101	1,324,832
2042-2046	1,183,806	141,026	1,324,832
2047-2051	999,769	37,039	1,036,808
Total	<u>\$ 6,032,909</u>	<u>\$ 1,628,060</u>	<u>\$ 7,660,969</u>

2013 Water Revenue Bonds

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

Bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 5: Long-Term Debt (continued)

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

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

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 405,000	\$ 143,088	\$ 548,088
2023	420,000	128,688	548,688
2024	435,000	113,688	548,688
2025	450,000	95,987	545,987
2026	470,000	77,588	547,588
2027-2030	2,065,000	133,150	2,198,150
Total	<u>\$ 4,245,000</u>	<u>\$ 692,189</u>	<u>\$ 4,937,189</u>

2016 Water Revenue Bonds

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

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

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

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 5: Long-Term Debt (continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 905,000	\$ 1,519,738	\$ 2,424,738
2023	945,000	1,482,738	2,427,738
2024	985,000	1,439,213	2,424,213
2025	1,035,000	1,388,713	2,423,713
2026	1,095,000	1,335,463	2,430,463
2027-2031	6,910,000	5,773,463	12,683,463
2032-2036	11,275,000	3,557,562	14,832,562
2037-2040	11,140,000	791,550	11,931,550
Total	\$ 34,290,000	\$ 17,288,440	\$ 51,578,440

Note 6: Compensated Absences

The City's liability at June 30, 2021 for vested and unpaid compensated absences (accrued vacation and compensatory time) is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental activities	\$ 935,322	\$ 530,595	\$ (602,638)	\$ 863,279	\$ 86,328
Business-type activities	66,358	80,227	(57,598)	88,987	8,899
Total compensated absences payable	<u>\$ 1,001,680</u>	<u>\$ 610,822</u>	<u>\$ (660,236)</u>	<u>\$ 952,266</u>	<u>\$ 95,227</u>

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

Note 7: City Employees Defined Benefit Pension Plan

A. General Information about the Pension Plans

Plan Description

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

Benefits Provided

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

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

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

A. General Information about the Pension Plans (continued)

Benefits Provided

The Plans' provisions and benefits in effect at June 30, 2021 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	11.746%	7.874%
	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	20.887%	13.884%

Employees Covered

At June 30, 2019 (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	147	-	139	1
Inactive employees entitled to but not yet receiving benefits	194	41	33	12
Active employees	47	50	36	13
Total	<u>388</u>	<u>91</u>	<u>208</u>	<u>26</u>

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, 2021 were \$5,001,568. The actual employer payments of \$4,295,978 made to CalPERS by the City during the measurement period ended June 30, 2020 differed from the City's proportionate share of the employer's contributions of \$5,069,418 by \$773,440, 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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

B. Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

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

All other actuarial assumptions used in the June 30, 2019 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.

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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

B. Net Pension Liability (continued)

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

<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%	-	(0.92%)
Total	<u>100.0%</u>		

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

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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

B. Net Pension Liability (continued)

Pension Plan Fiduciary Net Position

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

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: 6/30/2019 (MD)	\$ 52,510,233	\$ 39,035,481	\$ 13,474,752
Balance at: 6/30/2020 (MD)	52,311,226	37,892,396	14,418,830
Net Changes during 2019-20	(199,007)	(1,143,085)	944,078

Safety

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2019 (MD)	\$ 92,573,505	\$ 66,721,180	\$ 25,852,325
Balance at: 6/30/2020 (MD)	93,464,695	65,230,692	28,234,003
Net Changes during 2019-20	891,190	(1,490,488)	2,381,678

Valuation Date (VD), Measurement Date (MD)

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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

C. Proportionate Share of Net Pension Liability (continued)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' at www.calpers.ca.gov. The City's proportionate share of the net pension liability for each Plan as of the June 30, 2019, and 2020 measurement dates was as follows:

	Miscellaneous	Safety
Proportionate Share of NPL - June 30, 2019	0.336490%	0.414132%
Proportionate Share of NPL - June 30, 2020	0.341834%	0.423784%
Change - Increase	0.005344%	0.009652%

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	\$ 21,380,178	\$ 14,418,830	\$ 8,666,887
Safety Plan's Net Pension Liability	\$ 40,926,855	\$ 28,234,003	\$ 17,818,317

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

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

C. Proportionate Share of Net Pension Liability (continued)

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

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

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

The EARSL for PERF C for the measurement period ending June 30, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2019), the City's net pension liability was \$39,327,077. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$6,526,297.

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 196,889
Differences between Expected and Actual Experience	2,932,449	-
Differences between Projected and Actual Investment Earnings	1,041,978	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,321,839
Change in Employer's Proportion	997,720	21,458
Pension Contributions Made Subsequent to Measurement Date	5,001,568	-
	\$ 9,973,715	\$ 1,540,186

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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

These amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$5,001,568 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources, Net</u>
2022	\$ 588,677
2023	1,303,518
2024	1,026,855
2025	512,911
2026	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2021, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

F. Pension Plan Summary

Miscellaneous plan net pension liability	\$ 14,418,830
Safety plan net pension liability	<u>28,234,003</u>
Combined net pension liability	<u>\$ 42,652,833</u>
Governmental activities net pension liability	\$ 39,816,420
Business-type activities net pension liability	<u>2,836,413</u>
Total net pension liability	<u>\$ 42,652,833</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2020 measurement date, the following numbers of participants were covered by the benefit terms under the Plan:

Active employees	104
Inactive employees or beneficiaries currently receiving benefits	99
Inactive employees entitled to, but not yet receiving benefits	<u>22</u>
Total	<u><u>225</u></u>

C. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council and/or employee associations. Currently, contributions are not required from plan members.

The City pays for postemployment health insurance on a pay-as-you-go basis (no prefunding). For fiscal year 2020-2021, the City paid \$374,744 for other postemployment benefits.

D. Changes of Assumptions

Discount rate decreased from 3.50% at June 30, 2019 to 2.21% at June 30, 2020.

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 8: Other Post-Employment Benefits (continued)

E. Total OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2020 and was based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2020 Measurement Date
Actuarial Valuation Date	June 30, 2019
Contribution Policy	No pre-funding
Discount Rate	2.21% at June 30, 2020 (Bond Buyer 20-Bond Index) 3.50% at June 30, 2019 (Bond Buyer 20-Bond Index)
General Inflation	2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020
Salary increases	Aggregate - 3% annually Mert - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare – 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser) – 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Fixed Dollar Cap	None
PEMHCA Minimum Increase	4.25% annually
Healthcare Participation at Retirement	90% of employees receiving City Subsidy (hired before 7/1/2020) 50% of employees receiving PEMHCA minimum

F. Discount Rate

A discount rate of 2.21 percent was used in the valuation for measurement date June 30, 2020.

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

Note 8: Other Post-Employment Benefits (continued)

G. Changes in the Total OPEB Liability

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2020 (6/30/19 measurement date)	<u>\$ 16,837,887</u>
Changes recognized for the measurement period:	
Service cost	666,996
Interest	600,512
Changes of benefit terms	-
Actual vs. expected experience	-
Changes in assumptions	2,810,290
Benefit payments	<u>(694,791)</u>
Net changes	<u>3,383,007</u>
Balance at June 30, 2021 (6/30/20 measurement date)	<u><u>\$ 20,220,894</u></u>

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

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB Liability \$	23,242,635	\$ 20,220,894	\$ 17,767,336

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

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability \$	18,758,355	\$ 20,220,894	\$ 21,925,628

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 8: Other Post-Employment Benefits (continued)

J. 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, 2020 measurement date. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits. Contributions are fixed and not based on a measure of pay.

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,263,697. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,004,048
Changes in assumptions	3,000,992	1,072,832
Contributions to OPEB plan subsequent to the measurement date	500,744	-
Total	<u>\$ 3,501,736</u>	<u>\$ 2,076,880</u>

The \$500,744 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ (9,633)
2023	(9,633)
2024	(9,636)
2025	231,451
2026	319,093
Thereafter	402,470
	<u>\$ 924,112</u>

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 9: Insurance

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

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

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

Note 10: Commitments and Contingencies

Due to the occurrence of several spills from the City's sanitary sewer system, the City entered into a settlement on November 16, 2011, with the Regional Water Quality Control Board, Los Angeles Region and the state Attorney General for violations of the state's general waste discharge requirements. The settlement required the City to cover fines and attorney fees, complete repairs to its sanitary sewer system over a 10 year period, and implement specified system maintenance programs. These requirements will be monitored through an open court proceeding and, if not met; the City could be subjected to further monetary penalties.

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes that based upon consultation with the City Attorney, that these cases in the aggregate are not expected to result in a material adverse financial impact on the City beyond that already accrued for in the basic financial statements. Additionally, City management believes that sufficient resources are available to the City to cover any potential losses, should an unfavorable outcome materialize.

Note 11: Successor Agency Trust for Assets of Former Community Redevelopment Agency

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

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

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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

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

Cash and investments

At June 30, 2021, Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$	155,695
Cash and investments with fiscal agent		196,526
	<u>\$</u>	<u>352,221</u>

Long-term debt

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
2000 Tax Allocation Bond	\$ 825,000	\$ -	\$ (145,000)	\$ 680,000	\$ 155,000
Total	<u>\$ 825,000</u>	<u>\$ -</u>	<u>\$ (145,000)</u>	<u>\$ 680,000</u>	<u>\$ 155,000</u>

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2021, follows:

2000 Tax Allocation Bonds

In July 2000, the Agency issued \$2,600,000 in tax allocation bonds for the Downtown Revitalization Project No. 1, which mature annually from May 1, 2001 to May 1, 2025, in increasing amounts from \$55,000 to \$185,000, plus interest at 4.4% to 6.0%, payable semiannually on May 1 and November 1, commencing on November 1, 2000. Bonds are subject to redemption at the option of the Agency beginning May 1, 2010, at a price ranging from 102% to 100% of principal value. Debt service on the bonds is provided by incremental property tax revenues generated within the Downtown Redevelopment Project Area. At June 30, 2021, \$680,000 was outstanding.

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the community redevelopment agency, property taxes allocated to community redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved community redevelopment agency. Total principal and interest remaining on the debt is \$979,500 with annual debt service requirements as indicated above. For the current fiscal year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved Community Redevelopment Agency was \$285,849 and the interest expense on the bonds was \$48,050.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 155,000	\$ 40,800	\$ 195,800
2023	165,000	31,500	196,500
2024	175,000	21,600	196,600
2025	<u>185,000</u>	<u>11,100</u>	<u>196,100</u>
Total	<u>\$ 680,000</u>	<u>\$ 105,000</u>	<u>\$ 785,000</u>

Insurance

The Successor Agency is covered under the City of South Pasadena’s insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 9.

CITY OF SOUTH PASADENA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 12: Deficit Fund Balances

The following funds have deficits in fund balance at June 30, 2021:

Fund	Amount
Nonmajor Governmental Funds:	
Special Revenue Funds:	
MTA Pedestrian Improvement	\$ (29,951)
CTC Traffic Improvement	(23)
Rogan HR 5294 Grant	(5,708)
Mission Meridian Public Garage	(353,005)
County Park Bond	(173,785)
MSRC Grant	(150,000)
Measure H	(80,089)
BTA Grant	(416,948)
Golden Streets Grant	(24,914)
Homeland Security Grant	(21,011)
HSIP Grant	(44,701)

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

Note 13: Net Investment in Capital Assets

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

	Water	Sewer	Arroyo Seco Golf Course	Business-Type Activities Total
Capital assets, net of accumulated depreciation	\$ 75,071,882	\$ 9,315,287	\$ 778,835	\$ 85,166,004
2016 Water Revenue Bonds	(34,290,000)			(34,290,000)
Issuance Premium	(3,796,702)			(3,796,702)
2013 Water Revenue Bonds	(4,245,000)			(4,245,000)
Issuance Premium	(228,629)			(228,629)
2012 State Loan Payable		(8,707,478)		(8,707,478)
SRF State Loan Payable	(6,032,909)			(6,032,909)
Deferred Loss on Refunding	4,906,738			4,906,738
Net investment in capital assets	<u>\$ 31,385,380</u>	<u>\$ 607,809</u>	<u>\$ 778,835</u>	<u>\$ 32,772,024</u>
	Governmental			
	Activities			
Capital assets, not being depreciated	\$ 5,016,730			
Capital assets, net of accumulated depreciation	<u>55,645,956</u>			
Net investment in capital assets	<u>\$ 60,662,686</u>			

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH PASADENA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 24,845,833	\$ 24,845,833	\$ 27,192,833	\$ 2,347,000
Licenses and permits	751,780	751,780	813,180	61,400
Intergovernmental	676,500	676,500	954,213	277,713
Charges for services	3,453,476	3,453,476	3,257,994	(195,482)
Use of money and property	4,794,718	4,794,718	4,784,070	(10,648)
Fines and forfeitures	265,000	265,000	143,449	(121,551)
Miscellaneous	484,884	484,884	489,721	4,837
Total revenues	<u>35,272,191</u>	<u>35,272,191</u>	<u>37,635,460</u>	<u>2,363,269</u>
Expenditures				
Current:				
General government	5,290,350	5,614,350	5,167,897	446,453
Public safety	15,606,301	15,701,154	16,748,679	(1,047,525)
Community development	2,920,719	2,945,819	1,819,769	1,126,050
Community services	2,266,657	2,266,657	2,326,661	(60,004)
Public works	2,146,603	2,146,603	1,922,924	223,679
Capital outlay	126,500	60,500	37,786	22,714
Total expenditures	<u>28,357,130</u>	<u>28,735,083</u>	<u>28,023,716</u>	<u>711,367</u>
Excess of revenues over expenditures	<u>6,915,061</u>	<u>6,537,108</u>	<u>9,611,744</u>	<u>3,074,636</u>
Other Financing Sources (Uses)				
Transfers out	<u>(2,569,428)</u>	<u>(2,569,428)</u>	<u>(2,521,877)</u>	<u>47,551</u>
Total other financing sources (uses)	<u>(2,569,428)</u>	<u>(2,569,428)</u>	<u>(2,521,877)</u>	<u>47,551</u>
Net change in fund balance	4,345,633	3,967,680	7,089,867	3,122,187
Fund balance, beginning of year	<u>18,553,740</u>	<u>18,553,740</u>	<u>18,553,740</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,899,373</u>	<u>\$ 22,521,420</u>	<u>\$ 25,643,607</u>	<u>\$ 3,122,187</u>

CITY OF SOUTH PASADENA

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

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability¹</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll</u>	<u>Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</u>
6/30/2014	0.35660%	\$ 22,189,470	\$ 10,021,859	221.41%	79.82%
6/30/2015	0.35146%	24,123,577	10,601,417	227.55%	78.40%
6/30/2016	0.36618%	31,865,437	10,683,089	298.28%	74.06%
6/30/2017	0.36714%	36,410,081	11,218,719	324.55%	73.31%
6/30/2018	0.37770%	36,396,135	11,190,390	325.24%	74.01%
6/30/2019	0.38379%	39,327,077	10,760,952	365.46%	72.89%
6/30/2020	0.39201%	42,652,833	11,634,785	366.60%	70.74%

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

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

CITY OF SOUTH PASADENA

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

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

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

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF SOUTH PASADENA

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

Fiscal Year Measurement Period	2017-18	2018-19	2019-20	2020-21
	2016-17	2017-18	2018-19	2019-20
Total OPEB Liability				
Service cost	\$ 664,681	\$ 560,960	\$ 506,445	\$ 666,996
Interest	519,308	607,364	651,066	600,512
Changes in benefit terms	-	-	270,482	-
Actual vs. expected experience	-	-	(1,405,666)	-
Changes in assumptions	(1,694,570)	(606,526)	829,039	2,810,290
Benefit payments	(645,346)	(637,788)	(660,893)	(694,791)
Net change in total OPEB liability	(1,155,927)	(75,990)	190,473	3,383,007
Total OPEB liability - beginning	17,879,331	16,723,404	16,647,414	16,837,887
Total OPEB liability - ending (a)	<u>16,723,404</u>	<u>16,647,414</u>	<u>16,837,887</u>	<u>20,220,894</u>
Plan Fiduciary Net Position				
Contributions – employer	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	-	-	-	-
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-
Net OPEB liability - ending (a) - (b)	<u>\$ 16,723,404</u>	<u>\$ 16,647,414</u>	<u>\$ 16,837,887</u>	<u>\$ 20,220,894</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 11,644,645	\$ 14,031,728	\$ 10,487,587	\$ 11,952,495
Net OPEB liability as a percentage of covered employee payroll	143.6%	118.6%	160.6%	169.2%

Notes to Schedule:

Changes in assumptions: Discount rate decreased from 3.50% at June 30, 2019 to 2.21% at June 30, 2020.

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

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

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

CITY OF SOUTH PASADENA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Note 1: General Budget Policies

Budgetary control is an essential element in governmental financial reporting. The City, a general law city in the State of California, does not legally require a budget. However, the City Council adopted budgets for the General, Special Revenue, and Capital Projects Funds with the exception of the Measure H, Prop C Exchange, Homeland Security Grant, MSRC Grant, Golden Streets Grant, HSIP Grant, MTA Pedestrian Improvement, CTC Traffic Improvement Grant, Rogan HR 5294 Grant, and Historic Preservation Grant Special Revenue Funds.

To facilitate a greater understanding of the City's operations, budget information for the General, Special Revenue and Capital Projects Funds is included in the accompanying basic financial statements. This detailed budget document is published and is a matter of public record. Each year, the City Manager submits his proposed budget to the City Council. The City Council holds public hearings and may modify the appropriations by majority approval. The legal level of expenditures is controlled at the fund level and operating appropriations lapse at the end of each fiscal year. All budgeted amounts are reported on the same basis as the fund types and adopted on a basis consistent with accounting principles generally accepted in the United States of America. Changes in appropriations at the fund level during the year must be submitted by the City's departments for City Council review and approval. The City Manager may, without Council approval, amend individual line items within any fund and between divisions and programs, in personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund. Department heads may, without Council approval, amend individual line items within any fund in the maintenance and operation portions of the budget without increasing total appropriations for that division.

Note 2: Supplementary Budget Information

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

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
Public safety	\$ 15,701,154	\$ 16,748,679	\$ (1,047,525)
Community services	2,266,657	2,326,661	(60,004)
Non-Major Governmental Funds:			
Housing Authority	10,000	10,361	(361)

SUPPLEMENTARY INFORMATION

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

205-Proposition “A” Local Return Fund – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Proposition A in 1980. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

207-Proposition “C” Local Return Fund – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Proposition C in 1990. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

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

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

215-Street Lighting and Landscaping Fund – To account for the costs associated with the City’s street lighting and median landscaping programs. These costs are deemed to benefit all property owners who are assessed their proportionate share of the costs. These assessments are placed on the property tax bill and collected and remitted to the City by the County of Los Angeles.

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

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

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

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

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

230-State Gas Tax Fund – To account for all state gas tax related revenues and expenditures, including street repair, reconstruction and maintenance. State law requires these gasoline taxes to be used to maintain the City's street and highway system.

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

CITY OF SOUTH PASADENA

NON-MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

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

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

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

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

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"	CTC Traffic Improvement Grant
ASSETS				
Pooled cash and investments	\$ -	\$ 1,518,993	\$ 1,065,746	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	1,249	833	-
Due from other governments	-	-	-	-
Total assets	\$ -	\$ 1,520,242	\$ 1,066,579	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 27,285	\$ 3,464	\$ -
Accrued liabilities	-	3,840	3,836	-
Deposits payable	-	-	-	-
Due to other funds	29,951	-	-	23
Total liabilities	29,951	31,125	7,300	23
Fund Balances (Deficits):				
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Community services	-	1,489,117	-	-
Public works - streets and roads	-	-	1,059,279	-
Capital projects	-	-	-	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	(29,951)	-	-	(23)
Total fund balances (deficits)	(29,951)	1,489,117	1,059,279	(23)
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 1,520,242	\$ 1,066,579	\$ -

(continued)

Special Revenue Funds				
Rogan HR 5294 Grant Fund	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
\$ -	\$ 478,081	\$ 147,279	\$ 511	\$ 63,160
-	-	8,453	-	-
-	17,245	-	-	-
-	433	117	-	52
-	-	-	-	-
<u>\$ -</u>	<u>\$ 495,759</u>	<u>\$ 155,849</u>	<u>\$ 511</u>	<u>\$ 63,212</u>
\$ -	\$ 55,658	\$ 35,602	\$ -	\$ -
-	3,698	-	-	-
-	7,733	-	-	-
<u>5,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,708</u>	<u>67,089</u>	<u>35,602</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	120,247	511	63,212
-	428,670	-	-	-
-	-	-	-	-
<u>(5,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,708)</u>	<u>428,670</u>	<u>120,247</u>	<u>511</u>	<u>63,212</u>
<u>\$ -</u>	<u>\$ 495,759</u>	<u>\$ 155,849</u>	<u>\$ 511</u>	<u>\$ 63,212</u>

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	Mission Meridian Public Garage	State Gas Tax	County Park Bond	Capital Growth Requirements
ASSETS				
Pooled cash and investments	\$ -	\$ 952,250	\$ -	\$ 548,723
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	805	-	452
Due from other governments	-	-	-	-
 Total assets	 \$ -	 \$ 953,055	 \$ -	 \$ 549,175
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 9,650	\$ 13,246	\$ 5,159	\$ -
Accrued liabilities	-	8,676	-	-
Deposits payable	-	-	-	-
Due to other funds	343,355	-	168,626	-
 Total liabilities	 353,005	 21,922	 173,785	 -
Fund Balances (Deficits):				
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Community services	-	-	-	-
Public works - streets and roads	-	931,133	-	-
Capital projects	-	-	-	549,175
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	(353,005)	-	(173,785)	-
Total fund balances (deficits)	(353,005)	931,133	(173,785)	549,175
 Total liabilities, deferred inflows of resources, and fund balances	 \$ -	 \$ 953,055	 \$ -	 \$ 549,175

(continued)

Special Revenue Funds				
C.D.B.G	Asset Forfeiture	Measure W	Bike and Pedestrian Paths	State Police Grant
\$ -	\$ 220,911	\$ 110,544	\$ 10,252	\$ 363,740
-	-	22,569	-	-
-	-	-	-	-
-	184	-	-	332
<u>76,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 76,539</u>	<u>\$ 221,095</u>	<u>\$ 133,113</u>	<u>\$ 10,252</u>	<u>\$ 364,072</u>
\$ 53,000	\$ -	\$ 10,450	\$ 10,252	\$ -
-	-	771	-	-
-	-	-	-	-
<u>23,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>76,539</u>	<u>-</u>	<u>11,221</u>	<u>10,252</u>	<u>-</u>
-	-	-	-	-
-	221,095	-	-	364,072
-	-	-	-	-
-	-	-	-	-
-	-	121,892	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>221,095</u>	<u>121,892</u>	<u>-</u>	<u>364,072</u>
<u>\$ 76,539</u>	<u>\$ 221,095</u>	<u>\$ 133,113</u>	<u>\$ 10,252</u>	<u>\$ 364,072</u>

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	Homeland Security Grant	Park Impact Fees	Measure R	Measure M
ASSETS				
Pooled cash and investments	\$ -	\$ 858,156	\$ 1,070,304	\$ 1,337,610
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	705	841	1,073
Due from other governments	-	-	-	-
Total assets	\$ -	\$ 858,861	\$ 1,071,145	\$ 1,338,683
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 4,979	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	21,011	-	-	-
Total liabilities	21,011	4,979	-	-
Fund Balances (Deficits):				
Restricted for:				
Community development projects	-	-	-	-
Public safety - police	-	-	-	-
Community services	-	853,882	-	-
Public works - streets and roads	-	-	1,071,145	1,338,683
Capital projects	-	-	-	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	(21,011)	-	-	-
Total fund balances (deficits)	(21,011)	853,882	1,071,145	1,338,683
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 858,861	\$ 1,071,145	\$ 1,338,683

(continued)

Special Revenue Funds				
TDA/Metro Grant Fund	Public Education	Road Maintenance & Rehab	MSRC Grant Fund	Measure H
\$ 168,953	\$ 179,404	\$ 628,589	\$ -	\$ -
-	2,129	-	-	-
-	-	-	-	-
140	149	513	-	-
-	-	86,548	-	-
<u>\$ 169,093</u>	<u>\$ 181,682</u>	<u>\$ 715,650</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	150,000	80,089
<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>80,089</u>
-	181,682	-	-	-
-	-	-	-	-
-	-	-	-	-
169,093	-	715,650	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(150,000)	(80,089)
<u>169,093</u>	<u>181,682</u>	<u>715,650</u>	<u>(150,000)</u>	<u>(80,089)</u>
<u>\$ 169,093</u>	<u>\$ 181,682</u>	<u>\$ 715,650</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	Prop C Exchange	BTA Grant Fund	Housing Authority Fund	Golden Streets Grant Fund
ASSETS				
Pooled cash and investments	\$ 11,296	\$ -	\$ 85,559	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	68	-
Due from other governments	-	-	-	-
Total assets	\$ 11,296	\$ -	\$ 85,627	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 2,285	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	2,158	-
Due to other funds	-	416,948	-	24,914
Total liabilities	-	416,948	4,443	24,914
Fund Balances (Deficits):				
Restricted for:				
Community development projects	-	-	81,184	-
Public safety - police	-	-	-	-
Community services	-	-	-	-
Public works - streets and roads	11,296	-	-	-
Capital projects	-	-	-	-
Public works - street lighting	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	-	(416,948)	-	(24,914)
Total fund balances (deficits)	11,296	(416,948)	81,184	(24,914)
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,296	\$ -	\$ 85,627	\$ -

(continued)

Special Revenue Funds		Capital Projects Funds		
HSIP Grant Fund	Historic Preservation Grant Fund	Facilities & Equip. Capital Project	Technology Surcharge Fund	2000 Tax Allocation Bonds Fund
\$ -	\$ 5,098	\$ 2,589,884	\$ 3,126	\$ 924,867
-	-	-	-	-
-	-	-	-	-
-	4	1,601	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 5,102</u>	<u>\$ 2,591,485</u>	<u>\$ 3,126</u>	<u>\$ 924,867</u>
\$ -	\$ -	\$ 61,445	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
44,701	-	-	-	-
<u>44,701</u>	<u>-</u>	<u>61,445</u>	<u>-</u>	<u>-</u>
-	5,102	-	-	924,867
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,530,040	3,126	-
(44,701)	-	-	-	-
<u>(44,701)</u>	<u>5,102</u>	<u>2,530,040</u>	<u>3,126</u>	<u>924,867</u>
<u>\$ -</u>	<u>\$ 5,102</u>	<u>\$ 2,591,485</u>	<u>\$ 3,126</u>	<u>\$ 924,867</u>

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CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Capital Projects Funds	
	Streets Improvement Program Fund	Total Nonmajor Governmental Funds
ASSETS		
Pooled cash and investments	\$ 2,476,329	\$ 15,819,365
Receivables:		
Accounts	-	33,151
Taxes	-	17,245
Accrued interest	-	9,551
Due from other governments	-	163,087
	<u> </u>	<u> </u>
Total assets	<u>\$ 2,476,329</u>	<u>\$ 16,042,399</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 292,475
Accrued liabilities	-	20,821
Deposits payable	-	9,891
Due to other funds	-	1,308,865
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>1,632,052</u>
 Fund Balances (Deficits):		
Restricted for:		
Community development projects	-	1,192,835
Public safety - police	-	585,167
Community services	-	2,342,999
Public works - streets and roads	-	5,296,279
Capital projects	-	855,037
Public works - street lighting	-	428,670
Committed to:		
Capital projects	2,476,329	5,009,495
Unassigned	-	(1,300,135)
Total fund balances (deficits)	<u>2,476,329</u>	<u>14,410,347</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,476,329</u>	<u>\$ 16,042,399</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, 2021**

	Special Revenue Funds			
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"	CTC Traffic Improvement Grant
Revenues				
Taxes	\$ -	\$ 528,052	\$ 438,000	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	2,164	-
Intergovernmental	-	-	-	-
Charges for services	-	1,671	-	-
Use of money and property	-	6,466	4,605	-
Miscellaneous	-	30,524	-	-
Total revenues	-	566,713	444,769	-
Expenditures				
Current:				
General government	-	13,205	6,603	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	237,583	236,178	-
Public works	-	-	40,199	-
Capital outlay	-	64,500	11,460	-
Total expenditures	-	315,288	294,440	-
Excess (deficiency) of revenues over (under) expenditures	-	251,425	150,329	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	251,425	150,329	-
Fund Balances (Deficit), beginning	(29,951)	1,237,692	908,950	(23)
Fund Balances (Deficit), ending	\$ (29,951)	\$ 1,489,117	\$ 1,059,279	\$ (23)

(continued)

Special Revenue Funds				
Rogan HR 5294 Grant Fund	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
\$ -	\$ -	\$ -	\$ 67,454	\$ -
-	892,903	-	-	-
-	-	-	30,086	-
-	-	33,243	-	-
-	-	-	-	-
-	1,862	594	20	298
-	13,536	-	-	-
-	908,301	33,837	97,560	298
-	-	-	107,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	881,197	-	-	-
3,211	50,000	35,925	-	-
3,211	931,197	35,925	107,000	-
(3,211)	(22,896)	(2,088)	(9,440)	298
-	-	-	-	-
-	-	-	-	-
(3,211)	(22,896)	(2,088)	(9,440)	298
(2,497)	451,566	122,335	9,951	62,914
\$ (5,708)	\$ 428,670	\$ 120,247	\$ 511	\$ 63,212

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds			
	Mission Meridian Public Garage	State Gas Tax	County Park Bond	Capital Growth Requirements
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	562,024	-	-
Charges for services	-	-	-	58,207
Use of money and property	-	4,638	-	2,554
Miscellaneous	-	-	-	-
Total revenues	-	566,662	-	60,761
Expenditures				
Current:				
General government	9,650	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	558,051	27,957	-
Capital outlay	-	25,185	-	-
Total expenditures	9,650	583,236	27,957	-
Excess (deficiency) of revenues over (under) expenditures	(9,650)	(16,574)	(27,957)	60,761
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(9,650)	(16,574)	(27,957)	60,761
Fund Balances (Deficit), beginning	(343,355)	947,707	(145,828)	488,414
Fund Balances (Deficit), ending	\$ (353,005)	\$ 931,133	\$ (173,785)	\$ 549,175

(continued)

Special Revenue Funds				
C.D.B.G	Asset Forfeiture	Measure W	Bike and Pedestrian Paths	State Police Grant
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
95,708	76,501	273,748	-	156,727
-	-	-	-	-
-	814	-	-	2,008
20,579	-	-	-	-
<u>116,287</u>	<u>77,315</u>	<u>273,748</u>	<u>-</u>	<u>158,735</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
115,980	-	-	-	-
-	-	42,555	-	-
-	-	-	10,252	146,830
<u>115,980</u>	<u>-</u>	<u>42,555</u>	<u>10,252</u>	<u>146,830</u>
<u>307</u>	<u>77,315</u>	<u>231,193</u>	<u>(10,252)</u>	<u>11,905</u>
-	-	-	-	-
-	-	-	-	-
307	77,315	231,193	(10,252)	11,905
<u>(307)</u>	<u>143,780</u>	<u>(109,301)</u>	<u>10,252</u>	<u>352,167</u>
<u>\$ -</u>	<u>\$ 221,095</u>	<u>\$ 121,892</u>	<u>\$ -</u>	<u>\$ 364,072</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, 2021**

	Special Revenue Funds			
	Homeland Security Grant	Park Impact Fees	Measure R	Measure M
Revenues				
Taxes	\$ -	\$ -	\$ 328,956	\$ 372,719
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	164,527	-	-
Use of money and property	-	3,831	5,041	5,428
Miscellaneous	-	-	-	-
Total revenues	-	168,358	333,997	378,147
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	18,050	-	-
Public works	-	-	-	-
Capital outlay	-	-	343,454	-
Total expenditures	-	18,050	343,454	-
Excess (deficiency) of revenues over (under) expenditures	-	150,308	(9,457)	378,147
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	150,308	(9,457)	378,147
Fund Balances (Deficit), beginning	(21,011)	703,574	1,080,602	960,536
Fund Balances (Deficit), ending	<u>\$ (21,011)</u>	<u>\$ 853,882</u>	<u>\$ 1,071,145</u>	<u>\$ 1,338,683</u>

(continued)

Special Revenue Funds				
TDA/Metro Grant Fund	Public Education	Road Maintenance & Rehab	MSRC Grant Fund	Measure H
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	9,074	474,939	-	-
-	-	-	-	24,056
1,114	824	3,474	-	-
-	-	-	-	-
<u>1,114</u>	<u>9,898</u>	<u>478,413</u>	<u>-</u>	<u>24,056</u>
-	-	-	-	-
-	-	-	-	38,582
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>125,802</u>	<u>-</u>	<u>451,156</u>	<u>1,151</u>	<u>-</u>
<u>125,802</u>	<u>-</u>	<u>451,156</u>	<u>1,151</u>	<u>38,582</u>
<u>(124,688)</u>	<u>9,898</u>	<u>27,257</u>	<u>(1,151)</u>	<u>(14,526)</u>
-	-	-	-	-
-	-	-	-	-
<u>(124,688)</u>	<u>9,898</u>	<u>27,257</u>	<u>(1,151)</u>	<u>(14,526)</u>
<u>293,781</u>	<u>171,784</u>	<u>688,393</u>	<u>(148,849)</u>	<u>(65,563)</u>
<u>\$ 169,093</u>	<u>\$ 181,682</u>	<u>\$ 715,650</u>	<u>\$ (150,000)</u>	<u>\$ (80,089)</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, 2021**

	Special Revenue Funds			
	Prop C Exchange	BTA Grant Fund	Housing Authority Fund	Golden Streets Grant Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	204,264	-	-	332,000
Charges for services	-	-	-	-
Use of money and property	-	-	20,896	-
Miscellaneous	-	-	-	-
Total revenues	204,264	-	20,896	332,000
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	10,361	-
Community services	-	-	-	-
Public works	-	-	-	10,744
Capital outlay	44,618	7,830	-	-
Total expenditures	44,618	7,830	10,361	10,744
Excess (deficiency) of revenues over (under) expenditures	159,646	(7,830)	10,535	321,256
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	159,646	(7,830)	10,535	321,256
Fund Balances (Deficit), beginning	(148,350)	(409,118)	70,649	(346,170)
Fund Balances (Deficit), ending	\$ 11,296	\$ (416,948)	\$ 81,184	\$ (24,914)

(continued)

Special Revenue Funds		Capital Projects Funds		
HSIP Grant Fund	Historic Preservation Grant Fund	Facilities & Equip. Capital Project	Technology Surcharge Fund	2000 Tax Allocation Bonds Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,090	-	-	-	-
-	-	-	3,126	-
-	24	10,423	-	46
-	-	-	-	-
<u>2,090</u>	<u>24</u>	<u>10,423</u>	<u>3,126</u>	<u>46</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	571,685	-	-
-	-	571,685	-	-
<u>2,090</u>	<u>24</u>	<u>(561,262)</u>	<u>3,126</u>	<u>46</u>
-	-	784,679	-	-
-	-	784,679	-	-
2,090	24	223,417	3,126	46
<u>(46,791)</u>	<u>5,078</u>	<u>2,306,623</u>	<u>-</u>	<u>924,821</u>
<u>\$ (44,701)</u>	<u>\$ 5,102</u>	<u>\$ 2,530,040</u>	<u>\$ 3,126</u>	<u>\$ 924,867</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, 2021**

	<u>Capital Projects Funds Streets Improvement Program Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues		
Taxes	\$ -	\$ 1,735,181
Assessments	-	892,903
Licenses and permits	-	32,250
Intergovernmental	-	2,220,318
Charges for services	-	251,587
Use of money and property	-	74,960
Miscellaneous	-	64,639
	<u>-</u>	<u>5,271,838</u>
Expenditures		
Current:		
General government	-	136,458
Public safety	-	38,582
Community development	-	10,361
Community services	-	607,791
Public works	-	1,560,703
Capital outlay	150,934	2,043,993
	<u>150,934</u>	<u>4,397,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,934)</u>	<u>873,950</u>
Other Financing Sources (Uses)		
Transfers in	<u>509,948</u>	<u>1,294,627</u>
Total other financing sources (uses)	<u>509,948</u>	<u>1,294,627</u>
Net change in fund balances	359,014	2,168,577
Fund Balances (Deficit), beginning	<u>2,117,315</u>	<u>12,241,770</u>
Fund Balances (Deficit), ending	<u>\$ 2,476,329</u>	<u>\$ 14,410,347</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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 553,185	\$ 553,185	\$ 528,052	\$ (25,133)
Charges for services	3,000	3,000	1,671	(1,329)
Use of money and property	10,000	10,000	6,466	(3,534)
Miscellaneous	-	-	30,524	30,524
Total revenues	<u>566,185</u>	<u>566,185</u>	<u>566,713</u>	<u>528</u>
Expenditures				
Current:				
General government	13,489	13,489	13,205	284
Community services	431,370	431,370	237,583	193,787
Capital outlay	<u>483,000</u>	<u>483,000</u>	<u>64,500</u>	<u>418,500</u>
Total expenditures	<u>927,859</u>	<u>927,859</u>	<u>315,288</u>	<u>612,571</u>
Net change in fund balance	(361,674)	(361,674)	251,425	613,099
Fund balance, beginning	<u>1,237,692</u>	<u>1,237,692</u>	<u>1,237,692</u>	<u>-</u>
Fund balance, ending	<u>\$ 876,018</u>	<u>\$ 876,018</u>	<u>\$ 1,489,117</u>	<u>\$ 613,099</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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 458,852	\$ 458,852	\$ 438,000	\$ (20,852)
Licenses and permits	40,000	40,000	2,164	(37,836)
Use of money and property	8,896	8,896	4,605	(4,291)
Total revenues	<u>507,748</u>	<u>507,748</u>	<u>444,769</u>	<u>(62,979)</u>
Expenditures				
Current:				
General government	5,929	5,929	6,603	(674)
Community services	289,425	289,425	236,178	53,247
Public works	97,482	97,482	40,199	57,283
Capital outlay	111,980	111,980	11,460	100,520
Total expenditures	<u>504,816</u>	<u>504,816</u>	<u>294,440</u>	<u>210,376</u>
Net change in fund balance	2,932	2,932	150,329	147,397
Fund balance, beginning	<u>908,950</u>	<u>908,950</u>	<u>908,950</u>	<u>-</u>
Fund balance, ending	<u>\$ 911,882</u>	<u>\$ 911,882</u>	<u>\$ 1,059,279</u>	<u>\$ 147,397</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Assessments	\$ 880,000	\$ 880,000	\$ 892,903	\$ 12,903
Use of money and property	4,837	4,837	1,862	(2,975)
Miscellaneous	5,000	5,000	13,536	8,536
Total revenues	<u>889,837</u>	<u>889,837</u>	<u>908,301</u>	<u>18,464</u>
Expenditures				
Current:				
Public works	1,009,458	1,009,458	881,197	128,261
Capital outlay	87,000	87,000	50,000	37,000
Total expenditures	<u>1,096,458</u>	<u>1,096,458</u>	<u>931,197</u>	<u>165,261</u>
Net change in fund balance	(206,621)	(206,621)	(22,896)	183,725
Fund balance, beginning	<u>451,566</u>	<u>451,566</u>	<u>451,566</u>	<u>-</u>
Fund balance, ending	<u>\$ 244,945</u>	<u>\$ 244,945</u>	<u>\$ 428,670</u>	<u>\$ 183,725</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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 33,200	\$ 33,200	\$ 33,243	\$ 43
Use of money and property	1,739	1,739	594	(1,145)
Total revenues	<u>34,939</u>	<u>34,939</u>	<u>33,837</u>	<u>(1,102)</u>
Expenditures				
Current:				
General government	15,000	15,000	-	15,000
Capital outlay	<u>37,600</u>	<u>37,600</u>	<u>35,925</u>	<u>1,675</u>
Total expenditures	<u>52,600</u>	<u>52,600</u>	<u>35,925</u>	<u>16,675</u>
Net change in fund balance	(17,661)	(17,661)	(2,088)	15,573
Fund balance, beginning	<u>122,335</u>	<u>122,335</u>	<u>122,335</u>	<u>-</u>
Fund balance, ending	<u>\$ 104,674</u>	<u>\$ 104,674</u>	<u>\$ 120,247</u>	<u>\$ 15,573</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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 55,790	\$ 55,790	\$ 67,454	\$ 11,664
Licenses and permits	22,240	22,240	30,086	7,846
Use of money and property	500	500	20	(480)
Total revenues	<u>78,530</u>	<u>78,530</u>	<u>97,560</u>	<u>19,030</u>
Expenditures				
Current:				
General government	<u>109,500</u>	<u>109,500</u>	<u>107,000</u>	<u>2,500</u>
Total expenditures	<u>109,500</u>	<u>109,500</u>	<u>107,000</u>	<u>2,500</u>
Net change in fund balance	(30,970)	(30,970)	(9,440)	21,530
Fund balance, beginning	<u>9,951</u>	<u>9,951</u>	<u>9,951</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (21,019)</u>	<u>\$ (21,019)</u>	<u>\$ 511</u>	<u>\$ 21,530</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GOLD LINE MITIGATION
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 700	\$ 700	\$ 298	\$ (402)
Total revenues	700	700	298	(402)
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	700	700	298	(402)
Fund balance, beginning	62,914	62,914	62,914	-
Fund balance, ending	\$ 63,614	\$ 63,614	\$ 63,212	\$ (402)

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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	15,000	15,000	9,650	5,350
Total expenditures	15,000	15,000	9,650	5,350
Net change in fund balance	(15,000)	(15,000)	(9,650)	5,350
Fund balance (deficit), beginning	(343,355)	(343,355)	(343,355)	-
Fund balance (deficit), ending	\$ (358,355)	\$ (358,355)	\$ (353,005)	\$ 5,350

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 659,062	\$ 659,062	\$ 562,024	\$ (97,038)
Use of money and property	10,000	10,000	4,638	(5,362)
Total revenues	<u>669,062</u>	<u>669,062</u>	<u>566,662</u>	<u>(102,400)</u>
Expenditures				
Current:				
Public works	838,272	838,272	558,051	280,221
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>25,185</u>	<u>74,815</u>
Total expenditures	<u>938,272</u>	<u>938,272</u>	<u>583,236</u>	<u>355,036</u>
Net change in fund balance	(269,210)	(269,210)	(16,574)	252,636
Fund balance, beginning	<u>947,707</u>	<u>947,707</u>	<u>947,707</u>	<u>-</u>
Fund balance, ending	<u>\$ 678,497</u>	<u>\$ 678,497</u>	<u>\$ 931,133</u>	<u>\$ 252,636</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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 37,567	\$ 37,567	\$ -	\$ (37,567)
Use of money and property	2,500	2,500	-	(2,500)
Total revenues	<u>40,067</u>	<u>40,067</u>	<u>-</u>	<u>(40,067)</u>
Expenditures				
Current:				
Public works	<u>70,500</u>	<u>70,500</u>	<u>27,957</u>	<u>42,543</u>
Total expenditures	<u>70,500</u>	<u>70,500</u>	<u>27,957</u>	<u>42,543</u>
Net change in fund balance	(30,433)	(30,433)	(27,957)	2,476
Fund balance (deficit), beginning	<u>(145,828)</u>	<u>(145,828)</u>	<u>(145,828)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (176,261)</u>	<u>\$ (176,261)</u>	<u>\$ (173,785)</u>	<u>\$ 2,476</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CAPITAL GROWTH REQUIREMENTS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 40,000	\$ 50,000	\$ 58,207	\$ 8,207
Use of money and property	5,000	5,000	2,554	(2,446)
Total revenues	<u>45,000</u>	<u>55,000</u>	<u>60,761</u>	<u>5,761</u>
Net change in fund balance	45,000	55,000	60,761	5,761
Fund balance, beginning	<u>488,414</u>	<u>488,414</u>	<u>488,414</u>	<u>-</u>
Fund balance, ending	<u>\$ 533,414</u>	<u>\$ 543,414</u>	<u>\$ 549,175</u>	<u>\$ 5,761</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CDBG
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 241,565	\$ 241,565	\$ 95,708	\$ (145,857)
Miscellaneous	20,000	20,000	20,579	579
Total revenues	<u>261,565</u>	<u>261,565</u>	<u>116,287</u>	<u>(145,278)</u>
Expenditures				
Current:				
Community services	44,998	44,998	115,980	(70,982)
Capital outlay	<u>216,567</u>	<u>216,567</u>	-	<u>216,567</u>
Total expenditures	<u>261,565</u>	<u>261,565</u>	<u>115,980</u>	<u>145,585</u>
Net change in fund balance	-	-	307	307
Fund balance (deficit), beginning	<u>(307)</u>	<u>(307)</u>	<u>(307)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (307)</u>	<u>\$ (307)</u>	<u>\$ -</u>	<u>\$ 307</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 MEASURE W
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 273,748	\$ 273,748
Total revenues	-	-	273,748	273,748
Expenditures				
Current:				
Public works	151,806	151,806	42,555	109,251
Total expenditures	151,806	151,806	42,555	109,251
Net change in fund balance	(151,806)	(151,806)	231,193	382,999
Fund balance (deficit), beginning	(109,301)	(109,301)	(109,301)	-
Fund balance (deficit), ending	\$ (261,107)	\$ (261,107)	\$ 121,892	\$ 382,999

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 ASSET FORFEITURE
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 76,501	\$ 76,501
Use of money and property	50	50	814	764
Total revenues	<u>50</u>	<u>50</u>	<u>77,315</u>	<u>77,265</u>
Expenditures				
Current:				
Public Safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	50	50	77,315	77,265
Fund balance, beginning	<u>143,780</u>	<u>143,780</u>	<u>143,780</u>	<u>-</u>
Fund balance, ending	<u>\$ 143,830</u>	<u>\$ 143,830</u>	<u>\$ 221,095</u>	<u>\$ 77,265</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	15,080	15,080	10,252	4,828
Total expenditures	15,080	15,080	10,252	4,828
Net change in fund balance	(15,080)	(15,080)	(10,252)	4,828
Fund balance, beginning	10,252	10,252	10,252	-
Fund balance (deficit), ending	\$ (4,828)	\$ (4,828)	\$ -	\$ 4,828

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 156,727	\$ 56,727
Use of money and property	2,500	2,500	2,008	(492)
Total revenues	<u>102,500</u>	<u>102,500</u>	<u>158,735</u>	<u>56,235</u>
Expenditures				
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>146,830</u>	<u>53,170</u>
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>146,830</u>	<u>53,170</u>
Net change in fund balance	(97,500)	(97,500)	11,905	109,405
Fund balance, beginning	<u>352,167</u>	<u>352,167</u>	<u>352,167</u>	<u>-</u>
Fund balance, ending	<u>\$ 254,667</u>	<u>\$ 254,667</u>	<u>\$ 364,072</u>	<u>\$ 109,405</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 160,000	\$ 160,000	\$ 164,527	\$ 4,527
Use of money and property	6,000	6,000	3,831	(2,169)
Total revenues	<u>166,000</u>	<u>166,000</u>	<u>168,358</u>	<u>2,358</u>
Expenditures				
Current:				
Community services	100,000	100,000	18,050	81,950
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>18,050</u>	<u>81,950</u>
Net change in fund balance	66,000	66,000	150,308	84,308
Fund balance, beginning	<u>703,574</u>	<u>703,574</u>	<u>703,574</u>	<u>-</u>
Fund balance, ending	<u>\$ 769,574</u>	<u>\$ 769,574</u>	<u>\$ 853,882</u>	<u>\$ 84,308</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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 344,175	\$ 344,175	\$ 328,956	\$ (15,219)
Use of money and property	10,000	10,000	5,041	(4,959)
Total revenues	<u>354,175</u>	<u>354,175</u>	<u>333,997</u>	<u>(20,178)</u>
Expenditures				
Capital outlay	962,766	962,766	343,454	619,312
Total expenditures	<u>962,766</u>	<u>962,766</u>	<u>343,454</u>	<u>619,312</u>
Net change in fund balance	(608,591)	(608,591)	(9,457)	599,134
Fund balance, beginning	<u>1,080,602</u>	<u>1,080,602</u>	<u>1,080,602</u>	<u>-</u>
Fund balance, ending	<u>\$ 472,011</u>	<u>\$ 472,011</u>	<u>\$ 1,071,145</u>	<u>\$ 599,134</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, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 390,024	\$ 390,024	\$ 372,719	\$ (17,305)
Use of money and property	7,000	7,000	5,428	(1,572)
Total revenues	<u>397,024</u>	<u>397,024</u>	<u>378,147</u>	<u>(18,877)</u>
Expenditures				
Capital outlay	953,474	953,474	-	953,474
Total expenditures	<u>953,474</u>	<u>953,474</u>	<u>-</u>	<u>953,474</u>
Net change in fund balance	(556,450)	(556,450)	378,147	934,597
Fund balance, beginning	<u>960,536</u>	<u>960,536</u>	<u>960,536</u>	<u>-</u>
Fund balance, ending	<u>\$ 404,086</u>	<u>\$ 404,086</u>	<u>\$ 1,338,683</u>	<u>\$ 934,597</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 6,412	\$ 6,412	\$ 1,114	\$ (5,298)
Total revenues	6,412	6,412	1,114	(5,298)
Expenditures				
Capital outlay	148,568	148,568	125,802	22,766
Total expenditures	148,568	148,568	125,802	22,766
Net change in fund balance	(142,156)	(142,156)	(124,688)	17,468
Fund balance, beginning	293,781	293,781	293,781	-
Fund balance, ending	\$ 151,625	\$ 151,625	\$ 169,093	\$ 17,468

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 9,074	\$ (8,926)
Use of money and property	1,825	1,825	824	(1,001)
Total revenues	<u>19,825</u>	<u>19,825</u>	<u>9,898</u>	<u>(9,927)</u>
Net change in fund balance	19,825	19,825	9,898	(9,927)
Fund balance, beginning	<u>171,784</u>	<u>171,784</u>	<u>171,784</u>	<u>-</u>
Fund balance, ending	<u>\$ 191,609</u>	<u>\$ 191,609</u>	<u>\$ 181,682</u>	<u>\$ (9,927)</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 495,685	\$ 495,685	\$ 474,939	\$ (20,746)
Use of money and property	7,000	7,000	3,474	(3,526)
Total revenues	<u>502,685</u>	<u>502,685</u>	<u>478,413</u>	<u>(24,272)</u>
Expenditures				
Capital outlay	886,000	886,000	451,156	434,844
Total expenditures	<u>886,000</u>	<u>886,000</u>	<u>451,156</u>	<u>434,844</u>
Net change in fund balance	(383,315)	(383,315)	27,257	410,572
Fund balance, beginning	<u>688,393</u>	<u>688,393</u>	<u>688,393</u>	<u>-</u>
Fund balance, ending	<u>\$ 305,078</u>	<u>\$ 305,078</u>	<u>\$ 715,650</u>	<u>\$ 410,572</u>

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 BTA GRANT
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	10,322	10,322	7,830	2,492
Total expenditures	10,322	10,322	7,830	2,492
Net change in fund balance	(10,322)	(10,322)	(7,830)	2,492
Fund balance (deficit), beginning	(409,118)	(409,118)	(409,118)	-
Fund balance (deficit), ending	\$ (419,440)	\$ (419,440)	\$ (416,948)	\$ 2,492

CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 HOUSING AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 22,676	\$ 22,676	\$ 20,896	\$ (1,780)
Total revenues	<u>22,676</u>	<u>22,676</u>	<u>20,896</u>	<u>(1,780)</u>
Expenditures				
Current:				
Community development	10,000	10,000	10,361	(361)
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,361</u>	<u>(361)</u>
Net change in fund balance	12,676	12,676	10,535	(2,141)
Fund balance, beginning	<u>70,649</u>	<u>70,649</u>	<u>70,649</u>	<u>-</u>
Fund balance, ending	<u>\$ 83,325</u>	<u>\$ 83,325</u>	<u>\$ 81,184</u>	<u>\$ (2,141)</u>

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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,000	\$ 1,000	\$ 10,423	\$ 9,423
Total revenues	1,000	1,000	10,423	9,423
Expenditures				
Capital outlay	832,230	832,230	571,685	260,545
Total expenditures	832,230	832,230	571,685	260,545
Excess (deficiency) of revenues over (under) expenditures	(831,230)	(831,230)	(561,262)	269,968
Other financing sources				
Transfers in	740,000	740,000	784,679	44,679
Total other financing sources	740,000	740,000	784,679	44,679
Net change in fund balance	(91,230)	(91,230)	223,417	314,647
Fund balance, beginning	2,306,623	2,306,623	2,306,623	-
Fund balance, ending	\$ 2,215,393	\$ 2,215,393	\$ 2,530,040	\$ 314,647

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, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 46	\$ 46
Total revenues	-	-	46	46
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	46	46
Fund balance, beginning	924,821	924,821	924,821	-
Fund balance, ending	\$ 924,821	\$ 924,821	\$ 924,867	\$ 46

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	522,948	522,948	150,934	372,014
Total expenditures	522,948	522,948	150,934	372,014
Excess (deficiency) of revenues over (under) expenditures	(522,948)	(522,948)	(150,934)	372,014
Other financing sources				
Transfers in	509,948	509,948	509,948	-
Total other financing sources	509,948	509,948	509,948	-
Net change in fund balance	(13,000)	(13,000)	359,014	372,014
Fund balance, beginning	2,117,315	2,117,315	2,117,315	-
Fund balance, ending	\$ 2,104,315	\$ 2,104,315	\$ 2,476,329	\$ 372,014

STATISTICAL SECTION

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CITY OF SOUTH PASADADENA

STATISTICAL SECTION

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

CONTENTS	Page
Financial Trends	117
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.</p>	
Revenue Capacity	127
<p>These schedules contain information to help the reader assess one of the City's most significant local revenue source, the property tax.</p>	
Debt Capacity	131
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.</p>	
Demographic and Economic Information	135
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information	138
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</p>	

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

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Financial Trends

CITY OF SOUTH PASADADENA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net investment in capital assets	\$ 62,226,846	\$ 61,969,593	\$ 62,764,726	\$ 63,611,268	\$ 57,152,793
Restricted	2,722,783	2,328,184	3,184,841	4,179,297	4,894,822
Unrestricted	5,143,951	7,314,507	8,720,752	(14,506,500)	(12,620,721)
Total governmental activities net position	<u>\$ 70,093,580</u>	<u>\$ 71,612,284</u>	<u>\$ 74,670,319</u>	<u>\$ 53,284,065</u>	<u>\$ 49,426,894</u>
Business-type activities:					
Net investment in capital assets	\$ 4,808,013	\$ 7,448,158	\$ 10,855,319	\$ 11,727,300	\$ 19,878,644
Restricted	29,973,386	-	-	2,982,160	2,880,237
Unrestricted	(22,097,380)	334,901	6,943,845	4,690,608	4,159,721
Total business-type activities net position	<u>\$ 12,684,019</u>	<u>\$ 7,783,059</u>	<u>\$ 17,799,164</u>	<u>\$ 19,400,068</u>	<u>\$ 26,918,602</u>
Primary Government:					
Net investment in capital assets	\$ 67,034,859	\$ 69,417,751	\$ 73,620,045	\$ 75,338,568	\$ 77,031,437
Restricted	32,696,169	2,328,184	3,184,841	7,161,457	7,775,059
Unrestricted	(16,953,429)	7,649,408	15,664,597	(9,815,892)	(8,461,000)
Total primary government net position	<u>\$ 82,777,599</u>	<u>\$ 79,395,343</u>	<u>\$ 92,469,483</u>	<u>\$ 72,684,133</u>	<u>\$ 76,345,496</u>

Fiscal Year				
2017	2018	2019	2020	2021
\$ 59,774,372	\$ 62,806,755	\$ 60,351,839	\$ 59,395,318	\$ 60,662,686
6,328,022	6,336,084	8,115,962	9,634,946	10,700,987
(15,130,068)	(24,210,258)	(22,350,734)	(26,491,377)	(21,456,324)
<u>\$ 50,972,326</u>	<u>\$ 44,932,581</u>	<u>\$ 46,117,067</u>	<u>\$ 42,538,887</u>	<u>\$ 49,907,349</u>
\$ 22,302,873	\$ 25,526,014	\$ 23,661,335	\$ 25,255,248	\$ 32,772,024
2,998,161	1,154,374	1,156,612	1,158,406	1,158,268
4,178,403	6,037,490	10,548,528	13,371,764	11,523,724
<u>\$ 29,479,437</u>	<u>\$ 32,717,878</u>	<u>\$ 35,366,475</u>	<u>\$ 39,785,418</u>	<u>\$ 45,454,016</u>
\$ 82,077,245	\$ 88,332,769	\$ 84,013,174	\$ 84,650,566	\$ 93,434,710
9,326,183	7,490,458	9,272,574	10,793,352	11,859,255
(10,951,665)	(18,172,768)	(11,802,206)	(13,119,613)	(9,932,600)
<u>\$ 80,451,763</u>	<u>\$ 77,650,459</u>	<u>\$ 81,483,542</u>	<u>\$ 82,324,305</u>	<u>\$ 95,361,365</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses:					
Governmental Activities:					
General government	\$ 7,449,632	\$ 4,152,804	\$ 5,039,084	\$ 4,354,683	\$ 3,847,476
Public safety	11,596,854	11,217,279	11,012,625	12,363,366	13,218,063
Community development	948,777	902,945	918,665	1,116,084	953,471
Community services	3,052,840	3,101,910	3,132,433	3,336,626	3,153,329
Public works	5,306,742	4,758,677	4,990,390	5,578,457	5,578,850
Interest on long-term debt	47,185	8,288	4,465	4,335	-
Total Governmental Activities Expenses	<u>28,402,030</u>	<u>24,141,903</u>	<u>25,097,662</u>	<u>26,753,551</u>	<u>26,751,189</u>
Business-type activities:					
Water Utility	4,598,754	6,135,803	5,804,509	4,772,647	5,886,309
Sewer Utility	1,104,098	838,800	998,603	968,996	962,623
Arroyo Seco Golf Course	985,611	888,930	930,255	923,660	954,898
Total Business-type Activities Expenses	<u>6,688,463</u>	<u>7,863,533</u>	<u>7,733,367</u>	<u>6,665,303</u>	<u>7,803,830</u>
Total Primary Government Expenses	<u>35,090,493</u>	<u>32,005,436</u>	<u>32,831,029</u>	<u>33,418,854</u>	<u>34,555,019</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General government	1,489,846	1,005,393	1,173,376	1,372,549	1,126,241
Public safety	899,536	868,577	983,181	1,189,968	1,154,628
Community development	548,532	576,063	761,632	963,987	804,309
Community services	772,898	805,635	864,271	1,064,439	853,949
Public works	1,102,936	1,103,664	1,159,519	1,226,729	1,172,172
Total Charges for Services	<u>4,813,748</u>	<u>4,359,332</u>	<u>4,941,979</u>	<u>5,817,672</u>	<u>5,111,299</u>
Operating Contribution and Grants:					
General government	43,838	32,872	53,999	21,413	164,625
Public safety	779,399	775,610	328,654	185,067	116,029
Community development	618,435	610,355	504,312	476,886	627,488
Community services	30,937	31,854	24,876	38,348	20,527
Public works	184,948	255,526	348,797	212,472	399,656
Total Operating Contributions and Grants	<u>1,657,557</u>	<u>1,706,217</u>	<u>1,260,638</u>	<u>934,186</u>	<u>1,328,325</u>
Capital Contributions and Grants:					
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	1,415,306	93,947	1,300,814	1,220,504	734,935
Total Capital Contributions and Grants	<u>1,415,306</u>	<u>93,947</u>	<u>1,300,814</u>	<u>1,220,504</u>	<u>734,935</u>
Total Governmental Activities Program Revenue	<u>7,886,611</u>	<u>6,159,496</u>	<u>7,503,431</u>	<u>7,972,362</u>	<u>7,174,559</u>
Business-type Activities:					
Charges for services:					
Water Utility	6,903,816	8,022,705	9,210,982	8,694,880	8,094,350
Sewer Utility	955,204	1,127,843	1,256,682	1,353,233	1,543,925
Arroyo Seco Golf Course	1,195,978	1,082,826	1,197,047	1,133,562	1,129,927
Operating Contribution and Grants:					
Water Utility	-	-	-	-	-
Total Business-type Activities Program Revenue	<u>9,054,998</u>	<u>10,233,374</u>	<u>11,664,711</u>	<u>11,181,675</u>	<u>10,768,202</u>
Total primary government program revenues	<u>16,941,609</u>	<u>16,392,870</u>	<u>19,168,142</u>	<u>19,154,037</u>	<u>17,942,761</u>
Net (expenses) revenues:					
Governmental activities	(20,515,419)	(17,982,407)	(17,594,231)	(18,781,189)	(19,576,630)
Business-type activities	2,366,535	2,369,841	3,931,344	4,516,372	2,964,372
Total primary government net (expenses)/revenues	<u>\$ (18,148,884)</u>	<u>\$ (15,612,566)</u>	<u>\$ (13,662,887)</u>	<u>\$ (14,264,817)</u>	<u>\$ (16,612,258)</u>

(Continued)

		Fiscal Year			
2017	2018	2019	2020	2021	
\$ 4,324,484	\$ 5,560,722	\$ 6,014,464	\$ 10,256,658	\$ 8,488,362	
15,596,078	14,624,313	14,261,686	16,650,223	18,962,727	
1,289,447	1,037,091	1,361,590	1,891,456	1,830,130	
3,566,285	3,819,654	3,984,070	3,768,976	3,415,967	
5,529,025	5,197,516	6,045,511	5,536,975	3,568,244	
-	-	-	-	-	
<u>30,305,319</u>	<u>30,239,296</u>	<u>31,667,321</u>	<u>38,104,288</u>	<u>36,265,430</u>	
7,028,827	7,060,363	8,116,822	8,817,002	7,935,991	
1,012,338	686,672	1,280,398	1,189,754	1,280,104	
<u>1,032,358</u>	<u>1,096,327</u>	<u>1,158,137</u>	<u>1,030,565</u>	<u>1,131,455</u>	
<u>9,073,523</u>	<u>8,843,362</u>	<u>10,555,357</u>	<u>11,037,321</u>	<u>10,347,550</u>	
<u>39,378,842</u>	<u>39,082,658</u>	<u>42,222,678</u>	<u>49,141,609</u>	<u>46,612,980</u>	
1,026,398	922,603	806,758	2,138,708	1,615,244	
1,166,125	1,554,948	1,584,152	1,479,307	2,077,333	
871,571	3,160	7,647	15,812	-	
926,897	841,445	761,334	480,130	324,106	
<u>1,189,342</u>	<u>1,449,325</u>	<u>1,313,942</u>	<u>1,385,391</u>	<u>1,358,505</u>	
<u>5,180,333</u>	<u>4,771,481</u>	<u>4,473,833</u>	<u>5,499,348</u>	<u>5,375,188</u>	
312,062	48,304	755,965	414,862	1,415,551	
175,919	173,401	136,627	197,747	176,000	
810,749	22,189	34,967	2,876	23,916	
84,519	25,248	965,060	1,010,094	931,932	
<u>87,864</u>	<u>702,884</u>	<u>2,338,935</u>	<u>1,802,848</u>	<u>1,823,284</u>	
<u>1,471,113</u>	<u>972,026</u>	<u>4,231,554</u>	<u>3,428,427</u>	<u>4,370,683</u>	
901,436	-	-	-	-	
-	143,601	115,076	-	-	
<u>1,516,800</u>	<u>1,182,367</u>	<u>957,234</u>	<u>976,308</u>	<u>1,429,167</u>	
<u>2,418,236</u>	<u>1,325,968</u>	<u>1,072,310</u>	<u>976,308</u>	<u>1,429,167</u>	
<u>9,069,682</u>	<u>7,069,475</u>	<u>9,777,697</u>	<u>9,904,083</u>	<u>11,175,038</u>	
8,804,890	9,830,246	10,152,661	11,089,616	12,022,464	
1,583,362	1,614,351	1,472,122	1,962,443	2,108,764	
1,101,970	1,166,516	1,255,815	1,074,883	1,767,133	
-	200,167	-	90,833	30,604	
<u>11,490,222</u>	<u>12,811,280</u>	<u>12,880,598</u>	<u>14,217,775</u>	<u>15,928,965</u>	
<u>20,559,904</u>	<u>19,880,755</u>	<u>22,658,295</u>	<u>24,121,858</u>	<u>27,104,003</u>	
(21,235,637)	(23,169,821)	(21,889,624)	(28,200,205)	(25,090,392)	
<u>2,416,699</u>	<u>3,967,918</u>	<u>2,325,241</u>	<u>3,180,454</u>	<u>5,581,415</u>	
<u>\$ (18,818,938)</u>	<u>\$ (19,201,903)</u>	<u>\$ (19,564,383)</u>	<u>\$ (25,019,751)</u>	<u>\$ (19,508,977)</u>	

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 10,557,651	\$ 11,074,604	\$ 11,462,585	\$ 11,779,438	\$ 12,632,984
Sales taxes	2,956,964	2,481,560	3,447,593	3,535,113	3,786,423
Franchise taxes	814,766	810,642	804,995	878,332	875,304
Business License taxes	347,096	363,437	373,935	385,691	397,762
Other taxes	4,133,582	4,092,063	4,004,746	3,965,217	3,940,883
Motor Vehicle in Lieu - Unrestricted	13,267	10,980	-	16,845	10,561
Use of money and property	381,165	446,167	498,208	542,196	739,761
Other	104,245	221,658	32,823	70,188	745,315
Transfers	-	-	-	87,000	13,919
Extraordinary gain/loss on dissolution of RDA	(442,708)	-	-	-	-
Total governmental activities	18,866,028	19,501,111	20,624,885	21,260,020	23,142,912
Business-type activities:					
Use of money and property	45,652	38,006	28,372	32,205	137,524
Miscellaneous	-	-	-	-	-
Other	10,901	5,972	10,143	184,786	230,156
Transfers	-	-	-	(87,000)	(13,919)
Total business-type activities	56,553	43,978	38,515	129,991	353,761
Total primary government	18,922,581	19,545,089	20,663,400	21,390,011	23,496,673
Change in Net Position:					
Governmental activities	(1,649,391)	1,518,704	3,030,654	2,478,831	3,566,282
Business-type activities	2,423,088	2,413,819	3,969,859	4,646,363	3,318,133
Total primary government	\$ 773,697	\$ 3,932,523	\$ 7,000,513	\$ 7,125,194	\$ 6,884,415

Fiscal Year				
2017	2018	2019	2020	2021
\$ 13,236,932	\$ 14,135,844	\$ 15,368,198	\$ 15,491,557	\$ 16,772,602
3,627,051	3,965,016	2,563,117	2,864,474	5,132,645
818,724	784,736	1,002,408	794,838	995,705
412,594	389,726	399,653	375,399	392,174
4,057,552	3,775,843	3,228,320	3,445,454	3,738,531
11,660	13,682	392,595	396,008	415,385
553,165	650,749	1,308,952	1,356,990	4,859,029
38,877	130,310	11,815	197,666	152,783
24,514	-	80,000	(321,132)	-
-	-	-	-	-
<u>22,781,069</u>	<u>23,845,906</u>	<u>24,355,058</u>	<u>24,601,254</u>	<u>32,458,854</u>
(2,802)	92,551	392,230	265,004	62,447
-	-	-	-	-
171,452	216,693	94,367	652,353	24,736
(24,514)	-	(80,000)	321,132	-
<u>144,136</u>	<u>309,244</u>	<u>406,597</u>	<u>1,238,489</u>	<u>87,183</u>
<u>22,925,205</u>	<u>24,155,150</u>	<u>24,761,655</u>	<u>25,839,743</u>	<u>32,546,037</u>
1,545,432	676,085	2,465,434	(3,598,951)	7,368,462
<u>2,560,835</u>	<u>4,277,162</u>	<u>2,731,838</u>	<u>4,418,943</u>	<u>5,668,598</u>
<u>\$ 4,106,267</u>	<u>\$ 4,953,247</u>	<u>\$ 5,197,272</u>	<u>\$ 819,992</u>	<u>\$ 13,037,060</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund:					
Nonspendable	\$ 433,637	\$ 1,199,091	\$ 1,207,961	\$ 1,022,841	\$ 1,035,224
Restricted	-	-	-	-	-
Committed	2,563,481	2,141,481	2,650,000	3,500,000	5,635,000
Assigned	-	-	-	-	-
Unassigned	11,757,341	11,727,832	12,788,280	13,124,419	12,724,205
Total General Fund	<u>14,754,459</u>	<u>15,068,404</u>	<u>16,646,241</u>	<u>17,647,260</u>	<u>19,394,429</u>
All Other Governmental Funds:					
Nonspendable	-	-	-	-	-
Restricted	2,722,783	2,328,184	3,184,841	4,179,297	4,894,822
Committed	-	579,447	611,447	461,472	696,953
Assigned	-	-	-	-	-
Unassigned	(4,015,530)	(1,049,935)	(791,469)	(572,623)	(771,286)
Total all other governmental funds	<u>(1,292,747)</u>	<u>1,857,696</u>	<u>3,004,819</u>	<u>4,068,146</u>	<u>4,820,489</u>
Total governmental funds	<u>\$ 13,461,712</u>	<u>\$ 16,926,100</u>	<u>\$ 19,651,060</u>	<u>\$ 21,715,406</u>	<u>\$ 24,214,918</u>

		Fiscal Year							
		2017	2018	2019	2020	2021			
\$	1,044,519	\$	904,445	\$	455,083	\$	305,396	\$	1,332,864
	-		-		-		-		-
	5,899,130		5,803,778		5,945,656		5,547,682		5,526,943
	-		-		-		-		72,940
	<u>9,681,531</u>		<u>11,182,760</u>		<u>12,017,146</u>		<u>12,700,662</u>		<u>18,710,860</u>
	<u>16,625,180</u>		<u>17,890,983</u>		<u>18,417,885</u>		<u>18,553,740</u>		<u>25,643,607</u>
	-		-		4,106		-		-
	6,328,022		6,336,084		8,115,962		9,634,946		10,700,987
	2,482,803		796,721		3,635,244		4,423,938		5,009,495
	-		-		-		-		-
	<u>(791,741)</u>		<u>(874,184)</u>		<u>(1,178,791)</u>		<u>(1,817,114)</u>		<u>(1,300,135)</u>
	<u>8,019,084</u>		<u>6,258,621</u>		<u>10,576,521</u>		<u>12,241,770</u>		<u>14,410,347</u>
\$	<u>24,644,264</u>	\$	<u>24,149,604</u>	\$	<u>28,994,406</u>	\$	<u>30,795,510</u>	\$	<u>40,053,954</u>

CITY OF SOUTH PASADENA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues:					
Taxes	\$ 18,393,272	\$ 19,166,312	\$ 19,697,011	\$ 20,205,691	\$ 21,235,594
Assessment	888,619	905,459	896,465	895,798	876,972
Licenses and permits	944,680	1,012,753	985,186	1,047,540	1,069,023
Intergovernmental	2,909,377	4,290,262	2,303,094	1,989,281	1,104,398
Charges for services	2,222,151	2,270,737	2,682,074	3,880,357	3,439,167
Use of money and property	381,165	446,167	498,208	542,194	739,761
Fines and forfeitures	533,035	523,629	412,748	347,585	444,556
Contributions	11,285	17,970	12,455	12,365	9,691
Miscellaneous	701,995	313,612	594,210	480,206	1,028,401
Total Revenues	26,985,579	28,946,901	28,081,451	29,401,017	29,947,563
Expenditures:					
Current:					
General government	4,207,231	5,651,008	4,297,373	3,988,989	3,930,354
Public safety	11,217,259	10,968,211	10,636,711	11,651,620	12,099,774
Community development	955,648	898,709	911,871	1,121,098	1,003,041
Community services	2,915,639	2,953,811	2,970,037	3,209,105	3,175,023
Public works	3,024,746	2,921,136	2,970,322	3,107,053	3,638,844
Capital outlay	2,467,712	2,028,330	3,536,250	3,739,660	3,507,229
Debt service:					
Principal retirement	48,289	50,650	53,130	55,725	58,450
Interest and fiscal charges	67,064	10,658	8,178	5,583	2,858
Total expenditures	24,903,588	25,482,513	25,383,872	26,878,833	27,415,573
Excess/(deficiency) of Revenues Over Expenditures	2,081,991	3,464,388	2,697,579	2,522,184	2,531,990
Other financing sources (uses):					
Transfers in	46,729	1,176,376	421,511	408,497	648,622
Transfers out	(46,729)	(1,176,376)	(421,511)	(625,137)	(681,100)
Total other financing sources (uses)	-	-	-	(216,640)	(32,478)
Net Change in Fund Balances	\$ 2,081,991	\$ 3,464,388	\$ 2,697,579	\$ 2,305,544	\$ 2,499,512
Debt service as a percentage of noncapital expenditures	0.5%	0.3%	0.3%	0.3%	0.3%

		Fiscal Year							
		2017	2018	2019	2020	2021			
\$	21,740,257	\$	22,827,899	\$	24,330,245	\$	24,739,711	\$	28,928,014
	892,361		890,227		893,205		890,461		892,903
	1,093,865		1,001,349		968,082		929,327		845,430
	3,193,603		1,374,597		2,222,496		1,557,375		3,174,531
	3,529,076		3,711,816		3,567,809		3,289,275		3,509,581
	553,165		650,749		1,308,948		1,356,990		4,859,030
	397,738		388,061		339,636		264,601		143,449
	4,310		16,135		-		-		-
	576,915		54,548		422,334		552,386		554,360
	<u>31,981,290</u>		<u>30,915,381</u>		<u>34,052,755</u>		<u>33,580,126</u>		<u>42,907,298</u>
	4,208,084		4,643,875		5,195,028		5,148,946		5,304,355
	13,454,529		13,223,377		13,253,827		14,737,277		16,787,261
	1,157,431		1,037,091		1,127,178		1,891,456		1,830,130
	3,394,984		3,570,903		3,523,793		3,282,820		2,934,452
	3,602,684		3,294,839		3,657,890		3,457,068		3,483,627
	5,687,034		5,639,956		2,260,280		2,800,323		2,081,779
	-		-		-		-		-
	-		-		-		-		-
	<u>31,504,746</u>		<u>31,410,041</u>		<u>29,017,996</u>		<u>31,317,890</u>		<u>32,421,604</u>
	<u>476,544</u>		<u>(494,660)</u>		<u>5,034,759</u>		<u>2,262,236</u>		<u>10,485,694</u>
	5,424,382		-		1,671,000		1,990,597		1,294,627
	<u>(5,481,580)</u>		<u>-</u>		<u>(1,860,956)</u>		<u>(2,451,729)</u>		<u>(2,521,877)</u>
	<u>(57,198)</u>		<u>-</u>		<u>(189,956)</u>		<u>(461,132)</u>		<u>(1,227,250)</u>
\$	<u>419,346</u>	\$	<u>(494,660)</u>	\$	<u>4,844,803</u>	\$	<u>1,801,104</u>	\$	<u>9,258,444</u>
	0.0%		0.0%		0.0%		0.0%		0.0%

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Revenue Capacity

CITY OF SOUTH PASADENA

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ^a	Taxable Assessed Value as a Percentage of Actual Taxable Value
2012	\$ 3,049,558	\$ 236,648	\$ 143,771	\$ (32,852)	\$ 3,397,125	0.252%	N/A	N/A
2013	3,175,548	246,971	137,830	(33,508)	3,526,841	0.252%	N/A	N/A
2014	3,329,419	260,726	135,712	(34,820)	3,691,037	0.264%	N/A	N/A
2015	3,501,716	267,657	124,487	(32,836)	3,861,024	0.264%	N/A	N/A
2016	3,692,063	269,163	121,018	(9,974)	4,072,270	0.264%	N/A	N/A
2017	3,879,157	277,223	130,593	(9,974)	4,276,999	0.264%	N/A	N/A
2018	4,127,779	302,031	131,435	(9,974)	4,551,271	0.264%	N/A	N/A
2019	4,421,323	318,282	117,481	(9,974)	4,847,112	0.263%	N/A	N/A
2020	4,654,181	338,070	134,525	(9,977)	5,116,799	0.264%	N/A	N/A
2021	4,901,129	369,099	137,804	(9,977)	5,398,055	0.264%	N/A	N/A

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

Note: ^a Estimated Actual Taxable is not available

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

CITY OF SOUTH PASADENA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)**

Fiscal Year	City Direct Rates		Overlapping Rates				
	General Basic Tax Levy	Total Direct Rate	Los Angeles County (1)	Educational Revenue Augmentation Fund	Los Angeles County Fire FFW	Los Angeles County Flood Control	Community College
2012	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2013	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2014	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2015	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2016	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2017	0.2400	0.2400	0.2856	0.2551	0.0060	0.0096	0.0320
2018	0.2400	0.2637	0.2857	0.2551	0.0060	0.0096	0.0320
2019	0.2400	0.2634	0.2857	0.2551	0.0060	0.0096	0.0320
2020	0.2400	0.2638	0.2857	0.2551	0.0060	0.0096	0.0320
2021	0.2400	0.2640	0.2857	0.2551	0.0060	0.0096	0.0320

Fiscal Year	Overlapping Rates						Total
	School District	Upper San Gabriel Valley Municipal Water District	South Pasadena Unified School District	Upper San Gabriel Valley Municipal Water District	Detention Facilities	Pasadena Community College District	
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
2020	0.1712	0.0005	0.1453	0.00350	-	0.0072	1.1561
2021	0.1712	0.0005	0.1712	0.00048	-	0.0320	1.2037

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	2020/2021			2010/2011		
	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	\$ 31,940,280	1	0.60%			
WF Property Holdings LP	16,870,439	2	0.31%			
GELT Storage 919 Mission LLC	16,830,000	3	0.31%			
WWNC 1653 Amberwood Dr LLC	14,463,350	4	0.27%			
NC Raymondale LLC	14,237,686	5	0.27%			
DC El Centro Holdings	13,770,000	6	0.26%			
Jerry B and Roberta L Furrey Trust	13,139,768	7	0.24%			
LDW Pico Properties LLC	12,590,849	8	0.23%			
Casa De General LLC	12,447,769	9	0.23%			
99 Pasadena Avenue LLC	12,296,991	10	0.23%			
H and O Fair Oaks Partners				\$ 16,380,695	1	0.48%
99 Pasadena Avenue LLC				10,959,793	2	0.32%
Casa De General LLC				10,613,629	3	0.31%
Golden Oaks Investment LLC				9,198,168	4	0.27%
NNC Terraces At South Pasadena				9,075,329	5	0.27%
California Empire LP				8,834,896	6	0.26%
KAN Investments Limited				8,802,033	7	0.26%
Time Warner Entertainment				8,341,024	8	0.25%
Richard Wagner Trust				8,176,668	9	0.24%
H P III Limited				7,685,398	10	0.23%
Total	\$ 158,587,132		2.95%	\$ 98,067,633		2.89%

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
2012	\$ 7,669,207	\$ 7,570,264	98.7%	\$ (17,918)	\$ 7,552,346	98.5%
2013	8,244,644	8,211,281	99.6%	(12,718)	8,198,563	99.4%
2014	8,569,818	8,389,757	97.9%	(16,427)	8,373,331	97.7%
2015	9,063,962	8,791,225	97.0%	(16,959)	8,774,266	96.8%
2016	9,607,577	9,281,790	96.6%	(19,676)	9,262,115	96.4%
2017	10,163,709	9,757,452	96.0%	(14,953)	9,742,499	95.9%
2018	10,718,463	10,421,475	97.2%	(18,677)	10,396,718	97.0%
2019	11,427,260	10,832,812	94.8%	(56,597)	10,776,215	94.3%
2020	12,054,638	11,959,079	99.2%	(35,338)	11,923,741	98.9%
2021	12,740,204	12,430,784	97.6%	(23,528)	12,407,256	97.4%

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

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Debt Capacity

CITY OF SOUTH PASADENA

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

Fiscal Year	Governmental Activities (1)			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita ^a
	Tax Allocation Bonds	Capital Leases	Loans	Water Revenue Bonds	State Loan			
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
2020	-	-	-	43,435,821	15,138,699	58,574,520	3.95%	2,301
2021	-	-	-	42,560,331	14,740,387	57,300,718	3.68%	2,232

Note:

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

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

CITY OF SOUTH PASADENA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

Fiscal Year 2020-21 Assessed Valuation : \$4,826,149,825 after deducting \$581,879,731 incremental value

	<u>Debt Outstanding</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/2021</u>
Direct Debt			
Total Direct Debt			-
Overlapping Debt			
Metropolitan Water District	\$ 13,101,783	34.000%	44,487
Pasadena Area Community College District 2014 Ref Series A	10,880,000	5.473%	595,428
Pasadena Area Community College District 2016 Ref Series A	51,650,000	5.473%	2,826,642
South Pasadena Unified 95 Series B	432,152	100.000%	432,152
South Pasadena Unified SD DS 95 S-C	2,512,030	100.000%	2,512,030
South Pasadena Unified SD DS 95 Series D	1,391,591	100.000%	1,391,591
South Pasadena USD DS 2012 REF BND	14,747,583	100.000%	14,747,583
South Pasadena USD DS 2016 Seriesies A	18,615,000	100.000%	18,615,000
South Pasadena USD DS 2018 REF 2002 Series B	9,480,617	100.000%	9,480,617
South Pasadena USD DS 2016 Series B	49,995,000	100.000%	49,995,000
Total Overlapping Tax and Assessment Debt			100,640,530
Combined Total Debt			<u>\$ 100,640,530</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	2.09%
Total Debt	2.09%

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
2012	\$ 509,569	\$ -	\$ 509,569	0.00%
2013	471,822	-	471,822	0.00%
2014	494,193	-	494,193	0.00%
2015	516,507	-	516,507	0.00%
2016	544,458	-	544,458	0.00%
2017	641,550	-	641,550	0.00%
2018	682,691	-	682,691	0.00%
2019	727,067	-	727,067	0.00%
2020	767,520	-	767,520	0.00%
2021	809,708	-	809,708	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 5,398,055
Debt limit (15% of assessed value)	809,708
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 809,708</u></u>

CITY OF SOUTH PASADENA

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

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 6,911	\$ 4,086	\$ 2,825	\$ 245	\$ 2,423	2.59
2013	8,029	5,563	2,466	255	2,046	3.49
2014	9,221	5,674	3,547	95	2,271	3.90
2015	8,695	4,430	4,265	1,065	2,240	2.63
2016	8,094	4,562	3,532	1,095	2,211	2.45
2017	8,805	6,218	2,587	340	1,142	5.94
2018	9,627	6,371	3,256	1,195	1,802	1.09
2019	9,176	6,254	2,922	1,195	1,779	3.09
2020	11,742	7,041	4,701	1,270	1,731	3.91
2021	11,705	7,211	4,494	1,310	1,710	3.88

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

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***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>
2011	25,725	\$ 1,220,780	\$ 47,455	6.1%
2012	25,857	1,277,956	49,424	4.6%
2013	26,011	1,203,347	46,263	3.7%
2014	26,022	1,211,194	46,545	5.9%
2015	26,028	1,208,853	46,444	4.7%
2016	25,992	1,199,887	46,163	3.7%
2017	26,047	1,276,801	49,019	3.2%
2018	26,245	1,402,630	53,443	3.9%
2019	25,458	1,483,267	58,263	3.7%
2020	25,668	1,556,952	60,657	9.9%

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	2020-2021			2010-2011*		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
FLEUR & BEE	391	1	9.35%	-		0.00%
SOUTH PASADENA CARE CENTER, LLC	158	2	3.78%	-		0.00%
RALPH'S GROCERY CO. #21	108	3	2.58%	-		0.00%
TRADER JOE NO. 18	100	4	2.39%	-		0.00%
THE VONS COMPANIES - PAVILLIONS #2228	93	5	2.22%	-		0.00%
VCA TLC PASADENA VETERINARY SPECIALTY AND EMERGENC	86	6	2.06%	-		0.00%
BRISTOL FARMS	76	7	1.82%	-		0.00%
CITY OF HOPE SOUTH PASADENA	57	8	1.36%	-		0.00%
WHITTIER TRUST COMPANY	53	9	1.27%	-		0.00%
THE VONS COMPANIES #3075	51	10	1.22%	-		0.00%
Total	<u>1,173</u>		<u>28.05%</u>	<u>-</u>		<u>0.00%</u>
Total City Employment (3)	<u>4,183</u>					

* Information not available

Source: South Pasadena Finance Department/Business License

CITY OF SOUTH PASADENA

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

Function/Program:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Legislative	8	8	8	5	5	5	5	5	5	5
City Manager	10	10	10	12	12	11	12	12	11	15
Finance	8	8	9	9	9	9	9	5	6	7
Public safety	81	81	79	81	80	80	77	75	80	82
Community Development	6	6	6	6	6	6	7	7	8	9
Public Works	28	28	20	21	21	20	21	22	23	22
Community Services	19	20	21	19	20	20	26	28	26	41
Water Utility	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>
Total	<u>171</u>	<u>172</u>	<u>163</u>	<u>163</u>	<u>163</u>	<u>161</u>	<u>167</u>	<u>164</u>	<u>170</u>	<u>192</u>

Source: South Pasadena Finance Department/Adopted budget book

Operating Information

CITY OF SOUTH PASADENA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government:										
Number of building permits issued	342	476	354	349	433	424	876	1,510	1,396	379
Number of building inspections conducted	2,376	2,380	2,568	2,087	1,860	2,041	3,240	3,775	2,287	1,846
Refuse collection										
Refuse collected (tons per day)	90	85	83	69	74	77	83	80	86	79
Recyclables collected (tons per day)	38	29	28	25	29	32	30	32	31	31
Other public works										
Street resurfacing (miles)	2	1	1	2	2	0	5	1	1	2
Potholes repaired *	1,600	1,450	1,500	1,450	1,400	259	300	356	217	560
Water										
New connections	9	6	11	7	8	5	2	6	288	362
Water main breaks	5	9	10	9	6	5	4	7	5	8
Average daily consumption (million gallons)	4	4	5	3	3	3	3	3	3	3
Peak daily consumption (million gallons)	6	6	6	5	4	4	4	5	4	4
Fire Department										
Number of emergency calls responded to	1,664	1,594	1,695	1,775	1,880	1,483	2,584	2,276	2,445	2,180
Number of fire inspections	544	296	563	521	520	540	1,163	1,800	1,163	1,440
Police Department										
Arrest statistics	1,159	1,080	1,003	855	699	830	829	779	706	439
Traffic citations	3,468	3,753	3,717	2,847	2,288	4,313	4,038	3,815	2,970	131
Parking citations	9,629	10,936	11,388	8,843	10,811	9,136	7,803	7,071	4,517	4,906
Community Services										
Facility rentals	60	69	89	86	95	142	80	363	411	163
Recreation classes	419	441	432	399	416	465	277	631	593	703

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Other public works										
Street (miles)	55	55	55	55	55	55	55	55	69	69
Traffic signals	31	31	31	31	31	31	31	33	33	33
Park and recreation										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	89	89	89	89	89	89	89	89	89	89
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Community centers	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	68	68	68	68	68	68	68	68	70	70
Fire hydrants	165	165	165	165	165	165	165	308	452	452
Storage capacity (million gallons)	13	13	13	13	13	13	13	13	14	14
Sewage System										
Sanitary sewers (miles)	55	55	55	55	55	55	55	55	58	58
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2

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

Sources: Various City departments.

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

PARTNERS

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

Independent Auditor's Report

To the Honorable City Council
City of South Pasadena

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 13, 2022.

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
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Internal Control over Financial Reporting

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

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Responses* as items 2021-001, 2021-002 and 2021-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying *Schedule of Findings and Responses* as item 2021-004.

City's Response to Findings

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
June 13, 2022

Schedule of Findings and Responses

Finding 2021-001 Material Weakness – Bank Reconciliations (previously reported as Finding 2020-001)

Criteria

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

Condition and Context

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

Cause

The City did not have controls in place to ensure bank reconciliations were performed in a timely manner.

Effect

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

See accompanying "Corrective Action Plan".

Finding 2021-002 Material Weakness – Accounting and Management of Capital Assets (previously reported as Finding 2020-002)

Criteria

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

Condition and Context

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

Cause

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

Effect

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

Schedule of Findings and Responses

Recommendation

We recommend that the City utilize the accounting software to assist in tracking capital asset purchases and disposals and assist in calculating depreciation expense and recoding the related entries. This is a repeat finding from the prior year, and although we observed some progress toward correcting this item, it was not sufficient to fully remove the finding.

Views of Responsible Officials and Planned Corrective Actions

See accompanying "Corrective Action Plan".

Finding 2021-003 Material Weakness – Year-End Closing Process (previously reported as Finding 2020-003)

Criteria

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

Condition and Context

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

Cause

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

Effect

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

Recommendation

We recommend the City maintain proper staffing levels within the Finance Department to allow for the proper review and reconciliation at year-end. This is a repeat finding from the prior year, and although we observed some progress toward correcting this item, it was not sufficient to fully remove the finding.

Views of Responsible Officials and Planned Corrective Actions

See accompanying "Corrective Action Plan".

Finding 2021-004 – Noncompliance with Debt Reporting (previously reported as Finding 2020-006)

Criteria

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

Condition and Context

During the audit, we noted reporting of continuing disclosure on the 2016 Water Revenue Refunding Bonds had not been submitted to Electronic Municipal Market Access (EMMA) agency in a timely manner.

Schedule of Findings and Responses

Cause

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

Effect

The City is not in compliance with bond reporting requirements.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

See accompanying "Corrective Action Plan".



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Corrective Action Plan

Finding 2021-001 Material Weakness – Bank Reconciliations

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

Proposed Completion Date: While the City was still lagging behind for Fiscal Year 2020-2021, the City is currently caught up with the monthly Bank reconciliation.

Finding 2021-002 Material Weakness – Accounting and Management of Capital Assets

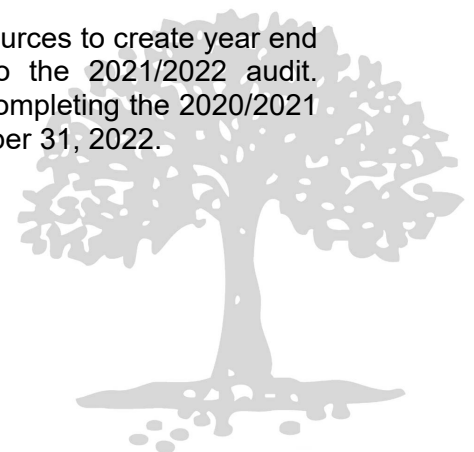
Corrective Action: Management agrees with the recommendation and will be exploring the capability of the current accounting software to manage the capital assets and assist in tracking purchases, disposals and assist in calculating depreciation expense.

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

Finding 2021-003 Material Weakness – Year-End Closing Process

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

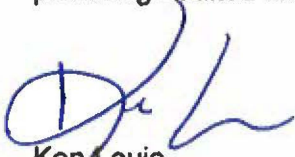
Proposed Completion Date: Management will be sure to designate resources to create year end procedures to ensure all relevant accounts are reconciled prior to the 2021/2022 audit. Management will be preparing for the 2021/2022 audit promptly after completing the 2020/2021 audit. The internal deadline to complete the 2021/2022 audit is December 31, 2022.



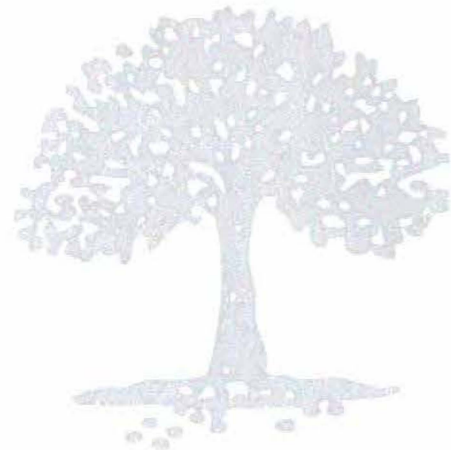
Finding 2021-004 – Noncompliance with Debt Reporting

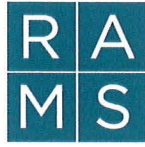
Corrective Action: Due to the delay of financial reporting and issuance of the June 30, 2021 financial statements, the City fell out of compliance with the debt reporting requirements. Management is working through the backlog to ensure the ACFR is completed timely in all future years and financial statements are available to be submitted to comply with the debt reporting requirements.

Proposed Completion Date: Management anticipates completing the 2021/202 ACFR in a timely manner thereby placing the City in a position to comply with the debt reporting requirements by providing audited financials to the authoritative agency.



Ken Louie
Interim Finance Director





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To the Honorable City Council
City of South Pasadena

We have audited the financial statements of the City of South Pasadena as of and for the year ended June 30, 2021, and have issued our report thereon dated June 13, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 4, 2021, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding material weaknesses over financial reporting and material noncompliance and other matters noted during our audit in a separate letter to you dated June 13, 2022.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Significant Risk Identified

We have identified the possibility of the following significant risks:

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

Revenue recognition: Management's failure to recognize revenue in accordance with generally accepted accounting principles.

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

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

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

- Management's estimate of the net pension liability and other post-employment benefits liability and related deferred inflows and outflows are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the statements taken as a whole.

Financial Statement Disclosures

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

- The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.
- The disclosure of accumulated depreciation in the basic financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.
- The disclosure of net pension liability and other post-employment benefits liability and related deferred inflows and outflows in the basic financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated June 13, 2022.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Information Included in Annual Reports

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

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

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

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

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

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
June 13, 2022

Client: **CIT0011 - City of South Pasadena**
 Engagement: **2021 - City of South Pasadena**
 Period Ending: **6/30/2021**
 Trial Balance: **TB Database - All Funds**
 Workpaper: **3700.02 - Combined Journal Entries Report (for SAS Report)**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To record amortization of bond premiums.				
505-0000-0000-2991-000	2016 Bonds Premium		208,038.00	
550-0000-0000-2994-000	2013 Bonds Premium		27,712.00	
505-6010-6712-8451-000	Premium Amort Expense - 2016			208,038.00
550-6010-6712-8342-000	Premium Amort Expense - 2013			27,712.00
Total			235,750.00	235,750.00
Adjusting Journal Entries JE # 2				
To record capital asset activity for proprietary funds.				
210-0000-0000-1500-000	Construction-in-Progress		25,514.50	
210-0000-0000-9999-000	Depreciation Expense		196,472.00	
295-0000-0000-9999-000	Depreciation Expense		53,791.00	
500-0000-0000-1500-000	Construction in Progress		2,013,388.78	
500-0000-0000-1901-000	Improv. other than Buildings		1,218,338.84	
500-0000-0000-9999-000	Depreciation Expense		1,426,795.00	
210-0000-0000-1913-000	Accum. Depreciation - M & E			73,219.00
210-0000-0000-1915-000	Accum. Depreciation - Infrast.			123,253.00
210-9000-9000-9010-000	CIP Expense			25,514.50
295-0000-0000-1911-000	Accum. Depreciation - Imprv.			6,477.00
295-0000-0000-1912-000	Accum. Depreciation - Bldgs.			1,090.00
295-0000-0000-1913-000	Accum. Depreciation - M & E			30,209.00
295-0000-0000-1915-000	Accum. Depreciation - Infrast.			16,015.00
500-0000-0000-1500-000	Construction in Progress			1,180,138.22
500-0000-0000-1911-000	Accum. Depreciation - Imprv.			81,879.00
500-0000-0000-1912-000	Accum. Depreciation - Bldgs.			82,250.00
500-0000-0000-1913-000	Accum. Depreciation - M/E			31,185.00
500-0000-0000-1915-000	Accum. Depreciation - Infrast.			1,231,481.00
500-9000-9000-9010-000	CIP Expenses			162,055.67
500-9000-9289-9289-000	Graves Well Rehabilitation			1,558,156.01
500-9000-9300-9300-000	Ann. Water Main Repairs			293,177.10
503-9000-9000-9010-000	CIP Expenses			38,200.62
Total			4,934,300.12	4,934,300.12
Adjusting Journal Entries JE # 3				
To apply deposit credit to correct account (miscode by City).				
101-0000-0000-2900-016	Dep. Payable - Mjr Proj Review		17,180.00	
101-0000-0000-2900-014	Dep. Payable - Economic Study			17,180.00
Total			17,180.00	17,180.00
Adjusting Journal Entries JE # 4				
To reverse prior year accrual; reclass July & Sept 2020 Measure A Distribution; correct July 2021 distribution.				
101-0000-0000-4200-000	Sales & Use Tax		186,870.71	
101-0000-0000-4200-000	Sales & Use Tax		275,848.85	
101-0000-0000-4200-002	Sales Tax - Measure A		448.15	
101-0000-0000-1110-000	Taxes Receivable			186,870.71
101-0000-0000-4200-000	Sales & Use Tax			448.15
101-0000-0000-4200-002	Sales Tax - Measure A			275,848.85
Total			463,167.71	463,167.71
Adjusting Journal Entries JE # 5				
To reverse prior year accrual - Measure A.				
101-0000-0000-4200-002	Sales Tax - Measure A		126,822.14	
101-0000-0000-1110-000	Taxes Receivable			126,822.14
Total			126,822.14	126,822.14
Adjusting Journal Entries JE # 6				
To record change in accrued interest payable.				
227-0000-0000-2992-000	Interest Payable		1,450.00	
310-0000-0000-2992-000	2012 State Loan Int. Payable		4,580.62	
505-0000-0000-2992-000	2016 Bonds Interest Payable		6,600.38	
550-0000-0000-2995-000	2013 Bonds Interest Payable		3,899.88	
227-7200-7211-8331-000	Debt Service - Interest			1,450.00
310-6010-6712-8331-000	Debt Service - Interest			4,580.62
505-6010-6712-8331-000	Debt Svc. - Interest			6,600.38
550-6010-6712-8341-000	Debt Service - Interest - 2013			3,899.88
Total			16,530.88	16,530.88
Adjusting Journal Entries JE # 7				
To record changes in OPEB liability and related deferred inflows and outflows.				
210-0000-0000-1460-003	Deferred Outflow - OPEB		46,619.00	
210-0000-0000-2850-002	Deferred Inflow - OPEB		11,809.00	
210-9700-9997-9997-000	OPEB Expense		17,013.00	
500-0000-0000-1460-003	Deferred Outflows - OPEB		233,511.00	

500-0000-0000-2850-002	Deferred Inflow - OPEB	59,149.00	
500-9700-9997-9997-000	OPEB Expenses	85,222.00	
210-0000-0000-2800-000	OPEB Liability		75,441.00
500-0000-0000-2800-000	OPEB Liability		377,882.00
Total		453,323.00	453,323.00

Adjusting Journal Entries JE # 8

5800.01

To record change in net pension liability and related deferred inflows and outflows.

210-0000-0000-1460-001	Deferred Outflow - Actuarial	78,187.00	
210-0000-0000-2850-000	Net Pension Liability	182,593.00	
210-0000-0000-2850-001	Deferred Inflow - Actuarial	22,294.00	
500-0000-0000-1460-001	Deferred Outflow - Actuarial	329,931.00	
500-0000-0000-2850-000	Net Pension Liability	717,067.00	
500-0000-0000-2850-001	Deferred Inflow - Actuarial	92,147.00	
820-0000-0000-1460-002	Deferred Outflow - Pension	1,242,142.00	
820-0000-0000-2850-001	Deferred Inflow - Actuarial	628,139.00	
820-0000-0000-3200-000	Fund Balance - Undesignated	2,355,135.00	
210-0000-0000-1460-001	Deferred Outflow - Actuarial		37,585.00
210-0000-0000-1460-002	Deferred Outflow - Pension		78,187.00
210-9750-9990-9990-000	Pension Expense		167,302.00
500-0000-0000-1460-001	Deferred Outflow - Actuarial		146,111.00
500-0000-0000-1460-002	Deferred Outflow - Pension		329,931.00
500-9750-9990-9990-000	Pension Expense		663,103.00
820-0000-0000-2850-000	Net Pension Liability		4,225,416.00
Total		5,647,635.00	5,647,635.00

Adjusting Journal Entries JE # 9

5400.01

Eliminate Measure H receivable and unavailable revenue. Revenue collected 4/21/21.

101-0000-0000-2500-000	Deferred Revenue	54,700.00	
101-0000-0000-1200-000	Intergovernmental Receivable		54,700.00
Total		54,700.00	54,700.00

Adjusting Journal Entries JE # 10

5200.15

To record change in compensated absences.

210-6010-6501-7000-000	Salaries - Permanent	15,866.61	
500-3010-3012-7000-000	Salaries - Permanent	6,761.63	
210-0000-0000-2400-000	Compensated Absences Payable		15,866.61
500-0000-0000-2400-000	Compensated Absences Payable		6,761.63
Total		22,628.24	22,628.24



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June 13, 2022

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735 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of the City of South Pasadena (the City) as of June 30, 2021, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 13, 2022:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 4, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

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

Information Provided

- 1) We have provided you with:
 - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- 2) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 3) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
 - a) Management;
 - b) Employees who have significant roles in internal control; or
 - c) Others where the fraud could have a material effect on the financial statements.
- 5) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- 6) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 7) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
- 8) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 9) The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 10) We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- 11) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 12) There are no:
 - a) Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b) Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with financial reporting standards.
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by financial reporting standards.

- d) Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- 13) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
 - 14) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 - 15) We acknowledge our responsibility for Required Supplementary Information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
 - 16) With respect to the Supplementary Information, as listed in the table of contents, of the financial statements:
 - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with applicable criteria.
 - b) The methods of measurement or presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the Supplementary Information.
 - c) When the Supplementary Information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the Supplementary Information no later than the date of issuance by the City of the Supplementary Information and the auditor's report thereon.
 - d) We acknowledge our responsibility to include the auditor's report on the Supplementary Information in any document containing the Supplementary Information and that indicates the auditor reported on such Supplementary Information.
 - e) We acknowledge our responsibility to present the Supplementary Information with the audited financial statements or, if the Supplementary Information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the Supplementary Information no later than the date of issuance by the City of the Supplementary Information and the auditor's report thereon.
 - 17) We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - 18) We agree with the findings of specialists in evaluating the GASBS 68 accounting report and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

- 19) We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 20) There have been no changes or updates to legal information disclosed to you by our attorneys since the dates of such legal responses and now.

Signature: 

Title: Int. Director of Finance



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
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ramscpa.net

**Independent Accountant's Report on
Agreed-Upon Procedures Applied to the
Appropriations Limit Worksheet**

Independent Accountant's Report

PARTNERS

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

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Thao Le, CPA, MBA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



Honorable City Council
City of South Pasadena

We have performed the procedures enumerated below on the accompanying Appropriations Limit Worksheet (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) for the year ended June 30, 2021. The City of South Pasadena's (the City) management is responsible for the accompanying Appropriations Limit Worksheet for the year ended June 30, 2021.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. Additionally, the League of California Cities has agreed to and acknowledged that the procedures performed are appropriate to meet for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the other documents referenced in number one above.

Finding: No exceptions were noted as a result of our procedures.

Honorable City Council
City of South Pasadena

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Worksheet for the year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City of South Pasadena, California, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
June 13, 2022

**City of South Pasadena
Appropriations Limit Computation
2020 - 2021**

Per Capita Personal Income Change	3.73%
Population Change:	
City Population Growth	-0.11%
CPI Change Converted to a Ratio	1.0373
Population Change Converted to a Ratio	0.9989
Calculation of Growth Factor (1.0373 x 0.9989)	1.0362
2019 - 2020 Appropriations Limit	<u>\$ 27,179,843</u>
2020 - 2021 Appropriations Limit (\$27,179,843 x 1.0362)	<u><u>\$ 28,162,639</u></u>

**Emailed Public Comment
Item #2
June 15, 2022**

From: [Yvonne LaRose](#)
To: [City Council Public Comment](#)
Cc: [Christina Munoz](#)
Subject: Fw: Public Comment: Juneteenth: A 125-Year Celebration of Freedom
Date: Tuesday, June 14, 2022 2:14:57 PM

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Please include in the June 15, 2022 Public Comments

Viva
Yvonne LaRose
Diversity/Title VII, Harassment, and Ethics Consultant
Cell: 626-606-4677

----- Forwarded Message -----

From: Yvonne LaRose <vivavoce.geo@yahoo.com>
To: ccpubliccomment@southpasadenaca.gov <ccpubliccomment@southpasadenaca.gov>
Sent: Friday, June 10, 2022, 04:21:37 PM PDT
Subject: Public Comment: Juneteenth: A 125-Year Celebration of Freedom



Last year I responded to some Toastmaster inquiries about the significance of [Juneteenth](#). Last month I had the wonderful opportunity to meet a new South Pasadena resident from Taiwan. In both instances, there was reference to Juneteenth as a new holiday. The desire to recognize it is a comfort. However, it is not a new holiday. Rather it is finally a [federally](#)-recognized, not merely a state or national, holiday. It is an independence day celebration that's unique to a specific class of our U.S. citizens.

The occurrence of Juneteenth's significance came when, more than two years after the Emancipation Proclamation was signed in 1863, news reached Galveston, Texas on June 19, 1865 that more than three million (3,000,000) enslaved Negroes were no longer held under the laws of bondage. Word of this revelation spread. Celebrations in other states were held to commemorate the momentous occasion on an annual basis. It became a Texas (state) holiday in 1980 - more than 100 years later.

In the 1970s, my Texas-born accountant made me aware of Juneteenth and its significance. I was grateful.

One of my Toastmaster colleagues had questions about how their company could acknowledge Juneteenth. Specifically,

My office is having a meeting tomorrow . . . and wanted to share ideas on how to celebrate Juneteenth. Are there any ideas you might have as to how best to recognize this holiday?

A crush of other priorities did not allow for a well-considered response. The spontaneous one was:

That's a great question.

The first thing I wondered about was the type of business your employer is. Because diversity is a key issue on my mind at the moment, I wondered about the [type of] diversity mix that exists there.

The employer is an environment-focused business. Some off-the-top-of-the-head thoughts began to percolate:

- Environmental themed celebrations that echo, "Because of you, we can . . ."
- Decorating scheme that resonates not only reaching for but also touching the stars
- Publicly acknowledging advancements the employees have earned
- Publicly acknowledging improvements the employees have made - in the communities served, in the departments where they work, etc.
- Working toward future acknowledgements, or even Black History Month, creating a plaque of some type that is displayed in the lobby for any of the events mentioned above that shows the person's name, capacity, accomplishment, and year.

One thing that impacted me this weekend was having Juneteenth now an official Federal holiday means there is a midyear way of having a Black History event. So your celebration could even revolve around maintaining the positive momentum of inclusion and belonging.

Several days later, with the pressures of meeting deadlines settled, there was time to provide a more substantive response.

Juneteenth was announcement to the last bastion of slavery that the institution was removed. In letter, all slaves were now free; the previous restrictions on their movement, choice of dress, education, ability to earn a living, right to education, ability to vote - and hold elected office - were removed. Aside from the Indigenes (those we call Native Americans), opportunities to view and accomplish in their own stead was established. They were no longer 3/5 fungible commodities; they were full citizens.

All of that being said, acknowledging the community of the previously repressed population needs to look at how their inclusion and belonging is the foundation of our nation's greatness. Once not even mentioned, now celebrated. No longer giving credit to others for the Black endeavors and not feeling pity on them because of their supposed limited background. The limitations were because of legislation in each of the colonies and states and then became custom because of Jim Crow.

So a celebration of moving toward respect, esteem, value, inclusion [is appropriate].

Lest those of other ethnicities feel a tinge of resentment, it may be prudent to acknowledge at least one or two who are also part of [a] protected class.

It's my desire that this can help your company be a spearhead toward making Juneteenth a memorable and rewarding date.

Let us remember and celebrate Juneteenth by showing respect and gratitude toward our cousins and joy at their being in our community. Let us "recognize the end of slavery and . . . honour the [culture](#) and achievements of African Americans." Ibid.]

Viva
Yvonne LaRose
Diversity/Title VII, Harassment, and Ethics Consultant

**Emailed Public Comment
Item #23
June 15, 2022**

Christina Munoz

From: Elana Mann <elanamann@gmail.com>
Sent: Wednesday, June 15, 2022 11:18 AM
To: City Council Public Comment
Subject: Public comment for tonight on the City Budget

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mayor Cacciati and Honorable City Council Members,
As a co-founder of the Anti-Racist Committee of South Pasadena, I am writing in full support of Care First's Budget proposals for our city.

The crime rate in our city is very low and we do not need to increase the policing budget. The City should fund programs and positions that promote the health and safety of our entire community. Care First's proposals on Rental Assistance Program; Housing Resource Center; City Position Dedicated to Diversity, Equity, and Inclusion; and Expanded Child Care will help residents of our city survive and thrive in this difficult moment.

The past few years have been tough on our community. The recent passing of the Sundown Town Resolution has been a commitment to promote racial equity moving forward. To implement these actions promised in the Sundown Town resolution, the City needs to hire a full-time managerial or staff position.

Our city's budget is enormous and we cannot sit on this money any longer. We need to spend it in order to serve our residents.

Thank you for your time.

Best,
Elana Mann

--

www.elanamann.com

Christina Munoz

From: Care First South Pasadena <carefirstsouthpas@gmail.com>
Sent: Wednesday, June 15, 2022 10:18 AM
To: City Council Public Comment
Cc: care-first-sp-admin@googlegroups.com
Subject: Public Comment Agenda Item 23
Attachments: 2022-06-15 Care First Budget Comment item 23.pdf

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

Please add the attached public comment to the agenda packet.

Thanks.

Care First South Pasadena



June 15, 2022

**RE: Care First Budget 2022-2023
Public Comment for Agenda Item 23**

Dear Mayor Cacciotti and City Councilmembers,

Thanks for the opportunity for Care First South Pasadena to comment on the City of South Pasadena's proposed 2022-23 budget. Before presenting our specific suggestions, Care First wants to call the big picture to your attention.

Going into the upcoming fiscal year, the City General Fund is projected to have a balance of \$23,481,130. This represents money collected through taxes for public goods, which to date hasn't been spent to deliver public goods. Looking at the City's total fund balance, including enterprise accounts and various grants and revenues received mostly for infrastructure improvements, there is an additional \$56,934,032 that's accumulated and hasn't been spent to improve infrastructure or provide public services. That brings the City's total unspent reserves to \$79,779,992. This doesn't count federal Coronavirus State and Local Fiscal Recovery Funds, which adds another \$6 million to the General Fund reserve balance. And while the list of needs grows—including the state's number one problem of affordable housing and a deepening canyon of economic inequality—under the proposed budget, reserves are projected to grow to \$87,341,135 by the end of fiscal year 2022-2023, not counting whatever will be left of federal funds granted for pandemic relief.

City Finance Director Ken Louie put the large balance of unspent money collected from residents and businesses into perspective at a Finance Commission budget meeting on May 16. He told commissioners that while the City Council has established a goal of having a 30% General Fund reserve (i.e., cash on hand or held in liquid investment accounts) the amount of the General Fund reserve has grown to 60%. This presents a picture of a city that is sitting on its hands as it starves services by not hiring enough staff to implement worthy programs and projects, much less develop new programs to meet ever-changing and unaddressed needs.

Care First, therefore, requests that the City Council loosen the reins on city hiring and budgeting in the 2022-23 budget to enable an era of rapid progress in addressing the long-neglected needs for social services, environmental improvement, and infrastructure modernization. The City can well afford to do so and can't hide behind the long-repeated refrain that we're broke.

With the passage of the historic Sundown Town Resolution in 2022, the City has already committed to these principles of budgeting and policymaking to create a more racially and economically equitable city. This must continue with the City's budget, where public dollars should be used for public benefit.

The Care First Budget focuses on racial and economic equity. We are also supportive of progress on the environment and infrastructure, which we do not discuss here.

1. South Pasadena Police Department

Care First opposes any increase to the SPPD budget for this upcoming fiscal year, with the exception of increases in wages as required by the negotiated labor agreement for existing officers. As in years past, the police department occupies the largest portion of the city General Fund budget out of all city services and departments. SPPD proposes a budget of **\$10.68 million** from the General Fund, equivalent to **one-third of all proposed expenditures and a 7.3% increase from last fiscal year**. In comparison, the Fire Department has the second highest expenditures of the General Fund at \$6.58 million, with Community Development (including affordable housing development) trailing at only \$2.99 million, Community Services for seniors, youth, and all other residents at \$1.54 million, and Environmental Services at \$304,979.

2018 - 2019	2019 -2020	2020 - 2021	2021 - 2022 (Budgeted)	2022 - 2023 (Proposed)
\$8,391,436	\$9,171,740	\$10,398,243	\$9,960,831	<u>\$10,684,973</u>
Percent change from previous year	9.30%	13.37%	-4.21%	<u>7.27%</u>

Historical SPPD Budget (FY 2018-2023)

For the past two years, Care First has advocated for the City to re-evaluate its budget decisions on public safety, with public opinion shifting to support more expansive views of public safety other than policing. Last year, the City reallocated \$200,000 from the police budget to fund the city’s first mobile crisis response team. We wholeheartedly supported this effort.

More should be done in this direction to invest in approaches to public safety *other than policing*. Below, we propose several programs and services that will make our community safe without the need for use of force, surveillance, arrests, and dependence on any part of the carceral system. The economic needs of our time call for nothing less.

The City should continue to examine SPPD’s expenditures and its efficacy in achieving public safety for all residents. What are the city’s public safety needs? How are police services currently being utilized? Are Latinx and Black people disproportionately stopped or arrested by the police? Indeed, these are all questions that SPPD and the City have yet to answer, despite the City’s year-long search for a contractor to start its assessment of SPPD’s operations.

For these reasons, any increase in SPPD’s budget for the next fiscal year requires substantial justification on how more spending is necessary for the city’s public safety. Without such justification, the requested increases should not be approved. Specifically:

- By far, SPPD’s largest expenditures are in officer and civilian staff salaries, overtime, and retirement benefits. SPPD proposes to fill two officer vacancies. SPPD suggests that filling these vacancies would reduce overtime, which exceeded expectations or budgeted

costs this year. Yet SPPD's requested overtime for the next fiscal year is the same as it was this year at \$792,000 (actual expenditures for this year are not provided). At the same time, it is also requesting about \$200,000 more in retirement expenditures. What are the essential and nonessential overtime costs? What are the long-term retirement costs of hiring more officers? Until these questions can be answered and debated, the City should not approve the filling of these two positions.

- We absolutely oppose the proposed \$30,000 lease of Flock Camera Systems. This is a new surveillance system (license plate readers) that has not been vetted by the Public Safety Commission or at any public forum. We have serious civil liberty and privacy concerns with installing a new surveillance system, and making a fundamental change in policing policy through the budget process.
- The SPPD budget proposes purchasing two additional vehicles at \$120,000. Are these vehicles a part of the City's Green Action Plan that will move SPPD toward electrification of its fleet? Why are two additional vehicles needed? Until these questions can be answered and debated, the City should not approve the purchase of these vehicles.

Rather than spend more on policing, the City should fund programs and positions that promote the health and safety of our entire community. Care First proposes the following: Rental Assistance Program; Housing Resource Center; City Position Dedicated to Diversity, Equity, and Inclusion; and Expanded Child Care.

2. Rental Assistance Program

Care First requests \$500,000 to pilot a citywide rental assistance program for low- to moderate-income individuals and families. This funding would be used to subsidize rental payments and assist renters to negotiate with landlords. The City can use funds from federal COVID relief funding and/or unused fund reserves.

The housing crisis in California and throughout Los Angeles County is at an all-time high. South Pasadena, along with all local jurisdictions, should alleviate rising rent burdens and protect more individuals from entering homelessness. Second to building more affordable housing, rental assistance for permanent housing is the next most effective program in preventing homelessness. Most of South Pasadena stands to benefit from a citywide rental assistance program that will provide a safety net for individuals and families who are facing financial difficulties.

Over half (53%) of South Pasadena's households are renters, and over half (52%) of renters are low- to moderate-income (households earning less than \$92,750 per year) based on Los Angeles County's median income. South Pasadena has 879 extremely low-income households (earning less than \$33,800 per year). There are only about 10 households with flexible Section 8 vouchers in the city, and there are no dedicated Section 8 vouchers for units in South Pasadena. Among low- and moderate-income renters, most are rent-burdened, meaning they pay more than 30% of their income toward rent. This also means that many of these households are vulnerable to missing rent and being evicted as soon as they face a loss in income.

There are currently 766 single-parent households, a decline from 924 single-parent households in 2010. Reasons for the decline in single-parent households in the city may be due to untenable living costs here. As stated in the city's *Housing Element* draft report, "[h]ousing opportunities for lower-income single-parent households with children can primarily be addressed through rental assistance and the provision of affordable rental units."

South Pasadena renters are feeling the crush of California's rising housing costs, and the City must address the unaffordability crisis head on. To put this into perspective, the lowest rent price for a one-unit bedroom in South Pasadena is about \$1,400 and two-bedroom is \$1,795; on the high end, these units are priced at about \$2,600 and \$3,450, respectively.

**The housing data in this section are taken from the *2021-2029 General Plan Housing Element Revised Public Review Draft* (April 2022), <https://www.southpasadenaca.gov/home/showpublisheddocument/29345/637860448360470000>.

3. A to Z Housing Resource Center

Care First proposes a one-stop shop for housing and social services for tenants at risk of eviction, and people experiencing housing insecurity and homelessness. We envision this as an "A to Z Housing Resource Center."

The City should use a portion of the \$6 million in federal COVID relief funding to assist individuals in the community who are at risk of losing housing or experiencing homelessness. The A to Z Housing Resource Center would contract with local service agencies—such as Union Station Homeless Services, Neighborhood Legal Services of Los Angeles, Housing Rights Center, Foothill Workforce Development Board, LA County Public Health, and Pasadena Community College—to provide services at a weekly drop-in center. At the drop-in center, tenants with questions about rent and evictions could seek legal assistance. Individuals experiencing homelessness can connect with Union Station caseworkers about the services they need to improve their quality of life and dignity and help facilitate their exit from homelessness. For example, people experiencing homelessness may seek assistance connecting with public benefits, transportation, and job training and employment opportunities. The Center should be at a central location in South Pasadena with wireless internet access and charging stations for cell phones.

4. Sundown Town Resolution Implementation

South Pasadena passed a historic resolution in 2022 apologizing for its past as a sundown town and past practices of institutionalized racism. The City committed to several actions to promote racial equity moving forward. Among other policies and programs, the City "will evaluate policies, procedures, ordinances, programs, goals, and missions to foster an unbiased and inclusive environment, where no person or group is subject to discrimination, harassment, or disproportionate economic harm on the basis of race, ancestry, national origin, color, religion, sex or sexual orientation." To implement these actions, the City needs at least one full-time managerial or staff position.

Care First requests at least \$150,000 from the General Fund, federal COVID relief funding, and/or other sources to hire a new position that will advance the City’s diversity, equity, and inclusion efforts.

5. Expanded Child Care Options for Working Families

Care First proposes that the City fund the expansion of Camp Med to assist families in the community who need full day childcare for their Transitional Kindergarten (TK) and Kindergarten-age children. The City should use federal COVID relief funds and/or other parts of the General Fund to supplement the cost of Camp Med and make it free for all families.

It is too often assumed that “families” are made up of two-parent households, and that in affluent neighborhoods, households are wealthy enough to have one stay-at-home parent or pay for costly daycare. This is not true.

While the South Pasadena Unified School District provides Kindercare, children are accepted on a lottery basis, and only around 65% of families that enter the lottery get in. This is unacceptable in a school district as highly rated and robust as our School District, and unacceptable in a city like South Pasadena, that prides itself as a family community.

Many families in the area would greatly benefit from a more widely available before-school and after-school care program such as Camp Med. Expanding Camp Med to include TK and Kindergarten-age children would ease the burden and stress of working parents in the community looking for safe childcare options.

We recognize that a California Bill, [Assembly Bill 1973](#), would require school districts to offer full-day kindergarten programs to all students, starting in the 2025-26 school year. We look forward to its approval, but until the legislation is passed and becomes law, expanding Camp Med would be the least South Pasadena could do for its working families.

Thank you for your consideration.

Signed,

- | | |
|------------------------------|------------------------|
| 1. Alexander Aquino-Kaljakin | 11. Victoria Patterson |
| 2. Richard Elbaum | 12. Felicie Borredon |
| 3. Ella Hushagen | 13. Ava Dunville |
| 4. William Kelly | 14. Jeanine Espejo |
| 5. Helen Tran | 15. Caitlin Lainoff |
| 6. Omari Ferguson | 16. Allie Altschuler |
| 7. Ayaka Nakaji | 17. Juan Guevara |
| 8. John Srebalus | 18. Nishat Alikhan |
| 9. Afshin Ketabi | 19. Bianca Cannon |
| 10. Lynda Harkness | 20. Gretchen Schulz |

21. Myron Dean Quon, Esq.
22. Megan Adams
23. Roberto Gonzalez
24. Tzung-lin Fu
25. Emily T. Porter
26. Amanda Mazza
27. Christian Mazza
28. Amy Turk
29. Ahilan Arulanantham
30. Leslie Ito
31. Stefani Williams
32. Casey Law
33. Bianca Richards
34. Laboni Hoq
35. Matthew Barbato
36. Kerrie Barbato
37. Elana Mann
38. Noah Kuhn
39. Lulu Talesnick López

40. Maya Turun
41. Suzanne Emmerling
42. Jenny Stofer
43. Caitlyn Ference-Saunders
44. Laura Riley
45. Stanley Chen
46. Gretchen Schulz
47. Katie Neuhof
48. Stephanie Stein
49. Laurent Borredon
50. Emma Holm
51. Fahren James
52. Sierra Betinis
53. Amber Jaeger
54. Janet McIntyre
55. Phoenix Bekkedal
56. Amy Betts
57. Sierra Betinis
58. David Carbonara

Christina Munoz

From: Sandy Shannon <sshannon620@gmail.com>
Sent: Monday, June 13, 2022 8:48 AM
To: City Council Public Comment
Subject: South Pasadena Budget

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

I would like to submit a public comment, that I don't think the covid relief fund should be spent on IT and additional funding for the police department equipment. It should be used to help our neighbors struggling financially, and an additional crossing guard on Huntington & Marengo.

Thanks for your consideration!

Kindly,
Sandy Shannon

Christina Munoz

From: Matthew Barbato <mbatopolitics@gmail.com>
Sent: Wednesday, June 15, 2022 10:53 AM
To: City Council Public Comment
Subject: Re: Public Comment re: Item 23, Budget Adoption and Resolution

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I understand this was forwarded to you after I sent to wrong address, but JIC.

thanks

On Wed, Jun 15, 2022 at 10:41 AM Matthew Barbato <mbatopolitics@gmail.com> wrote:
City Council -

Our city has been extremely fortunate that after the last two years of pandemic and economic uncertainty we have come through in a strong financial position. It is far past time to use our communal good fortune to help those in our community who are the least fortunate. Rather than hoarding federal monies or investing in the old strategies toward public safety, we need to start investing in things that are proven to strengthen our community and have a real impact on public safety. This means committing financial support for the housing insecure, subsidizing child-care to low income families, enacting the provisions of the Sundown Town resolution and reallocating police dept. funding to social services. Our city has an exasperating track record of lip-service toward these issues with no real action.

As been said many times 'your budget is a reflection of your values' and our budget, even in a time of surplus, continues to embrace the values of an indifferent and uninspired status quo. If we can't make some effort now, then when?

Matthew Barbato
South Pas Resident

Christina Munoz

From: William Kelly <wjKelly7@gmail.com>
Sent: Wednesday, June 15, 2022 11:43 AM
To: City Council Public Comment
Subject: Comment on Item 23 (City 2022-23 Budget) for 6-15-22 Council Meeting

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you for the opportunity to comment on the proposed city 2022-23 fiscal year budget.

First, you should delay appropriating any federal ARPA funds until a genuine public outreach and engagement process is conducted. It doesn't need to be committed until 2024 or spent until 2026. Public City Council meetings are not the place to start when it comes to engaging the public and seeking public opinion. Indeed, most public agencies when making significant decisions hold one or more public workshops and even South Pasadena in its recent past held such meetings before drafting its annual budget, for instance when Sergio Gonzales was city manager.

Consideration of how to spend the ARPA money, which is a major decision, has been rushed. Moreover, despite that the final federal rule for small cities removed restrictions on how the funds should be used--mostly for the purposes of administrative convenience and in light of the reality that the federal government could not effectively monitor the large number of small municipalities in the nation--the legislative intent in Washington undeniably was to cover city and county expenses incurred to respond to the pandemic and to aid cities and their residents and businesses in recovering from a public health disaster that in a couple years killed 1 million Americans and caused widespread economic dislocation. A more thorough and thoughtful investigation by the city of how the latter objective could be met here in South Pasadena is warranted, at a minimum.

Second, Californians' number one concern is what can only be called a housing crisis. It is incumbent on elected officials from the state to the most local level to dedicate themselves to making housing affordable, especially for young adults. Even those who are well educated and have good jobs are struggling with the cost of rent, much less the cost of purchasing a home. Moreover, the high cost of housing is one of the leading reasons companies, including new manufacturers in the green sector that have benefited from California's environmental standards, are choosing to expand in other states, not here in the Los Angeles region or elsewhere in California. South Pasadena must do its part to make housing affordable or it and the rest of California will face inevitable economic decline and further hollowing out of the middle class.

Third, while it may not be possible for the city to build affordable housing there are numerous ways it can reduce the related cost of living burden on people, including rent support where warranted, better locally-funded services for the unhoused, and other programs that reduce the overall cost of living, such as expanded and subsidized childcare. The fact is that the social structure has changed dramatically in my lifetime. It is common today for people not to get married, but to have children. It also is common for people to live alone without children. This change in social structure makes the high cost of housing burdensome for more and more people. We are no longer a nation or a community of traditional households. The world of *Ozzie & Harriet* is long gone, though it seems some act like it still exists or that it should be restored. Face up to it. You need to help make housing affordable or face growing inequity and all the strife that comes with it.

Fourth, the city has a general fund reserve of more than 60 percent, though its goal for a prudent rainy day fund is 30 percent. In addition, money provided through a variety of dedicated state programs and

special dedicated city imposed fees has built up, bringing the amount of cash the city is sitting on to \$80 million. This is while water runs down gutters during an epic drought, potholes remain unfilled, people live in cars or doorways, city facilities rot, and gridlock regularly occurs on major streets. You need to hire the staff needed and give them strong direction to spend the excess money collected from tax- and fee-payers for their benefit. After all, that's why we pay government taxes and fees: to get services and facilities that serve the public good.

Finally, given the large reserves on hand and so many public needs, you should feel comfortable in setting a more aggressive direction in this budget to help those in need and to improve city services and facilities rather than being timid and letting taxpayer money continue to build up in the city's coffers.

Bill Kelly
626-893-9311 (phone)
wjkelly7@gmail.com



City of South Pasadena Public Works Department

Memo

Date: June 15, 2022

To: The Honorable City Council

Via: Arminé Chaparyan, City Manager

From: Ted Gerber, Public Works Director
Arpy Kasparian, Environmental Services & Sustainability Manager

June 15, 2022 City Council Meeting Item No. 25 Approve Proposed FY 2022-23 Water Conservation Program & Resolution Declaring Stage 2: Serious Water Supply Shortage

The memo provides corrections to Item 25:

- Page 25 - 2 and Page 25 - 3: An updated table showing the Proposed FY 2022-23 vs. Budgeted and Expended FY 2021-22 Water Conservation Rebate and Program Funding is attached. Changes reflect additional expenditures made in the month of May 2022.
- Page 25 - 10: An updated table showing the newly released MWD Residential Rebates and proposed changes for FY 2022-23 is attached. MWD has added two new residential rebates: Hose Bib Irrigation Controller and Flow Monitor Devices.
- Page 23 - 11: An updated table showing the newly released MWD Commercial Rebates and proposed changes for FY 2022-23 is attached. MWD has added one new commercial rebate: Hose Bib Irrigation Controller.

Correction to Page 25 – 2 and Page 25 - 3:

Proposed FY 2022-23 vs. Budgeted and Expended FY 2021-22 Water Conservation Rebate and Program Funding				
Water Conservation Rebate/Program	FY 2021-22 Budgeted	FY 2021-22 Expended (July 1 – May 31)	FY 2022-23 Proposed	Difference from FY 2021-22 to FY 2022-23
MWD Additional Rebate Funding – Residential	\$25,000	\$11,334.65	\$25,000	-
MWD Additional Rebate Funding – Commercial	\$20,000	\$750.00	\$10,000	(\$10,000)
City Rebate Program – Residential	\$20,000	\$2,494.41	\$20,000	-
City Greywater Rebate Pilot Program – Residential Only	-	-	\$20,000	\$20,000
City Rebate Program – Commercial	\$20,000	\$0.00	\$10,000	(\$10,000)
Water-Use Assessments	\$5,000	\$0.00	\$5,000	-
Water Conservation Promotion	\$25,000	\$129.99	\$25,000	-
TOTAL:	\$115,000	\$14,709.05	\$115,000	-

Correction to Page 25 – 10:

Table 1 and Table 2: The tables below summarize the proposed changes to the co-funding amounts for the FY 2022-23 MWD rebates. The strikethrough values represent current funding amounts to be replaced with newly proposed funding amounts.

Table 1: MWD Residential Rebates – FY 2022-23			
Rebate	MWD Incentive	City's Incentive	Total Customer Incentive
High Efficiency Clothes Washer	\$85	\$165 -\$415	\$250 \$500
Premium High-Efficiency Toilet (1.1 gallon per flush)	\$40	\$110 -\$260	\$150 \$300
Rotating Sprinkler Nozzles	\$2	\$0	\$2
Weather Based Irrigation Controller (less than one acre)	\$80	\$100 \$170	\$180 \$250
Weather Based Irrigation Controller (one acre or more)	\$35 per station	\$15 \$65 per station	\$50 \$100 per station
Soil Moisture Sensor System (less than one acre)	\$80	\$70	\$150
Soil Moisture Sensor System (one acre or more)	\$35 per station	\$15 per station	\$50 per station
Hose Bib Irrigation Controller	\$35 each	\$0	\$35 each
Rain Barrel	\$35	\$0	\$35
Cistern (200-500 gallons)	\$250	\$0	\$250
Cistern (501-999 gallons)	\$300	\$0	\$300
Cistern (1000+ gallons)	\$350	\$0	\$350
Flow Monitor Device (Meter attached device – Flume)	\$100	\$0 -\$100	\$100 \$200
Flow Monitor Device (all other devices)	\$100	\$0-\$100	\$100 \$200
Turf Removal	\$2 per ft ² (up to 5,000ft ²)	\$1 \$2 per ft ² (up to 1,500ft ²)	\$3 \$4 per ft ²

Table 2: MWD <u>Commercial</u> Rebates – FY 2022-23			
Rebate	MWD Incentive	City's Incentive	Total Customer Incentive
Plumbing Flow Control Valve	\$5	\$0 \$5	\$5 \$10
Laminar Flow Restrictors	\$10	\$0 \$10	\$10 \$20
Premium High-Efficiency Toilet (1.1 gallon per flush) - Commercial	\$40	\$110 \$260	\$150 \$300
Premium High-Efficiency Toilet (1.1 gallon per flush) - Multifamily	\$40	\$110 \$260	\$150 \$300
Zero Water Urinals	\$200	\$0 \$100	\$200 \$300
Ultra Low Water Urinal	\$200	\$0 \$100	\$200 \$300
Weather Based Irrigation Controller (one acre or more)	\$35 per station	\$15 \$65 per station	\$50 \$100 per station
Central Computer Irrigation Controller	\$35 per station	\$0 \$35	\$35 \$70 per station
Soil Moisture Sensor System (one acre or more)	\$35 per station	\$15 per station	\$50 per station
Hose Bib Irrigation Controller	\$35 each	\$0	\$35 each
Large Rotary Nozzles	\$13 per set	\$0 \$13	\$13 \$26 per set
Rotating Sprinkler Nozzles	\$2	\$0 \$2	\$2 \$4
In-Stem Flow Regulator	\$1	\$0 \$1	\$1 \$2
pH-Cooling Tower Controller	\$1,750	\$0	\$1,750
Cooling Tower Conductivity Controller	\$625	\$0	\$625
Dry Vacuum Pump	\$125 per 0.5 HP	\$0	\$125 per 0.5 HP
Connectionless Food Steamers	\$485 per compartment	\$0 \$485	\$485 \$970 per compartment
Ice-Making Machines	\$1,000	\$0 \$1,000	\$1,000 \$2,000
Turf Removal	\$2 per ft ² (up to 50,000ft ²)	\$0.50 \$2 per ft ² (up to 1,500ft ²)	\$2.50 \$4 per ft ²

