

CITY OF SOUTH PASADENA, FLORIDA

**Comprehensive
Annual Financial Report**

For The Year Ended September 30, 2020



CITY OF SOUTH PASADENA, FLORIDA

**Comprehensive
Annual Financial Report**

For The Year Ended September 30, 2020

PREPARED BY FINANCE DEPARTMENT

CITY OF SOUTH PASADENA,
FLORIDA

Commission Form of Government

CITY COMMISSION
(As of September 30, 2020)

ARTHUR PENNY, MAYOR

GAIL NEIDINGER
VICE-MAYOR

THOMAS REID

BONNIE QUICK

BEN THOMAS

CITY OFFICIALS
(As of September 30, 2020)

CITY CLERK / ADMINISTRATOR
CARLEY LEWIS

CITY ATTORNEY
JULIA MANDELL

FINANCE DIRECTOR
JAMES GRAHAM

FIRE CHIEF, PUBLIC
SAFETY DIRECTOR
DAVID MIXSON

DIRECTOR OF PUBLIC WORKS
SHAWN SHIMKO

DIRECTOR OF COMMUNITY
IMPROVEMENT

Introductory Section

CITY OF SOUTH PASADENA, FLORIDA

SEPTEMBER 30, 2020

TABLE OF CONTENTS

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	
Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	20
Fund Financial Statements	
Governmental Fund Financial Statements	
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
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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

General Fund	59
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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

7047 SUNSET DRIVE SOUTH
SOUTH PASADENA, FLORIDA 33707
PH: (727) 347-4171 FAX: (727) 345-0518
WWW.MYSOUTHPASADENA.COM

June 11, 2021

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, 2020, 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 5,358 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. The Pasadena Shopping Center continues to be a primary site for expansion activity. In fiscal year 2020, JahVa Coffee Lounge and Poke Falls restaurant opened their new storefronts in the shopping center. The old IHOP building has been refurbished and is now a nail salon. Near the end of fiscal year 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. Construction will resume on the storage facility in fiscal year 2021. Palms of Pasadena Hospital is also planning major renovations in fiscal year 2021. 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 located within the City.

After a five-year period of dramatic reduction in property values, the City is in the seventh 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 5.3% or \$32.95 million compared to the assessed values in 2019. 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 effect, shutting down many businesses statewide. The

economic uncertainty and the various economic relief acts passed by Congress add to the unknown long-term effect on the City's revenues.

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-mandated 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 2019 and the current 2020 fiscal year. In 2021, the millage rate increased to 3.7806. 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 upon moving into a new home. 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 fiscal year 2020 but actual collections were about \$317,000, a shortfall of only 5.3%. 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 Penny for Pinellas cumulative revenues for the next 10 years (2021-2030) are projected at \$8.03 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 COVID-19 "economic shutdown" presented 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 2021's capital items. The City plans construction of a new Fire Station in fiscal years 2021 and 2022 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, 2020 totaled \$12,348,793.

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 2021 through fiscal year 2025. A summary of anticipated expenditures is as follows:

Expenditures	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Capital Improvement Fund	\$6,910,065	\$1,940,910	\$659,110	\$607,035	\$844,885
Sewer Fund	150,000	220,000	150,000	150,000	150,000
Reclaimed Water Fund	200,000	-	-	-	-

The five-year plan makes provision for design and construction of a new fire station in fiscal years 2021 and 2022. Also included in the plan is the replacement of the City’s Ladder Fire Truck (\$1,015,000) and EMT Rescue Vehicle (\$230,000) in fiscal year 2022. The City also has a purchase contract in the amount of \$700,000 on a land site near the Palms of Pasadena Hospital for the new fire station.

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 the replacement of the City's current fire station. Over the past few 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 years 2018 and 2019, the City 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 had a new business ready for operations prior to the end of fiscal year 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 the City's beautification initiatives, the City reconstructed the Sunset Drive Stormwater Retention Boardwalk for approximately \$247,000 in fiscal year 2020 and began a park pavilions renovation project that is expected to cost approximately \$130,000.

The City has a purchase contract on land near the Palms of Pasadena Hospital for the new fire station. There is \$700,000 budgeted in fiscal year 2021 for land acquisition and \$5,000,000 budgeted for the design and construction of the fire station. The 2021 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. To date, the City has selected the architects to design the new fire station and the design process has begun.

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, 2019. This was the twenty-eighth 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 large initial "J" and "G".

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, 2019

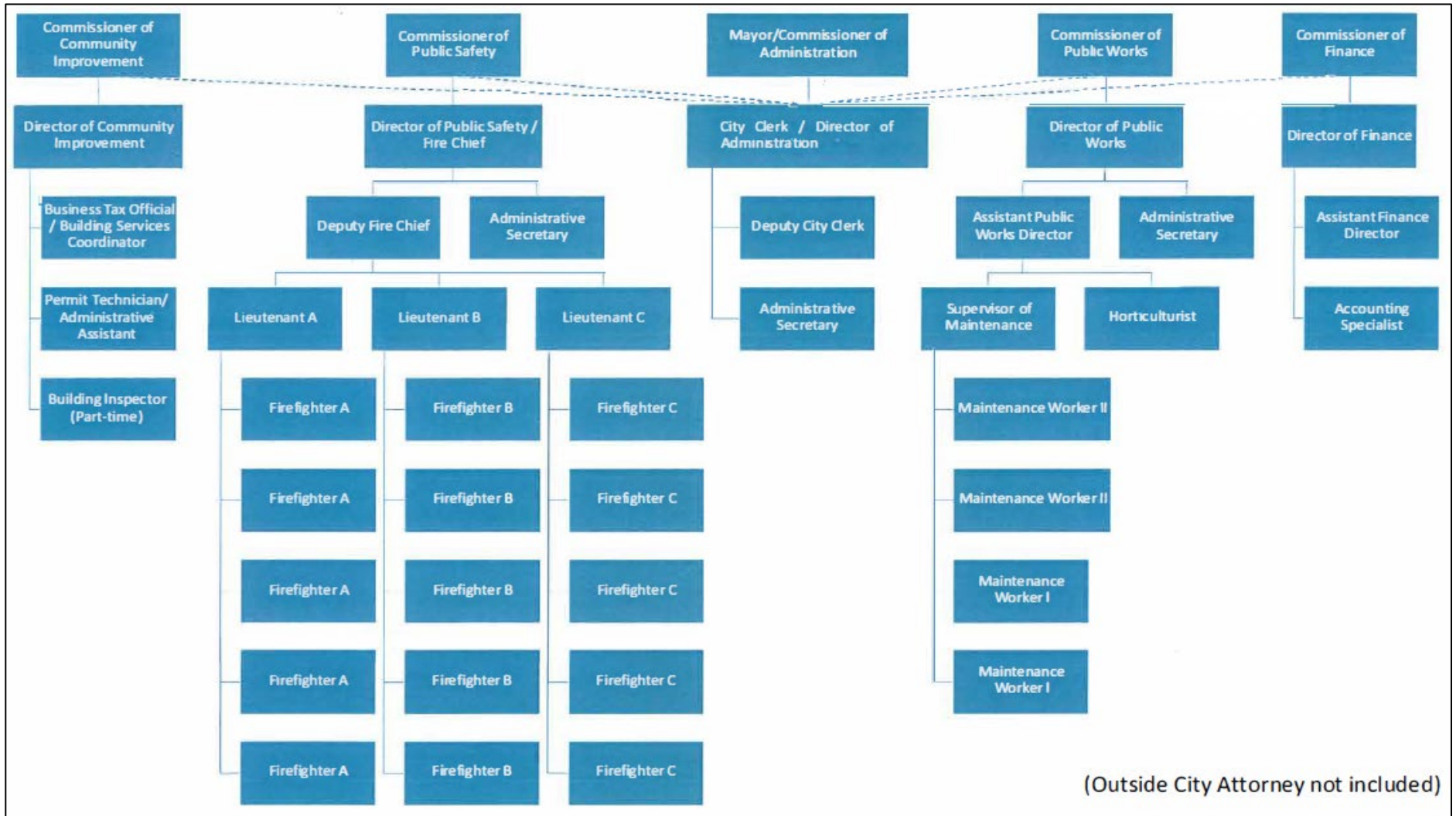
Christopher P. Morill

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, 2019 by the Government Finance Officers Association of the United States and Canada.

CITY OF SOUTH PASADENA, FLORIDA

ORGANIZATIONAL CHART



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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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

The prior year comparative information has been derived from the City's September 30, 2019 financial statements and, in our report dated June 14, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 11, 2021, 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 11, 2021

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, 2020, City-wide assets and deferred outflows of resources, totaling \$23,204,840, exceeded City-wide liabilities and deferred inflows of resources, totaling \$5,762,634, by \$17,442,206. The excess of City-Wide assets over liabilities represents the net position (equity) of the City. The City's \$17,442,206 of net position consists of \$8,893,189 that is invested in capital assets (buildings, equipment, vehicles, sewer and reclaimed water systems, etc.), \$5,442,712 that is restricted for future infrastructure improvements (Penny for Pinellas), \$1,651 that is restricted for other purposes, and \$3,104,654 that is unrestricted for general use in operating the City. The City's unrestricted net position decreased \$261,561 compared to the prior year. (Please see pages 18-19 for more detail.)
- For the fiscal year ended September 30, 2020, City-wide program revenues and general revenues, totaling \$7,923,681, were less than expenses, totaling \$8,198,245, yielding a decrease in net position (net loss) of \$274,564. This amount compares to an increase in net position (net gain) of \$78,276 for fiscal year ended September 30, 2019. (Please see pages 20-21 for more detail.)
- The decrease in net position for Governmental Activities (police, fire, public works, administration, etc.) for 2020 was \$362,675. There was an increase in net position for the Business-type activities (sewer and reclaimed water operations) of \$88,111 in 2020. (Please see pages 20-21 for more detail.)
- General Fund revenues increased \$93,645 (1.7%) in fiscal year 2020 and were \$46,004 greater than the amount budgeted. The increase in revenues is primarily attributable to an increase in ad valorem taxes in the amount of \$120,570. General Fund expenditures increased by \$316,317 (5.8%) in fiscal year 2020 and were \$148,788 less than the amount budgeted. The 2020 expenditures increased primarily as a result of increased personal services costs in the amount of \$182,111. The General Fund revenues of \$5,720,354 were less than expenditures of \$5,735,627 by \$15,273 compared to fiscal year 2019 when revenues exceeded expenditures by \$207,399. The General Fund was budgeted as having a deficit of \$210,065 in 2020. The actual excess of expenditures over revenues of \$15,273 resulted in a favorable budget to actual variance of \$194,792. (Please see pages 59-62 for more detail.)

- Cash and investments totaled \$12,348,793 for fiscal year 2020, which represents an increase of \$496,129 over fiscal year 2019. When evaluating the availability of the City’s cash and investments, the amount of restricted net position totaling \$5,444,363 that is restricted for infrastructure and scholarships needs to be considered.
- The net pension liabilities for the Firefighters’ Retirement Fund and the City’s share of the Florida Retirement System that are reported in the government-wide Statement of Net Position as of September 30, 2020 were \$2,855,637 and \$1,819,962, respectively. The net pension liability for the Firefighters’ Retirement Fund increased \$487,684 in fiscal year 2020 and the City’s share of the Florida Retirement System net pension liability increased \$134,057 from the prior year. The additional pension expense that has been reported in the current year government-wide Statement of Activities for the Firefighters’ Retirement Fund and the City’s share of the Florida Retirement System as required by GASB 68 – *Accounting and Financial Reporting for Pensions* – is \$123,128 and \$258,986, respectively.

City Highlights

- The governmental funds’ revenue decreased \$4,180 (less than 1%) from \$6,380,002 in 2019 to \$6,375,822 in 2020 (please see page 24 for more detail). This decrease was due, in large part, to a \$100,172 decrease in license and permit revenues and a \$74,005 decrease in interest revenue as compared to 2019. Some of this overall decrease was offset by a \$122,038 increase in tax revenue and a \$56,356 increase in intergovernmental revenue, which can be attributed primarily to a \$83,007 increase in the state excise tax rebate for the Firefighters’ Pension (no rebate was received in fiscal year 2019).
- The total expenditures for the governmental funds of the City increased \$598,015 (10.5%) from \$5,683,814 in 2019 to \$6,281,829 in 2020. This increase is comprised of an increase in current expenditures of \$324,647, and an increase in capital outlay expenditures of \$273,368. As noted on the previous page, an increase in personal services expenditures accounts for \$182,111 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 \$1,686,791 while the Sewer and Reclaimed Water Funds achieved favorable budget-to-actual results of \$247,750 and \$96,924, 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 \$615,885, and land purchases in the amount of \$700,000. These positive variances exist due to a delay in the outlay of funds for the purchase of the land on which the City will build a new fire station and the subsequent construction of the new building. The Sewer Fund and Reclaimed Water Fund favorable budget variances are primarily as a result of repairs and maintenance expenses being less than anticipated for each fund in the amounts of \$154,005 and \$104,396, respectively. It should be noted that depreciation expense is not budgeted for in the Sewer and Reclaimed Water Funds.

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 26-27) 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 8,947,267	\$ 8,788,409	\$ 3,645,131	\$ 3,280,322	\$ 12,592,398	\$ 12,068,731
Capital assets, net	<u>7,198,510</u>	<u>7,208,370</u>	<u>1,694,679</u>	<u>1,940,537</u>	<u>8,893,189</u>	<u>9,148,907</u>
Total assets	16,145,777	15,996,779	5,339,810	5,220,859	21,485,587	21,217,638
Deferred outflows of resources	<u>1,719,253</u>	<u>1,664,225</u>	-	-	1,719,253	1,664,225
Total assets and deferred outflows of	17,865,030	17,661,004	5,339,810	5,220,859	23,204,840	22,881,863
Current liabilities	330,998	256,468	100,251	69,411	431,249	325,879
Non-current liabilities	<u>5,064,615</u>	<u>4,388,710</u>	-	-	5,064,615	4,388,710
Total liabilities	5,395,613	4,645,178	100,251	69,411	5,495,864	4,714,589
Deferred inflows of resources	<u>266,770</u>	<u>450,504</u>	-	-	266,770	450,504
Total liabilities and deferred inflows of resources	5,662,383	5,095,682	100,251	69,411	5,762,634	5,165,093
Net Position:						
Net investments in capital assets	7,198,510	7,208,370	1,694,679	1,940,537	8,893,189	9,148,907
Restricted	5,444,363	5,201,648	-	-	5,444,363	5,201,648
Unrestricted (deficit)	<u>(440,226)</u>	<u>155,304</u>	<u>3,544,880</u>	<u>3,210,911</u>	<u>3,104,654</u>	<u>3,366,215</u>
Total net position	<u>\$ 12,202,647</u>	<u>\$ 12,565,322</u>	<u>\$ 5,239,559</u>	<u>\$ 5,151,448</u>	<u>\$ 17,442,206</u>	<u>\$ 17,716,770</u>

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

At the end of fiscal 2020, the City-wide net position reflects a decrease of \$274,564 to \$17,442,206. Net position for Governmental Activities is \$12,202,647 (decrease of \$362,675) and net position from Enterprise or Business Activities is \$5,239,559 (increase of \$88,111). Of the total net position, \$8,893,189 represents the City's net investment in capital assets and \$5,444,363 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 \$5,442,712 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 \$12,348,793 in 2020 and \$11,852,664 in 2019 represent 54.3% and 51.8% of the total assets and deferred outflows, respectively. At the end of 2020, current cash and investments available for governmental activities totaled \$8,827,947 (a \$138,936 or 1.6% increase from 2019), and funds available in the business activity accounts totaled \$3,520,846 (a \$357,193 or 11.3% increase from 2019).

Capital assets, net of accumulated depreciation, totaling \$8,893,189 represent 38.3% of the City-wide total assets and deferred outflows of resources at September 30, 2020.

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 2020, as reported on page 19, City-wide unrestricted net position totaled \$3,104,654, a decrease of \$261,561 compared to the prior year. The unrestricted net position represents 17.8% of the City’s total net position of \$17,442,206. In governmental activities, unrestricted net position decreased by \$595,530 to negative \$440,226. In business-type activities, unrestricted assets increased by \$333,969 to \$3,544,880.

Table 2
Change in Unrestricted Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unrestricted Net Position –						
Beginning of Year	\$ 155,304	\$ 362,827	\$ 3,210,911	\$ 3,060,234	\$ 3,366,215	\$ 3,423,061
Results of Operations (loss)	(362,675)	57,991	88,111	20,285	(274,564)	78,276
Adjustments- restricted assets						
Infrastructure	(242,715)	(529,412)	-	-	(242,715)	(529,412)
Scholarships	-	1,000	-	-	-	1,000
Book Value of Assets Disposed	931	6,826	-	-	931	6,826
Depreciation	532,470	506,245	245,858	242,829	778,328	749,074
Total adjustments	290,686	(15,341)	245,858	242,829	536,544	227,488
Adjusted Results of Operations	\$ (71,989)	\$ 42,650	\$ 333,969	\$ 263,114	\$ 261,980	\$ 305,764
Capital Expenditures	(523,541)	(250,173)	-	(112,438)	(523,541)	(362,611)
Unrestricted Net Position -						
End of Year	\$ (440,226)	\$ 155,304	\$ 3,544,880	\$ 3,210,911	\$ 3,104,654	\$ 3,366,215

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	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for services						
Sewer Fees			\$ 1,328,968	\$ 1,133,869	\$ 1,328,968	\$ 1,133,869
Reclaimed Water Fees			189,835	189,399	189,835	189,399
Red Light Camera Fines	\$ 2,323	\$ 3,896			2,323	3,896
Police Fines & Forfeitures	2,858	3,627			2,858	3,627
Building Inspections / Permits	267,841	371,066			267,841	371,066
Impact Fees	6,625	1,097			6,625	1,097
Local Business Tax	107,872	104,819			107,872	104,819
Hibiscus Hall Rents	5,830	11,335			5,830	11,335
Operating Grants & Contributions						
Pinellas County EMS Contract	888,216	825,974			888,216	825,974
Grant - General Government	36,891	40,793			36,891	40,793
Grant - Environmental / Recycle	3,635	2,979			3,635	2,979
General Revenues:						
Property Taxes	2,216,228	2,095,658			2,216,228	2,095,658
Franchise Fees	522,323	533,672			522,323	533,672
Communications Service Tax	190,185	212,307			190,185	212,307
Other Utility Taxes	733,155	703,744			733,155	703,744
Sales Tax Infrastructure	584,673	643,325			584,673	643,325
State Revenue Sharing	161,155	165,471			161,155	165,471
Half-Cent Sales Tax	316,827	334,408			316,827	334,408
Local Option Gas Tax	65,364	71,246			65,364	71,246
Other Taxes	102,689	18,898			102,689	18,898
Investment income	74,652	148,657	29,056	60,443	103,708	209,100
Gain (Loss) fair value of investments	28,185	33,454			28,185	33,454
Miscellaneous	58,295	53,576			58,295	53,576
Total Revenues	\$ 6,375,822	\$ 6,380,002	\$ 1,547,859	\$ 1,383,711	\$ 7,923,681	\$ 7,763,713
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General Government	\$ 1,043,304	\$ 999,635			\$ 1,043,304	\$ 999,635
Public Safety- Police	834,420	810,378			834,420	810,378
Public Safety- Fire	3,167,311	2,838,432			3,167,311	2,838,432
Protective Inspections	420,474	458,251			420,474	458,251
Public Works and Parks	1,044,856	992,511			1,044,856	992,511
Culture & Recreation	50,905	56,469			50,905	56,469
Physical Environment	166,398	156,934			166,398	156,934
Human Services	10,829	9,402			10,829	9,402
Business-Type Activities:						
Sewer & Reclaimed Water						
Sewer			1,248,053	1,174,549	1,248,053	1,174,549
Reclaimed Water			211,695	188,877	211,695	188,877
Total Expenses	\$ 6,738,497	\$ 6,322,011	\$ 1,459,748	\$ 1,363,426	\$ 8,198,245	\$ 7,685,437
Excess of Revenues over Expenses	\$ (362,675)	\$ 57,991	\$ 88,111	\$ 20,285	\$ (274,564)	\$ 78,276
Net Position - Beginning of Year	12,565,322	12,507,331	5,151,448	5,131,163	17,716,770	17,638,494
Net Position - End of Year	\$ 12,202,647	\$ 12,565,322	\$ 5,239,559	\$ 5,151,448	\$ 17,442,206	\$ 17,716,770

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 68.7% of the City's 2020 operating budget compared to 69.9% of the City's 2019 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 decreased \$15,273 to \$3,083,091 as of September 30, 2020. The Capital Improvements Fund ending fund balance increased \$109,266 to \$5,509,518, of which \$5,442,712 is restricted for infrastructure improvements (Penny for Pinellas).

Revenues

Table 4
Governmental Funds
Revenues

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Revenues				
Taxes (Property, Franchise & Utility)	\$ 3,668,516	\$ 3,546,478	\$ 122,038	3.44%
Licenses and Permits	375,713	475,885	(100,172)	-21.05%
Intergovernmental Revenues	2,159,450	2,103,094	56,356	2.68%
Fines and Forfeitures	5,181	7,523	(2,342)	-31.13%
Interest Income	74,652	148,657	(74,005)	-49.78%
Change in fair value of investments	28,185	33,454	(5,269)	-15.75%
Rental Hibiscus Hall	5,830	11,335	(5,505)	-48.57%
Miscellaneous Revenues	58,295	53,576	4,719	8.81%
Total Revenues	\$ 6,375,822	\$ 6,380,002	\$ (4,180)	-0.07%

The breakdown of the net change in revenue by fund was an increase of \$93,645 for the General Fund and a \$97,825 decrease 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, utility taxes, and emergency medical service fees. (Please see pages 59-60 for additional detail.)

For fiscal 2020, the City had a millage rate of 3.5000, which was unchanged from 2019. The total taxable value of property located within the City in fiscal year 2020 was \$656,534,476 compared to the 2019 final taxable value of \$623,579,737. The increase in property values resulted in property tax collections increasing \$120,570.

Within the Capital Improvements Fund, infrastructure taxes decreased \$58,652 to \$584,673.

Expenditures

Table 5a
Governmental Funds
Expenditures

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Expenditures				
General Government	\$ 853,883	\$ 810,750	\$ 43,133	5.32%
Public Safety	4,014,598	3,796,629	217,969	5.74%
Transportation & Public Works	858,725	790,564	68,161	8.62%
Culture, Recreation, Environment	21,479	28,469	(6,990)	-24.55%
Physical Environment	4,953	4,229	724	17.12%
Human Services	4,650	3,000	1,650	55.00%
Capital Outlay	523,541	250,173	273,368	109.27%
Total Expenditures	\$ 6,281,829	\$ 5,683,814	\$ 598,015	10.52%

As discussed in the City Highlights, the City had budgeted for the purchase of land and the beginning of construction of a new fire station in fiscal year 2020. As of September 30, 2020, a purchase agreement had been entered into, but no funds were disbursed for the purchase. Expenditures for the land and fire station are likely to occur in fiscal years 2021 and 2022.

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 2020, the Capital Improvements Fund included \$22,661 of non-capital operating expenses.

The following table provides a reconciliation of the expenditures reported under the governmental funds approach totaling \$6,281,829 to the total expenses reported in the Statement of Activities for the same governmental activities totaling \$6,738,497.

The main differences will be for adjustments to governmental activities expenses for non-cash depreciation of \$532,470 and non-cash pension benefits of \$382,114, as well as the removal of capital expenditures totaling \$523,541 that are not included in the Statement of Activities.

Table 5b
Reconciliation to Statement of Activities

	<u>2020</u>	<u>2019</u>
Expenditures Governmental Fund Approach	\$ 6,281,829	\$ 5,683,814
Less: Cash Outlay for Capital Asset Purchases	(523,541)	(250,173)
Add: Depreciation Capital Assets	532,470	506,245
Add: Un-depreciated cost of disposed assets	931	6,826
Change in non-cash expense—		
Compensated Absences	43,537	9,633
Change in non-cash Other Post Employment Benefits	21,157	28,004
Change in non-cash pension benefits	382,114	337,662
Expenditures – Statement of Activities	<u>\$ 6,738,497</u>	<u>\$ 6,322,011</u>

Table 6
General Fund – Change in Fund Balance

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
Nonspendable:			
Inventories and prepaids	\$ 73,005	\$ 42,544	\$ 30,461
Restricted for:			
Scholarships	1,651	1,651	-
Assigned to:			
Future budgetary appropriations	133,165	208,260	(75,095)
Unassigned	2,875,270	2,845,909	29,361
Total General Fund Balance	<u>\$ 3,083,091</u>	<u>\$ 3,098,364</u>	<u>\$ (15,273)</u>

Table 7
Capital Improvements Fund – Change in Fund Balance

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
Restricted for:			
Infrastructure	\$ 5,442,712	\$ 5,199,997	\$ 242,715
Assigned to:			
Capital improvement projects	<u>66,806</u>	<u>200,255</u>	<u>(133,449)</u>
Total Fund Balance	<u>\$ 5,509,518</u>	<u>\$ 5,400,252</u>	<u>\$ 109,266</u>

Business Type Funds

The net position of the Sewer and Reclaimed Water enterprise funds increased \$88,111 in fiscal year 2020 compared to an increased \$20,285 in fiscal year 2019. The change in net position, or net income or loss, for the enterprise funds, which includes investment earnings, was \$94,136 for the sewer operations and a loss of \$6,025 for reclaimed water operations. The net position for the Sewer Fund increased 3.2% to \$3,020,453 at September 30, 2020, and the net position for the Reclaimed Water Fund decreased 0.3% to \$2,219,106. (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 2020, the Sewer Fund showed net operating income before investment earnings of \$80,915 compared to an operating loss of \$40,680 for 2019. For 2020 the Reclaimed Water fund showed a net operating loss of \$21,860 before investment earnings compared to 2019 when the fund had net operating income of \$522.

The Sewer and Reclaimed Water Funds were also allocated an administrative service charge from the General Fund in the amounts of \$28,030 and \$14,225, respectively. This is the ninth 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 2020 were \$939,690, which is an increase of 8.5% from the 2019 charges of \$866,460. 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 2020 was \$56,230, an increase of 5.5% from the allocation in 2019, which was \$53,310. The amount of 2020 non-cash depreciation charges in the Sewer Fund was \$142,909.

The amount of salary allocations to the Reclaimed Water Fund from the General Fund was \$44,940, a 4.1% increase from the amount allocated in 2019 in the amount of \$43,165. The cost of acquiring reclaimed water from Pinellas County was \$47,971 in 2020 compared to \$26,506 in 2019, an increase of 84.4%. The Reclaimed Water operating expenses for 2020 include non-cash depreciation charges of \$102,949.

Budgetary Highlights – General Fund

The General Fund budget was amended during fiscal year 2020 to reflect a change in workers compensation insurance premiums. The amount of budgeted revenues (amounts available for appropriation) was \$5,674,350. Actual revenues for fiscal year 2020 were \$5,720,354, which resulted in a favorable variance of \$46,004. The final amount of budgeted expenditures (charges to appropriations) for 2020 was \$5,884,415. The amount of actual expenditures was \$5,735,627, which represents a favorable variance of \$148,788. The overall favorable budget variance for fiscal year 2020 is \$194,792. (Please see pages 59-62 for more detailed information).

The difference of \$210,065 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 2020 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 \$32,809 higher than anticipated.
- Emergency medical service revenues were \$23,016 higher than anticipated.
- Property tax revenue was \$21,187 lower than anticipated, while overall tax revenue was \$12,524 less than the amount budgeted.
- State excise tax rebate for the Fire Pension was \$38,507 in excess of the amount budgeted as the actual revenue includes two years of excise tax collections.

Expenditures

Actual expenditures were 97.5% of the amount budgeted.

The following is an overview of General Fund variances from the final budget for fiscal 2020:

- The activities of the Legislative Department utilized 80.4% of its operating budget and had a positive variance of \$28,273 that is primarily attributable to other services and charges being \$18,620 under budget.
- The Finance and Administration Department utilized 96.3% of its operating budget and had a positive variance of \$28,029. The positive variance included other services and charges being \$23,893 below the budgeted amount.
- The Fire Department utilized 97.2% of its operating budget and had a positive variance of \$81,478 that is primarily attributable to personal services being \$44,667 under budget and other services and charges being \$33,064 under budget.
- The Community Improvement Department (Protective Inspections) utilized 102.5 % of its operating budget and had a negative variance of \$9,135. The negative variance included other services and charges being \$36,067 over the budgeted amount, which was partially offset by personal services being \$23,740 under budget. These variances are due to the City's use of a consulting firm after the departure of the Director of Community Improvement in fiscal year 2019.
- Public Works / Transportation Department utilized 98.7% of its operating budget and had a positive variance of \$10,772 that is primarily attributable to other services and charges being \$8,631 under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2020, the City had \$21,956,148 (total cost) invested in a variety of capital assets as compared to \$21,538,141 as September 30, 2019. This represents a net increase (at cost) of \$418,007 or 1.9% from the end of last year. Capital additions in fiscal year 2020 purchased out of the Capital Improvement Fund totaled \$523,541.

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and land rights	\$ 2,059,183	\$ 2,063,033	\$ -	\$ -	\$ 2,059,183	\$ 2,063,033
Construction and projects in progress	85,400	18,168	-	-	85,400	18,168
Structures and Improvements	4,384,327	4,365,452	-	-	4,384,327	4,365,452
Infrastructure	4,783,219	4,505,918	7,204,517	7,204,517	11,987,736	11,710,435
Furniture, Fixtures and Equipment	<u>3,439,502</u>	<u>3,381,053</u>	-	-	<u>3,439,502</u>	<u>3,381,053</u>
Total Cost of Assets	14,751,631	14,333,624	7,204,517	7,204,517	21,956,148	21,538,141
Less: Accumulated Depreciation	<u>(7,553,121)</u>	<u>(7,125,254)</u>	<u>(5,509,838)</u>	<u>(5,263,980)</u>	<u>(13,062,959)</u>	<u>(12,389,234)</u>
Total	\$ 7,198,510	\$ 7,208,370	\$ 1,694,679	\$ 1,940,537	\$ 8,893,189	\$ 9,148,907

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	\$ 7,208,370	\$ 1,940,537	\$ 9,148,907
Additions / Transfers	545,559	-	545,559
Retirements / Transfers	(127,552)	-	(127,552)
Depreciation	(532,470)	(245,858)	(778,328)
Accumulated depreciation retirements	<u>104,603</u>	<u>-</u>	<u>104,603</u>
Ending Balance	\$ 7,198,510	\$ 1,694,679	\$ 8,893,189

This year's major additions are:

Governmental Activities:

Sunset Boardwalk Replacement	\$ 246,523
New Fire Station - Work in Process	76,965
Firefighter Bunker Gear	60,000
2020 Ford F-150 Crew Cab - Public Works	32,930
Paving Overlay - Park Street	30,778
Hibiscus Hall Kitchen Remodel	<u>18,875</u>
	\$ 466,071

ECONOMIC FACTORS

Fiscal year 2020 demonstrated economic stability as tax and certain intergovernmental revenues increased or remained flat. Real estate values maintained an upward trend for the seventh year after several years of decreasing values. For the current 2020 fiscal year, taxable values increased 5.3%, or \$32.95 million, to \$656,534,476.

The economic outlook for the City is optimistic and fiscal year 2021 should improve as the economy continues to recover from the effects of the COVID-19 pandemic. The Pasadena Shopping Center continues to be a primary site for commercial expansion activity. In fiscal year 2020, a coffee lounge and a restaurant opened new storefronts. The old IHOP building has been refurbished and is now a nail salon. Additionally, construction will resume on a new storage facility on Pasadena Avenue in fiscal year 2021. 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, 2020 unassigned General Fund balance totaling \$2,875,270 equates to 6.0 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, 2020

With Comparative Total Amounts for September 30, 2019

	2020			2019
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
CURRENT ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 8,827,947	\$ 3,520,846	\$ 12,348,793	\$ 11,852,664
Receivables - other	9,479	-	9,479	27,192
Due from other governments	36,836	119,846	156,682	143,175
Inventory of supplies	7,166	-	7,166	6,112
Prepaid expense	65,839	4,439	70,278	39,588
Total current assets	<u>8,947,267</u>	<u>3,645,131</u>	<u>12,592,398</u>	<u>12,068,731</u>
NON-CURRENT ASSETS				
Land and land rights	2,059,183	-	2,059,183	2,063,033
Structures and improvements	4,384,327	-	4,384,327	4,365,452
Infrastructure	4,783,219	7,204,517	11,987,736	11,710,435
Furniture, fixtures and equipment	3,439,502	-	3,439,502	3,381,053
Construction and projects in process	85,400	-	85,400	18,168
Accumulated depreciation	<u>(7,553,121)</u>	<u>(5,509,838)</u>	<u>(13,062,959)</u>	<u>(12,389,234)</u>
Total non-current assets	<u>7,198,510</u>	<u>1,694,679</u>	<u>8,893,189</u>	<u>9,148,907</u>
TOTAL ASSETS	16,145,777	5,339,810	21,485,587	21,217,638
DEFERRED OUTFLOWS OF RESOURCES				
Net Other Post Employment Benefits	11,885	-	11,885	13,423
Defined benefit pension plans				
Firefighters' Retirement Fund	1,047,180	-	1,047,180	905,255
Florida Retirement System	660,188	-	660,188	745,547
DEFERRED OUTFLOWS OF RESOURCES	<u>1,719,253</u>	<u>-</u>	<u>1,719,253</u>	<u>1,664,225</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 17,865,030</u>	<u>\$ 5,339,810</u>	<u>\$ 23,204,840</u>	<u>\$ 22,881,863</u>

	2020			2019
	Governmental Activities	Business-type Activities	Total	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 135,606	\$ 100,251	\$ 235,857	\$ 123,185
Due to other governments	1,374	-	1,374	-
Accrued liabilities	139,038	-	139,038	156,706
Current portion of:				
Accrued compensated absences	54,980	-	54,980	45,988
Total current liabilities	<u>330,998</u>	<u>100,251</u>	<u>431,249</u>	<u>325,879</u>
NON-CURRENT LIABILITIES				
Net Other Post Employment Benefits	184,242	-	184,242	164,623
Accrued compensated absences	204,774	-	204,774	170,229
Net pension liability:				
Firefighters' Retirement Fund	2,855,637	-	2,855,637	2,367,953
Florida Retirement System	<u>1,819,962</u>	<u>-</u>	<u>1,819,962</u>	<u>1,685,905</u>
Total non-current liabilities	<u>5,064,615</u>	<u>-</u>	<u>5,064,615</u>	<u>4,388,710</u>
TOTAL LIABILITIES	5,395,613	100,251	5,495,864	4,714,589
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - local business tax receipts	78,640	-	78,640	79,313
Defined benefit pension plans:				
Firefighters' Retirement Fund	40,798	-	40,798	263,429
Florida Retirement System	<u>147,332</u>	<u>-</u>	<u>147,332</u>	<u>107,762</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>266,770</u>	<u>-</u>	<u>266,770</u>	<u>450,504</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>5,662,383</u>	<u>100,251</u>	<u>5,762,634</u>	<u>5,165,093</u>
NET POSITION				
Net investment in capital assets	7,198,510	1,694,679	8,893,189	9,148,907
Restricted:				
Infrastructure	5,442,712	-	5,442,712	5,199,997
Scholarships	1,651	-	1,651	1,651
Unrestricted (deficit)	<u>(440,226)</u>	<u>3,544,880</u>	<u>3,104,654</u>	<u>3,366,215</u>
TOTAL NET POSITION	<u>12,202,647</u>	<u>5,239,559</u>	<u>17,442,206</u>	<u>17,716,770</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 17,865,030</u>	<u>\$ 5,339,810</u>	<u>\$ 23,204,840</u>	<u>\$ 22,881,863</u>

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, 2020

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

FUNCTIONS / PROGRAMS	2020			
	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,043,304	\$ 107,872	\$ 36,891	\$ -
Public safety - Police	834,420	5,181	-	-
Public safety - Fire	3,167,311	-	888,216	-
Public safety - Protective inspections	420,474	274,466	-	-
Transportation - Public works	1,044,856	-	-	-
Human services	10,829	-	-	-
Culture and recreation	50,905	5,830	963	-
Physical environment	166,398	-	2,672	-
TOTAL GOVERNMENTAL ACTIVITIES	6,738,497	393,349	928,742	-
BUSINESS-TYPE ACTIVITIES				
Sewer	1,248,053	1,328,968	-	-
Reclaimed water	211,695	189,835	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,459,748	1,518,803	-	-
TOTAL	\$ 8,198,245	\$ 1,912,152	\$ 928,742	\$ -

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

2020			2019
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Total
\$ (898,541)	\$ -	\$ (898,541)	\$ (854,023)
(829,239)	-	(829,239)	(802,855)
(2,279,095)	-	(2,279,095)	(2,012,458)
(146,008)	-	(146,008)	(86,088)
(1,044,856)	-	(1,044,856)	(992,510)
(10,829)	-	(10,829)	(9,402)
(44,112)	-	(44,112)	(42,155)
(163,726)	-	(163,726)	(156,934)
<u>(5,416,406)</u>	<u>-</u>	<u>(5,416,406)</u>	<u>(4,956,425)</u>
-	80,915	80,915	(40,680)
-	(21,860)	(21,860)	522
<u>-</u>	<u>59,055</u>	<u>59,055</u>	<u>(40,158)</u>
<u>(5,416,406)</u>	<u>59,055</u>	<u>(5,357,351)</u>	<u>(4,996,583)</u>
2,216,228	-	2,216,228	2,095,658
522,323	-	522,323	533,672
733,155	-	733,155	703,744
190,185	-	190,185	212,307
584,673	-	584,673	643,325
316,827	-	316,827	334,408
65,364	-	65,364	71,246
102,689	-	102,689	18,898
161,155	-	161,155	165,471
74,652	29,056	103,708	209,100
28,185	-	28,185	33,454
58,295	-	58,295	53,576
<u>5,053,731</u>	<u>29,056</u>	<u>5,082,787</u>	<u>5,074,859</u>
(362,675)	88,111	(274,564)	78,276
<u>12,565,322</u>	<u>5,151,448</u>	<u>17,716,770</u>	<u>17,638,494</u>
<u>\$ 12,202,647</u>	<u>\$ 5,239,559</u>	<u>\$ 17,442,206</u>	<u>\$ 17,716,770</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, 2020

With Comparative Total Amounts for September 30, 2019

	2020		2019	
	General	Capital Improvements	Total Governmental Funds	Total
ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 3,243,208	\$ 5,584,739	\$ 8,827,947	\$ 8,689,011
Receivables - other	9,479	-	9,479	27,192
Due from other governments	34,164	2,672	36,836	29,662
Inventory of supplies	7,166	-	7,166	6,112
Prepaid expenditures	65,839	-	65,839	36,432
TOTAL ASSETS	\$ 3,359,856	\$ 5,587,411	\$ 8,947,267	\$ 8,788,409
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 59,087	\$ 76,519	\$ 135,606	\$ 53,774
Due to other governments	-	1,374	1,374	-
Accrued liabilities	139,038	-	139,038	156,706
TOTAL LIABILITIES	198,125	77,893	276,018	210,480
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - local business tax receipts	78,640	-	78,640	79,313
TOTAL DEFERRED INFLOWS	78,640	-	78,640	79,313
TOTAL LIABILITIES AND DEFERRED INFLOWS	276,765	77,893	354,658	289,793
FUND BALANCES				
Fund balances				
Non-spendable:				
Inventories and prepaids	73,005	-	73,005	42,544
Restricted for:				
Infrastructure	-	5,442,712	5,442,712	5,199,997
Scholarships	1,651	-	1,651	1,651
Assigned to:				
Capital improvement projects	-	66,806	66,806	200,255
Future budgetary appropriations	133,165	-	133,165	208,260
Unassigned	2,875,270	-	2,875,270	2,845,909
TOTAL FUND BALANCES	3,083,091	5,509,518	8,592,609	8,498,616
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 3,359,856	\$ 5,587,411	\$ 8,947,267	\$ 8,788,409

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, 2020

Fund Balances - total governmental funds \$ 8,592,609

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	\$ 14,751,631	
Less: Accumulated depreciation	<u>(7,553,121)</u>	7,198,510

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

Compensated absences	(259,754)	
Net Other Post Employment Benefit liability	(184,242)	
Net pension liability - Firefighters' Retirement Fund	(2,855,637)	
Net pension liability - Florida Retirement System	<u>(1,819,962)</u>	(5,119,595)

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	11,885	
Deferred outflows of resources related to pensions - Firefighters' Retirement Fund	1,047,180	
Deferred outflows of resources related to pensions - Florida Retirement System	660,188	
Deferred inflows of resources related to pensions - Firefighters' Retirement Fund	(40,798)	
Deferred inflows of resources related to pensions - Florida Retirement System	<u>(147,332)</u>	<u>1,531,123</u>

Net position of governmental activities. \$ 12,202,647

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, 2020
With Comparative Total Amounts for the Year Ended September 30, 2019

	2020			2019
	General	Capital Improvements	Total Governmental Funds	Total
REVENUES				
Taxes	\$ 3,661,891	\$ 6,625	\$ 3,668,516	\$ 3,546,478
Licenses and permits	375,713	-	375,713	475,885
Intergovernmental revenue	1,571,142	588,308	2,159,450	2,103,094
Fines and forfeits	5,181	-	5,181	7,523
Interest	30,160	44,492	74,652	148,657
Change in fair value of investments	12,724	15,461	28,185	33,454
Rent	5,830	-	5,830	11,335
Miscellaneous revenues	57,713	582	58,295	53,576
TOTAL REVENUES	<u>5,720,354</u>	<u>655,468</u>	<u>6,375,822</u>	<u>6,380,002</u>
EXPENDITURES				
Current:				
General government	853,883	-	853,883	810,750
Public safety	4,008,987	5,611	4,014,598	3,796,629
Transportation - public works	846,628	12,097	858,725	790,564
Physical environment	-	4,953	4,953	4,229
Human services	4,650	-	4,650	3,000
Culture and recreation	21,479	-	21,479	28,469
Capital outlay:				
General government	-	34,089	34,089	3,200
Public safety	-	158,341	158,341	33,962
Transportation - public works	-	322,677	322,677	181,719
Physical environment	-	8,434	8,434	31,292
TOTAL EXPENDITURES	<u>5,735,627</u>	<u>546,202</u>	<u>6,281,829</u>	<u>5,683,814</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,273)	109,266	93,993	696,188
FUND BALANCES - BEGINNING OF YEAR	<u>3,098,364</u>	<u>5,400,252</u>	<u>8,498,616</u>	<u>7,802,428</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,083,091</u>	<u>\$ 5,509,518</u>	<u>\$ 8,592,609</u>	<u>\$ 8,498,616</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, 2020

Net change in fund balances - total governmental funds \$ 93,993

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	\$ 523,541	
Less: Current year depreciation	<u>(532,470)</u>	(8,929)

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		(931)
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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	(43,537)	
Current year cost - Other Post Employment Benefits	(21,157)	
Pension expense - Firefighters' Retirement Fund	(123,128)	
Pension expense - Florida Retirement System	<u>(258,986)</u>	<u>(446,808)</u>

Change in net position of governmental activities.		<u><u>\$ (362,675)</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, 2020

With Comparative Total Amounts for September 30, 2019

	Business-type Activities - Enterprise Funds			
	2020			2019
	Sewer	Reclaimed Water	Total	Total
ASSETS				
CURRENT ASSETS				
Pooled cash and cash equivalents	\$ 1,794,983	\$ 1,725,863	\$ 3,520,846	\$ 3,163,653
Due from other governments	104,035	15,811	119,846	113,513
Prepaid expense	4,439	-	4,439	3,156
Total current assets	<u>1,903,457</u>	<u>1,741,674</u>	<u>3,645,131</u>	<u>3,280,322</u>
NON-CURRENT ASSETS				
Capital Assets:				
Infrastructure	4,116,045	3,088,472	7,204,517	7,204,517
Less: Accumulated depreciation	(2,902,821)	(2,607,017)	(5,509,838)	(5,263,980)
Total non-current assets	<u>1,213,224</u>	<u>481,455</u>	<u>1,694,679</u>	<u>1,940,537</u>
TOTAL ASSETS	<u>\$ 3,116,681</u>	<u>\$ 2,223,129</u>	<u>\$ 5,339,810</u>	<u>\$ 5,220,859</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 96,228	\$ 4,023	\$ 100,251	\$ 69,411
Total current liabilities	<u>96,228</u>	<u>4,023</u>	<u>100,251</u>	<u>69,411</u>
TOTAL LIABILITIES	<u>96,228</u>	<u>4,023</u>	<u>100,251</u>	<u>69,411</u>
NET POSITION				
Investment in capital assets	1,213,224	481,455	1,694,679	1,940,537
Unrestricted	<u>1,807,229</u>	<u>1,737,651</u>	<u>3,544,880</u>	<u>3,210,911</u>
TOTAL NET POSITION	<u>3,020,453</u>	<u>2,219,106</u>	<u>5,239,559</u>	<u>5,151,448</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,116,681</u>	<u>\$ 2,223,129</u>	<u>\$ 5,339,810</u>	<u>\$ 5,220,859</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, 2020

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

	Business-type Activities - Enterprise Funds			
	2020			2019
	Sewer	Reclaimed Water	Total	Total
OPERATING REVENUES				
Charges for services	\$ 1,328,968	\$ 189,835	\$ 1,518,803	\$ 1,323,268
TOTAL OPERATING REVENUES	1,328,968	189,835	1,518,803	1,323,268
OPERATING EXPENSES				
Supervisory services	56,230	44,940	101,170	96,475
Utilities	10,370	-	10,370	8,822
City of St. Petersburg:				
Sewer processing	939,690	-	939,690	866,460
Administration charge	3,262	576	3,838	2,958
Pinellas County:				
Reclaimed water	-	47,971	47,971	26,506
Audit and consulting	3,815	430	4,245	3,495
Insurance	13,988	-	13,988	11,479
Repairs, maintenance, renewals and replacements	43,895	604	44,499	61,294
Administrative service charge	28,030	14,225	42,255	37,960
Miscellaneous	5,864	-	5,864	5,148
Depreciation	142,909	102,949	245,858	242,829
TOTAL OPERATING EXPENSES	1,248,053	211,695	1,459,748	1,363,426
OPERATING INCOME (LOSS)	80,915	(21,860)	59,055	(40,158)
NON-OPERATING REVENUE				
Interest earned	13,221	15,835	29,056	60,443
CHANGES IN NET POSITION	94,136	(6,025)	88,111	20,285
NET POSITION - BEGINNING OF YEAR	2,926,317	2,225,131	5,151,448	5,131,163
NET POSITION - END OF YEAR	\$ 3,020,453	\$ 2,219,106	\$ 5,239,559	\$ 5,151,448

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, 2020
With Comparative Total Amounts for the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds			
	2020			2019
	Sewer	Reclaimed Water	Total	Total
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,322,634	\$ 189,836	\$ 1,512,470	\$ 1,308,184
Cash payments to suppliers for goods and services	(995,318)	(45,589)	(1,040,907)	(988,651)
Cash payments to employees for services	(56,230)	(44,940)	(101,170)	(96,475)
Cash paid for general government allocated expenses	(28,030)	(14,225)	(42,255)	(37,960)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>243,056</u>	<u>85,082</u>	<u>328,138</u>	<u>185,098</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	-	(112,437)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,437)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on cash and cash equivalents	<u>13,220</u>	<u>15,835</u>	<u>29,055</u>	<u>60,562</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>13,220</u>	<u>15,835</u>	<u>29,055</u>	<u>60,562</u>
NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS	256,276	100,917	357,193	133,223
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,538,707</u>	<u>1,624,946</u>	<u>3,163,653</u>	<u>3,030,430</u>
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,794,983</u>	<u>\$ 1,725,863</u>	<u>\$ 3,520,846</u>	<u>\$ 3,163,653</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 80,915	\$ (21,860)	\$ 59,055	\$ (40,158)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	142,909	102,949	245,858	242,829
Changes in assets and liabilities:				
(Increase) Decrease in Due From Other Governments	(6,334)	1	(6,333)	(15,084)
(Increase) Decrease in Prepaid Expense	(1,283)	-	(1,283)	(617)
Increase (Decrease) in Accounts Payable	26,849	3,992	30,841	(1,872)
TOTAL ADJUSTMENTS	<u>162,141</u>	<u>106,942</u>	<u>269,083</u>	<u>225,256</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 243,056</u>	<u>\$ 85,082</u>	<u>\$ 328,138</u>	<u>\$ 185,098</u>

There were no non-cash investing or financing activities for the years ended September 30, 2020 or 2019

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, 2020

With Comparative Amounts for September 30, 2019

	<u>Employee Retirement Funds</u>	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 190	\$ 190
Investments, at fair value		
Short term investments / money market funds	152,825	246,085
U. S. government and agency fixed income securities	714,707	834,711
Corporate bonds	1,147,533	1,054,539
Equities - common stock	4,135,592	3,729,072
Real estate investment funds	690,109	686,637
Plan administrator's mutual funds	1,727,028	1,564,804
	<u>8,567,794</u>	<u>8,115,848</u>
Receivables	<u>198,892</u>	<u>60,541</u>
TOTAL ASSETS	<u>8,766,876</u>	<u>8,176,579</u>
LIABILITIES		
Accounts payable	16,307	13,711
Employer prepaid contribution	640	470
	<u>16,947</u>	<u>14,181</u>
TOTAL LIABILITIES	<u>16,947</u>	<u>14,181</u>
NET POSITION		
Restricted for pensions	<u>\$ 8,749,929</u>	<u>\$ 8,162,398</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, 2020
With Comparative Amounts for the Year Ended September 30, 2019

	<u>Employee Retirement Funds</u>	
	<u>2020</u>	<u>2019</u>
ADDITIONS		
Contributions		
Employer	\$ 419,600	\$ 455,310
Employee	179,634	161,622
Total contributions	<u>599,234</u>	<u>616,932</u>
Intergovernmental revenue		
State excise tax rebate	83,007	-
Investment earnings		
Net change in fair value of investments	518,212	158,121
Interest and dividends	196,492	181,416
Total investment earnings (loss)	<u>714,704</u>	<u>339,537</u>
Less investment expense	<u>(54,237)</u>	<u>(46,886)</u>
Net investment earnings (loss)	<u>660,467</u>	<u>292,651</u>
TOTAL ADDITIONS	<u>1,342,708</u>	<u>909,583</u>
DEDUCTIONS		
Benefits	594,549	658,708
Participant distributions	101,704	30,472
Professional services	54,926	44,337
Trustee / plan administrator's expenses	3,998	3,849
TOTAL DEDUCTIONS	<u>755,177</u>	<u>737,366</u>
CHANGE IN NET POSITION	587,531	172,217
NET POSITION - BEGINNING OF YEAR	<u>8,162,398</u>	<u>7,990,181</u>
NET POSITION - END OF YEAR	<u>\$ 8,749,929</u>	<u>\$ 8,162,398</u>

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

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 fiscal year 2020, the Protective Inspections department's expenditures were \$9,135 over budget. For the fiscal year ended September 30, 2020, General Fund budgeted appropriations were amended to reflect a change in the cost of workers compensation insurance, while the Capital Improvements Fund budgeted appropriations were not 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, 2020 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 \$5,444,363 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, 2020 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

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, 2109, 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, 2020

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, 2020 was \$2,086,714 excluding \$600 of petty cash funds that are maintained. The amounts on deposit in money market type accounts as of September 30, 2020 that do not qualify as public funds totaled \$1,684,331.

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, 2020

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, 2020, the weighted average maturity of Florida Prime investments was 48 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, 2020, the weighted average maturity of FL SAFE Fund investments was 60 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, 2020, 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, 2020, 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, 2020, are:

Investment	Maturity	Fair Value Measurement	Fair Value	Rating
State Board of Administration – Florida Prime	N/A	Net Asset Value	\$3,228,594	AAAm (S&P)
Florida Municipal Investment Trust – 0-2 and 1-3 Year High Quality Bond Funds	N/A	Level 2 inputs	1,209,688	AAA / V1(Fitch)
Florida SAFE Investment Pool	N/A	Net Asset Value	4,138,866	AAAm (S&P)
Total investments			\$8,577,148	

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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, 2020, is as follows:

Petty cash	\$	600
Deposits – public funds		2,086,714
Deposits – non-public funds		1,684,331
Investments		8,577,148
Total	\$	<u>12,348,793</u>

As reported in Statement of Net Position:

Cash, cash equivalents and pooled cash and investments	\$	<u>12,348,793</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, 2020:

Salem Trust Retirement Funds:	Fair Value Measurement	Fair Value	Rating
Deposits			
Financial Square Treasury Obligations Fund	N/A	\$ 152,825	N/A
Investments			
Bonds			
U.S. government and agency fixed income securities	Level 2 inputs	714,707	N/A
Corporate Bonds	Level 1 inputs	1,147,533	*
Equities - Common Stock and Mutual Funds	Level 1 inputs	4,135,592	N/A
Limited partnership interest - real estate investment fund (American Core Realty)	Level 3 inputs	690,109	N/A
Total Deposits and Investments		<u>\$ 6,840,766</u>	

* Investment complies with State of Florida investment requirements.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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, 2020, was \$1,727,028.

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, 2020:

<u>General Fund</u>	
Pinellas County	
EMS Reimbursement	\$ 8,430
State of Florida	
Communications Service Tax	14,672
Fire Supplemental (education pay)	10,810
Fuel Tax Refund	252
	<u>\$ 34,164</u>
 <u>Capital Improvement Fund</u>	
Pinellas County – Recycling Grants proceeds	2,672
Total – governmental funds	<u>\$ 36,836</u>
 <u>Sewer Fund</u>	
City of St. Petersburg – sewer service fees	104,035
 <u>Reclaimed Water Fund</u>	
City of St. Petersburg – reclaimed water fees	15,811
Total – business-type activities	<u>\$ 119,846</u>
 Total	 <u>\$ 156,682</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, 2020

NOTE D – CAPITAL ASSETS

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

	Beginning Balance 10-1-19	Additions / Transfers	Deletions / Transfers	Ending Balance 9-30-20
Governmental Activities				
<u>Non-depreciable assets:</u>				
Land and land rights	\$2,063,033	\$ -	\$ 3,850	\$2,059,183
Construction and projects in progress	18,168	85,400	18,168	85,400
<u>Depreciable assets:</u>				
Structures and improvements	4,365,452	18,875	-	4,384,327
Infrastructure	4,505,918	277,301	-	4,783,219
Furniture, fixtures and equipment	3,381,053	163,983	105,534	3,439,502
Total at historical cost	<u>14,333,624</u>	<u>545,559</u>	<u>127,552</u>	<u>14,751,631</u>
<u>Less accumulated depreciation for:</u>				
Structures and improvements	2,666,210	127,846	-	2,794,056
Infrastructure	2,206,391	184,665	-	2,391,056
Furniture, fixtures and equipment	2,252,653	219,959	104,603	2,368,009
Total accumulated depreciation	<u>7,125,254</u>	<u>532,470</u>	<u>104,603</u>	<u>7,553,121</u>
Capital assets, net	<u>\$7,208,370</u>	<u>\$ 13,089</u>	<u>\$ 22,949</u>	<u>\$7,198,510</u>
Business-type Activities				
<u>Depreciable assets:</u>				
Infrastructure – sewer system	\$ 4,116,045	\$ -	\$ -	\$ 4,116,045
Infrastructure – reclaimed water system	3,088,472	-	-	3,088,472
Total at historical cost	<u>7,204,517</u>	<u>-</u>	<u>-</u>	<u>7,204,517</u>
<u>Less accumulated depreciation for:</u>				
Infrastructure – sewer system	2,759,912	142,909	-	2,902,821
Infrastructure – reclaimed water system	2,504,068	102,949	-	2,607,017
Total accumulated depreciation	<u>5,263,980</u>	<u>245,858</u>	<u>-</u>	<u>5,509,838</u>
Capital assets, net	<u>\$ 1,940,537</u>	<u>\$(245,858)</u>	<u>\$ -</u>	<u>\$ 1,694,679</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 37,507
Public safety – fire	182,979
Public safety – protective inspections	22,829
Transportation – public works	92,105
Human services	6,179
Culture and recreation	29,426
Physical environment	161,445
	<u>\$ 532,470</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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, 2020 consists of local business tax receipts in the amount of \$78,640 received in advance that pertain to fiscal year ended September 30, 2021. The deferred revenue is reported as a deferred inflow of resources.

NOTE F - LONG-TERM DEBT

Long-term debt as of September 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Accrued compensated absences	\$ 216,217	\$ 54,601	\$ 11,064	\$ 259,754	\$ 54,980

Long-term debt for the governmental activities is comprised of the following as of September 30, 2020:

<u>Accrued Compensated Absences</u> : The vested portion of accumulated vacation and sick leave benefits due employees:	\$ 259,754
Total Governmental Activities Long-Term Debt	<u>\$ 259,754</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	\$ 625,735
Florida Retirement System	258,986
Sub-total	<u>884,721</u>
<i>Defined contribution plan</i>	
Florida Municipal Pension Trust Fund	12,640
Total pension expense for all pension plans	<u>\$ 897,361</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, 2020

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, 2019:

Group	
Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members:	<u>20</u>
Total	<u>36</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, 2019.

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, 2020

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, 2020:

Asset Class	Target Allocation	Expected Return
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Domestic Fixed Income	20%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%
Global Tactical Asset Allocation	5%	3.5%
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, 2020 the annual money-weighted rate of return on Plan investments net of investment expense was 7.46%. 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, 2020 were as follows:

Total Pension Liability	\$ 9,453,702
Plan Fiduciary Net Position	<u>(6,598,065)</u>
Sponsor’s Net Pension Liability	\$ 2,855,637
Plan’s Fiduciary Net Position as a Percentage of Total Pension Liability	69.79%

The City’s pension liability was measured as of September 30, 2019.

The discount rate used to measure the Plan’s total pension liability was 7.50%. 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
<u>\$ 3,967,051</u>	<u>\$ 2,855,637</u>	<u>\$ 1,911,278</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G – PENSION PLANS (continued)

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 and updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service based
Discount rate	7.50%
Investment rate of return	7.50%
Mortality rates	Mortality Improvement Scale MP-2018 Healthy – Sex Distinct Female – PubS.H-2010, set forward one year Male – PubS.H-2010 (Below Median), set forward one year

Changes of Assumptions for September 30, 2019 Measurement Date:

As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed as of September 30, 2019 to the assumptions used by the Florida Retirement System for special risk employees. Additionally, the discount rate assumption, as well as the investment rate of return assumption, were both lowered from 7.75% to 7.50%.

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, 2020 based on a September 30, 2019 measurement date is as follows:

	Increase (Decrease)		
	Total Pension Liability a	Plan Fiduciary Net Position b	Net Pension Liability a - b
Beginning balance	\$ 8,817,203	\$ 6,449,250	\$ 2,367,953
Changes for the year:			
Service cost	244,566	-	244,566
Interest	679,059	-	679,059
Differences between expected and actual experience	46,240	-	46,240
Changes of assumptions	265,739	-	265,739
Changes in benefit terms	(329)	-	(329)
Contributions - employer	-	455,250	(455,250)
Contributions - State	-	-	-
Contributions - employees	-	78,932	(78,932)
Net investment income (loss)	-	257,832	(257,832)
Benefit payments, including refund of employee contributions	(598,776)	(598,776)	-
Administrative expense	-	(44,423)	44,423
Net changes	<u>636,499</u>	<u>148,815</u>	<u>487,684</u>
Ending balance	<u>\$ 9,453,702</u>	<u>\$ 6,598,065</u>	<u>\$ 2,855,637</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G – PENSION PLANS (continued)

For the year ended September 30, 2020, using a measurement date of September 30, 2019, the City recognized pension expense for the Plan under GASB 68 in the amount of \$625,735.

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, 2020 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	\$ 137,878	\$ 40,798
Change of assumptions	282,524	-
Net difference between projected and actual earnings on pension plan investments	124,002	-
Employer contributions subsequent to the measurement date	502,776	-
Total	\$ 1,047,180	\$ 40,798

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
2021	\$ 116,682
2022	94,169
2023	141,209
2024	99,549
2025	51,997
Thereafter	-
	\$ 503,606

The financial statements for the Firefighters' Retirement Fund as of and for the year ended September 30, 2020 are as follows:

Statement of Net Position	
September 30, 2020	
Assets	
Cash	\$ 190
Investments, at fair value	6,840,766
Receivables	198,892
Total Assets	7,039,848
Liabilities	
Accounts payable	16,307
Employer prepaid contribution	640
Total Liabilities	16,947
Net Position	
Held in Trust for Pension Benefits	\$ 7,022,901

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G- PENSION PLANS (continued)

Statement of Changes in Net Position For the year Ended September 30, 2020	
Additions	
Contributions	
Employer	\$ 419,600
Employee	84,354
Total contributions	503,954
Intergovernmental revenue	
State excise tax rebate	83,007
Investment earnings	
Net change in fair value of investments	349,553
Interest and dividends	196,492
Total investment earnings (loss)	546,045
Less investment expense	(54,237)
Net investment earnings (loss)	491,808
Total additions	1,078,769
Deductions	
Benefits	594,549
Professional services	54,926
Trustee expenses	3,987
Total deductions	653,462
Change in Net Position	425,307
Net Position – October 1, 2019	6,597,594
Net Position – September 30, 2020	\$ 7,022,901

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. Therefore, these contributions were recognized as revenues in the fiscal year ended September 30, 2020, with a corresponding expenditure in the General Fund during the period.

The Plan Fiduciary Net Position as reported above is \$7,022,901 as of September 30, 2020. The Plan Fiduciary Net Position of \$6,598,065 as reported on page 47 is as of the measurement date of September 30, 2019, and differs from the September 30, 2019 Plan Fiduciary Net Position of \$6,597,594 as reported above by \$471. This is due to timing differences resulting from the accrual of income and expense items.

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.

NOTE G – PENSION PLANS (continued)

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.

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, 2020, 2019 and 2018 was \$12,640, \$12,172, and \$11,723, 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, 2019 the contribution rates were 8.47% (regular members) and 25.41% (senior management members). As of July 1, 2020 these rates changed to 10.00% (regular members) and 27.29% (senior management members). The City's contributions to FRS for the years ended September 30, 2020, 2019, and 2018 were \$139,940, \$137,420, and \$132,879, 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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G – PENSION PLANS (continued)

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 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, 2020 and continuing through September 30, 2020, based upon employees’ gross earnings is 16.98%. The rate for the period July 1, 2019 through June 30, 2020 was 14.60%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2020, as required by GASB 68 *Accounting and Financial Reporting for Pensions*, the City reported a net pension liability of \$1,463,469 for the FRS Plan component and \$356,493 for the HIS Plan component for its proportionate share of the FRS Pension Plan’s net pension liability. The net pension liability, totaling \$1,819,962, was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020.

The City’s proportionate share at June 30, 2020 for the FRS Plan component was .003376602%. The City’s proportionate share at June 30, 2020 for the HIS Plan component was .002919720%. The City’s proportionate shares at June 30, 2019 were .003885280% and .003109028% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2020 the City recognized pension expense of \$224,219 and \$34,767 for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

<u>FRS Plan Component</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 56,010	\$ -
Changes in assumptions	264,934	-
Net difference between projected and actual earnings on investments	87,136	-
Changes in proportion and differences between City contributions and proportionate share of contributions	98,757	107,628
Contributions subsequent to the measurement date	36,611	-
	<u>\$ 543,448</u>	<u>\$ 107,628</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G – PENSION PLANS (continued)

HIS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 14,583	\$ 275
Changes in assumptions	38,333	20,729
Net difference between projected and actual earnings on investments	285	-
Changes in proportion and differences between City contributions and proportionate share of contributions	58,805	18,700
Contributions subsequent to the measurement date	4,734	-
	<u>\$ 116,740</u>	<u>\$ 39,704</u>
<u>Combined FRS and HIS Plan Components</u>	<u>\$ 660,188</u>	<u>\$ 147,332</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, 2021. Other amounts related to net deferred outflows and inflows of resources will be recognized as pension expense as follows:

<u>Fiscal year ending September 30,</u>	<u>FRS component</u>	<u>HIS component</u>
2021	\$ 28,201	\$ 24,619
2022	11,629	20,335
2023	(9,619)	3,190
2024	(19,637)	(1,850)
2025	(19,445)	(2,795)
Thereafter	408,080	28,803
	<u>\$ 399,209</u>	<u>\$ 72,302</u>

Net Pension Liability

	<u>FRS component</u>	<u>HIS component</u>
City's proportionate share of Total Pension Liability	\$ 6,918,986	\$ 367,537
City's proportionate share of Plan Fiduciary Net Position	(5,455,517)	(11,044)
City's proportionate share of Net Pension Liability	<u>\$ 1,463,469</u>	<u>\$ 356,493</u>

Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	78.85%	3.00%
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Change in Net Pension Liability –

	<u>FRS component</u>	<u>HIS component</u>
Beginning balance – City's proportionate share	\$ 1,338,036	\$ 347,869
Service cost	89,394	7,752
Interest on total pension liability	454,418	11,758
Effect of economic / demographic gain or loss	4,867	12,980
Effect of assumptions	13,695	13,348
Employer contributions	(241,781)	(37,040)
Member contributions	(25,272)	(11)
Net investment income	(170,616)	(168)
Administrative expense	728	5
Ending balance – City's proportionate share	<u>\$ 1,463,469</u>	<u>\$ 356,493</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G – PENSION PLANS (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

	FRS component	HIS component
Valuation date	July 1, 2020	July 1, 2020
Measurement date	June 30, 2020	June 30, 2020
Inflation	2.40%	2.40%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	6.80%, net of expense, includes inflation	2.21%, Municipal Bond Rate
Mortality tables	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018
Discount rate	6.80%	2.21%

The actuarial assumptions used in the July 1, 2020 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 2020 for the FRS component: the long-term expected rate of return was decreased from 6.90% to 6.80%. 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 3.50% to 2.21%. A change in actuarial assumption also decreased the inflation rate from 2.60% to 2.40% for both the FRS and HIS components.

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%	2.20%	2.20%	1.20%
Fixed Income	19.00%	3.00%	2.90%	3.50%
Global Equity	54.20%	8.00%	6.70%	17.10%
Real Estate	10.30%	6.40%	5.80%	11.70%
Private Equity	11.10%	10.80%	8.10%	25.70%
Strategic Investments	4.40%	5.50%	5.30%	6.70%
Total	100.00%			
Assumed Inflation – Mean			2.40%	1.70%

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE G – PENSION PLANS (continued)

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 (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City’s Proportionate share of the net pension liability	\$ 2,336,914	\$ 1,463,469	\$ 733,964

HIS component	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City’s Proportionate share of the net pension liability	\$ 412,090	\$ 356,493	\$ 310,987

Aggregate total amounts for City pension plans

	FRS	HIS	Fire	Total
Net Position	\$ -	\$ -	\$ 7,022,901	\$ 7,022,901
Net Pension Liabilities	1,463,469	356,493	2,855,637	4,675,599
Deferred Outflows	543,448	116,740	1,047,180	1,707,368
Deferred Inflows	107,628	39,704	40,798	188,130
Pension Expense / Expenditures	224,219	34,767	625,735	884,721

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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

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><u>41</u></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.

Actuarial Assumptions. The actuarial valuation is based on an actuarial valuation performed as of September 30, 2018 with a measurement date of September 30, 2019 that is applicable to the year ended September 30, 2020. 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	3.58%	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 3.58%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Rating Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used. A discount rate of 4.18% was used for the September 30, 2018 measurement.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

<i>Changes in Total OPEB Liability:</i>	Increase (Decrease)
Reporting period ending September 30, 2019	\$ 164,623
Changes for the year:	
Service cost	9,727
Interest	7,091
Differences between expected and actual experience	-
Changes of assumptions	12,324
Contributions - employer	-
Net investment income (loss)	-
Benefit payments, including refund of employee contributions	(9,523)
Other changes	-
Net changes	<u>19,619</u>
Reporting period ending September 30, 2020	<u><u>\$ 184,242</u></u>

Sensitivity of 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.

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB Liability	<u>\$ 207,845</u>	<u>\$ 184,242</u>	<u>\$ 164,360</u>

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.

	1% Decrease (3.00% - 7.00%)	Current Healthcare Rates (4.00% - 8.00%)	1% Increase (5.00% - 9.00%)
Net OPEB Liability	<u>\$ 160,798</u>	<u>\$ 184,242</u>	<u>\$ 212,672</u>

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, 2020, the City will recognize OPEB expense of \$32,942 including administrative expenses.

On September 30, 2020, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following resources:

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Employer contributions subsequent to the measurement date	11,885	-
	<u>\$ 11,885</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, 2021.

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.

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, 2020, 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 \$834,420. The City has renewed its contract with the Pinellas County Sheriff's Department to provide law enforcement services, effective October 1, 2020, continuing until September 30, 2021. The amount of the contract with the Pinellas County Sheriff's Department for the 2020–2021 year is \$856,752.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE K – COMMITMENTS AND CONTINGENCIES (continued)

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, 2020, was \$939,690.

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, 2020, the City received reimbursement from the Federal Emergency Management Agency (FEMA) in the amount of \$36,891. As of the audit report date of June 11, 2021, the City has received reimbursements in the amount of \$1,543 from FEMA and \$86 from the State of Florida subsequent to September 30, 2020. As of the audit report date, there are no longer any outstanding reimbursements from FEMA or the State of Florida.

New Fire Station Land: The City entered into a purchase agreement on October 9, 2019 in the amount of \$700,000 to acquire approximately 1.3 acres of land located on Pasadena Avenue upon which a new fire station will be constructed. Closing on the purchase of the land is contingent upon the completion of an approximately 115-space parking lot that is to be constructed and paid for by the City on land owned by the seller that adjoins the property to be acquired by the City. The parking lot will be retained by the seller as additional consideration for the sale of the 1.3 acres to the City. The closing is also contingent on the City constructing a stormwater retention pond on the 1.3 acres of land that it will acquire. The closing will occur upon completion of the parking lot and stormwater retention pond at which time the purchase price of \$700,000 will be due and at which time the City will acquire title to the 1.3 acres of property. Through June 11, 2021, which is the date that the financial statements were available to be issued, construction had not yet begun on the parking lot, the stormwater retention pond, or the fire station.

NOTE L – SUBSEQUENT EVENTS

The City has evaluated whether any other events have occurred subsequent to September 30, 2020, and before the issuance of the financial statements, that would have an impact on the City's financial condition as of September 30, 2020, 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 11, 2021, 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, 2020
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final	(Budgetary Basis)		
RESOURCES (INFLOWS)					
Taxes					
Ad valorem taxes	\$ 2,237,415	\$ 2,237,415	\$ 2,216,228	\$ (21,187)	\$ 2,095,658
Utility taxes	688,900	688,900	733,155	44,255	703,744
Communications service tax	220,000	220,000	190,185	(29,815)	212,307
Electric franchise	474,000	474,000	464,097	(9,903)	479,138
Gas franchise	4,100	4,100	4,290	190	3,962
Refuse franchise	50,000	50,000	53,936	3,936	50,572
Total taxes	3,674,415	3,674,415	3,661,891	(12,524)	3,545,381
Licenses and permits					
Local business tax	102,500	102,500	107,872	5,372	104,819
Building permits	200,000	200,000	232,809	32,809	231,590
Fines / code enforcement	13,500	13,500	9,672	(3,828)	24,397
Electrical permits	19,000	19,000	5,670	(13,330)	26,890
Sewer, plumbing and gas permits	19,000	19,000	5,160	(13,840)	37,080
Mechanical permits	30,000	30,000	14,030	(15,970)	47,859
Planning and zoning fees	1,100	1,100	500	(600)	2,250
Grease management permits	1,400	1,400	-	(1,400)	1,000
Total licenses and permits	386,500	386,500	375,713	(10,787)	475,885
Intergovernmental revenue					
County Emergency Medical Services Authority	865,200	865,200	888,216	23,016	825,974
State revenue sharing	162,000	162,000	161,155	(845)	165,471
Local 1/2 cent sales tax	334,500	334,500	316,827	(17,673)	334,408
State pro-rata share of alcoholic beverage licenses	6,000	6,000	5,751	(249)	5,457
State mobile home licenses distribution	3,200	3,200	3,944	744	3,420
State municipal tax refund	1,250	1,250	1,097	(153)	1,231
State excise tax rebate - Fire Pension	44,500	44,500	83,007	38,507	-
Local option gas tax	70,000	70,000	65,364	(4,636)	71,246
Fire Fighters supplemental compensation	7,680	7,680	8,890	1,210	8,790
Federal FEMA reimbursement	-	-	36,891	36,891	37,835
State FEMA reimbursement	-	-	-	-	2,958
Total intergovernmental revenue	1,494,330	1,494,330	1,571,142	76,812	1,456,790

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2020 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS) (continued)					
Fines and forfeits -					
Police fines	\$ 6,000	\$ 6,000	\$ 2,858	\$ (3,142)	\$ 3,627
Red light fines	-	-	2,323	2,323	3,896
	<u>6,000</u>	<u>6,000</u>	<u>5,181</u>	<u>(819)</u>	<u>7,523</u>
Interest	50,000	50,000	30,160	(19,840)	61,128
Change in fair value of investments	-	-	12,724	12,724	15,091
Rent	9,500	9,500	5,830	(3,670)	11,335
Miscellaneous	53,605	53,605	57,713	4,108	53,576
	<u>119,105</u>	<u>119,105</u>	<u>111,608</u>	<u>(7,497)</u>	<u>148,653</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>5,674,350</u>	<u>5,674,350</u>	<u>5,720,354</u>	<u>46,004</u>	<u>5,626,709</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Legislative					
Personal services	51,740	51,740	51,719	21	43,564
Other services and charges	80,500	80,500	61,880	18,620	67,123
Travel and conventions	11,000	11,000	2,116	8,884	6,440
Supplies	1,150	1,150	402	748	1,329
	<u>144,390</u>	<u>144,390</u>	<u>116,117</u>	<u>28,273</u>	<u>118,456</u>
Finance and administration					
Personal services	609,135	609,145	605,773	3,372	573,780
Other services and charges	69,085	69,085	45,192	23,893	38,902
Insurance	37,475	39,660	41,114	(1,454)	36,436
Supplies	6,000	6,000	6,108	(108)	4,586
Maintenance	1,000	1,000	-	1,000	1,847
Utilities	16,000	16,000	16,093	(93)	14,572
Audit and accounting	16,455	16,455	15,135	1,320	13,910
Telephone	8,450	8,450	8,351	99	7,811
	<u>763,600</u>	<u>765,795</u>	<u>737,766</u>	<u>28,029</u>	<u>691,844</u>
Total general government	<u>907,990</u>	<u>910,185</u>	<u>853,883</u>	<u>56,302</u>	<u>810,300</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2020 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Budget	Final			
CHARGES TO APPROPRIATIONS					
(OUTFLOWS) (continued)					
Public Safety					
Law enforcement					
Pinellas County Sheriff -					
Department contract	\$ 834,920	\$ 834,920	\$ 834,420	\$ 500	\$ 810,378
	<u>834,920</u>	<u>834,920</u>	<u>834,420</u>	<u>500</u>	<u>810,378</u>
Fire department					
Personal services	2,542,460	2,543,695	2,499,028	44,667	2,317,773
Other services and charges	142,235	142,235	109,171	33,064	104,721
Insurance	75,765	75,675	78,764	(3,089)	65,818
Supplies	9,400	9,400	6,507	2,893	7,657
Maintenance	68,350	68,350	75,780	(7,430)	68,336
Utilities	18,200	18,200	16,402	1,798	15,041
Small tools and equipment	500	500	709	(209)	294
Traffic signals	15,000	15,000	4,875	10,125	4,816
Telephone	7,400	7,400	8,741	(1,341)	7,471
Capital outlay	1,000	1,000	-	1,000	-
	<u>2,880,310</u>	<u>2,881,455</u>	<u>2,799,977</u>	<u>81,478</u>	<u>2,591,927</u>
Protective inspections					
Personal services	218,435	218,125	194,385	23,740	261,487
Other services and charges	135,250	135,250	171,317	(36,067)	123,849
Supplies	3,950	3,950	3,178	772	3,148
Insurance	5,340	5,730	5,700	30	5,369
Maintenance	1,900	1,900	10	1,890	471
Capital outlay	500	500	-	500	-
	<u>365,375</u>	<u>365,455</u>	<u>374,590</u>	<u>(9,135)</u>	<u>394,324</u>
Total public safety	<u>4,080,605</u>	<u>4,081,830</u>	<u>4,008,987</u>	<u>72,843</u>	<u>3,796,629</u>
Transportation - public works					
Personal services	623,860	622,260	616,693	5,567	588,883
Other services and charges	65,505	65,505	56,874	8,631	59,544
Insurance	58,450	58,435	59,214	(779)	52,751
Supplies	7,700	7,700	16,645	(8,945)	7,309
Maintenance	49,800	49,800	43,119	6,681	27,789
Telephone	5,600	5,600	5,769	(169)	5,308
Utilities	48,100	48,100	48,314	(214)	39,328
	<u>859,015</u>	<u>857,400</u>	<u>846,628</u>	<u>10,772</u>	<u>780,912</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2020 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Human services - welfare and other services	\$ 4,650	\$ 4,650	\$ 4,650	\$ -	\$ 3,000
Culture and recreation					
Library	15,750	15,750	14,250	1,500	18,325
Culture services	1,000	1,000	1,000	-	500
Special events	13,600	13,600	6,229	7,371	9,644
Total culture and recreation	30,350	30,350	21,479	8,871	28,469
TOTAL CHARGES TO APPROPRIATIONS	5,882,610	5,884,415	5,735,627	148,788	5,419,310
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(208,260)	(210,065)	(15,273)	194,792	207,399
FUND BALANCE - BEGINNING OF YEAR	3,098,364	3,098,364	3,098,364	-	2,890,965
FUND BALANCE - END OF YEAR	\$ 2,890,104	\$ 2,888,299	\$ 3,083,091	\$ 194,792	\$ 3,098,364

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.	\$ 5,720,354
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,720,354</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,735,627
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,735,627</u>

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

Reporting period ending: Measurement date:	9-30-20 <u>9-30-19</u>	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>
Total Pension Liability						
Service cost	\$ 244,566	\$ 202,965	\$ 139,049	\$ 131,806	\$ 121,564	\$ 109,667
Interest on the total pension liability	679,059	663,963	670,563	659,566	634,381	622,005
Change in benefit terms	(329)	-	-	-	-	-
Change in excess state money	-	-	(15,444)	-	-	-
Share plan allocation	-	-	7,722	-	-	-
Differences between expected and actual experience	46,240	120,334	67,857	(203,988)	129,765	-
Change of assumptions	265,739	-	-	305,372	-	-
Benefit payments, including refunds of employee contributions	(598,776)	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
Net change in total pension liability	<u>636,499</u>	<u>(81,449)</u>	<u>(130,097)</u>	<u>376,407</u>	<u>260,094</u>	<u>189,529</u>
Total pension liability beginning	<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>	<u>8,202,719</u>
Total pension liability ending (a)	<u>\$ 9,453,702</u>	<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>
Plan Fiduciary Net Position						
Contributions - employer	\$ 455,250	\$ 340,140	\$ 298,315	\$ 303,240	\$ 286,491	198,912
Contributions - State	-	44,493	43,206	50,450	48,347	48,975
Contributions - employees	78,932	68,864	54,426	45,265	42,620	39,662
Net investment income (loss)	257,832	405,725	785,892	466,375	(79,221)	636,387
Benefit payments, including refunds of employee contributions	(598,776)	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
Administrative expenses	(44,423)	(38,136)	(34,501)	(40,775)	(30,445)	(27,419)
Net Change in plan fiduciary net position	<u>148,815</u>	<u>(247,625)</u>	<u>147,494</u>	<u>308,206</u>	<u>(357,824)</u>	<u>354,374</u>
Plan fiduciary net position - beginning	<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>	<u>6,244,625</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,598,065</u>	<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>\$ 2,855,637</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	69.79%	73.14%	75.26%	72.54%	72.13%	78.63%
Covered Payroll	\$ 1,313,532	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
Net pension liability as a percentage of covered payroll	217.40%	206.37%	242.72%	328.93%	340.20%	271.28%
Money-weighted rate of return on pension plan investments	7.46%	6.36%	12.51%	7.54%	-1.25%	10.35%

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
 FIREFIGHTERS' RETIREMENT FUND
 SCHEDULE OF CONTRIBUTIONS

Reporting period ending	9-30-20	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15	9-30-14
Actuarially determined contribution	\$ 502,607	\$ 455,310	\$ 391,969	\$ 341,520	\$ 352,204	\$ 328,458	\$ 247,885
Contributions in relation to the actuarially determined contribution:							
City's contribution	419,600	455,310	347,477	298,315	301,754	280,111	198,910
State excise tax - contribution	83,007	-	44,492	43,205	50,450	48,347	48,975
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,405,886	\$ 1,313,532	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
Contributions as a percentage of covered payroll	35.75%	34.66%	34.16%	37.65%	46.73%	46.34%	37.50%

NOTES TO SCHEDULE

Valuation date: October 1, 2018
 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 10-01-17
 Mortality: Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
 Disability: 80% PubG.H-2010 / 20% PubS.H-2010 for Disabled Retirees.
 Discount Rate: 7.5%
 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

NOTE: GASB 68 requires 10 year of information. Information is only available for seven 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

	9-30-20	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15
FRS Pension Plan						
Employer's Proportion for the FRS Pension	0.003376602%	0.003885280%	0.003859612%	0.003723260%	0.002924305%	0.001829231%
City's Proportionate Share						
Total Pension Liability	\$ 6,918,986	\$ 7,693,334	\$ 7,384,109	\$ 6,837,119	\$ 4,884,496	\$ 2,951,844
Plan Fiduciary Net Position	(5,455,517)	(6,355,298)	(6,221,574)	(5,735,804)	(4,146,107)	(2,715,574)
Net Pension Liability	<u>\$ 1,463,469</u>	<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	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Service Cost	\$ 89,394	\$ 98,028	\$ 93,556	\$ 173,845	\$ 86,833	\$ 44,049
Interest on the total pension liability	454,418	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	4,867	10,248	25,269	118,408	39,905	33,773
Effect of assumptions	13,695	64,133	99,844	871,705	41,960	-
Employer contributions	(241,781)	(115,303)	(85,683)	(218,233)	(99,280)	(50,801)
Member contributions	(25,272)	(29,249)	(28,807)	(62,441)	(28,934)	(14,550)
Net investment income	(170,616)	(366,219)	(539,618)	(1,576,186)	(33,407)	(115,085)
Administrative expense	728	761	779	1,538	753	376
Net change in net pension liability	125,433	175,501	61,220	362,926	502,119	141,998
Net pension liability - beginning	1,338,036	1,162,535	1,101,315	738,389	236,270	94,272
Net pension liability - ending	<u>\$ 1,463,469</u>	<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	\$ 1,041,948	\$ 1,052,168	\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
Net pension liability as a percentage of covered payroll	140%	127%	114%	111%	78%	39%
Retiree Health Insurance Subsidy (HIS Plan)						
Employer's Proportion for the HIS Plan	0.002919720%	0.003109028%	0.003119899%	0.003059396%	0.002962991%	0.001434881%
City's Proportionate Share						
Total Pension Liability	\$ 367,537	\$ 357,260	\$ 337,466	\$ 332,580	\$ 348,698	\$ 147,064
Plan Fiduciary Net Position	(11,044)	(9,391)	(7,252)	(5,455)	(3,374)	(729)
Net Pension Liability	<u>\$ 356,493</u>	<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	3.00%	2.63%	2.15%	1.64%	0.97%	50%
Service Cost	\$ 7,752	\$ 7,217	\$ 8,063	\$ 5,761	\$ 35,080	\$ 14,624
Interest on the total pension liability	11,758	13,001	12,158	6,384	53,398	27,258
Effect of economic/demographic gain or loss	12,980	(16)	5,857	-	(4,212)	40,856
Effect of assumptions	13,348	16,038	(12,098)	(20,310)	184,818	-
Employer contributions	(37,040)	(18,392)	(10,790)	(10,011)	(70,044)	(25,700)
Member contributions	(11)	(6)	(7)	-	-	-
Net investment income	(168)	(193)	(99)	(26)	(77)	(27)
Administrative expense	5	6	5	3	26	13
Net change in net pension liability	8,624	17,655	3,089	(18,199)	198,989	57,024
Net pension liability - beginning	347,869	330,214	327,125	345,324	146,335	89,311
Net pension liability - ending	<u>\$ 356,493</u>	<u>\$ 347,869</u>	<u>\$ 330,214</u>	<u>\$ 327,125</u>	<u>\$ 345,324</u>	<u>\$ 146,335</u>
Covered payroll	\$ 1,041,948	\$ 1,052,168	\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
Net pension liability as a percentage of covered payroll	34%	33%	32%	33%	37%	24%
Combined FRS and HIS Pension Plan						
Total Pension Liability	\$ 7,286,523	\$ 8,050,594	\$ 7,721,575	\$ 7,169,699	\$ 5,233,194	\$ 3,098,908
Plan Fiduciary Net Position	(5,466,561)	(6,364,689)	(6,228,826)	(5,741,259)	(4,149,481)	(2,716,303)
Net Pension Liability	<u>\$ 1,819,962</u>	<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 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
 SCHEDULE OF CONTRIBUTIONS**

(Six years of data available for GASB 67 and 68) *
 September 30, 2020

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
FRS Pension Plan						
Contractually required contribution	\$ 123,043	\$ 119,395	\$ 116,387	\$ 108,450	\$ 72,614	\$ 55,948
Contributions in relation to the contractually required contribution	(123,043)	(119,395)	(116,387)	(108,450)	(72,614)	(55,948)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,017,892	\$ 1,085,837	\$ 993,506	\$ 994,407	\$ 928,886	\$ 612,282
Contributions as a percentage of covered payroll	12.09%	11.00%	11.71%	10.91%	7.82%	9.14%
Retiree Health Insurance Subsidy (HIS Plan)						
Contractually required contribution	\$ 16,897	\$ 18,025	\$ 16,492	\$ 16,507	\$ 15,420	\$ 10,164
Contributions in relation to the contractually required contribution	(16,897)	(18,025)	(16,492)	(16,507)	(15,420)	(10,164)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,017,892	\$ 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%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION

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

Reporting period ending:	9-30-20	9-30-19	9-30-18	9-30-17
Measurement date:	9-30-19	9-30-18	9-30-17	9-30-16
Total OPEB Liability				
Service cost	\$ 9,727	\$ 9,552	\$ 9,319	\$ 7,977
Interest on the total pension liability	7,091	4,856	3,903	4,034
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	-	18,098	-	-
Change of assumptions	12,324	8,921	(6,410)	6,579
Benefit payments, including refunds of employee contributions	(9,523)	(1,246)	(1,145)	(1,145)
Net change in total pension liability	\$ 19,619	\$ 40,181	\$ 5,667	17,445
Total OPEB liability beginning	164,623	124,442	118,775	101,330
Total pension liability ending	\$ 184,242	\$ 164,623	\$ 124,442	\$ 118,775
Covered Employee Payroll	\$ 2,553,130	\$ 2,490,858	\$ 2,277,871	\$ 2,168,110
Net OPEB liability as a percentage of covered employee payroll	7.22%	6.61%	5.46%	5.48%

NOTE: GASB 75 requires 10 year of information. Information is only available for four 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, 2020
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Taxes, licenses and permits -					
Impact fees/assessments	\$ -	\$ -	\$ 6,625	\$ 6,625	\$ 1,097
Intergovernmental revenue					
Infrastructure tax	657,000	657,000	584,673	(72,327)	643,325
Environmental grants	60,250	60,250	3,635	(56,615)	2,979
Interest	87,850	87,850	44,492	(43,358)	87,529
Change in fair value of investments	-	-	15,461	15,461	18,363
Miscellaneous	-	-	582	582	-
AMOUNTS AVAILABLE FOR APPROPRIATION	805,100	805,100	655,468	(149,632)	753,293
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Finance and administration					
Consultant fees	96,600	96,600	-	96,600	-
Supplies	-	-	-	-	450
	96,600	96,600	-	96,600	450
Public Safety					
Fire Department and Protective Inspections					
Small Tools	-	-	3,835	(3,835)	-
Supplies	-	-	1,776	(1,776)	-
	-	-	5,611	(5,611)	-
Physical environment					
Flood control	-	-	3,375	(3,375)	4,229
Visioning	-	-	-	-	-
Maintenance	-	-	1,578	(1,578)	-
	-	-	4,953	(4,953)	4,229
Transportation					
Public Works					
Professional services	-	-	-	-	5,712
Maintenance	-	-	12,097	(12,097)	3,940
	-	-	12,097	(12,097)	9,652
Total current charges to appropriations	96,600	96,600	22,661	73,939	14,331
Capital outlay					
General government					
Legislative					
Equipment	11,000	11,000	-	11,000	-
Finance and administration					
Equipment	-	-	34,089	(34,089)	3,200
Total general government	11,000	11,000	34,089	(23,089)	3,200

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2020 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Public Safety					
Fire Department					
Building improvements	\$ 689,000	\$ 689,000	\$ 73,115	\$ 615,885	\$ 3,850
Equipment	177,600	177,600	85,226	92,374	28,691
Land purchases	700,000	700,000	-	700,000	-
	<u>1,566,600</u>	<u>1,566,600</u>	<u>158,341</u>	<u>1,408,259</u>	<u>32,541</u>
Protective inspections					
Equipment	49,400	49,400	-	49,400	1,421
	<u>49,400</u>	<u>49,400</u>	<u>-</u>	<u>49,400</u>	<u>1,421</u>
Total Public Safety	<u>1,616,000</u>	<u>1,616,000</u>	<u>158,341</u>	<u>1,457,659</u>	<u>33,962</u>
Transportation - public works					
Building improvements	42,000	42,000	18,875	23,125	77,640
Dredging and boardwalk	249,025	249,025	228,355	20,670	13,285
Equipment	28,000	28,000	11,739	16,261	6,640
Vehicle	35,000	35,000	32,930	2,070	51,130
Highways and streets	50,000	50,000	30,778	19,222	33,024
Total Transportation - public works	<u>404,025</u>	<u>404,025</u>	<u>322,677</u>	<u>81,348</u>	<u>181,719</u>
Physical environment					
Visioning / beautification	180,000	180,000	8,434	171,566	-
Flood control	75,000	75,000	-	75,000	31,292
Total Physical environment	<u>255,000</u>	<u>255,000</u>	<u>8,434</u>	<u>246,566</u>	<u>31,292</u>
Total capital outlay charges to appropriations	<u>2,286,025</u>	<u>2,286,025</u>	<u>523,541</u>	<u>1,762,484</u>	<u>250,173</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>2,382,625</u>	<u>2,382,625</u>	<u>546,202</u>	<u>1,836,423</u>	<u>264,504</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(1,577,525)	(1,577,525)	109,266	1,686,791	488,789
FUND BALANCE - BEGINNING OF YEAR	<u>5,400,252</u>	<u>5,400,252</u>	<u>5,400,252</u>	<u>-</u>	<u>4,911,463</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,822,727</u>	<u>\$ 3,822,727</u>	<u>\$ 5,509,518</u>	<u>\$ 1,686,791</u>	<u>\$ 5,400,252</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, 2020
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Charges for services	\$ 1,288,000	\$ 1,288,000	\$ 1,328,968	\$ 40,968	\$ 1,133,869
Interest earned	28,750	28,750	13,221	(15,529)	28,706
AMOUNT AVAILABLE FOR APPROPRIATION	<u>1,316,750</u>	<u>1,316,750</u>	<u>1,342,189</u>	<u>25,439</u>	<u>1,162,575</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	56,230	56,230	56,230	-	53,310
Utilities	10,150	10,150	10,370	(220)	8,822
City of St. Petersburg:					
Sewer processing	984,000	984,000	939,690	44,310	866,460
Sewer administration charge	3,240	3,240	3,262	(22)	2,514
Insurance	13,440	13,440	13,988	(548)	11,479
Audit	3,815	3,815	3,815	-	3,080
Repairs, maintenance, renewals and replacement	197,900	197,900	43,895	154,005	58,486
Capital outlay	25,000	25,000	-	25,000	112,437
Administrative service charge	28,030	28,030	28,030	-	25,370
Miscellaneous	5,650	5,650	5,864	(214)	5,148
TOTAL CHARGES TO APPROPRIATIONS	<u>1,327,455</u>	<u>1,327,455</u>	<u>1,105,144</u>	<u>222,311</u>	<u>1,147,106</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ (10,705)</u>	<u>\$ (10,705)</u>	<u>\$ 237,045</u>	<u>\$ 247,750</u>	<u>\$ 15,469</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.	\$ 1,105,144
Differences - budget to GAAP:	
Depreciation	<u>142,909</u>
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 1,248,053</u>

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
RECLAIMED WATER

For the Year Ended September 30, 2020
With Comparative Actual Amounts for the Year Ended September 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Charges for services	\$ 189,400	\$ 189,400	\$ 189,835	\$ 435	\$ 189,399
Interest earned	33,300	33,300	15,835	(17,465)	31,737
AMOUNT AVAILABLE FOR APPROPRIATION	<u>222,700</u>	<u>222,700</u>	<u>205,670</u>	<u>(17,030)</u>	<u>221,136</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	44,940	44,940	44,940	-	43,165
City of St. Petersburg:					
Administration charge	600	600	576	24	444
Pinellas County:					
Reclaimed water	27,400	27,400	47,971	(20,571)	26,506
Audit	430	430	430	-	415
Consultants	1,000	1,000	-	1,000	-
Contingencies	29,105	29,105	-	29,105	-
Repairs, maintenance, renewals and replacement	105,000	105,000	604	104,396	2,808
Administrative service charge	14,225	14,225	14,225	-	12,590
TOTAL CHARGES TO APPROPRIATIONS	<u>222,700</u>	<u>222,700</u>	<u>108,746</u>	<u>113,954</u>	<u>85,928</u>
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,924</u>	<u>\$ 96,924</u>	<u>\$ 135,208</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.	\$ 108,746
Differences - budget to GAAP:	
Depreciation	102,949
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 211,695</u>

CITY OF SOUTH PASADENA, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2020

With Comparative Total Amounts for September 30, 2019

	Employee Retirement Funds		Totals	
	Firefighters' Retirement	Employees' Deferred Compensation	2020	2019
ASSETS				
Cash	\$ 190	\$ -	\$ 190	\$ 190
Investments, at fair value				
Short term investments / money market funds	152,825	-	152,825	246,085
U. S. government and agency fixed income securities	714,707	-	714,707	834,711
Corporate bonds	1,147,533	-	1,147,533	1,054,539
Equities - common stock	4,135,592	-	4,135,592	3,729,072
Real estate investment funds	690,109	-	690,109	686,637
Plan administrator's mutual funds	-	1,727,028	1,727,028	1,564,804
	<u>6,840,766</u>	<u>1,727,028</u>	<u>8,567,794</u>	<u>8,115,848</u>
Receivables	198,892	-	198,892	60,541
TOTAL ASSETS	<u>7,039,848</u>	<u>1,727,028</u>	<u>8,766,876</u>	<u>8,176,579</u>
LIABILITIES				
Accounts payable	16,307	-	16,307	13,711
Employer prepaid contribution	640	-	640	470
TOTAL LIABILITIES	<u>16,947</u>	<u>-</u>	<u>16,947</u>	<u>14,181</u>
NET POSITION				
Restricted for pensions	<u>\$ 7,022,901</u>	<u>\$ 1,727,028</u>	<u>\$ 8,749,929</u>	<u>\$ 8,162,398</u>

CITY OF SOUTH PASADENA, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2020

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

	Employee Retirement Funds		Totals	
	Firefighters' Retirement	Employees' Deferred Compensation	2020	2019
ADDITIONS				
Contributions				
Employer	\$ 419,600	\$ -	\$ 419,600	\$ 455,310
Employee	84,354	95,280	179,634	161,622
Total contributions	<u>503,954</u>	<u>95,280</u>	<u>599,234</u>	<u>616,932</u>
Intergovernmental revenue				
State excise tax rebate	83,007	-	83,007	-
Investment earnings				
Net change in fair value of investments	349,553	168,659	518,212	158,121
Interest and dividends	196,492	-	196,492	181,416
Total investment earnings (loss)	<u>546,045</u>	<u>168,659</u>	<u>714,704</u>	<u>339,537</u>
Less investment expense	<u>(54,237)</u>	<u>-</u>	<u>(54,237)</u>	<u>(46,886)</u>
Net investment earnings (loss)	<u>491,808</u>	<u>168,659</u>	<u>660,467</u>	<u>292,651</u>
TOTAL ADDITIONS	<u>1,078,769</u>	<u>263,939</u>	<u>1,342,708</u>	<u>909,583</u>
DEDUCTIONS				
Benefits	594,549	-	594,549	658,708
Participant distributions	-	101,704	101,704	30,472
Professional services	54,926	-	54,926	44,337
Trustee / plan administrator expenses	3,987	11	3,998	3,849
TOTAL DEDUCTIONS	<u>653,462</u>	<u>101,715</u>	<u>755,177</u>	<u>737,366</u>
CHANGE IN NET POSITION	425,307	162,224	587,531	172,217
NET POSITION - BEGINNING OF YEAR	<u>6,597,594</u>	<u>1,564,804</u>	<u>8,162,398</u>	<u>7,990,181</u>
NET POSITION - END OF YEAR	<u>\$ 7,022,901</u>	<u>\$ 1,727,028</u>	<u>\$ 8,749,929</u>	<u>\$ 8,162,398</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, 2020

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>2020</u>	<u>2019</u>
ASSETS		
Cash, cash equivalents and pooled cash and investments	\$ 3,243,208	\$ 3,291,737
Receivables - other	9,479	27,192
Due from other governments	34,164	26,684
Inventory of supplies	7,166	6,112
Prepaid expenditures	<u>65,839</u>	<u>36,432</u>
TOTAL ASSETS	<u><u>\$ 3,359,856</u></u>	<u><u>\$ 3,388,157</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 59,087	\$ 53,774
Accrued liabilities	<u>139,038</u>	<u>156,706</u>
TOTAL LIABILITIES	<u>198,125</u>	<u>210,480</u>
DEFERRED INFLOWS OF RESOURCES		
Local business tax receipts	<u>78,640</u>	<u>79,313</u>
TOTAL DEFERRED INFLOWS	<u>78,640</u>	<u>79,313</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>276,765</u>	<u>289,793</u>
FUND BALANCES		
Fund balances		
Nonspendable:		
Inventories and prepaids	73,005	42,544
Restricted for:		
Scholarships	1,651	1,651
Assigned to:		
Future budgetary appropriations	133,165	208,260
Unassigned	<u>2,875,270</u>	<u>2,845,909</u>
TOTAL FUND BALANCES	<u>3,083,091</u>	<u>3,098,364</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u><u>\$ 3,359,856</u></u>	<u><u>\$ 3,388,157</u></u>

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET
CAPITAL IMPROVEMENTS FUND

	September 30,	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash equivalents and pooled cash and investments	\$ 5,584,739	\$ 5,397,274
Due from other governments	<u>2,672</u>	<u>2,978</u>
TOTAL ASSETS	<u><u>\$ 5,587,411</u></u>	<u><u>\$ 5,400,252</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 76,519	\$ -
Due to other governments	<u>1,374</u>	<u>-</u>
TOTAL LIABILITIES	<u>77,893</u>	<u>-</u>
FUND BALANCES		
Fund balances		
Restricted for:		
Infrastructure	5,442,712	5,199,997
Assigned to:		
Capital improvement projects	<u>66,806</u>	<u>200,255</u>
TOTAL FUND BALANCES	<u>5,509,518</u>	<u>5,400,252</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 5,587,411</u></u>	<u><u>\$ 5,400,252</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, 2020

	Total Governmental Funds	Long Term Assets, Liabilities	Adjustments and Eliminations	Statement of Net Position Totals
ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 8,827,947	\$ -	\$ -	\$ 8,827,947
Receivables - other	9,479	-	-	9,479
Due from other governments	36,836	-	-	36,836
Inventory of supplies	7,166	-	-	7,166
Prepaid expenditures	65,839	-	-	65,839
Land and land rights	-	2,059,183	-	2,059,183
Structures and improvements	-	4,384,327	-	4,384,327
Infrastructure	-	4,783,219	-	4,783,219
Furniture, fixtures and equipment	-	3,439,502	-	3,439,502
Construction and projects in process	-	85,400	-	85,400
Accumulated depreciation	-	(7,553,121)	-	(7,553,121)
Deferred outflows of resources:				
Net Other Post Employment Benefits	-	11,885	-	11,885
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	1,047,180	-	1,047,180
Florida Retirement System	-	660,188	-	660,188
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 8,947,267	\$ 8,917,763	\$ -	\$ 17,865,030
LIABILITIES AND FUND BALANCES				
LIABILITIES & DEFERRED INFLOWS				
Accounts payable	\$ 135,606	\$ -	\$ -	\$ 135,606
Due to other governments	1,374	-	-	1,374
Accrued liabilities	139,038	-	-	139,038
Current portion of:				
Accrued compensated absences	-	54,980	-	54,980
Non-current portion of:				
Net Other Post Employment Benefits	-	184,242	-	184,242
Accrued compensated absences	-	204,774	-	204,774
Net pension liability:				
Firefighters' Retirement Fund	-	2,855,637	-	2,855,637
Florida Retirement System	-	1,819,962	-	1,819,962
Deferred inflows of resources:				
Deferred revenue - local business tax receipts	78,640			78,640
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	40,798		40,798
Florida Retirement System	-	147,332		147,332
TOTAL LIABILITIES & DEFERRED INFLOWS	354,658	5,307,725	-	5,662,383
TOTAL FUND BALANCES / NET POSITION	8,592,609	3,610,038	-	12,202,647
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES / NET POSITION	\$ 8,947,267	\$ 8,917,763	\$ -	\$ 17,865,030

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, 2020

	Total Governmental Funds	Depreciation, Asset Retirements and Capital Outlay	Long-term Debt Transactions	Pensions, Other Items, Adjustments and Reclass- ifications	Statement of Activities Totals
REVENUES					
Taxes	\$ 3,668,516	\$ -	\$ -	\$ (3,668,516)	\$ -
Licenses and permits	375,713	-	-	(375,713)	-
Intergovernmental revenue	2,159,450	-	-	(2,159,450)	-
Fines and forfeits	5,181	-	-	(5,181)	-
Interest	74,652	-	-	(74,652)	-
Change in fair value of investments	28,185	-	-	(28,185)	-
Rent	5,830	-	-	(5,830)	-
Miscellaneous revenues	58,295	-	-	(58,295)	-
Charges for services	-	-	-	393,349	393,349
Operating grants and contributions	-	-	-	928,742	928,742
General revenues	-	-	-	5,053,731	5,053,731
TOTAL REVENUES	6,375,822	-	-	-	6,375,822
EXPENDITURES					
Current					
General government	853,883	37,508	22,532	129,381	1,043,304
Public safety	4,014,598	-	-	(4,014,598)	-
Public safety - police	-	-	-	834,420	834,420
Public safety - fire	-	183,909	34,564	2,948,838	3,167,311
Public safety - protective inspections	-	22,829	340	397,305	420,474
Transportation - public works	858,725	92,105	(13,899)	107,925	1,044,856
Human services	4,650	6,179	-	-	10,829
Culture and recreation	21,479	29,426	-	-	50,905
Physical environment	4,953	161,445	-	-	166,398
Capital outlay	523,541	(523,541)	-	-	-
TOTAL EXPENDITURES	6,281,829	9,860	43,537	403,271	6,738,497
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 93,993	\$ (9,860)	\$ (43,537)	\$ (403,271)	\$ (362,675)

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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

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 6,590,600	\$ 6,586,069	\$ 7,304,979	\$ 7,101,744
Restricted	4,469,039	4,591,514	4,015,421	4,350,523
Unrestricted (deficit)	4,137,629	4,263,985	3,696,741	3,056,789
Total governmental activities net position	<u>\$ 15,197,268</u>	<u>\$ 15,441,568</u>	<u>\$ 15,017,141</u>	<u>\$ 14,509,056</u>
Business-type activities				
Net investment in capital assets	\$ 3,595,599	\$ 3,341,945	\$ 3,111,889	\$ 2,940,647
Unrestricted	2,169,926	2,411,657	2,536,170	2,609,344
Total business-type activities net position	<u>\$ 5,765,525</u>	<u>\$ 5,753,602</u>	<u>\$ 5,648,059</u>	<u>\$ 5,549,991</u>
Primary Government				
Net investment in capital assets	\$ 10,186,199	\$ 9,928,014	\$ 10,416,868	\$ 10,042,391
Restricted	4,469,039	4,591,514	4,015,421	4,350,523
Unrestricted	6,307,555	6,675,642	6,232,911	5,666,133
Total primary government activities net position	<u>\$ 20,962,793</u>	<u>\$ 21,195,170</u>	<u>\$ 20,665,200</u>	<u>\$ 20,059,047</u>

2015	2016	2017	2018	2019	2020
\$ 7,199,435	\$ 7,248,467	\$ 7,776,157	\$ 7,471,268	\$ 7,208,370	\$ 7,198,510
4,313,043	4,569,676	4,174,483	4,673,236	5,201,648	5,444,363
690,581	860,223	523,370	362,827	155,304	(440,226)
<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>	<u>\$ 12,202,647</u>
\$ 2,686,418	\$ 2,550,469	\$ 2,310,729	\$ 2,070,929	\$ 1,940,537	\$ 1,694,679
2,766,363	2,734,889	2,853,010	3,060,234	3,210,911	3,544,880
<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>	<u>\$ 5,239,559</u>
\$ 9,885,853	\$ 9,798,936	\$ 10,086,886	\$ 9,542,197	\$ 9,148,907	\$ 8,893,189
4,313,043	4,569,676	4,174,483	4,673,236	5,201,648	5,444,363
3,456,944	3,595,112	3,376,380	3,423,061	3,366,215	3,104,654
<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>	<u>\$ 17,442,206</u>

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

	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 632,581	\$ 579,191	\$ 633,246	\$ 666,485	\$ 808,125
Public safety - Police	872,692	1,010,719	1,011,206	1,022,502	1,023,307
Public safety - Fire	2,211,481	2,278,934	2,152,151	2,240,521	2,185,829
Public safety - Protective inspections	277,825	268,300	301,625	331,803	353,270
Transportation - Public Works	809,117	880,690	905,564	895,487	879,520
Human services	10,047	5,383	8,545	3,895	5,795
Culture and recreation	62,617	61,770	60,482	67,662	72,858
Physical environment	82,823	72,674	71,372	85,689	90,854
Interest	-	-	-	124	66
Total governmental activities expenses	<u>4,959,183</u>	<u>5,157,661</u>	<u>5,144,191</u>	<u>5,314,168</u>	<u>5,419,624</u>
Business-type activities:					
Sewer	1,034,150	905,442	983,726	954,274	991,172
Reclaimed water	163,405	174,684	175,529	174,310	179,451
Total business-type activities expenses	<u>1,197,555</u>	<u>1,080,126</u>	<u>1,159,255</u>	<u>1,128,584</u>	<u>1,170,623</u>
Total primary government expenses	<u>\$ 6,156,738</u>	<u>\$ 6,237,787</u>	<u>\$ 6,303,446</u>	<u>\$ 6,442,752</u>	<u>\$ 6,590,247</u>
Program Revenues					
Governmental activities:					
Charges for services	\$ 818,064	\$ 1,084,571	\$ 1,001,570	\$ 835,462	\$ 689,326
Operating grants and contributions	670,060	712,569	720,984	772,767	810,767
Capital grants and contributions	21,735	165,536	-	7,742	3,880
Total governmental activities program revenues	<u>1,509,859</u>	<u>1,962,676</u>	<u>1,722,554</u>	<u>1,615,971</u>	<u>1,503,973</u>
Business-type activities:					
Charges for services	1,064,157	1,057,446	1,048,581	1,031,609	1,065,857
Total business-type activities program revenues	<u>1,064,157</u>	<u>1,057,446</u>	<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>
Total primary government program revenues	<u>\$ 2,574,016</u>	<u>\$ 3,020,122</u>	<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>	<u>\$ 2,569,830</u>
Net (Expense)/Revenue					
Governmental activities net expense	\$ (3,449,324)	\$ (3,194,985)	\$ (3,421,637)	\$ (3,698,197)	\$ (3,915,651)
Business-type activities net revenue	(133,398)	(22,680)	(110,674)	(96,975)	(104,766)
Total primary government net expense	<u>\$ (3,582,722)</u>	<u>\$ (3,217,665)</u>	<u>\$ (3,532,311)</u>	<u>\$ (3,795,172)</u>	<u>\$ (4,020,417)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem	\$ 1,014,015	\$ 1,066,851	\$ 642,422	\$ 712,589	\$ 894,391
Franchise fees	477,513	458,889	439,881	502,227	490,429
Utility taxes	597,352	571,598	595,950	618,039	632,972
Communication services tax	243,932	269,547	244,085	240,254	241,330
Sales tax - infrastructure	416,235	440,385	463,895	494,915	534,832
Half-cent sales tax	260,530	260,555	272,640	290,685	307,159
Local option gas tax	74,272	74,294	75,514	77,058	78,796
Other taxes	60,076	55,801	61,169	67,357	62,494
State revenue sharing	155,245	155,655	156,238	157,524	159,685
Investment income	71,253	58,642	48,316	5,471	23,944
Change in fair value of investments	(3,883)	(8,348)	(26,865)	(9,093)	3,231
Miscellaneous	20,732	35,416	23,965	33,086	37,694
Deepwater Horizon - BP Oil spill settlement	-	-	-	-	131,898
Total governmental activities	<u>3,387,272</u>	<u>3,439,285</u>	<u>2,997,210</u>	<u>3,190,112</u>	<u>3,598,855</u>
Business-type activities					
Investment income	10	715	540	1,403	7,556
Change in fair value of investments	6,248	10,042	4,591	(2,496)	-
Total business-type activities	<u>6,258</u>	<u>10,757</u>	<u>5,131</u>	<u>(1,093)</u>	<u>7,556</u>
Total primary government	<u>\$ 3,393,530</u>	<u>\$ 3,450,042</u>	<u>\$ 3,002,341</u>	<u>\$ 3,189,019</u>	<u>\$ 3,606,411</u>
Change in Net Position					
Governmental activities	\$ (62,052)	\$ 244,300	\$ (424,427)	\$ (508,085)	\$ (316,796)
Business-type activities	(127,140)	(11,923)	(105,543)	(98,068)	(97,210)
Total primary government	<u>\$ (189,192)</u>	<u>\$ 232,377</u>	<u>\$ (529,970)</u>	<u>\$ (606,153)</u>	<u>\$ (414,006)</u>

	2016	2017	2018	2019	2020
\$	804,196	\$ 840,118	\$ 887,455	\$ 999,635	\$ 1,043,304
	881,550	772,949	786,522	810,378	834,420
	2,331,312	2,558,760	2,633,364	2,838,432	3,167,311
	369,046	369,852	397,196	458,251	420,474
	931,613	926,658	1,014,262	992,511	1,044,856
	3,286	4,223	10,162	9,402	10,829
	62,198	62,164	54,475	56,469	50,905
	108,423	110,779	156,794	156,934	166,398
	2	-	-	-	-
	<u>5,491,626</u>	<u>5,645,503</u>	<u>5,940,229</u>	<u>6,322,011</u>	<u>6,738,497</u>
	1,027,658	1,082,192	1,025,922	1,174,549	1,248,053
	195,261	191,780	212,074	188,877	211,695
	<u>1,222,919</u>	<u>1,273,972</u>	<u>1,237,996</u>	<u>1,363,426</u>	<u>1,459,748</u>
\$	<u>6,714,545</u>	<u>6,919,475</u>	<u>7,178,225</u>	<u>7,685,437</u>	<u>8,198,245</u>
\$	857,705	\$ 397,383	\$ 513,550	\$ 495,840	\$ 393,349
	730,936	744,612	819,272	869,746	928,742
	200,204	-	-	-	-
	<u>1,788,845</u>	<u>1,141,995</u>	<u>1,332,822</u>	<u>1,365,586</u>	<u>1,322,091</u>
	1,046,723	1,133,811	1,166,250	1,323,268	1,518,803
	<u>1,046,723</u>	<u>1,133,811</u>	<u>1,166,250</u>	<u>1,323,268</u>	<u>1,518,803</u>
\$	<u>2,835,568</u>	<u>2,275,806</u>	<u>2,499,072</u>	<u>2,688,854</u>	<u>2,840,894</u>
\$	(3,702,781)	\$ (4,503,508)	\$ (4,607,407)	\$ (4,956,425)	\$ (5,416,406)
	(176,196)	(140,161)	(71,746)	(40,158)	59,055
\$	<u>(3,878,977)</u>	<u>(4,643,669)</u>	<u>(4,679,153)</u>	<u>(4,996,583)</u>	<u>(5,357,351)</u>
\$	1,570,705	\$ 1,730,425	\$ 1,820,247	\$ 2,095,658	\$ 2,216,228
	467,936	473,192	509,999	533,672	522,323
	648,746	650,481	663,585	703,744	733,155
	231,531	233,979	247,881	212,307	190,185
	563,632	581,267	609,637	643,325	584,673
	319,883	321,020	329,118	334,408	316,827
	81,708	81,739	75,738	71,246	65,364
	64,689	58,273	60,288	18,898	102,689
	160,186	161,033	161,955	165,471	161,155
	23,319	48,881	97,760	148,657	74,652
	7,161	8,176	13,951	33,454	28,185
	38,592	52,016	50,569	53,576	58,295
	-	-	-	-	-
	<u>4,178,088</u>	<u>4,400,482</u>	<u>4,640,728</u>	<u>5,014,416</u>	<u>5,053,731</u>
	8,773	18,542	39,170	60,443	29,056
	-	-	-	-	-
	<u>8,773</u>	<u>18,542</u>	<u>39,170</u>	<u>60,443</u>	<u>29,056</u>
\$	<u>4,186,861</u>	<u>4,419,024</u>	<u>4,679,898</u>	<u>5,074,859</u>	<u>5,082,787</u>
\$	475,307	\$ (103,026)	\$ 33,321	\$ 57,991	\$ (362,675)
	(167,423)	(121,619)	(32,576)	20,285	88,111
\$	<u>307,884</u>	<u>(224,645)</u>	<u>745</u>	<u>78,276</u>	<u>(274,564)</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 27,766	\$ 25,720	\$ 26,281	\$ 23,357	\$ 26,041
Restricted	4,151	3,151	2,651	1,651	1,651
Assigned	169,155	680,055	744,110	754,970	137,095
Unassigned	<u>3,453,879</u>	<u>3,021,434</u>	<u>2,493,922</u>	<u>1,955,827</u>	<u>2,099,926</u>
Total general fund	<u>\$ 3,654,951</u>	<u>\$ 3,730,360</u>	<u>\$ 3,266,964</u>	<u>\$ 2,735,805</u>	<u>\$ 2,264,713</u>
All Other Governmental Funds					
Restricted	\$ 4,464,888	\$ 4,588,363	\$ 4,012,770	\$ 4,348,872	\$ 4,311,392
Assigned to:					
Capital improvement projects	<u>675,133</u>	<u>701,527</u>	<u>592,556</u>	<u>472,523</u>	<u>455,073</u>
Total all other governmental funds	<u>\$ 5,140,021</u>	<u>\$ 5,289,890</u>	<u>\$ 4,605,326</u>	<u>\$ 4,821,395</u>	<u>\$ 4,766,465</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 24,403	\$ 32,486	\$ 38,991	\$ 42,544	\$ 73,005
1,651	2,651	2,651	1,651	1,651
104,340	160,230	126,280	208,260	133,165
<u>2,467,165</u>	<u>2,490,642</u>	<u>2,723,043</u>	<u>2,845,909</u>	<u>2,875,270</u>
<u>\$ 2,597,559</u>	<u>\$ 2,686,009</u>	<u>\$ 2,890,965</u>	<u>\$ 3,098,364</u>	<u>\$ 3,083,091</u>
\$ 4,568,025	\$ 4,171,832	\$ 4,670,585	\$ 5,199,997	\$ 5,442,712
433,616	387,876	240,878	200,255	66,806
<u>\$ 5,001,641</u>	<u>\$ 4,559,708</u>	<u>\$ 4,911,463</u>	<u>\$ 5,400,252</u>	<u>\$ 5,509,518</u>

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

	2011	2012	2013	2014
Revenues				
Taxes	\$ 2,333,562	\$ 2,366,885	\$ 1,933,588	\$ 2,091,109
Licenses and permits	190,715	181,551	293,115	355,998
Intergovernmental revenue	1,658,153	1,864,795	1,748,940	1,867,048
Fines and forfeitures	621,130	895,869	688,842	453,682
Interest	71,253	58,642	48,316	5,471
Change in fair value of investments	(3,883)	(8,348)	(26,865)	(9,093)
Rent	5,975	6,875	8,050	6,750
Miscellaneous revenue	20,976	35,692	25,491	35,118
Total revenues	<u>4,897,881</u>	<u>5,401,961</u>	<u>4,719,477</u>	<u>4,806,083</u>
Expenditures				
General government	594,869	547,153	601,174	642,915
Public safety	3,243,016	3,451,446	3,349,673	3,393,938
Transportation - public works	703,806	756,921	794,919	788,780
Human services	8,540	4,088	7,250	2,600
Culture and recreation	21,652	20,805	19,652	26,851
Physical environment	29,288	7,008	-	-
Capital outlay	307,998	389,262	1,095,056	270,712
Debt service				
Principal retirement	-	-	-	3,315
Interest and fiscal charges	-	-	-	124
Total expenditures	<u>4,909,169</u>	<u>5,176,683</u>	<u>5,867,724</u>	<u>5,129,235</u>
Excess of revenues over (under) expenditures	(11,288)	225,278	(1,148,247)	(323,152)
Other Financing Sources (Uses)				
Proceeds from sale of surplus capital assets	-	-	287	-
Capital lease obligation incurred	-	-	-	8,062
Deepwater Horizon - BP Oil spill settlement	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>287</u>	<u>8,062</u>
Net change in fund balances	(11,288)	225,278	(1,147,960)	(315,090)
Fund balances - beginning of year	8,773,555	8,762,267	8,987,545	7,839,585
Fund balances - end of year	<u>\$ 8,762,267</u>	<u>\$ 8,987,545</u>	<u>\$ 7,839,585</u>	<u>\$ 7,524,495</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.1%

	2015	2016	2017	2018	2019	2020
\$	2,272,072	\$ 2,921,293	\$ 3,088,677	\$ 3,246,996	\$ 3,546,478	\$ 3,668,516
	381,410	551,956	360,643	476,897	475,885	375,713
	1,957,613	2,121,238	1,946,944	2,056,008	2,103,094	2,159,450
	288,141	298,600	26,742	21,062	7,523	5,181
	23,944	23,319	48,881	97,760	148,657	74,652
	3,231	7,161	8,176	13,951	33,454	28,185
	6,093	3,600	8,600	9,950	11,335	5,830
	38,426	39,766	49,114	50,926	53,576	58,295
	<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>	<u>6,375,822</u>
	777,213	735,542	736,468	771,751	810,750	853,883
	3,464,592	3,365,382	3,312,183	3,540,403	3,796,629	4,014,598
	759,608	787,372	757,592	754,024	790,564	858,725
	4,500	2,000	4,000	4,000	3,000	4,650
	32,476	24,960	27,577	25,825	28,469	21,479
	-	-	14,228	99,233	4,229	4,953
	586,334	482,967	1,043,912	221,963	250,173	523,541
	4,061	686	-	-	-	-
	66	2	-	-	-	-
	<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>	<u>6,281,829</u>
	(657,920)	568,022	(358,183)	556,351	696,188	93,993
	-	-	4,700	360	-	-
	-	-	-	-	-	-
	131,898	-	-	-	-	-
	<u>131,898</u>	<u>-</u>	<u>4,700</u>	<u>360</u>	<u>-</u>	<u>-</u>
	(526,022)	568,022	(353,483)	556,711	696,188	93,993
	7,524,495	6,998,473	7,599,200	7,245,717	7,802,428	8,498,616
\$	<u>6,998,473</u>	<u>\$ 7,566,495</u>	<u>\$ 7,245,717</u>	<u>\$ 7,802,428</u>	<u>\$ 8,498,616</u>	<u>\$ 8,592,609</u>
	0.1%	0.0%	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>2011</u>	<u>2012</u>	<u>2013</u>
Function / Program			
Governmental activities :			
Charges for services			
General government	\$ 101,182	\$ 84,193	\$ 86,223
Public safety - Police	621,131	895,870	688,843
Public safety - Protective inspections	89,776	97,633	218,454
Culture and recreation	5,975	6,875	8,050
Total charges for services	<u>818,064</u>	<u>1,084,571</u>	<u>1,001,570</u>
Operating grants and contributions			
General government	-	-	-
Public safety - Fire	670,060	712,569	719,484
Human services	-	-	-
Culture and recreation	-	-	1,500
Physical environment	-	-	-
Total operating grants and contributions	<u>670,060</u>	<u>712,569</u>	<u>720,984</u>
Capital grants and contributions			
Public safety - Fire	-	-	-
Culture and recreation	-	-	-
Physical environment	21,735	165,536	-
Total capital grants and contributions	<u>21,735</u>	<u>165,536</u>	<u>-</u>
Sub-total governmental activities	<u>1,509,859</u>	<u>1,962,676</u>	<u>1,722,554</u>
Business-type activities:			
Charges for services			
Sewer	874,603	868,014	859,051
Reclaimed water	189,554	189,432	189,530
Total charges for services	<u>1,064,157</u>	<u>1,057,446</u>	<u>1,048,581</u>
Sub-total business-type activities	<u>1,064,157</u>	<u>1,057,446</u>	<u>1,048,581</u>
Total primary government revenues	<u>\$ 2,574,016</u>	<u>\$ 3,020,122</u>	<u>\$ 2,771,135</u>

2014	2015	2016	2017	2018	2019	2020
\$ 103,963	\$ 105,754	\$ 87,309	\$ 97,102	\$ 105,383	\$ 104,819	\$ 107,872
453,682	288,141	298,600	26,742	21,062	7,523	5,181
271,067	289,339	468,196	264,939	377,155	372,163	274,466
6,750	6,092	3,600	8,600	9,950	11,335	5,830
<u>835,462</u>	<u>689,326</u>	<u>857,705</u>	<u>397,383</u>	<u>513,550</u>	<u>495,840</u>	<u>393,349</u>
-	-	-	-	-	40,793	36,891
771,767	810,767	730,936	743,612	813,282	825,974	888,216
-	-	-	1,000	-	-	-
1,000	-	-	-	5,990	2,979	963
-	-	-	-	-	-	2,672
<u>772,767</u>	<u>810,767</u>	<u>730,936</u>	<u>744,612</u>	<u>819,272</u>	<u>869,746</u>	<u>928,742</u>
-	-	196,418	-	-	-	-
7,742	3,880	3,786	-	-	-	-
-	-	-	-	-	-	-
<u>7,742</u>	<u>3,880</u>	<u>200,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>1,322,091</u>
842,519	876,912	857,922	945,215	977,692	1,133,869	1,328,968
189,090	188,945	188,801	188,596	188,558	189,399	189,835
<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>1,518,803</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>1,518,803</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>	<u>\$ 2,840,894</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
2020	\$ 2,216,228	\$ 522,323	\$ 733,155	\$ 190,185	\$ 3,661,891
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

(1) - Ad Valorem revenues for 2011 and 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
2020	\$ 679,175,520	\$ 102,573,317	\$ 5,039,636	\$ 57,433,419	\$ 306,241
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

Source:

Pinellas County Property Appraiser

Personal Property	Total Assessed Value	Less : Tax-Exempt Property and Assessed Value Differentials	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 32,506,362	\$ 877,034,495	\$ 220,500,019	\$ 656,534,476	3.5000
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

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
2020	3.5000	5.2755	0.0000	0.0835	5.3590	N/A	3.8360	2.7480	6.5840
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

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	0.2801	N/A	2.1090	18.3020
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

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

Taxpayer	2020			2011		
	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	\$ 41,475,708	1	6.32%	\$ 22,698,611	2	5.19%
Waters Pointe Apartments LLC	29,425,000	2	4.48%	-	-	-
Palms of Pasadena Hospital, Inc.	25,404,080	3	3.87%	24,213,074	1	5.54%
Branch South Pasadena Associates LLC	20,600,000	4	3.14%	-	-	-
Bay Pointe Tower Apartments LLC	10,340,000	5	1.57%	-	-	-
Causeway Village MHC LLC	10,160,722	6	1.55%	-	-	-
Extra Space Properties Two LLC	8,000,000	7	1.22%	-	-	-
Bayside Villas Apartments LLC	7,365,007	8	1.12%	-	-	-
Duke Energy Florida / Progress Energy	7,349,379	9	1.12%	5,634,621	8	1.29%
Publix Super Markets	5,992,699	10	0.91%	7,067,580	7	1.62%
V.V. FL, Inc. (Pasadena Shopping Center)				12,438,015	3	2.84%
Landmark at Water Point Partners (Shore Club)				9,077,942	4	2.08%
Boca Ciega Bay, LLC				8,515,649	5	1.95%
N M E Hospitals Inc. (Pasadena Prof. Medical Bldg)				8,353,051	6	1.91%
Denasan LLC				4,065,000	9	0.93%
Gulfport Marina, LLC				3,550,274	10	0.81%
Total Principal Taxpayers	166,112,595		25.30%	105,613,817		24.15%
All Other Taxpayers	490,421,881		74.70%	331,624,940		75.85%
Total	\$ 656,534,476		100.00%	\$ 437,238,757		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
2020	\$ 2,297,872	\$ 2,216,228	96.45%
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%

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 2011 and 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	* n/a			
2020	\$ -	\$ -	\$ -	0.00%	-
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%	-

Note:

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.

* - The City did have any business-type activities debt during the ten year period.

City of South Pasadena, Florida
 Schedule 12
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2020

Governmental Unit	Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Pinellas County Capital Leases (2)	\$ 4,488,977	0.768%	\$ 34,482
Pinellas County Governmental Activities Bonds (2)	12,691,808	0.768%	97,493
Pinellas County School Board (2)	14,000	0.768%	108
	\$ 17,194,785		132,083
City direct debt	\$ -		-
Total direct and overlapping debt			\$ 264,166
Total direct and overlapping debt per capita			\$ 49

Note:

(1) The City's share is calculated based on the ratio of the 2020 City Taxable Value of \$656,534,476 to the County's Taxable Value of \$85,468,863,997.

(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	Revenue Source - N/A	Less: Operating Expenses	Add: Depreciation	Net Available Revenue	Principal	Interest	Coverage
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-

N/A - In 2010 the City fully retired its most recent indebtedness for which revenues had been pledged to secure the repayment of the debt. Since that time no new indebtedness has been issued for which revenues have been pledged.

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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)
2020	5,358	\$ 1,378,872,247	\$ 38,803	70.6	99,798	5.50%
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%

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	2020		2011	
	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Legislative	-	-	-	-	-	-	-	-	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	3.0	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	18.0	16.0	15.0	15.0	15.0	15.0	18.0	15.0
Fire Inspections	-	-	-	-	-	-	-	-	-	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	1.0	2.0	2.0	2.0	2.0	2.0
Bldg / Parks / Facility Maint.	4.0	6.0	6.0	6.0	6.0	4.0	5.0	5.0	5.0	6.0
Building Permitting / Licensing										
Administration	2.0	2.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Inspectors	0.75	0.75	0.5	-	-	1.0	1.0	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	-	-	-
	<u>36.75</u>	<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>

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>2020</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>
Fire										
EMS responses	2,761	2,991	2,895	2,652	2,540	2,507	2,219	2,023	2,008	2,271
Fire dept. responses	518	497	503	755	783	702	627	661	626	749
Water										
New connections	-	-	-	-	-	-	-	-	-	-
Avg. daily consumption (thousands of gallons)	512	437	470	480	461	469	478	473	475	483
Sewer										
Average daily flow (mgd)	0.49	0.50	0.52	0.52	0.55	0.53	0.51	0.52	0.51	0.51

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>2020</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>
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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 11, 2021

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, 2020, and have issued our report thereon dated June 11, 2021.

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 11, 2021, 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 11, 2021

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, 2020. 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, 2020.

Wells, Houser & Schatzel, P.A.

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

June 11, 2021

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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, 2020, and have issued our report thereon dated June 11, 2021 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 11, 2021

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