

# **CITY OF SOUTH PASADENA, FLORIDA**

## **Comprehensive Annual Financial Report**

**For The Year Ended September 30, 2019**



**CITY OF SOUTH PASADENA, FLORIDA**

**Comprehensive  
Annual Financial Report**

**For The Year Ended September 30, 2019**

**PREPARED BY FINANCE DEPARTMENT**

CITY OF SOUTH PASADENA,  
FLORIDA

Commission Form of Government

CITY COMMISSION

ARTHUR PENNY, MAYOR

GAIL NEIDINGER  
VICE-MAYOR

MAX ELSON

DAVID MAGENHEIMER

BEN THOMAS

CITY OFFICIALS

CITY CLERK / DIRECTOR OF  
ADMINISTRATION  
CARLEY LEWIS

CITY ATTORNEY  
JULIA MANDELL

FINANCE DIRECTOR  
JAMES GRAHAM

FIRE CHIEF, PUBLIC  
SAFETY DIRECTOR  
DAVID MIXSON

DIRECTOR OF PUBLIC WORKS  
GARRY ANDERSON

DIRECTOR OF COMMUNITY  
IMPROVEMENT

## **Introductory Section**

**CITY OF SOUTH PASADENA, FLORIDA**

**SEPTEMBER 30, 2019**

**TABLE OF CONTENTS**

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**INTRODUCTORY SECTION**

TABLE OF CONTENTS	i
LETTER OF TRANSMITTAL	v
CERTIFICATE OF ACHIEVEMENT	xiii
ORGANIZATIONAL CHART	xv

**FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	18
Statement of Activities	20
<b>Fund Financial Statements</b>	
<b>Governmental Fund Financial Statements</b>	
Balance Sheet	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position - Governmental Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities – Governmental Activities	25

## TABLE OF CONTENTS (Continued)

### Proprietary Fund Financial Statements

Balance Sheet – Business-type Activities – Enterprise Funds	26
Statement of Revenues, Expenses, and Changes in Net Position – Business-type Activities – Enterprise Funds	27
Statement of Cash Flows – Business-type Activities – Enterprise Funds	28

### Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	29
Statement of Changes in Fiduciary Net Position	30

Notes to Financial Statements	31
-------------------------------	----

### REQUIRED SUPPLEMENTARY INFORMATION

#### Budgetary Comparison Schedule

General Fund	59
--------------	----

#### Firefighters' Retirement Fund and Retiree Health Care Plan Schedules

Firefighters' Retirement Fund – Schedule of Changes in Net Pension Liability	63
Firefighters' Retirement Fund – Schedule of Contributions	64
Florida Retirement System – City's Proportionate Share – Schedule of Changes in Net Pension Liability	65
Florida Retirement System – Schedule of Contributions	66
Retiree Health Care Plan – Schedule of Changes in Net OPEB Liability	66

### COMBINING FINANCIAL STATEMENTS AND BUDGETARY COMPARISON SCHEDULES

#### Budgetary Comparison Schedules

Capital Improvements Fund	67
Sewer Fund	69
Reclaimed Water Fund	70

#### Fiduciary Funds

Combining Statement of Fiduciary Net Position	71
Combining Statement of Changes in Fiduciary Net Position	72

### OTHER SUPPLEMENTARY SCHEDULES

Schedule of Revenues and Expenses – Deepwater Horizon – BP Oil Spill Settlement	73
Comparative Balance Sheet – General Fund	74
Comparative Balance Sheet – Capital Improvements Fund	75
Reconciliation of Total Fund Balance for the Governmental Funds to Total Net Position for Governmental Activities	76
Reconciliation of Net Change in Fund Balances for the Governmental Funds to Change in Net Position for Governmental Activities	77

**TABLE OF CONTENTS (Continued)**

**STATISTICAL SECTION**

**Schedules of Financial Trends Information**

Schedule	1	- Net Position by Component - Last Ten Fiscal Years	80
Schedule	2	- Changes in Net Position - Last Ten Fiscal Years	82
Schedule	3	- Fund Balances, Governmental Funds - Last Ten Fiscal Years	84
Schedule	4	- Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	86
Schedule	5	- Program Revenue by Function / Program - Last Ten Fiscal Years	88
Schedule	6	- Tax Revenues by Source, General Fund - Last Ten Fiscal Years	90

**Schedules of Revenue Capacity Information**

Schedule	7	- Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	92
Schedule	8	- Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	94
Schedule	9	- Principal Property Tax Payers – Current Year and Nine Years Ago	96
Schedule	10	- Property Tax Levies and Collections – Last Ten Fiscal Years	97

**Schedules of Debt Capacity Information**

Schedule	11	- Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	99
Schedule	12	- Direct and Overlapping Governmental Activities Debt	100
Schedule	13	- Pledged Revenue Coverage - Last Ten Fiscal Years	101

**Schedules of Demographic and Economic Information**

Schedule	14	- Demographic and Economic Statistics - Last Ten Calendar Years	103
Schedule	15	- Principal Employers – Current Year and Nine Years Ago	104

**Schedules of Operating Information**

Schedule	16	- Full-time Equivalent City Government Employees by Function / Program – Last Ten Fiscal Years	105
Schedule	17	- Operating Indicators by Function / Program – Last Ten Fiscal Years	106
Schedule	18	- Capital Asset Statistics by Function / Program – Last Ten Fiscal Years	107

**TABLE OF CONTENTS (Continued)**

**OTHER REPORTS**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	109
Independent Auditor's Management Letter	111
Independent Auditor's Report regarding Compliance Requirements in Rules of the Auditor General 10.556(10)	113
Independent Auditor's Report regarding Rules of the Auditor General 10.557(3)(n)	115



## **Letter of Transmittal**



# *City of South Pasadena*

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SOUTH PASADENA, FLORIDA 33707  
PH: (727) 347-4171 FAX: (727) 345-0518  
WWW.MYSOUTHPASADENA.COM

June 14, 2020

The Honorable Mayor, City Commission and Citizens  
City of South Pasadena  
South Pasadena, Florida 33707

The Comprehensive Annual Financial Report of the City of South Pasadena, Florida, for the fiscal year ended September 30, 2019, is submitted herewith pursuant to Florida State Statutes Chapter 218.39 and Chapter 10.550 of the rules of the Auditor General of the State of Florida. This Annual Report was prepared by the Finance Department and represents the official report of the City's financial condition and results of operations to the citizens, City Commission, City administrative personnel, investment firms, rating agencies, and other interested persons.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the City. We believe the data presented is accurate in all material aspects and are reported in a manner that presents fairly the financial position and results of operations of the City on a Government-Wide and on a Fund-Level basis. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The State of Florida requires an annual audit of all the books of account, financial records, and transactions of any municipality chartered in the state, by independent certified public accountants. This requirement has been fulfilled and the auditor's report from the certified public accounting firm of Wells, Houser & Schatzel, P.A. has been included in this report.

Generally Accepted Accounting Principles require 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 compliment the MD&A and should be read in conjunction with it. The City of South Pasadena's MD&A can be found immediately following the Independent Auditor's Report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical.

The Introductory section includes the table of contents, this transmittal letter and the City's organizational chart. The Financial section includes the Independent Auditor's opinion, Management Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, Combining Statements and Budgetary Comparison Schedules and Other Supplementary Schedules. The Statistical section includes selected financial and general information presented on a multi-year comparative basis.

## THE REPORTING ENTITY

The funds and entities related to the City of South Pasadena are included in our Comprehensive Annual Financial Report. The criteria used in determining the reporting entity are consistent with the principles of Section 2100, "Defining the Reporting Entity" of the GASB "Codification of Governmental Accounting and Financial Reporting Standards". Based on these criteria, all of the funds of the City shown in the Table of Contents are included in this report.

## PROFILE OF THE GOVERNMENT

The City was chartered in 1955. The City operates under the Commission form of government.

The City Commission is comprised of a mayor and four commission members and as a group is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards, the City Attorney and the City Clerk/Administrator. The Commissioner of each department shall have the right to appoint or dismiss the head of the department, subject to the approval of a majority of the entire commission.

The individual department heads are responsible for the enforcement of law and ordinances relating to their respective departments.

### Services Provided

The City provides the full range of municipal services normally associated with a municipality, including fire protection, street construction and maintenance, planning and zoning, recreation and parks, library, as well as general administrative services. Police protection is provided through an annual contract with the Pinellas County Sheriff's Department. In addition, sewer services and reclaimed water are provided under an enterprise fund concept with user charges set by the City Commission to ensure adequate coverage of operating expenses and payments of any outstanding debt.

### Accounting Systems and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities, which are Enterprise Funds, are maintained on the accrual basis.

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

The safeguarding of assets against loss from unauthorized use or disposition; and

The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be derived; and

The evaluation of costs and benefits requires estimates and judgments of management.

All internal control evaluations occur within this framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the department level. By authorization, the departmental commissioner and department head may authorize the transfer of funds within their respective department. The budget is adopted and passed at a fund level, so any increase or decrease of any fund's total budget has to be approved by the City Commission.

## ECONOMIC OUTLOOK, LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

### Local Economy and Outlook

The City of South Pasadena covers approximately 0.6 of a square mile, most of which is developed. The City's population of 5,344 consists primarily of retirees, most of whom live in multi-unit condominiums and/or assisted living communities. The City has approximately 300 single-family residences located primarily on Pasadena Isle. The City also has a 220-unit mobile home community. The City's commercial district extends primarily along Pasadena Avenue (SR693), which connects mainland St. Petersburg with St. Pete Beach and along Gulfport Boulevard near the intersection of Pasadena Avenue.

Businesses within the City are primarily restaurants, banks, medical offices and retail grocery, gas, and merchandising outlets that serve the immediate residents of the City or traffic that is passing through to the Gulf Beaches. The City is also the home of the Palms of Pasadena Hospital. During fiscal year 2019 our Community Improvements Department focused on encouraging business expansion and growth within the City through its rigorous inspection and code enforcement processes. The Pasadena Shopping Center continues to be a primary site for expansion activity. In February of 2019, AutoZone opened its new storefront and KeKe's finished its renovations and opened their new restaurant in the shopping center. Near the end of fiscal 2019 construction started on a new storage facility on Pasadena Avenue. That project is the result of a Development Agreement under the City's Planned Redevelopment District regulations. The City looks forward to continued additions and improvements to the commercial properties located within the City.

After a five year period of dramatic reduction in property values, the City is in the sixth year of upward trending property values. Beginning in 2014 there has been positive growth in the commercial and secondary home market that had been particularly hard hit by the real estate downturn. Property values within the City have increased approximately 7.4% or \$42.8 million compared to the assessed values in 2018. Looking forward, fiscal 2020 property values continued the trend with a 5.3% or \$32.9 million increase over the 2019 fiscal year. Over the past several years tourism and construction activity in the City and surrounding areas has visibly improved and, up until January of 2020, economic prospects looked good. Unfortunately, in March 2020 the COVID-19 pandemic escalated in the State of Florida and the Governor's "Safer at Home" restrictions took affect, shutting down many businesses statewide.



The affect on real estate values and upon the City's revenue are hard to predict not knowing how long the affects of the pandemic will last. There will definitely be some impact on sales tax and local fuel tax collections due to the slowing economy.

State lawmakers established property tax reduction as a major goal in years 2007 through 2009. State lawmakers passed legislation that required cities and counties to lower the property tax to less than the prior year. These rules are still in effect and had a tax stabilization effect from 2010 through 2014. Under the current rules, millage can be raised up to the State 10 mill cap with a unanimous vote from the City Commission. In 2016, the City's millage was raised to 3.25 mills where it remained through fiscal 2018. The millage rate was increased to 3.5 mills for the current 2019 fiscal year. This rate is the millage rate that is required to maintain the City's General Fund reserves at approximately one half of a year's operating expenses.

The amendment passed by the legislature in 2008, referred to as Amendment 1, increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Amendment 1 also allows a transfer of up to \$500,000 of the "Save Our Homes" benefit to a resident's next homestead when they move. Save Our Homes became effective in 1995 and caps the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. With respect to non-homesteaded property, Amendment 1 limits the annual increase in assessed value to ten percent (10%), except for school district taxes and provides for a \$25,000 exemption for tangible personal property. Amendment 1 was effective October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective January 1, 2009.

Florida is dependent on sales tax dollars, and prior to COVID-19, revenue projections continued to show increases in conjunction with positive tourism numbers. Originally, the City projected \$335,000 in the half-cent sales tax collections for the next fiscal year. Depending on the length of the COVID-19 economic recovery, sales tax collections could be down \$60,000 for the initial three month period to \$125,000 for a phased-in nine month recovery. The "Penny for Pinellas" sales tax is a 1-percent sales tax paid by everyone who spends money in the County that has been in effect since 1990. The revenue is shared between the County and 24 cities to fund long-term capital investments such as improved roads, bridges and trails, water quality and flood prevention, public safety equipment and vehicles, fire stations, parks and environmental land acquisition. Pinellas County voters chose to renew this surtax for the years 2020 to 2030 in November 2017. The City's original estimated surtax revenues for fiscal year 2020 are projected at \$657,000 compared to fiscal 2019's actual collections of \$643,325. Likewise, due to COVID-19, these collections could be down an estimated \$120,000 for the initial three month period and up to \$240,000 for a nine month recovery. Again, the COVID-19 affects on the economy and potential tax revenues are hard to predict due to the uncertainty on the length of the recovery period and the amount of time before vaccines are developed to control the virus. The Penny for Pinellas cumulative revenues for the next 12 years (2019-2030) is projected at \$9.4 million, assuming a normal 4% annual growth rate.

#### Financial Condition

As in the past, a general evaluation of the City's financial position indicates excellent fund balances and cash balances in the General and Capital Improvement Funds, adequate cash coverage of year-end operating liabilities and excellent operating and infrastructure reserves. Although the current economy and the new COVID-19 "economic shutdown" presents certain challenges, the City continues to have

sufficient annual revenue flows, which coupled with reserves, will cover expected expenditures. Capital Improvements Fund short-term cash and investment balances are adequate to cover normal anticipated expenditures for fiscal year 2020's capital items. The City plans construction of a new Fire Station in fiscal years 2020 and 2021 which will require substantial funding. It is anticipated that financing will be required for a portion of the project cost.

Cash Management Policies and Practices

The City's cash and investment management program involves a theory of keeping principal and interest earnings free from risk and maintaining reasonable liquidity to meet obligations. The cash investments are held at BB&T, Florida Municipal Investment Trust, Florida Surplus Asset Trust Fund (Florida SAFE), State Board of Administration Local Government Surplus Trust Fund (Florida PRIME), and Wells Fargo Securities.

The city's cash, pooled cash and cash equivalents balance on September 30, 2019 totaled \$11,852,664.

Long Term Financial Planning

As part of the regular budgeting process, the City of South Pasadena prepares a five year Capital Improvement Plan (CIP), which is updated on an annual basis. The CIP is an important component of the City's financial management process and should be considered when formulating the annual operating budget.

Annually, City Department Heads review any infrastructure and capital asset requirements to determine which items need to be replaced due to obsolescence or if any new additions are necessary. During the process the Department Heads consider Commission initiatives and goals, both formal and informal, which are established throughout the year in both the budget and non budgetary workshop process. Consideration is given to local economic trends as well as other outside influences on the City's operations and financial condition.

The five year plan schedules potential acquisitions with emphasis on monitoring fund balance and cash reserves and is an important planning tool in determining the proper timing of asset purchases.

The CIP is presented to the City Commission during the regular budget process. Once adopted, the initial year in the plan becomes the current appropriation for the Capital Improvement Funds and any capital assets in the City's Enterprise Funds. The latest CIP adopted by the City Commission covers fiscal year 2020 through fiscal year 2024. A summary of anticipated expenditures is as follows:

<b>Expenditures</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Capital Improvement Fund	\$2,382,625	\$4,787,050	\$1,656,650	\$438,050	\$451,450
Sewer Fund	150,000	150,000	220,000	150,000	150,000
Reclaimed Water Fund	70,000	-	-	-	-

The Five Year Plan makes provision for design and construction of a new fire station in fiscal years 2020 and 2021. Also included in the plan is the replacement of the City's Ladder Fire Truck (\$1,015,000) in fiscal year 2022. To date, the City has identified a potential land site near the Palms of Pasadena Hospital and is currently in the "Due Diligence" phase of finalizing a purchase contract for the new fire station property.

### Major Initiatives

City beautification and creating a more pedestrian-friendly community are high on the City Commission's priority list for future initiatives, as well as renovation or replacement of the City's current fire station. Over the past two years the Commission has expanded its efforts to utilize Developer Agreements (and the new Planned Redevelopment District regulations) to encourage new business growth in the City. In fiscal 2018 and 2019 the City has utilized the City Code Enforcement Division to clean-up and remove structures in violation of City Codes for three vacant restaurant properties in the City. To date, one of these properties has been sold and renovated and has a new business ready for operations before the end of fiscal 2020. The other two properties remain vacant at the current time. Unfortunately, the COVID-19 pandemic and related "stay at home" orders initiated in March of 2020 have placed new challenges on the business community.

As part of City Beautification in fiscal 2020, the City anticipates the reconstruction of the Sunset Drive Stormwater Retention Boardwalk for approximately \$250,000 and renovations to Park Pavilions costing \$130,000.

The City has identified and has a pending contract for purchase of land subject to a due diligence period to verify the feasibility of placing a fire station structure on the site. There is \$1,375,000 budgeted for the fiscal year 2020 for land acquisition and preliminary engineering and design costs, and \$4,500,000 is budgeted for the fire station construction in fiscal 2021. The 2020 Capital Budget anticipates bank financing for a portion of the construction in the amount of \$2,162,500 over a fifteen year amortization period with the City's initial up-front cash outlay being \$3,712,500. The timing of the \$5.875 million project may slide forward due to current economic conditions and results of the "due diligence" engineering studies.

### CERTIFICATE OF ACHIEVEMENT

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 comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the twenty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the staff of the Finance Department. I would like to express appreciation to city administrative staff, whose efforts throughout the year contributed to its preparation. The City would especially like to thank the accounting firm of Wells, Houser & Schatzel, PA for their continued professional assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James A. Graham". The signature is fluid and cursive, with a long horizontal stroke at the end.

James A. Graham, C.P.A.  
Finance Director



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Government Finance Officers Association

Certificate of  
Achievement  
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Presented to

**City of South Pasadena  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

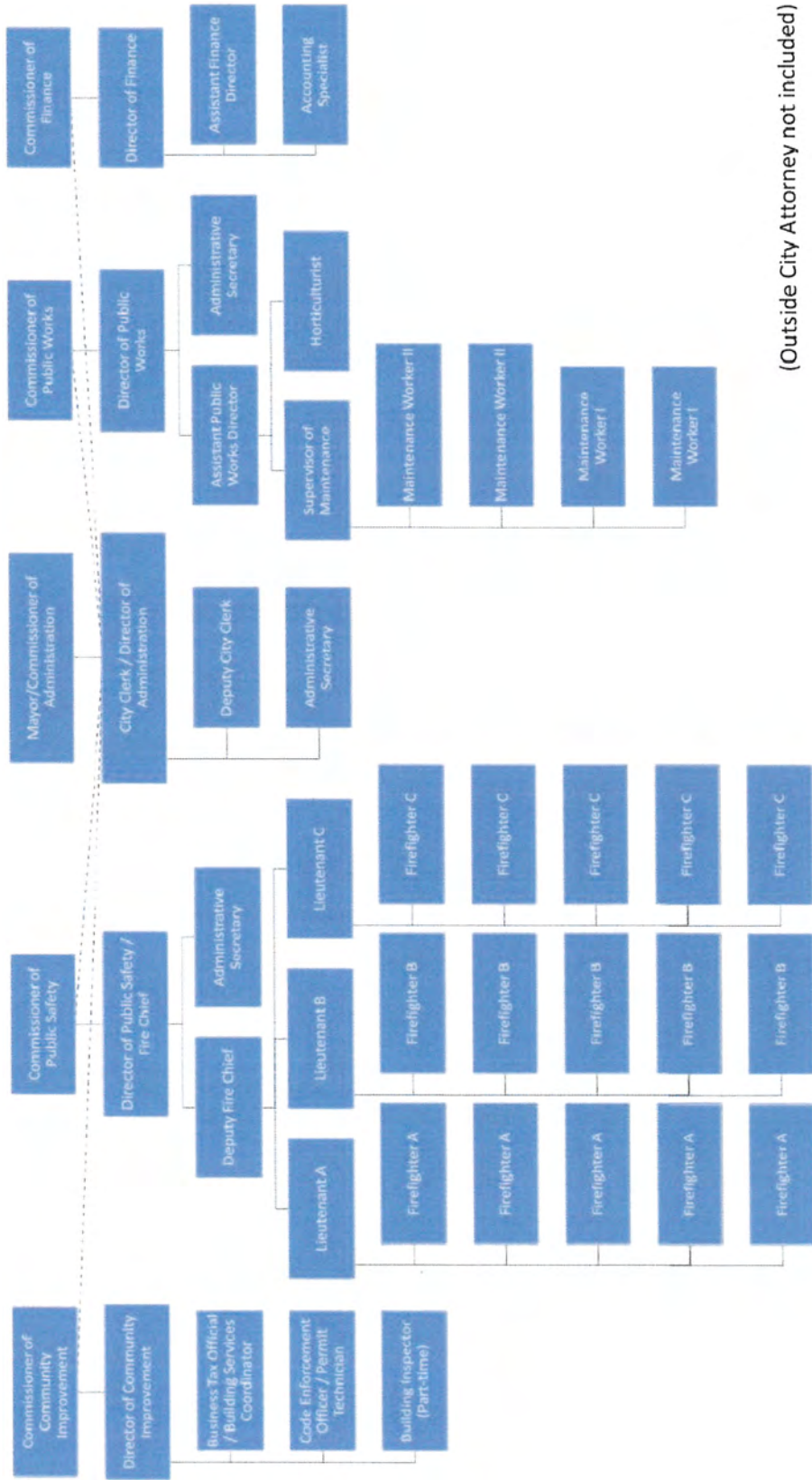
*Christopher P. Morrill*

Executive Director/CEO

The City of South Pasadena, Florida has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018 by the Government Finance Officers Association of the United States and Canada.

CITY OF SOUTH PASADENA, FLORIDA

ORGANIZATIONAL CHART



(Outside City Attorney not included)

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## **Financial Section**

This section contains the following subsections:

**Independent Auditor's Report**

**Management's Discussion and Analysis**

**Basic Financial Statements**

**Required Supplementary Information**

**Combining Financial Statements and Budgetary Comparison Schedules**

**Other Supplementary Schedules**

## **Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

The Honorable Arthur Penny, Mayor  
and Members of The Board of Commissioners  
City of South Pasadena, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

The prior year comparative information has been derived from the City's September 30, 2018 financial statements and, in our report dated May 25, 2019, we expressed an unmodified opinion on the respective statements of the governmental-activities, the business-type activities, each major fund, and the aggregate remaining fund information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, Florida, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages 3-15) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management



about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Pasadena, Florida's basic financial statements. The introductory section, combining financial statements and budgetary comparison schedules, other supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required budgetary comparison schedule (pages 59-62) and the schedules of changes in net pension liability and net OPEB liability and contributions (pages 63 to 66), are not a required part of the basic financial statements but are required by accounting principles generally accepted in the United States of America.

The required budgetary comparison schedule, schedules of changes in net pension liability and contributions, combining financial statements and budgetary comparison schedules, the schedule of revenues and expenditures – Deepwater Horizon BP Oil Spill Settlement and other supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required budgetary comparison schedule, the schedules of changes in net pension liability and contributions, the combining financial statements and budgetary comparison schedules and the other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2020, on our consideration of the City of South Pasadena, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Pasadena, Florida's internal control over financial reporting and compliance.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

June 14, 2020

## **Management's Discussion and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of South Pasadena's (the "City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page v) and the City's financial statements (beginning on page 18).

### HIGHLIGHTS

#### Financial Highlights

- For the fiscal year ended September 30, 2019, City-wide assets and deferred outflows of resources, totaling \$22,881,863, exceeded City-wide liabilities and deferred inflows of resources, totaling \$5,165,093, by \$17,716,770. The excess of City-Wide assets over liabilities represents the net position (equity) of the City. The City's \$17,716,770 of net position consists of \$9,148,907 that is invested in capital assets (buildings, equipment, vehicles, sewer and reclaimed water systems, etc.), \$5,199,997 that is restricted for future infrastructure improvements (Penny for Pinellas), \$1,651 that is restricted for other purposes, and \$3,366,215 that is unrestricted for general use in operating the City. The City's unrestricted net position decreased \$56,846 compared to the prior year. (Please see pages 18-19 for more detail.)
- For the fiscal year ended September 30, 2019, City-wide program revenues and general revenues, totaling \$7,763,713, was greater than expenses, totaling \$7,685,437, yielding an increase in net position (net gain) of \$78,276. This amount compares to an increase in net position (net gain) of \$745 for fiscal year ended September 30, 2018. (Please see pages 20-21 for more detail.)
- The increase in net position for Governmental Activities (police, fire, public works, administration, etc.) for 2019 was \$57,991. There was an increase in net position for the Business-type activities (sewer and reclaimed water operations) of \$20,285 in 2019. (Please see pages 20-21 for more detail.)
- General Fund revenues increased \$337,743 (6.4%) in fiscal year 2019 and were \$132,844 greater than the amount budgeted. The increase in revenues is primarily attributable to an increase in ad valorem taxes, utility taxes, and interest income. General Fund expenditures increased by \$335,300 (6.6%) in fiscal year 2019 and were \$200,835 less than the amount budgeted. The 2019 expenditures increased primarily as a result of increased personal services costs, which increased \$208,891 compared to 2018. The General Fund revenues of \$5,626,709 exceeded expenditures of \$5,419,310 by \$207,399 compared to fiscal year 2018 when the excess was \$204,956. The General Fund was budgeted as having a deficit of \$126,280 in 2019. The actual excess of revenues over expenditures of \$207,399 resulted in a favorable budget to actual variance of \$333,679. (Please see pages 59-62 for more detail.)

- Current unrestricted cash and investments totaled \$11,852,664 for fiscal year 2019, which represents an increase of \$931,174 over fiscal year 2018. When evaluating the availability of the City’s current cash and investments, the amount of restricted net position totaling \$5,201,648 needs to be considered.
- The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2017. In fiscal year 2019, the City recorded a Net Other Post Employments Benefit (OPEB) liability and deferred outflows of resources in the government-wide Statement of Net Position in the amounts of \$164,623 and \$13,423, respectively, as well as additional OPEB expense in the amount of \$28,004 in the Statement of Activities. In fiscal year 2018, the City recorded a Net Other Post Employments Benefit (OPEB) liability and deferred outflows of resources in the government-wide Statement of Net Position in the amounts of \$124,442 and \$1,246, respectively, as well as an OPEB expense in the amount of \$10,531 in the Statement of Activities.

### **City Highlights**

- The governmental funds’ revenue increased \$406,452 (6.8%) from \$5,973,550 in 2018 to \$6,380,002 in 2019 (please see page 24 for more detail). The largest sources of this increase were a \$299,482 increase in taxes, a \$50,897 increase in interest income, and a \$47,086 increase in intergovernmental revenue. The increase in ad valorem tax revenues of \$275,411 accounted for much of the increase in overall tax revenues. The receipt of the of the federal and state FEMA reimbursements totaling \$40,793 accounted for a significant portion of the intergovernmental revenue increase.
- The total expenditures for the governmental funds of the City increased \$266,215 (4.9%) from \$5,417,199 in 2018 to \$5,683,814 in 2019. This increase is comprised of an increase in current expenditures of \$238,405, and an increase in capital outlay expenditures of \$28,210. As noted above, the increase in personal services expenditures accounts for \$208,891 of the increase in current expenditures.
- In addition to the General Fund having a favorable budget to actual variance as discussed above, the Capital Improvements Fund had a favorable budget variance of \$3,324,794 while the Sewer and Reclaimed Water Funds achieved favorable budget-to-actual results of \$73,519 and \$135,208, respectively. The Capital Improvements Fund favorable budget variance was due to positive variances in the areas of fire department building improvements in the amount of \$4,525,150, and debt service – principal and interest – in the amount of \$184,505. These positive variances exist due to a delay in the purchase of the land on which the City will build a new fire station and the construction and resulting partial financing of the new building. The Sewer Fund and Reclaimed Water Fund favorable budget variances do not take into consideration depreciation expense as this is a non-cash expense. The 2019 depreciation expense for the Sewer Fund and Reclaimed Water Fund was \$139,880 and \$102,949, respectively.

### **USING THIS ANNUAL REPORT**

The financial statement’s focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City’s accountability.

For the City of South Pasadena, both the General Fund and Capital Improvement Fund are considered major funds.

## **Government-wide Financial Statements**

The government-wide financial statements (see pages 18-21) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund’s current financial resources (short-term spendable resources) with capital assets and long term obligations.

The Statement of Activities (see pages 20-21) is focused on both the gross and net cost of various activities (including governmental and business-type) which are provided by the government’s general tax and other revenues. This is intended to summarize and simplify the user’s analysis of cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflects the City’s basic services, including general government, police, fire, community improvement and public works. Property, sales, and utility services taxes along with franchise fees fund the majority of these services. The Business-type Activities reflect private sector type operations (Sewer and Reclaimed Water management), where the fee for service typically covers all or most of the cost of operation, including depreciation.

## **Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than (the previous model’s) fund types. However, since all of the government-type funds of the City of South Pasadena are considered major funds, the presentation will not be significantly different than that of previous years.

The Governmental Major Fund (see pages 22-25) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith (beginning on page 59).

While the Total column on the Business-type Fund Financial Statements (see pages 26-28) is the same as the Business-type column in the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 23 & 25). The flow of current financial resources will reflect capital expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations such as accrued compensated absences, net pension liability, and net Other Post Employment Obligation into the Governmental Activities column (in the Government-wide statements).

## **Infrastructure Assets**

In accordance with the provisions of GASB Statement #34, the City includes infrastructure capital assets in the Statement of Net Position for the governmental activities. The infrastructure assets represent the City’s largest group of assets – buildings, roads, bridges, traffic signals, and underground pipes unless associated with a utility. The infrastructure assets for utilities are reported in the business-type activities – enterprise funds. The infrastructure assets for both the governmental and business-type activities are depreciated over their useful lives.

## GOVERNMENT-WIDE STATEMENTS

### Statement of Net Position

The following table reflects the condensed Statement of Net Position for the current year.

Table 1  
Statement of Net Position  
As of Fiscal Year End

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 8,788,409	\$ 8,019,076	\$ 3,280,322	\$ 3,131,517	\$ 12,068,731	\$ 11,150,593
Non-current assets	-	-	-	-	-	-
Capital assets, net	<u>7,208,370</u>	<u>7,471,268</u>	<u>1,940,537</u>	<u>2,070,929</u>	<u>9,148,907</u>	<u>9,542,197</u>
Total assets	<u>15,996,779</u>	<u>15,490,344</u>	<u>5,220,859</u>	<u>5,202,446</u>	<u>21,217,638</u>	<u>20,692,790</u>
Deferred outflows of resources	<u>1,664,225</u>	<u>1,791,243</u>	<u>-</u>	<u>-</u>	<u>1,664,225</u>	<u>1,791,243</u>
Total assets and deferred outflows of	17,661,004	17,281,587	5,220,859	5,202,446	22,881,863	22,484,033
Current liabilities	256,468	182,454	69,411	71,283	325,879	253,737
Non-current liabilities	<u>4,388,710</u>	<u>3,981,887</u>	<u>-</u>	<u>-</u>	<u>4,388,710</u>	<u>3,981,887</u>
Total liabilities	<u>4,645,178</u>	<u>4,164,341</u>	<u>69,411</u>	<u>71,283</u>	<u>4,714,589</u>	<u>4,235,624</u>
Deferred inflows of resources	<u>450,504</u>	<u>609,915</u>	<u>-</u>	<u>-</u>	<u>450,504</u>	<u>609,915</u>
Total liabilities and deferred inflows of resources	5,095,682	4,774,256	69,411	71,283	5,165,093	4,845,539
Net Position:						
Net investments in capital assets	7,208,370	7,471,268	1,940,537	2,070,929	9,148,907	9,542,197
Restricted	5,201,648	4,673,236	-	-	5,201,648	4,673,236
Unrestricted	<u>155,304</u>	<u>362,827</u>	<u>3,210,911</u>	<u>3,060,234</u>	<u>3,366,215</u>	<u>3,423,061</u>
Total net position	<u>\$ 12,565,322</u>	<u>\$ 12,507,331</u>	<u>\$ 5,151,448</u>	<u>\$ 5,131,163</u>	<u>\$ 17,716,770</u>	<u>\$ 17,638,494</u>

(For more detailed information please see the Statement of Net Position (pages 18-19).

At the end of fiscal 2019, the City-wide net position reflects an increase of \$78,276 to \$17,716,770. Net position for Governmental Activities is \$12,565,322 (increase of \$57,991) and net position from Enterprise or Business Activities is \$5,151,448 (increase of \$20,285). Of the total net position, \$9,148,907 represents the City's net investment in capital assets and \$5,201,648 represents current and other assets restricted for specific purposes.

The Statement of Net Position on page 19 shows the specific restrictions to net position. The more significant restriction under the City's Governmental Activities includes \$5,199,997 in infrastructure taxes or "Penny for Pinellas" funds which must be used to fund municipal infrastructure or certain capital assets (Capital Improvements Fund).

An analysis of all City-wide assets reveals that current cash and investments of \$11,852,664 in 2019 and \$10,921,490 in 2018 represent 51.8% and 48.6% of the total assets and deferred outflows, respectively. At the end of 2019, current cash and investments available for governmental activities totaled \$8,689,011 (a \$797,951 or 10.1% increase from 2018), and funds available in the business activity accounts totaled \$3,163,653 (a \$133,223 or 4.4% increase from 2018).

Capital assets, net of accumulated depreciation, totaling \$9,148,907 represent 40.0% of the City-wide total assets and deferred outflows of resources at September 30, 2019.

### Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital Assets – will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt will not change the investment in capital assets, net of debt.

Spending of Non-Borrowed Current Assets on New Capital Assets – will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase investment in capital assets, net of debt.

Principal Payment on Debt – will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase investment in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – will reduce capital assets and investment in capital assets, net of debt and increase unrestricted net position.

### **Current Year Impacts**

The remaining basic transactions directly/indirectly affect the unrestricted net position as indicated in the following schedule. The adjusted results of operations and current assets used for capital clearly demonstrate the change in unrestricted net position.

At the end of fiscal 2019, as reported on page 19, City-wide unrestricted net position totaled \$3,366,215, a decrease of \$56,846 compared to the prior year. The unrestricted net position represents 19.0% of the City’s total net position of \$17,716,770. In governmental activities, unrestricted net position decreased by \$207,523 to \$155,304. In business-type activities, unrestricted assets increased by \$150,667 to \$3,210,911.

Table 2  
Change in Unrestricted Net Position

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Unrestricted Net Position – Beginning of Year	\$ 362,827	\$ 523,370	\$ 3,060,234	\$ 2,853,010	\$ 3,423,061	\$ 3,376,380
Results of Operations (loss)	57,991	33,321	20,285	(32,576)	78,276	745
Adjustments- restricted assets						
Infrastructure	(529,412)	(498,754)	-	-	(529,412)	(498,754)
Scholarships	1,000	-	-	-	1,000	-
Book Value of Assets Disposed	6,826	16,192	-	-	6,826	16,192
Depreciation	506,245	510,661	242,829	239,800	749,074	750,461
Total adjustments	<u>(15,341)</u>	<u>28,099</u>	<u>242,829</u>	<u>239,800</u>	<u>227,488</u>	<u>267,899</u>
Adjusted Results of Operations	\$ 42,650	\$ 61,420	\$ 263,114	\$ 207,224	\$ 305,764	\$ 268,644
Principal payment on capital lease	-	-	-	-	-	-
Capital Expenditures	<u>(250,173)</u>	<u>(221,963)</u>	<u>(112,438)</u>	<u>-</u>	<u>(362,611)</u>	<u>(221,963)</u>
Unrestricted Net Position - End of Year	<u>\$ 155,304</u>	<u>\$ 362,827</u>	<u>\$ 3,210,911</u>	<u>\$ 3,060,234</u>	<u>\$ 3,366,215</u>	<u>\$ 3,423,061</u>



## Statement of Activities

The Statement of Activities is presented below with a comparison of the current year and prior year revenues and expenses as reported on the Statement of Activities on pages 20-21.

Table 3  
Statement of Activities  
As of September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
<b>Program Revenues:</b>						
<b>Charges for services</b>						
Sewer Fees			\$ 1,133,869	\$ 977,692	\$ 1,133,869	\$ 977,692
Reclaimed Water Fees			189,399	188,558	189,399	188,558
Red Light Camera Fines	\$ 3,896	\$ 8,891			3,896	8,891
Police Fines & Forfeitures	3,627	12,171			3,627	12,171
Building Inspections / Permits	371,066	371,514			371,066	371,514
Impact Fees	1,097	5,641			1,097	5,641
Local Business Tax	104,819	105,383			104,819	105,383
Hibiscus Hall Rents	11,335	9,950			11,335	9,950
<b>Operating Grants &amp; Contributions</b>						
Pinellas County EMS Contract	825,974	813,282			825,974	813,282
<b>Capital Grants &amp; Contributions</b>						
Grant - General Government	40,793	-			40,793	-
Grant - Environmental / Recycle	2,979	5,990			2,979	5,990
<b>General Revenues:</b>						
Property Taxes	2,095,658	1,820,247			2,095,658	1,820,247
Franchise Fees	533,672	509,999			533,672	509,999
Communications Service Tax	212,307	247,881			212,307	247,881
Other Utility Taxes	703,744	663,585			703,744	663,585
Sales Tax Infrastructure	643,325	609,637			643,325	609,637
State Revenue Sharing	165,471	161,955			165,471	161,955
Half-Cent Sales Tax	334,408	329,118			334,408	329,118
Local Option Gas Tax	71,246	75,738			71,246	75,738
Other Taxes	18,898	60,288			18,898	60,288
Investment income	148,657	97,760	60,443	39,170	209,100	136,930
Gain (Loss) fair value of investments	33,454	13,951			33,454	13,951
Miscellaneous	53,576	50,569			53,576	50,569
<b>Total Revenues</b>	<b>\$ 6,380,002</b>	<b>\$ 5,973,550</b>	<b>\$ 1,383,711</b>	<b>\$ 1,205,420</b>	<b>\$ 7,763,713</b>	<b>\$ 7,178,970</b>
<b>EXPENSES</b>						
<b>Program Activities</b>						
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General Government	999,635	\$ 887,455			\$ 999,635	\$ 887,455
Public Safety- Police	810,378	786,522			810,378	786,522
Public Safety- Fire	2,838,432	2,633,364			2,838,432	2,633,364
Protective Inspections	458,251	397,196			458,251	397,196
Public Works and Parks	992,511	1,014,262			992,511	1,014,262
Culture & Recreation	56,469	54,475			56,469	54,475
Physical Environment	156,934	156,794			156,934	156,794
Human Services	9,402	10,162			9,402	10,162
<b>Business-Type Activities:</b>						
<b>Sewer &amp; Reclaimed Water</b>						
Sewer			1,174,549	1,025,922	1,174,549	1,025,922
Reclaimed Water			188,877	212,074	188,877	212,074
<b>Total Expenses</b>	<b>\$ 6,322,011</b>	<b>\$ 5,940,229</b>	<b>\$ 1,363,426</b>	<b>\$ 1,237,996</b>	<b>\$ 7,685,437</b>	<b>\$ 7,178,225</b>
<b>Excess of Revenues over Expenses</b>	<b>\$ 57,991</b>	<b>\$ 33,321</b>	<b>\$ 20,285</b>	<b>\$ (32,576)</b>	<b>\$ 78,276</b>	<b>\$ 745</b>
<b>Net Position - Beginning of Year</b>	<b>12,507,331</b>	<b>12,474,010</b>	<b>5,131,163</b>	<b>5,163,739</b>	<b>17,638,494</b>	<b>17,637,749</b>
<b>Net Position- End of Year</b>	<b>\$ 12,565,322</b>	<b>\$ 12,507,331</b>	<b>\$ 5,151,448</b>	<b>\$ 5,131,163</b>	<b>\$ 17,716,770</b>	<b>\$ 17,638,494</b>



## Normal Impacts

There are nine basic impacts on revenues and expenses as reflected below.

### Revenues

**Economic Condition** – which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, infrastructure, gas or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption for electric or water usage for which the City collects taxes or franchise fees.

**Increase/Decrease in Commission approved rates** – while certain tax rates are set by statute, the City Commission has significant authority to impose and periodically increase/decrease rates (Sewer, reclaimed water, permitting, impact fee, property taxes, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue** (both recurring and non-recurring) – certain recurring revenues, such as state revenue sharing, may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Contribution from the Reclaimed Water and Sewer Funds** – the City owns and operates certain Sewer and Reclaimed Water Utility systems. The City provides administrative support services for the utilities. The billing for each utility system is contracted with the City of St. Petersburg. Beginning in fiscal 2012 the City started charging an administrative service charge to each utility for accounting and legal overhead.

Historically, the Sewer and Reclaimed Water Utility systems have been managed on a self-supporting basis using user fees. However, at the legislative body's discretion, any excess fees over expenses could be transferred to the City's other funds for use. Given the uncertain economic environment in which the City is now operating, the ongoing competitiveness and vitality of the utility funds is an important factor in evaluating the City's funding policies.

**Market Impacts on Investment income** – due to the type of investment portfolio and the varying nature of the market in general, City investment income may fluctuate from year to year.

### Expenses

**Introduction of New Programs** – within the functional expense categories (General Government, Law Enforcement, Fire Protection, Public Works / Transportation, Community Improvement, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** – changes in service demand may cause the Commission to increase or decrease authorized staffing. Staffing costs (salary and related benefits) in the General Fund represented 69.9% of the City's 2019 operating budget compared to 70.4% of the City's 2018 operating budget.

**Salary Increases (cost of living, merit and market adjustment)** – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

**Inflation** – while overall inflation appears to be low, the City is a major consumer of certain commodities and services such as chemicals, supplies, fuels and group health insurance. Some functions may experience unusual commodity specific increases. In past years, costs of fuel, general insurance, employee health benefits and pension costs have tended to have large increases. Contract services for items such as law enforcement that have these personnel costs factored in can fluctuate based on these inflationary pressures.

## Current Year Impacts

### Governmental Funds

The ending fund balance for the General Fund increased \$207,399 to \$3,098,364 as of September 30, 2019. The Capital Improvements Fund ending fund balance increased \$488,789 to \$5,400,252, of which \$5,199,997 is restricted for infrastructure improvements (Penny for Pinellas).

### Revenues

Table 4  
Governmental Funds  
Revenues

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Revenues				
Taxes (Property, Franchise & Utility)	\$ 3,546,478	\$ 3,246,996	\$ 299,482	9.22%
Licenses and Permits	475,885	476,897	(1,012)	-0.21%
Intergovernmental Revenues	2,103,094	2,056,008	47,086	2.29%
Fines and Forfeitures	7,523	21,062	(13,539)	-64.28%
Interest Income	148,657	97,760	50,897	52.06%
Change in fair value of investments	33,454	13,951	19,503	139.80%
Rental Hibiscus Hall	11,335	9,950	1,385	13.92%
Miscellaneous Revenues	53,576	51,286	2,290	4.47%
Total Revenues	\$ 6,380,002	\$ 5,973,910	406,092	6.80%

The breakdown of the net change in revenue by fund was an increase of \$337,743 for the General Fund and a \$68,349 increase for the Capital Improvements Fund. (Please see page 24 for more detail.)

As previously discussed, the increase in revenues is primarily attributable to an increase in ad valorem taxes, interest income, and intergovernmental revenue. (Please see pages 59-60 for additional detail.)

For fiscal 2019, the City had a millage rate of 3.5000, which increased from 3.2500 in 2018. The total taxable value of property located within the City in fiscal year 2019 was \$623,579,737 compared to the 2018 final taxable value of \$580,794,192. The increase in property values resulted in property tax collections increasing \$275,411.

Within the Capital Improvements Fund, infrastructure taxes increased \$33,688 to \$643,325.

### Expenditures

Table 5a  
Governmental Funds  
Expenditures

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Expenditures				
General Government	\$ 810,750	\$ 771,751	\$ 38,999	5.05%
Public Safety	3,796,629	3,540,403	256,226	7.24%
Transportation & Public Works	790,564	754,024	36,540	4.85%
Culture, Recreation, Environment	28,469	25,825	2,644	10.24%
Physical Environment	4,229	99,233	(95,004)	-95.74%
Human Services	3,000	4,000	(1,000)	-25.00%
Capital Outlay	250,173	221,963	28,210	12.71%
Debt Service	-	-	-	0.00%
Total Expenditures	\$ 5,683,814	\$ 5,417,199	266,615	4.92%

As discussed in the City Highlights, the City had budgeted for the purchase of land and the construction of a new fire station in fiscal year 2019. As of September 30, 2019, the land had not yet been purchased. Expenditures for the land and fire station are likely to occur in fiscal years 2020 and 2021.

Although the Capital Improvements Fund is typically used for capital asset acquisitions, the City may use a portion of those funds for major repairs items which are operating in nature. Under the law, Infrastructure Taxes and any interest earned is restricted for use on capital assets. However, the City does have other revenue sources from years prior to the inception of the infrastructure tax. For fiscal 2019, the Capital Improvements Fund included \$14,331 of non-capital operating expenses.

The following table provides a reconciliation of the expenditures reported under the governmental funds approach totaling \$5,683,814 to the total expenses reported in the Statement of Activities for the same governmental activities totaling \$6,322,011.

The main differences will be for adjustments to governmental activities expenses for non-cash depreciation of \$506,245 and change in non-cash pension benefits of \$337,662, as well as the removal of capital expenditures totaling \$250,173 that are not included in the Statement of Activities.

Table 5b  
Reconciliation to Statement of Activities

	<u>2019</u>	<u>2018</u>
Expenditures Governmental Fund Approach	\$ 5,683,814	\$ 5,417,199
Less: Cash Outlay for Capital Asset Purchases	(250,173)	(221,963)
Add: Depreciation Capital Assets	506,245	510,661
Add: Un-depreciated cost of disposed assets	6,826	16,192
Change in non-cash expense—		
Compensated Absences	9,633	24,145
Change in non-cash Other Post Employment Benefits	28,004	10,531
Change in non-cash pension benefits	337,662	183,824
Proceeds from sale of capital assets offset	-	(360)
Expenditures – Statement of Activities	<u>\$ 6,322,011</u>	<u>\$ 5,940,229</u>

Table 6  
General Fund – Change in Fund Balance

	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>
Nonspendable:			
Inventories and prepaids	\$ 42,544	\$ 38,991	\$ 3,553
Restricted for:			
Scholarships	1,651	2,651	(1,000)
Assigned to:			
Future budgetary appropriations	208,260	126,280	81,980
Unassigned	2,845,909	2,723,043	122,866
Total General Fund Balance	<u>\$ 3,098,364</u>	<u>\$ 2,890,965</u>	<u>\$ 207,399</u>

Table 7  
Capital Improvements Fund – Change in Fund Balance

	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>
Restricted for:			
Infrastructure	\$ 5,199,997	\$ 4,670,585	\$ 529,412
Assigned to:			
Capital improvement projects	200,255	240,878	(40,623)
Total Fund Balance	\$ 5,400,252	\$ 4,911,463	\$ 488,789

**Business Type Funds**

The net position of the Sewer and Reclaimed Water enterprise funds increased \$20,285 in fiscal year 2019 compared to a decrease of \$32,576 in fiscal year 2018. The net income for the enterprise funds, which is net of investment earnings, including a loss of \$11,974 for the sewer operations and income of \$32,259 for reclaimed water operations. The net position for the Sewer Fund decreased 0.41% to \$2,926,317 at September 30, 2019 and the net position for the Reclaimed Water Fund increased 1.47% to \$2,225,131. (Please see page 27 for more detailed information.)

Net Income from Operations is a measure of profit before interest earnings and measures only the revenues and costs associated with the operation of the business activity. For fiscal 2019, the Sewer Fund showed a net operating loss before investment earnings of \$40,680 compared to an operating loss of \$48,230 for 2018.

For 2019 the Reclaimed Water fund showed net operating income of \$522 before investment earnings compared to 2018 when the fund had a net operating loss of \$23,516.

The Sewer fund was also allocated an administrative service charge from the General Fund in the amount of \$25,370. This is the eighth year in which the enterprise funds have been allocated their proportionate share of administrative costs. The administrative burden of operating the enterprise funds is now being allocated from the General Fund in order to arrive at a more accurate cost of operating these funds.

The largest operating expense for the Sewer Fund is the processing fees paid to the City of St. Petersburg for sewage processing. These processing charges for 2019 were \$866,460, which is an increase of 16.5% from the 2018 charges of \$743,924. The time spent by Public Works personnel in sewer and reclaimed water operations is allocated to each enterprise fund. The salary allocation to the Sewer Fund in 2019 was \$53,310, an increase of 5.0% from the allocation in 2018, which was \$50,750. The amount of 2019 non-cash depreciation charges in the Sewer Fund was \$139,880.

The amount of salary allocations to the Reclaimed Water Fund from the General Fund was \$43,165, a 5.8% increase from the amount allocated in 2018 in the amount of \$40,795. The cost of acquiring reclaimed water from Pinellas County was \$26,506 in 2019 compared to \$25,690 in 2018, an increase of 3.2%. The Reclaimed Water operating expenses for 2019 include non-cash depreciation charges of \$102,949.

**Budgetary Highlights – General Fund**

The General Fund budget was not amended during fiscal year 2019. The amount of budgeted revenues (amounts available for appropriation) was \$5,493,865. Actual revenues for fiscal year 2019 were \$5,626,709, which results in a favorable variance of \$132,844. The final amount of budgeted expenditures (charges to appropriations) for 2019 was \$5,620,145. The amount of actual expenditures was \$5,419,310, which represents a favorable variance of \$200,835. The overall favorable budget variance for fiscal year 2019 is \$333,679. (Please see pages 59-62 for more detailed information).

The difference of \$126,280 between the finalized budgeted revenues and budgeted expenditures in the General Fund represents that portion of the beginning fund balance that the City was planning to utilize in meeting 2019 budgeted expenditures.

### Revenues

Revenue budgets are based on projections using historic trend analysis. Typically, only the first seven months of the previous year's actual revenues are known at the time of budget preparation. Considering the current economic conditions, these initial months are conservatively trended to estimate the upcoming year's budget. Actual amounts collected may vary significantly depending on changing economic conditions and consumer spending habits.

General Fund budget-to-actual variances include the following:

- Building permit revenues were \$55,830 higher than anticipated.
- Mechanical permit revenues were \$27,609 higher than anticipated.
- Property tax revenue was \$19,962 lower than anticipated, but overall tax revenue was \$35,411 higher than the amount budgeted.

### Expenditures

Actual expenditures were 96.4% of the amount budgeted.

The following is an overview of General Fund variances from the final budget for fiscal 2019:

- The activities of the Legislative Department utilized 88.5% of its operating budget and had a positive variance of \$15,364 that is primarily attributable to other services and charges being \$12,877 under budget.
- The Finance and Administration Department utilized 96.1% of its operating budget and had a positive variance of \$27,941. The positive variance included other services and charges being \$20,508 below the budgeted amount.
- The Fire Department utilized 96.0% of its operating budget and had a positive variance of \$106,963 that is primarily attributable to personal services being \$36,097 under budget and other services and charges being \$37,679 under budget.
- The Community Improvement Department (Protective Inspections) utilized 93.0% of its operating budget and had a positive variance of \$29,461. The positive variance included personal services being \$108,203 below the budgeted amount, which was offset by other services and charges being \$80,999 above budget. These variances are due to the City's use of a consulting firm after the departure of the Director of Community Improvement.
- Public Works / Transportation Department utilized 98.0% of its operating budget and had a positive variance of \$15,993 that is primarily attributable to utilities being \$11,807 under budget.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

As of September 30, 2019, the City had \$21,538,141 (total cost) invested in a variety of capital assets as compared to \$21,267,829 as September 30, 2018. This represents a net increase (at cost) of \$270,312 or 1.3% from the end of last year. Capital additions in fiscal year 2019 purchased out of the Capital Improvement Fund totaled \$250,173 and \$112,438 of additions were purchased in the Sewer Fund.

Table 8  
Capital Assets at September 30,  
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land and land rights	\$ 2,063,033	\$ 2,059,183	\$ -	\$ -	\$ 2,063,033	\$ 2,059,183
Construction and projects in progress	18,168	12,429	-	-	18,168	12,429
Structures and Improvements	4,365,452	4,280,266	-	-	4,365,452	4,280,266
Infrastructure	4,505,918	4,457,180	7,204,517	7,092,079	11,710,435	11,549,259
Furniture, Fixtures and Equipment	<u>3,381,053</u>	<u>3,366,692</u>	<u>-</u>	<u>-</u>	<u>3,381,053</u>	<u>3,366,692</u>
Total Cost of Assets	14,333,624	14,175,750	7,204,517	7,092,079	21,538,141	21,267,829
Less: Accumulated Depreciation	<u>(7,125,254)</u>	<u>(6,704,482)</u>	<u>(5,263,980)</u>	<u>(5,021,150)</u>	<u>(12,389,234)</u>	<u>(11,725,632)</u>
Total	\$ 7,208,370	\$ 7,471,268	\$ 1,940,537	\$ 2,070,929	\$ 9,148,907	\$ 9,542,197

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the financial statement notes (See Note D to the financial statements – Capital Assets on page 43.)

Table 9  
Change in Capital Assets – (Net)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning balance as reported last year	\$ 7,471,268	\$ 2,070,929	\$ 9,542,197
Additions	257,718	112,438	370,156
Retirements	(99,844)	-	(99,844)
Depreciation	(506,245)	(242,830)	(749,075)
Accumulated depreciation retirements	<u>85,472</u>	<u>-</u>	<u>85,472</u>
Ending Balance	\$ 7,208,370	\$ 1,940,537	\$ 9,148,907

This year's major additions are:

Governmental Activities:

City Hall Patio and Stairway	\$ 58,077
2019 Ford F-350 Dump Truck	51,130
Paving - Hibiscus Avenue North	22,505
Hibiscus Hall - Two 10-Ton Split A/C Units	<u>22,125</u>
	\$ 153,837

**ECONOMIC FACTORS**

Fiscal year 2019 demonstrated economic improvement as tax and certain intergovernmental revenues continued to increase. Real estate values maintained an upward trend for the sixth year after several years of decreasing values. For the current 2019 fiscal year, taxable values increased 7.4%, or \$42.8 million, to \$623,579,737.

The economic outlook for the City continues to look good, although fiscal year 2020 sales tax and local fuel tax collections are likely to decrease due to the economic effects of the COVID-19 pandemic. The Pasadena Shopping Center continues to be a primary site for commercial expansion activity. In fiscal year 2019, a major auto parts retailer opened and a restaurant completed its renovations and opened its new storefront. Additionally, near the end of fiscal year 2019, construction commenced on a new storage facility on Pasadena Avenue. While a timeline for recovery from the economic impact of COVID-19 remains uncertain, the City looks forward to continued additions and improvements to the commercial properties within the City.

The City does not have a formal fund balance policy. The September 30, 2019 unassigned General Fund balance totaling \$2,845,909 equates to 6.3 months of expenditure coverage.

### **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Finance Director at City Hall at 7047 Sunset Drive South, South Pasadena, Florida 33707, telephone (727) 347-4171.

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## **Basic Financial Statements**

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole, except for fiduciary activities. The fund financial statements present financial information about major funds individually for the governmental and enterprise funds, and fiduciary funds in the aggregate. The notes to the financial statements present information essential for a fair presentation of the financial statements that is not displayed on the face of the financial statements.

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CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF NET POSITION

September 30, 2019

With Comparative Total Amounts for September 30, 2018

	2019			2018
	Governmental Activities	Business-type Activities	Total	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash, cash equivalents and pooled cash and investments	\$ 8,689,011	\$ 3,163,653	\$ 11,852,664	\$ 10,921,490
Receivables - other	27,192	-	27,192	10,110
Due from other governments	29,662	113,513	143,175	177,463
Inventory of supplies	6,112	-	6,112	9,686
Prepaid expense	36,432	3,156	39,588	31,844
Total current assets	<u>8,788,409</u>	<u>3,280,322</u>	<u>12,068,731</u>	<u>11,150,593</u>
<b>NON-CURRENT ASSETS</b>				
Land and land rights	2,063,033	-	2,063,033	2,059,183
Structures and improvements	4,365,452	-	4,365,452	4,280,266
Infrastructure	4,505,918	7,204,517	11,710,435	11,549,259
Furniture, fixtures and equipment	3,381,053	-	3,381,053	3,366,692
Construction and projects in process	18,168	-	18,168	12,429
Accumulated depreciation	<u>(7,125,254)</u>	<u>(5,263,980)</u>	<u>(12,389,234)</u>	<u>(11,725,632)</u>
Total non-current assets	<u>7,208,370</u>	<u>1,940,537</u>	<u>9,148,907</u>	<u>9,542,197</u>
<b>TOTAL ASSETS</b>	15,996,779	5,220,859	21,217,638	20,692,790
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Net Other Post Employment Benefits	13,423	-	13,423	1,246
Defined benefit pension plans				
Firefighters' Retirement Fund	905,255	-	905,255	900,567
Florida Retirement System	745,547	-	745,547	889,430
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,664,225</u>	<u>-</u>	<u>1,664,225</u>	<u>1,791,243</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 17,661,004</u>	<u>\$ 5,220,859</u>	<u>\$ 22,881,863</u>	<u>\$ 22,484,033</u>

	2019			2018
	Governmental Activities	Business-type Activities	Total	Total
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 53,774	\$ 69,411	\$ 123,185	\$ 103,455
Due to other governments	-	-	-	4,364
Accrued liabilities	156,706	-	156,706	102,253
Current portion of:				
Accrued compensated absences	45,988	-	45,988	43,665
Total current liabilities	<u>256,468</u>	<u>69,411</u>	<u>325,879</u>	<u>253,737</u>
<b>NON-CURRENT LIABILITIES</b>				
Net Other Post Employment Benefits	164,623	-	164,623	124,442
Accrued compensated absences	170,229	-	170,229	162,919
Net pension liability:				
Firefighters' Retirement Fund	2,367,953	-	2,367,953	2,201,777
Florida Retirement System	<u>1,685,905</u>	<u>-</u>	<u>1,685,905</u>	<u>1,492,749</u>
Total non-current liabilities	<u>4,388,710</u>	<u>-</u>	<u>4,388,710</u>	<u>3,981,887</u>
<b>TOTAL LIABILITIES</b>	<b>4,645,178</b>	<b>69,411</b>	<b>4,714,589</b>	<b>4,235,624</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - local business tax receipts	79,313	-	79,313	77,859
Defined benefit pension plans:				
Firefighters' Retirement Fund	263,429	-	263,429	397,509
Florida Retirement System	<u>107,762</u>	<u>-</u>	<u>107,762</u>	<u>134,547</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>450,504</u></b>	<b><u>-</u></b>	<b><u>450,504</u></b>	<b><u>609,915</u></b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b><u>5,095,682</u></b>	<b><u>69,411</u></b>	<b><u>5,165,093</u></b>	<b><u>4,845,539</u></b>
<b>NET POSITION</b>				
Net investment in capital assets	7,208,370	1,940,537	9,148,907	9,542,197
Restricted:				
Infrastructure	5,199,997	-	5,199,997	4,670,585
Scholarships	1,651	-	1,651	2,651
Unrestricted	<u>155,304</u>	<u>3,210,911</u>	<u>3,366,215</u>	<u>3,423,061</u>
<b>TOTAL NET POSITION</b>	<b><u>12,565,322</u></b>	<b><u>5,151,448</u></b>	<b><u>17,716,770</u></b>	<b><u>17,638,494</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b><u>\$ 17,661,004</u></b>	<b><u>\$ 5,220,859</u></b>	<b><u>\$ 22,881,863</u></b>	<b><u>\$ 22,484,033</u></b>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

With Comparative Total Amounts for the Year Ended September 30, 2018

FUNCTIONS / PROGRAMS	2019			
	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 999,635	\$ 104,819	\$ 40,793	\$ -
Public safety - Police	810,378	7,523	-	-
Public safety - Fire	2,838,432	-	825,974	-
Public safety - Protective inspections	458,251	372,163	-	-
Transportation - Public works	992,510	-	-	-
Human services	9,402	-	-	-
Culture and recreation	56,469	11,335	2,979	-
Physical environment	156,934	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>6,322,011</b>	<b>495,840</b>	<b>869,746</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewer	1,174,549	1,133,869	-	-
Reclaimed water	188,877	189,399	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>1,363,426</b>	<b>1,323,268</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>\$ 7,685,437</b>	<b>\$ 1,819,108</b>	<b>\$ 869,746</b>	<b>\$ -</b>

General Revenues

Taxes:

Ad valorem

Franchise fees

Utility taxes

Communications service tax

Sales tax - infrastructure

Half-cent sales tax

Local option gas tax

Other taxes

State revenue sharing - unrestricted

Interest

Change in fair value of investments

Miscellaneous

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

2019			2018
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Total
\$ (854,023)	\$ -	\$ (854,023)	\$ (782,072)
(802,855)	-	(802,855)	(765,460)
(2,012,458)	-	(2,012,458)	(1,820,082)
(86,088)	-	(86,088)	(20,041)
(992,510)	-	(992,510)	(915,029)
(9,402)	-	(9,402)	(10,162)
(42,155)	-	(42,155)	(38,535)
(156,934)	-	(156,934)	(256,026)
<u>(4,956,425)</u>	<u>-</u>	<u>(4,956,425)</u>	<u>(4,607,407)</u>
-	(40,680)	(40,680)	(48,230)
-	522	522	(23,516)
<u>-</u>	<u>(40,158)</u>	<u>(40,158)</u>	<u>(71,746)</u>
<u>(4,956,425)</u>	<u>(40,158)</u>	<u>(4,996,583)</u>	<u>(4,679,153)</u>
2,095,658	-	2,095,658	1,820,247
533,672	-	533,672	509,999
703,744	-	703,744	663,585
212,307	-	212,307	247,881
643,325	-	643,325	609,637
334,408	-	334,408	329,118
71,246	-	71,246	75,738
18,898	-	18,898	60,288
165,471	-	165,471	161,955
148,657	60,443	209,100	136,930
33,454	-	33,454	13,951
53,576	-	53,576	50,569
<u>5,014,416</u>	<u>60,443</u>	<u>5,074,859</u>	<u>4,679,898</u>
57,991	20,285	78,276	745
12,507,331	5,131,163	17,638,494	17,637,749
<u>\$ 12,565,322</u>	<u>\$ 5,151,448</u>	<u>\$ 17,716,770</u>	<u>\$ 17,638,494</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2019

With Comparative Total Amounts for September 30, 2018

	2019		2018	
	General	Capital Improvements	Total Governmental Funds	Total
<b>ASSETS</b>				
Cash, cash equivalents and pooled cash and investments	\$ 3,291,737	\$ 5,397,274	\$ 8,689,011	\$ 7,891,060
Receivables - other	27,192	-	27,192	9,991
Due from other governments	26,684	2,978	29,662	79,034
Inventory of supplies	6,112	-	6,112	9,686
Prepaid expenditures	36,432	-	36,432	29,305
<b>TOTAL ASSETS</b>	<b>\$ 3,388,157</b>	<b>\$ 5,400,252</b>	<b>\$ 8,788,409</b>	<b>\$ 8,019,076</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 53,774	\$ -	\$ 53,774	\$ 32,172
Due to other governments	-	-	-	4,364
Accrued liabilities	156,706	-	156,706	102,253
<b>TOTAL LIABILITIES</b>	<b>210,480</b>	<b>-</b>	<b>210,480</b>	<b>138,789</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - local business tax receipts	79,313	-	79,313	77,859
<b>TOTAL DEFERRED INFLOWS</b>	<b>79,313</b>	<b>-</b>	<b>79,313</b>	<b>77,859</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>289,793</b>	<b>-</b>	<b>289,793</b>	<b>216,648</b>
<b>FUND BALANCES</b>				
Fund balances				
Non-spendable:				
Inventories and prepaids	42,544	-	42,544	38,991
Restricted for:				
Infrastructure	-	5,199,997	5,199,997	4,670,585
Scholarships	1,651	-	1,651	2,651
Assigned to:				
Capital improvement projects	-	200,255	200,255	240,878
Future budgetary appropriations	208,260	-	208,260	126,280
Unassigned	2,845,909	-	2,845,909	2,723,043
<b>TOTAL FUND BALANCES</b>	<b>3,098,364</b>	<b>5,400,252</b>	<b>8,498,616</b>	<b>7,802,428</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 3,388,157</b>	<b>\$ 5,400,252</b>	<b>\$ 8,788,409</b>	<b>\$ 8,019,076</b>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

September 30, 2019

Fund Balances - total governmental funds \$ 8,498,616

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 14,333,624	
Less: Accumulated depreciation	<u>(7,125,254)</u>	7,208,370

Long-term liabilities are not due and payable in the current period and  
therefore are not reported in the governmental funds.

Compensated absences	(216,217)	
Net Other Post Employment Benefit liability	(164,623)	
Net pension liability - Firefighters' Retirement Fund	(2,367,953)	
Net pension liability - Florida Retirement System	<u>(1,685,905)</u>	(4,434,698)

Deferred outflows and inflows of resources related to pensions are  
not reported in the governmental funds but will be recognized in  
pension expense on a long-term basis and are therefore reported in  
the statement of net position.

Deferred outflows of resources related to Other Post Employment Benefits	13,423	
Deferred outflows of resources related to pensions - Firefighters' Retirement Fund	905,255	
Deferred outflows of resources related to pensions - Florida Retirement System	745,547	
Deferred inflows of resources related to pensions - Firefighters' Retirement Fund	(263,429)	
Deferred inflows of resources related to pensions - Florida Retirement System	<u>(107,762)</u>	<u>1,293,034</u>

Net position of governmental activities. \$ 12,565,322

The notes to the financial statements are an integral part of this statement.



CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2019  
With Comparative Total Amounts for the Year Ended September 30, 2018

	2019			2018
	General	Capital Improvements	Total Governmental Funds	Total
<b>REVENUES</b>				
Taxes	\$ 3,545,381	\$ 1,097	\$ 3,546,478	\$ 3,246,996
Licenses and permits	475,885	-	475,885	476,897
Intergovernmental revenue	1,456,790	646,304	2,103,094	2,056,008
Fines and forfeits	7,523	-	7,523	21,062
Interest	61,128	87,529	148,657	97,760
Change in fair value of investments	15,091	18,363	33,454	13,951
Rent	11,335	-	11,335	9,950
Miscellaneous revenues	53,576	-	53,576	50,926
<b>TOTAL REVENUES</b>	<u>5,626,709</u>	<u>753,293</u>	<u>6,380,002</u>	<u>5,973,550</u>
<b>EXPENDITURES</b>				
Current:				
General government	810,300	450	810,750	771,751
Public safety	3,796,629	-	3,796,629	3,540,403
Transportation - public works	780,912	9,652	790,564	754,024
Physical environment	-	4,229	4,229	99,233
Human services	3,000	-	3,000	4,000
Culture and recreation	28,469	-	28,469	25,825
Capital outlay:				
General government	-	3,200	3,200	6,197
Public safety	-	33,962	33,962	114,986
Transportation - public works	-	181,719	181,719	98,912
Physical environment	-	31,292	31,292	1,868
<b>TOTAL EXPENDITURES</b>	<u>5,419,310</u>	<u>264,504</u>	<u>5,683,814</u>	<u>5,417,199</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	207,399	488,789	696,188	556,351
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	360
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	360
<b>NET CHANGE IN FUND BALANCES</b>	207,399	488,789	696,188	556,711
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>2,890,965</u>	<u>4,911,463</u>	<u>7,802,428</u>	<u>7,245,717</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,098,364</u>	<u>\$ 5,400,252</u>	<u>\$ 8,498,616</u>	<u>\$ 7,802,428</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds \$ 696,188

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

Governmental funds report capital outlays as expenditures.  
 However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 250,173	
Less: Current year depreciation	<u>(506,245)</u>	(256,072)

In the statement of activities, a gain or loss is reported on the disposal of capital assets based on the sale price less the remaining un-depreciated cost, whereas in the governmental funds the proceeds from the sale of capital assets increase financial resources. The remaining un-depreciated cost of assets disposed of results in a decrease in net position.

Un-depreciated cost of capital assets sold as surplus or disposed of		(6,826)
--	--	---------

Some expenses, or reductions to expenses, reported in the statement of activities do not require the use, or receipt, of current financial resources and therefore are not reported as expenditures, or reductions to expenditures, in governmental funds.

Change in compensated absences	(9,633)	
Current year cost - Other Post Employment Benefits	(28,004)	
Pension expense - Firefighters' Retirement Fund	(27,408)	
Pension expense - Florida Retirement System	<u>(310,254)</u>	<u>(375,299)</u>

Change in net position of governmental activities.		<u><u>\$ 57,991</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

BALANCE SHEET  
 PROPRIETARY FUNDS

September 30, 2019

With Comparative Total Amounts for September 30, 2018

	Business-type Activities - Enterprise Funds			2018
	2019		Total	
	Sewer	Reclaimed Water		
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Pooled cash and cash equivalents	\$ 1,538,707	\$ 1,624,946	\$ 3,163,653	\$ 3,030,430
Receivables - other	-	-	-	119
Due from other governments	97,701	15,812	113,513	98,429
Prepaid expense	3,156	-	3,156	2,539
Total current assets	<u>1,639,564</u>	<u>1,640,758</u>	<u>3,280,322</u>	<u>3,131,517</u>
<b>NON-CURRENT ASSETS</b>				
Capital Assets:				
Infrastructure	4,116,045	3,088,472	7,204,517	7,092,079
Less: Accumulated depreciation	(2,759,912)	(2,504,068)	(5,263,980)	(5,021,150)
Total non-current assets	<u>1,356,133</u>	<u>584,404</u>	<u>1,940,537</u>	<u>2,070,929</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,995,697</u>	<u>\$ 2,225,162</u>	<u>\$ 5,220,859</u>	<u>\$ 5,202,446</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 69,380	\$ 31	\$ 69,411	\$ 71,283
Total current liabilities	<u>69,380</u>	<u>31</u>	<u>69,411</u>	<u>71,283</u>
<b>TOTAL LIABILITIES</b>	<u>69,380</u>	<u>31</u>	<u>69,411</u>	<u>71,283</u>
<b>NET POSITION</b>				
Investment in capital assets	1,356,133	584,404	1,940,537	2,070,929
Unrestricted	<u>1,570,184</u>	<u>1,640,727</u>	<u>3,210,911</u>	<u>3,060,234</u>
<b>TOTAL NET POSITION</b>	<u>2,926,317</u>	<u>2,225,131</u>	<u>5,151,448</u>	<u>5,131,163</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 2,995,697</u>	<u>\$ 2,225,162</u>	<u>\$ 5,220,859</u>	<u>\$ 5,202,446</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS

For the Year Ended September 30, 2019  
 With Comparative Total Amounts for the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	2019			2018
	Sewer	Reclaimed Water	Total	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,133,869	\$ 189,399	\$ 1,323,268	\$ 1,166,250
<b>TOTAL OPERATING REVENUES</b>	<u>1,133,869</u>	<u>189,399</u>	<u>1,323,268</u>	<u>1,166,250</u>
<b>OPERATING EXPENSES</b>				
Supervisory services	53,310	43,165	96,475	91,545
Utilities	8,822	-	8,822	8,775
City of St. Petersburg:				
Sewer processing	866,460	-	866,460	743,924
Administration charge	2,514	444	2,958	5,331
Pinellas County:				
Reclaimed water	-	26,506	26,506	25,690
Audit and consulting	3,080	415	3,495	3,280
Insurance	11,479	-	11,479	9,466
Repairs, maintenance, renewals and replacements	58,486	2,808	61,294	66,141
Administrative service charge	25,370	12,590	37,960	40,025
Miscellaneous	5,148	-	5,148	4,019
Depreciation	139,880	102,949	242,829	239,800
<b>TOTAL OPERATING EXPENSES</b>	<u>1,174,549</u>	<u>188,877</u>	<u>1,363,426</u>	<u>1,237,996</u>
<b>OPERATING INCOME (LOSS)</b>	(40,680)	522	(40,158)	(71,746)
<b>NON-OPERATING REVENUE</b>				
Interest earned	28,706	31,737	60,443	39,170
<b>CHANGES IN NET POSITION</b>	(11,974)	32,259	20,285	(32,576)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>2,938,291</u>	<u>2,192,872</u>	<u>5,131,163</u>	<u>5,163,739</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,926,317</u>	<u>\$ 2,225,131</u>	<u>\$ 5,151,448</u>	<u>\$ 5,131,163</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended September 30, 2019

With Comparative Total Amounts for the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	2019			2018
	Sewer	Reclaimed Water	Total	Total
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,118,846	\$ 189,338	\$ 1,308,184	\$ 1,160,086
Cash payments to suppliers for goods and services	(954,189)	(34,462)	(988,651)	(876,632)
Cash payments to employees for services	(53,310)	(43,165)	(96,475)	(91,545)
Cash paid for general government allocated expenses	(25,370)	(12,590)	(37,960)	(40,025)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	85,977	99,121	185,098	151,884
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(112,437)	-	(112,437)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(112,437)	-	(112,437)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on cash and cash equivalents	28,761	31,801	60,562	42,077
NET CASH PROVIDED BY INVESTING ACTIVITIES	28,761	31,801	60,562	42,077
NET INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS	2,301	130,922	133,223	193,961
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,536,406	1,494,024	3,030,430	2,836,469
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,538,707	\$ 1,624,946	\$ 3,163,653	\$ 3,030,430
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (40,680)	\$ 522	\$ (40,158)	\$ (71,746)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	139,880	102,949	242,829	239,800
Changes in assets and liabilities:				
(Increase) Decrease in Due From Other Governments	(15,023)	(61)	(15,084)	(6,164)
(Increase) Decrease in Prepaid Expense	(617)	-	(617)	(672)
Increase (Decrease) in Accounts Payable	2,417	(4,289)	(1,872)	(9,334)
TOTAL ADJUSTMENTS	126,657	98,599	225,256	223,630
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 85,977	\$ 99,121	\$ 185,098	\$ 151,884

There were no non-cash investing or financing activities for the years ended  
September 30, 2019 or 2018

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

September 30, 2019

With Comparative Amounts for September 30, 2018

	<u>Employee Retirement Funds</u>	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 190	\$ 122
Investments, at fair value		
Short term investments / money market funds	246,085	738,700
U. S. government and agency fixed income securities	834,711	710,673
Corporate bonds	1,054,539	1,162,113
Equities - common stock	3,729,072	3,764,142
Real estate investment funds	686,637	-
Plan administrator's mutual funds	1,564,804	1,477,704
	<u>8,115,848</u>	<u>7,853,332</u>
Receivables	<u>60,541</u>	<u>150,667</u>
<b>TOTAL ASSETS</b>	<u>8,176,579</u>	<u>8,004,121</u>
<b>LIABILITIES</b>		
Accounts payable	13,711	13,409
Employer prepaid contribution	470	531
	<u>14,181</u>	<u>13,940</u>
<b>TOTAL LIABILITIES</b>	<u>14,181</u>	<u>13,940</u>
<b>NET POSITION</b>		
Restricted for pensions	<u>\$ 8,162,398</u>	<u>\$ 7,990,181</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended September 30, 2019  
With Comparative Amounts for the Year Ended September 30, 2018

	<u>Employee Retirement Funds</u>	
	<u>2019</u>	<u>2018</u>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 455,310	\$ 347,477
Employee	161,622	185,612
Total contributions	<u>616,932</u>	<u>533,089</u>
Intergovernmental revenue		
State excise tax rebate	-	44,492
Investment earnings		
Net change in fair value of investments	158,121	410,083
Interest and dividends	181,416	175,411
Total investment earnings (loss)	<u>339,537</u>	<u>585,494</u>
Less investment expense	<u>(46,886)</u>	<u>(41,981)</u>
Net investment earnings (loss)	<u>292,651</u>	<u>543,513</u>
<b>TOTAL ADDITIONS</b>	<u>909,583</u>	<u>1,121,094</u>
<b>DEDUCTIONS</b>		
Benefits	658,708	1,008,454
Participant distributions	30,472	14,734
Professional services	44,337	30,852
Trustee / plan administrator's expenses	<u>3,849</u>	<u>3,784</u>
<b>TOTAL DEDUCTIONS</b>	<u>737,366</u>	<u>1,057,824</u>
<b>CHANGE IN NET POSITION</b>	172,217	63,270
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>7,990,181</u>	<u>7,926,911</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 8,162,398</u>	<u>\$ 7,990,181</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared to conform with the standards set forth by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies.

**1. The Reporting Entity**

The City of South Pasadena, Florida (the City) is a municipal corporation established in 1955 pursuant to the laws of Florida and operates under applicable provisions of Florida Statutes.

The City follows the principles of Section 2100, "Defining the Reporting Entity" of GASB "Codification of Governmental Accounting and Financial Reporting Standards" which established standards for defining and reporting on the "Financial Reporting Entity". The financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations for which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board and either displays the ability to impose its will on that organization, the possibility that the organization will impose or provide a financial burden or benefit to the primary government, or management of the primary government has operational responsibility for the component unit and manages the component unit in essentially the same manner in which it manages its own programs or departments. The City has no such applicable organizations that meet these requirements; therefore, the accompanying financial statements include only information relative to the primary government.

**2. Basic Financial Statements – GASB Statement #34**

The City presents its comprehensive annual financial report in accordance with the provisions of Governmental Accounting Standards Board Statement Number 34 – "Basic Financial Statements – and – Management's Discussion and Analysis – for State and Local Governments". This standard establishes the financial reporting requirements for state and local governments. The Statement establishes specific standards for basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information.

As part of reporting pursuant to GASB Statement #34, there is a reporting requirement regarding infrastructure; that is roads, sidewalks, curbing, and drainage improvements, etc. All major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, are required to be retroactively reported. All newly acquired or improved infrastructure assets must be reported in accordance GASB Statement #34. The City has included infrastructure assets acquired prior to June 30, 1980 that still have remaining useful lives.

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund and the Capital Improvements Fund. Business-type activities include the Sewer and Reclaimed Water Enterprise Funds. The City's Fiduciary Funds, which consist of the Firefighters' Retirement and Employees' Deferred Compensation Plans, are not included in the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories (general government, police, fire, etc.) of the City that are otherwise supported by general government revenues. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating and capital grants that specifically relate to a specific program function. Charges for services include revenue



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

arising from charges to customers or applicants, who purchase, use or directly benefit from the goods, services, or privileges provided. Operating and capital grants consist of revenues received from governments, organizations or individuals that are specifically attributable to a program and are restricted for either operating expenditures / expenses or capital expenditures / expenses associated with the specific program.

The fund financial statements are similar to the financial statements presented in the previous reporting model. The emphasis in the new model is on major funds in both the governmental activities and business-type activities, and non-major funds are summarized into a single column. As a result, the City does not have any non-major funds.

**3. Basis of Presentation**

The accounts of the City are organized on the basis of funds, each of which is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, fund equity, revenues, and expenditures (expenses) as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accompanying basic financial statements present each major fund as a separate column on the fund financial statements:

Governmental Funds: This fund category accounts for the acquisition, use, and balances of the City's expendable financial resources and the related current liabilities, except for those accounted for in the Proprietary Funds. Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund: The General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital costs that are not paid through other funds are paid from the General Fund.

Capital Improvements Fund: This fund is used to account for intergovernmental revenue that is restricted in use for infrastructure improvements or vehicles with a life expectancy of at least five (5) years, as well as other funds received and expended for construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

Proprietary Fund: This fund category accounts for all assets, liabilities, equities, revenues, and expenses related to the City's activities similar to businesses in the private sector. The measurement focus of a Proprietary Fund is on determination of net income, financial position and cash flows using the accrual basis of accounting. The City's Proprietary Funds are presented in accordance with GASB Statement #62 – "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements". The City's Proprietary Fund types consist of the following:

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Enterprise Fund: This fund type is used to account for operations (a) that are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has two Enterprise Funds that are presented as major proprietary funds:

Sewer Fund: This fund is used to account for the provision of Sewer services to the residents of the City. Activities of the sewer system include operations and maintenance of the system. All costs are financed through charges to utility customers.

Reclaimed Water Fund: This fund is used to account for the provision of Reclaimed Water services to the residents of the City. Activities of the reclaimed water system include operations and maintenance of the system and collection of system user fees. All costs are financed through charges to utility customers.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in conjunction with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of personnel, contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

Fiduciary Fund: This fund category accounts for assets held by the City in a trustee capacity or as agent for individuals, private organizations, other governmental units, and/or other funds. The measurement focus is like a proprietary fund for the pension trust fund.

Trust Fund: This fund is used to account for assets held by the City in a trustee capacity. The Pension Trust Fund is a single trust fund used to account for the Firefighters' Retirement Pension Plan. The Deferred Compensation Trust Fund is a trust fund used to account for the Deferred Compensation Plan.

**4. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual: The modified accrual basis of accounting is utilized for the governmental fund types. Under this basis, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current period. Substantially all intergovernmental revenues and interest are susceptible to accrual. Property taxes are billed and substantially collected within the same fiscal year.

Revenues for reimbursement of grant expenditures are recognized as the expenditures are incurred up to the grant award amount.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt are recognized when due.

Accrual: The accrual basis of accounting is utilized for the Proprietary and Fiduciary Fund - Trust Funds. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period that the liability is incurred.

**5. Budget And Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) By July 1, the City Finance Director submits to the City Commission a proposed budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.
- b) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c) The budget and property tax millage rate is approved by the City Commission in September and adopted as a budget ordinance. This budget ordinance is adopted at the fund level.
- d) The budget is reviewed after the first six months of the fiscal year and any unusual and unforeseen changes are incorporated into the budget on a fund level by a modifying ordinance. This action requires the approval of the City Commission. Typically, the City does not make any budget line item revisions within departments or any inter-department budget transfers.
- e) Annual budgets were adopted for the following funds: General Fund, Capital Improvements Fund and the Sewer and Reclaimed Water Enterprise Funds. The budget serves as legal authorization for all expenditures except for the Fiduciary Fund types, which are controlled through alternate means. The budget is adopted and passed at the fund level. However, budgeted expenditures may not legally exceed appropriations at the department level for the General Fund and on an individual fund basis for the Capital Improvements Fund and the Sewer and Reclaimed Water Enterprise Funds. For the fiscal year ended September 30, 2019, neither the General Fund budgeted appropriations nor the Capital Improvements Fund budgeted appropriations were amended.
- f) All appropriations lapse at the end of the fiscal year. The City does not use an encumbrance method of accounting for appropriations.
- g) Budgets for governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the proprietary fund types (Sewer Fund and Reclaimed Water Fund) are adopted on a financial flow basis (depreciation is excluded) and as a result are not consistent with GAAP.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**6. Assets, Liabilities And Fund Equity**

Cash, Cash Equivalents and Pooled Cash and Investments: Cash balances of each fund, except for the Fiduciary Fund types, are pooled for investment purposes. The interest earned is allocated to each fund based on the fund's average balance in the pooled cash account. Cash in excess of each fund's immediate needs is placed in interest bearing accounts with several financial institutions.

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits with the State Board of Administration, which are investments, are considered to be a cash equivalent for purposes of determining cash flows.

Investments: Investments consist of money market accounts, funds invested with the State Board of Administration, funds invested with the Florida Municipal Investment Trust (FMIT), and funds invested with the Florida Surplus Asset Fund Trust (Florida SAFE). The investments are reported at fair value. Investments in the Fiduciary Funds consist of mutual funds, money market funds, U. S. Government and Federal Agency securities and bonds, corporate bonds, a real estate investment fund, and equities – common stocks. Investments in the Fiduciary Funds are accounted for at fair value. Funds invested with the State Board of Administration in the Florida Prime Trust Fund are valued at amortized cost. Deposits with the FMIT and Florida SAFE are reported at net position value.

Inventory of Supplies: Inventory is valued using the average cost basis and consists of expendable supplies held for consumption. The costs of the supplies are recorded as expenditures at the time the inventory is consumed.

Prepaid expenses: Payments made to vendors that will benefit periods beyond September 30, 2019 are recorded as prepaid items under the consumption method of accounting.

Capital Assets: Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable government or business-type activity in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. These assets are capitalized at historical cost, or estimated historical cost if actual cost information is not available. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are capitalized at their acquisition value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are also capitalized.

Depreciation, which is computed on a straight-line basis, is provided for in amounts sufficient to charge the cost of depreciable assets to operations over their estimated useful lives. Depreciation is not provided for capital projects in process. Interest cost incurred on construction in progress is capitalized as part of the cost of assets acquired in an enterprise fund. The estimated useful lives of the assets are as follows:

Category	Useful Life
Structures and improvements	15 – 50 years
Infrastructure	20 – 40 years
Furniture, fixtures and equipment	3 – 20 years
Sewer system equipment	12 years
Sewer system	40 years
Reclaimed water system	30 years

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Accrued Compensated Absences: All full-time employees are allowed to carry over a maximum of 20 days of accumulated vacation time and 116 days of sick leave. General employees that have served the City for a minimum of 10 years are eligible for retirement and are paid a portion of their accumulated sick leave upon separation from the City; general employees with 10 to 14 years of service are paid 20% of their sick leave up to 116 days, and general employees with 15 or more years of service are paid 25% of their sick leave up to 116 days.

Firefighters are permitted to accumulate up to 1,400 hours of sick leave. Firefighters are paid 50% of their sick leave in excess of 700 hours upon retiring from the City.

The portion of the compensated absences liability that pertains to accrued vacation and compensatory time that is to be paid out of current available resources for terminated employees is recorded in the government-wide financial statements as a current liability. The remainder of the liability, which includes all accumulated sick time that is not expected to be paid within the next year, is reported as a component of long-term liabilities in the government-wide financial statements. There is no liability for compensated absences recorded in the Enterprise Funds as there are no employees in these funds.

Post Retirement Health and Life Insurance Benefits and Net Other Postemployment Benefits (OPEB) Liability: The City provides post retirement health insurance benefits to employees upon completion of 10 years of service. The City does not provide any life insurance benefits. The City adopted GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for fiscal year ended September 30, 2017. As a result of the implementation of GASB Statement 75, the City reported a restatement for the change in accounting principle as of October 1, 2016.

Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions and Other Postemployment Benefits (OPEB): Deferred inflows of resources and deferred outflows of resources related to pension plans that are derived from the difference between projected and actual earnings on the respective plan investments are amortized to pension expense over a closed five year period. Deferred inflows of resources and deferred outflows of resources related to pensions and OPEB that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan's total pension liability or changes of assumptions about future economic or demographic factors or of other inputs are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions or OPEB through the respective pension or OPEB plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

Net Pension Liability: The City adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* for fiscal year ended September 30, 2015. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014 for the Firefighters' Retirement Fund and for the

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

City's proportionate interest in the Florida Retirement System cost-sharing – multiple employer plan. The Net Pension Liability as defined by GASB 68 is the difference between the actuarial present value of projected pension benefits attributable to a participant's past services and the respective pension plan's fiduciary net position. The City did not have the information necessary to adopt GASB Statements 68 and 71 as of October 1, 2013 for the City's proportionate interest in the Florida Retirement System. To facilitate the understanding of the impact of GASB Statements 68 and 71, the City therefore used the same implementation date for the Firefighters' Retirement Fund.

Net Position: The government-wide and business-type fund financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component consists of capital assets less accumulated depreciation and any related long-term debt. Restricted assets consist of net position that has constraints placed on them either externally by third parties (grantors and contributors) or by law through provisions of enabling legislation. Unrestricted net position consists of items that do not meet the definition of "net investment in capital assets" or "restricted". The government-wide statement of net position reports \$5,201,648 of restricted net position, none of which is restricted by enabling legislation.

Fund Balance Classification: The City reports fund balances in accordance with the provisions of GASB Statement Number 54 – "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement Number 54 provides that governmental fund financial statements will present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Supplies Inventory and Prepaid Items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The City has included restrictions for a portion of the fund balance that has been legally segregated for the funding of infrastructure improvements as required by Florida Statutes. The City has also included restrictions for future scholarship awards based upon the restrictions imposed by the donors.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council, in this case by ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations (encumbrances) to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. For the fiscal year ended September 30, 2019 the City did not have any funds classified in this category.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

expressed by the City Commission through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has assigned funds for future budgetary appropriations within the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund and also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of Assigned fund balance amounts.

The City would typically use Restricted fund balances first, followed by Committed resources and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first and to defer the use of these other classified funds.

**7. Revenues**

Property Taxes: The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied on property values as of January 1 of each year and are considered to be based upon the final millage rate adopted by the City Commission. The taxes are generally due November 1 and become delinquent April 1 of the following year at which time they become a lien. Tax certificates are sold by the Pinellas County Tax Collector on May 15. Property taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

Grants: Amounts received are restricted as to use in accordance with applicable grant requirements. Generally, these funds are subject to compliance audits and must be returned to the grantors if they exceed the cost of the program or are used in violation of the grant regulations.

**8. Interfund Transactions**

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables and are subject to elimination in the government-wide financial statements. Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses and are not eliminated in the consolidation of the government-wide financial statements. Reimbursements occur when one fund incurs a cost and charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**9. Comparative Data**

The financial statements include summarized prior year comparative information that does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2108, from which such summarized information was derived.

**NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS**

**Cash and Pooled Cash**

The City maintains a cash and investment pool that is available for all funds except the Fiduciary Fund types. The investments of the Pension Trust Fund and the Expendable Trust Funds are held separately from those of other City funds.

**Deposits**

Florida Statutes and City policy require that all City demand accounts be in financial institutions that pledge collateral with the State Treasurer pursuant to Chapter 280, Florida Statutes. The City is required to verify

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS** (continued)

that monies are on deposit with “qualified public depositories” as defined in Florida Statutes Section 280.02. Florida Statutes require that all qualified public depositories provide collateral each month equal to a least 50 percent of the public funds on deposit with the institution that are in excess of deposit insurance amounts. The carrying amount of the City’s deposits as of September 30, 2019 was \$2,435,382 excluding \$600 of petty cash funds that are maintained. The amounts on deposit in money market type accounts as of September 30, 2019 that do not qualify as public funds totaled \$1,669,251.

The State Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository's collateral. Since the City uses only authorized public depositories, all funds, including time deposits, deposited with financial institutions are in compliance with the City’s policies.

**Investments**

Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U. S. Government, U. S. Government Instrumentalities, State of Florida Local Government Surplus Trust Fund (State Board of Administration), and mutual funds investing in U. S. Government Securities.

The City adopted its own investment policy that also authorizes the City to invest in the following: a) Florida Municipal Investment Trust Fund; b) Florida Surplus Asset Fund Trust; c) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; d) Certificates, notes, bonds, or bills of the United States, or other obligations of the United States or its Agencies which are backed by the full faith and credit of the U. S. and include, but are not limited to: Government National Mortgage Association (GNMA), Farmers Home Administration, Small Business Administration (SBA), General Services Administration (GSA), Federal Housing Administration, and Housing and Urban Development (HUD); d) Obligations of government-sponsored corporations (Instrumentalities) which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve (Instrumentalities are usually AAA rated, but have no explicit government guarantee) and include, but are not limited to: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Student Loan Marketing Association, and Tennessee Valley Authority (TVA); e) Non-negotiable Certificates of Deposit, which can be insured, collateralized at the Federal Reserve or qualify as State Public Deposits, as defined by Florida Statutes; f) Taxable or Tax Exempt Government bonds, notes or other obligations of investment grade quality (as established by a nationally recognized rating agency), municipal corporation, special district, and authority or political subdivision thereof; g) Repurchase Agreements with primary dealers or with the City’s primary state qualified public depository that are evidenced by a Master Agreement to engage in this investment option and are fully collateralized by U. S. Government Obligations or any Agency or Instrumentality thereof (Reverse Repurchase Agreements are prohibited); h) Securities in, or other interests in, any open-ended or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio is limited to obligations of the U. S. Government or any agency or instrumentality thereof (Mutual Funds); and i) Federal Deposit Insurance Corporation (FDIC) insured corporate bonds.

The City’s investment policy states that, to the extent possible, investment maturities and liquidity shall be matched to anticipated cash flow requirements and unless an investment is matched to a specific cash flow such as a reserve requirement or other longer-term investment horizon, investments shall not have a maturity date of more than three (3) years from the date of purchase.

The Local Government Surplus Trust Fund (Florida Prime) is an external investment pool administered by the Florida State Board of Administration, which is a three member board made up of the State elected officials of Governor, Chief Financial Officer and Attorney General. This Board is empowered by Florida



CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS** (continued)

law to invest funds at the request of local governments. The Florida Prime is treated as a “2a-7 like” pool in accordance with GASB Statements No. 31 and No. 59 and is valued using the pooled share price (amortized cost), which approximates fair value. As of September 30, 2019, the weighted average maturity of Florida Prime investments was 37 days.

The Florida Surplus Asset Fund Trust (Florida Safe Investment Pool) is a common law trust organized in 2007 under the laws of the State of Florida. An elected five member Board of Trustees oversees all actions and decides on general policies. The trust is administered by Florida Management and Administrative Services, LLC and the investment advisor is Prudent Man Advisors, Inc. The trust includes a liquid money market-like investment called the “FL SAFE Fund” and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the Fund and any Term Series portfolios and in a value-added program called the “Fixed Income Investment Program,” through which the participants may purchase investments for their own portfolio. The Fund is accounted as a Stable Net Position Value investment pool. The Florida SAFE Fund and the Term Series portfolios are treated as “2a-7 like” pools in accordance with GASB Statements No. 31 and No. 59 and is valued using the pooled share price (amortized cost), which approximates fair value. As of September 30, 2019, the weighted average maturity of FL SAFE Fund investments was 50 days. The Florida SAFE Fund and the Term Series portfolios seek to maintain a constant net value per share of \$1.00.

Fair Value of Investments – The City categorizes its fair value of investments within the fair value hierarchy established by generally accepted accounting principles pursuant to GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are other than quoted prices that are derived from or corroborated by observable market data through correlation or by other means, and Level 3 are significant unobservable inputs.

Interest Rate Risk – In compliance with the City’s investment policy, as of September 30, 2019, the City minimized the interest rate risk, related to the decline in value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed three years and investing in short-term securities or similar investment pools so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity. The City minimizes interest rate risk with regard to external investment pools by investing in investment pools that maintain a short average maturity period.

Credit Risk – In compliance with the City’s investment policy, as of September 30, 2019, the City minimized credit risk due to default of a security issuer or backer, by limiting investments to the safest types of securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

The City’s investments carried at fair value with recurring fair value measurements as of September 30, 2019, are:

Investment	Maturity	Fair Value Measurement	Fair Value	Rating
State Board of Administration – Florida Prime	N/A	Net Asset Value	\$2,472,104	AAAm (S&P)
Florida Municipal Investment Trust – 0-2 and 1-3 Year High Quality Bond Funds	N/A	Level 2 inputs	1,181,504	AAA / V1(Fitch)
Florida SAFE Investment Pool	N/A	Net Asset Value	4,093,823	AAAm (S&P)
Total investments			\$7,747,431	

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS** (continued)

The City does not participate in any securities lending transactions nor has it used held or written derivative financial instruments.

A reconciliation of the amount of petty cash, deposits and investments reported as cash equivalents to the Statement of Net Position as of September 30, 2019, is as follows:

Petty cash	\$	600
Deposits – public funds		2,435,382
Deposits – non-public funds		1,669,251
Investments		7,747,431
Total	\$	<u>11,852,664</u>

As reported in Statement of Net Position:

Cash, cash equivalents and pooled cash and investments	\$	<u>11,852,664</u>
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**Firefighters’ Retirement Fund**

**Deposits**

Salem Trust periodically holds un-invested cash in its capacity as custodian of the Firefighters’ Retirement Fund (the Retirement Fund). These funds exist as cash in the process of collection from the sale of securities. The cash is deposited in to the Financial Square Treasury Obligations Fund (a money market fund).

**Investments**

The Board of Trustees of the Firefighters’ Retirement Fund is authorized to invest and reinvest in: securities; annuities; life insurance contracts; time deposits or savings accounts; obligations of the United States or its instrumentalities; and real estate. Such investments may include, but are not limited to: stocks, common or preferred, and bonds, so long as such stocks or bonds retain one of the three highest quality ratings on a major recognized rating service, and other evidence of indebtedness or ownership, including shares or units of common trust funds approved as investments for pension and profit sharing plans. All investments are to be approved by the Board of Trustees of the Firefighters’ Retirement Fund.

The Firefighters’ Retirement Plan held the following deposits and investments with recurring fair value measurements as of September 30, 2019:

Salem Trust Retirement Funds:	Fair Value Measurement	Fair Value	Rating
<b>Deposits</b>			
Financial Square Treasury Obligations Fund	N/A	\$ 246,085	N/A
<b>Investments</b>			
Bonds			
U.S. government and agency fixed income securities	Level 2 inputs	834,711	N/A
Corporate Bonds	Level 1 inputs	1,054,539	*
Equities - Common Stock and Mutual Funds	Level 1 inputs	3,729,072	N/A
Limited partnership interest - real estate investment fund (American Core Realty)	Level 3 inputs	686,637	N/A
Total Deposits and Investments		<u>\$ 6,551,044</u>	

\* Investment complies with State of Florida investment requirements.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS** (continued)

Credit Risk and Interest Rate Risk – State law provides that retirement plan fixed income securities must have a quality rating of “A” or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments which are downgraded to a “BAA” or equivalent rating must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments that are downgraded below a “BAA” rating are to be liquidated immediately.

**Employees’ Deferred Compensation Plan**

**Investments**

Employees can elect to defer a portion of their compensation and invest these amounts with the ICMA Retirement Corporation. Investments consist of ICMA Retirement Corporation Fixed Income and Equity Funds that employees can select from.

The fair value of the investments held by the ICMA Retirement Corporation as of September 30, 2019, was \$1,564,804.

Credit Risk and Interest Rate Risk – The Employees’ Deferred Compensation Plan minimizes credit risk and interest rate risk by investing in mutual type funds.

**NOTE C - DUE FROM OTHER GOVERNMENTS**

The amounts due from other governments consist of the following as of September 30, 2019:

<u>General Fund</u>	
Pinellas County	
EMS Reimbursement	\$ 7,802
State of Florida	
Communications Service Tax	16,962
Fire Supplemental (education pay)	1,920
	<u>\$ 26,684</u>
 <u>Capital Improvement Fund</u>	
Pinellas County – Recycling Grants proceeds	2,978
Total – governmental funds	<u>\$ 29,662</u>
 <u>Sewer Fund</u>	
City of St. Petersburg – sewer service fees	97,701
 <u>Reclaimed Water Fund</u>	
City of St. Petersburg – reclaimed water fees	15,812
Total – business-type activities	<u>\$ 113,513</u>
 Total	 <u><u>\$ 143,175</u></u>

The amounts due from other governments are unsecured and represent concentrations of credit risk in the event that any of the governmental entities were unable to remit the amount due the City.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE D – CAPITAL ASSETS**

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

	Beginning Balance 10-1-18	Additions	Deletions	Ending Balance 9-30-19
<b>Governmental Activities</b>				
<u>Non-depreciable assets:</u>				
Land and land rights	\$2,059,183	\$ 3,850	\$ -	\$2,063,033
Construction and projects in progress	12,429	13,285	7,546	18,168
<u>Depreciable assets:</u>				
Structures and improvements	4,280,266	85,186	-	4,365,452
Infrastructure	4,457,180	64,316	15,578	4,505,918
Furniture, fixtures and equipment	3,366,692	91,081	76,720	3,381,053
Total at historical cost	<u>14,175,750</u>	<u>257,718</u>	<u>99,844</u>	<u>14,333,624</u>
<u>Less accumulated depreciation for:</u>				
Structures and improvements	2,540,241	125,969	-	2,666,210
Infrastructure	2,043,323	176,309	13,241	2,206,391
Furniture, fixtures and equipment	2,120,918	203,967	72,232	2,252,653
Total accumulated depreciation	<u>6,704,482</u>	<u>506,245</u>	<u>85,473</u>	<u>7,125,254</u>
Capital assets, net	<u>\$7,471,268</u>	<u>\$ (248,527)</u>	<u>\$ 14,371</u>	<u>\$7,208,370</u>
<b>Business-type Activities</b>				
<u>Depreciable assets:</u>				
Infrastructure – sewer system	\$ 4,003,607	\$ 112,438	\$ -	\$ 4,116,045
Infrastructure – reclaimed water system	3,088,472	-	-	3,088,472
Total at historical cost	<u>7,092,079</u>	<u>112,438</u>	<u>-</u>	<u>7,204,517</u>
<u>Less accumulated depreciation for:</u>				
Infrastructure – sewer system	2,620,031	139,881	-	2,759,912
Infrastructure – reclaimed water system	2,401,119	102,949	-	2,504,068
Total accumulated depreciation	<u>5,021,150</u>	<u>242,830</u>	<u>-</u>	<u>5,263,980</u>
Capital assets, net	<u>\$ 2,070,929</u>	<u>\$(130,392)</u>	<u>\$ -</u>	<u>\$ 1,940,537</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 37,781
Public safety – fire	175,978
Public safety – protective inspections	22,782
Transportation – public works	82,837
Human services	6,162
Culture and recreation	28,000
Physical environment	152,705
	<u>\$ 506,245</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE D – CAPITAL ASSETS** (continued)

In accordance with GASB Statement #51 – “Accounting and Financial Reporting for Intangible Assets”, the City includes computer software purchases as a capital asset in the category of “Furniture, Fixtures and Equipment” and property easements are included within the category of “Land and Land Rights”.

**NOTE E - DEFERRED REVENUE**

Deferred revenue as of September 30, 2019 consists of local business tax receipts in the amount of \$79,313 received in advance that pertain to fiscal year ended September 30, 2020. The deferred revenue is reported as a deferred inflow of resources.

**NOTE F - LONG-TERM DEBT**

Long-term debt as of September 30, 2019 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Accrued compensated absences	\$ 206,584	\$ 28,963	\$ 19,330	\$ 216,217	\$ 45,988

Long-term debt for the governmental activities is comprised of the following as of September 30, 2019:

<u>Accrued Compensated Absences</u> : The vested portion of accumulated vacation and sick leave benefits due employees:	\$ 216,217
Total Governmental Activities Long-Term Debt	<u>\$ 216,217</u>

The compensated absences liability will be paid from the General Fund.

**NOTE G - PENSION PLANS**

The City is involved with three pension plans: the Firefighters’ Retirement Fund (a single employer defined benefit pension plan); the Florida Municipal Pension Trust Fund (a defined contribution pension plan), and the Florida Retirement System (a cost-sharing multiple-employer defined benefit pension plan).

As further explained within this note, the City has recognized pension expense for each of the retirement plans as follows:

<i>Defined benefit pension plans pursuant to GASB 68:</i>	
Firefighters’ Retirement Fund	\$ 482,718
Florida Retirement System	310,254
Sub-total	<u>792,972</u>
<i>Defined contribution plan</i>	
Florida Municipal Pension Trust Fund	12,172
Total pension expense for all pension plans	<u>\$ 805,144</u>

**Firefighters’ Retirement Fund**

The City administers the Firefighters’ Retirement Fund pension plan (the Plan) pursuant to Chapter 175 of the Florida Statutes. The investments of the Plan are held by the City in a trustee capacity and are maintained in

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

a segregated trust account. The trust account is managed by a professional trustee pursuant to a trust agreement with the City. The Plan’s financial statements are included within the Comprehensive Annual Financial Report of the City. The Plan does not issue a stand-alone financial report.

*Plan Administration:* The Plan is administered by a five-member Board of Trustees that is comprised of two Commission appointees, two members of the department that are elected by the membership, and a fifth member who is elected by the other four members and appointed by Commission.

*Membership in the Plan:* Membership of the plan as of October 1, 2017:

Group	
Inactive plan members or beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members:	<u>16</u>
Total	<u>34</u>

*Basis of Accounting:* The plans’ financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and expenses are recognized when due and payable in accordance with the terms of the plan. The plan does not issue separate financial statements. The financial statements for the Plan are presented within this footnote and also presented on pages 71 and 72 as part of the combining financial statements.

*Method Used to Value Investments:* Investments are reported at fair value. Short-term money market type investments are reported at cost which is equal to fair value.

*Administrative Costs:* The costs incurred in administering the Plan are paid for out of the Plan’s assets.

*Actuarial Information:* The City utilizes the most recent actuarial valuation report for purposes of disclosing the required actuarial information pertaining to the Firefighters’ Retirement Fund. The most recent actuarial report available is as of October 1, 2018.

*Plan Description and Benefits Provided:* Employees who are classified as full-time Firefighters participate in the plan as a condition of employment. The Plan provides for pension benefits after 10 years of service upon retirement at age 55 or after completion of 25 years of service upon retirement at age 52. The Plan also provides for early retirement at age 50 upon completion of 10 years of service. Benefits for normal retirement are calculated as follows: average final compensation, which is the average of the best five out of the last ten years salary benefits excluding bonuses, is multiplied by years of full-time service. The product of average final compensation and years of service is multiplied by a factor of 3.0% for all credited service. The Plan contains a Deferred Retirement Option Plan (DROP) that is available to firefighters that have satisfied the normal retirement requirements. Participation in the DROP, whereby firefighters are able to defer retirement benefits, cannot exceed 60 months. The deferred retirement benefits are credited with the actual net rate of investment return, which is defined as the total return net of brokerage commissions, management fees and transaction costs. Benefits vest 100% upon completing 10 years of credited service and the members will receive the vested portion of their benefits at age 55.

The Plan also provides death and disability benefits for participants with coverage beginning from the date of employment. Service incurred disability benefits are accrued to the date of disability but not less than 42% of average final compensation. Pre-retirement death benefits are based on monthly accrued benefit and are paid to the designated beneficiary for a 10 year period.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

*Investments:* The following was the Board’s adopted asset allocation policy and related long-term expected rate of return based on best estimates of the arithmetic real rates of return for each major asset class as of September 30, 2018:

Asset Class	Target Allocation	Expected Return
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Domestic Fixed Income	25%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%
Total	100%	

The Plan did not hold investments in any one organization that represents 5% or more of the Plan’s Fiduciary Net Position.

For the year ended September 30, 2018 the annual money-weighted rate of return on Plan investments net of investment expense was 6.36%. The money-weighted rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

*Net Pension Liability:* As noted previously, during the year ended September 30, 2015, the City adopted GASB 68 Accounting and Financial Reporting for Pensions. This required the City to record on its financial statements its net pension liability for the Firefighters’ Retirement Fund. The net pension liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net position. The components of the Net Pension Liability on September 30, 2019 were as follows:

Total Pension Liability	\$ 8,817,203
Plan Fiduciary Net Position	<u>(6,449,250)</u>
Sponsor’s Net Pension Liability	\$ 2,367,953
Plan’s Fiduciary Net Position as a Percentage of Total Pension Liability	73.14%

The City’s pension liability was measured as of September 30, 2018.

The discount rate used to measure the Plan’s total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member (employees) contributions will be made at the current contribution rate of 6% of salary and that plan sponsor (employer) contributions will be made at rates equal to the difference between actuarially determined contribution rates and the plan member rate. 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.

*Sensitivity of the net pension liability to changes in the discount rate:*

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>\$ 3,297,086</u>	<u>\$ 2,367,953</u>	<u>\$ 1,580,190</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

*Actuarial Assumptions:*

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 and updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	4.00% to 10.00%
Discount rate	7.75%
Investment rate of return	7.75%
Mortality rates	RP2000 Generational Healthy – Sex Distinct Female – 100% Annuitant white collar, Scale BB Male – 10% Annuitant White Collar, 90% Annuitant Blue Collar

*Changes of Assumptions for September 30, 2018 Measurement Date:*

As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed as of September 30, 2016 to the assumptions used by the Florida Retirement System for special risk employees. Additionally, the inflation assumption was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan’s investment consultant. There have been no changes in assumptions since the September 30, 2016 measurement date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

*Change in Net Pension Liability:* The change in the net pension liability for the year ended September 30, 2019 based on a September 30, 2018 measurement date is as follows:

	Increase (Decrease)		
	Total Pension Liability a	Plan Fiduciary Net Position b	Net Pension Liability a-b
Beginning balance	\$ 8,898,652	\$ 6,696,875	\$ 2,201,777
Changes for the year:			
Service cost	202,965	-	202,965
Interest	663,963	-	663,963
Differences between expected and actual experience	120,334	-	120,334
Changes of assumptions	-	-	-
Contributions - employer	-	340,140	(340,140)
Contributions - State	-	44,493	(44,493)
Contributions - employees	-	68,864	(68,864)
Net investment income (loss)	-	405,725	(405,725)
Benefit payments, including refund of employee contributions	(1,068,711)	(1,068,711)	-
Administrative expense	-	(38,136)	38,136
Net changes	(81,449)	(247,625)	166,176
Ending balance	<u>\$ 8,817,203</u>	<u>\$ 6,449,250</u>	<u>\$ 2,367,953</u>



CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

For the year ended September 30, 2019, using a measurement date of September 30, 2018, the City recognized pension expense for the Plan under GASB 68 in the amount of \$482,718.

The City has reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions in the Statement of Net Position as of September 30, 2018 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience with regard to economic or demographic assumptions	\$ 136,981	\$ 81,596
Change of assumptions	122,148	-
Net difference between projected and actual earnings on pension plan investments	190,816	181,833
Employer contributions subsequent to the measurement date	455,310	-
Total	<u>\$ 905,255</u>	<u>\$ 263,429</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to the Plan, exclusive of employer contributions received subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended September 30:	Amount
2020	\$ 133,103
2021	17,133
2022	(5,380)
2023	41,660
2024	-
Thereafter	-
	<u>\$ 186,516</u>

The financial statements for the Firefighters' Retirement Fund as of and for the year ended September 30, 2019 are as follows:

Statement of Net Position September 30, 2019	
Assets	
Cash	\$ 190
Investments, at fair value	6,551,044
Receivables	60,541
Total Assets	<u>6,611,775</u>
Liabilities	
Accounts payable	13,711
Employer prepaid contribution	470
Total Liabilities	<u>14,181</u>
Net Position	
Held in Trust for Pension Benefits	<u>\$ 6,597,594</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G- PENSION PLANS** (continued)

Statement of Changes in Net Position  
For the year Ended September 30, 2019

Additions	
Contributions	
Employer	\$ 455,310
Employee	78,932
Total contributions	<u>534,242</u>
Intergovernmental revenue	
State excise tax rebate	-
Investment earnings	
Net change in fair value of investments	123,234
Interest and dividends	181,416
Total investment earnings (loss)	<u>304,650</u>
Less investment expense	<u>(46,886)</u>
Net investment earnings (loss)	<u>257,764</u>
Total additions	<u>792,006</u>
Deductions	
Benefits	658,708
Professional services	44,337
Trustee expenses	3,844
Total deductions	<u>706,889</u>
Change in Net Position	85,117
Net Position – October 1, 2018	<u>6,512,477</u>
Net Position – September 30, 2019	<u>\$ 6,597,594</u>

Pension contributions made by the State of Florida on behalf of the City to the Firefighters' Retirement Fund were not received during the fiscal year ended September 30, 2019. These contributions will be recognized as revenues in the fiscal year ended September 30, 2020, with a corresponding expenditure, in the General Fund during the period.

**Florida Municipal Pension Trust Fund**

*Plan Description:* The City, in accordance with Florida Statute 121, elected to opt out of the Florida Retirement System for newly hired general employees effective January 1, 1996. General employees are all employees of the City who are not required to be certified as firefighters as a condition for employment. The City contributes to the Florida Municipal Pension Trust Fund (FMPTF), a defined contribution pension plan that covers all full-time employees as of the first day of the month following one year from the date of hire, and is administered by the Florida League of Cities, Inc. FMPTF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statute 121 and 185 assigns the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the City this is the City Commission. The Florida League of Cities, Inc. issues a publicly available financial report that includes financial statements and required supplementary information for the FMPTF.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

That report may be obtained by writing to Florida League of Cities, Inc., P.O. Box 1757, Tallahassee, Florida 32302-1757 or by calling (850) 222-9684.

*Funding Policy:* The City is required to contribute 10% of eligible wages pursuant to the plan agreement. The City's contribution to the FMPTF for the years ended September 30, 2019, 2018 and 2017 was \$12,172, \$11,723, and \$11,805, respectively. The City contributed the required amount in each of the three years.

Effective March 1, 2015, the City Commission approved rejoining the Florida Retirement System for all new eligible employees, other than certified firefighters, hired on or after the effective date. All employees participating in the Florida Municipal Pension Trust Fund can elect to participate in the Florida Retirement System.

**Florida Retirement System**

*Plan Description:* The City contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system (PERS) defined benefit pension plan controlled by the State Legislature and administered by the State of Florida Department of Administration, Division of Retirement. FRS provides retirement and disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Administration. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to The Department of Management Services, Division of Retirement, Research, Education & Policy Section, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

*Funding Policy:* Effective July 1, 2011, FRS requires contributions from covered members at a rate of 3%. The City is required by State statute to contribute, on a monthly basis, at an actuarially determined rate. Effective July 1, 2018 the contribution rates were 8.26% (regular members) and 24.06% (senior management members). As of July 1, 2019 these rates changed to 8.47% (regular members) and 25.41% (senior management members). The City's contributions to FRS for the years ended September 30, 2019, 2018, and 2017 were \$137,420, \$132,879, and \$124,957, respectively, equal to the required contributions for each year.

Employees hired before January 1, 1996, other than certified firefighters, participate in the Florida Retirement System. As previously disclosed, effective March 1, 2015, all new employees, other than certified firefighters, will participate in the Florida Retirement System. Additionally, employees hired between January 1, 1996 and March 1, 2015, other than certified firefighters, can elect to participate in the Florida Retirement System and discontinue participating in the Florida Municipal Pension Trust Fund.

*Deferred Retirement Option Program:* The FRS Deferred Retirement Option Program (DROP) is a defined contribution plan and is available to a member when the member first reaches eligibility for normal retirement. The Plan is controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Management Services. DROP allows a member to retire while continuing employment up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

subject to reemployment restrictions thereafter. The member’s DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. During the DROP eligibility period, the City is required to make contributions to FRS. The current rate, effective July 1, 2019 and continuing through September 30, 2019, based upon employees’ gross earnings is 14.60%. The rate for the period July 1, 2018 through June 30, 2019 was 14.03%.

*Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions-* At September 30, 2019, as required by GASB 68 *Accounting and Financial Reporting for Pensions*, the City reported a net pension liability of \$1,338,036 for the FRS Plan component and \$347,869 for the HIS Plan component for its proportionate share of the FRS Pension Plan’s net pension liability. The net pension liability, totaling \$1,685,905, was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019.

The City’s proportionate share at June 30, 2019 for the FRS Plan component was .003885280%. The City’s proportionate share at June 30, 2019 for the HIS Plan component was .003109028%. The City’s proportionate shares at June 30, 2018 were .003859612% and .003119899% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2019 the City recognized pension expense of \$275,473 and \$34,781 for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

FRS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 79,363	\$ 830
Changes in assumptions	343,665	-
Net difference between projected and actual earnings on investments	-	74,027
Changes in proportion and differences between City contributions and proportionate share of contributions	156,991	-
Contributions subsequent to the measurement date	29,445	-
	<u>\$ 609,464</u>	<u>\$ 74,857</u>

HIS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 4,225	\$ 426
Changes in assumptions	40,278	28,432
Net difference between projected and actual earnings on investments	224	-
Changes in proportion and differences between City contributions and proportionate share of contributions	86,910	4,047
Contributions subsequent to the measurement date	4,446	-
	<u>\$ 136,083</u>	<u>\$ 32,905</u>

Combined FRS and HIS Plan Components

	<u>\$ 745,547</u>	<u>\$ 107,762</u>
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The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2020. Other amounts related to net deferred outflows and inflows of resources will be recognized as pension expense as follows:

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

Fiscal year ending September 30,	FRS component	HIS component
2020	\$ 55,535	\$ 25,347
2021	47,466	27,427
2022	33,594	23,143
2023	12,346	5,998
2024	2,328	958
Thereafter	353,893	15,859
	\$ 505,162	\$ 98,732

Net Pension Liability

	FRS component	HIS component
City's proportionate share of Total Pension Liability	\$ 7,693,334	\$ 357,260
City's proportionate share of Plan Fiduciary Net Position	(6,355,298)	(9,391)
City's proportionate share of Net Pension Liability	\$ 1,338,036	\$ 347,869

Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	82.61%	2.63%
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Change in Net Pension Liability –

	FRS component	HIS component
Beginning balance – City's proportionate share	\$ 1,162,535	\$ 330,214
Service cost	98,028	7,217
Interest on total pension liability	512,659	13,001
Plan changes	443	-
Effect of economic / demographic gain or loss	10,248	(16)
Effect of assumptions	64,133	16,038
Employer contributions	(115,303)	(18,392)
Member contributions	(29,249)	(6)
Net investment income	(366,219)	(193)
Administrative expense	761	6
Ending balance – City's proportionate share	\$ 1,338,036	\$ 347,869

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

	FRS component	HIS component
Valuation date	July 1, 2019	July 1, 2019
Measurement date	June 30, 2019	June 30, 2019
Inflation	2.60%	2.60%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	6.90%, net of expense, includes inflation	3.50%, Municipal Bond Rate
Mortality tables	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018	Generation RP-2000 with Projection Scale BB tables
Discount rate	6.90%	3.50%

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE G – PENSION PLANS** (continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The following changes in actuarial assumptions occurred in 2019 for the FRS component: the long-term expected rate of return was decreased from 7.00% to 6.90%. Additionally, for the HIS component, a change in the actuarial assumption was made decreasing the municipal bond rate used to determine total pension liability from 3.87% to 3.50%.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.20%
Fixed Income	18.00%	4.10%	4.10%	3.50%
Global Equity	54.00%	8.00%	6.80%	16.50%
Real Estate	10.00%	6.70%	6.10%	11.70%
Private Equity	11.00%	11.20%	8.40%	25.80%
Strategic Investments	6.00%	5.90%	5.70%	6.70%
Total	100.00%			
Assumed Inflation – Mean			2.60%	1.70%

(1) As outlined in the Pension Plan’s Investment Policy

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table represents the City’s proportionate share of the net pension liability calculated at the respective discount rates and the proportionate share using a rate 1% less than and 1% more than the current rate.

FRS component	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City’s Proportionate share of the net pension liability	\$ 2,313,019	\$ 1,388,036	\$ 523,761
HIS component	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
City’s Proportionate share of the net pension liability	\$ 397,110	\$ 347,869	\$ 306,857

**NOTE H – OTHER POST EMPLOYMENT BENEFITS**

GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (OPEB) provides for the determination and disclosure of the Net OPEB Liability and the annual cost of providing other postemployment benefits. The City provides other postemployment benefits in the form of the Retiree Health Care Plan.

For purposes of measuring the net 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 Retiree Health Care Plan (Plan) and additions to / deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

*Plan Description:* The City’s Retire Health Plan is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet eligibility requirements under one of the City’s retirement plans to continue medical insurance coverage as a participant in the City’s plan.

In accordance with Section 112.0801, of the Florida Statutes, because the City provides a medical and dental plan to active employees of the City and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan.

*Employees covered by benefit terms:* To be eligible to participate in the Plan, *general* employees must have a minimum of 10 years of service with the City. *Firefighter* employees are eligible to participate in the Plan after 10 years of service upon retirement at age 55 or after completion of 25 years of service upon retirement at age 52. At September 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members:	<u>40</u>
Total	<u>41</u>

*Benefits Provided:* The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical, dental and vision coverage. All employees of the City are eligible to receive postemployment health care benefits.

*Contributions:* The retired employees, including their eligible dependents, that are eligible to participate in the Plan are required to pay 100% of their respective health care insurance premiums. The City does not contribute toward this payment. In future years, contributions are assumed to increase the same rate as the premiums. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The City does not issue stand-alone financial statements for the plan.

*Funding Policy.* While the City does not contribute directly towards the cost of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an implicit subsidy. This implicit subsidy is considered to be another post employment benefit (OPEB) obligation of the City. The annual required contribution to fund the OPEB obligation is currently based on a pay-as-you-go funding approach.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE H – OTHER POST EMPLOYMENT BENEFITS** (continued)

*Actuarial Assumptions.* The actuarial valuation is based on an actuarial valuation performed as of September 30, 2018 with a measurement date of September 30, 2018 that is applicable to the year ended September 30, 2019. The Total OPEB Liability was determined using the following actuarial assumptions:

Inflation	2.50%	Initial health care trend rate	8.00%
Salary increases	2.50%	Ultimate health care trend rate	4.00%
Discount rate	4.18%	Years until ultimate trend rate	56
Investment rate of return	0.00%		

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

*Discount Rate:* Given the City’s decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.18%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA. A discount rate of 3.64% was used for the September 30, 2017 valuation.

<i>Changes in Total OPEB Liability:</i>	<u>Increase (Decrease)</u>
Reporting period ending September 30, 2018	\$ 124,442
Changes for the year:	
Service cost	9,552
Interest	4,856
Differences between expected and actual experience	18,098
Changes of assumptions	8,921
Contributions - employer	-
Net investment income (loss)	-
Benefit payments, including refund of employee contributions	(1,246)
Administrative expense	-
Net changes	<u>40,181</u>
Reporting period ending September 30, 2019	<u>\$ 164,623</u>

*Sensitivity If the Net OPEB Liability to changes in the discount rate:* the following presents the Net OPEB Liability of the City, as well as what the City’s Net OPEB Liability would be if calculated using a discount rate that is one percentage-point lower or one-percentage point higher than the current discount rate.

	<u>1% Decrease (3.18%)</u>	<u>Current Discount Rate (4.18%)</u>	<u>1% Increase (5.18%)</u>
Net OPEB Liability	\$ 185,194	\$ 164,623	\$ 147,334

*Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates :* The following presents the Net OPEB Liability of the City, as well as what the City’s Net OPEB Liability would be if calculated using healthcare cost trend rates that are one percentage-point lower or one-percentage point higher than the current healthcare cost trend rates.



CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE H – OTHER POST EMPLOYMENT BENEFITS** (continued)

	1% Decrease (3.00% - 7.00%)	Current Healthcare Rates (4.00% - 8.00%)	1% Increase (5.00% - 9.00%)
Net OPEB Liability	\$ 145,874	\$ 164,623	\$ 187,173

*OPEB Plan Fiduciary Net Position:* The plan is unfunded and as result the OPEB Plan’s Fiduciary Net Position is \$-0-.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:* For the year ended September 30, 2019, the City will recognize OPEB expense of \$41,427 including administrative expenses.

On September 30, 2019, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following resources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Employer contributions subsequent to the measurement date	13,423	-
	<u>\$ 13,423</u>	<u>\$ -</u>

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2020.

**NOTE I - DEFERRED COMPENSATION PLAN**

The City offers certain employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan is managed by independent plan administrators and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts are held in trust for the exclusive benefit of the participants and their beneficiaries. The City has been appointed the Plan trustee and, accordingly, the plan is reported as a fiduciary fund.

**NOTE J - RISK FINANCING**

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental, and antitrust matters. The City has purchased commercial insurance to protect against employee health losses. The City participates in Public Risk Management of Florida for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions.

The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**NOTE J - RISK FINANCING** (continued)

Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the year ended September 30, 2019, nor is the City aware of any contingent assessments. The City has not reduced insurance coverage from the prior year for any category of insurance risk. Settlement claims, if any, have not exceeded insurance coverage at any time for each of the past three fiscal years.

**NOTE K – COMMITMENTS AND CONTINGENCIES**

Law Enforcement: The Pinellas County Sheriff's Department has full and complete responsibility for providing the City with appropriate and necessary law enforcement services. The cost of the contracted services for the current fiscal year was \$810,378. The City has renewed its contract with the Pinellas County Sheriff's Department to provide law enforcement services, effective October 1, 2019, continuing until September 30, 2020. The amount of the contract with the Pinellas County Sheriff's Department for the 2019–2020 year is \$834,420.

Sewer Service: The City has contracted with the City of St. Petersburg whereby St. Petersburg accepts into its sanitary sewer system the flow from South Pasadena's sanitary sewer system. The City of South Pasadena is charged on the basis of average monthly flow rates and capacity charges determined by the City of St. Petersburg. Sewer disposal expense for the year ended September 30, 2019, was \$866,460.

Hurricane Irma Clean-up: The City entered into a Participant Agreement for Disaster Debris Monitoring and Management Services to provide clean-up from the damage caused by Hurricane Irma in September, 2017. The cost of these services was originally estimated to be in excess of \$80,000. In the fiscal year ended September 30, 2019, the City received reimbursement from the Federal Emergency Management Agency (FEMA) in the amount of \$37,835, and reimbursement from the State of Florida in the amount of \$2,958. As of the audit report date of June 14, 2020, the City has received reimbursements in the amount of \$36,891 from FEMA and the State of Florida subsequent to September 30, 2019. As of the audit report date, reimbursements from FEMA and the State of Florida in excess of \$3,000 are still outstanding.

**NOTE L – SUBSEQUENT EVENTS**

The City has evaluated whether any other events have occurred subsequent to September 30, 2019, and before the issuance of the financial statements, that would have an impact on the City's financial condition as of September 30, 2019 or would influence the conclusions reached by the reader of the financial statements regarding the City's overall financial condition. The City has determined that no such events occurred through June 14, 2020, which is the date that the financial statements were available to be issued.

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## **Required Supplementary Information**

The required supplementary information consists of a budgetary comparison schedule for the General Fund and schedules presenting funding progress and contributions for the defined benefit pension plans.

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2019  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
<b>Taxes</b>					
Ad valorem taxes	\$ 2,115,620	\$ 2,115,620	\$ 2,095,658	\$ (19,962)	\$ 1,820,247
Utility taxes	663,050	663,050	703,744	40,694	663,585
Communications service tax	231,800	231,800	212,307	(19,493)	247,881
Electric franchise	446,000	446,000	479,138	33,138	452,317
Gas franchise	3,500	3,500	3,962	462	4,320
Refuse franchise	50,000	50,000	50,572	572	53,362
<b>Total taxes</b>	<b>3,509,970</b>	<b>3,509,970</b>	<b>3,545,381</b>	<b>35,411</b>	<b>3,241,712</b>
<b>Licenses and permits</b>					
Local business tax	100,500	100,500	104,819	4,319	105,383
Building permits	175,760	175,760	231,590	55,830	271,242
Fines / code enforcement	12,500	12,500	24,397	11,897	30,972
Electrical permits	16,000	16,000	26,890	10,890	19,130
Sewer, plumbing and gas permits	15,000	15,000	37,080	22,080	18,810
Mechanical permits	20,250	20,250	47,859	27,609	29,460
Planning and zoning fees	1,100	1,100	2,250	1,150	500
Grease management permits	2,400	2,400	1,000	(1,400)	1,400
<b>Total licenses and permits</b>	<b>343,510</b>	<b>343,510</b>	<b>475,885</b>	<b>132,375</b>	<b>476,897</b>
<b>Intergovernmental revenue</b>					
County Emergency Medical Services Authority	822,565	822,565	825,974	3,409	813,282
State revenue sharing	162,000	162,000	165,471	3,471	161,955
Local 1/2 cent sales tax	330,200	330,200	334,408	4,208	329,118
State pro-rata share of alcoholic beverage licenses	5,700	5,700	5,457	(243)	5,680
State mobile home licenses distribution	3,600	3,600	3,420	(180)	3,118
State municipal tax refund	1,200	1,200	1,231	31	1,548
State excise tax rebate - Fire Pension	52,000	52,000	-	(52,000)	44,492
Local option gas tax	79,800	79,800	71,246	(8,554)	75,738
Fire Fighters supplemental compensation	5,760	5,760	8,790	3,030	5,450
Federal FEMA reimbursement	-	-	37,835	37,835	-
State FEMA reimbursement	-	-	2,958	2,958	-
<b>Total intergovernmental revenue</b>	<b>1,462,825</b>	<b>1,462,825</b>	<b>1,456,790</b>	<b>(6,035)</b>	<b>1,440,381</b>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2019 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS) (continued)					
Fines and forfeits -					
Police fines	\$ 6,000	\$ 6,000	\$ 3,627	\$ (2,373)	\$ 12,171
Red light fines	-	-	3,896	3,896	8,891
	<u>6,000</u>	<u>6,000</u>	<u>7,523</u>	<u>1,523</u>	<u>21,062</u>
Interest	43,900	43,900	61,128	17,228	41,449
Change in fair value of investments	-	-	15,091	15,091	6,229
Rent	8,500	8,500	11,335	2,835	9,950
Miscellaneous	119,160	119,160	53,576	(65,584)	50,926
Proceeds from sale of capital assets	-	-	-	-	360
	<u>177,560</u>	<u>177,560</u>	<u>148,653</u>	<u>(28,907)</u>	<u>129,976</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>5,493,865</u>	<u>5,493,865</u>	<u>5,626,709</u>	<u>132,844</u>	<u>5,288,966</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Legislative					
Personal services	43,570	43,570	43,564	6	43,582
Other services and charges	80,000	80,000	67,123	12,877	61,046
Travel and conventions	9,000	9,000	6,440	2,560	10,806
Supplies	1,250	1,250	1,329	(79)	878
	<u>133,820</u>	<u>133,820</u>	<u>118,456</u>	<u>15,364</u>	<u>116,312</u>
Finance and administration					
Personal services	577,835	577,835	573,780	4,055	539,658
Other services and charges	59,410	59,410	38,902	20,508	40,039
Insurance	35,540	35,540	36,436	(896)	30,161
Supplies	6,000	6,000	4,586	1,414	6,163
Maintenance	2,500	2,500	1,847	653	525
Utilities	14,200	14,200	14,572	(372)	14,349
Audit and accounting	16,300	16,300	13,910	2,390	16,405
Telephone	8,000	8,000	7,811	189	7,523
	<u>719,785</u>	<u>719,785</u>	<u>691,844</u>	<u>27,941</u>	<u>654,823</u>
Total general government	<u>853,605</u>	<u>853,605</u>	<u>810,300</u>	<u>43,305</u>	<u>771,135</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2019 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Budget	Final			
<b>CHARGES TO APPROPRIATIONS</b>					
<b>(OUTFLOWS) (continued)</b>					
Public Safety					
Law enforcement					
Pinellas County Sheriff -					
Department contract					
	\$ 810,110	\$ 810,110	\$ 810,378	\$ (268)	\$ 786,522
	<u>810,110</u>	<u>810,110</u>	<u>810,378</u>	<u>(268)</u>	<u>786,522</u>
Fire department					
Personal services	2,353,870	2,353,870	2,317,773	36,097	2,143,626
Other services and charges	142,400	142,400	104,721	37,679	109,926
Insurance	64,210	64,210	65,818	(1,608)	62,963
Supplies	9,750	9,750	7,657	2,093	7,369
Maintenance	66,300	66,300	68,336	(2,036)	66,364
Utilities	19,550	19,550	15,041	4,509	19,392
Small tools and equipment	250	250	294	(44)	338
Traffic signals	34,360	34,360	4,816	29,544	4,204
Telephone	7,200	7,200	7,471	(271)	7,016
Capital outlay	1,000	1,000	-	1,000	-
	<u>2,698,890</u>	<u>2,698,890</u>	<u>2,591,927</u>	<u>106,963</u>	<u>2,421,198</u>
Protective inspections					
Personal services	369,690	369,690	261,487	108,203	288,594
Other services and charges	42,850	42,850	123,849	(80,999)	27,390
Supplies	3,760	3,760	3,148	612	3,856
Insurance	5,385	5,385	5,369	16	5,515
Maintenance	1,600	1,600	471	1,129	2,281
Capital outlay	500	500	-	500	-
	<u>423,785</u>	<u>423,785</u>	<u>394,324</u>	<u>29,461</u>	<u>327,636</u>
Total public safety	<u>3,932,785</u>	<u>3,932,785</u>	<u>3,796,629</u>	<u>136,156</u>	<u>3,535,356</u>
Transportation - public works					
Personal services	585,900	585,900	588,883	(2,983)	561,136
Other services and charges	61,435	61,435	59,544	1,891	48,618
Insurance	51,985	51,985	52,751	(766)	45,720
Supplies	8,000	8,000	7,309	691	7,521
Maintenance	32,800	32,800	27,789	5,011	31,239
Telephone	5,650	5,650	5,308	342	5,020
Utilities	51,135	51,135	39,328	11,807	48,440
	<u>796,905</u>	<u>796,905</u>	<u>780,912</u>	<u>15,993</u>	<u>747,694</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2019 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)</b>					
Human services - welfare and other services	\$ 4,000	\$ 4,000	\$ 3,000	\$ 1,000	\$ 4,000
Culture and recreation					
Library	15,750	15,750	18,325	(2,575)	14,500
Culture services	500	500	500	-	-
Special events	16,600	16,600	9,644	6,956	11,325
Total culture and recreation	32,850	32,850	28,469	4,381	25,825
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<b>5,620,145</b>	<b>5,620,145</b>	<b>5,419,310</b>	<b>200,835</b>	<b>5,084,010</b>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	(126,280)	(126,280)	207,399	333,679	204,956
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>2,890,965</b>	<b>2,890,965</b>	<b>2,890,965</b>	<b>-</b>	<b>2,686,009</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,764,685</b>	<b>\$ 2,764,685</b>	<b>\$ 3,098,364</b>	<b>\$ 333,679</b>	<b>\$ 2,890,965</b>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENSES

SOURCES / INLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 5,626,709
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,626,709</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,419,310
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,419,310</u>



CITY OF SOUTH PASADENA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FIREFIGHTERS' RETIREMENT FUND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Reporting period ending: Measurement date:	9-30-19 <u>9-30-18</u>	9-30-18 <u>9-30-17</u>	9-30-17 <u>9-30-16</u>	9-30-16 <u>9-30-15</u>	9-30-15 <u>9-30-14</u>
<b>Total Pension Liability</b>					
Service cost	\$ 202,965	\$ 139,049	\$ 131,806	\$ 121,564	\$ 109,667
Interest on the total pension liability	663,963	670,563	659,566	634,381	622,005
Change in excess state money	-	(15,444)	-	-	-
Share plan allocation	-	7,722	-	-	-
Differences between expected and actual experience	120,334	67,857	(203,988)	129,765	-
Change of assumptions	-	-	305,372	-	-
Benefit payments, including refunds of employee contributions	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
Net change in total pension liability	(81,449)	(130,097)	376,407	260,094	189,529
Total pension liability beginning	8,898,652	9,028,749	8,652,342	8,392,248	8,202,719
Total pension liability ending (a)	<u>\$ 8,817,203</u>	<u>\$ 8,898,652</u>	<u>\$ 9,028,749</u>	<u>\$ 8,652,342</u>	<u>\$ 8,392,248</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 340,140	\$ 298,315	\$ 303,240	\$ 286,491	198,912
Contributions - State	44,493	43,206	50,450	48,347	48,975
Contributions - employees	68,864	54,426	45,265	42,620	39,662
Net investment income (loss)	405,725	785,892	466,375	(79,221)	636,387
Benefit payments, including refunds of employee contributions	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
Administrative expenses	(38,136)	(34,501)	(40,775)	(30,445)	(27,419)
Net Change in plan fiduciary net position	(247,625)	147,494	308,206	(357,824)	354,374
Plan fiduciary net position - beginning	6,696,875	6,549,381	6,241,175	6,598,999	6,244,625
Plan fiduciary net position - ending (b)	<u>\$ 6,449,250</u>	<u>\$ 6,696,875</u>	<u>\$ 6,549,381</u>	<u>\$ 6,241,175</u>	<u>\$ 6,598,999</u>
Net Pension Liability - Ending (a - b)	<u>\$ 2,367,953</u>	<u>\$ 2,201,777</u>	<u>\$ 2,479,368</u>	<u>\$ 2,411,167</u>	<u>\$ 1,793,249</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.14%	75.26%	72.54%	72.13%	78.63%
Covered Payroll	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
Net pension liability as a percentage of covered payroll	206.37%	242.72%	328.93%	340.20%	271.28%
Money-weighted rate of return on pension plan investments	6.36%	12.51%	7.54%	-1.25%	10.35%

**NOTE:** GASB 68 requires 10 year of information. Information is only available for five years. Additional years of information will be added as the information becomes available.

CITY OF SOUTH PASADENA, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS' RETIREMENT FUND  
 SCHEDULE OF CONTRIBUTIONS

Reporting period ending	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15	9-30-14
Actuarially determined contribution	\$ 455,310	\$ 391,969	\$ 341,520	\$ 352,204	\$ 328,458	\$ 247,885
Contributions in relation to the actuarially determined contribution:						
City's contribution	455,310	347,477	298,315	301,754	280,111	198,910
State excise tax - contribution	-	44,492	43,205	50,450	48,347	48,975
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,364,701	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
Contributions as a percentage of covered payroll	33.36%	34.16%	37.65%	46.73%	46.34%	37.50%

**NOTES TO SCHEDULE**

Valuation date: October 1, 2017  
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method: Entry Age Normal Actuarial Cost Method  
 Amortization Method: Level % of Pay, Closed  
 Remaining Amortization  
 Period: 30 years as of 10-01-16  
 Mortality: RP-2000 Generational - Female 100% Annuitant White Collar, Scale BB; Male 10% Annuitant White Collar / 90% Annuitant Blue Collar Scale BB. Disability 60% RP2000 - Female set forward 2 years, Male setback 4 years.  
 Interest Rate: 7.75% per year compounded annually, net of investment related expenses.  
 Inflation: 2.5% per year.  
 Retirement Rates: Age and experience-based probability table considering eligibility for normal retirement.  
 Salary Increases: First year of credited service - 10%, years 2 to 10 - 6%, greater than 10 years 4%.  
 Disability Rates: Age based probability table.  
 Retirement Age: Earlier of the age 55 with 10 years of service or the completion of 25 years of service (earlier of age 55 or 25 years of service upon retirement at age 52). Also, any member who has reached normal retirement age is assumed to continue employment for one additional year.  
 Early Retirement: Commencing with eligibility at age 50 upon completion of 10 years of service. Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.  
 Actuarial Asset Method: Each year the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return net of fees. It is possible that over time this technique will produce an insignificant bias above or below the market value of assets.  
 Payroll Growth: None  
 Projected Dollar Requirements: Costs as of the valuation date are increased by 3.875% interest and 5.04% salary growth (average assumed rate of individual salary increase as of valuation date) to determine dollar funding requirements for the applicable costs.

**NOTE:** GASB 68 requires 10 year of information. Information is only available for six years. Additional years of information will be added as the information becomes available.

CITY OF SOUTH PASADENA, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FLORIDA RETIREMENT SYSTEM - CITY'S PROPORTIONATE SHARE  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15
<b>FRS Pension Plan</b>					
Employer's Proportion for the FRS Pension	0.003885280%	0.003859612%	0.003723260%	0.002924305%	0.001829231%
City's Proportionate Share					
Total Pension Liability	\$ 7,693,334	\$ 7,384,109	\$ 6,837,119	\$ 4,884,496	\$ 2,951,844
Plan Fiduciary Net Position	(6,355,298)	(6,221,574)	(5,735,804)	(4,146,107)	(2,715,574)
Net Pension Liability	<u>\$ 1,338,036</u>	<u>\$ 1,162,535</u>	<u>\$ 1,101,315</u>	<u>\$ 738,389</u>	<u>\$ 236,270</u>
Plan Net Position as a Percentage of Total Net Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%
Service Cost	\$ 98,028	\$ 93,556	\$ 173,845	\$ 86,833	\$ 44,049
Interest on the total pension liability	512,659	495,880	1,046,562	492,974	244,236
Plan changes	443	-	7,728	1,315	-
Effect of economic/demographic gain or loss	10,248	25,269	118,408	39,905	33,773
Effect of assumptions	64,133	99,844	871,705	41,960	-
Employer contributions	(115,303)	(85,683)	(218,233)	(99,280)	(50,801)
Member contributions	(29,249)	(28,807)	(62,441)	(28,934)	(14,550)
Net investment income	(366,219)	(539,618)	(1,576,186)	(33,407)	(115,085)
Administrative expense	761	779	1,538	753	376
Net change in net pension liability	175,501	61,220	362,926	502,119	141,998
Net pension liability - beginning	1,162,535	1,101,315	738,389	236,270	94,272
Net pension liability - ending	<u>\$ 1,338,036</u>	<u>\$ 1,162,535</u>	<u>\$ 1,101,315</u>	<u>\$ 738,389</u>	<u>\$ 236,270</u>
Covered payroll	\$ 1,052,168	\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
Net pension liability as a percentage of covered payroll	127%	114%	111%	78%	39%
<b>Retiree Health Insurance Subsidy (HIS Plan)</b>					
Employer's Proportion for the HIS Plan	0.003109028%	0.003119899%	0.003059396%	0.002962991%	0.001434881%
City's Proportionate Share					
Total Pension Liability	\$ 357,260	\$ 337,466	\$ 332,580	\$ 348,698	\$ 147,064
Plan Fiduciary Net Position	(9,391)	(7,252)	(5,455)	(3,374)	(729)
Net Pension Liability	<u>\$ 347,869</u>	<u>\$ 330,214</u>	<u>\$ 327,125</u>	<u>\$ 345,324</u>	<u>\$ 146,335</u>
Plan Net Position as a Percentage of Total Net Pension Liability	2.63%	2.15%	1.64%	0.97%	50%
Service Cost	\$ 7,217	\$ 8,063	\$ 5,761	\$ 35,080	\$ 14,624
Interest on the total pension liability	13,001	12,158	6,384	53,398	27,258
Effect of economic/demographic gain or loss	(16)	5,857	-	(4,212)	40,856
Effect of assumptions	16,038	(12,098)	(20,310)	184,818	-
Employer contributions	(18,392)	(10,790)	(10,011)	(70,044)	(25,700)
Member contributions	(6)	(7)	-	-	-
Net investment income	(193)	(99)	(26)	(77)	(27)
Administrative expense	6	5	3	26	13
Net change in net pension liability	17,655	3,089	(18,199)	198,989	57,024
Net pension liability - beginning	330,214	327,125	345,324	146,335	89,311
Net pension liability - ending	<u>\$ 347,869</u>	<u>\$ 330,214</u>	<u>\$ 327,125</u>	<u>\$ 345,324</u>	<u>\$ 146,335</u>
Covered payroll	\$ 1,052,168	\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
Net pension liability as a percentage of covered payroll	33%	32%	33%	37%	24%
<b>Combined FRS and HIS Pension Plan</b>					
Total Pension Liability	\$ 8,050,594	\$ 7,721,575	\$ 7,169,699	\$ 5,233,194	\$ 3,098,908
Plan Fiduciary Net Position	(6,364,689)	(6,228,826)	(5,741,259)	(4,149,481)	(2,716,303)
Net Pension Liability	<u>\$ 1,685,905</u>	<u>\$ 1,492,749</u>	<u>\$ 1,428,440</u>	<u>\$ 1,083,713</u>	<u>\$ 382,605</u>

NOTE: GASB 68 requires 10 year of information. Information is only available for five years. Additional years of information will be added as the information becomes available.

CITY OF SOUTH PASADENA, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION

**FLORIDA RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS**

(Five years of data available for GASB 67 and 68) \*  
 September 30, 2019

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
<b>FRS Pension Plan</b>					
Contractually required contribution	\$ 119,395	\$ 116,387	\$ 108,450	\$ 72,614	\$ 55,948
Contributions in relation to the contractually required contribution	(119,395)	(116,387)	(108,450)	(72,614)	(55,948)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,085,837	\$ 993,506	\$ 994,407	\$ 928,886	\$ 612,282
Contributions as a percentage of covered payroll	11.00%	11.71%	10.91%	7.82%	9.14%
<b>Retiree Health Insurance Subsidy (HIS Plan)</b>					
Contractually required contribution	\$ 18,025	\$ 16,492	\$ 16,507	\$ 15,420	\$ 10,164
Contributions in relation to the contractually required contribution	(18,025)	(16,492)	(16,507)	(15,420)	(10,164)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,085,837	\$ 993,506	\$ 994,407	\$ 928,886	\$ 612,282
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION  
**RETIREE HEALTH CARE PLAN  
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY**

Reporting period ending:	9-30-19	9-30-18	9-30-17
Measurement date:	9-30-18	9-30-17	9-30-16
<b>Total OPEB Liability</b>			
Service cost	\$ 9,552	\$ 9,319	\$ 7,977
Interest on the total pension liability	4,856	3,903	4,034
Change in benefit terms	-	-	-
Differences between expected and actual experience	18,098	-	-
Change of assumptions	8,921	(6,410)	6,579
Benefit payments, including refunds of employee contributions	(1,246)	(1,145)	(1,145)
Net change in total pension liability	\$ 40,181	\$ 5,667	17,445
Total OPEB liability beginning	124,442	118,775	101,330
Total pension liability ending	\$ 164,623	\$ 124,442	\$ 118,775
Covered Employee Payroll	\$ 2,490,858	\$ 2,277,871	\$ 2,168,110
Net OPEB liability as a percentage of covered employee payroll	6.61%	5.46%	5.48%

**NOTE:** GASB 75 requires 10 year of information. Information is only available for three years. Additional years of information will be added as the information becomes available.

## **Combining Financial Statements and Budgetary Comparison Schedules**

These financial statements provide a more detailed view of the individual fiduciary funds that were combined in the basic financial statements. Also, budgetary comparison schedules are presented for the Capital Improvements Fund, Sewer Fund and Reclaimed Water Fund.

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2019  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
Taxes, licenses and permits -					
Impact fees/assessments	\$ -	\$ -	\$ 1,097	\$ 1,097	\$ 5,284
Intergovernmental revenue					
Infrastructure tax	613,000	613,000	643,325	30,325	609,637
Environmental grants	60,250	60,250	2,979	(57,271)	5,990
Interest	47,300	47,300	87,529	40,229	56,311
Change in fair value of investments	-	-	18,363	18,363	7,722
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<u>720,550</u>	<u>720,550</u>	<u>753,293</u>	<u>32,743</u>	<u>684,944</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
Current					
General government					
Finance and administration					
Supplies	-	-	450	(450)	616
	-	-	450	(450)	616
Public Safety					
Fire Department and Protective Inspections					
Maintenance	-	-	-	-	5,047
	-	-	-	-	5,047
Physical environment					
Flood control	-	-	4,229	(4,229)	77,630
Visioning	-	-	-	-	14,614
Maintenance	-	-	-	-	6,989
	-	-	4,229	(4,229)	99,233
Transportation					
Public Works					
Professional services	-	-	5,712	(5,712)	-
Maintenance	-	-	3,940	(3,940)	6,330
	-	-	9,652	(9,652)	6,330
Total current charges to appropriations	-	-	14,331	(14,331)	111,226
Debt service					
Principal	110,130	110,130	-	110,130	-
Interest	74,375	74,375	-	74,375	-
Total debt service	<u>184,505</u>	<u>184,505</u>	<u>-</u>	<u>184,505</u>	<u>-</u>
Capital outlay					
General government					
Legislative					
Equipment	2,500	2,500	-	2,500	-
Finance and administration					
Equipment	17,850	17,850	3,200	14,650	6,197
Total general government	<u>20,350</u>	<u>20,350</u>	<u>3,200</u>	<u>17,150</u>	<u>6,197</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2019 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)</b>					
Public Safety					
Fire Department					
Building improvements	\$ 4,529,000	\$ 4,529,000	\$ 3,850	\$ 4,525,150	\$ 17,920
Equipment	29,000	29,000	28,691	309	71,269
	<u>4,558,000</u>	<u>4,558,000</u>	<u>32,541</u>	<u>4,525,459</u>	<u>89,189</u>
Protective inspections					
Vehicle	-	-	-	-	24,763
Equipment	48,200	48,200	1,421	46,779	1,034
	<u>48,200</u>	<u>48,200</u>	<u>1,421</u>	<u>46,779</u>	<u>25,797</u>
Total Public Safety	<u>4,606,200</u>	<u>4,606,200</u>	<u>33,962</u>	<u>4,572,238</u>	<u>114,986</u>
Transportation - public works					
Building improvements	83,500	83,500	77,640	5,860	7,546
Dredging	165,000	165,000	13,285	151,715	4,883
Equipment	27,000	27,000	6,640	20,360	15,090
Vehicle	50,000	50,000	51,130	(1,130)	24,908
Highways and streets	50,000	50,000	33,024	16,976	25,710
Land purchases	340,000	340,000	-	340,000	-
Total Transportation - public works	<u>715,500</u>	<u>715,500</u>	<u>181,719</u>	<u>533,781</u>	<u>78,137</u>
Physical environment					
Visioning / beautification	50,000	50,000	-	50,000	-
Recreation	30,000	30,000	-	30,000	20,775
Flood control	75,000	75,000	31,292	43,708	1,868
Total Physical environment	<u>155,000</u>	<u>155,000</u>	<u>31,292</u>	<u>123,708</u>	<u>22,643</u>
Total capital outlay charges to appropriations	<u>5,497,050</u>	<u>5,497,050</u>	<u>250,173</u>	<u>5,246,877</u>	<u>221,963</u>
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>5,681,555</u>	<u>5,681,555</u>	<u>264,504</u>	<u>5,417,051</u>	<u>333,189</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	(4,961,005)	(4,961,005)	488,789	5,449,794	351,755
<b>OTHER FINANCING SOURCES</b>					
Debt proceeds	2,125,000	2,125,000	-	(2,125,000)	-
Total other financing sources	<u>2,125,000</u>	<u>2,125,000</u>	<u>-</u>	<u>(2,125,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,836,005)	(2,836,005)	488,789	3,324,794	351,755
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>4,911,463</u>	<u>4,911,463</u>	<u>4,911,463</u>	<u>-</u>	<u>4,559,708</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,075,458</u>	<u>\$ 2,075,458</u>	<u>\$ 5,400,252</u>	<u>\$ 3,324,794</u>	<u>\$ 4,911,463</u>

NOTE

The budgetary basis for the Capital Improvement Fund is the same as that used for generally accepted accounting principles.

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
SEWER FUND

For the Year Ended September 30, 2019  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
Charges for services	\$ 1,165,000	\$ 1,165,000	\$ 1,133,869	\$ (31,131)	\$ 977,692
Interest earned	24,100	24,100	28,706	4,606	19,456
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<u>1,189,100</u>	<u>1,189,100</u>	<u>1,162,575</u>	<u>(26,525)</u>	<u>997,148</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
Supervisory services	53,310	53,310	53,310	-	50,750
Utilities	9,550	9,550	8,822	728	8,775
City of St. Petersburg:					
Sewer processing	920,635	920,635	866,460	54,175	743,924
Sewer administration charge	6,315	6,315	2,514	3,801	4,480
Insurance	11,040	11,040	11,479	(439)	9,466
Audit	3,080	3,080	3,080	-	2,910
Repairs, maintenance, renewals and replacement	195,700	195,700	58,486	137,214	38,597
Capital outlay	18,000	18,000	112,437	(94,437)	-
Administrative service charge	25,370	25,370	25,370	-	26,150
Miscellaneous	4,150	4,150	5,148	(998)	4,019
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>1,247,150</u>	<u>1,247,150</u>	<u>1,147,106</u>	<u>100,044</u>	<u>889,071</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<u>\$ (58,050)</u>	<u>\$ (58,050)</u>	<u>\$ 15,469</u>	<u>\$ 73,519</u>	<u>\$ 108,077</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENSES

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,147,106
Differences - budget to GAAP:	
Depreciation	139,880
Capital outlay	(112,437)
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 1,174,549</u>



CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
RECLAIMED WATER

For the Year Ended September 30, 2019  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
Charges for services	\$ 188,500	\$ 188,500	\$ 189,399	\$ 899	\$ 188,558
Interest earned	25,675	25,675	31,737	6,062	19,714
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<u>214,175</u>	<u>214,175</u>	<u>221,136</u>	<u>6,961</u>	<u>208,272</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
Supervisory services	43,165	43,165	43,165	-	40,795
City of St. Petersburg:					
Administration charge	1,260	1,260	444	816	851
Pinellas County:					
Reclaimed water	26,750	26,750	26,506	244	25,690
Audit	415	415	415	-	370
Consultants	1,000	1,000	-	1,000	-
Repairs, maintenance, renewals and replacement	128,995	128,995	2,808	126,187	27,544
Administrative service charge	12,590	12,590	12,590	-	13,875
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>214,175</u>	<u>214,175</u>	<u>85,928</u>	<u>128,247</u>	<u>109,125</u>
<b>EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,208</u>	<u>\$ 135,208</u>	<u>\$ 99,147</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENSES

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 85,928
Differences - budget to GAAP:	
Depreciation	<u>102,949</u>
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 188,877</u>

CITY OF SOUTH PASADENA, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

September 30, 2019

With Comparative Total Amounts for September 30, 2018

	Employee Retirement Funds		Totals	
	Firefighters' Retirement	Employees' Deferred Compensation	2019	2018
<b>ASSETS</b>				
Cash	\$ 190	\$ -	\$ 190	\$ 122
Investments, at fair value				
Short term investments / money market funds	246,085	-	246,085	738,700
U. S. government and agency fixed income securities	834,711	-	834,711	710,673
Corporate bonds	1,054,539	-	1,054,539	1,162,113
Equities - common stock	3,729,072	-	3,729,072	3,764,142
Real estate investment funds	686,637	-	686,637	-
Plan administrator's mutual funds	-	1,564,804	1,564,804	1,477,704
	<u>6,551,044</u>	<u>1,564,804</u>	<u>8,115,848</u>	<u>7,853,332</u>
Receivables	60,541	-	60,541	150,667
<b>TOTAL ASSETS</b>	<u>6,611,775</u>	<u>1,564,804</u>	<u>8,176,579</u>	<u>8,004,121</u>
<b>LIABILITIES</b>				
Accounts payable	13,711	-	13,711	13,409
Employer prepaid contribution	470	-	470	531
<b>TOTAL LIABILITIES</b>	<u>14,181</u>	<u>-</u>	<u>14,181</u>	<u>13,940</u>
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 6,597,594</u>	<u>\$ 1,564,804</u>	<u>\$ 8,162,398</u>	<u>\$ 7,990,181</u>

CITY OF SOUTH PASADENA, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended September 30, 2019

With Comparative Total Amounts for the Year Ended September 30, 2018

	Employee Retirement Funds		Totals	
	Firefighters' Retirement	Employees' Deferred Compensation	2019	2018
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 455,310	\$ -	\$ 455,310	\$ 347,477
Employee	78,932	82,690	161,622	185,612
Total contributions	<u>534,242</u>	<u>82,690</u>	<u>616,932</u>	<u>533,089</u>
Intergovernmental revenue				
State excise tax rebate	-	-	-	44,492
Investment earnings				
Net change in fair value of investments	123,234	34,887	158,121	410,083
Interest and dividends	181,416	-	181,416	175,411
Total investment earnings (loss)	<u>304,650</u>	<u>34,887</u>	<u>339,537</u>	<u>585,494</u>
Less investment expense	<u>(46,886)</u>	<u>-</u>	<u>(46,886)</u>	<u>(41,981)</u>
Net investment earnings (loss)	<u>257,764</u>	<u>34,887</u>	<u>292,651</u>	<u>543,513</u>
<b>TOTAL ADDITIONS</b>	<u>792,006</u>	<u>117,577</u>	<u>909,583</u>	<u>1,121,094</u>
<b>DEDUCTIONS</b>				
Benefits	658,708	-	658,708	1,008,454
Participant distributions	-	30,472	30,472	14,734
Professional services	44,337	-	44,337	30,852
Trustee / plan administrator expenses	3,844	5	3,849	3,784
<b>TOTAL DEDUCTIONS</b>	<u>706,889</u>	<u>30,477</u>	<u>737,366</u>	<u>1,057,824</u>
<b>CHANGE IN NET POSITION</b>	85,117	87,100	172,217	63,270
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>6,512,477</u>	<u>1,477,704</u>	<u>7,990,181</u>	<u>7,926,911</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 6,597,594</u>	<u>\$ 1,564,804</u>	<u>\$ 8,162,398</u>	<u>\$ 7,990,181</u>

## **Other Supplementary Schedules**

These schedules, including the Schedule of Revenues and Expenditure - Deepwater Horizon – BP Oil Spill Settlement, are presented to provide greater detailed information than reported in the preceding financial statements. These schedules are not necessary for a fair presentation in conformity with Generally Accepted Accounting Principles.

CITY OF SOUTH PASADENA, FLORIDA

SCHEDULE OF REVENUES AND EXPENDITURES  
- DEEPWATER HORIZON - BP OIL SPILL SETTLEMENT

For the Year Ended September 30, 2019

REVENUES	
Deepwater Horizon Oil Spill Settlement	\$ -
EXPENDITURES	
Operating - Legal and related settlement costs	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ -
FUND BALANCE - BEGINNING	<u>76,206</u>
FUND BALANCE - ENDING	<u><u>\$ 76,206</u></u>

Reflected in the Governmental Funds Balance Sheet as:

Fund Balance - General Fund	
Unassigned	<u><u>\$ 76,206</u></u>

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET  
GENERAL FUND

	September 30,	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash, cash equivalents and pooled cash and investments	\$ 3,291,737	\$ 3,016,990
Receivables - other	27,192	9,776
Due from other governments	26,684	34,264
Inventory of supplies	6,112	9,686
Prepaid expenditures	<u>36,432</u>	<u>29,305</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,388,157</u></u>	<u><u>\$ 3,100,021</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 53,774	\$ 28,944
Accrued liabilities	<u>156,706</u>	<u>102,253</u>
<b>TOTAL LIABILITIES</b>	<u>210,480</u>	<u>131,197</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Local business tax receipts	<u>79,313</u>	<u>77,859</u>
<b>TOTAL DEFERRED INFLOWS</b>	<u>79,313</u>	<u>77,859</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>289,793</u>	<u>209,056</u>
<b>FUND BALANCES</b>		
Fund balances		
Nonspendable:		
Inventories and prepaids	42,544	38,991
Restricted for:		
Scholarships	1,651	2,651
Assigned to:		
Future budgetary appropriations	208,260	126,280
Unassigned	<u>2,845,909</u>	<u>2,723,043</u>
<b>TOTAL FUND BALANCES</b>	<u>3,098,364</u>	<u>2,890,965</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u><u>\$ 3,388,157</u></u>	<u><u>\$ 3,100,021</u></u>

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET  
CAPITAL IMPROVEMENTS FUND

	September 30,	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash equivalents and pooled cash and investments	\$ 5,397,274	\$ 4,874,070
Receivables - other	-	215
Due from other governments	<u>2,978</u>	<u>44,770</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,400,252</u></u>	<u><u>\$ 4,919,055</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 3,228
Due to other governments	<u>-</u>	<u>4,364</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>7,592</u>
<b>FUND BALANCES</b>		
Fund balances		
Restricted for:		
Infrastructure	5,199,997	4,670,585
Assigned to:		
Capital improvement projects	<u>200,255</u>	<u>240,878</u>
<b>TOTAL FUND BALANCES</b>	<u>5,400,252</u>	<u>4,911,463</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 5,400,252</u></u>	<u><u>\$ 4,919,055</u></u>

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS  
TO TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES

September 30, 2019

	Total Governmental Funds	Long Term Assets, Liabilities	Adjustments and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash, cash equivalents and pooled cash and investments	\$ 8,689,011	\$ -	\$ -	\$ 8,689,011
Receivables - other	27,192	-	-	27,192
Due from other governments	29,662	-	-	29,662
Inventory of supplies	6,112	-	-	6,112
Prepaid expenditures	36,432	-	-	36,432
Land and land rights	-	2,063,033	-	2,063,033
Structures and improvements	-	4,365,452	-	4,365,452
Infrastructure	-	4,505,918	-	4,505,918
Furniture, fixtures and equipment	-	3,381,053	-	3,381,053
Construction and projects in process	-	18,168	-	18,168
Accumulated depreciation	-	(7,125,254)	-	(7,125,254)
Deferred outflows of resources:				
Net Other Post Employment Benefits	-	13,423	-	13,423
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	905,255	-	905,255
Florida Retirement System	-	745,547	-	745,547
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 8,788,409</b>	<b>\$ 8,872,595</b>	<b>\$ -</b>	<b>\$ 17,661,004</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>				
Accounts payable	\$ 53,774	\$ -	\$ -	\$ 53,774
Due to other governments	-	-	-	-
Accrued liabilities	156,706	-	-	156,706
Current portion of:				
Accrued compensated absences	-	45,988	-	45,988
Non-current portion of:				
Net Other Post Employment Benefits	-	164,623	-	164,623
Accrued compensated absences	-	170,229	-	170,229
Net pension liability:				
Firefighters' Retirement Fund	-	2,367,953	-	2,367,953
Florida Retirement System	-	1,685,905	-	1,685,905
Deferred inflows of resources:				
Deferred revenue - local business tax receipts	79,313			79,313
Defined benefit pension plans				
Firefighters' Retirement Fund	-	263,429		263,429
Florida Retirement System	-	107,762		107,762
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>289,793</b>	<b>4,805,889</b>	<b>-</b>	<b>5,095,682</b>
<b>TOTAL FUND BALANCES / NET POSITION</b>	<b>8,498,616</b>	<b>4,066,706</b>	<b>-</b>	<b>12,565,322</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES / NET POSITION</b>	<b>\$ 8,788,409</b>	<b>\$ 8,872,595</b>	<b>\$ -</b>	<b>\$ 17,661,004</b>



CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF NET CHANGE IN FUND BALANCES FOR THE GOVERNMENTAL FUNDS  
TO CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2019

	Total Governmental Funds	Depreciation, Asset Retirements and Capital Outlay	Long-term Debt Transactions	Pensions, Other Items, Adjustments and Reclass- ifications	Statement of Activities Totals
<b>REVENUES</b>					
Taxes	\$ 3,546,478	\$ -	\$ -	\$ (3,546,478)	\$ -
Licenses and permits	475,885	-	-	(475,885)	-
Intergovernmental revenue	2,103,094	-	-	(2,103,094)	-
Fines and forfeits	7,523	-	-	(7,523)	-
Interest	148,657	-	-	(148,657)	-
Change in fair value of investments	33,454	-	-	(33,454)	-
Rent	11,335	-	-	(11,335)	-
Miscellaneous revenues	53,576	-	-	(53,576)	-
Charges for services	-	-	-	495,840	495,840
Operating grants and contributions	-	-	-	869,746	869,746
General revenues	-	-	-	5,014,416	5,014,416
<b>TOTAL REVENUES</b>	<b>6,380,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,380,002</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	810,750	37,781	8,211	142,893	999,635
Public safety	3,796,629	-	-	(3,796,629)	-
Public safety - police	-	-	-	810,378	810,378
Public safety - fire	-	176,742	18,260	2,643,430	2,838,432
Public safety - protective inspections	-	22,782	(12,434)	447,903	458,251
Transportation - public works	790,564	88,659	(4,404)	117,691	992,510
Human services	3,000	6,402	-	-	9,402
Culture and recreation	28,469	28,000	-	-	56,469
Physical environment	4,229	152,705	-	-	156,934
Capital outlay	250,173	(250,173)	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>5,683,814</b>	<b>262,898</b>	<b>9,633</b>	<b>365,666</b>	<b>6,322,011</b>
<b>NET CHANGE IN FUND BALANCE / NET POSITION</b>	<b>\$ 696,188</b>	<b>\$ (262,898)</b>	<b>\$ (9,633)</b>	<b>\$ (365,666)</b>	<b>\$ 57,991</b>

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## **Statistical Section - Supplemental Information**

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social and economic data, and financial trends of the government.

The City of South Pasadena has had no general bonded debt or revenue bonded debt in the last ten fiscal years requiring sinking fund deposits from general government revenues or other pledged revenues, respectively.

The City of South Pasadena's Charter makes no provision for a general obligation legal debt margin.

The City of South Pasadena has had no special assessment collections during the last ten fiscal years.

## **Schedules of Financial Trends Information**

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

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City of South Pasadena, Florida  
Schedule 1  
Net Position by Component  
Last Ten Fiscal Years

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 6,644,902	\$ 6,590,600	\$ 6,586,069	\$ 7,304,979
Restricted	4,277,160	4,469,039	4,591,514	4,015,421
Unrestricted	4,335,758	4,137,629	4,263,985	3,696,741
Total governmental activities net position	<u>\$ 15,257,820</u>	<u>\$ 15,197,268</u>	<u>\$ 15,441,568</u>	<u>\$ 15,017,141</u>
Business-type activities				
Net investment in capital assets	\$ 3,735,955	\$ 3,595,599	\$ 3,341,945	\$ 3,111,889
Unrestricted	2,156,710	2,169,926	2,411,657	2,536,170
Total business-type activities net position	<u>\$ 5,892,665</u>	<u>\$ 5,765,525</u>	<u>\$ 5,753,602</u>	<u>\$ 5,648,059</u>
Primary Government				
Net investment in capital assets	\$ 10,380,857	\$ 10,186,199	\$ 9,928,014	\$ 10,416,868
Restricted	4,277,160	4,469,039	4,591,514	4,015,421
Unrestricted	6,492,468	6,307,555	6,675,642	6,232,911
Total primary government activities net position	<u>\$ 21,150,485</u>	<u>\$ 20,962,793</u>	<u>\$ 21,195,170</u>	<u>\$ 20,665,200</u>

	2014	2015	2016	2017	2018	2019
\$	7,101,744	\$ 7,199,435	\$ 7,248,467	\$ 7,776,157	\$ 7,471,268	\$ 7,208,370
	4,350,523	4,313,043	4,569,676	4,174,483	4,673,236	5,201,648
	3,056,789	690,581	860,223	523,370	362,827	155,304
\$	<u>14,509,056</u>	<u>\$ 12,203,059</u>	<u>\$ 12,678,366</u>	<u>\$ 12,474,010</u>	<u>\$ 12,507,331</u>	<u>\$ 12,565,322</u>
\$	2,940,647	\$ 2,686,418	\$ 2,550,469	\$ 2,310,729	\$ 2,070,929	\$ 1,940,537
	2,609,344	2,766,363	2,734,889	2,853,010	3,060,234	3,210,911
\$	<u>5,549,991</u>	<u>\$ 5,452,781</u>	<u>\$ 5,285,358</u>	<u>\$ 5,163,739</u>	<u>\$ 5,131,163</u>	<u>\$ 5,151,448</u>
\$	10,042,391	\$ 9,885,853	\$ 9,798,936	\$ 10,086,886	\$ 9,542,197	\$ 9,148,907
	4,350,523	4,313,043	4,569,676	4,174,483	4,673,236	5,201,648
	5,666,133	3,456,944	3,595,112	3,376,380	3,423,061	3,366,215
\$	<u>20,059,047</u>	<u>\$ 17,655,840</u>	<u>\$ 17,963,724</u>	<u>\$ 17,637,749</u>	<u>\$ 17,638,494</u>	<u>\$ 17,716,770</u>

City of South Pasadena, Florida  
Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities:					
General government	\$ 646,309	\$ 632,581	\$ 579,191	\$ 633,246	\$ 666,485
Public safety - Police	695,345	872,692	1,010,719	1,011,206	1,022,502
Public safety - Fire	2,086,546	2,211,481	2,278,934	2,152,151	2,240,521
Public safety - Protective inspections	277,489	277,825	268,300	301,625	331,803
Transportation - Public Works	825,073	809,117	880,690	905,564	895,487
Human services	2,686	10,047	5,383	8,545	3,895
Culture and recreation	62,924	62,617	61,770	60,482	67,662
Physical environment	74,036	82,823	72,674	71,372	85,689
Interest	-	-	-	-	124
Total governmental activities expenses	<u>4,670,408</u>	<u>4,959,183</u>	<u>5,157,661</u>	<u>5,144,191</u>	<u>5,314,168</u>
Business-type activities:					
Sewer	794,932	1,034,150	905,442	983,726	954,274
Reclaimed water	149,743	163,405	174,684	175,529	174,310
Total business-type activities expenses	<u>944,675</u>	<u>1,197,555</u>	<u>1,080,126</u>	<u>1,159,255</u>	<u>1,128,584</u>
Total primary government expenses	<u>\$ 5,615,083</u>	<u>\$ 6,156,738</u>	<u>\$ 6,237,787</u>	<u>\$ 6,303,446</u>	<u>\$ 6,442,752</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	\$ 291,302	\$ 818,064	\$ 1,084,571	\$ 1,001,570	\$ 835,462
Operating grants and contributions	656,854	670,060	712,569	720,984	772,767
Capital grants and contributions	172,746	21,735	165,536	-	7,742
Total governmental activities program revenues	<u>1,120,902</u>	<u>1,509,859</u>	<u>1,962,676</u>	<u>1,722,554</u>	<u>1,615,971</u>
Business-type activities:					
Charges for services	1,052,759	1,064,157	1,057,446	1,048,581	1,031,609
Total business-type activities program revenues	<u>1,052,759</u>	<u>1,064,157</u>	<u>1,057,446</u>	<u>1,048,581</u>	<u>1,031,609</u>
Total primary government program revenues	<u>\$ 2,173,661</u>	<u>\$ 2,574,016</u>	<u>\$ 3,020,122</u>	<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities net expense	\$ (3,549,506)	\$ (3,449,324)	\$ (3,194,985)	\$ (3,421,637)	\$ (3,698,197)
Business-type activities net revenue	108,084	(133,398)	(22,680)	(110,674)	(96,975)
Total primary government net expense	<u>\$ (3,441,422)</u>	<u>\$ (3,582,722)</u>	<u>\$ (3,217,665)</u>	<u>\$ (3,532,311)</u>	<u>\$ (3,795,172)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Ad valorem	\$ 1,022,599	\$ 1,014,015	\$ 1,066,851	\$ 642,422	\$ 712,589
Franchise fees	507,853	477,513	458,889	439,881	502,227
Utility taxes	606,605	597,352	571,598	595,950	618,039
Communication services tax	227,099	243,932	269,547	244,085	240,254
Sales tax - infrastructure	453,033	416,235	440,385	463,895	494,915
Half-cent sales tax	253,967	260,530	260,555	272,640	290,685
Local option gas tax	75,305	74,272	74,294	75,514	77,058
Other taxes	59,767	60,076	55,801	61,169	67,357
State revenue sharing	155,324	155,245	155,655	156,238	157,524
Investment income	83,035	71,253	58,642	48,316	5,471
Change in fair value of investments	42,086	(3,883)	(8,348)	(26,865)	(9,093)
Miscellaneous	19,742	20,732	35,416	23,965	33,086
Deepwater Horizon - BP Oil spill settlement	-	-	-	-	-
Total governmental activities	<u>3,506,415</u>	<u>3,387,272</u>	<u>3,439,285</u>	<u>2,997,210</u>	<u>3,190,112</u>
Business-type activities					
Investment income	2,303	10	715	540	1,403
Change in fair value of investments	18,221	6,248	10,042	4,591	(2,496)
Total business-type activities	<u>20,524</u>	<u>6,258</u>	<u>10,757</u>	<u>5,131</u>	<u>(1,093)</u>
Total primary government	<u>\$ 3,526,939</u>	<u>\$ 3,393,530</u>	<u>\$ 3,450,042</u>	<u>\$ 3,002,341</u>	<u>\$ 3,189,019</u>
<b>Change in Net Position</b>					
Governmental activities	\$ (43,091)	\$ (62,052)	\$ 244,300	\$ (424,427)	\$ (508,085)
Business-type activities	128,608	(127,140)	(11,923)	(105,543)	(98,068)
Total primary government	<u>\$ 85,517</u>	<u>\$ (189,192)</u>	<u>\$ 232,377</u>	<u>\$ (529,970)</u>	<u>\$ (606,153)</u>



	2015	2016	2017	2018	2019
\$	808,125	\$ 804,196	\$ 840,118	\$ 887,455	\$ 999,635
	1,023,307	881,550	772,949	786,522	810,378
	2,185,829	2,331,312	2,558,760	2,633,364	2,838,432
	353,270	369,046	369,852	397,196	458,251
	879,520	931,613	926,658	1,014,262	992,511
	5,795	3,286	4,223	10,162	9,402
	72,858	62,198	62,164	54,475	56,469
	90,854	108,423	110,779	156,794	156,934
	66	2	-	-	-
	<u>5,419,624</u>	<u>5,491,626</u>	<u>5,645,503</u>	<u>5,940,229</u>	<u>6,322,011</u>
	991,172	1,027,658	1,082,192	1,025,922	1,174,549
	179,451	195,261	191,780	212,074	188,877
	<u>1,170,623</u>	<u>1,222,919</u>	<u>1,273,972</u>	<u>1,237,996</u>	<u>1,363,426</u>
\$	<u>6,590,247</u>	<u>\$ 6,714,545</u>	<u>\$ 6,919,475</u>	<u>\$ 7,178,225</u>	<u>\$ 7,685,437</u>
\$	689,326	\$ 857,705	\$ 397,383	\$ 513,550	\$ 495,840
	810,767	730,936	744,612	819,272	869,746
	3,880	200,204	-	-	-
	<u>1,503,973</u>	<u>1,788,845</u>	<u>1,141,995</u>	<u>1,332,822</u>	<u>1,365,586</u>
	1,065,857	1,046,723	1,133,811	1,166,250	1,323,268
	<u>1,065,857</u>	<u>1,046,723</u>	<u>1,133,811</u>	<u>1,166,250</u>	<u>1,323,268</u>
\$	<u>2,569,830</u>	<u>\$ 2,835,568</u>	<u>\$ 2,275,806</u>	<u>\$ 2,499,072</u>	<u>\$ 2,688,854</u>
\$	(3,915,651)	\$ (3,702,781)	\$ (4,503,508)	\$ (4,607,407)	\$ (4,956,425)
	(104,766)	(176,196)	(140,161)	(71,746)	(40,158)
\$	<u>(4,020,417)</u>	<u>\$ (3,878,977)</u>	<u>\$ (4,643,669)</u>	<u>\$ (4,679,153)</u>	<u>\$ (4,996,583)</u>
\$	894,391	\$ 1,570,705	\$ 1,730,425	\$ 1,820,247	\$ 2,095,658
	490,429	467,936	473,192	509,999	533,672
	632,972	648,746	650,481	663,585	703,744
	241,330	231,531	233,979	247,881	212,307
	534,832	563,632	581,267	609,637	643,325
	307,159	319,883	321,020	329,118	334,408
	78,796	81,708	81,739	75,738	71,246
	62,494	64,689	58,273	60,288	18,898
	159,685	160,186	161,033	161,955	165,471
	23,944	23,319	48,881	97,760	148,657
	3,231	7,161	8,176	13,951	33,454
	37,694	38,592	52,016	50,569	53,576
	131,898	-	-	-	-
	<u>3,598,855</u>	<u>4,178,088</u>	<u>4,400,482</u>	<u>4,640,728</u>	<u>5,014,416</u>
	7,556	8,773	18,542	39,170	60,443
	-	-	-	-	-
	<u>7,556</u>	<u>8,773</u>	<u>18,542</u>	<u>39,170</u>	<u>60,443</u>
\$	<u>3,606,411</u>	<u>\$ 4,186,861</u>	<u>\$ 4,419,024</u>	<u>\$ 4,679,898</u>	<u>\$ 5,074,859</u>
\$	(316,796)	\$ 475,307	\$ (103,026)	\$ 33,321	\$ 57,991
	(97,210)	(167,423)	(121,619)	(32,576)	20,285
\$	<u>(414,006)</u>	<u>\$ 307,884</u>	<u>\$ (224,645)</u>	<u>\$ 745</u>	<u>\$ 78,276</u>

City of South Pasadena, Florida  
 Schedule 3  
 Fund Balances, Governmental Funds  
 Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Nonspendable	\$ 43,268	\$ 27,766	\$ 25,720	\$ 26,281	\$ 23,357
Restricted	6,151	4,151	3,151	2,651	1,651
Assigned	183,205	169,155	680,055	744,110	754,970
Unassigned	<u>3,520,386</u>	<u>3,453,879</u>	<u>3,021,434</u>	<u>2,493,922</u>	<u>1,955,827</u>
Total general fund	<u>\$ 3,753,010</u>	<u>\$ 3,654,951</u>	<u>\$ 3,730,360</u>	<u>\$ 3,266,964</u>	<u>\$ 2,735,805</u>
All Other Governmental Funds					
Restricted	\$ 4,271,009	\$ 4,464,888	\$ 4,588,363	\$ 4,012,770	\$ 4,348,872
Assigned to:					
Capital improvement projects	<u>782,241</u>	<u>675,133</u>	<u>701,527</u>	<u>592,556</u>	<u>472,523</u>
Total all other governmental funds	<u>\$ 5,053,250</u>	<u>\$ 5,140,021</u>	<u>\$ 5,289,890</u>	<u>\$ 4,605,326</u>	<u>\$ 4,821,395</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 26,041	\$ 24,403	\$ 32,486	\$ 38,991	\$ 42,544
1,651	1,651	2,651	2,651	1,651
137,095	104,340	160,230	126,280	208,260
<u>2,099,926</u>	<u>2,467,165</u>	<u>2,490,642</u>	<u>2,723,043</u>	<u>2,845,909</u>
<u>\$ 2,264,713</u>	<u>\$ 2,597,559</u>	<u>\$ 2,686,009</u>	<u>\$ 2,890,965</u>	<u>\$ 3,098,364</u>
\$ 4,311,392	\$ 4,568,025	\$ 4,171,832	\$ 4,670,585	\$ 5,199,997
455,073	433,616	387,876	240,878	200,255
<u>\$ 4,766,465</u>	<u>\$ 5,001,641</u>	<u>\$ 4,559,708</u>	<u>\$ 4,911,463</u>	<u>\$ 5,400,252</u>

City of South Pasadena, Florida  
Schedule 4  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$ 2,365,656	\$ 2,333,562	\$ 2,366,885	\$ 1,933,588
Licenses and permits	276,742	190,715	181,551	293,115
Intergovernmental revenue	1,887,228	1,658,153	1,864,795	1,748,940
Fines and forfeitures	7,958	621,130	895,869	688,842
Interest	83,036	71,253	58,642	48,316
Change in fair value of investments	42,086	(3,883)	(8,348)	(26,865)
Rent	6,500	5,975	6,875	8,050
Miscellaneous revenue	19,842	20,976	35,692	25,491
Total revenues	<u>4,689,048</u>	<u>4,897,881</u>	<u>5,401,961</u>	<u>4,719,477</u>
<b>Expenditures</b>				
General government	588,213	594,869	547,153	601,174
Public safety	2,930,898	3,243,016	3,451,446	3,349,673
Transportation - public works	710,605	703,806	756,921	794,919
Human services	1,750	8,540	4,088	7,250
Culture and recreation	21,959	21,652	20,805	19,652
Physical environment	26,392	29,288	7,008	-
Capital outlay	281,801	307,998	389,262	1,095,056
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>4,561,618</u>	<u>4,909,169</u>	<u>5,176,683</u>	<u>5,867,724</u>
Excess of revenues over (under) expenditures	127,430	(11,288)	225,278	(1,148,247)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of surplus capital assets	-	-	-	287
Capital lease obligation incurred	-	-	-	-
Deepwater Horizon - BP Oil spill settlement	-	-	-	-
Transfers in	210,458	-	-	-
Transfers out	(210,458)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>287</u>
Net change in fund balances	127,430	(11,288)	225,278	(1,147,960)
Fund balances - beginning of year	8,646,125	8,773,555	8,762,267	8,987,545
Fund balances - end of year	<u>\$ 8,773,555</u>	<u>\$ 8,762,267</u>	<u>\$ 8,987,545</u>	<u>\$ 7,839,585</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%

	2014	2015	2016	2017	2018	2019
\$	2,091,109	\$ 2,272,072	\$ 2,921,293	\$ 3,088,677	\$ 3,246,996	\$ 3,546,478
	355,998	381,410	551,956	360,643	476,897	475,885
	1,867,048	1,957,613	2,121,238	1,946,944	2,056,008	2,103,094
	453,682	288,141	298,600	26,742	21,062	7,523
	5,471	23,944	23,319	48,881	97,760	148,657
	(9,093)	3,231	7,161	8,176	13,951	33,454
	6,750	6,093	3,600	8,600	9,950	11,335
	35,118	38,426	39,766	49,114	50,926	53,576
	<u>4,806,083</u>	<u>4,970,930</u>	<u>5,966,933</u>	<u>5,537,777</u>	<u>5,973,550</u>	<u>6,380,002</u>
	642,915	777,213	735,542	736,468	771,751	810,750
	3,393,938	3,464,592	3,365,382	3,312,183	3,540,403	3,796,629
	788,780	759,608	787,372	757,592	754,024	790,564
	2,600	4,500	2,000	4,000	4,000	3,000
	26,851	32,476	24,960	27,577	25,825	28,469
	-	-	-	14,228	99,233	4,229
	270,712	586,334	482,967	1,043,912	221,963	250,173
	3,315	4,061	686	-	-	-
	124	66	2	-	-	-
	<u>5,129,235</u>	<u>5,628,850</u>	<u>5,398,911</u>	<u>5,895,960</u>	<u>5,417,199</u>	<u>5,683,814</u>
	(323,152)	(657,920)	568,022	(358,183)	556,351	696,188
	-	-	-	4,700	360	-
	8,062	-	-	-	-	-
	-	131,898	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>8,062</u>	<u>131,898</u>	<u>-</u>	<u>4,700</u>	<u>360</u>	<u>-</u>
	(315,090)	(526,022)	568,022	(353,483)	556,711	696,188
	7,839,585	7,524,495	6,998,473	7,599,200	7,245,717	7,802,428
\$	<u><u>7,524,495</u></u>	<u><u>6,998,473</u></u>	<u><u>7,566,495</u></u>	<u><u>7,245,717</u></u>	<u><u>7,802,428</u></u>	<u><u>8,498,616</u></u>
	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%

City of South Pasadena, Florida  
Schedule 5  
Program Revenue by Function / Program  
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Function / Program</b>			
Governmental activities :			
Charges for services			
General government	\$ 88,484	\$ 101,182	\$ 84,193
Public safety - Police	7,958	621,131	895,870
Public safety - Protective inspections	188,360	89,776	97,633
Culture and recreation	6,500	5,975	6,875
Total charges for services	<u>291,302</u>	<u>818,064</u>	<u>1,084,571</u>
Operating grants and contributions			
General government	-	-	-
Public safety - Fire	652,831	670,060	712,569
Human services	-	-	-
Culture and recreation	-	-	-
Physical environment	4,023	-	-
Total operating grants and contributions	<u>656,854</u>	<u>670,060</u>	<u>712,569</u>
Capital grants and contributions			
Public safety - Police	6,677	-	-
Public safety - Fire	160,000	-	-
Culture and recreation	4,354	-	-
Physical environment	1,715	21,735	165,536
Total capital grants and contributions	<u>172,746</u>	<u>21,735</u>	<u>165,536</u>
Sub-total governmental activities	<u>1,120,902</u>	<u>1,509,859</u>	<u>1,962,676</u>
Business-type activities:			
Charges for services			
Sewer	863,487	874,603	868,014
Reclaimed water	189,272	189,554	189,432
Total charges for services	<u>1,052,759</u>	<u>1,064,157</u>	<u>1,057,446</u>
Sub-total business-type activities	<u>1,052,759</u>	<u>1,064,157</u>	<u>1,057,446</u>
Total primary government revenues	<u>\$ 2,173,661</u>	<u>\$ 2,574,016</u>	<u>\$ 3,020,122</u>

2013	2014	2015	2016	2017	2018	2019
\$ 86,223	\$ 103,963	\$ 105,754	\$ 87,309	\$ 97,102	\$ 105,383	\$ 104,819
688,843	453,682	288,141	298,600	26,742	21,062	7,523
218,454	271,067	289,339	468,196	264,939	377,155	372,163
8,050	6,750	6,092	3,600	8,600	9,950	11,335
<u>1,001,570</u>	<u>835,462</u>	<u>689,326</u>	<u>857,705</u>	<u>397,383</u>	<u>513,550</u>	<u>495,840</u>
-	-	-	-	-	-	40,793
719,484	771,767	810,767	730,936	743,612	813,282	825,974
-	-	-	-	1,000	-	-
1,500	1,000	-	-	-	5,990	2,979
-	-	-	-	-	-	-
<u>720,984</u>	<u>772,767</u>	<u>810,767</u>	<u>730,936</u>	<u>744,612</u>	<u>819,272</u>	<u>869,746</u>
-	-	-	-	-	-	-
-	-	-	196,418	-	-	-
-	7,742	3,880	3,786	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>7,742</u>	<u>3,880</u>	<u>200,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,722,554</u>	<u>1,615,971</u>	<u>1,503,973</u>	<u>1,788,845</u>	<u>1,141,995</u>	<u>1,332,822</u>	<u>1,365,586</u>
859,051	842,519	876,912	857,922	945,215	977,692	1,133,869
189,530	189,090	188,945	188,801	188,596	188,558	189,399
<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>	<u>1,046,723</u>	<u>1,133,811</u>	<u>1,166,250</u>	<u>1,323,268</u>
<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>	<u>1,046,723</u>	<u>1,133,811</u>	<u>1,166,250</u>	<u>1,323,268</u>
<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>	<u>\$ 2,569,830</u>	<u>\$ 2,835,568</u>	<u>\$ 2,275,806</u>	<u>\$ 2,499,072</u>	<u>\$ 2,688,854</u>

City of South Pasadena, Florida  
Schedule 6  
Tax Revenues by Source, General Fund  
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Ad Valorem (1)	Franchise Fees	Utility Tax	Communications Service Tax	Total
2019	\$ 2,095,658	\$ 533,672	\$ 703,744	\$ 212,307	\$ 3,545,381
2018	1,820,247	509,999	663,585	247,881	3,241,712
2017	1,730,425	473,192	650,481	233,979	3,088,077
2016	1,570,705	467,936	648,746	231,531	2,918,918
2015	894,391	490,429	632,972	241,330	2,259,122
2014	712,589	502,227	618,039	240,254	2,073,109
2013	642,422	439,881	595,950	244,085	1,922,338
2012	1,066,851	458,889	571,598	269,547	2,366,885
2011	1,014,015	477,513	597,352	243,932	2,332,812
2010	1,022,599	507,853	606,605	227,099	2,364,156

(1) - Ad Valorem revenues for 2010 to 2012 include the collection of Fire District ad valorem taxes. Beginning in 2013 the City no longer received the tax revenues from the Fire District and in 2013 the City repaid \$44,587 of tax revenues incorrectly remitted.



## **Schedules of Revenue Capacity Information**

These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.

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City of South Pasadena, Florida  
 Schedule 7  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Governmental Property	Institutional Property	Other Real Property
2019	\$ 650,233,004	\$ 93,190,898	\$ 4,876,837	\$ 55,424,780	\$ 328,937
2018	604,199,011	90,577,695	4,363,171	53,634,619	241,263
2017	554,928,355	88,608,662	3,588,527	57,196,449	210,427
2016	519,146,873	84,195,176	3,108,304	36,473,740	209,884
2015	470,490,791	74,575,275	2,999,066	36,606,693	209,236
2014	416,957,697	70,357,296	2,871,130	35,902,406	209,611
2013	379,130,319	69,109,516	2,787,512	35,628,874	203,913
2012	390,719,797	70,902,376	2,752,570	35,861,143	218,180
2011	409,992,006	76,154,077	2,853,490	37,071,275	333,457
2010	463,783,418	91,833,047	3,254,132	37,589,806	314,464

Source:

Pinellas County Property Appraiser

Personal Property	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 36,112,949	\$ 840,167,405	\$ 216,587,668	\$ 623,579,737	3.5000
30,317,874	783,333,633	202,539,441	580,794,192	3.2500
30,406,520	734,938,940	184,848,867	550,090,073	3.2500
30,100,445	673,234,422	172,125,048	501,109,374	3.2500
27,467,331	612,348,392	151,684,702	460,663,690	2.0105
30,385,089	556,683,229	121,826,846	434,856,383	1.6985
32,067,956	518,928,090	100,078,239	418,849,851	1.6985
32,362,620	532,816,686	108,637,543	424,179,143	1.6985
33,399,275	559,803,580	122,564,823	437,238,757	1.6985
33,749,174	630,524,041	154,872,953	475,651,088	1.6985

City of South Pasadena, Florida  
 Schedule 8  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (rates per \$1,000 of assessed value)

Fiscal Year	City	Pinellas County				Pinellas County School Board			
		Operating	Mosquito Control	Health Department	Total County - Operating	School Board Operating	State School	Local School	Total School Board
2019	3.5000	5.2755	0.0000	0.0835	5.3590	N/A	3.9790	2.7480	6.7270
2018	3.2500	5.2755	0.0000	0.0835	5.3590	N/A	4.2610	2.7480	7.0090
2017	3.2500	5.2755	0.0000	0.0622	5.3377	N/A	4.5700	2.7480	7.3180
2016	3.2500	5.2755	0.0000	0.0622	5.3377	N/A	5.0220	2.7480	7.7700
2015	2.0105	5.2755	0.0000	0.0622	5.3377	N/A	5.0930	2.7480	7.8410
2014	1.6985	5.2755	0.0000	0.0622	5.3377	N/A	5.3120	2.7480	8.0600
2013	1.6985	5.0105	0.0000	0.0622	5.0727	N/A	5.5540	2.7480	8.3020
2012	1.6985	4.8108	0.0000	0.0622	4.8730	N/A	5.6370	2.7480	8.3850
2011	1.6985	4.8108	0.0000	0.0622	4.8730	N/A	5.3420	2.9980	8.3400
2010	1.6985	4.8108	0.0000	0.0622	4.8730	N/A	5.3480	2.9980	8.3460

Notes:

1. N/A - The detail for certain overlapping property tax rates was not available.
2. The Ad valorem tax rate for the City of South Pasadena pertains to operating expenditures only, and therefore, no further breakdown of the direct rate can be shown.

Source:

Pinellas County Tax Collector

Transit District	Other Taxing Districts						Total
	Emerg. Medical Services	Pinellas Planning Council	Juvenile Welfare Board	SW Fla. Wtr. Management District	Pinellas Anclote River Basin	Total Other	
0.7500	0.9158	0.0150	0.8981	0.2955	N/A	2.1244	18.4604
0.7500	0.9158	0.0150	0.8981	0.3131	N/A	2.1420	18.5100
0.7500	0.9158	0.0150	0.8981	0.3317	N/A	2.1606	18.8163
0.7305	0.9158	0.0160	0.8981	0.3488	N/A	2.1787	19.2669
0.7305	0.9158	0.0160	0.8981	0.3658	N/A	2.1957	18.1154
0.7305	0.9158	0.0160	0.8981	0.3818	N/A	2.2117	18.0384
0.7305	0.9158	0.0125	0.8981	0.3928	N/A	2.2192	18.0229
0.7305	0.8506	0.0125	0.8337	0.3928	N/A	2.0896	17.7766
0.5601	0.5832	0.0125	0.7915	0.3770	0.2600	2.0242	17.4958
0.5601	0.5832	0.0125	0.7915	0.3866	0.3200	2.0938	17.5714

City of South Pasadena, Florida  
 Schedule 9  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Watermark Boca Ciega Bay Owner LLC / Fountains Property, Inc. - Majestic Towers	\$ 40,120,694	1	6.43%	\$ -	-	-
Palms of Pasadena Hospital, Inc.	28,512,012	2	4.57%	24,357,068	1	5.12%
Waters Pointe Apartments LLC	26,750,000	3	4.29%	-	-	-
W-PT South Pasadena VII LLC / V.V. FL, Inc.	19,425,000	4	3.12%	13,861,120	3	2.91%
Bay Pointe Tower Apartments LLC	9,400,000	5	1.51%	-	-	-
Causeway Village MHC LLC	9,261,911	6	1.49%	-	-	-
Extra Space Properties 113 LLC	7,880,000	7	1.26%	-	-	-
Duke Energy Florida / Progress Energy	7,126,857	8	1.14%	5,345,998	9	1.12%
Bayside Villas Apartments LLC	7,114,785	9	1.14%	-	-	-
Publix Super Markets	5,908,441	10	0.95%	5,834,621	8	1.23%
Sunrise IV Boca Ciega LLC				21,000,000	2	4.42%
Boca Ciega Bay, LLC				12,766,243	4	2.68%
N M E Hospitals Inc. (Pasadena Prof. Medical Bldg)				9,993,644	5	2.10%
Landmark at Water Point Partners (Shore Club)				7,955,360	6	1.67%
Gulfport Marina, LLC				7,110,000	7	1.49%
Denasan LLC				4,146,000	10	0.87%
Total Principal Taxpayers	161,499,700		25.90%	112,370,054		18.50%
All Other Taxpayers	462,080,037		74.10%	363,281,034		81.50%
Total	\$ 623,579,737		100.00%	\$ 475,651,088		100.00%

Source:

Pinellas County Property Appraiser

City of South Pasadena, Florida  
 Schedule 10  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy	
		Amount (1)	Percentage of Levy
2019	\$ 2,185,025	\$ 2,095,658	95.91%
2018	1,887,582	1,820,247	96.43%
2017	1,787,793	1,730,425	96.79%
2016	1,628,606	1,570,705	96.44%
2015	926,164	894,391	96.57%
2014	738,603	712,589	96.48%
2013	711,416	687,009	96.57%
2012	720,467	694,645	96.42%
2011	742,649	717,208	96.57%
2010	807,893	782,473	96.85%

Notes:

Subsequent year collections are minimal, therefore only total tax collected within the fiscal year is presented.

Source:

Pinellas County Property Appraiser

(1) - The City received Ad Valorem tax revenues from a fire district through 2012. The amount of taxes levied and taxes collected as reported above for 2010 to 2012 do not include the fire district tax revenues.



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## **Schedules of Debt Capacity Information**

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

City of South Pasadena, Florida  
Schedule 11  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities	Total Debt	Percentage of Personal Income	Per Capita
	Capital Lease Obligation	State Revolving Loan			
2019	\$ -	\$ -	\$ -	0.00%	-
2018	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2015	686	-	686	0.00%	-
2014	4,747	-	4,747	0.00%	1
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2010	-	-	-	0.00%	-

Note:

The State Revolving Loan was paid in full in fiscal year 2010.

The City has had no general obligation bonded debt in the last ten years.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of South Pasadena, Florida set no legal debt margin.

City of South Pasadena, Florida  
 Schedule 12  
 Direct and Overlapping Governmental Activities Debt  
 As of September 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County Capital Leases (2)	\$ 5,050,657	0.786%	\$ 39,678
Pinellas County Governmental Activities Bonds (2)	18,634,328	0.786%	146,391
Pinellas County School Board (2)	618,000	0.786%	4,855
City direct debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 190,924</u>
Total direct and overlapping debt per capita			<u>\$ 36</u>

Note:

(1) The City's share is calculated based on the ratio of the 2019 City Taxable Value of \$623,579,737 to the County's Taxable Value of \$79,376,212,411.

(2) The City of South Pasadena is not responsible for the debt of the County or School Board.

Source:

Pinellas County Property Appraiser  
 Pinellas County School Board

City of South Pasadena, Florida  
Schedule 13  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Year	Reclaimed Water Service Charges	Less: Operating Expenses	Add: Depreciation	Net Available Revenue	State Revolving loan		
					Principal	Interest	Coverage *
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	\$ 189,272	\$ 146,197	\$ 102,934	\$ 146,009	\$ 594,312	\$ 3,546	24.42%

Note:

\* - The State Revolving Loan was paid in full in fiscal year 2010 utilizing restricted reserves of \$279,628 as well as unrestricted net assets for the portion of the debt repayment not covered by the restricted reserves and current year available revenues.

The State Revolving Loan was secured by the reclaimed water service charges less the operating expenses of the Reclaimed Water Fund. Operating expenses are reduced by the non-cash depreciation to arrive at available net revenues.

N/A - The State Revolving Loan was fully retired in fiscal year 2010, therefore the pledged revenue coverage is not applicable for the subsequent years.

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## **Schedules of Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of South Pasadena, Florida  
 Schedule 14  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2019	5,344	\$ 1,325,891,784	\$ 40,801	70.4	100,987	2.70%
2018	5,245	1,249,843,004	38,890	70.2	101,824	3.00%
2017	5,317	1,201,817,154	38,718	69.6	103,481	3.50%
2016	5,153	1,153,032,216	36,359	69.5	103,768	4.50%
2015	5,123	1,095,696,663	31,377	69.5	103,391	4.70%
2014	5,145	1,076,828,322	31,656	69.3	103,596	5.60%
2013	5,034	1,113,547,317	27,338	69.0	103,705	6.80%
2012	5,046	1,059,963,260	30,556	68.4	104,001	8.20%
2011	4,981	995,539,323	30,613	45.7	105,228	10.30%
2010	5,632	1,008,683,149	32,068	46.1	104,439	11.80%

Sources:

- (1) Pinellas County Economic Development Department.
- (2) U. S. Department of Commerce - Bureau of Economic Analysis Numbers for Pinellas County used to approximate South Pasadena.
- (3) Pinellas County Economic Development Department - Comparative data for years 2003-2011 is county-wide data. Beginning in 2012, information was available specifically for the City of South Pasadena.
- (4) Florida Department of Education - elementary through high school for Pinellas County School District.
- (5) U. S. Department of Labor - Bureau of Labor Statistics.



City of South Pasadena, Florida  
 Schedule 15  
 Principal Employers, Pinellas County  
 Current Year and Nine Years Ago

Employer	2019		2010	
	Employees	Rank	Employees	Rank
Raymond James Financial	4,000	1	2,600	4
Home Shopping Network	2,000	2	4,000	2
Tech Data Corp.	2,000	3	2,500	5
Spectrum	2,000	4	-	-
Fidelity Information Svc.	1,500	5	4,000	1
Nielsen Media Research	1,500	6	3,000	3
Jabil Circuit Inc.	1,500	7	1,700	7
Honeywell Aerospace	1,500	8	-	-
Valpak Direct Marketing Systems	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
Special Data Processing	-	-	1,800	6
Western Reserve Life Assurance	-	-	1,500	8
Ceridian Benefits Services, Inc.	-	-	1,200	9
Franklin Templeton Investments	-	-	1,200	10
	<u>18,500</u>		<u>23,500</u>	

Note:

Numbers are based on Pinellas County since numbers for South Pasadena are not available.  
 The percentage of each employer's employment to the total is not presented as the total  
 Pinellas County employment amount is not available.

Source:

Pinellas County Economic Development

## **Schedules of Operating Information**

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 City provides and the activities it performs.

City of South Pasadena, Florida  
 Schedule 16  
 Full-time Equivalent City Government Employees by Function / Program  
 Last Ten Fiscal Years

Function / Program	Full-time Equivalent Employees as of September 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Legislative	-	-	-	-	-	-	-	1.0	1.0	1.0
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Financial Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Fire										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Operations	18.0	18.0	16.0	15.0	15.0	15.0	15.0	18.0	15.0	16.0
Fire Inspections	-	-	-	-	-	-	-	-	1.0	1.0
Public Works										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks / Horticulture	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Bldg / Parks / Facility Maint.	6.0	6.0	6.0	6.0	4.0	5.0	5.0	5.0	6.0	6.0
Building Permitting / Licensing										
Administration	2.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Inspectors	0.75	0.5	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	-	-	-
	<u>38.75</u>	<u>39.5</u>	<u>37.0</u>	<u>36.0</u>	<u>36.0</u>	<u>37.0</u>	<u>36.0</u>	<u>39.0</u>	<u>38.0</u>	<u>39.0</u>

Source:

City of South Pasadena Finance Department

City of South Pasadena, Florida  
 Schedule 17  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Fire										
EMS responses	2,991	2,895	2,652	2,540	2,507	2,219	2,023	2,008	2,271	2,164
Fire dept. responses	497	503	755	783	702	627	661	626	749	744
Water										
New connections	-	-	-	-	-	-	-	-	-	-
Avg. daily consumption (thousands of gallons)	437	470	480	461	469	478	473	475	483	481
Sewer										
Average daily flow (mgd)	0.50	0.52	0.52	0.55	0.53	0.51	0.52	0.51	0.51	0.52

Sources:

City of South Pasadena Fire and Public Works Departments

City of South Pasadena, Florida  
 Schedule 18  
 Capital Asset Statistics by Function / Program  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police	----- Provided by Pinellas County Sheriff's Department (two patrol cars provide 24-hour protection) -----									
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23
Recreation										
Number of playgrounds	1	1	1	1	1	1	1	1	1	1
Parks (acres)	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32
Tennis courts	2	2	2	2	2	2	2	2	2	2
Water	----- Provided by the City of St. Petersburg -----									
Wastewater										
Sanitary sewers (miles)	7	7	7	7	7	7	7	7	7	7
Treatment capacity (mgd)	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67

Sources:

City of South Pasadena Fire and Public Works Departments

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## **Other Reports**

This section contains Auditor's Reports required by *Government Auditing Standards* (issued by the Comptroller General of the United States) and the Auditor General of the State of Florida.

INDEPENDENT AUDITOR'S 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*

The Honorable Arthur Penny, Mayor  
and Members of the Board of Commissioners  
City of South Pasadena, Florida

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, Florida (the City) as of and for the year ended September 30, 2019, 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 14, 2020.

**Internal Control Over Financial Reporting**

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

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

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 material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 City's internal control or on



compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

June 14, 2020

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Arthur Penny, Mayor  
and Members of the Board of Commissioners  
City of South Pasadena, Florida

**Report of the Financial Statements**

We have audited the financial statements of the City of South Pasadena, Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated June 14, 2020.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated June 14, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

The Rules of the Auditor General Section 10.554 (1)(i) 1., requires that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

**Official Title and Legal Authority**

The Rules of the Auditor General Section 10.554 (1)(i) 4. requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of South Pasadena, Florida, is a municipal corporation and was established in 1955 by the voters' adoption of a Charter for the City pursuant to Chapter 31277 (1955) of the Laws of Florida. The City of South Pasadena, Florida has no component units.

**Financial Condition**

Rules of the Auditor General Section 10.554 (1)(i) 5.a. and 10.556 (7), require us to apply appropriate procedures and to communicate the results of our determination as to whether or not the City of South Pasadena, Florida has met one or more conditions described in Section 218.503(1), Florida Statutes, "Determination of Financial Emergency" and identification of the specific condition(s) met. In connection with our audit, we determined that the City of South Pasadena, Florida, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554 (1)(i) 5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of South Pasadena, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Special District Component Units**

Rules of the Auditor General Section 10.554(1)(i) 5.c., requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided in the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there were no special district component units.

**Additional Matters**

The Rules of the Auditor General Section 10.554 (1)(i) 2., requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

The Rules of the Auditor General Section 10.554 (1)(i) 3., requires that we address violations or noncompliance with laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State granting agencies, City Commission members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

June 14, 2020



**WELLS, HOUSER & SCHATZEL, P.A.**

CPA AND CONSULTING FIRM

John B. Houser, CPA  
Peter C. Schatzel, CPA  
Peter B. Wells, CPA

INDEPENDENT AUDITOR'S REPORT  
REGARDING COMPLIANCE REQUIREMENTS IN RULES  
OF THE AUDITOR GENERAL 10.556(10)

The Honorable Arthur Penny, Mayor  
and Members of the Board of Commissioners  
City of South Pasadena, Florida

We have examined the City of South Pasadena, Florida's (the City's) compliance with the requirements of Sections 218.415 and 288.8018, Florida Statutes during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of South Pasadena, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

June 14, 2020

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INDEPENDENT AUDITOR'S REPORT  
REGARDING RULES OF THE AUDITOR GENERAL 10.557(3)(n)

To the Honorable Arthur Penny, Mayor  
and Members of The Board of Commissioners  
City of South Pasadena, Florida

We have audited the financial statements of the City of South Pasadena, Florida (the City) as of and for the year ended September 30, 2019, and have issued our report thereon dated June 14, 2020 which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues and Expenditures – Deepwater Horizon Oil Spill is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

June 14, 2020

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