

CITY OF SOUTH PASADENA, FLORIDA

**Annual Comprehensive
Financial Report**

For The Year Ended September 30, 2021



CITY OF SOUTH PASADENA, FLORIDA

**Annual Comprehensive
Financial Report**

For The Year Ended September 30, 2021

PREPARED BY FINANCE DEPARTMENT

CITY OF SOUTH PASADENA,
FLORIDA

Commission Form of Government

CITY COMMISSION
(As of September 30, 2021)

ARTHUR PENNY, MAYOR

THOMAS REID
VICE-MAYOR

BEN THOMAS

BONNIE QUICK

LYNDA THOMPSON

CITY OFFICIALS
(As of September 30, 2021)

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
TERRI SULLIVAN

Introductory Section

CITY OF SOUTH PASADENA, FLORIDA

SEPTEMBER 30, 2021

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Letter of Transmittal



City of South Pasadena

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SOUTH PASADENA, FLORIDA 33707
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July 29, 2022

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

The Annual Comprehensive Financial Report of the City of South Pasadena, Florida, for the fiscal year ended September 30, 2021, 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 Annual Comprehensive 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 Annual Comprehensive 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 5,342 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. 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 resumed on the storage facility in fiscal year 2021 and should be complete by the end of fiscal year 2022. Palms of Pasadena Hospital also completed major renovations in fiscal year 2021. South Pasadena is looking forward to a new sub shop and new coffee house at the old Subway location, and Kelly's Roast Beef will open a new restaurant at the old Pasadena Steakhouse location in fiscal year 2023. The City continues to move forward with plans to build a new fire station with groundbreaking tentatively set for the summer of 2022.

After a five-year period of dramatic reduction in property values, the City is in the eighth 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 5.1% or \$33.54 million compared to the assessed values in 2020. More people are seeking to relocate to Florida since working-from-home is now commonplace due to the COVID-19 pandemic. This has resulted in a booming real estate market which has driven up housing prices as inventory is not able to meet demand.

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 2020. In 2021, the millage rate increased to 3.7806 and will increase to 4.274 in 2022. 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. 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.

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. 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 were 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 2022 and 2023 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, 2021 totaled \$13,010,041.

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 2022 through fiscal year 2026. A summary of anticipated expenditures is as follows:

Expenditures	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Capital Improvement Fund	\$1,721,925	\$12,418,370	\$870,900	\$1,053,220	\$662,870
Sewer Fund	310,000	390,000	150,000	150,000	150,000
Reclaimed Water Fund	-	283,000	-	-	-

The five-year plan makes provision for design and construction of a new fire station in fiscal years 2022 and 2023. Also included in the plan is the replacement of the City’s Ladder Fire Truck (\$1,022,585) and EMT Rescue Vehicle (\$225,000) in fiscal year 2023. 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, which will occur in fiscal years 2022 and 2023.

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 annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the twenty-ninth 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 annual comprehensive 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 annual comprehensive 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 a long, sweeping underline.

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



Government Finance Officers Association

Certificate of
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Presented to

**City of South Pasadena
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

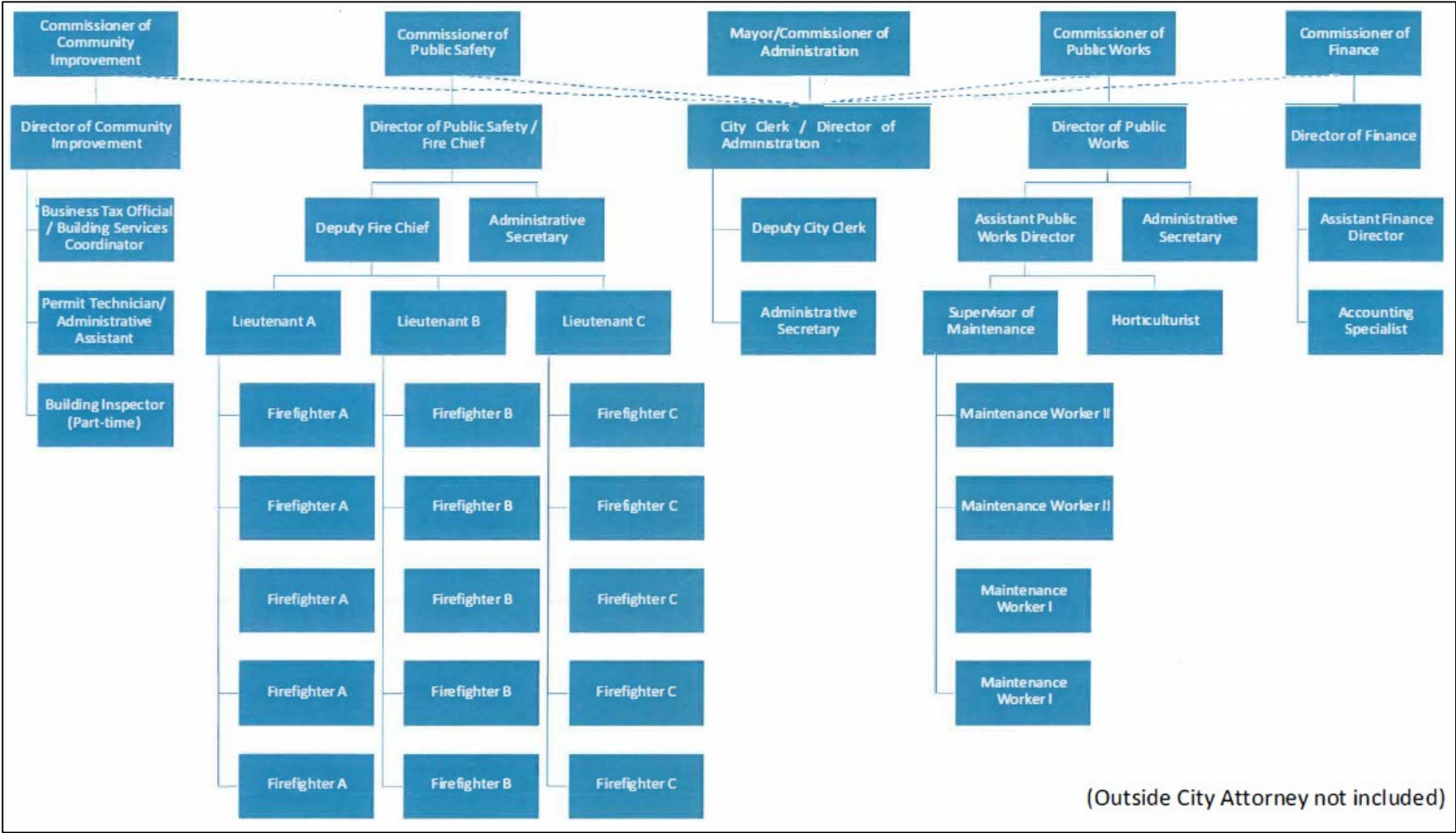
Christopher P. Morill

Executive Director/CEO

The City of South Pasadena, Florida has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020 by the Government Finance Officers Association of the United States and Canada.

CITY OF SOUTH PASADENA, FLORIDA

ORGANIZATIONAL CHART



(Outside City Attorney not included)

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Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements and Budgetary Comparison Schedules

Other Supplementary Schedules

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

The prior year comparative information has been derived from the City's September 30, 2020 financial statements and, in our report dated June 11, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 61 to 64) and the schedules of changes in net pension liability and net OPEB liability and contributions (pages 65 to 68), 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 July 29, 2022, 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

July 29, 2022

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, 2021, City-wide assets and deferred outflows of resources, totaling \$23,453,705, exceeded City-wide liabilities and deferred inflows of resources, totaling \$5,717,967, by \$17,735,738. The excess of City-Wide assets over liabilities represents the net position (equity) of the City. The City's \$17,735,738 of net position consists of \$8,516,162 that is invested in capital assets (buildings, equipment, vehicles, sewer and reclaimed water systems, etc.), \$5,855,407 that is restricted for future infrastructure improvements (Penny for Pinellas), \$27,475 that is restricted for road improvements, and \$3,336,694 that is unrestricted for general use in operating the City. The City's unrestricted net position increased \$232,040 compared to the prior year. (Please see pages 18-19 for more detail.)
- For the fiscal year ended September 30, 2021, City-wide program revenues and general revenues, totaling \$8,518,635, exceeded expenses, totaling \$8,225,103, resulting in an increase in net position of \$293,532. This amount compares to a decrease in net position (net loss) of \$274,564 for fiscal year ended September 30, 2020. (Please see pages 20-21 for more detail.)
- The increase in net position for Governmental Activities (police, fire, public works, administration, etc.) for 2021 was \$344,953. There was a decrease in net position (loss) for the Business-type activities (sewer and reclaimed water operations) of \$51,421 in 2021. (Please see pages 20-21 for more detail.)
- General Fund revenues increased \$510,009 (8.9%) in fiscal year 2021 and were \$176,868 greater than the amount budgeted. The increase in revenues is primarily attributable to increases in the following: ad valorem taxes - \$298,513, building permits - \$96,224 and federal grants - \$104,448. General Fund expenditures increased by \$235,676 (4.1%) (excluding unbudgeted expenditures) in fiscal year 2021 and were \$215,357 less than the amount budgeted. The 2021 expenditures increased primarily as a result of increased personal services costs in the amount of \$213,608. The General Fund revenues of \$6,230,363 were in excess of expenditures and transfers of \$6,029,764 by \$200,599 compared to fiscal year 2020 when revenues were less than expenditures by \$15,273. The General Fund was budgeted to have a deficit of \$133,165 in 2021. The actual excess of revenues over expenditures and transfers of \$200,599 resulted in a favorable budget to actual variance of \$333,764. (Please see pages 61-64 for more detail.)

- Cash and investments totaled \$13,010,041 for fiscal year 2021, which represents an increase of \$661,248 over fiscal year 2020. When evaluating the availability of the City’s cash and investments, the amount of restricted net position totaling \$5,882,882 that is restricted for infrastructure and road improvements 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, 2021 were \$2,598,721 and \$656,091, respectively. The net pension liability for the Firefighters’ Retirement Fund decreased \$256,916 in fiscal year 2021 and the City’s share of the Florida Retirement System net pension liability decreased \$1,163,871 from the prior year. The decreases in the retirement liabilities is due to a significant increase in investments earnings. The reduction in pension expense that resulted from the improved investment earnings 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 \$20,773 and \$68,155, respectively.

City Highlights

- The governmental funds’ revenue increased \$524,719 (8.2%) from \$6,375,822 in 2020 to \$6,900,541 in 2021 (please see page 24 for more detail). As previously noted, this increase was due, in large part, to ad valorem taxes increasing by \$298,513, an increase in building permits of \$96,224 and new federal Coronavirus Relief funding of \$104,448 as compared to 2020.
- The total expenditures for the governmental funds of the City increased \$44,749 (less than 1%) from \$6,281,829 in 2020 to \$6,326,578 in 2021. This increase is comprised of an increase in current expenditures of \$251,772 that is offset by a decrease in capital outlay expenditures of \$207,023. As noted on the previous page, an increase in personal services expenditures accounts for \$213,608 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 \$4,403,868 (excluding unbudgeted transfers) while the Sewer and Reclaimed Water Funds achieved favorable budget-to-actual results of \$114,134 and \$1,387, respectively. The significant Capital Improvements Fund favorable budget variance was due to positive variances in the areas of fire department building improvements in the amount of \$5,087,742, 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 positive variances in the fire department building improvements and land purchase is offset by a negative variance of \$2,162,500 in loan proceeds that would have been borrowed for use in the fire station construction. 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 \$143,634 and \$17,487, 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 61).

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 9,661,785	\$ 8,947,267	\$ 3,757,363	\$ 3,645,131	\$ 13,419,148	\$ 12,592,398
Capital assets, net	<u>6,977,639</u>	<u>7,198,510</u>	<u>1,538,523</u>	<u>1,694,679</u>	<u>8,516,162</u>	<u>8,893,189</u>
Total assets	16,639,424	16,145,777	5,295,886	5,339,810	21,935,310	21,485,587
Deferred outflows of resources	<u>1,518,395</u>	<u>1,719,253</u>	-	-	1,518,395	1,719,253
Total assets and deferred outflows of resources	18,157,819	17,865,030	5,295,886	5,339,810	23,453,705	23,204,840
Current liabilities	471,384	330,998	107,748	100,251	579,132	431,249
Non-current liabilities	<u>3,732,282</u>	<u>5,064,615</u>	-	-	3,732,282	5,064,615
Total liabilities	4,203,666	5,395,613	107,748	100,251	4,311,414	5,495,864
Deferred inflows of resources	<u>1,406,553</u>	<u>266,770</u>	-	-	1,406,553	266,770
Total liabilities and deferred inflows of resources	5,610,219	5,662,383	107,748	100,251	5,717,967	5,762,634
Net Position:						
Net investments in capital assets	6,977,639	7,198,510	1,538,523	1,694,679	8,516,162	8,893,189
Restricted	5,882,882	5,444,363	-	-	5,882,882	5,444,363
Unrestricted (deficit)	<u>(312,921)</u>	<u>(440,226)</u>	<u>3,649,615</u>	<u>3,544,880</u>	<u>3,336,694</u>	<u>3,104,654</u>
Total net position	<u>\$ 12,547,600</u>	<u>\$ 12,202,647</u>	<u>\$ 5,188,138</u>	<u>\$ 5,239,559</u>	<u>\$ 17,735,738</u>	<u>\$ 17,442,206</u>

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

At the end of fiscal 2021, the City-wide net position reflects an increase of \$293,532 to \$17,735,738. Net position for Governmental Activities is \$12,547,600 (increase of \$344,953) and net position from Enterprise or Business Activities is \$5,188,138 (decrease of \$51,421). Of the total net position, \$8,516,162 represents the City's net investment in capital assets and \$5,882,882 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 \$5,855,407 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 \$13,010,041 in 2021 and \$12,348,793 in 2020 represent 55.5% and 54.3% of the total assets and deferred outflows, respectively. At the end of 2021, current cash and investments available for governmental activities totaled \$9,385,918 (a \$557,791 or 6.3% increase from 2020), and funds available in the business activity accounts totaled \$3,624,123 (a \$103,277 or 2.9% increase from 2020).

Capital assets, net of accumulated depreciation, totaling \$8,516,162 represent 36.3% of the City-wide total assets and deferred outflows of resources at September 30, 2021.

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 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 2021, as reported on page 19, City-wide unrestricted net position totaled \$3,336,694, an increase of \$293,532 compared to the prior year. The unrestricted net position represents 18.8% of the City’s total net position of \$17,735,738. In governmental activities, unrestricted net position increased by \$127,305 to a smaller negative balance of \$312,921. In business-type activities, unrestricted assets increased by \$104,735 to \$3,649,615.

Table 2
Change in Unrestricted Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unrestricted Net Position – Beginning of Year	\$ (440,226)	\$ 155,304	\$ 3,544,880	\$ 3,210,911	\$ 3,104,654	\$ 3,366,215
Results of Operations (loss)	344,953	(362,675)	(51,421)	88,111	293,532	(274,564)
Adjustments- restricted assets						
Infrastructure	(412,695)	(242,715)	-	-	(412,695)	(242,715)
Impact fees	(27,475)					
Scholarships	1,651	-	-	-	1,651	-
Book Value of Assets Disposed	3,091	931	-	-	3,091	931
Depreciation	534,299	532,470	244,777	245,858	779,076	778,328
Total adjustments	98,871	290,686	244,777	245,858	343,648	536,544
Adjusted Results of Operations	\$ 443,824	\$ (71,989)	\$ 193,356	\$ 333,969	\$ 637,180	\$ 261,980
Capital Expenditures	(316,518)	(523,541)	(88,621)	-	(405,139)	(523,541)
Unrestricted Net Position - End of Year	\$ (312,921)	\$ (440,226)	\$ 3,649,615	\$ 3,544,880	\$ 3,336,694	\$ 3,104,655

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	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for services						
Sewer Fees			\$ 1,394,330	\$ 1,328,968	\$ 1,394,330	\$ 1,328,968
Reclaimed Water Fees			221,366	189,835	221,366	189,835
Red Light Camera Fines	\$ 2,380	\$ 2,323			2,380	2,323
Police Fines & Forfeitures	2,616	2,858			2,616	2,858
Building Inspections / Permits	403,808	267,841			403,808	267,841
Impact Fees	27,451	6,625			27,451	6,625
Local Business Tax	108,501	107,872			108,501	107,872
Hibiscus Hall Rents	1,400	5,830			1,400	5,830
Operating Grants & Contributions						
Pinellas County EMS Contract	933,226	888,216			933,226	888,216
Grant - General Government	104,448	36,891			104,448	36,891
Grant – Environmental / Recycle	3,630	3,635			3,630	3,635
Contributions - Physical Environment	5,200	-			5,200	-
General Revenues:						
Property Taxes	2,514,741	2,216,228			2,514,741	2,216,228
Franchise Fees	530,215	522,323			530,215	522,323
Communications Service Tax	164,739	190,185			164,739	190,185
Other Utility Taxes	734,185	733,155			734,185	733,155
Sales Tax Infrastructure	629,401	584,673			629,401	584,673
State Revenue Sharing	169,368	161,155			169,368	161,155
Half-Cent Sales Tax	363,983	316,827			363,983	316,827
Local Option Gas Tax	66,504	65,364			66,504	65,364
Other Taxes	64,177	102,689			64,177	102,689
Investment income	7,213	74,652	2,398	29,056	9,611	103,708
Gain (Loss) fair value of investments	117	28,185			117	28,185
Miscellaneous	63,238	58,295			63,238	58,295
Total Revenues	\$ 6,900,541	\$ 6,375,822	\$ 1,618,094	\$ 1,547,859	\$ 8,518,635	\$ 7,923,681
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General Government	\$ 970,276	\$ 1,043,304			\$ 970,276	\$ 1,043,304
Public Safety- Police	856,752	834,420			856,752	834,420
Public Safety- Fire	3,121,082	3,167,311			3,121,082	3,167,311
Protective Inspections	422,863	420,474			422,863	420,474
Public Works and Parks	944,246	1,044,856			944,246	1,044,856
Culture & Recreation	53,236	50,905			53,236	50,905
Physical Environment	180,716	166,398			180,716	166,398
Human Services	6,417	10,829			6,417	10,829
Business-Type Activities:						
Sewer & Reclaimed Water						
Sewer			1,422,861	1,248,053	1,422,861	1,248,053
Reclaimed Water			246,654	211,695	246,654	211,695
Total Expenses	\$ 6,555,588	\$ 6,738,497	\$ 1,669,515	\$ 1,459,748	\$ 8,225,103	\$ 8,198,245
Excess of Revenues over Expenses	\$ 344,953	\$ (362,675)	\$ (51,421)	\$ 88,111	\$ 293,532	\$ (274,564)
Net Position – Beginning of Year	12,202,647	12,565,322	5,239,559	5,151,448	17,442,206	17,716,770
Net Position- End of Year	\$12,547,600	\$12,202,647	\$ 5,188,138	\$ 5,239,559	\$17,735,738	\$17,442,206

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. As with all business-type activities, 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 67.8% of the City's 2021 operating budget compared to 68.7% of the City's 2020 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 is relatively low as of September 30, 2021, the City is a major consumer of certain commodities and services such as chemicals, supplies, fuels and group health insurance. Some functions may experience unusual commodity specific increases. In past years, costs of fuel, general insurance, employee health benefits and pension costs have tended to have large increases. Contract services for items such as law enforcement that have these personnel costs factored in can fluctuate based on these inflationary pressures.

Current Year Impacts

Governmental Funds

The ending fund balance for the General Fund increased \$200,599 to \$3,283,690 as of September 30, 2021. The Capital Improvements Fund ending fund balance increased \$373,364 to \$5,882,882, all of which is restricted for infrastructure improvements (Penny for Pinellas and impact fees).

Revenues

Table 4
Governmental Funds
Revenues

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Revenues				
Taxes (Property, Franchise & Utility)	\$ 3,971,331	\$ 3,668,516	\$ 302,815	8.25%
Licenses and Permits	512,309	375,713	136,596	36.36%
Intergovernmental Revenues	2,334,737	2,159,450	175,287	8.12%
Fines and Forfeitures	4,996	5,181	(185)	-3.57%
Interest Income	7,213	74,652	(67,439)	-90.34%
Change in fair value of investments	117	28,185	(28,068)	-99.58%
Rental Hibiscus Hall	1,400	5,830	(4,430)	-75.99%
Contributions	5,200	-	5,200	100.00%
Miscellaneous Revenues	63,238	58,295	4,943	8.48%
Total Revenues	\$ 6,900,541	\$ 6,375,822	\$ 524,719	8.23%

The breakdown of the net change in revenue by fund was an increase of \$510,009 for the General Fund and a \$14,710 increase for the Capital Improvements Fund. (Please see page 24 for more detail.)

As previously discussed, the increase in revenues is primarily attributable to an increase in ad valorem taxes, building permits and the receipt of a federal grant. (Please see pages 61-62 for additional detail.)

For fiscal 2021, the City had a millage rate of 3.7806, which represents an increase of .2806 from 2020. The total taxable value of property located within the City in fiscal year 2021 was \$690,076,277 compared to the 2020 final taxable value of \$656,534,476. The increase in the millage rate and property values resulted in property tax collections increasing \$298,513.

Within the Capital Improvements Fund, infrastructure taxes increased \$44,728 to \$629,401.

Expenditures

Table 5a
Governmental Funds
Expenditures

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Expenditures				
General Government	\$ 929,722	\$ 853,883	\$ 75,839	8.88%
Public Safety	4,198,257	4,014,598	183,659	4.57%
Transportation & Public Works	852,793	858,725	(5,932)	-0.69%
Culture, Recreation, Environment	17,632	21,479	(3,847)	-17.91%
Physical Environment	8,156	4,953	3,203	64.67%
Human Services	3,500	4,650	(1,150)	-24.73%
Capital Outlay	316,518	523,541	(207,023)	-39.54%
Total Expenditures	\$ 6,326,578	\$ 6,281,829	\$ 44,749	0.71%

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 2021. As of September 30, 2021, a purchase agreement had been entered into, but no funds have yet been disbursed for the purchase. Expenditures for the land and fire station are likely to occur in fiscal years 2022 and 2023.

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 had available revenue sources from years prior to the inception of the infrastructure tax to fund these expenditures. For fiscal 2021, the Capital Improvements Fund incurred \$44,262 of non-capital operating expenses and \$89,835 of capital outlay expenditures not eligible for the use of infrastructure taxes or impact fees. As a result of current year and available prior year non-infrastructure tax and non-impact fee revenues being insufficient to cover the combined amount of expenditures of \$134,097 not eligible for restricted funds use, a transfer of funds from the General Fund to the Capital Improvement Fund was made in the amount of \$58,461.

The following table provides a reconciliation of the expenditures reported under the governmental funds approach totaling \$6,326,578 to the total expenses reported in the Statement of Activities for the same governmental activities totaling \$6,555,588.

The main differences will be for adjustments to governmental activities expenses for non-cash depreciation of \$534,299 and the removal of capital expenditures totaling \$316,518 that are not included in the Statement of Activities.

Table 5b
Reconciliation to Statement of Activities

	<u>2021</u>	<u>2020</u>
Expenditures Governmental Fund Approach	\$ 6,326,578	\$ 6,281,829
Less: Cash Outlay for Capital Asset Purchases	(316,518)	(523,541)
Add: Depreciation Capital Assets	534,299	532,470
Add: Un-depreciated cost of disposed assets	3,091	931
Change in non-cash expense—		
Compensated Absences	44,976	43,537
Change in non-cash Other Post Employment Benefits	52,090	21,157
Change in non-cash pension benefits	(88,928)	382,114
Expenditures – Statement of Activities	<u>\$ 6,555,588</u>	<u>\$ 6,738,497</u>

Table 6
General Fund – Change in Fund Balance

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Nonspendable:			
Inventories and prepaids	\$ 84,106	\$ 73,005	\$ 11,101
Restricted for:			
Scholarships	-	1,651	(1,651)
Assigned to:			
Future budgetary appropriations	214,390	133,165	81,225
Unassigned	<u>2,985,194</u>	<u>2,875,270</u>	<u>109,924</u>
Total General Fund Balance	<u>\$ 3,283,690</u>	<u>\$ 3,083,091</u>	<u>\$ 200,599</u>

Table 7
Capital Improvements Fund – Change in Fund Balance

	<u>2021</u>	<u>2020</u>	<u>Increase</u> <u>(Decrease)</u>
Restricted for:			
Infrastructure	\$ 5,855,407	\$ 5,442,712	\$ 412,695
Impact Fees	27,475	-	27,475
Assigned to:			
Capital improvement projects	-	66,806	(66,806)
Total Fund Balance	\$ 5,882,882	\$ 5,509,518	\$ 373,364

Business Type Funds

The net position of the Sewer and Reclaimed Water enterprise funds decreased \$51,421 in fiscal year 2021 compared to an increase of \$88,111 in fiscal year 2020. The change in net position, or net income or loss, for the enterprise funds, which includes investment earnings, was a loss of \$27,694 for the sewer operations and a loss of \$23,727 for reclaimed water operations. The net position for the Sewer Fund decreased 0.9% to \$2,992,579 at September 30, 2021, and the net position for the Reclaimed Water Fund decreased 1.1% to \$2,195,379. (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 2021, the Sewer Fund showed a net operating loss of \$28,531 compared to operating income of \$80,915 for 2020. For 2021 the Reclaimed Water fund showed a net operating loss of \$25,288 to 2020 when the fund had a net operating loss of \$21,860.

The Sewer and Reclaimed Water Funds were allocated an administrative service charge from the General Fund in the amounts of \$29,865 and \$15,075, respectively. This is the tenth 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 2021 were \$1,101,945, which is an increase of 17.3% from the 2020 charges of \$939,690. 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 2021 was \$53,590, a decrease of 4.7% from the allocation in 2020, which was \$56,230. The amount of 2021 non-cash depreciation charges in the Sewer Fund was \$141,828.

The amount of salary allocations to the Reclaimed Water Fund from the General Fund was \$43,860, a 2.4% decrease from the amount allocated in 2020 in the amount of \$44,940. The cost of acquiring reclaimed water from Pinellas County was \$66,129 in 2021 compared to \$47,971 in 2020, an increase of 37.8%. The Reclaimed Water operating expenses for 2021 include non-cash depreciation charges of \$102,949.

Budgetary Highlights – General Fund

The General Fund budget was not amended during fiscal year 2021. The amount of budgeted revenues (amounts available for appropriation) was \$6,053,495. Actual revenues for fiscal year 2021 were \$6,230,363, which resulted in a favorable variance of \$176,868. The amount of budgeted expenditures (charges to appropriations) for 2021 was \$6,186,660. The amount of actual expenditures was \$5,971,303 (excluding unbudgeted transfers), which represents a favorable variance of \$215,357. The overall favorable budget variance for fiscal year 2021 is \$392,225. (Please see pages 61-64 for more detailed information).

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:

- Fines and code enforcement revenues were \$57,518 higher than anticipated.
- Emergency medical service revenues were \$46,426 higher than anticipated.
- Local ½ cent sales tax revenues were \$53,983 higher than anticipated..
- Federal Coronavirus Relief grant of \$104,448 represents unbudgeted revenue.
- Interest earnings were \$44,568 below budget due to continued interest rate decreases.

Expenditures

The total amount of expenditures were \$5,971,303 (excluding unbudgeted transfers of \$58,461) and represent 96.5% of the amount budgeted.

The following is an overview of General Fund variances from the final budget for fiscal 2021:

- The activities of the Legislative Department utilized 89.2% of its operating budget and had a positive variance of \$18,506 that is primarily attributable to personal services being \$25,609 under budget.
- The Finance and Administration Department utilized 94.2% of its operating budget and had a positive variance of \$48,167. The positive variance included other services and charges being \$40,308 below the budgeted amount.
- The Fire Department utilized 98.1% of its operating budget and had a positive variance of \$55,727 that is primarily attributable to personal services being \$20,519 under budget and other services and charges being \$51,202 under budget.
- The Community Improvement Department (Protective Inspections) utilized 90.0% of its operating budget and had a positive variance of \$44,653. The variance is attributable to other services and charges being \$118,977 under budget and personal services being \$74,109 over budget. These variances are due to the City discontinuing the use of a consulting firm ahead of schedule and hiring a Director of Community Improvement sooner than anticipated.
- Public Works / Transportation Department utilized 97.0% of its operating budget and had a positive variance of \$25,183 that is primarily attributable to personal services being \$39,421 under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2021, the City had \$22,323,276 (total cost) invested in a variety of capital assets as compared to \$21,956,148 as September 30, 2020. This represents a net increase (at cost) of \$367,128 or 1.7% from the end of last year. Capital additions in fiscal year 2021 purchased in the governmental funds totaled \$316,518. Sewer Fund capital additions totaled \$88,622.

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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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and land rights	\$ 2,059,183	\$ 2,059,183	\$ -	\$ -	\$ 2,059,183	\$ 2,059,183
Construction and projects in progress	233,245	85,400	-	-	233,245	85,400
Structures and Improvements	4,445,059	4,384,327	-	-	4,445,059	4,384,327
Infrastructure	4,807,937	4,783,219	7,293,138	7,204,517	12,101,075	11,987,736
Furniture, Fixtures and Equipment	3,484,714	3,439,502	-	-	3,484,714	3,439,502
Total Cost of Assets	15,030,138	14,751,631	7,293,138	7,204,517	22,323,276	21,956,148
Less: Accumulated Depreciation	(8,052,499)	(7,553,121)	(5,754,615)	(5,509,838)	(13,807,114)	(13,062,959)
Total	\$ 6,977,639	\$ 7,198,510	\$ 1,538,523	\$ 1,694,679	\$ 8,516,162	\$ 8,893,189

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 pages 43-44.)

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	\$ 7,198,510	\$ 1,694,679	\$ 8,893,189
Additions / Transfers	316,520	88,621	405,141
Retirements / Transfers	(38,013)	-	(38,013)
Depreciation	(534,299)	(244,777)	(779,076)
Accumulated depreciation retirements	34,921	-	34,921
Ending Balance	\$ 6,977,639	\$ 1,538,523	\$ 8,516,162

This year's major additions are:

Governmental Activities:

New Fire Station - Work in Process	\$ 87,508
Tyler Incode Financial Software - Work in Process	48,426
Habitat Overlook Pavillion Roof	41,503
2021 Ford Interceptor	37,497
	<u>\$ 214,934</u>

Business-Type Activities:

Manhole Rehabilitation	\$ 57,842
Submersible Pump - Sewer	21,903
	<u>\$ 79,745</u>

ECONOMIC FACTORS

Fiscal year 2021 demonstrated economic stability as tax and certain intergovernmental revenues increased or remained flat. Real estate values maintained an upward trend for the eighth year after several years of decreasing values. For the current 2021 fiscal year, taxable values increased 5.1%, or \$33.54 million, to \$690,076,277.

The economic outlook for the City is optimistic and fiscal year 2021 improved as the economy continued to recover from the effects of the COVID-19 pandemic. The Pasadena Shopping Center continues to be a primary site for commercial expansion activity. A coffee lounge and a restaurant opened new storefronts and a Tobacco and Smoke shop has opened recently. The City is also looking forward to a new sub shop and new coffee house at the old Subway location. Kelly's Roast Beef will open a new restaurant at the old Pasadena Steakhouse location most likely in fiscal 2023. The old IHOP building has been refurbished and is now a nail salon. Construction resumed on a new storage facility on Pasadena Avenue in fiscal year 2021 and it should be complete by the end of fiscal 2022. Palms of Pasadena Hospital also completed major renovations during the year. The City continues to move forward with plans to build a new fire station. More people are seeking to relocate to Florida since working-from-home is now commonplace as a result of the pandemic. This has resulted in a booming real estate market which has driven up housing prices as inventory is not able to meet demand.

The City does not have a formal fund balance policy. The September 30, 2021 unassigned General Fund balance totaling \$2,985,194 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, 2021

With Comparative Total Amounts for September 30, 2020

	2021		2020	
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
CURRENT ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 9,385,918	\$ 3,624,123	\$ 13,010,041	\$ 12,348,793
Receivables - other	78,549	-	78,549	9,479
Due from other governments	113,212	126,925	240,137	156,682
Inventory of supplies	8,429	-	8,429	7,166
Prepaid expense	75,677	6,315	81,992	70,278
Total current assets	<u>9,661,785</u>	<u>3,757,363</u>	<u>13,419,148</u>	<u>12,592,398</u>
NON-CURRENT ASSETS				
Land and land rights	2,059,183	-	2,059,183	2,059,183
Structures and improvements	4,445,059	-	4,445,059	4,384,327
Infrastructure	4,807,937	7,293,138	12,101,075	11,987,736
Furniture, fixtures and equipment	3,484,714	-	3,484,714	3,439,502
Construction and projects in process	233,245	-	233,245	85,400
Accumulated depreciation	<u>(8,052,499)</u>	<u>(5,754,615)</u>	<u>(13,807,114)</u>	<u>(13,062,959)</u>
Total non-current assets	<u>6,977,639</u>	<u>1,538,523</u>	<u>8,516,162</u>	<u>8,893,189</u>
TOTAL ASSETS	16,639,424	5,295,886	21,935,310	21,485,587
DEFERRED OUTFLOWS OF RESOURCES				
Net Other Post Employment Benefits	12,692	-	12,692	11,885
Defined benefit pension plans				
Firefighters' Retirement Fund	964,764	-	964,764	1,047,180
Florida Retirement System	540,939	-	540,939	660,188
DEFERRED OUTFLOWS OF RESOURCES	<u>1,518,395</u>	<u>-</u>	<u>1,518,395</u>	<u>1,719,253</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 18,157,819</u>	<u>\$ 5,295,886</u>	<u>\$ 23,453,705</u>	<u>\$ 23,204,840</u>

	2021			2020
	Governmental Activities	Business-type Activities	Total	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 242,650	\$ 107,748	\$ 350,398	\$ 235,857
Due to other governments	-	-	-	1,374
Accrued liabilities	164,335	-	164,335	139,038
Current portion of:				
Accrued compensated absences	64,399	-	64,399	54,980
Total current liabilities	<u>471,384</u>	<u>107,748</u>	<u>579,132</u>	<u>431,249</u>
NON-CURRENT LIABILITIES				
Net Other Post Employment Benefits	237,139	-	237,139	184,242
Accrued compensated absences	240,331	-	240,331	204,774
Net pension liability:				
Firefighters' Retirement Fund	2,598,721	-	2,598,721	2,855,637
Florida Retirement System	656,091	-	656,091	1,819,962
Total non-current liabilities	<u>3,732,282</u>	<u>-</u>	<u>3,732,282</u>	<u>5,064,615</u>
TOTAL LIABILITIES	4,203,666	107,748	4,311,414	5,495,864
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - local business tax receipts	88,228	-	88,228	78,640
Defined benefit pension plans:				
Firefighters' Retirement Fund	194,525	-	194,525	40,798
Florida Retirement System	1,123,800	-	1,123,800	147,332
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,406,553</u>	<u>-</u>	<u>1,406,553</u>	<u>266,770</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>5,610,219</u>	<u>107,748</u>	<u>5,717,967</u>	<u>5,762,634</u>
NET POSITION				
Net investment in capital assets	6,977,639	1,538,523	8,516,162	8,893,189
Restricted:				
Infrastructure	5,855,407	-	5,855,407	5,442,712
Impact fees	27,475	-	27,475	-
Scholarships	-	-	-	1,651
Unrestricted (deficit)	<u>(312,921)</u>	<u>3,649,615</u>	<u>3,336,694</u>	<u>3,104,654</u>
TOTAL NET POSITION	<u>12,547,600</u>	<u>5,188,138</u>	<u>17,735,738</u>	<u>17,442,206</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 18,157,819</u>	<u>\$ 5,295,886</u>	<u>\$ 23,453,705</u>	<u>\$ 23,204,840</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, 2021

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

FUNCTIONS / PROGRAMS	2021			
	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 970,276	\$ 108,501	\$ 104,448	\$ -
Public safety - Police	856,752	4,996	-	-
Public safety - Fire	3,121,082	-	933,226	-
Public safety - Protective inspections	422,863	431,259	-	-
Transportation - Public works	944,246	-	-	-
Human services	6,417	-	-	-
Culture and recreation	53,236	1,400	-	-
Physical environment	180,716	-	8,830	-
TOTAL GOVERNMENTAL ACTIVITIES	6,555,588	546,156	1,046,504	-
BUSINESS-TYPE ACTIVITIES				
Sewer	1,422,861	1,394,330	-	-
Reclaimed water	246,654	221,366	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,669,515	1,615,696	-	-
TOTAL	\$ 8,225,103	\$ 2,161,852	\$ 1,046,504	\$ -

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

2021			2020
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Total
\$ (757,327)	\$ -	\$ (757,327)	\$ (898,541)
(851,756)	-	(851,756)	(829,239)
(2,187,856)	-	(2,187,856)	(2,279,095)
8,396	-	8,396	(146,008)
(944,246)	-	(944,246)	(1,044,856)
(6,417)	-	(6,417)	(10,829)
(51,836)	-	(51,836)	(44,112)
(171,886)	-	(171,886)	(163,726)
<u>(4,962,928)</u>	<u>-</u>	<u>(4,962,928)</u>	<u>(5,416,406)</u>
-	(28,531)	(28,531)	80,915
<u>-</u>	<u>(25,288)</u>	<u>(25,288)</u>	<u>(21,860)</u>
<u>-</u>	<u>(53,819)</u>	<u>(53,819)</u>	<u>59,055</u>
<u>(4,962,928)</u>	<u>(53,819)</u>	<u>(5,016,747)</u>	<u>(5,357,351)</u>
2,514,741	-	2,514,741	2,216,228
530,215	-	530,215	522,323
734,185	-	734,185	733,155
164,739	-	164,739	190,185
629,401	-	629,401	584,673
363,983	-	363,983	316,827
66,504	-	66,504	65,364
64,177	-	64,177	102,689
169,368	-	169,368	161,155
7,213	2,398	9,611	103,708
117	-	117	28,185
63,238	-	63,238	58,295
<u>5,307,881</u>	<u>2,398</u>	<u>5,310,279</u>	<u>5,082,787</u>
344,953	(51,421)	293,532	(274,564)
12,202,647	5,239,559	17,442,206	17,716,770
<u>\$ 12,547,600</u>	<u>\$ 5,188,138</u>	<u>\$ 17,735,738</u>	<u>\$ 17,442,206</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, 2021

With Comparative Total Amounts for September 30, 2020

	2021		2020	
	General	Capital Improvements	Total Governmental Funds	Total
ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 3,492,090	\$ 5,893,828	\$ 9,385,918	\$ 8,827,947
Receivables - other	78,549	-	78,549	9,479
Due from other governments	109,582	3,630	113,212	36,836
Inventory of supplies	8,429	-	8,429	7,166
Prepaid expenditures	75,677	-	75,677	65,839
TOTAL ASSETS	\$ 3,764,327	\$ 5,897,458	\$ 9,661,785	\$ 8,947,267
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 228,074	\$ 14,576	\$ 242,650	\$ 135,606
Due to other governments	-	-	-	1,374
Accrued liabilities	164,335	-	164,335	139,038
TOTAL LIABILITIES	392,409	14,576	406,985	276,018
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - local business tax receipts	88,228	-	88,228	78,640
TOTAL DEFERRED INFLOWS	88,228	-	88,228	78,640
TOTAL LIABILITIES AND DEFERRED INFLOWS	480,637	14,576	495,213	354,658
FUND BALANCES				
Fund balances				
Non-spendable:				
Inventories and prepaids	84,106	-	84,106	73,005
Restricted for:				
Infrastructure	-	5,855,407	5,855,407	5,442,712
Impact fees	-	27,475	27,475	-
Scholarships	-	-	-	1,651
Assigned to:				
Capital improvement projects	-	-	-	66,806
Future budgetary appropriations	214,390	-	214,390	133,165
Unassigned	2,985,194	-	2,985,194	2,875,270
TOTAL FUND BALANCES	3,283,690	5,882,882	9,166,572	8,592,609
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 3,764,327	\$ 5,897,458	\$ 9,661,785	\$ 8,947,267

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, 2021

Fund Balances - total governmental funds \$ 9,166,572

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	\$ 15,030,138	
Less: Accumulated depreciation	<u>(8,052,499)</u>	
		6,977,639

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

Compensated absences	(304,730)	
Net Other Post Employment Benefit liability	(237,139)	
Net pension liability - Firefighters' Retirement Fund	(2,598,721)	
Net pension liability - Florida Retirement System	<u>(656,091)</u>	
		(3,796,681)

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	12,692	
Deferred outflows of resources related to pensions - Firefighters' Retirement Fund	964,764	
Deferred outflows of resources related to pensions - Florida Retirement System	540,939	
Deferred inflows of resources related to pensions - Firefighters' Retirement Fund	(194,525)	
Deferred inflows of resources related to pensions - Florida Retirement System	<u>(1,123,800)</u>	
		<u>200,070</u>

Net position of governmental activities.		<u><u>\$ 12,547,600</u></u>
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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, 2021
With Comparative Total Amounts for the Year Ended September 30, 2020

	2021			2020
	General	Capital Improvements	Total Governmental Funds	Total
REVENUES				
Taxes	\$ 3,943,880	\$ 27,451	\$ 3,971,331	\$ 3,668,516
Licenses and permits	511,552	-	511,552	375,713
Intergovernmental revenue	1,701,706	633,031	2,334,737	2,159,450
Fines and forfeits	4,996	-	4,996	5,181
Interest	2,782	4,431	7,213	74,652
Change in fair value of investments	52	65	117	28,185
Rent	1,400	-	1,400	5,830
Miscellaneous revenues	63,995	5,200	69,195	58,295
TOTAL REVENUES	<u>6,230,363</u>	<u>670,178</u>	<u>6,900,541</u>	<u>6,375,822</u>
EXPENDITURES				
Current:				
General government	929,722	-	929,722	853,883
Public safety	4,197,917	340	4,198,257	4,014,598
Transportation - public works	817,027	35,766	852,793	858,725
Physical environment	-	8,156	8,156	4,953
Human services	3,500	-	3,500	4,650
Culture and recreation	17,632	-	17,632	21,479
Capital outlay:				
General government	-	52,021	52,021	34,089
Public safety	555	164,929	165,484	158,341
Transportation - public works	4,950	45,068	50,018	322,677
Physical environment	-	48,995	48,995	8,434
TOTAL EXPENDITURES	<u>5,971,303</u>	<u>355,275</u>	<u>6,326,578</u>	<u>6,281,829</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>259,060</u>	<u>314,903</u>	<u>573,963</u>	<u>93,993</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	58,461	58,461	-
Transfers out	(58,461)	-	(58,461)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(58,461)</u>	<u>58,461</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	200,599	373,364	573,963	93,993
FUND BALANCES - BEGINNING OF YEAR	<u>3,083,091</u>	<u>5,509,518</u>	<u>8,592,609</u>	<u>8,498,616</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,283,690</u>	<u>\$ 5,882,882</u>	<u>\$ 9,166,572</u>	<u>\$ 8,592,609</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, 2021

Net change in fund balances - total governmental funds \$ 573,963

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	\$ 316,518	
Less: Current year depreciation	<u>(534,299)</u>	
		(217,781)

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		(3,091)
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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	(44,976)	
Current year cost - Other Post Employment Benefits	(52,090)	
Pension expense - Firefighters' Retirement Fund	20,773	
Pension expense - Florida Retirement System	<u>68,155</u>	
		<u>(8,138)</u>

Change in net position of governmental activities.		<u><u>\$ 344,953</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, 2021

With Comparative Total Amounts for September 30, 2020

	Business-type Activities - Enterprise Funds			
	2021			2020
	Sewer	Reclaimed Water	Total	Total
ASSETS				
CURRENT ASSETS				
Pooled cash and cash equivalents	\$ 1,814,409	\$ 1,809,714	\$ 3,624,123	\$ 3,520,846
Due from other governments	108,137	18,788	126,925	119,846
Prepaid expense	6,315	-	6,315	4,439
Total current assets	<u>1,928,861</u>	<u>1,828,502</u>	<u>3,757,363</u>	<u>3,645,131</u>
NON-CURRENT ASSETS				
Capital Assets:				
Infrastructure	4,204,666	3,088,472	7,293,138	7,204,517
Less: Accumulated depreciation	(3,044,649)	(2,709,966)	(5,754,615)	(5,509,838)
Total non-current assets	<u>1,160,017</u>	<u>378,506</u>	<u>1,538,523</u>	<u>1,694,679</u>
TOTAL ASSETS	<u>\$ 3,088,878</u>	<u>\$ 2,207,008</u>	<u>\$ 5,295,886</u>	<u>\$ 5,339,810</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 96,119	\$ 11,629	\$ 107,748	\$ 100,251
Total current liabilities	<u>96,119</u>	<u>11,629</u>	<u>107,748</u>	<u>100,251</u>
TOTAL LIABILITIES	<u>96,119</u>	<u>11,629</u>	<u>107,748</u>	<u>100,251</u>
NET POSITION				
Investment in capital assets	1,160,017	378,506	1,538,523	1,694,679
Unrestricted	<u>1,832,742</u>	<u>1,816,873</u>	<u>3,649,615</u>	<u>3,544,880</u>
TOTAL NET POSITION	<u>2,992,759</u>	<u>2,195,379</u>	<u>5,188,138</u>	<u>5,239,559</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,088,878</u>	<u>\$ 2,207,008</u>	<u>\$ 5,295,886</u>	<u>\$ 5,339,810</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, 2021

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

	Business-type Activities - Enterprise Funds			
	2021			2020
	Sewer	Reclaimed Water	Total	Total
OPERATING REVENUES				
Charges for services	\$ 1,394,330	\$ 221,366	\$ 1,615,696	\$ 1,518,803
TOTAL OPERATING REVENUES	1,394,330	221,366	1,615,696	1,518,803
OPERATING EXPENSES				
Supervisory services	53,590	43,860	97,450	101,170
Utilities	10,546	-	10,546	10,370
City of St. Petersburg:				
Sewer processing	1,101,945	-	1,101,945	939,690
Administration charge	3,281	578	3,859	3,838
Pinellas County:				
Reclaimed water	-	66,129	66,129	47,971
Audit and consulting	3,790	550	4,340	4,245
Insurance	18,271	-	18,271	13,988
Repairs, maintenance, renewals and replacements	54,266	17,513	71,779	44,499
Administrative service charge	29,865	15,075	44,940	42,255
Miscellaneous	5,479	-	5,479	5,864
Depreciation	141,828	102,949	244,777	245,858
TOTAL OPERATING EXPENSES	1,422,861	246,654	1,669,515	1,459,748
OPERATING INCOME (LOSS)	(28,531)	(25,288)	(53,819)	59,055
NON-OPERATING REVENUE				
Interest earned	837	1,561	2,398	29,056
CHANGES IN NET POSITION	(27,694)	(23,727)	(51,421)	88,111
NET POSITION - BEGINNING OF YEAR	3,020,453	2,219,106	5,239,559	5,151,448
NET POSITION - END OF YEAR	\$ 2,992,759	\$ 2,195,379	\$ 5,188,138	\$ 5,239,559

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, 2021
With Comparative Total Amounts for the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			2020 Total
	2021		Total	
	Sewer	Reclaimed Water		
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,390,228	\$ 218,389	\$ 1,608,617	\$ 1,512,470
Cash payments to suppliers for goods and services	(1,199,562)	(77,164)	(1,276,726)	(1,040,907)
Cash payments to employees for services	(53,590)	(43,860)	(97,450)	(101,170)
Cash paid for general government allocated expenses	(29,865)	(15,075)	(44,940)	(42,255)
NET CASH PROVIDED BY OPERATING ACTIVITIES	107,211	82,290	189,500	328,138
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(88,622)	-	(88,622)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(88,622)	-	(88,622)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on cash and cash equivalents	837	1,561	2,398	29,055
NET CASH PROVIDED BY INVESTING ACTIVITIES	837	1,561	2,398	29,055
NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS	19,426	83,851	103,276	357,193
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,794,983	1,725,863	3,520,846	3,163,653
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,814,409	\$ 1,809,714	\$ 3,624,123	\$ 3,520,846
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (28,531)	\$ (25,288)	\$ (53,819)	\$ 59,055
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	141,828	102,949	244,777	245,858
Changes in assets and liabilities:				
(Increase) Decrease in Due From Other Governments	(4,102)	(2,977)	(7,079)	(6,333)
(Increase) Decrease in Prepaid Expense	(1,875)	-	(1,875)	(1,283)
Increase (Decrease) in Accounts Payable	(109)	7,606	7,497	30,841
TOTAL ADJUSTMENTS	135,742	107,578	243,320	269,083
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 107,211	\$ 82,290	\$ 189,500	\$ 328,138

There were no non-cash investing or financing activities for the years ended September 30, 2021 or 2020

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, 2021

With Comparative Amounts for September 30, 2020

	<u>Employee Retirement Funds</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 190	\$ 190
Investments, at fair value		
Short term investments / money market funds	599,956	152,825
U. S. government and agency fixed income securities	757,721	714,707
Corporate bonds	852,012	1,147,533
Equities - common stock	5,139,586	4,135,592
Real estate investment funds	774,791	690,109
Plan administrator's mutual funds	2,134,300	1,727,028
	<u>10,258,366</u>	<u>8,567,794</u>
Receivables	190,243	198,892
Prepaid expense	4,001	-
	<u>194,244</u>	<u>198,892</u>
TOTAL ASSETS	<u>10,452,800</u>	<u>8,766,876</u>
LIABILITIES		
Accounts payable	14,275	16,307
Employer prepaid contribution	6,931	640
	<u>21,206</u>	<u>16,947</u>
TOTAL LIABILITIES	<u>21,206</u>	<u>16,947</u>
NET POSITION		
Restricted for pensions	<u>\$ 10,431,594</u>	<u>\$ 8,749,929</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, 2021

With Comparative Amounts for the Year Ended September 30, 2020

	<u>Employee Retirement Funds</u>	
	<u>2021</u>	<u>2020</u>
ADDITIONS		
Contributions		
Employer	\$ 473,709	\$ 419,600
Employee	215,687	179,634
Total contributions	<u>689,396</u>	<u>599,234</u>
Intergovernmental revenue		
State excise tax rebate	44,538	83,007
Investment earnings		
Net change in fair value of investments	1,538,634	518,212
Interest and dividends	167,857	196,492
Total investment earnings	<u>1,706,491</u>	<u>714,704</u>
Less investment expense	<u>(58,824)</u>	<u>(54,237)</u>
Net investment earnings	<u>1,647,667</u>	<u>660,467</u>
TOTAL ADDITIONS	<u>2,381,601</u>	<u>1,342,708</u>
DEDUCTIONS		
Benefits	585,864	594,549
Participant distributions	73,459	101,704
Professional services	36,551	54,926
Trustee / plan administrator's expenses	<u>4,062</u>	<u>3,998</u>
TOTAL DEDUCTIONS	<u>699,936</u>	<u>755,177</u>
CHANGE IN NET POSITION	1,681,665	587,531
NET POSITION - BEGINNING OF YEAR	<u>8,749,929</u>	<u>8,162,398</u>
NET POSITION - END OF YEAR	<u>\$ 10,431,594</u>	<u>\$ 8,749,929</u>

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. The Reporting Entity

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

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

2. Basic Financial Statements – GASB Statement #34

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

3. Basis of Presentation

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

4. Basis of Accounting

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

5. Budget And Budgetary Accounting

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

- a) By July 1, the City Finance Director submits to the City Commission a proposed budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.
- b) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c) The budget and property tax millage rate is approved by the City Commission in September and adopted as a budget ordinance. This budget ordinance is adopted at the fund level.
- d) The budget is reviewed after the first six months of the fiscal year and any unusual and unforeseen changes are incorporated into the budget on a fund level by a modifying ordinance. This action requires the approval of the City Commission. Typically, the City does not make any budget line item revisions within departments or any inter-department budget transfers.
- e) Annual budgets were adopted for the following funds: General Fund, Capital Improvements Fund and the Sewer and Reclaimed Water Enterprise Funds. The budget serves as legal authorization for all expenditures except for the Fiduciary Fund types, which are controlled through alternate means. The budget is adopted and passed at the fund level. However, budgeted expenditures may not legally exceed appropriations at the department level for the General Fund and on an individual fund basis for the Capital Improvements Fund and the Sewer and Reclaimed Water Enterprise Funds. For the fiscal year ended September 30, 2021, General Fund, Capital Improvements Fund, Sewer Fund and Reclaimed Water 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, 2021 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 \$5,882,882 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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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, 2020, 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, 2021

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, 2021 was \$2,678,361 excluding \$10,600 of petty cash funds and cash on hand that are maintained. The amounts on deposit in money market type accounts as of September 30, 2021 that do not qualify as public funds totaled \$1,184,524.

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, 2021

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, 2021, the weighted average maturity of Florida Prime investments was 49 days.

The Florida Municipal Investment Trust (Trust) is an investment pool administered by the Florida League of Cities, Inc. It is an inter-local governmental entity created under the laws of the State of Florida. The Trust is an authorized investment under section 163.01 of the Florida Statutes. The City has invested in the Trust’s 0-2 Year High Quality Bond Fund and the 1-3 Year High Quality Bond Fund.

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 Administrative Services, LLC and the investment advisor is PMA (Prudent Man Advisors) Asset Management, LLC. 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, 2021, the weighted average maturity of FL SAFE Fund investments was 54 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, 2021, 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, 2021, 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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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

The City's investments carried at fair value with recurring fair value measurements as of September 30, 2021, are:

Investment	Maturity	Fair Value Measurement	Fair Value	Rating
State Board of Administration – Florida Prime	N/A	Net Asset Value	\$3,784,148	AAAm (S&P)
Florida Municipal Investment Trust – 0-2 and 1-3 Year High Quality Bond Funds	N/A	Level 2 inputs	1,209,806	AAAf / S1 and S2 (Fitch)
Florida SAFE Investment Pool	N/A	Net Asset Value	4,142,602	AAAm (S&P)
Total investments			\$9,136,556	

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, 2021, is as follows:

Petty cash and cash on hand	\$ 10,600
Deposits – public funds	2,678,361
Deposits – non-public funds	1,184,524
Investments	9,136,556
Total	\$ 13,010,041
As reported in Statement of Net Position:	
Cash, cash equivalents and pooled cash and investments	\$ 13,010,041

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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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

The Firefighters’ Retirement Plan held the following deposits and investments with recurring fair value measurements as of September 30, 2021:

Salem Trust Retirement Funds:	Fair Value Measurement	Fair Value	Rating
Deposits			
Financial Square Treasury Obligations Fund	N/A	\$ 599,956	N/A
Investments			
Bonds			
U.S. government and agency fixed income securities	Level 2 inputs	757,721	N/A
Corporate Bonds	Level 1 inputs	852,012	*
Equities - Common Stock and Mutual Funds	Level 1 inputs	5,139,586	N/A
Limited partnership interest - real estate investment fund (American Core Realty)	Level 3 inputs	774,791	N/A
Total Deposits and Investments		<u>\$ 8,124,066</u>	

* Investment complies with State of Florida investment requirements.

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, 2021, was \$2,134,300.

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, 2021:

<u>General Fund</u>	
State of Florida	
Communications Service Tax	\$ 13,255
Fire Supplemental (education pay)	20,060
Fuel Tax Refund	355
Firefighter Retirement Trust Fund Premium Tax	44,538
Pinellas County –	
EMS transport services	26,522
COVID Vaccination site staffing	4,852
	<u>\$ 109,582</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE C - DUE FROM OTHER GOVERNMENTS (continued)

<u>Capital Improvement Fund</u>	
Pinellas County – Recycling Grants proceeds	3,630
Total – governmental funds	<u>\$ 113,212</u>
 <u>Sewer Fund</u>	
City of St. Petersburg – sewer service fees	\$ 108,137
 <u>Reclaimed Water Fund</u>	
City of St. Petersburg – reclaimed water fees	18,788
Total – business-type activities	<u>\$ 126,925</u>
 Total	 <u><u>\$ 240,137</u></u>

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

NOTE D – CAPITAL ASSETS

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

	Beginning Balance 10-1-20	Additions / Transfers	Deletions / Transfers	Ending Balance 9-30-21
Governmental Activities				
<u>Non-depreciable assets:</u>				
Land and land rights	\$2,059,183	\$ -	\$ -	\$2,059,183
Construction and projects in progress	85,400	147,845	-	233,245
<u>Depreciable assets:</u>				
Structures and improvements	4,384,327	63,959	3,227	4,445,059
Infrastructure	4,783,219	24,718	-	4,807,937
Furniture, fixtures and equipment	3,439,502	79,998	34,786	3,484,714
Total at historical cost	<u>14,751,631</u>	<u>316,520</u>	<u>38,013</u>	<u>15,030,138</u>
<u>Less accumulated depreciation for:</u>				
Structures and improvements	2,794,056	129,193	2,608	2,920,641
Infrastructure	2,391,056	195,188	-	2,586,244
Furniture, fixtures and equipment	2,368,009	209,918	32,313	2,545,614
Total accumulated depreciation	<u>7,553,121</u>	<u>534,299</u>	<u>34,921</u>	<u>8,052,499</u>
Capital assets, net	<u>\$7,198,510</u>	<u>\$ (217,779)</u>	<u>\$ (3,092)</u>	<u>\$6,977,639</u>
 Business-type Activities				
<u>Depreciable assets:</u>				
Infrastructure – sewer system	\$ 4,116,045	\$ 88,621	\$ -	\$ 4,204,666
Infrastructure – reclaimed water system	3,088,472	-	-	3,088,472
Total at historical cost	<u>7,204,517</u>	<u>88,621</u>	<u>-</u>	<u>7,293,138</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE D – CAPITAL ASSETS (continued)

	Beginning Balance <u>10-1-20</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>9-30-21</u>
Business-type Activities (continued)				
<u>Less accumulated depreciation for:</u>				
Infrastructure – sewer system	2,902,821	141,828	-	3,044,649
Infrastructure – reclaimed water system	<u>2,607,017</u>	<u>102,949</u>	-	<u>2,709,966</u>
Total accumulated depreciation	<u>5,509,838</u>	<u>244,777</u>	-	<u>5,754,615</u>
Capital assets, net	<u>\$ 1,694,679</u>	<u>\$(156,156)</u>	\$ -	<u>\$ 1,538,523</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 41,773
Public safety – fire	167,460
Public safety – protective inspections	22,760
Transportation – public works	91,423
Human services	2,719
Culture and recreation	35,604
Physical environment	<u>172,560</u>
	<u>\$ 534,299</u>

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, 2021 consists of local business tax receipts in the amount of \$88,228 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, 2021 is as follows:

	Beginning Balance	<u>Increases</u>	<u>Decreases</u>	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Accrued compensated absences	<u>\$ 259,754</u>	<u>\$ 45,333</u>	<u>\$ 357</u>	<u>\$ 304,730</u>	<u>\$ 64,399</u>

Long-term debt for the governmental activities is comprised of the following as of September 30, 2021:

<u>Accrued Compensated Absences:</u> The vested portion of accumulated vacation and sick leave benefits due employees:	<u>\$ 304,730</u>
Total Governmental Activities Long-Term Debt	<u>\$ 304,730</u>

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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	\$ 497,474
Florida Retirement System (expense reduction)	<u>(68,155)</u>
Sub-total	429,319
<i>Defined contribution plan</i>	
Florida Municipal Pension Trust Fund	<u>13,340</u>
Total pension expense for all pension plans	<u>\$ 442,659</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 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, 2020:

	<u>Group</u>	
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 73 and 74 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, 2020.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

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.

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, 2021:

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, 2021 the annual money-weighted rate of return on Plan investments net of investment expense was 18.73%. 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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

The components of the Net Pension Liability on September 30, 2021 were as follows:

Total Pension Liability	\$ 9,612,606
Plan Fiduciary Net Position	(7,013,885)
Sponsor’s Net Pension Liability	<u>\$ 2,598,721</u>
Plan’s Fiduciary Net Position as a Percentage of Total Pension Liability	72.97%

The City’s pension liability was measured as of September 30, 2020.

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>\$ 3,610,188</u>	<u>\$ 2,598,721</u>	<u>\$ 1,739,349</u>

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 and updated to September 30, 2021 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, 2020 Measurement Date:

As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed as of September 30, 2020 to the rates used by Milliman’s July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on the plan demographics.

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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

Change in Net Pension Liability: The change in the net pension liability for the year ended September 30, 2021 based on a September 30, 2020 measurement date is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	a	b	a - b
Beginning balance	\$ 9,453,702	\$ 6,598,065	\$ 2,855,637
Changes for the year:			
Service cost	228,831	-	228,831
Interest	703,894	-	703,894
Differences between expected and actual experience	54,156	-	54,156
Changes of assumptions	(233,428)	-	(233,428)
Changes in benefit terms			
Contributions - employer	-	419,769	(419,769)
Contributions - State	-	83,007	(83,007)
Contributions - employees	-	84,354	(84,354)
Net investment income (loss)	-	482,152	(482,152)
Benefit payments, including refund of employee contributions	(594,549)	(594,549)	-
Administrative expense	-	(58,913)	58,913
Net changes	<u>158,904</u>	<u>415,820</u>	<u>(256,916)</u>
Ending balance	<u>\$ 9,612,606</u>	<u>\$ 7,013,885</u>	<u>\$ 2,598,721</u>

For the year ended September 30, 2021, using a measurement date of September 30, 2020, the City recognized pension expense for the Plan under GASB 68 in the amount of \$497,474.

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, 2021 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	\$ 137,663	\$ -
Change of assumptions	177,160	194,525
Net difference between projected and actual earnings on pension plan investments	125,403	-
Employer contributions subsequent to the measurement date	524,538	-
Total	<u>\$ 964,764</u>	<u>\$ 194,525</u>

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

<u>Year ended September 30:</u>	<u>Amount</u>
2022	\$ 66,333
2023	113,373
2024	71,713
2025	24,161
2026	(29,879)
Thereafter	-
	<u>\$ 245,701</u>

The financial statements for the Firefighters' Retirement Fund as of and for the year ended September 30, 2021 and 2020 are as follows:

Statement of Net Position
September 30,

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 190	\$ 190
Investments, at fair value	8,124,066	6,840,766
Receivables	190,243	198,892
Prepaid expenses	4,001	
Total Assets	<u>8,318,500</u>	<u>7,039,848</u>
Liabilities		
Accounts payable	14,275	16,307
Employer prepaid contribution	6,931	640
Total Liabilities	<u>21,206</u>	<u>16,947</u>
Net Position		
Held in Trust for Pension Benefits	<u>\$ 8,297,294</u>	<u>\$ 7,022,901</u>

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

	<u>2021</u>	<u>2020</u>
Additions		
Contributions		
Employer	\$ 473,709	\$ 419,600
Employee	88,339	84,354
Total contributions	<u>562,048</u>	<u>503,954</u>
Intergovernmental revenue		
State excise tax rebate	44,538	83,007
Investment earnings		
Net change in fair value of investments	1,185,189	349,553
Interest and dividends	167,857	196,492
Total investment earnings (loss)	<u>1,353,046</u>	<u>546,045</u>
Less investment expense	<u>(58,824)</u>	<u>(54,237)</u>
Net investment earnings (loss)	<u>1,294,222</u>	<u>491,808</u>
Total additions	<u>1,900,808</u>	<u>1,078,769</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G- PENSION PLANS (continued)

	Statement of Changes in Net Position For the year Ended September 30,	
	2021	2020
Deductions		
Benefits	\$ 585,864	\$ 594,549
Professional services	36,551	54,926
Trustee expenses	4,000	3,987
Total deductions	626,415	653,462
 Change in Net Position	 1,274,393	 425,307
 Net Position – October 1,	 7,022,901	 6,597,594
 Net Position – September 30,	 \$ 8,297,294	 \$ 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 as of September 30, 2020 is \$7,022,901. The Plan Fiduciary Net Position of \$7,013,885 as reported on page 48 is as of the measurement date of September 30, 2020, and differs from the September 30, 2020 Plan Fiduciary Net Position of \$7,022,901 as reported above by \$9,016. 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.

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, 2021, 2020 and 2019 was \$13,340, \$12,640, and \$12,172, respectively. The City contributed the required amount in each of the three years.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

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, 2020 the contribution rates were 10.00% (regular members) and 27.29% (senior management members). As of July 1, 2021 these rates changed to 10.82% (regular members) and 29.01% (senior management members). The City's contributions to FRS for the years ended September 30, 2021, 2020, and 2019 were \$177,249, \$139,940, and \$137,420, respectively, equal to the required contributions for each year.

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

Deferred Retirement Option Program: The FRS Deferred Retirement Option Program (DROP) is a defined contribution plan and is available to a member when the member first reaches eligibility for normal retirement. The Plan is controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Management Services. DROP allows a member to retire while continuing employment up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is 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, 2021 and continuing through September 30, 2021, based upon employees' gross earnings is 18.34%. The rate for the period July 1, 2020 through June 30, 2021 was 16.98%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2021, as required by GASB 68 *Accounting and Financial Reporting for Pensions*, the City reported a net pension liability of \$288,824 for the FRS Plan component and \$367,267 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

liability, totaling \$656,091, was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

The City’s proportionate share at June 30, 2021 for the FRS Plan component was .003823528%. The City’s proportionate share at June 30, 2021 for the HIS Plan component was .002994066%. The City’s proportionate shares at June 30, 2020 were .003376602% and .002919720% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2021 the City recognized a redeuction of pension expense of \$102,057 for the FRS component and \$34,352 of pension expense for the HIS Plan component. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

FRS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 49,505	\$ -
Changes in assumptions	197,628	-
Net difference between projected and actual earnings on investments	-	1,007,635
Changes in proportion and differences between City contributions and proportionate share of contributions	163,774	85,663
Contributions subsequent to the measurement date	46,073	-
	<u>\$ 456,980</u>	<u>\$ 1,093,298</u>

HIS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 12,290	\$ 154
Changes in assumptions	28,859	15,132
Net difference between projected and actual earnings on investments	383	-
Changes in proportion and differences between City contributions and proportionate share of contributions	37,666	15,216
Contributions subsequent to the measurement date	4,761	-
	<u>\$ 83,959</u>	<u>\$ 30,502</u>

Combined FRS and HIS Plan Components

<u>\$ 540,939</u>	<u>\$ 1,123,800</u>
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The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2022. 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>
2022	\$ 52,708	\$ 21,625
2023	36,136	4,480
2024	14,888	(560)
2025	3,500	(1,505)
2026	5,062	(1,549)
Thereafter	(804,685)	26,205
	<u>\$ (682,391)</u>	<u>\$ 48,696</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

Net Pension Liability

	<u>FRS component</u>	<u>HIS component</u>
City’s proportionate share of Total Pension Liability	\$ 8,015,493	\$ 380,819
City’s proportionate share of Plan Fiduciary Net Position	(7,726,669)	(13,552)
City’s proportionate share of Net Pension Liability	<u>\$ 288,824</u>	<u>\$ 367,267</u>
 Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	 96.40%	 3.56%

Change in Net Pension Liability –

	<u>FRS component</u>	<u>HIS component</u>
Beginning balance – City’s proportionate share	\$ 1,463,469	\$ 356,493
Service cost	101,265	8,403
Interest on total pension liability	524,327	8,346
Effect of economic / demographic gain or loss	20,787	364
Effect of assumptions	35,067	3,023
Employer contributions	(5,970)	(9,342)
Member contributions	(28,926)	(2)
Net investment income	(1,822,026)	(24)
Administrative expense	831	6
Ending balance – City’s proportionate share	<u>\$ 288,824</u>	<u>\$ 367,267</u>

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	<u>FRS component</u>	<u>HIS component</u>
Valuation date	July 1, 2021	July 1, 2021
Measurement date	June 30, 2021	June 30, 2021
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	2.16%, 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%	2.16%

The actuarial assumptions used in the July 1, 2021 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 2021 for the FRS component: the maximum amortization period was decreased for all future amortization bases. 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 2.21% to 2.16%.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE G – PENSION PLANS (continued)

The long-term expected rate of return of 6.80% on Pension Plan investments consists of two building block components : an inferred real return of 4.30% and a long-term average annual inflation assumption of 2.40%. 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%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investments	3.70%	5.70%	5.10%	8.40%
Total	100.00%			
Assumed Inflation – Mean			2.40%	1.20%

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

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

FRS component	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City’s Proportionate share of the net pension liability	\$ 1,291,641	\$ 288,824	\$(549,418)
HIS component	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City’s Proportionate share of the net pension liability	\$ 424,596	\$ 367,267	\$ 320,299

Aggregate total amounts for City’s defined benefit pension plans:

	FRS	HIS	Total FRS	Fire	Total
Net Position	\$ -	\$ -	\$ -	\$ 8,297,294	\$ 8,297,294
Net Pension Liabilities	288,824	367,267	656,091	2,598,721	3,254,812
Deferred Outflows	456,980	83,959	540,939	964,764	1,505,703
Deferred Inflows	1,093,298	30,502	1,123,800	194,525	1,318,325
Pension Expense	(102,507)	34,352	(68,155)	497,474	429,319

NOTE H – OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

Employees covered by benefit terms: To be eligible to participate in the Plan, *general* employees must have a minimum of 10 years of service with the City. *Firefighter* employees are eligible to participate in the Plan after 10 years of service upon retirement at age 55 or after completion of 25 years of service upon retirement at age 52. At September 30, 2020, 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>37</u>
Total	<u><u>38</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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions. The actuarial valuation is based on an actuarial valuation performed as of September 30, 2020 that is applicable to the year ended September 30, 2021. The Total OPEB Liability was determined using the following actuarial assumptions:

Inflation	2.50%	Initial health care trend rate	7.00%
Salary increases	2.50%	Ultimate health care trend rate	4.00%
Discount rate	2.14%	Years until ultimate trend rate	54
Investment rate of return	0.00%		

For all lives, mortality rates were PubG-2010 Healthy Mortality Tables projected to the valuation date using Projection Scale MP-2020.

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 2.14%. 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 3.58% was used for the year ended September 30, 2020.

<i>Changes in Total OPEB Liability:</i>	<u>Increase (Decrease)</u>
Reporting period ending September 30, 2019	\$ 184,242
Changes for the year:	
Service cost	10,978
Interest	6,807
Differences between expected and actual experience	562
Changes of assumptions	44,835
Contributions - employer	-
Net investment income (loss)	-
Benefit payments, including refund of employee contributions	(10,285)
Other changes	-
Net changes	<u>52,897</u>
Reporting period ending September 30, 2020	<u>\$ 237,139</u>

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

	<u>1% Decrease (1.14%)</u>	<u>Current (2.14%)</u>	<u>1% Increase (3.14%)</u>
Net OPEB Liability	\$ 276,687	\$ 237,139	\$ 205,107

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

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% - 6.00%)	Current Healthcare Rates (4.00% - 7.00%)	1% Increase (5.00% - 8.00%)
Net OPEB Liability	\$ 202,132	\$ 237,139	\$ 280,454

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, 2021, the City will recognize OPEB expense of \$64,782 including administrative expenses.

On September 30, 2021, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following resources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Employer contributions subsequent to the measurement date	12,692	-
	<u>\$ 12,692</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, 2022.

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.

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CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE I - DEFERRED COMPENSATION PLAN (continued)

The financial statements for the Deferred Compensation Plan as of and for the year ended September 30, 2021 and 2020 are as follows:

Statement of Net Position		2021	2020
September 30,		<u>2021</u>	<u>2020</u>
Assets			
Investments – mutual funds, at fair value		\$ 2,134,300	\$ 1,727,028
Total Assets		<u>2,134,300</u>	<u>1,727,028</u>
Liabilities			
None		-	-
Net Position			
Held in Trust for Retirement Benefits		<u>\$ 2,134,300</u>	<u>\$ 1,727,028</u>

Statement of Changes in Net Position		2021	2020
For the year Ended September 30,		<u>2021</u>	<u>2020</u>
Additions			
Contributions			
Employee		\$ 127,348	\$ 95,280
Total contributions		<u>127,348</u>	<u>95,280</u>
Investment earnings			
Net change in fair value of investments		353,445	168,659
Total investment earnings (loss)		<u>353,445</u>	<u>168,659</u>
Total additions		<u>480,793</u>	<u>263,939</u>
Deductions			
Participant distributions		73,459	101,704
Plan administrator expenses		62	11
Total deductions		<u>73,521</u>	<u>101,715</u>
Change in Net Position		407,272	162,224
Net Position – October 1,		<u>1,727,028</u>	<u>1,564,804</u>
Net Position – September 30,		<u>\$ 2,134,300</u>	<u>\$ 1,727,028</u>

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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE J - RISK FINANCING

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 \$856,752. The City has renewed its contract with the Pinellas County Sheriff's Department to provide law enforcement services, effective October 1, 2021, continuing until September 30, 2022. The amount of the contract with the Pinellas County Sheriff's Department for the 2021–2022 year is \$885,672.

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, 2021, was \$1,101,945.

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 July 29, 2022, 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.

New Fire Station: The City has entered into an agreement for architectural and engineering services for the construction of a new fire station in the amount of \$650,537. The remaining amount owed on the agreement as of September 30, 2021 is \$593,967.

NOTE L – SUBSEQUENT EVENTS

On September 22, 2021, the City Commission authorized the Mayor to execute the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund Agreement (ARPA) with the State of Florida Division of Emergency Management. The City's allocable share of the award is \$2,551,849. Subsequent to September 30, 2021, and through the date of this report, the City has received \$1,275,924 of the total award amount.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE L – SUBSEQUENT EVENTS (continued)

The City has evaluated whether any other events have occurred subsequent to September 30, 2021, and before the issuance of the financial statements, that would have an impact on the City's financial condition as of September 30, 2021, 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 July 29, 2022, 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, 2021
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Taxes					
Ad valorem taxes	\$ 2,544,965	\$ 2,544,965	\$ 2,514,741	\$ (30,224)	\$ 2,216,228
Utility taxes	716,600	716,600	734,185	17,585	733,155
Communications service tax	184,500	184,500	164,739	(19,761)	190,185
Electric franchise	472,700	472,700	471,322	(1,378)	464,097
Gas franchise	4,250	4,250	5,845	1,595	4,290
Refuse franchise	50,000	50,000	53,048	3,048	53,936
Total taxes	3,973,015	3,973,015	3,943,880	(29,135)	3,661,891
Licenses and permits					
Local business tax	115,000	115,000	108,501	(6,499)	107,872
Building permits	340,200	340,200	329,033	(11,167)	232,809
Fines / code enforcement	15,500	15,500	73,018	57,518	9,672
Electrical permits	-	-	110	110	5,670
Sewer, plumbing and gas permits	-	-	140	140	5,160
Mechanical permits	-	-	-	-	14,030
Planning and zoning fees	1,000	1,000	750	(250)	500
Grease management permits	1,800	1,800	-	(1,800)	-
Total licenses and permits	473,500	473,500	511,552	38,052	375,713
Intergovernmental revenue					
County Emergency Medical Services Authority	886,800	886,800	933,226	46,426	888,216
State revenue sharing	165,000	165,000	169,368	4,368	161,155
Local 1/2 cent sales tax	310,000	310,000	363,983	53,983	316,827
State pro-rata share of alcoholic beverage licenses	5,700	5,700	5,604	(96)	5,751
State mobile home licenses distribution	3,450	3,450	3,578	128	3,944
State municipal tax refund	1,250	1,250	1,207	(43)	1,097
State excise tax rebate - Fire Pension	41,430	41,430	44,538	3,108	83,007
Local option gas tax	70,000	70,000	66,504	(3,496)	65,364
Fire Fighters supplemental compensation	9,000	9,000	9,250	250	8,890
Federal grants	-	-	104,448	104,448	-
Federal FEMA reimbursement	-	-	-	-	36,891
Total intergovernmental revenue	1,492,630	1,492,630	1,701,706	209,076	1,571,142

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2021 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS) (continued)					
Fines and forfeits -					
Police fines	\$ 3,600	\$ 3,600	\$ 2,616	\$ (984)	\$ 2,858
Red light fines	-	-	2,380	2,380	2,323
	<u>3,600</u>	<u>3,600</u>	<u>4,996</u>	<u>1,396</u>	<u>5,181</u>
Interest	47,350	47,350	2,782	(44,568)	30,160
Change in fair value of investments	-	-	52	52	12,724
Rent	8,500	8,500	1,400	(7,100)	5,830
Miscellaneous	54,900	54,900	63,995	9,095	57,713
	<u>114,350</u>	<u>114,350</u>	<u>73,225</u>	<u>(41,125)</u>	<u>111,608</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>6,053,495</u>	<u>6,053,495</u>	<u>6,230,363</u>	<u>176,868</u>	<u>5,720,354</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Legislative					
Personal services	81,695	81,695	56,086	25,609	51,719
Other services and charges	77,800	77,800	91,926	(14,126)	61,880
Travel and conventions	11,000	11,000	4,855	6,145	2,116
Supplies	1,350	1,350	472	878	402
	<u>171,845</u>	<u>171,845</u>	<u>153,339</u>	<u>18,506</u>	<u>116,117</u>
Finance and administration					
Personal services	641,160	641,160	638,041	3,119	605,773
Other services and charges	91,605	91,605	51,297	40,308	45,192
Insurance	43,765	43,765	47,487	(3,722)	41,114
Supplies	6,500	6,500	5,195	1,305	6,108
Maintenance	2,000	2,000	-	2,000	-
Utilities	16,000	16,000	12,155	3,845	16,093
Audit and accounting	14,900	14,900	13,630	1,270	15,135
Telephone	8,620	8,620	8,578	42	8,351
	<u>824,550</u>	<u>824,550</u>	<u>776,383</u>	<u>48,167</u>	<u>737,766</u>
Total general government	<u>996,395</u>	<u>996,395</u>	<u>929,722</u>	<u>66,673</u>	<u>853,883</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2021 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Budget	Final			
CHARGES TO APPROPRIATIONS					
(OUTFLOWS) (continued)					
Public Safety					
Law enforcement					
Pinellas County Sheriff - Department contract	\$ 857,255	\$ 857,255	\$ 856,752	\$ 503	\$ 834,420
	<u>857,255</u>	<u>857,255</u>	<u>856,752</u>	<u>503</u>	<u>834,420</u>
Fire department					
Personal services	2,647,830	2,647,830	2,627,311	20,519	2,499,028
Other services and charges	148,235	148,235	97,033	51,202	109,171
Insurance	85,220	85,220	90,371	(5,151)	78,764
Supplies	9,950	9,950	11,215	(1,265)	6,507
Maintenance	71,500	71,500	85,287	(13,787)	75,780
Utilities	18,200	18,200	15,388	2,812	16,402
Small tools and equipment	1,000	1,000	54	946	709
Traffic signals	5,120	5,120	4,875	245	4,875
Telephone	7,700	7,700	8,494	(794)	8,741
Capital outlay	1,000	1,000	-	1,000	-
	<u>2,995,755</u>	<u>2,995,755</u>	<u>2,940,028</u>	<u>55,727</u>	<u>2,799,977</u>
Protective inspections					
Personal services	217,570	217,570	291,679	(74,109)	194,385
Other services and charges	216,785	216,785	97,808	118,977	171,317
Supplies	3,950	3,950	4,706	(756)	3,178
Insurance	6,140	6,140	6,133	7	5,700
Maintenance	1,900	1,900	811	1,089	10
Capital outlay	-	-	555	(555)	-
	<u>446,345</u>	<u>446,345</u>	<u>401,692</u>	<u>44,653</u>	<u>374,590</u>
Total public safety	<u>4,299,355</u>	<u>4,299,355</u>	<u>4,198,472</u>	<u>100,883</u>	<u>4,008,987</u>
Transportation - public works					
Personal services	607,510	607,510	568,089	39,421	616,693
Other services and charges	66,525	66,525	55,836	10,689	56,874
Insurance	67,675	67,675	70,481	(2,806)	59,214
Supplies	13,500	13,500	28,223	(14,723)	16,645
Maintenance	37,800	37,800	38,655	(855)	43,119
Telephone	5,600	5,600	5,404	196	5,769
Utilities	48,550	48,550	50,339	(1,789)	48,314
Capital outlay	-	-	4,950	(4,950)	-
Total transportation	<u>847,160</u>	<u>847,160</u>	<u>821,977</u>	<u>25,183</u>	<u>846,628</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2021 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
CHARGES TO APPROPRIATIONS					
(OUTFLOWS) (continued)					
Human services - welfare and other services	\$ 4,250	\$ 4,250	\$ 3,500	\$ 750	\$ 4,650
Culture and recreation					
Library	19,000	19,000	13,100	5,900	14,250
Culture services	1,000	1,000	1,000	-	1,000
Special events	19,500	19,500	3,532	15,968	6,229
Total culture and recreation	39,500	39,500	17,632	21,868	21,479
TOTAL CHARGES TO APPROPRIATIONS	6,186,660	6,186,660	5,971,303	215,357	5,735,627
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(133,165)	(133,165)	259,060	392,225	(15,273)
OTHER FINANCING USE					
Transfer out	-	-	(58,461)	(58,461)	-
TOTAL OTHER FINANCING USE	-	-	(58,461)	(58,461)	-
NET CHANGE	(133,165)	(133,165)	200,599	333,764	(15,273)
FUND BALANCE - BEGINNING OF YEAR	3,083,091	3,083,091	3,083,091	-	3,098,364
FUND BALANCE - END OF YEAR	\$ 2,949,926	\$ 2,949,926	\$ 3,283,690	\$ 333,764	\$ 3,083,091

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

SOURCES / INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	\$ 6,230,363
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,230,363</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,971,303
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,971,303</u>

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

Reporting period ending:	9-30-21	9-30-20	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15
Measurement date:	9-30-20	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15	9-30-14
Total Pension Liability							
Service cost	\$ 228,831	\$ 244,566	\$ 202,965	\$ 139,049	\$ 131,806	\$ 121,564	\$ 109,667
Interest on the total pension liability	703,894	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	54,156	46,240	120,334	67,857	(203,988)	129,765	-
Change of assumptions	(233,428)	265,739	-	-	305,372	-	-
Benefit payments, including refunds of employee contributions	(594,549)	(598,776)	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
Net change in total pension liability	158,904	636,499	(81,449)	(130,097)	376,407	260,094	189,529
Total pension liability beginning	9,453,702	8,817,203	8,898,652	9,028,749	8,652,342	8,392,248	8,202,719
Total pension liability ending (a)	<u>\$9,612,606</u>	<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	\$ 419,769	\$ 455,250	\$ 340,140	\$ 298,315	\$ 303,240	\$ 286,491	198,912
Contributions - State	83,007	-	44,493	43,206	50,450	48,347	48,975
Contributions - employees	84,354	78,932	68,864	54,426	45,265	42,620	39,662
Net investment income (loss)	482,152	257,832	405,725	785,892	466,375	(79,221)	636,387
Benefit payments, including refunds of employee contributions	(594,549)	(598,776)	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
Administrative expenses	(58,913)	(44,423)	(38,136)	(34,501)	(40,775)	(30,445)	(27,419)
Net Change in plan fiduciary net position	415,820	148,815	(247,625)	147,494	308,206	(357,824)	354,374
Plan fiduciary net position - beginning	6,598,065	6,449,250	6,696,875	6,549,381	6,241,175	6,598,999	6,244,625
Plan fiduciary net position - ending (b)	<u>\$7,013,885</u>	<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>\$2,598,721</u>	<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	72.97%	69.79%	73.14%	75.26%	72.54%	72.13%	78.63%
Covered Payroll	\$ 1,405,886	\$ 1,313,532	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
Net pension liability as a percentage of covered payroll	184.85%	217.40%	206.37%	242.72%	328.93%	340.20%	271.28%
Money-weighted rate of return on pension plan investments	18.73%	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 seven 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	9-30-21	9-30-20	9-30-19	9-30-18	9-30-17	9-30-16	9-30-15	9-30-14
Actuarially determined contribution	\$ 518,247	\$ 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	473,709	419,600	455,310	347,477	298,315	301,754	280,111	198,910
State excise tax - contribution	44,538	83,007	-	44,492	43,205	50,450	48,347	48,975
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,472,829	\$ 1,405,886	\$ 1,313,532	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
Contributions as a percentage of covered payroll	35.19%	35.75%	34.66%	34.16%	37.65%	46.73%	46.34%	37.50%

NOTES TO SCHEDULE

Valuation date:

October 1, 2020

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	Service based
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 eight 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

	9-30-21	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	0.003823528%	0.003376602%	0.003885280%	0.003859612%	0.003723260%	0.002924305%	0.001829231%
City's Proportionate Share							
Total Pension Liability	\$ 8,015,493	\$ 6,918,986	\$ 7,693,334	\$ 7,384,109	\$ 6,837,119	\$ 4,884,496	\$ 2,951,844
Plan Fiduciary Net Position	(7,726,669)	(5,455,517)	(6,355,298)	(6,221,574)	(5,735,804)	(4,146,107)	(2,715,574)
Net Pension Liability	\$ 288,824	\$ 1,463,469	\$ 1,338,036	\$ 1,162,535	\$ 1,101,315	\$ 738,389	\$ 236,270
Plan Net Position as a Percentage of Total Net Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Service Cost	\$ 101,265	\$ 89,394	\$ 98,028	\$ 93,556	\$ 173,845	\$ 86,833	\$ 44,049
Interest on the total pension liability	524,327	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	20,787	4,867	10,248	25,269	118,408	39,905	33,773
Effect of assumptions	35,067	13,695	64,133	99,844	871,705	41,960	-
Employer contributions	(5,970)	(241,781)	(115,303)	(85,683)	(218,233)	(99,280)	(50,801)
Member contributions	(28,926)	(25,272)	(29,249)	(28,807)	(62,441)	(28,934)	(14,550)
Net investment income	(1,822,026)	(170,616)	(366,219)	(539,618)	(1,576,186)	(33,407)	(115,085)
Administrative expense	831	728	761	779	1,538	753	376
Net change in net pension liability	(1,174,645)	125,433	175,501	61,220	362,926	502,119	141,998
Net pension liability - beginning	1,463,469	1,338,036	1,162,535	1,101,315	738,389	236,270	94,272
Net pension liability - ending	\$ 288,824	\$ 1,463,469	\$ 1,338,036	\$ 1,162,535	\$ 1,101,315	\$ 738,389	\$ 236,270
Covered payroll	\$ 1,066,381	\$ 1,041,948	\$ 1,052,168	\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
Net pension liability as a percentage of covered payroll	27%	140%	127%	114%	111%	78%	39%
Retiree Health Insurance Subsidy (HIS Plan)							
Employer's Proportion for the HIS Plan	0.002994066%	0.002919720%	0.003109028%	0.003119899%	0.003059396%	0.002962991%	0.001434881%
City's Proportionate Share							
Total Pension Liability	\$ 380,819	\$ 367,537	\$ 357,260	\$ 337,466	\$ 332,580	\$ 348,698	\$ 147,064
Plan Fiduciary Net Position	(13,552)	(11,044)	(9,391)	(7,252)	(5,455)	(3,374)	(729)
Net Pension Liability	\$ 367,267	\$ 356,493	\$ 347,869	\$ 330,214	\$ 327,125	\$ 345,324	\$ 146,335
Plan Net Position as a Percentage of Total Net Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	50%
Service Cost	\$ 8,403	\$ 7,752	\$ 7,217	\$ 8,063	\$ 5,761	\$ 35,080	\$ 14,624
Interest on the total pension liability	8,346	11,758	13,001	12,158	6,384	53,398	27,258
Effect of economic/demographic gain or loss	364	12,980	(16)	5,857	-	(4,212)	40,856
Effect of assumptions	3,023	13,348	16,038	(12,098)	(20,310)	184,818	-
Employer contributions	(9,342)	(37,040)	(18,392)	(10,790)	(10,011)	(70,044)	(25,700)
Member contributions	(2)	(11)	(6)	(7)	-	-	-
Net investment income	(24)	(168)	(193)	(99)	(26)	(77)	(27)
Administrative expense	6	5	6	5	3	26	13
Net change in net pension liability	10,774	8,624	17,655	3,089	(18,199)	198,989	57,024
Net pension liability - beginning	356,493	347,869	330,214	327,125	345,324	146,335	89,311
Net pension liability - ending	\$ 367,267	\$ 356,493	\$ 347,869	\$ 330,214	\$ 327,125	\$ 345,324	\$ 146,335
Covered payroll	\$ 1,066,381	\$ 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%	34%	33%	32%	33%	37%	24%
Combined FRS and HIS Pension Plan							
Total Pension Liability	\$ 8,396,312	\$ 7,286,523	\$ 8,050,594	\$ 7,721,575	\$ 7,169,699	\$ 5,233,194	\$ 3,098,908
Plan Fiduciary Net Position	(7,740,221)	(5,466,561)	(6,364,689)	(6,228,826)	(5,741,259)	(4,149,481)	(2,716,303)
Net Pension Liability	\$ 656,091	\$ 1,819,962	\$ 1,685,905	\$ 1,492,749	\$ 1,428,440	\$ 1,083,713	\$ 382,605

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
 SCHEDULE OF CONTRIBUTIONS**

(Seven years of data available for GASB 67 and 68) *
 September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
FRS Pension Plan							
Contractually required contribution	\$ 159,436	\$ 123,043	\$ 119,395	\$ 116,387	\$ 108,450	\$ 72,614	\$ 55,948
Contributions in relation to the contractually required contribution	(159,436)	(123,043)	(119,395)	(116,387)	(108,450)	(72,614)	(55,948)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,073,053	\$ 1,017,892	\$ 1,085,837	\$ 993,506	\$ 994,407	\$ 928,886	\$ 612,282
Contributions as a percentage of covered payroll	14.86%	12.09%	11.00%	11.71%	10.91%	7.82%	9.14%
Retiree Health Insurance Subsidy (HIS Plan)							
Contractually required contribution	\$ 17,813	\$ 16,897	\$ 18,025	\$ 16,492	\$ 16,507	\$ 15,420	\$ 10,164
Contributions in relation to the contractually required contribution	(17,813)	(16,897)	(18,025)	(16,492)	(16,507)	(15,420)	(10,164)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,073,053	\$ 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%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION

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

Reporting period ending:	9-30-21	9-30-20	9-30-19	9-30-18	9-30-17
Measurement date:	9-30-20	9-30-19	9-30-18	9-30-17	9-30-16
Total OPEB Liability					
Service cost	\$ 10,978	\$ 9,727	\$ 9,552	\$ 9,319	\$ 7,977
Interest on the total pension liability	6,807	7,091	4,856	3,903	4,034
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience	562	-	18,098	-	-
Change of assumptions	44,835	12,324	8,921	(6,410)	6,579
Benefit payments, including refunds of employee contributions	(10,285)	(9,523)	(1,246)	(1,145)	(1,145)
Net change in total pension liability	\$ 52,897	\$ 19,619	\$ 40,181	\$ 5,667	17,445
Total OPEB liability beginning	184,242	164,623	124,442	118,775	101,330
Total pension liability ending	\$ 237,139	\$ 184,242	\$ 164,623	\$ 124,442	\$ 118,775
Covered Employee Payroll	\$ 2,524,171	\$ 2,553,130	\$ 2,490,858	\$ 2,277,871	\$ 2,168,110
Net OPEB liability as a percentage of covered employee payroll	9.39%	7.22%	6.61%	5.46%	5.48%

NOTE: GASB 75 requires 10 year of information. Information is only available for five 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, 2021
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Taxes, licenses and permits -					
Impact fees/assessments	\$ -	\$ -	\$ 27,451	\$ 27,451	\$ 6,625
Intergovernmental revenue					
Infrastructure tax	600,000	600,000	629,401	29,401	584,673
Environmental grants	4,000	4,000	3,630	(370)	3,635
Interest	54,600	54,600	4,431	(50,169)	44,492
Change in fair value of investments	-	-	65	65	15,461
Loan proceeds	2,162,500	2,162,500	-	(2,162,500)	-
Miscellaneous	-	-	5,200	5,200	582
AMOUNTS AVAILABLE FOR APPROPRIATION	2,821,100	2,821,100	670,178	(2,150,922)	655,468
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
Public Safety					
Fire Department and Protective Inspections					
Small Tools	-	-	340	(340)	3,835
Supplies	-	-	-	-	1,776
	-	-	340	(340)	5,611
Physical environment					
Flood control	-	-	8,156	(8,156)	3,375
Maintenance	-	-	-	-	1,578
	-	-	8,156	(8,156)	4,953
Transportation					
Public Works					
Professional services	-	-	4,200	(4,200)	-
Supplies	-	-	4,896	(4,896)	-
Maintenance	-	-	26,670	(26,670)	12,097
	-	-	35,766	(35,766)	12,097
Total current charges to appropriations	-	-	44,262	(44,262)	22,661
Capital outlay					
General government					
Legislative					
Equipment	2,500	2,500	-	2,500	-
Finance and administration					
Equipment	79,995	79,995	52,021	27,974	34,089
Vehicle	40,000	40,000	-	40,000	-
Total general government	122,495	122,495	52,021	70,474	34,089

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2021 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Public Safety					
Fire Department					
Building improvements	\$ 5,178,000	\$ 5,178,000	\$ 90,258	\$ 5,087,742	\$ 73,115
Equipment	82,250	82,250	27,277	54,973	85,226
Vehicle	37,000	37,000	37,497	(497)	-
	<u>5,297,250</u>	<u>5,297,250</u>	<u>155,032</u>	<u>5,142,218</u>	<u>158,341</u>
Protective inspections					
Building improvements	52,485	52,485	4,922	47,563	-
Equipment	46,335	46,335	4,975	41,360	-
	<u>98,820</u>	<u>98,820</u>	<u>9,897</u>	<u>88,923</u>	<u>-</u>
Total Public Safety	<u>5,396,070</u>	<u>5,396,070</u>	<u>164,929</u>	<u>5,231,141</u>	<u>158,341</u>
Transportation - public works					
Building improvements	21,000	21,000	17,533	3,467	18,875
Dredging and boardwalk	-	-	-	-	228,355
Equipment	20,500	20,500	10,517	9,983	11,739
Vehicle	-	-	-	-	32,930
Land purchases	700,000	700,000	-	700,000	-
Highways, streets and bridges	80,000	80,000	17,018	62,982	30,778
Total Transportation - public works	<u>821,500</u>	<u>821,500</u>	<u>45,068</u>	<u>776,432</u>	<u>322,677</u>
Physical environment					
Visioning / beautification	495,000	495,000	48,995	446,005	8,434
Flood control	75,000	75,000	-	75,000	-
Total Physical environment	<u>570,000</u>	<u>570,000</u>	<u>48,995</u>	<u>521,005</u>	<u>8,434</u>
Total capital outlay charges to appropriations	<u>6,910,065</u>	<u>6,910,065</u>	<u>311,013</u>	<u>6,599,052</u>	<u>523,541</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>6,910,065</u>	<u>6,910,065</u>	<u>355,275</u>	<u>6,554,790</u>	<u>546,202</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>(4,088,965)</u>	<u>(4,088,965)</u>	<u>314,903</u>	<u>4,403,868</u>	<u>109,266</u>
OTHER FINANCING SOURCE					
Transfer in	-	-	58,461	58,461	-
TOTAL OTHER FINANCING SOURCE	<u>-</u>	<u>-</u>	<u>58,461</u>	<u>58,461</u>	<u>-</u>
NET CHANGE	<u>(4,088,965)</u>	<u>(4,088,965)</u>	<u>373,364</u>	<u>4,462,329</u>	<u>109,266</u>
FUND BALANCE - BEGINNING OF YEAR	<u>5,509,518</u>	<u>5,509,518</u>	<u>5,509,518</u>	<u>-</u>	<u>5,400,252</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,420,553</u>	<u>\$ 1,420,553</u>	<u>\$ 5,882,882</u>	<u>\$ 4,462,329</u>	<u>\$ 5,509,518</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, 2021
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Charges for services	\$ 1,399,600	\$ 1,399,600	\$ 1,394,330	\$ (5,270)	\$ 1,328,968
Interest earned	12,600	12,600	837	(11,763)	13,221
AMOUNT AVAILABLE FOR APPROPRIATION	<u>1,412,200</u>	<u>1,412,200</u>	<u>1,395,167</u>	<u>(17,033)</u>	<u>1,342,189</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	53,590	53,590	53,590	-	56,230
Utilities	9,880	9,880	10,546	(666)	10,370
City of St. Petersburg:					
Sewer processing	1,052,260	1,052,260	1,101,945	(49,685)	939,690
Sewer administration charge	3,650	3,650	3,281	369	3,262
Insurance	16,620	16,620	18,271	(1,651)	13,988
Audit	3,790	3,790	3,790	-	3,815
Repairs, maintenance, renewals and replacement	197,900	197,900	54,266	143,634	43,895
Capital outlay	38,810	38,810	-	38,810	-
Administrative service charge	29,865	29,865	29,865	-	28,030
Miscellaneous	5,835	5,835	5,479	356	5,864
TOTAL CHARGES TO APPROPRIATIONS	<u>1,412,200</u>	<u>1,412,200</u>	<u>1,281,033</u>	<u>131,167</u>	<u>1,105,144</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,134</u>	<u>\$ 114,134</u>	<u>\$ 237,045</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.	\$ 1,281,033
Differences - budget to GAAP:	
Depreciation	<u>141,828</u>
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 1,422,861</u>

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
RECLAIMED WATER

For the Year Ended September 30, 2021
With Comparative Actual Amounts for the Year Ended September 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Charges for services	\$ 227,400	\$ 227,400	\$ 221,366	\$ (6,034)	\$ 189,835
Interest earned	16,870	16,870	1,561	(15,309)	15,835
AMOUNT AVAILABLE FOR APPROPRIATION	<u>244,270</u>	<u>244,270</u>	<u>222,927</u>	<u>(21,343)</u>	<u>205,670</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	43,860	43,860	43,860	-	44,940
City of St. Petersburg:					
Administration charge	600	600	578	22	576
Pinellas County:					
Reclaimed water	70,350	70,350	66,129	4,221	47,971
Audit	550	550	550	-	430
Consultants	1,000	1,000	-	1,000	-
Repairs, maintenance, renewals and replacement	35,000	35,000	17,513	17,487	604
Administrative service charge	15,075	15,075	15,075	-	14,225
TOTAL CHARGES TO APPROPRIATIONS	<u>166,435</u>	<u>166,435</u>	<u>143,705</u>	<u>22,730</u>	<u>108,746</u>
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ 77,835</u>	<u>\$ 77,835</u>	<u>\$ 79,222</u>	<u>\$ 1,387</u>	<u>\$ 96,924</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.	\$ 143,705
Differences - budget to GAAP:	
Depreciation	<u>102,949</u>
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 246,654</u>

CITY OF SOUTH PASADENA, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2021

With Comparative Total Amounts for September 30, 2020

	Employee Retirement Funds		Totals	
	Firefighters' Retirement	Employees' Deferred Compensation	2021	2020
ASSETS				
Cash	\$ 190	\$ -	\$ 190	\$ 190
Investments, at fair value				
Short term investments / money market funds	599,956	-	599,956	152,825
U. S. government and agency fixed income securities	757,721	-	757,721	714,707
Corporate bonds	852,012	-	852,012	1,147,533
Equities - common stock	5,139,586	-	5,139,586	4,135,592
Real estate investment funds	774,791	-	774,791	690,109
Plan administrator's mutual funds	-	2,134,300	2,134,300	1,727,028
	<u>8,124,066</u>	<u>2,134,300</u>	<u>10,258,366</u>	<u>8,567,794</u>
Receivables	190,243	-	190,243	198,892
Prepaid expense	4,001	-	4,001	-
TOTAL ASSETS	<u>8,318,500</u>	<u>2,134,300</u>	<u>10,452,800</u>	<u>8,766,876</u>
LIABILITIES				
Accounts payable	14,275	-	14,275	16,307
Employer prepaid contribution	6,931	-	6,931	640
TOTAL LIABILITIES	<u>21,206</u>	<u>-</u>	<u>21,206</u>	<u>16,947</u>
NET POSITION				
Restricted for pensions	<u>\$ 8,297,294</u>	<u>\$ 2,134,300</u>	<u>\$ 10,431,594</u>	<u>\$ 8,749,929</u>

CITY OF SOUTH PASADENA, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2021

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

	Employee Retirement Funds		Totals	
	Firefighters' Retirement	Employees' Deferred Compensation	2021	2020
ADDITIONS				
Contributions				
Employer	\$ 473,709	\$ -	\$ 473,709	\$ 419,600
Employee	88,339	127,348	215,687	179,634
Total contributions	<u>562,048</u>	<u>127,348</u>	<u>689,396</u>	<u>599,234</u>
Intergovernmental revenue				
State excise tax rebate	44,538	-	44,538	83,007
Investment earnings				
Net change in fair value of investments	1,185,189	353,445	1,538,634	518,212
Interest and dividends	167,857	-	167,857	196,492
Total investment earnings	<u>1,353,046</u>	<u>353,445</u>	<u>1,706,491</u>	<u>714,704</u>
Less investment expense	(58,824)	-	(58,824)	(54,237)
Net investment earnings	<u>1,294,222</u>	<u>353,445</u>	<u>1,647,667</u>	<u>660,467</u>
TOTAL ADDITIONS	<u>1,900,808</u>	<u>480,793</u>	<u>2,381,601</u>	<u>1,342,708</u>
DEDUCTIONS				
Benefits	585,864	-	585,864	594,549
Participant distributions	-	73,459	73,459	101,704
Professional services	36,551	-	36,551	54,926
Trustee / plan administrator expenses	4,000	62	4,062	3,998
TOTAL DEDUCTIONS	<u>626,415</u>	<u>73,521</u>	<u>699,936</u>	<u>755,177</u>
CHANGE IN NET POSITION	1,274,393	407,272	1,681,665	587,531
NET POSITION - BEGINNING OF YEAR	<u>7,022,901</u>	<u>1,727,028</u>	<u>8,749,929</u>	<u>8,162,398</u>
NET POSITION - END OF YEAR	<u>\$ 8,297,294</u>	<u>\$ 2,134,300</u>	<u>\$ 10,431,594</u>	<u>\$ 8,749,929</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, 2021

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>2021</u>	<u>2020</u>
ASSETS		
Cash, cash equivalents and pooled cash and investments	\$ 3,492,090	\$ 3,243,208
Receivables - other	78,549	9,479
Due from other governments	109,582	34,164
Inventory of supplies	8,429	7,166
Prepaid expenditures	<u>75,677</u>	<u>65,839</u>
TOTAL ASSETS	<u><u>\$ 3,764,327</u></u>	<u><u>\$ 3,359,856</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 228,074	\$ 59,087
Accrued liabilities	<u>164,335</u>	<u>139,038</u>
TOTAL LIABILITIES	<u>392,409</u>	<u>198,125</u>
DEFERRED INFLOWS OF RESOURCES		
Local business tax receipts	<u>88,228</u>	<u>78,640</u>
TOTAL DEFERRED INFLOWS	<u>88,228</u>	<u>78,640</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>480,637</u>	<u>276,765</u>
FUND BALANCES		
Fund balances		
Nonspendable:		
Inventories and prepaids	84,106	73,005
Restricted for:		
Scholarships	-	1,651
Assigned to:		
Future budgetary appropriations	214,390	133,165
Unassigned	<u>2,985,194</u>	<u>2,875,270</u>
TOTAL FUND BALANCES	<u>3,283,690</u>	<u>3,083,091</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u><u>\$ 3,764,327</u></u>	<u><u>\$ 3,359,856</u></u>

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET
CAPITAL IMPROVEMENTS FUND

	September 30,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash equivalents and pooled cash and investments	\$ 5,893,828	\$ 5,584,739
Due from other governments	<u>3,630</u>	<u>2,672</u>
TOTAL ASSETS	<u><u>\$ 5,897,458</u></u>	<u><u>\$ 5,587,411</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 14,576	\$ 76,519
Due to other governments	<u>-</u>	<u>1,374</u>
TOTAL LIABILITIES	<u>14,576</u>	<u>77,893.00</u>
FUND BALANCES		
Fund balances		
Restricted for:		
Infrastructure	5,855,407	5,442,712
Impact fees	27,475	-
Assigned to:		
Capital improvement projects	<u>-</u>	<u>66,806</u>
TOTAL FUND BALANCES	<u>5,882,882</u>	<u>5,509,518</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 5,897,458</u></u>	<u><u>\$ 5,587,411</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, 2021

	Total Governmental Funds	Long Term Assets, Liabilities	Adjustments and Eliminations	Statement of Net Position Totals
ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 9,385,918	\$ -	\$ -	\$ 9,385,918
Receivables - other	78,549	-	-	78,549
Due from other governments	113,212	-	-	113,212
Inventory of supplies	8,429	-	-	8,429
Prepaid expenditures	75,677	-	-	75,677
Land and land rights	-	2,059,183	-	2,059,183
Structures and improvements	-	4,445,059	-	4,445,059
Infrastructure	-	4,807,937	-	4,807,937
Furniture, fixtures and equipment	-	3,484,714	-	3,484,714
Construction and projects in process	-	233,245	-	233,245
Accumulated depreciation	-	(8,052,499)	-	(8,052,499)
Deferred outflows of resources:				
Net Other Post Employment Benefits	-	12,692	-	12,692
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	964,764	-	964,764
Florida Retirement System	-	540,939	-	540,939
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 9,661,785	\$ 8,496,034	\$ -	\$ 18,157,819
LIABILITIES AND FUND BALANCES				
LIABILITIES & DEFERRED INFLOWS				
Accounts payable	\$ 242,650	\$ -	\$ -	\$ 242,650
Due to other governments	-	-	-	-
Accrued liabilities	164,335	-	-	164,335
Current portion of:				
Accrued compensated absences	-	64,399	-	64,399
Non-current portion of:				
Net Other Post Employment Benefits	-	237,139	-	237,139
Accrued compensated absences	-	240,331	-	240,331
Net pension liability:				
Firefighters' Retirement Fund	-	2,598,721	-	2,598,721
Florida Retirement System	-	656,091	-	656,091
Deferred inflows of resources:				
Deferred revenue - local business tax receipts	88,228			88,228
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	194,525		194,525
Florida Retirement System	-	1,123,800		1,123,800
TOTAL LIABILITIES & DEFERRED INFLOWS	495,213	5,115,006	-	5,610,219
TOTAL FUND BALANCES / NET POSITION	9,166,572	3,381,028	-	12,547,600
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES / NET POSITION	\$ 9,661,785	\$ 8,496,034	\$ -	\$ 18,157,819

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, 2021

	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	\$ 3,971,331	\$ -	\$ -	\$ (3,971,331)	\$ -
Licenses and permits	511,552	-	-	(511,552)	-
Intergovernmental revenue	2,334,737	-	-	(2,334,737)	-
Fines and forfeits	4,996	-	-	(4,996)	-
Interest	7,213	-	-	(7,213)	-
Change in fair value of investments	117	-	-	(117)	-
Rent	1,400	-	-	(1,400)	-
Miscellaneous revenues	69,195	-	-	(69,195)	-
Charges for services	-	-	-	546,156	546,156
Operating grants and contributions	-	-	-	1,046,504	1,046,504
General revenues	-	-	-	5,307,881	5,307,881
TOTAL REVENUES	6,900,541	-	-	-	6,900,541
EXPENDITURES					
Current					
General government	929,722	41,773	18,909	(20,128)	970,276
Public safety	4,198,257	-	-	(4,198,257)	-
Public safety - police	-	-	-	856,752	856,752
Public safety - fire	-	169,734	2,949	2,948,399	3,121,082
Public safety - protective inspections	-	22,760	7,438	392,665	422,863
Transportation - public works	852,793	92,042	15,680	(16,269)	944,246
Human services	3,500	2,917	-	-	6,417
Culture and recreation	17,632	35,604	-	-	53,236
Physical environment	8,156	172,560	-	-	180,716
Capital outlay	316,518	(316,518)	-	-	-
TOTAL EXPENDITURES	6,326,578	220,872	44,976	(36,838)	6,555,588
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 573,963	\$ (220,872)	\$ (44,976)	\$ 36,838	\$ 344,953

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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

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 6,586,069	\$ 7,304,979	\$ 7,101,744	\$ 7,199,435
Restricted	4,591,514	4,015,421	4,350,523	4,313,043
Unrestricted (deficit)	4,263,985	3,696,741	3,056,789	690,581
Total governmental activities net position	<u>\$ 15,441,568</u>	<u>\$ 15,017,141</u>	<u>\$ 14,509,056</u>	<u>\$ 12,203,059</u>
Business-type activities				
Net investment in capital assets	\$ 3,341,945	\$ 3,111,889	\$ 2,940,647	\$ 2,686,418
Unrestricted	2,411,657	2,536,170	2,609,344	2,766,363
Total business-type activities net position	<u>\$ 5,753,602</u>	<u>\$ 5,648,059</u>	<u>\$ 5,549,991</u>	<u>\$ 5,452,781</u>
Primary Government				
Net investment in capital assets	\$ 9,928,014	\$ 10,416,868	\$ 10,042,391	\$ 9,885,853
Restricted	4,591,514	4,015,421	4,350,523	4,313,043
Unrestricted	6,675,642	6,232,911	5,666,133	3,456,944
Total primary government activities net position	<u>\$ 21,195,170</u>	<u>\$ 20,665,200</u>	<u>\$ 20,059,047</u>	<u>\$ 17,655,840</u>

2016	2017	2018	2019	2020	2021
\$ 7,248,467	\$ 7,776,157	\$ 7,471,268	\$ 7,208,370	\$ 7,198,510	\$ 6,977,639
4,569,676	4,174,483	4,673,236	5,201,648	5,444,363	5,882,882
860,223	523,370	362,827	155,304	(440,226)	(312,921)
<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>	<u>\$ 12,547,600</u>
\$ 2,550,469	\$ 2,310,729	\$ 2,070,929	\$ 1,940,537	\$ 1,694,679	\$ 1,538,523
2,734,889	2,853,010	3,060,234	3,210,911	3,544,880	3,649,615
<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>	<u>\$ 5,188,138</u>
\$ 9,798,936	\$ 10,086,886	\$ 9,542,197	\$ 9,148,907	\$ 8,893,189	\$ 8,516,162
4,569,676	4,174,483	4,673,236	5,201,648	5,444,363	5,882,882
3,595,112	3,376,380	3,423,061	3,366,215	3,104,654	3,336,694
<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>	<u>\$ 17,735,738</u>

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

	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 579,191	\$ 633,246	\$ 666,485	\$ 808,125	\$ 804,196
Public safety - Police	1,010,719	1,011,206	1,022,502	1,023,307	881,550
Public safety - Fire	2,278,934	2,152,151	2,240,521	2,185,829	2,331,312
Public safety - Protective inspections	268,300	301,625	331,803	353,270	369,046
Transportation - Public Works	880,690	905,564	895,487	879,520	931,613
Human services	5,383	8,545	3,895	5,795	3,286
Culture and recreation	61,770	60,482	67,662	72,858	62,198
Physical environment	72,674	71,372	85,689	90,854	108,423
Interest	-	-	124	66	2
Total governmental activities expenses	<u>5,157,661</u>	<u>5,144,191</u>	<u>5,314,168</u>	<u>5,419,624</u>	<u>5,491,626</u>
Business-type activities:					
Sewer	905,442	983,726	954,274	991,172	1,027,658
Reclaimed water	174,684	175,529	174,310	179,451	195,261
Total business-type activities expenses	<u>1,080,126</u>	<u>1,159,255</u>	<u>1,128,584</u>	<u>1,170,623</u>	<u>1,222,919</u>
Total primary government expenses	<u>\$ 6,237,787</u>	<u>\$ 6,303,446</u>	<u>\$ 6,442,752</u>	<u>\$ 6,590,247</u>	<u>\$ 6,714,545</u>
Program Revenues					
Governmental activities:					
Charges for services	\$ 1,084,571	\$ 1,001,570	\$ 835,462	\$ 689,326	\$ 857,705
Operating grants and contributions	712,569	720,984	772,767	810,767	730,936
Capital grants and contributions	165,536	-	7,742	3,880	200,204
Total governmental activities program revenues	<u>1,962,676</u>	<u>1,722,554</u>	<u>1,615,971</u>	<u>1,503,973</u>	<u>1,788,845</u>
Business-type activities:					
Charges for services	1,057,446	1,048,581	1,031,609	1,065,857	1,046,723
Total business-type activities program revenues	<u>1,057,446</u>	<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>	<u>1,046,723</u>
Total primary government program revenues	<u>\$ 3,020,122</u>	<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>	<u>\$ 2,569,830</u>	<u>\$ 2,835,568</u>
Net (Expense)/Revenue					
Governmental activities net expense	\$ (3,194,985)	\$ (3,421,637)	\$ (3,698,197)	\$ (3,915,651)	\$ (3,702,781)
Business-type activities net revenue	(22,680)	(110,674)	(96,975)	(104,766)	(176,196)
Total primary government net expense	<u>\$ (3,217,665)</u>	<u>\$ (3,532,311)</u>	<u>\$ (3,795,172)</u>	<u>\$ (4,020,417)</u>	<u>\$ (3,878,977)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem	\$ 1,066,851	\$ 642,422	\$ 712,589	\$ 894,391	\$ 1,570,705
Franchise fees	458,889	439,881	502,227	490,429	467,936
Utility taxes	571,598	595,950	618,039	632,972	648,746
Communication services tax	269,547	244,085	240,254	241,330	231,531
Sales tax - infrastructure	440,385	463,895	494,915	534,832	563,632
Half-cent sales tax	260,555	272,640	290,685	307,159	319,883
Local option gas tax	74,294	75,514	77,058	78,796	81,708
Other taxes	55,801	61,169	67,357	62,494	64,689
State revenue sharing	155,655	156,238	157,524	159,685	160,186
Investment income	58,642	48,316	5,471	23,944	23,319
Change in fair value of investments	(8,348)	(26,865)	(9,093)	3,231	7,161
Miscellaneous	35,416	23,965	33,086	37,694	38,592
Deepwater Horizon - BP Oil spill settlement	-	-	-	131,898	-
Total governmental activities	<u>3,439,285</u>	<u>2,997,210</u>	<u>3,190,112</u>	<u>3,598,855</u>	<u>4,178,088</u>
Business-type activities					
Investment income	715	540	1,403	7,556	8,773
Change in fair value of investments	10,042	4,591	(2,496)	-	-
Total business-type activities	<u>10,757</u>	<u>5,131</u>	<u>(1,093)</u>	<u>7,556</u>	<u>8,773</u>
Total primary government	<u>\$ 3,450,042</u>	<u>\$ 3,002,341</u>	<u>\$ 3,189,019</u>	<u>\$ 3,606,411</u>	<u>\$ 4,186,861</u>
Change in Net Position					
Governmental activities	\$ 244,300	\$ (424,427)	\$ (508,085)	\$ (316,796)	\$ 475,307
Business-type activities	(11,923)	(105,543)	(98,068)	(97,210)	(167,423)
Total primary government	<u>\$ 232,377</u>	<u>\$ (529,970)</u>	<u>\$ (606,153)</u>	<u>\$ (414,006)</u>	<u>\$ 307,884</u>

	2017	2018	2019	2020	2021
\$	840,118	\$ 887,455	\$ 999,635	\$ 1,043,304	\$ 970,276
	772,949	786,522	810,378	834,420	856,752
	2,558,760	2,633,364	2,838,432	3,167,311	3,121,082
	369,852	397,196	458,251	420,474	422,863
	926,658	1,014,262	992,511	1,044,856	944,246
	4,223	10,162	9,402	10,829	6,417
	62,164	54,475	56,469	50,905	53,236
	110,779	156,794	156,934	166,398	180,716
	-	-	-	-	-
	<u>5,645,503</u>	<u>5,940,229</u>	<u>6,322,011</u>	<u>6,738,497</u>	<u>6,555,588</u>
	1,082,192	1,025,922	1,174,549	1,248,053	1,422,861
	191,780	212,074	188,877	211,695	246,654
	<u>1,273,972</u>	<u>1,237,996</u>	<u>1,363,426</u>	<u>1,459,748</u>	<u>1,669,515</u>
\$	<u>6,919,475</u>	<u>\$ 7,178,225</u>	<u>\$ 7,685,437</u>	<u>\$ 8,198,245</u>	<u>\$ 8,225,103</u>
\$	397,383	\$ 513,550	\$ 495,840	\$ 393,349	\$ 546,156
	744,612	819,272	869,746	928,742	1,046,504
	-	-	-	-	-
	<u>1,141,995</u>	<u>1,332,822</u>	<u>1,365,586</u>	<u>1,322,091</u>	<u>1,592,660</u>
	1,133,811	1,166,250	1,323,268	1,518,803	1,615,696
	<u>1,133,811</u>	<u>1,166,250</u>	<u>1,323,268</u>	<u>1,518,803</u>	<u>1,615,696</u>
\$	<u>2,275,806</u>	<u>\$ 2,499,072</u>	<u>\$ 2,688,854</u>	<u>\$ 2,840,894</u>	<u>\$ 3,208,356</u>
\$	(4,503,508)	\$ (4,607,407)	\$ (4,956,425)	\$ (5,416,406)	\$ (4,962,928)
	(140,161)	(71,746)	(40,158)	59,055	(53,819)
\$	<u>(4,643,669)</u>	<u>\$ (4,679,153)</u>	<u>\$ (4,996,583)</u>	<u>\$ (5,357,351)</u>	<u>\$ (5,016,747)</u>
\$	1,730,425	\$ 1,820,247	\$ 2,095,658	\$ 2,216,228	\$ 2,514,741
	473,192	509,999	533,672	522,323	530,215
	650,481	663,585	703,744	733,155	734,185
	233,979	247,881	212,307	190,185	164,739
	581,267	609,637	643,325	584,673	629,401
	321,020	329,118	334,408	316,827	363,983
	81,739	75,738	71,246	65,364	66,504
	58,273	60,288	18,898	102,689	64,177
	161,033	161,955	165,471	161,155	169,368
	48,881	97,760	148,657	74,652	7,213
	8,176	13,951	33,454	28,185	117
	52,016	50,569	53,576	58,295	63,238
	-	-	-	-	-
	<u>4,400,482</u>	<u>4,640,728</u>	<u>5,014,416</u>	<u>5,053,731</u>	<u>5,307,881</u>
	18,542	39,170	60,443	29,056	2,398
	-	-	-	-	-
	<u>18,542</u>	<u>39,170</u>	<u>60,443</u>	<u>29,056</u>	<u>2,398</u>
\$	<u>4,419,024</u>	<u>\$ 4,679,898</u>	<u>\$ 5,074,859</u>	<u>\$ 5,082,787</u>	<u>\$ 5,310,279</u>
\$	(103,026)	\$ 33,321	\$ 57,991	\$ (362,675)	\$ 344,953
	(121,619)	(32,576)	20,285	88,111	(51,421)
\$	<u>(224,645)</u>	<u>\$ 745</u>	<u>\$ 78,276</u>	<u>\$ (274,564)</u>	<u>\$ 293,532</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Nonspendable	\$ 25,720	\$ 26,281	\$ 23,357	\$ 26,041	\$ 24,403
Restricted	3,151	2,651	1,651	1,651	1,651
Assigned	680,055	744,110	754,970	137,095	104,340
Unassigned	<u>3,021,434</u>	<u>2,493,922</u>	<u>1,955,827</u>	<u>2,099,926</u>	<u>2,467,165</u>
Total general fund	<u>\$ 3,730,360</u>	<u>\$ 3,266,964</u>	<u>\$ 2,735,805</u>	<u>\$ 2,264,713</u>	<u>\$ 2,597,559</u>
All Other Governmental Funds					
Restricted	\$ 4,588,363	\$ 4,012,770	\$ 4,348,872	\$ 4,311,392	\$ 4,568,025
Assigned to:					
Capital improvement projects	<u>701,527</u>	<u>592,556</u>	<u>472,523</u>	<u>455,073</u>	<u>433,616</u>
Total all other governmental funds	<u>\$ 5,289,890</u>	<u>\$ 4,605,326</u>	<u>\$ 4,821,395</u>	<u>\$ 4,766,465</u>	<u>\$ 5,001,641</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 32,486	\$ 38,991	\$ 42,544	\$ 73,005	\$ 84,106
2,651	2,651	1,651	1,651	-
160,230	126,280	208,260	133,165	214,390
<u>2,490,642</u>	<u>2,723,043</u>	<u>2,845,909</u>	<u>2,875,270</u>	<u>2,985,194</u>
<u>\$ 2,686,009</u>	<u>\$ 2,890,965</u>	<u>\$ 3,098,364</u>	<u>\$ 3,083,091</u>	<u>\$ 3,283,690</u>
\$ 4,171,832	\$ 4,670,585	\$ 5,199,997	\$ 5,442,712	\$ 5,882,882
387,876	240,878	200,255	66,806	-
<u>\$ 4,559,708</u>	<u>\$ 4,911,463</u>	<u>\$ 5,400,252</u>	<u>\$ 5,509,518</u>	<u>\$ 5,882,882</u>

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

	2012	2013	2014	2015
Revenues				
Taxes	\$ 2,366,885	\$ 1,933,588	\$ 2,091,109	\$ 2,272,072
Licenses and permits	181,551	293,115	355,998	381,410
Intergovernmental revenue	1,864,795	1,748,940	1,867,048	1,957,613
Fines and forfeitures	895,869	688,842	453,682	288,141
Interest	58,642	48,316	5,471	23,944
Change in fair value of investments	(8,348)	(26,865)	(9,093)	3,231
Rent	6,875	8,050	6,750	6,093
Miscellaneous revenue	35,692	25,491	35,118	38,426
Total revenues	<u>5,401,961</u>	<u>4,719,477</u>	<u>4,806,083</u>	<u>4,970,930</u>
Expenditures				
General government	547,153	601,174	642,915	777,213
Public safety	3,451,446	3,349,673	3,393,938	3,464,592
Transportation - public works	756,921	794,919	788,780	759,608
Human services	4,088	7,250	2,600	4,500
Culture and recreation	20,805	19,652	26,851	32,476
Physical environment	7,008	-	-	-
Capital outlay	389,262	1,095,056	270,712	586,334
Debt service				
Principal retirement	-	-	3,315	4,061
Interest and fiscal charges	-	-	124	66
Total expenditures	<u>5,176,683</u>	<u>5,867,724</u>	<u>5,129,235</u>	<u>5,628,850</u>
Excess of revenues over (under) expenditures	225,278	(1,148,247)	(323,152)	(657,920)
Other Financing Sources (Uses)				
Proceeds from sale of surplus capital assets	-	287	-	-
Capital lease obligation incurred	-	-	8,062	-
Deepwater Horizon - BP Oil spill settlement	-	-	-	131,898
Total other financing sources (uses)	<u>-</u>	<u>287</u>	<u>8,062</u>	<u>131,898</u>
Net change in fund balances	225,278	(1,147,960)	(315,090)	(526,022)
Fund balances - beginning of year	8,762,267	8,987,545	7,839,585	7,524,495
Fund balances - end of year	<u>\$ 8,987,545</u>	<u>\$ 7,839,585</u>	<u>\$ 7,524,495</u>	<u>\$ 6,998,473</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.1%	0.1%

	2016	2017	2018	2019	2020	2021
\$	2,921,293	\$ 3,088,677	\$ 3,246,996	\$ 3,546,478	\$ 3,668,516	\$ 3,971,331
	551,956	360,643	476,897	475,885	375,713	511,552
	2,121,238	1,946,944	2,056,008	2,103,094	2,159,450	2,334,737
	298,600	26,742	21,062	7,523	5,181	4,996
	23,319	48,881	97,760	148,657	74,652	7,213
	7,161	8,176	13,951	33,454	28,185	117
	3,600	8,600	9,950	11,335	5,830	1,400
	39,766	49,114	50,926	53,576	58,295	69,195
	<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>	<u>6,900,541</u>
	735,542	736,468	771,751	810,750	853,883	929,722
	3,365,382	3,312,183	3,540,403	3,796,629	4,014,598	4,198,257
	787,372	757,592	754,024	790,564	858,725	852,793
	2,000	4,000	4,000	3,000	4,650	3,500
	24,960	27,577	25,825	28,469	21,479	17,632
	-	14,228	99,233	4,229	4,953	8,156
	482,967	1,043,912	221,963	250,173	523,541	316,518
	686	-	-	-	-	-
	2	-	-	-	-	-
	<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>	<u>6,326,578</u>
	568,022	(358,183)	556,351	696,188	93,993	573,963
	-	4,700	360	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>-</u>	<u>4,700</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>
	568,022	(353,483)	556,711	696,188	93,993	573,963
	6,998,473	7,599,200	7,245,717	7,802,428	8,498,616	8,592,609
\$	<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>	<u>9,166,572</u>
	0.0%	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

	2012	2013	2014
Function / Program			
Governmental activities :			
Charges for services			
General government	\$ 84,193	\$ 86,223	\$ 103,963
Public safety - Police	895,870	688,843	453,682
Public safety - Protective inspections	97,633	218,454	271,067
Culture and recreation	6,875	8,050	6,750
Total charges for services	<u>1,084,571</u>	<u>1,001,570</u>	<u>835,462</u>
Operating grants and contributions			
General government	-	-	-
Public safety - Fire	712,569	719,484	771,767
Human services	-	-	-
Culture and recreation	-	1,500	1,000
Physical environment	-	-	-
Total operating grants and contributions	<u>712,569</u>	<u>720,984</u>	<u>772,767</u>
Capital grants and contributions			
Public safety - Fire	-	-	-
Culture and recreation	-	-	7,742
Physical environment	165,536	-	-
Total capital grants and contributions	<u>165,536</u>	<u>-</u>	<u>7,742</u>
Sub-total governmental activities	<u>1,962,676</u>	<u>1,722,554</u>	<u>1,615,971</u>
Business-type activities:			
Charges for services			
Sewer	868,014	859,051	842,519
Reclaimed water	189,432	189,530	189,090
Total charges for services	<u>1,057,446</u>	<u>1,048,581</u>	<u>1,031,609</u>
Sub-total business-type activities	<u>1,057,446</u>	<u>1,048,581</u>	<u>1,031,609</u>
Total primary government revenues	<u>\$ 3,020,122</u>	<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>

	2015	2016	2017	2018	2019	2020	2021
\$	105,754	\$ 87,309	\$ 97,102	\$ 105,383	\$ 104,819	\$ 107,872	\$ 108,501
	288,141	298,600	26,742	21,062	7,523	5,181	4,996
	289,339	468,196	264,939	377,155	372,163	274,466	431,259
	6,092	3,600	8,600	9,950	11,335	5,830	1,400
	<u>689,326</u>	<u>857,705</u>	<u>397,383</u>	<u>513,550</u>	<u>495,840</u>	<u>393,349</u>	<u>546,156</u>
	-	-	-	-	40,793	36,891	104,448
	810,767	730,936	743,612	813,282	825,974	888,216	933,226
	-	-	1,000	-	-	-	-
	-	-	-	5,990	2,979	963	-
	-	-	-	-	-	2,672	8,830
	<u>810,767</u>	<u>730,936</u>	<u>744,612</u>	<u>819,272</u>	<u>869,746</u>	<u>928,742</u>	<u>1,046,504</u>
	-	196,418	-	-	-	-	-
	3,880	3,786	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>3,880</u>	<u>200,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>1,592,660</u>
	876,912	857,922	945,215	977,692	1,133,869	1,328,968	1,394,330
	188,945	188,801	188,596	188,558	189,399	189,835	221,366
	<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>1,615,696</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>1,615,696</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>	<u>3,208,356</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
2021	\$ 2,514,741	\$ 530,215	\$ 734,185	\$ 164,739	\$ 3,943,880
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

(1) - Ad Valorem revenues for 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
2021	\$ 700,467,745	\$ 109,291,465	\$ 5,574,192	\$ 59,344,003	\$ 340,345
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

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
\$ 35,116,663	\$ 910,134,413	\$ 220,058,136	\$ 690,076,277	3.7806
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

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
2021	3.7806	5.2755	0.0000	0.0835	5.3590	N/A	3.6790	2.7480	6.4270
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

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	0.2669	N/A	2.0958	18.4124
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

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

Taxpayer	2021			2012		
	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	\$ 43,284,055	1	6.27%	\$ 22,943,237	1	5.41%
Waters Pointe Apartments LLC	32,000,000	2	4.64%	16,775,000	3	3.95%
Palms of Pasadena Hospital, Inc.	26,260,300	3	3.81%	22,477,003	2	5.30%
Branch South Pasadena Associates LLC	21,330,000	4	3.09%	-	-	-
Bay Pointe Tower Apartments LLC	11,374,000	5	1.65%	-	-	-
Causeway Village MHC LLC	11,138,531	6	1.61%	7,410,180	5	1.75%
1824 & 1846 Shore Drive LLC	10,325,000	7	1.50%	-	-	-
Extra Space Properties Two LLC	8,800,000	8	1.28%	-	-	-
Duke Energy Florida / Progress Energy	7,697,804	9	1.12%	5,336,407	8	1.26%
Publix Super Markets	5,927,138	10	0.86%	6,813,707	7	1.61%
V.V. FL, Inc. (Pasadena Shopping Center)				12,026,151	4	2.84%
Serenity at St. Petersburg LLC				5,300,000	9	1.25%
N M E Hospitals Inc. (Pasadena Prof. Medical Bldg)				7,378,695	6	1.74%
Denasan LLC				4,075,000	10	0.96%
Total Principal Taxpayers	178,136,828		25.81%	110,535,380		26.06%
All Other Taxpayers	511,939,449		74.19%	313,643,763		73.94%
Total	\$ 690,076,277		100.00%	\$ 424,179,143		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
2021	\$ 2,608,903	\$ 2,514,741	96.39%
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%

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 2012 does 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			
2021	\$ -	\$ -	\$ -	0.00%	\$ -
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%	-

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, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County Capital Leases (2)	\$ 3,407,577	0.752%	\$ 25,636
Pinellas County Governmental Activities Bonds (2)	12,005,521	0.752%	90,321
Pinellas County School Board (2)	<u>6,000</u>	0.752%	<u>45</u>
	<u>\$ 15,419,098</u>		116,002
City direct debt	<u>\$ -</u>		<u>-</u>
Total direct and overlapping debt			<u>\$ 116,002</u>
Total direct and overlapping debt per capita			<u>\$ 22</u>

Note:

(1) The City's share is calculated based on the ratio of the 2020 City Taxable Value of \$690,076,277 to the County's Taxable Value of \$91,725,856,109.

(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
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-

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)
2021	5,342	\$ 1,469,989,593	\$ 38,931	70.5	96,068	3.50%
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%

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	2021		2012	
	Employees	Rank	Employees	Rank
Raymond James Financial	4,000	1	2,600	2
Home Shopping Network	2,000	2	2,800	1
Tech Data Corp.	2,000	3	1,500	7
Spectrum	2,000	4	2,000	3
Fidelity Information Svc.	1,500	5	1,800	4
Nielsen Media Research	1,500	6	1,800	5
Jabil Circuit Inc.	1,500	7	1,600	6
Honeywell Aerospace	1,500	8	1,500	8
Valpak Direct Marketing Systems	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
ThinkDirect Marketing Group	-	-	1,000	9
Ceridian Benefits Services, Inc.	-	-	1,000	10
	<u>18,500</u>		<u>17,600</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

<u>Function / Program</u>	<u>Full-time Equivalent Employees as of September 30</u>									
	<u>2021</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>
General government										
Legislative	-	-	-	-	-	-	-	-	-	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	3.0	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	17.0	18.0	18.0	18.0	16.0	15.0	15.0	15.0	15.0	18.0
Fire Inspections	-	-	-	-	-	-	-	-	-	-
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	1.0	2.0	2.0	2.0	2.0
Bldg / Parks / Facility Maint.	6.0	4.0	6.0	6.0	6.0	6.0	4.0	5.0	5.0	5.0
Building Permitting / Licensing										
Administration	3.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Inspectors	-	0.75	0.75	0.5	-	-	1.0	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	-	-	-
	<u>38.00</u>	<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>

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>2021</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>
Fire										
EMS responses	2,589	2,761	2,991	2,895	2,652	2,540	2,507	2,219	2,023	2,008
Fire dept. responses	483	518	497	503	755	783	702	627	661	626
Water										
New connections	-	-	-	-	-	-	-	-	-	-
Avg. daily consumption (thousands of gallons)	496	512	437	470	480	461	469	478	473	475
Sewer										
Average daily flow (mgd)	0.51	0.49	0.50	0.52	0.52	0.55	0.53	0.51	0.52	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>2021</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>
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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 29, 2022.

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

July 29, 2022

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, 2021, and have issued our report thereon dated July 29, 2022.

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 July 29, 2022, 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

July 29, 2022

WELLS, HOUSER & SCHATZEL, P.A.

CPA AND CONSULTING FIRM

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

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

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

We have examined the City of South Pasadena, Florida's (the City's) compliance with the requirements of Sections 218.415 and 288.8018, Florida Statutes during the year ended September 30, 2021. 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, 2021.

Wells, Houser & Schatzel, P.A.

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

July 29, 2022

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WELLS, HOUSER & SCHATZEL, P.A.

CPA AND CONSULTING FIRM

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

INDEPENDENT AUDITOR'S REPORT
REGARDING 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, 2021, and have issued our report thereon dated July 29, 2022 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

July 29, 2022

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