

CITY OF SOUTH PASADENA, FLORIDA

Annual Comprehensive Financial Report

For The Year Ended September 30, 2022



CITY OF SOUTH PASADENA, FLORIDA

**Annual Comprehensive
Financial Report**

For The Year Ended September 30, 2022

PREPARED BY FINANCE DEPARTMENT

CITY OF SOUTH PASADENA,
FLORIDA

Commission Form of Government

CITY COMMISSION
(As of September 30, 2022)

ARTHUR PENNY, MAYOR

THOMAS REID
VICE-MAYOR

BEN THOMAS

BONNIE QUICK

LYNDA THOMPSON

CITY OFFICIALS
(As of September 30, 2022)

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, 2022

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	20
Statement of Activities	22
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	24
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position - Governmental Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities – Governmental Activities	27

TABLE OF CONTENTS (Continued)

Proprietary Fund Financial Statements

Balance Sheet – Business-type Activities – Enterprise Funds	28
Statement of Revenues, Expenses, and Changes in Net Position – Business-type Activities – Enterprise Funds	29
Statement of Cash Flows – Business-type Activities – Enterprise Funds	30

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position	32

Notes to Financial Statements	33
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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

General Fund	63
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Firefighters' Retirement Fund and Retiree Health Care Plan Schedules

Firefighters' Retirement Fund – Schedule of Changes in Net Pension Liability	68
Firefighters' Retirement Fund – Schedule of Contributions	70
Florida Retirement System – City's Proportionate Share – Schedule of Changes in Net Pension Liability	72
Florida Retirement System – Schedule of Contributions	74
Retiree Health Care Plan – Schedule of Changes in Net OPEB Liability	74

BUDGETARY COMPARISON SCHEDULES

Budgetary Comparison Schedules

Capital Improvements Fund	77
Sewer Fund	79
Reclaimed Water Fund	80

OTHER SUPPLEMENTARY SCHEDULES

Schedule of Revenues and Expenses – Deepwater Horizon – BP Oil Spill Settlement	81
Comparative Balance Sheet – General Fund	82
Comparative Balance Sheet – Capital Improvements Fund	83
Reconciliation of Total Fund Balance for the Governmental Funds to Total Net Position for Governmental Activities	84
Reconciliation of Net Change in Fund Balances for the Governmental Funds to Change in Net Position for Governmental Activities	85

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION

Schedules of Financial Trends Information

Schedule	1	- Net Position by Component - Last Ten Fiscal Years	88
Schedule	2	- Changes in Net Position - Last Ten Fiscal Years	90
Schedule	3	- Fund Balances, Governmental Funds - Last Ten Fiscal Years	92
Schedule	4	- Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	94
Schedule	5	- Program Revenue by Function / Program - Last Ten Fiscal Years	96
Schedule	6	- Tax Revenues by Source, General Fund - Last Ten Fiscal Years	98

Schedules of Revenue Capacity Information

Schedule	7	- Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	100
Schedule	8	- Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	102
Schedule	9	- Principal Property Tax Payers – Current Year and Nine Years Ago	104
Schedule	10	- Property Tax Levies and Collections – Last Ten Fiscal Years	105

Schedules of Debt Capacity Information

Schedule	11	- Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	107
Schedule	12	- Direct and Overlapping Governmental Activities Debt	108
Schedule	13	- Pledged Revenue Coverage - Last Ten Fiscal Years	109

Schedules of Demographic and Economic Information

Schedule	14	- Demographic and Economic Statistics - Last Ten Calendar Years	111
Schedule	15	- Principal Employers – Current Year and Nine Years Ago	112

Schedules of Operating Information

Schedule	16	- Full-time Equivalent City Government Employees by Function / Program – Last Ten Fiscal Years	113
Schedule	17	- Operating Indicators by Function / Program – Last Ten Fiscal Years	114
Schedule	18	- Capital Asset Statistics by Function / Program – Last Ten Fiscal Years	115

TABLE OF CONTENTS (Continued)

OTHER REPORTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	117
Independent Auditor's Management Letter	119
Independent Auditor's Report regarding Compliance Requirements in Rules of the Auditor General 10.556(10)	121
Independent Auditor's Report regarding Rules of the Auditor General 10.557(3)(n)	123

Letter of Transmittal



City of South Pasadena

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WWW.MYSOUTHPASADENA.COM

August 10, 2023

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, 2022, 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, 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

The City of South Pasadena covers approximately 0.6 of a square mile, most of which is developed. The City's population of 5,319 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 HCA Florida Pasadena Hospital. The Pasadena Shopping Center continues to be a primary site for commercial expansion activity. In fiscal 2022, Dr. Smoke Tobacco and Vapor opened in the shopping center. 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 was completed in fiscal year 2022. South Pasadena also has a new Gateway Subs which opened in the summer of 2022, and is looking forward to a new Scooter's Coffee House at the old Subway location with construction beginning in fiscal year 2023. Kelly's Roast Beef will open a new restaurant at the old Pasadena Steakhouse location in September 2023. Take 5 Oil Change is in Site Plan Review for 1198 Pasadena Ave and should begin construction in fiscal year 2024. The City began construction on a new fire station in February 2023 with completion anticipated between May to September of 2024.

After a five-year period of dramatic reduction in property values, the City is in the ninth 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 for fiscal 2022 have increased approximately 5.7% or \$39.5 million compared to the taxable values in 2021. More people are seeking to relocate to Florida due to positive economic and post-pandemic political factors. This has resulted in a booming real estate market which has driven up housing prices as inventory is not able to meet demand. Due to new development and increased building activity, taxable values have continued to rise subsequent to fiscal year 2022. The fiscal year 2023 values

increased 11.8% or about \$85.8 million and projections for fiscal 2024 are showing about a 13.4% or \$109.5 million increase in taxable values. Taxable values have risen from \$690.4 million in 2021 to \$924.8 million through November of 2023 (fiscal year 2024). It appears that current inflationary pressures have added to increased values due to increased construction labor and material costs necessary for renovations and replacement values.

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, to 4.2474 in 2022, and to 4.9650 in 2023 and 2024. 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 are adequate to cover normal anticipated expenditures for fiscal year 2022 and 2023 capital expenditures. The City plans construction of a new Fire Station in fiscal years 2023 and 2024 which will require substantial funding. The expected cost of the project with land purchase, architectural fees and construction costs is expected to be approximately \$12.5 million. A Revenue Bond in the amount of \$9,900,000 was approved by the City Commission in April of 2023 to help finance the project. Additionally, the City received American Rescue Plan Act funding of \$2,531,599, which will be used to fund the new Fire Station.

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, 2022 totaled \$16,359,100.

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 2023 through fiscal year 2027. A summary of anticipated expenditures is as follows:

Expenditures	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Capital Improvement Fund	\$14,647,070	\$2,283,065	\$1,728,090	\$1,337,355	\$1,619,670
Sewer Fund	390,000	150,000	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 2023 and 2024. 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 purchased land on January 6, 2023 near HCA Florida Pasadena Hospital for the new fire station in the amount of \$711,110. The 2023 Budget includes \$10,418,550 for the construction of the fire station. The City currently expects to pay out approximately \$9,000,000 in 2023 and \$1,418,550 in fiscal year 2024. The debt service for the fire station will be about \$420,270 in fiscal year 2023 and about \$906,000 per year beginning in fiscal year

2024 and through the end of fiscal year 2037. Also budgeted in fiscal year 2024 are two emergency generators totaling \$687,725 but will be offset by 75% in grant funding (\$515,794). The City has also budgeted a new Pavilion in fiscal year 2023 for \$725,000 to be offset by a \$250,000 grant. The Pavilion is expected to be completed in fiscal year 2024.

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 2023 and 2024.

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, 2021. This was the thirtieth 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,



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Pasadena
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

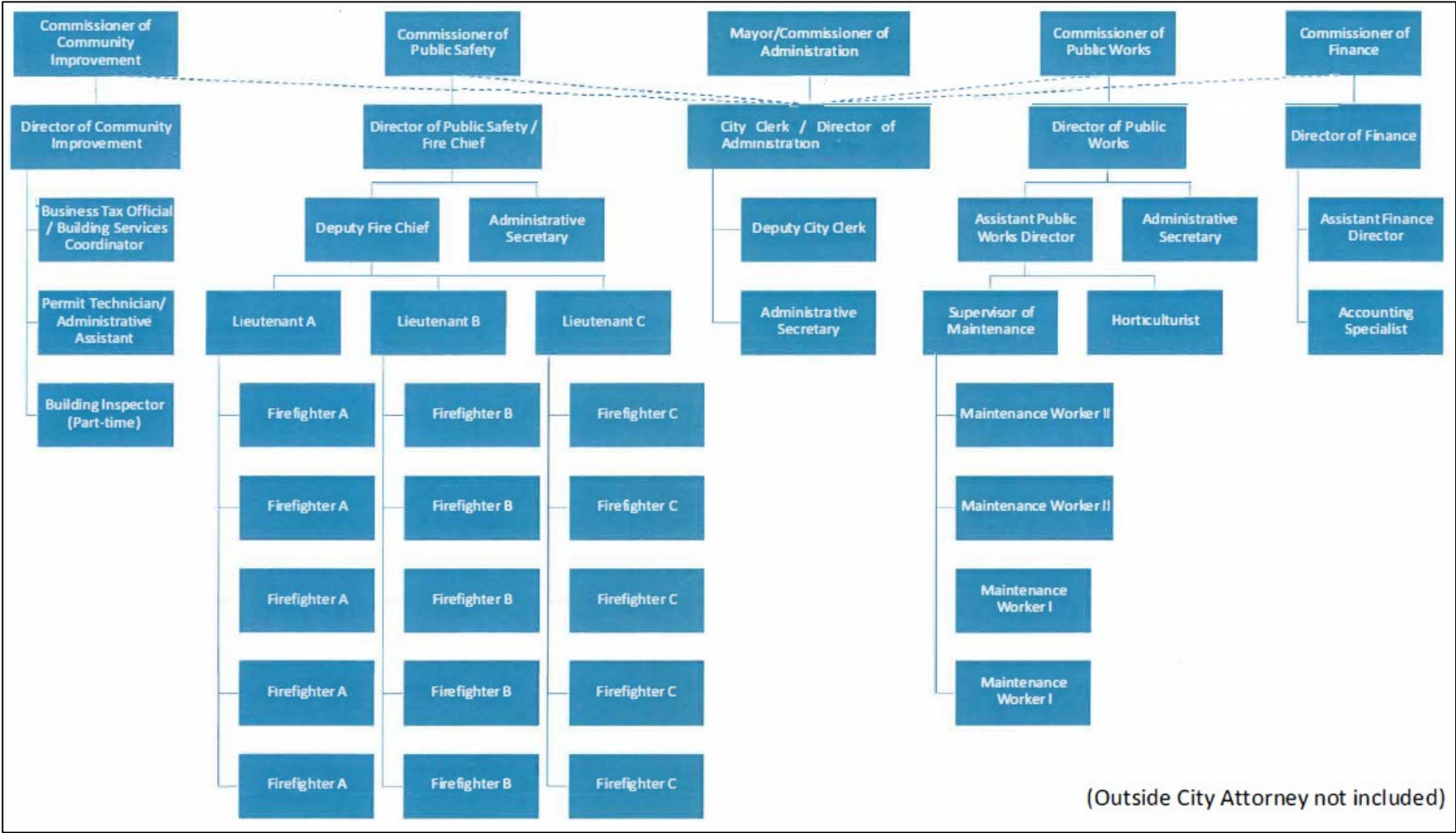
Christopher P. Morill

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, 2021 by the Government Finance Officers Association of the United States and Canada.

CITY OF SOUTH PASADENA, FLORIDA

ORGANIZATIONAL CHART



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Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City of South Pasadena, Florida's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information – Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-17) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information and Other Required Supplementary 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 accompanying required supplementary information of the Budgetary Comparison Schedule – General Fund, and schedules of changes in net pension liability and net OPEB liability and contributions, and supplementary information of the Budgetary Comparison Schedules – Capital Improvement Fund, Sewer Fund, and Reclaimed Water Fund, the schedule of revenues and expenditures – Deepwater Horizon BP Oil Spill Settlement, and other supplementary schedules, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 Budgetary Comparison Schedule – General Fund, schedules of changes in net pension liability and net OPEB liability and contributions, Budgetary Comparison Schedules – Capital Improvement Fund, Sewer Fund, and Reclaimed Water Fund, the schedule of revenues and expenditures – Deepwater Horizon BP Oil Spill Settlement, and other supplementary schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City of South Pasadena, Florida's September 30, 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated July 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of South Pasadena, Florida's 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

August 10, 2023

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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 20).

HIGHLIGHTS

Financial Highlights

- For the fiscal year ended September 30, 2022, City-wide assets and deferred outflows of resources, totaling \$27,232,573, exceeded City-wide liabilities and deferred inflows of resources, totaling \$8,288,115, by \$18,944,458. The excess of City-Wide assets over liabilities represents the net position (equity) of the City. The City's \$18,944,458 of net position consists of \$8,662,252 that is invested in capital assets (buildings, equipment, vehicles, sewer and reclaimed water systems, etc.), \$6,379,628 that is restricted for future infrastructure improvements (Penny for Pinellas), \$27,475 that is restricted for road improvements, and \$3,875,105 that is unrestricted for general use in operating the City. The City's net position increased \$1,208,720 compared to the prior year while the unrestricted net position increased \$538,411. (Please see pages 20-21 for more detail.)
- For the fiscal year ended September 30, 2022, City-wide program revenues and general revenues, totaling \$9,928,136, exceeded expenses, totaling \$8,719,416, resulting in an increase in net position of \$1,208,720. This amount compares to an increase in net position of \$293,532 for fiscal year ended September 30, 2021. (Please see pages 22-23 for more detail.)
- The increase in net position for Governmental Activities (police, fire, public works, administration, etc.) for 2022 was \$1,155,728. There an increase in net position for the Business-type activities (sewer and reclaimed water operations) of \$52,992 in 2022. (Please see pages 22-23 for more detail.)
- General Fund revenues increased \$611,009 (9.8%) in fiscal year 2022 and were \$256,717 greater than the amount budgeted. The increase in revenues is primarily attributable to increases in the following: ad valorem taxes - \$455,754, County emergency medical services - \$81,201 and building permits - \$50,250. General Fund expenditures increased by \$488,747 (8.2%) in fiscal year 2022 and were \$126,320 less than the amount budgeted. The 2022 expenditures increased primarily as a result of increased personal services costs in the amount of \$474,211. The General Fund revenues of \$6,841,372 were in excess of expenditures and transfers of \$6,569,102 by \$272,270 compared to fiscal year 2021 when revenues exceeded expenditures and transfers by \$200,599. The General Fund was budgeted to have a deficit of \$214,390, which included a budgeted transfer of \$212,675 to the Capital Improvement Fund, in 2022. The actual excess of revenues over expenditures and transfers of \$272,270 resulted in a favorable budget to actual variance of \$486,660. (Please see pages 63-66 for more detail.)

- Cash and investments totaled \$16,359,100 for fiscal year 2022, which represents an increase of \$3,349,059 over fiscal year 2021. When evaluating the availability of the City's cash and investments, the amount of restricted net position totaling \$6,407,103 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, 2022 were \$2,107,056 and \$2,062,755, respectively. The net pension liability for the Firefighters' Retirement Fund decreased \$491,665 in fiscal year 2022, and the City's share of the Florida Retirement System net pension liability increased \$1,406,664 from the prior year.

City Highlights

- The governmental funds' revenue increased \$1,256,232 (18.2%) from \$6,900,541 in 2021 to \$8,156,773 in 2022 (please see page 26 for more detail). As previously noted, this increase was due, in part, to ad valorem taxes increasing by \$455,754. This increase can also be attributed to the \$547,525 of American Rescue Plan Act funds recognized as revenue in fiscal year 2022.
- The total expenditures for the governmental funds of the City increased \$1,038,409 (16.4%) from \$6,326,578 in 2021 to \$7,364,987 in 2022. This increase is comprised of an increase in current expenditures of \$494,553 and an increase in capital outlay expenditures of \$543,856. As noted on the previous page, an increase in personal services expenditures accounts for \$474,211 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 \$2,140,669 (excluding transfers) while the Sewer and Reclaimed Water Funds achieved favorable budget-to-actual results of \$334,581 and \$314,777, respectively. The Capital Improvement Fund had a negative budget variance of \$3,471,319 for amounts available for appropriation. This is due to a negative variance of \$3,990,000 for loan proceeds, which is the result of a delay in seeking financing for the new fire station that the City will be building on Pasadena Avenue. This negative variance was offset, however, by a positive budget variance of \$5,611,988 for charges to appropriations. Again, this is due primarily to a delay in the commencement of construction of the new fire station (\$3,213,719) and a delay in the City taking title to fire and rescue vehicles (\$1,250,000). 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 \$136,463 and \$23,706, respectively. Additionally, within the Sewer Fund, the cost of sewer processing fees was \$98,171 less than anticipated. It should be noted that depreciation expense is not budgeted for in the Sewer and Reclaimed Water Funds. The favorable budget variances for the Sewer Fund and Reclaimed Water Fund are also a result of capital outlay expenditures being less than the amount budgeted: \$126,943 relating to the Sewer Fund and \$283,000 for the Reclaimed Water Fund.

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 20-23) 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 22-23) 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 24-27) 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 63).

While the Total column on the Business-type Fund Financial Statements (see pages 28-29) 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 25 & 27). 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets	\$ 12,628,127	\$ 9,661,785	\$ 4,011,023	\$ 3,757,363	\$ 16,639,150	\$ 13,419,148
Capital assets, net	7,310,593	6,977,639	1,351,659	1,538,523	8,662,252	8,516,162
Total assets	19,938,720	16,639,424	5,362,682	5,295,886	25,301,402	21,935,310
Deferred outflows of resources	1,931,171	1,518,935	-	-	1,931,171	1,518,935
Total assets and deferred outflows of resources	21,869,891	18,158,359	5,362,682	5,295,886	27,232,573	23,454,245
Current liabilities	662,192	471,384	121,552	107,748	783,744	579,132
Non-current liabilities	4,653,094	3,732,282	-	-	4,653,094	3,732,282
Total liabilities	5,315,286	4,203,666	121,552	107,748	5,436,838	4,311,414
Deferred inflows of resources	2,851,277	1,406,553	-	-	2,851,277	1,406,553
Total liabilities and deferred inflows of resources	8,166,563	5,610,219	121,552	107,748	8,288,115	5,717,967
Net Position:						
Net investments in capital assets	7,310,593	6,977,639	1,351,659	1,538,523	8,662,252	8,516,162
Restricted	6,407,103	5,882,882	-	-	6,407,103	5,882,882
Unrestricted (deficit)	(14,368)	(312,921)	3,889,471	3,649,615	3,875,103	3,336,694
Total net position	<u>\$ 13,703,328</u>	<u>\$ 12,547,600</u>	<u>\$ 5,241,130</u>	<u>\$ 5,188,138</u>	<u>\$ 18,944,458</u>	<u>\$ 17,735,738</u>

(For more detailed information please see the Statement of Net Position (pages 20-21).)

At the end of fiscal 2022, the City-wide net position reflects an increase of \$1,208,720 to \$18,944,458. Net position for Governmental Activities is \$13,703,328 (increase of \$1,155,728) and net position from Enterprise or Business Activities is \$5,241,130 (increase of \$52,992). Of the total net position, \$8,662,252 represents the City's net investment in capital assets and \$6,407,103 represents current and other assets restricted for specific purposes.

The Statement of Net Position on page 21 shows the specific restrictions to net position. The more significant restriction under the City's Governmental Activities includes \$6,379,628 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 \$16,359,100 in 2022 and \$13,010,041 in 2021 represent 60.0% and 55.5% of the total assets and deferred outflows, respectively. At the end of 2022, current cash and investments available for governmental activities totaled \$12,502,399 (a \$3,116,481, or 33.2% increase from 2021), and funds available in the business activity accounts totaled \$3,856,701 (a \$232,578, or 6.4% increase from 2021). The large increase in cash and investments available for governmental activities is attributable primarily to the receipt of \$2,551,849 in American Rescue Plan Act funds, of which \$567,775 was spent in fiscal year 2022, leaving \$1,984,074 available as of September 30, 2022.

Capital assets, net of accumulated depreciation, totaling \$8,662,252 represent 31.8% of the City-wide total assets and deferred outflows of resources at September 30, 2022.

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 2022, as reported on page 21, City-wide unrestricted net position totaled \$3,875,103, an increase of \$538,409 compared to the prior year. The unrestricted net position represents 20.5% of the City’s total net position of \$18,944,458. In governmental activities, unrestricted net position increased by \$298,553 to a smaller negative balance of \$14,368. In business-type activities, unrestricted assets increased by \$239,856 to \$3,889,471.

Table 2
Change in Unrestricted Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Unrestricted Net Position – Beginning of Year	\$ (312,921)	\$ (440,226)	\$ 3,649,615	\$ 3,544,880	\$ 3,336,694	\$ 3,104,654
Results of Operations (loss)	1,155,728	344,953	52,992	(51,421)	1,208,720	293,532
Adjustments- restricted assets						
Infrastructure	(524,220)	(412,695)	-	-	(524,220)	(412,695)
Impact fees	-	(27,475)	-	-	-	(27,475)
Scholarships	-	1,651	-	-	-	1,651
Book Value of Assets Disposed	2,116	3,091	-	-	2,116	3,091
Depreciation	525,304	534,299	244,921	244,777	770,225	779,076
Total adjustments	3,200	98,871	244,921	244,777	248,121	343,648
Adjusted Results of Operations	\$ 1,158,928	\$ 443,824	\$ 297,913	\$ 193,356	\$ 1,456,841	\$ 637,180
Capital Expenditures	(860,374)	(316,518)	(58,057)	(88,621)	(918,431)	(405,139)
Unrestricted Net Position - End of Year	\$ (14,368)	\$ (312,921)	\$ 3,889,471	\$ 3,649,615	\$ 3,875,103	\$ 3,336,694

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 22-23.

Table 3
Statement of Activities
As of September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for services						
Sewer Fees			1,503,184	\$ 1,394,330	\$ 1,503,184	\$ 1,394,330
Reclaimed Water Fees			247,111	221,366	247,111	221,366
Red Light Camera Fines	\$ 885	\$ 2,380			885	2,380
Police Fines & Forfeitures	2,833	2,616			2,833	2,616
Building Inspections / Permits	390,693	403,808			390,693	403,808
Impact Fees	-	27,451			-	27,451
Local Business Tax	98,234	108,501			98,234	108,501
Hibiscus Hall Rents	5,500	1,400			5,500	1,400
Operating Grants & Contributions						
Pinellas County EMS Contract	1,014,427	933,226			1,014,427	933,226
Grant - General Government	567,775	104,448			567,775	104,448
Grant - Environmental / Recycle	-	3,630			-	3,630
Contributions - Physical Environment	400	5,200			400	-
General Revenues:						
Property Taxes	2,970,495	2,514,741			2,970,495	2,514,741
Franchise Fees	563,914	530,215			563,914	530,215
Communications Service Tax	160,106	164,739			160,106	164,739
Other Utility Taxes	767,546	734,185			767,546	734,185
Sales Tax Infrastructure	737,769	629,401			737,769	629,401
State Revenue Sharing	211,715	169,368			211,715	169,368
Half-Cent Sales Tax	407,783	363,983			407,783	363,983
Local Option Gas Tax	67,968	66,504			67,968	66,504
Other Taxes	66,945	64,177			66,945	64,177
Investment income	64,862	7,213	21,068	2,398	85,930	9,611
Gain (Loss) fair value of investments	(11,158)	117			(11,158)	117
Miscellaneous	68,081	63,238			68,081	63,238
Total Revenues	\$ 8,156,773	\$ 6,900,541	\$ 1,771,363	\$ 1,618,094	\$ 9,928,136	\$ 8,518,635
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General Government	\$ 1,153,411	\$ 970,276			\$ 1,153,411	\$ 970,276
Public Safety- Police	885,672	856,752			885,672	856,752
Public Safety- Fire	3,111,920	3,121,082			3,111,920	3,121,082
Protective Inspections	519,435	422,863			519,435	422,863
Public Works and Parks	1,044,054	944,246			1,044,054	944,246
Culture & Recreation	70,546	53,236			70,546	53,236
Physical Environment	208,683	180,716			208,683	180,716
Human Services	7,324	6,417			7,324	6,417
Business-Type Activities:						
Sewer & Reclaimed Water						
Sewer			1,453,909	1,422,861	1,453,909	1,422,861
Reclaimed Water			264,462	246,654	264,462	246,654
Total Expenses	\$ 7,001,045	\$ 6,555,588	\$ 1,718,371	\$ 1,669,515	\$ 8,719,416	\$ 8,225,103
Excess of Revenues over Expenses	\$ 1,155,728	\$ 344,953	\$ 52,992	\$ (51,421)	\$ 1,208,720	\$ 293,532
Net Position - Beginning of Year	12,547,600	12,202,647	5,188,138	5,239,559	17,735,738	17,442,206
Net Position- End of Year	\$13,703,328	\$12,547,600	\$ 5,241,130	\$ 5,188,138	\$18,944,458	\$17,735,738

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 70.4% of the City's 2022 operating budget compared to 67.8% of the City's 2021 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 – 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 \$272,270 to \$3,555,960 as of September 30, 2022. The Capital Improvements Fund ending fund balance increased \$524,221 to \$6,407,103, all of which is restricted for infrastructure improvements (Penny for Pinellas and impact fees).

Revenues

Table 4
Governmental Funds
Revenues

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Revenues				
Taxes (Property, Franchise & Utility)	\$ 4,462,061	\$ 3,971,331	\$ 490,730	12.36%
Licenses and Permits	488,927	512,309	(23,382)	-4.56%
Intergovernmental Revenues	3,074,382	2,334,737	739,645	31.68%
Fines and Forfeitures	3,718	4,996	(1,278)	-25.58%
Interest Income	64,862	7,213	57,649	799.24%
Change in fair value of investments	(11,158)	117	(11,275)	-9636.75%
Rental Hibiscus Hall	5,500	1,400	4,100	292.86%
Contributions	400	5,200	(4,800)	100.00%
Miscellaneous Revenues	68,081	63,238	4,843	7.66%
Total Revenues	\$ 8,156,773	\$ 6,900,541	\$ 1,256,232	18.20%

The breakdown of the net change in revenue by fund was an increase of \$606,304 for the General Fund and a \$649,928 increase for the Capital Improvements Fund. (Please see page 26 for more detail.)

As previously discussed, the increase in revenues is primarily attributable to an increase in ad valorem taxes and the recognition of American Rescue Plan Act revenue. (See pages 63-64 for additional detail.)

For fiscal 2022, the City had a millage rate of 4.2474, which represents an increase of 0.4668 from 2021. The total taxable value of property located within the City in fiscal year 2022 was \$729,595,472 compared to the 2021 final taxable value of \$690,076,277. The increase in the millage rate and property values resulted in property tax collections increasing \$455,754.

Within the Capital Improvements Fund, infrastructure taxes increased \$108,368 to \$737,769.

Expenditures

Table 5a
Governmental Funds
Expenditures

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Expenditures				
General Government	\$ 1,040,781	\$ 929,722	\$ 111,059	11.95%
Public Safety	4,479,194	4,198,257	280,937	6.69%
Transportation & Public Works	911,913	852,793	59,120	6.93%
Culture, Recreation, Environment	32,912	17,632	15,280	86.66%
Physical Environment	36,313	8,156	28,157	345.23%
Human Services	3,500	3,500	-	0.00%
Capital Outlay	860,374	316,518	543,856	171.82%
Total Expenditures	\$ 7,364,987	\$ 6,326,578	\$ 1,038,409	16.41%

As discussed in the City Highlights, the City had budgeted for the beginning of construction of a new fire station in fiscal year 2022. As of September 30, 2022, no funds had been disbursed towards the construction of the fire station. Expenditures for the fire station will occur in fiscal years 2023 and 2024.

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 2022, the Capital Improvements Fund incurred \$44,564 of non-capital operating expenses and \$64,488 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 \$109,052 not eligible for restricted funds use, a transfer of funds from the General Fund to the Capital Improvement Fund was made in that amount.

The following table provides a reconciliation of the expenditures reported under the governmental funds approach totaling \$7,364,987 to the total expenses reported in the Statement of Activities for the same governmental activities totaling \$7,001,045.

The main differences will be for adjustments to governmental activities expenses for non-cash depreciation of \$525,304 and the removal of capital expenditures totaling \$860,374 that are not included in the Statement of Activities.

Table 5b
Reconciliation to Statement of Activities

	<u>2022</u>	<u>2021</u>
Expenditures Governmental Fund Approach	\$ 7,364,987	\$ 6,326,578
Less: Cash Outlay for Capital Asset Purchases	(860,374)	(316,518)
Add: Depreciation Capital Assets	525,304	534,299
Add: Un-depreciated cost of disposed assets	2,116	3,091
Less: Proceeds from sale of Capital Assets	(4,705)	-
Change in non-cash expense—		
Compensated Absences	7,524	44,976
Change in non-cash Other Post Employment Benefits	841	52,090
Change in non-cash pension benefits	(34,648)	(88,928)
Expenditures – Statement of Activities	<u>\$ 7,001,045</u>	<u>\$ 6,555,588</u>

Table 6
General Fund – Change in Fund Balance

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Nonspendable:			
Inventories and prepaids	\$ 45,337	\$ 84,106	\$ (38,769)
Assigned to:			
Future budgetary appropriations	-	214,390	(214,390)
Unassigned	<u>3,510,623</u>	<u>2,985,194</u>	<u>525,429</u>
Total General Fund Balance	<u>\$ 3,555,960</u>	<u>\$ 3,283,690</u>	<u>\$ 272,270</u>

Table 7
Capital Improvements Fund – Change in Fund Balance

	<u>2022</u>	<u>2021</u>	<u>Increase</u> <u>(Decrease)</u>
Restricted for:			
Infrastructure	\$ 6,379,628	\$ 5,855,407	\$ 524,221
Impact Fees	27,475	27,475	-
Assigned to:			
Capital improvement projects	-	-	-
Total Fund Balance	<u>\$ 6,407,103</u>	<u>\$ 5,882,882</u>	<u>\$ 524,221</u>

Business Type Funds

The net position of the Sewer and Reclaimed Water enterprise funds increased \$52,992 in fiscal year 2022 compared to a \$51,421 decrease in fiscal year 2021. The change in net position, or net income or loss, for the enterprise funds, which includes investment earnings, was income of \$59,461 for the sewer operations and a loss of \$6,469 for reclaimed water operations. The net position for the Sewer Fund increased 2.0% to \$3,052,220 at September 30, 2022, and the net position for the Reclaimed Water Fund decreased 0.3% to \$2,188,910. (Please see page 29 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 2022, the Sewer Fund showed operating income of \$49,275, compared to a net operating loss of \$28,531 for 2021. For 2022 the Reclaimed Water fund showed a net operating loss of \$17,351, compared to 2021 when the fund had a net operating loss of \$25,288.

The Sewer and Reclaimed Water Funds were allocated an administrative service charge from the General Fund in the amounts of \$32,180 and \$15,365, respectively. This is the eleventh 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 2022 were \$1,114,129, which is an increase of 1.1% from the 2021 charges of \$1,101,945. 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 2022 was \$61,815, an increase of 15.3% from the allocation in 2021, which was \$53,590. The amount of 2022 non-cash depreciation charges in the Sewer Fund was \$141,972.

The amount of salary allocations to the Reclaimed Water Fund from the General Fund was \$48,120, a 9.7% increase from the amount allocated in 2021 in the amount of \$43,860. The cost of acquiring reclaimed water from Pinellas County was \$85,317 in 2022 compared to \$66,129 in 2021, an increase of 29.0%. The Reclaimed Water operating expenses for 2022 include non-cash depreciation charges of \$102,949.

Budgetary Highlights – General Fund

The General Fund budget was not amended during fiscal year 2022. The amount of budgeted revenues (amounts available for appropriation) was \$6,584,655. Actual revenues for fiscal year 2022 were \$6,841,372, which resulted in a favorable variance of \$256,717. The amount of budgeted expenditures (charges to appropriations) and transfers to other funds for 2022 was \$6,799,045. The amount of actual expenditures and transfers to other funds was \$6,569,102, which represents a favorable variance of \$229,943. The overall favorable budget variance for fiscal year 2022 is \$486,660. (Please see pages 63-66 for more 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:

- Building permit revenues were \$44,283 higher than anticipated.
- Emergency medical service revenues were \$52,227 higher than anticipated.
- Local ½ cent sales tax revenues were \$82,783 higher than anticipated.
- Utility tax revenues were \$26,446 higher than anticipated.
- Interest earnings were \$20,473 higher than anticipated.

Expenditures

The total amount of expenditures was \$6,460,050 (excluding transfers of \$109,052), which represents 98.1% of the amount budgeted.

The following is an overview of General Fund variances from the final budget for fiscal 2022:

- The activities of the Legislative Department utilized 92.9% of its operating budget and had a positive variance of \$10,552 that is primarily attributable to other services and charges being \$6,394 under budget.
- The Finance and Administration Department utilized 99.1% of its operating budget and had a positive variance of \$8,208. The positive variance included other services and charges being \$21,821 below the budgeted amount, and insurance being \$11,109 below the budgeted amount. These positive variances were mostly offset by personal services being \$28,099 in excess of the budgeted amount.
- The Fire Department utilized 98.6% of its operating budget and had a positive variance of \$43,089 that is primarily attributable to other services and charges being \$37,261 under budget and insurance being \$17,177 under budget. These positive variances were partially offset by personal services being \$26,861 over budget.
- The Community Improvement Department (Protective Inspections) utilized 91.0% of its operating budget and had a positive variance of \$45,505. The variance is attributable almost entirely to personal services being \$42,908 under budget.
- Public Works / Transportation Department utilized 98.6% of its operating budget and had a positive variance of \$12,800 that is primarily attributable to insurance being \$9,309 under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2022, the City had \$22,917,207 (total cost) invested in a variety of capital assets as compared to \$22,323,276 as September 30, 2021. This represents a net increase (at cost) of \$593,931 or 2.7% from the end of last year. Capital additions in fiscal year 2022 purchased in the governmental funds totaled \$860,374. Sewer Fund capital additions totaled \$58,057.

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and land rights	\$ 2,059,183	\$ 2,059,183	\$ -	\$ -	\$ 2,059,183	\$ 2,059,183
Construction and projects in progress	917,347	233,245	-	-	917,347	233,245
Structures and Improvements	4,451,711	4,445,059	-	-	4,451,711	4,445,059
Infrastructure	4,698,158	4,807,937	7,351,195	7,293,138	12,049,353	12,101,075
Furniture, Fixtures and Equipment	3,439,613	3,484,714	-	-	3,439,613	3,484,714
Total Cost of Assets	15,566,012	15,030,138	7,351,195	7,293,138	22,917,207	22,323,276
Less: Accumulated Depreciation	(8,255,419)	(8,052,499)	(5,999,536)	(5,754,615)	(14,254,955)	(13,807,114)
Total	\$ 7,310,593	\$ 6,977,639	\$ 1,351,659	\$ 1,538,523	\$ 8,662,252	\$ 8,516,162

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 45-46.)

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	\$ 6,977,639	\$ 1,538,523	\$ 8,516,162
Additions / Transfers	908,801	58,057	966,858
Retirements / Transfers	(372,927)	-	(372,927)
Depreciation	(525,304)	(244,921)	(770,225)
Accumulated depreciation retirements	322,384	-	322,384
Ending Balance	\$ 7,310,593	\$ 1,351,659	\$ 8,662,252

This year's major additions are:

Governmental Activities:

New Fire Station - Work in Process	\$ 521,281
Shore Drive Bridge Upgrade - Work in Process	143,805
2022 Chevrolet Tahoe - Administration	40,456
Bayview Park Pavilion - Work in Process	24,704
	<u>730,246</u>
	\$ 730,246

ECONOMIC FACTORS

Fiscal year 2022 demonstrated continued economic stability as tax and certain intergovernmental revenues showed modest increases. Increased real estate values helped generate tax revenue which off-set the general effects of inflation. Real estate values maintained an upward trend for the ninth year after several years of decreasing values. For the current 2022 fiscal year, taxable values increased 5.7%, or \$39.5 million, to \$729,595,472.

Inflation that started rising in 2021 continues to have an impact on City operations. For the Tampa Bay area, the annual CPI increase in September 2021 was 6.1% compared to the CPI rate of 10.5% in September of 2022. There seems to be some easing of the inflation rate, but in May of 2023, the CPI was still at 7.3% for our area. These increased costs have had an effect, especially on capital purchase items and our Fire Station Construction project. The high inflation rates also have an impact on cost-of-living adjustments necessary to keep City employees at competitive pay rates. Supply chain issues over the past year have added delays in receiving capital items which were placed on backorder. The City's new aerial platform fire truck and rescue vehicle, which were ordered in fiscal year 2022, did not get delivered until the beginning of fiscal year 2023.

The economic outlook for the City is optimistic and fiscal year 2022 improved as the economy continues to recover from the effects of the COVID-19 pandemic. The Pasadena Shopping Center continues to be a primary site for commercial expansion activity with a Tobacco and Smoke Shop opening in fiscal year 2022. The City has a new Gateway Subs which opened in the summer of 2022 and is looking forward to a new Scooter's Coffee House at the old Subway location with construction beginning in fiscal year 2023. Kelly's Roast Beef will open a new restaurant at the old Pasadena Steakhouse location in September 2023. Construction resumed on a new storage facility on Pasadena Avenue in fiscal year 2021 and it was completed in fiscal 2022. The City began construction on a new fire station in February 2023 with completion anticipated between May to September 2024.

More people have relocated to Florida due to favorable tax policies and the relaxed pandemic shut down rules. 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, 2022 unassigned General Fund balance totaling \$3,510,623 equates to 6.5 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, 2022

With Comparative Total Amounts for September 30, 2021

	2022			2021
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
CURRENT ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 12,502,399	\$ 3,856,701	\$ 16,359,100	\$ 13,010,041
Receivables - other	-	-	-	78,549
Due from other governments	80,392	152,013	232,405	240,137
Inventory of supplies	14,347	-	14,347	8,429
Prepaid expense	30,989	2,309	33,298	81,992
Total current assets	<u>12,628,127</u>	<u>4,011,023</u>	<u>16,639,150</u>	<u>13,419,148</u>
NON-CURRENT ASSETS				
Land and land rights	2,059,183	-	2,059,183	2,059,183
Structures and improvements	4,451,711	-	4,451,711	4,445,059
Infrastructure	4,698,158	7,351,195	12,049,353	12,101,075
Furniture, fixtures and equipment	3,439,613	-	3,439,613	3,484,714
Construction and projects in process	917,347	-	917,347	233,245
Accumulated depreciation	<u>(8,255,419)</u>	<u>(5,999,536)</u>	<u>(14,254,955)</u>	<u>(13,807,114)</u>
Total non-current assets	<u>7,310,593</u>	<u>1,351,659</u>	<u>8,662,252</u>	<u>8,516,162</u>
TOTAL ASSETS	19,938,720	5,362,682	25,301,402	21,935,310
DEFERRED OUTFLOWS OF RESOURCES				
Net Other Post Employment Benefits	11,031	-	11,031	12,692
Defined benefit pension plans				
Firefighters' Retirement Fund	1,104,034	-	1,104,034	964,764
Florida Retirement System	816,106	-	816,106	540,939
DEFERRED OUTFLOWS OF RESOURCES	<u>1,931,171</u>	<u>-</u>	<u>1,931,171</u>	<u>1,518,395</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 21,869,891</u>	<u>\$ 5,362,682</u>	<u>\$ 27,232,573</u>	<u>\$ 23,453,705</u>

	2022		2021	
	Governmental Activities	Business-type Activities	Total	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 232,079	\$ 121,552	\$ 353,631	\$ 350,398
Accrued liabilities	364,823	-	364,823	164,335
Current portion of:				
Accrued compensated absences	65,290	-	65,290	64,399
Total current liabilities	<u>662,192</u>	<u>121,552</u>	<u>783,744</u>	<u>579,132</u>
NON-CURRENT LIABILITIES				
Net Other Post Employment Benefits	236,319	-	236,319	237,139
Accrued compensated absences	246,964	-	246,964	240,331
Net pension liability:				
Firefighters' Retirement Fund	2,107,056	-	2,107,056	2,598,721
Florida Retirement System	2,062,755	-	2,062,755	656,091
Total non-current liabilities	<u>4,653,094</u>	<u>-</u>	<u>4,653,094</u>	<u>3,732,282</u>
TOTAL LIABILITIES	5,315,286	121,552	5,436,838	4,311,414
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	2,068,162	-	2,068,162	88,228
Defined benefit pension plans:				
Firefighters' Retirement Fund	651,742	-	651,742	194,525
Florida Retirement System	131,373	-	131,373	1,123,800
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,851,277</u>	<u>-</u>	<u>2,851,277</u>	<u>1,406,553</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>8,166,563</u>	<u>121,552</u>	<u>8,288,115</u>	<u>5,717,967</u>
NET POSITION				
Net investment in capital assets	7,310,593	1,351,659	8,662,252	8,516,162
Restricted:				
Infrastructure	6,379,628	-	6,379,628	5,855,407
Impact fees	27,475	-	27,475	27,475
Unrestricted (deficit)	<u>(14,368)</u>	<u>3,889,471</u>	<u>3,875,103</u>	<u>3,336,694</u>
TOTAL NET POSITION	<u>13,703,328</u>	<u>5,241,130</u>	<u>18,944,458</u>	<u>17,735,738</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 21,869,891</u></u>	<u><u>\$ 5,362,682</u></u>	<u><u>\$ 27,232,573</u></u>	<u><u>\$ 23,453,705</u></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, 2022

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

FUNCTIONS / PROGRAMS	2022			
	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,153,411	\$ 98,234	\$ 567,775	\$ -
Public safety - Police	885,672	3,718	-	-
Public safety - Fire	3,111,920	-	1,014,427	-
Public safety - Protective inspections	519,435	390,693	-	-
Transportation - Public works	1,044,054	-	-	-
Human services	7,324	-	-	-
Culture and recreation	70,546	5,500	-	-
Physical environment	208,683	-	400	-
TOTAL GOVERNMENTAL ACTIVITIES	7,001,045	498,145	1,582,602	-
BUSINESS-TYPE ACTIVITIES				
Sewer	1,453,909	1,503,184	-	-
Reclaimed water	264,462	247,111	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,718,371	1,750,295	-	-
TOTAL	\$ 8,719,416	\$ 2,248,440	\$ 1,582,602	\$ -

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

2022			2021
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Total
\$ (487,402)	\$ -	\$ (487,402)	\$ (757,327)
(881,954)	-	(881,954)	(851,756)
(2,097,493)	-	(2,097,493)	(2,187,856)
(128,742)	-	(128,742)	8,396
(1,044,054)	-	(1,044,054)	(944,246)
(7,324)	-	(7,324)	(6,417)
(65,046)	-	(65,046)	(51,836)
(208,283)	-	(208,283)	(171,886)
<u>(4,920,298)</u>	<u>-</u>	<u>(4,920,298)</u>	<u>(4,962,928)</u>
-	49,275	49,275	(28,531)
<u>-</u>	<u>(17,351)</u>	<u>(17,351)</u>	<u>(25,288)</u>
<u>-</u>	<u>31,924</u>	<u>31,924</u>	<u>(53,819)</u>
<u>(4,920,298)</u>	<u>31,924</u>	<u>(4,888,374)</u>	<u>(5,016,747)</u>
2,970,495	-	2,970,495	2,514,741
563,914	-	563,914	530,215
767,546	-	767,546	734,185
160,106	-	160,106	164,739
737,769	-	737,769	629,401
407,783	-	407,783	363,983
67,968	-	67,968	66,504
66,945	-	66,945	64,177
211,715	-	211,715	169,368
64,862	21,068	85,930	9,611
(11,158)	-	(11,158)	117
68,081	-	68,081	63,238
<u>6,076,026</u>	<u>21,068</u>	<u>6,097,094</u>	<u>5,310,279</u>
1,155,728	52,992	1,208,720	293,532
12,547,600	5,188,138	17,735,738	17,442,206
<u>\$ 13,703,328</u>	<u>\$ 5,241,130</u>	<u>\$ 18,944,458</u>	<u>\$ 17,735,738</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, 2022

With Comparative Total Amounts for September 30, 2021

	2022			2021
	General	Capital Improvements	Total Governmental Funds	Total
ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 4,116,477	\$ 8,385,922	\$ 12,502,399	\$ 9,385,918
Receivables - other	-	-	-	78,549
Due from other governments	29,100	51,292	80,392	113,212
Inventory of supplies	14,347	-	14,347	8,429
Prepaid expenditures	30,989	-	30,989	75,677
TOTAL ASSETS	\$ 4,190,913	\$ 8,437,214	\$ 12,628,127	\$ 9,661,785
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 199,181	\$ 32,898	\$ 232,079	\$ 242,650
Accrued liabilities	351,684	13,139	364,823	164,335
TOTAL LIABILITIES	550,865	46,037	596,902	406,985
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	84,088	1,984,074	2,068,162	88,228
TOTAL DEFERRED INFLOWS	84,088	1,984,074	2,068,162	88,228
TOTAL LIABILITIES AND DEFERRED INFLOWS	634,953	2,030,111	2,665,064	495,213
FUND BALANCES				
Fund balances				
Non-spendable:				
Inventories and prepaids	45,337	-	45,337	84,106
Restricted for:				
Infrastructure	-	6,379,628	6,379,628	5,855,407
Impact fees	-	27,475	27,475	27,475
Assigned to:				
Future budgetary appropriations	-	-	-	214,390
Unassigned	3,510,623	-	3,510,623	2,985,194
TOTAL FUND BALANCES	3,555,960	6,407,103	9,963,063	9,166,572
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 4,190,913	\$ 8,437,214	\$ 12,628,127	\$ 9,661,785

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, 2022

Fund Balances - total governmental funds \$ 9,963,063

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	\$ 15,566,012	
Less: Accumulated depreciation	<u>(8,255,419)</u>	
		7,310,593

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

Compensated absences	(312,254)	
Net Other Post Employment Benefit liability	(236,319)	
Net pension liability - Firefighters' Retirement Fund	(2,107,056)	
Net pension liability - Florida Retirement System	<u>(2,062,755)</u>	
		(4,718,384)

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

Deferred outflows of resources related to Other Post Employment Benefits	11,031	
Deferred outflows of resources related to pensions - Firefighters' Retirement Fund	1,104,034	
Deferred outflows of resources related to pensions - Florida Retirement System	816,106	
Deferred inflows of resources related to pensions - Firefighters' Retirement Fund	(651,742)	
Deferred inflows of resources related to pensions - Florida Retirement System	<u>(131,373)</u>	
		<u>1,148,056</u>

Net position of governmental activities.		<u><u>\$ 13,703,328</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, 2022
With Comparative Total Amounts for the Year Ended September 30, 2021

	2022			2021
	General	Capital Improvements	Total Governmental Funds	Total
REVENUES				
Taxes	\$ 4,462,061	\$ -	\$ 4,462,061	\$ 3,971,331
Licenses and permits	483,970	-	483,970	511,552
Intergovernmental revenue	1,789,088	1,285,294	3,074,382	2,334,737
Fines and forfeits	3,718	-	3,718	4,996
Interest	24,473	40,389	64,862	7,213
Change in fair value of investments	(5,181)	(5,977)	(11,158)	117
Rent	5,500	-	5,500	1,400
Miscellaneous revenues	73,038	400	73,438	69,195
TOTAL REVENUES	<u>6,836,667</u>	<u>1,320,106</u>	<u>8,156,773</u>	<u>6,900,541</u>
EXPENDITURES				
Current:				
General government	1,038,480	2,301	1,040,781	929,722
Public safety	4,477,448	1,746	4,479,194	4,198,257
Transportation - public works	907,710	4,203	911,913	852,793
Physical environment	-	36,313	36,313	8,156
Human services	3,500	-	3,500	3,500
Culture and recreation	32,912	-	32,912	17,632
Capital outlay:				
General government	-	44,949	44,949	52,021
Public safety	-	577,049	577,049	165,484
Transportation - public works	-	198,799	198,799	50,018
Physical environment	-	39,577	39,577	48,995
TOTAL EXPENDITURES	<u>6,460,050</u>	<u>904,937</u>	<u>7,364,987</u>	<u>6,326,578</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>376,617</u>	<u>415,169</u>	<u>791,786</u>	<u>573,963</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	4,705	-	4,705	-
Transfers in	-	109,052	109,052	58,461
Transfers out	(109,052)	-	(109,052)	(58,461)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(104,347)</u>	<u>109,052</u>	<u>4,705</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	272,270	524,221	796,491	573,963
FUND BALANCES - BEGINNING OF YEAR	<u>3,283,690</u>	<u>5,882,882</u>	<u>9,166,572</u>	<u>8,592,609</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,555,960</u>	<u>\$ 6,407,103</u>	<u>\$ 9,963,063</u>	<u>\$ 9,166,572</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, 2022

Net change in fund balances - total governmental funds \$ 796,491

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	\$	860,374	
Less: Current year depreciation		<u>(525,304)</u>	
			335,070

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	(2,116)
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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		(7,524)	
Current year cost - Other Post Employment Benefits		(841)	
Pension expense reduction - Firefighters' Retirement Fund		173,718	
Pension expense - Florida Retirement System		<u>(139,070)</u>	
			<u>26,283</u>

Change in net position of governmental activities.		\$	<u><u>1,155,728</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, 2022

With Comparative Total Amounts for September 30, 2021

	Business-type Activities - Enterprise Funds			
	2022			2021
	Sewer	Reclaimed Water	Total	Total
ASSETS				
CURRENT ASSETS				
Pooled cash and cash equivalents	\$ 1,956,302	\$ 1,900,399	\$ 3,856,701	\$ 3,624,123
Due from other governments	131,101	20,912	152,013	126,925
Prepaid expense	2,309	-	2,309	6,315
Total current assets	<u>2,089,712</u>	<u>1,921,311</u>	<u>4,011,023</u>	<u>3,757,363</u>
NON-CURRENT ASSETS				
Capital Assets:				
Infrastructure	4,262,723	3,088,472	7,351,195	7,293,138
Less: Accumulated depreciation	(3,186,621)	(2,812,915)	(5,999,536)	(5,754,615)
Total non-current assets	<u>1,076,102</u>	<u>275,557</u>	<u>1,351,659</u>	<u>1,538,523</u>
TOTAL ASSETS	<u>\$ 3,165,814</u>	<u>\$ 2,196,868</u>	<u>\$ 5,362,682</u>	<u>\$ 5,295,886</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 113,594	\$ 7,958	\$ 121,552	\$ 107,748
Total current liabilities	<u>113,594</u>	<u>7,958</u>	<u>121,552</u>	<u>107,748</u>
TOTAL LIABILITIES	<u>113,594</u>	<u>7,958</u>	<u>121,552</u>	<u>107,748</u>
NET POSITION				
Investment in capital assets	1,076,102	275,557	1,351,659	1,538,523
Unrestricted	<u>1,976,118</u>	<u>1,913,353</u>	<u>3,889,471</u>	<u>3,649,615</u>
TOTAL NET POSITION	<u>3,052,220</u>	<u>2,188,910</u>	<u>5,241,130</u>	<u>5,188,138</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,165,814</u>	<u>\$ 2,196,868</u>	<u>\$ 5,362,682</u>	<u>\$ 5,295,886</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, 2022

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

	Business-type Activities - Enterprise Funds			
	2022			2021
	Sewer	Reclaimed Water	Total	Total
OPERATING REVENUES				
Charges for services	\$ 1,503,184	\$ 247,111	\$ 1,750,295	\$ 1,615,696
TOTAL OPERATING REVENUES	1,503,184	247,111	1,750,295	1,615,696
OPERATING EXPENSES				
Supervisory services	61,815	48,120	109,935	97,450
Utilities	10,750	-	10,750	10,546
City of St. Petersburg:				
Sewer processing	1,114,129	-	1,114,129	1,101,945
Administration charge	3,285	580	3,865	3,859
Pinellas County:				
Reclaimed water	-	85,317	85,317	66,129
Audit and consulting	3,092	837	3,929	4,340
Insurance	16,100	-	16,100	18,271
Repairs, maintenance, renewals and replacements	66,437	11,294	77,731	71,779
Administrative service charge	32,180	15,365	47,545	44,940
Miscellaneous	4,149	-	4,149	5,479
Depreciation	141,972	102,949	244,921	244,777
TOTAL OPERATING EXPENSES	1,453,909	264,462	1,718,371	1,669,515
OPERATING INCOME (LOSS)	49,275	(17,351)	31,924	(53,819)
NON-OPERATING REVENUE				
Interest earned	10,186	10,882	21,068	2,398
CHANGES IN NET POSITION	59,461	(6,469)	52,992	(51,421)
NET POSITION - BEGINNING OF YEAR	2,992,759	2,195,379	5,188,138	5,239,559
NET POSITION - END OF YEAR	\$ 3,052,220	\$ 2,188,910	\$ 5,241,130	\$ 5,188,138

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, 2022

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

	Business-type Activities - Enterprise Funds			2021 Total
	2022		Total	
	Sewer	Reclaimed Water		
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,480,220	\$ 244,987	\$ 1,725,207	\$ 1,608,617
Cash payments to suppliers for goods and services	(1,196,461)	(101,699)	(1,298,160)	(1,276,726)
Cash payments to employees for services	(61,815)	(48,120)	(109,935)	(97,450)
Cash paid for general government allocated expenses	(32,180)	(15,365)	(47,545)	(44,940)
NET CASH PROVIDED BY OPERATING ACTIVITIES	189,764	79,803	269,567	189,501
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(58,057)	-	(58,057)	(88,622)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(58,057)	-	(58,057)	(88,622)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on cash and cash equivalents	10,186	10,882	21,068	2,398
NET CASH PROVIDED BY INVESTING ACTIVITIES	10,186	10,882	21,068	2,398
NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS	141,893	90,685	232,578	103,277
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,814,409	1,809,714	3,624,123	3,520,846
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,956,302	\$ 1,900,399	\$ 3,856,701	\$ 3,624,123
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 49,275	\$ (17,351)	\$ 31,924	\$ (53,819)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	141,972	102,949	244,921	244,777
Changes in assets and liabilities:				
(Increase) Decrease in Due From Other Governments	(22,964)	(2,124)	(25,088)	(7,079)
(Increase) Decrease in Prepaid Expense	4,006	-	4,006	(1,875)
Increase (Decrease) in Accounts Payable	17,475	(3,671)	13,804	7,497
TOTAL ADJUSTMENTS	140,489	97,154	237,643	243,320
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 189,764	\$ 79,803	\$ 269,567	\$ 189,501

There were no non-cash investing or financing activities for the years ended September 30, 2022 or 2021

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

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

September 30, 2022

With Comparative Amounts for September 30, 2021

	Firefighters' Retirement Fund	
	2022	(restated) 2021
ASSETS		
Cash	\$ 190	\$ 190
Investments, at fair value		
Short term investments / money market funds	339,705	599,956
U. S. government and agency fixed income securities	892,243	757,721
Corporate bonds	780,438	852,012
Equities - common stock	3,834,490	5,139,586
Real estate investment funds	963,932	774,791
	<u>6,810,808</u>	<u>8,124,066</u>
Receivables	165,612	190,243
Prepaid expense	5,064	4,001
	<u>171,676</u>	<u>194,244</u>
TOTAL ASSETS	<u>6,981,674</u>	<u>8,318,500</u>
LIABILITIES		
Accounts payable	21,977	14,275
Employer prepaid contribution	15,407	6,931
	<u>37,384</u>	<u>21,206</u>
TOTAL LIABILITIES	<u>37,384</u>	<u>21,206</u>
NET POSITION		
Restricted for pensions	<u>\$ 6,944,290</u>	<u>\$ 8,297,294</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 FUND

For the Year Ended September 30, 2022

With Comparative Amounts for the Year Ended September 30, 2021

	Firefighters' Retirement Fund	
	2022	(restated) 2021
ADDITIONS		
Contributions		
Employer	\$ 476,944	\$ 473,709
Employee	95,361	88,339
Total contributions	<u>572,305</u>	<u>562,048</u>
Intergovernmental revenue		
State excise tax rebate	53,002	44,538
Investment earnings		
Net change in fair value of investments	(1,479,340)	1,185,189
Interest and dividends	202,902	167,857
Total investment earnings	<u>(1,276,438)</u>	<u>1,353,046</u>
Less investment expense	<u>(60,723)</u>	<u>(58,824)</u>
Net investment earnings	<u>(1,337,161)</u>	<u>1,294,222</u>
TOTAL ADDITIONS	<u>(711,854)</u>	<u>1,900,808</u>
DEDUCTIONS		
Benefits	597,628	585,864
Professional services	39,521	36,551
Trustee / plan administrator's expenses	4,001	4,000
TOTAL DEDUCTIONS	<u>641,150</u>	<u>626,415</u>
CHANGE IN NET POSITION	(1,353,004)	1,274,393
NET POSITION - BEGINNING OF YEAR	<u>8,297,294</u>	<u>7,022,901</u>
NET POSITION - END OF YEAR	<u>\$ 6,944,290</u>	<u>\$ 8,297,294</u>

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. The Reporting Entity

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

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

2. Basic Financial Statements – GASB Statement #34

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

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

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund and the Capital Improvements Fund. Business-type activities include the Sewer and Reclaimed Water Enterprise Funds. The City's Fiduciary Fund, which consists of the Firefighters' Retirement Plan, is 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 is now on the major funds in both the governmental activities and business-type activities, and non-major funds are summarized into a single column. 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.

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 Fund. 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, 2022, 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 Fund consist of 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 Fund 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, 2022 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:

<u>Category</u>	<u>Useful Life</u>
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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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.

Deferred Inflows of Resources – Deferred Revenue: In the governmental funds and government-wide statements, the amount recorded as a deferred inflow of resources – deferred revenue is comprised of business registration fees collected in advance of the October 1 due date, which will be recognized as revenue in the subsequent fiscal year, and unexpended American Rescue Plan Act funds.

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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 \$6,407,103 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.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

in satisfying those contractual requirements. For the fiscal year ended September 30, 2022 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 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, 2021, 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 type. The investments of the Pension Trust Fund 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 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, 2022 was \$3,669,856, excluding \$17,600 of petty cash funds and cash on hand that are maintained. The amounts on deposit in money market type accounts as of September 30, 2022 that do not qualify as public funds totaled \$1,189,734.

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.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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

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 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, 2022, the weighted average maturity of Florida Prime investments was 21 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, 2022, the weighted average maturity of FL SAFE Fund investments was 29 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, 2022, 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, 2022, 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, 2022

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, 2022, are:

Investment	Maturity	Fair Value Measurement	Fair Value	Rating
State Board of Administration – Florida Prime	N/A	Net Asset Value	\$6,110,830	AAAm (S&P)
Florida Municipal Investment Trust – 0-2 and 1-3 Year High Quality Bond Funds	N/A	Level 2 inputs	1,198,648	AAAF / S1 and S2 (Fitch)
Florida SAFE Investment Pool	N/A	Net Asset Value	4,172,432	AAAm (S&P)
Total investments			\$11,481,910	

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, 2022, is as follows:

Petty cash and cash on hand	\$ 17,600
Deposits – public funds	3,669,856
Deposits – non-public funds	1,189,734
Investments	11,481,910
Total	\$ 16,359,100
As reported in Statement of Net Position:	
Cash, cash equivalents and pooled cash and investments	\$ 16,359,100

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, 2022

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, 2022:

Salem Trust Retirement Funds:	Fair Value Measurement	Fair Value	Rating
Deposits			
Financial Square Treasury Obligations Fund	N/A	\$ 339,705	N/A
Investments			
Bonds			
U.S. government and agency fixed income securities	Level 2 inputs	892,243	N/A
Corporate Bonds	Level 1 inputs	780,438	*
Equities - Common Stock and Mutual Funds	Level 1 inputs	3,834,490	N/A
Limited partnership interest - real estate investment fund (American Core Realty)	Level 3 inputs	963,932	N/A
Total Deposits and Investments		<u>\$ 6,810,808</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.

NOTE C - DUE FROM OTHER GOVERNMENTS

The amounts due from other governments consist of the following as of September 30, 2022:

<u>General Fund</u>	
State of Florida	
Communications Service Tax	\$ 14,008
Pinellas County –	
EMS allowable overhead / cost reimbursement	9,507
Local Option Gas Tax	5,585
	<u>\$ 29,100</u>
<u>Capital Improvement Fund</u>	
Pinellas County – Infrastructure Tax	51,292
Total – governmental funds	<u>\$ 80,392</u>
<u>Sewer Fund</u>	
City of St. Petersburg – sewer service fees	\$ 131,101
<u>Reclaimed Water Fund</u>	
City of St. Petersburg – reclaimed water fees	20,912
Total – business-type activities	<u>\$ 152,013</u>
Total	<u>\$ 232,405</u>

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance 10-1-21	Additions / Transfers	Deletions / Transfers	Ending Balance 9-30-22
Governmental Activities				
<u>Non-depreciable assets:</u>				
Land and land rights	\$ 2,059,183	\$ -	\$ -	\$ 2,059,183
Construction and projects in progress	233,245	732,528	48,426	917,347
<u>Depreciable assets:</u>				
Structures and improvements	4,445,059	6,652	-	4,451,711
Infrastructure	4,807,937	5,700	115,479	4,698,158
Furniture, fixtures and equipment	3,484,714	163,921	209,022	3,439,613
Total at historical cost	<u>15,030,138</u>	<u>908,801</u>	<u>372,927</u>	<u>15,566,012</u>
<u>Less accumulated depreciation for:</u>				
Structures and improvements	2,920,641	130,470	-	3,051,111
Infrastructure	2,586,244	192,396	115,479	2,663,161
Furniture, fixtures and equipment	2,545,614	202,438	206,905	2,541,147
Total accumulated depreciation	<u>8,052,499</u>	<u>525,304</u>	<u>322,384</u>	<u>8,255,419</u>
Capital assets, net	<u>\$ 6,977,639</u>	<u>\$ 383,497</u>	<u>\$ (50,543)</u>	<u>\$ 7,310,593</u>
Business-type Activities				
<u>Depreciable assets:</u>				
Infrastructure – sewer system	\$ 4,204,666	\$ 58,057	\$ -	\$ 4,262,723
Infrastructure – reclaimed water system	3,088,472	-	-	3,088,472
Total at historical cost	<u>7,293,138</u>	<u>58,057</u>	<u>-</u>	<u>7,351,195</u>
<u>Less accumulated depreciation for:</u>				
Infrastructure – sewer system	3,044,649	141,972	-	3,186,621
Infrastructure – reclaimed water system	2,709,966	102,949	-	2,812,915
Total accumulated depreciation	<u>5,754,615</u>	<u>244,921</u>	<u>-</u>	<u>5,999,536</u>
Capital assets, net	<u>\$ 1,538,523</u>	<u>\$(186,864)</u>	<u>\$ -</u>	<u>\$ 1,351,659</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 48,456
Public safety – fire	154,704
Public safety – protective inspections	22,312
Transportation – public works	86,380
Human services	3,448
Culture and recreation	37,634
Physical environment	172,370
	<u>\$ 525,304</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE D – CAPITAL ASSETS (continued)

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

NOTE E - DEFERRED REVENUE

Deferred revenue as of September 30, 2022 consists of local business tax receipts in the amount of \$84,088 received in advance that pertain to fiscal year ended September 30, 2022. The deferred revenue is reported as a deferred inflow of resources.

On September 22, 2021, the City Commission authorized the Mayor to execute the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund agreement with the State of Florida Division of Emergency Management. As a result, the City received funding in the amount of \$2,551,849. As of September 30, 2022, \$567,775 of these funds have been expended. The remaining balance of \$1,984,074 is recorded in the governmental funds and government-wide statements as a deferred inflow of resources under the category of deferred revenue.

NOTE F - LONG-TERM DEBT

Long-term debt as of September 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Accrued compensated absences	\$ 304,730	\$ 18,210	\$ 10,686	\$ 312,254	\$ 65,290

Long-term debt for the governmental activities is comprised of the following as of September 30, 2022:

<u>Accrued Compensated Absences</u> : The vested portion of accumulated vacation and sick leave benefits due employees:	\$ 312,254
Total Governmental Activities Long-Term Debt	<u>\$ 312,254</u>

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

NOTE G - PENSION PLANS

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

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G - PENSION PLANS (continued)

<i>Defined benefit pension plans pursuant to GASB 68:</i>	
Firefighters' Retirement Fund	\$ 356,228
Florida Retirement System	139,070
Sub-total	<u>495,298</u>
<i>Defined contribution plan</i>	
Florida Municipal Pension Trust Fund	14,300
Total pension expense for all pension plans	<u>\$ 509,598</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 Annual Comprehensive 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, 2021:

	<u>Group</u>	
Inactive plan members or beneficiaries currently receiving benefits		16
Inactive plan members entitled to but not yet receiving benefits		1
Active plan members:		<u>19</u>
Total		<u><u>36</u></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 29 and 30 which contain the Fiduciary Fund 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, 2021.

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G - PENSION PLANS (continued)

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, 2022:

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, 2022 the annual money-weighted rate of return on Plan investments net of investment expense was -16.38%. The money-weighted rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

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

The components of the Net Pension Liability on September 30, 2022 were as follows:

Total Pension Liability	\$ 10,401,624
Plan Fiduciary Net Position	(8,294,568)
Sponsor’s Net Pension Liability	\$ 2,107,056
Plan’s Fiduciary Net Position as a Percentage of Total Pension Liability	79.74%

The City’s pension liability was measured as of September 30, 2021.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G - PENSION PLANS (continued)

The discount rate used to measure the Plan’s total pension liability was 7.25%. 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
\$ 3,224,607	\$ 2,107,056	\$ 1,160,289

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	7.25%
Investment rate of return	7.25%
Mortality rates	Mortality Improvement Scale MP-2018 Healthy – Sex Distinct Female – PubS.H-2010 (Below Median), set forward one year Male – PubS.H-2010 (Below Median), set forward one year

Changes of Assumptions for September 30, 2021 Measurement Date:

For measurement date September 30, 2021, the investment rate of return was lowered from 7.50% to 7.25% per year, net of investment related expenses.

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.

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.

Change in Net Pension Liability: The change in the net pension liability for the year ended September 30, 2022 based on a September 30, 2021 measurement date is as follows:

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CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G - PENSION PLANS (continued)

	Increase (Decrease)		
	Total Pension Liability a	Plan Fiduciary Net Position b	Net Pension Liability a - b
Beginning balance	\$ 9,612,606	\$ 7,013,885	\$ 2,598,721
Changes for the year:			
Service cost	238,667	-	238,667
Interest	716,876	-	716,876
Differences between expected and actual experience	168,759	-	168,759
Changes of assumptions	250,580	-	250,580
Changes in benefit terms	-	-	-
Contributions - employer	-	480,000	(480,000)
Contributions - State	-	44,538	(44,538)
Contributions - employees	-	88,339	(88,339)
Net investment income (loss)	-	1,294,221	(1,294,221)
Benefit payments, including refund of employee contributions	(585,864)	(585,864)	-
Administrative expense	-	(40,551)	40,551
Net changes	789,018	1,280,683	(491,665)
Ending balance	<u>\$10,401,624</u>	<u>\$ 8,294,568</u>	<u>\$ 2,107,056</u>

For the year ended September 30, 2022, using a measurement date of September 30, 2021, the City recognized pension expense for the Plan under GASB 68 in the amount of \$356,228.

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, 2022 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	\$ 223,927	\$ -
Change of assumptions	341,685	155,620
Net difference between projected and actual earnings on pension plan investments	-	496,122
Employer contributions subsequent to the measurement date	538,422	-
Total	<u>\$ 1,104,034</u>	<u>\$ 651,742</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, 2022

NOTE G – PENSION PLANS (continued)

<u>Year ended September 30:</u>	<u>Amount</u>
2023	\$ 29,526
2024	(12,134)
2025	(59,686)
2026	(113,726)
2027	69,890
Thereafter	-
	<u>\$ (86,130)</u>

The financial statements for the Firefighters' Retirement Fund as of and for the year ended September 30, 2022 and 2021 are as follows:

Statement of Net Position
September 30,

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 190	\$ 190
Investments, at fair value	6,810,808	8,124,066
Receivables	165,612	190,243
Prepaid expenses	5,064	4,001
Total Assets	<u>6,981,674</u>	<u>8,318,500</u>
Liabilities		
Accounts payable	21,977	14,275
Employer prepaid contribution	15,407	6,931
Total Liabilities	<u>37,384</u>	<u>21,206</u>
Net Position		
Held in Trust for Pension Benefits	<u>\$ 6,944,290</u>	<u>\$ 8,297,294</u>

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

	<u>2022</u>	<u>2021</u>
Additions		
Contributions		
Employer	\$ 476,944	\$ 473,709
Employee	95,361	88,339
Total contributions	<u>572,305</u>	<u>562,048</u>
Intergovernmental revenue		
State excise tax rebate	53,002	44,538
Investment earnings		
Net change in fair value of investments	(1,479,340)	1,185,189
Interest and dividends	202,902	167,857
Total investment earnings (loss)	<u>(1,276,438)</u>	<u>1,353,046</u>
Less investment expense	(60,723)	(58,824)
Net investment earnings (loss)	<u>(1,337,161)</u>	<u>1,294,222</u>
Total additions	<u>(711,854)</u>	<u>1,900,808</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G- PENSION PLANS (continued)

	Statement of Changes in Net Position For the year Ended September 30,	
	2022	2021
Deductions		
Benefits	\$ 597,628	\$ 585,864
Professional services	39,521	36,551
Trustee expenses	4,001	4,000
Total deductions	641,150	626,415
 Change in Net Position	 (1,353,004)	 1,274,393
 Net Position – October 1,	 8,297,294	 7,022,901
 Net Position – September 30,	 \$ 6,944,290	 \$ 8,297,294

The Plan Fiduciary Net Position as reported above as of September 30, 2021 is \$8,297,294. The Plan Fiduciary Net Position of \$8,294,568 as reported on page 48 is as of the measurement date of September 30, 2021, and differs from the September 30, 2021 Plan Fiduciary Net Position of \$8,297,294 as reported above by \$2,726. 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, 2022, 2021 and 2020 was \$14,300, \$13,340, and \$12,640, respectively. The City contributed the required amount in each of the three years.

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

NOTE G – PENSION PLANS (continued)

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, 2021 the contribution rates were 10.82% (regular members) and 29.01% (senior management members). As of July 1, 2022 these rates changed to 11.91% (regular members) and 31.57% (senior management members). The City's contributions to FRS for the years ended September 30, 2022, 2021, and 2020 were \$224,112, \$177,249, and \$139,940, 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, 2022 and continuing through September 30, 2022, based upon employees' gross earnings is 18.60%. The rate for the period July 1, 2021 through June 30, 2022 was 18.34%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2022, as required by GASB 68 *Accounting and Financial Reporting for Pensions*, the City reported a net pension liability of \$1,714,393 for the FRS Plan component and \$348,362 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability, totaling \$2,062,755, was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G – PENSION PLANS (continued)

The City’s proportionate share at June 30, 2022 for the FRS Plan component was .004607587%. The City’s proportionate share at June 30, 2022 for the HIS Plan component was .003289038%. The City’s proportionate shares at June 30, 2021 were .003823528% and .002994066% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2022 the City recognized a pension expense of \$114,063 for the FRS component and \$25,007 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	\$ 81,424	\$ -
Changes in assumptions	211,135	-
Net difference between projected and actual earnings on investments	113,201	-
Changes in proportion and differences between City contributions and proportionate share of contributions	281,726	63,698
Contributions subsequent to the measurement date	51,400	-
	<u>\$ 738,886</u>	<u>\$ 63,698</u>

HIS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 10,574	\$ 1,533
Changes in assumptions	19,968	53,891
Net difference between projected and actual earnings on investments	504	-
Changes in proportion and differences between City contributions and proportionate share of contributions	41,423	12,251
Contributions subsequent to the measurement date	4,751	-
	<u>\$ 77,220</u>	<u>\$ 67,675</u>

Combined FRS and HIS Plan Components

	<u>\$ 816,106</u>	<u>\$ 131,373</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, 2023. 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>
2023	\$ 75,259	\$ 26,875
2024	54,011	9,730
2025	43,993	4,690
2026	44,185	3,745
2027	56,278	3,701
Thereafter	350,062	(43,947)
	<u>\$ 623,788</u>	<u>\$ 4,794</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G – PENSION PLANS (continued)

Net Pension Liability

	<u>FRS component</u>	<u>HIS component</u>
City’s proportionate share of Total Pension Liability	\$ 10,018,481	\$ 365,970
City’s proportionate share of Plan Fiduciary Net Position	(8,304,088)	(17,608)
City’s proportionate share of Net Pension Liability	<u>\$ 1,714,393</u>	<u>\$ 348,362</u>
 Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	 82.88%	 4.81%

Change in Net Pension Liability –

	<u>FRS component</u>	<u>HIS component</u>
Beginning balance – City’s proportionate share	\$ 288,824	\$ 367,267
Service cost	121,441	9,565
Interest on total pension liability	645,621	9,058
Plan changes	4,575	172
Effect of economic / demographic gain or loss	67,432	(588)
Effect of assumptions	152,842	(50,791)
Employer contributions	18,563	13,697
Member contributions	(35,443)	(2)
Net investment income	449,502	(22)
Administrative expense	1,036	6
Ending balance – City’s proportionate share	<u>\$ 1,714,393</u>	<u>\$ 348,362</u>

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<u>FRS component</u>	<u>HIS component</u>
Valuation date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2022	June 30, 2022
Inflation	2.40%	2.40%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	6.70%, net of expense, includes inflation	3.54%, 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	6.70%	3.54%

The actuarial assumptions used in the July 1, 2022 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 2022 for the FRS component: the investment rate of return and the discount rate each decreased from 6.80% to 6.70%. Additionally, for the HIS component, a change in the actuarial assumption was made increasing the municipal bond rate used to determine total pension liability from 2.16% to 3.54%.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE G – PENSION PLANS (continued)

The long-term expected rate of return of 6.70% on Pension Plan investments consists of two building block components : an inferred real return of 4.20% 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%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global Equity	54.00%	8.80%	7.30%	17.80%
Real Estate	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic Investments	3.80%	6.20%	5.90%	7.80%
Total	100.00%			
Assumed Inflation – Mean			2.40%	1.30%

(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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City’s Proportionate share of the net pension liability	\$ 2,964,924	\$ 1,714,393	\$ 668,799
HIS component	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
City’s Proportionate share of the net pension liability	\$ 398,554	\$ 348,362	\$ 306,828

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

	FRS	HIS	Total FRS	Fire	Total
Net Position	\$ -	\$ -	\$ -	\$ 6,944,290	\$ 6,944,290
Net Pension Liabilities	1,714,393	348,362	2,062,755	2,107,056	4,169,811
Deferred Outflows	738,886	77,220	816,106	1,104,034	1,920,140
Deferred Inflows	63,698	67,675	131,373	651,742	783,115
Pension Expense	114,063	25,007	139,070	356,228	495,298

NOTE G – PENSION PLANS (continued)

Employees’ Deferred Compensation Plan

Plan Description: The City offers certain employees a deferred compensation plan (the Plan) under the provisions of Section 457 of the Internal Revenue Code (IRC), as amended. The Plan is a defined contribution plan that does not require employer contributions. The Plan is administered by Mission Square Retirement (formerly ICMA Retirement Corporation) and provides the plan participants with the option to invest in over twenty different registered investment funds (mutual funds). Under the provisions of IRC Section 457, 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 Plan participants and their beneficiaries. The deferred compensation is not available until termination, retirement, death or unforeseeable emergency. Employees are immediately vested in the full amount of compensation that is deferred under the Plan.

Funding Policy: The City is not required and does not contribute to the Plan. The net position of the Plan was \$1,906,208 as of September 30, 2022.

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>38</u>

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

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

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

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

Actuarial Assumptions. The actuarial valuation is based on an actuarial valuation performed as of September 30, 2020 that has been updated to September 30, 2021 and is applicable to the year ended September 30, 2022. The updated 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	2.43%	Years until ultimate trend rate	54

A discount rate of 2.14% was used to determine the Total OPEB Liability for the year ended September 30, 2021.

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

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 2.43%. 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.

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CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

<i>Changes in Total OPEB Liability:</i>	Increase (Decrease)
Reporting period ending September 30, 2021	\$ 237,139
Changes for the year:	
Service cost	12,814
Interest	5,256
Differences between expected and actual experience	-
Changes of assumptions	(10,123)
Contributions - employer	-
Net investment income (loss)	-
Benefit payments, including refund of employee contributions	(8,767)
Other changes	-
Net changes	<u>(820)</u>
Reporting period ending September 30, 2022	<u>\$ 236,319</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.

	1% Decrease (1.43%)	Current (2.43%)	1% Increase (3.43%)
Net OPEB Liability	<u>\$ 273,875</u>	<u>\$ 236,319</u>	<u>\$ 205,488</u>

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

	1% Decrease (3.00% - 6.00%)	Current Healthcare Rates (4.00% - 7.00%)	1% Increase (5.00% - 8.00%)
Net OPEB Liability	<u>\$ 200,261</u>	<u>\$ 236,319</u>	<u>\$ 280,924</u>

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB: For the year ended September 30, 2022, the City will recognize OPEB expense of \$11,872 including administrative expenses.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

On September 30, 2022, 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	11,031	-
	<u>\$ 11,031</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, 2023.

NOTE I - RISK FINANCING

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

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

Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the year ended September 30, 2022, 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 J – 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 \$885,672. The City has renewed its contract with the Pinellas County Sheriff's Department to provide law enforcement services, effective October 1, 2022, continuing until September 30, 2023. The amount of the contract with the Pinellas County Sheriff's Department for the 2022–2023 year is \$924,072.

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, 2022, was \$1,114,129.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE J – COMMITMENTS AND CONTINGENCIES (continued)

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 is to be constructed. The City closed on the land purchase on January 6, 2023 at a cost of \$711,110. Per the purchase agreement, the City is obligated to construct and pay for an approximately 115-space parking lot on land owned by the seller that adjoins the property 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. Per the purchase agreement, the City is also obligated to construct a stormwater retention pond on the 1.3 acres of land it acquired. Through August 10, 2023, which is the date that the financial statements were available to be issued, construction had not yet begun on the parking lot or the stormwater retention pond.

New Fire Station: In fiscal year 2021, the City entered into an agreement for architectural and engineering services for the construction of a new fire station on Pasadena Avenue in the amount of \$650,537. The remaining amount owed on the agreement as of September 30, 2022 is \$103,012 excluding any contingency costs.

The City also entered into a contract for the construction of the new Pasadena Avenue fire station in July 2021. The contract was subsequently amended, and the final revised contract was signed in November 2022 in the amount of \$10,418,548. Construction of the fire station began in February 2023.

New Fire Vehicles: The City entered into an agreement for the purchase of an Aerial Platform, Mid-Mount Fire Truck in August 2021 in the amount of \$1,022,585. The Fire Truck was received and paid for in March 2023.

The City also entered into an agreement for the purchase of a Wheeled Coach Ambulance in August 2021 in the amount of \$224,917. The Ambulance was received in October 2022 and paid for in November 2022. The City was subsequently reimbursed by Pinellas County for the cost of the Ambulance per the Emergency Medical Services ALS First Responder Agreement.

NOTE K – RESTATEMENT

As a result of the City implementing *GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City's deferred compensation plan is no longer considered to meet the criteria of a fiduciary fund and is now reported as a defined contribution plan. As a result, it is no longer appropriate to present the plan's information within the Statement of Fiduciary Net Position (page 31) and Statement of Changes in Fiduciary Net Position (page 32). Therefore, the September 30, 2021 amounts presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position have been restated to include only the Firefighters' Retirement Fund financial information.

NOTE L – SUBSEQUENT EVENTS

The City has evaluated whether any other events have occurred subsequent to September 30, 2022, and before the issuance of the financial statements, that would have an impact on the City's financial condition as of September 30, 2022, or would influence the conclusions reached by the reader of the financial statements regarding the City's overall financial condition.

In April 2023, the City issued a Capital Improvement Revenue Bond in the amount of \$9,900,000 for the construction of the aforementioned fire station. The Bond will be amortized over 15 years, with interest payable every six months at a rate of 3.86%. Principal payments are due annually on October 1.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE L – SUBSEQUENT EVENTS (continued)

The City has determined that no other events have occurred that would have an impact on the City's financial condition as of September 30, 2022, or would influence the conclusions reached by the reader of the financial statements regarding the City's overall financial condition. This evaluation is based on events through August 10, 2023, the date on which 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, 2022

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

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Taxes					
Ad valorem taxes	\$ 3,017,505	\$ 3,017,505	\$ 2,970,495	\$ (47,010)	\$ 2,514,741
Utility taxes	741,100	741,100	767,546	26,446	734,185
Communications service tax	175,500	175,500	160,106	(15,394)	164,739
Electric franchise	475,000	475,000	501,545	26,545	471,322
Gas franchise	3,800	3,800	6,748	2,948	5,845
Refuse franchise	53,000	53,000	55,621	2,621	53,048
Total taxes	4,465,905	4,465,905	4,462,061	(3,844)	3,943,880
Licenses and permits					
Local business tax	120,000	120,000	98,234	(21,766)	108,501
Building permits	335,000	335,000	379,283	44,283	329,033
Fines / code enforcement	15,500	15,500	6,353	(9,147)	73,018
Electrical permits	-	-	-	-	110
Sewer, plumbing and gas permits	-	-	-	-	140
Planning and zoning fees	1,000	1,000	100	(900)	750
Grease management permits	1,800	1,800	-	(1,800)	-
Total licenses and permits	473,300	473,300	483,970	10,670	511,552
Intergovernmental revenue					
County Emergency Medical Services Authority					
Services Authority	962,200	962,200	1,014,427	52,227	933,226
State revenue sharing	163,000	163,000	211,715	48,715	169,368
Local 1/2 cent sales tax	325,000	325,000	407,783	82,783	363,983
State pro-rata share of alcoholic beverage licenses	5,700	5,700	5,604	(96)	5,604
State mobile home licenses distribution	3,200	3,200	3,470	270	3,578
State municipal tax refund	1,250	1,250	985	(265)	1,207
State excise tax rebate - Fire Pension	41,600	41,600	53,002	11,402	44,538
Local option gas tax	65,000	65,000	67,968	2,968	66,504
Fire Fighters supplemental compensation	9,600	9,600	3,884	(5,716)	9,250
Federal grants	-	-	20,250	20,250	104,448
Total intergovernmental revenue	1,576,550	1,576,550	1,789,088	212,538	1,701,706

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2022 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS) (continued)					
Fines and forfeits -					
Police fines	\$ 3,000	\$ 3,000	\$ 2,833	\$ (167)	\$ 2,616
Red light fines	-	-	885	885	2,380
	<u>3,000</u>	<u>3,000</u>	<u>3,718</u>	<u>718</u>	<u>4,996</u>
Interest	4,000	4,000	24,473	20,473	2,782
Change in fair value of investments	-	-	(5,181)	(5,181)	52
Rent	6,000	6,000	5,500	(500)	1,400
Miscellaneous	55,900	55,900	73,038	17,138	63,995
Proceeds from sale of capital assets	-	-	4,705	4,705	-
	<u>68,900</u>	<u>68,900</u>	<u>106,253</u>	<u>37,353</u>	<u>73,225</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>6,584,655</u>	<u>6,584,655</u>	<u>6,841,372</u>	<u>256,717</u>	<u>6,230,363</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Legislative					
Personal services	58,330	58,330	58,884	(554)	56,086
Other services and charges	77,800	77,800	71,406	6,394	91,926
Travel and conventions	11,000	11,000	6,905	4,095	4,855
Supplies	1,350	1,350	733	617	472
	<u>148,480</u>	<u>148,480</u>	<u>137,928</u>	<u>10,552</u>	<u>153,339</u>
Finance and administration					
Personal services	723,500	723,500	751,599	(28,099)	638,041
Other services and charges	79,015	79,015	57,194	21,821	51,297
Insurance	52,970	52,970	41,861	11,109	47,487
Supplies	6,250	6,250	8,697	(2,447)	5,195
Maintenance	2,000	2,000	317	1,683	-
Utilities	16,000	16,000	14,295	1,705	12,155
Audit and accounting	20,200	20,200	16,705	3,495	13,630
Telephone	8,825	8,825	9,884	(1,059)	8,578
	<u>908,760</u>	<u>908,760</u>	<u>900,552</u>	<u>8,208</u>	<u>776,383</u>
Total general government	<u>1,057,240</u>	<u>1,057,240</u>	<u>1,038,480</u>	<u>18,760</u>	<u>929,722</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2022 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Budget	Final			
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Public Safety					
Law enforcement					
Pinellas County Sheriff - Department contract					
	\$ 886,175	\$ 886,175	\$ 885,672	\$ 503	\$ 856,752
	<u>886,175</u>	<u>886,175</u>	<u>885,672</u>	<u>503</u>	<u>856,752</u>
Fire department					
Personal services	2,804,225	2,804,225	2,831,086	(26,861)	2,627,311
Other services and charges	150,605	150,605	113,344	37,261	97,033
Insurance	101,615	101,615	84,438	17,177	90,371
Supplies	11,050	11,050	7,530	3,520	11,215
Maintenance	74,000	74,000	64,368	9,632	85,287
Utilities	18,200	18,200	16,491	1,709	15,388
Small tools and equipment	1,000	1,000	949	51	54
Traffic signals	5,120	5,120	4,875	245	4,875
Telephone	7,650	7,650	8,295	(645)	8,494
Capital outlay	1,000	1,000	-	1,000	-
	<u>3,174,465</u>	<u>3,174,465</u>	<u>3,131,376</u>	<u>43,089</u>	<u>2,940,028</u>
Protective inspections					
Personal services	408,345	408,345	365,437	42,908	291,679
Other services and charges	84,530	84,530	82,338	2,192	97,808
Supplies	4,500	4,500	4,257	243	4,706
Insurance	6,630	6,630	6,563	67	6,133
Maintenance	1,900	1,900	1,805	95	811
Capital outlay	-	-	-	-	555
	<u>505,905</u>	<u>505,905</u>	<u>460,400</u>	<u>45,505</u>	<u>401,692</u>
Total public safety	<u>4,566,545</u>	<u>4,566,545</u>	<u>4,477,448</u>	<u>89,097</u>	<u>4,198,472</u>
Transportation - public works					
Personal services	644,130	644,130	648,411	(4,281)	568,089
Other services and charges	84,040	84,040	82,690	1,350	55,836
Insurance	78,990	78,990	69,681	9,309	70,481
Supplies	10,500	10,500	11,524	(1,024)	28,223
Maintenance	48,000	48,000	42,445	5,555	38,655
Telephone	5,750	5,750	5,720	30	5,404
Utilities	49,100	49,100	47,239	1,861	50,339
Capital outlay	-	-	-	-	4,950
	<u>920,510</u>	<u>920,510</u>	<u>907,710</u>	<u>12,800</u>	<u>821,977</u>

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2022 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	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	\$ 3,500
Culture and recreation					
Library	17,325	17,325	18,700	(1,375)	13,100
Culture services	1,000	1,000	500	500	1,000
Special events	19,500	19,500	13,712	5,788	3,532
Total culture and recreation	37,825	37,825	32,912	4,913	17,632
TOTAL CHARGES TO APPROPRIATIONS	6,586,370	6,586,370	6,460,050	126,320	5,971,303
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(1,715)	(1,715)	381,322	383,037	259,060
OTHER FINANCING USE					
Transfer out	212,675	212,675	(109,052)	103,623	(58,461)
TOTAL OTHER FINANCING USE	212,675	212,675	(109,052)	103,623	(58,461)
NET CHANGE	(214,390)	(214,390)	272,270	486,660	200,599
FUND BALANCE - BEGINNING OF YEAR	3,283,690	3,283,690	3,283,690	-	3,083,091
FUND BALANCE - END OF YEAR	\$ 3,069,300	\$ 3,069,300	\$ 3,555,960	\$ 486,660	\$ 3,283,690

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.	\$ 6,841,372
Differences - budget to GAAP:	
Proceeds from sale of surplus capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes.	(4,705)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 6,836,667

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,460,050
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 6,460,050

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

Reporting period ending:	9-30-22	9-30-21
Measurement date:	<u>9-30-21</u>	<u>9-30-20</u>
Total Pension Liability		
Service cost	\$ 238,667	\$ 228,831
Interest on the total pension liability	716,876	703,894
Change in benefit terms	-	-
Change in excess state money	-	-
Share plan allocation	-	-
Differences between expected and actual experience	168,759	54,156
Change of assumptions	250,580	(233,428)
Benefit payments, including refunds of employee contributions	<u>(585,864)</u>	<u>(594,549)</u>
Net change in total pension liability	789,018	158,904
Total pension liability beginning	<u>9,612,606</u>	<u>9,453,702</u>
Total pension liability ending (a)	<u><u>\$ 10,401,624</u></u>	<u><u>\$ 9,612,606</u></u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 480,000	\$ 419,769
Contributions - State	44,538	83,007
Contributions - employees	88,339	84,354
Net investment income (loss)	1,294,221	482,152
Benefit payments, including refunds of employee contributions	(585,864)	(594,549)
Administrative expenses	<u>(40,551)</u>	<u>(58,913)</u>
Net Change in plan fiduciary net position	1,280,683	415,820
Plan fiduciary net position - beginning	<u>7,013,885</u>	<u>6,598,065</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 8,294,568</u></u>	<u><u>\$ 7,013,885</u></u>
Net Pension Liability - Ending (a - b)	<u><u>\$ 2,107,056</u></u>	<u><u>\$ 2,598,721</u></u>
Plan fiduciary net position as a percentage of the total pension liability	79.74%	72.97%
Covered Payroll	\$ 1,472,829	\$ 1,405,886
Net pension liability as a percentage of covered payroll	143.06%	184.85%
Money-weighted rate of return on pension plan investments	-16.38%	18.73%

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.

9-30-20 <u>9-30-19</u>	9-30-19 <u>9-30-18</u>	9-30-18 <u>9-30-17</u>	9-30-17 <u>9-30-16</u>	9-30-16 <u>9-30-15</u>	9-30-15 <u>9-30-14</u>
\$ 244,566	\$ 202,965	\$ 139,049	\$ 131,806	\$ 121,564	\$ 109,667
679,059	663,963	670,563	659,566	634,381	622,005
(329)	-	-	-	-	-
-	-	(15,444)	-	-	-
-	-	7,722	-	-	-
46,240	120,334	67,857	(203,988)	129,765	-
265,739	-	-	305,372	-	-
<u>(598,776)</u>	<u>(1,068,711)</u>	<u>(999,844)</u>	<u>(516,349)</u>	<u>(625,616)</u>	<u>(542,143)</u>
636,499	(81,449)	(130,097)	376,407	260,094	189,529
8,817,203	8,898,652	9,028,749	8,652,342	8,392,248	8,202,719
<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>
\$ 455,250	\$ 340,140	\$ 298,315	\$ 303,240	\$ 286,491	198,912
-	44,493	43,206	50,450	48,347	48,975
78,932	68,864	54,426	45,265	42,620	39,662
257,832	405,725	785,892	466,375	(79,221)	636,387
<u>(598,776)</u>	<u>(1,068,711)</u>	<u>(999,844)</u>	<u>(516,349)</u>	<u>(625,616)</u>	<u>(542,143)</u>
(44,423)	(38,136)	(34,501)	(40,775)	(30,445)	(27,419)
148,815	(247,625)	147,494	308,206	(357,824)	354,374
6,449,250	6,696,875	6,549,381	6,241,175	6,598,999	6,244,625
<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>
<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>
69.79%	73.14%	75.26%	72.54%	72.13%	78.63%
\$ 1,313,532	\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
217.40%	206.37%	242.72%	328.93%	340.20%	271.28%
7.46%	6.36%	12.51%	7.54%	-1.25%	10.35%

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

Reporting period ending	9-30-22	9-30-21	9-30-20	9-30-19
Actuarially determined contribution	\$ 526,996	\$ 518,247	\$ 502,607	\$ 455,310
Contributions in relation to the actuarially determined contribution:				
City's contribution	473,994	473,709	419,600	455,310
State excise tax - contribution	53,002	44,538	83,007	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,589,347	\$ 1,472,829	\$ 1,405,886	\$ 1,313,532
Contributions as a percentage of covered payroll	33.16%	35.19%	35.75%	34.66%

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 7.25%
 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 nine years. Additional years of information will be added as the information becomes available.

<u>9-30-18</u>	<u>9-30-17</u>	<u>9-30-16</u>	<u>9-30-15</u>	<u>9-30-14</u>
\$ 391,969	\$ 341,520	\$ 352,204	\$ 328,458	\$ 247,885
347,477	298,315	301,754	280,111	198,910
44,492	43,205	50,450	48,347	48,975
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,147,416	\$ 907,112	\$ 753,762	\$ 708,754	\$ 661,032
34.16%	37.65%	46.73%	46.34%	37.50%

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

	9-30-22	9-30-21	9-30-20	9-30-19
FRS Pension Plan				
Employer's Proportion for the FRS Pension	0.004607587%	0.003823528%	0.003376602%	0.003885280%
City's Proportionate Share				
Total Pension Liability	\$ 10,018,481	\$ 8,015,493	\$ 6,918,986	\$ 7,693,334
Plan Fiduciary Net Position	(8,304,088)	(7,726,669)	(5,455,517)	(6,355,298)
Net Pension Liability	<u>\$ 1,714,393</u>	<u>\$ 288,824</u>	<u>\$ 1,463,469</u>	<u>\$ 1,338,036</u>
Plan Net Position as a Percentage of Total Net Pension Liability	82.89%	96.40%	78.85%	82.61%
Service Cost	\$ 121,441	\$ 101,265	\$ 89,394	\$ 98,028
Interest on the total pension liability	645,621	524,327	454,418	512,659
Plan changes	4,575	-	-	443
Effect of economic/demographic gain or loss	67,432	20,787	4,867	10,248
Effect of assumptions	152,842	35,067	13,695	64,133
Employer contributions	18,563	(5,970)	(241,781)	(115,303)
Member contributions	(35,443)	(28,926)	(25,272)	(29,249)
Net investment income	449,502	(1,822,026)	(170,616)	(366,219)
Administrative expense	1,036	831	728	761
Net change in net pension liability	1,425,569	(1,174,645)	125,433	175,501
Net pension liability - beginning	288,824	1,463,469	1,338,036	1,162,535
Net pension liability - ending	<u>\$ 1,714,393</u>	<u>\$ 288,824</u>	<u>\$ 1,463,469</u>	<u>\$ 1,338,036</u>
Covered payroll	\$ 1,209,090	\$ 1,066,381	\$ 1,041,948	\$ 1,052,168
Net pension liability as a percentage of covered payroll	142%	27%	140%	127%
Retiree Health Insurance Subsidy (HIS Plan)				
Employer's Proportion for the HIS Plan	0.003289038%	0.002994066%	0.002919720%	0.003109028%
City's Proportionate Share				
Total Pension Liability	\$ 365,970	\$ 380,819	\$ 367,537	\$ 357,260
Plan Fiduciary Net Position	(17,608)	(13,552)	(11,044)	(9,391)
Net Pension Liability	<u>\$ 348,362</u>	<u>\$ 367,267</u>	<u>\$ 356,493</u>	<u>\$ 347,869</u>
Plan Net Position as a Percentage of Total Net Pension Liability	4.81%	3.56%	3.00%	2.63%
Service Cost	\$ 9,565	\$ 8,403	\$ 7,752	\$ 7,217
Interest on the total pension liability	9,058	8,346	11,758	13,001
Plan changes	172	-	-	-
Effect of economic/demographic gain or loss	(588)	364	12,980	(16)
Effect of assumptions	(50,791)	3,023	13,348	16,038
Employer contributions	13,697	(9,342)	(37,040)	(18,392)
Member contributions	(2)	(2)	(11)	(6)
Net investment income	(22)	(24)	(168)	(193)
Administrative expense	6	6	5	6
Net change in net pension liability	(18,905)	10,774	8,624	17,655
Net pension liability - beginning	367,267	356,493	347,869	330,214
Net pension liability - ending	<u>\$ 348,362</u>	<u>\$ 367,267</u>	<u>\$ 356,493</u>	<u>\$ 347,869</u>
Covered payroll	\$ 1,209,090	\$ 1,066,381	\$ 1,041,948	\$ 1,052,168
Net pension liability as a percentage of covered payroll	29%	34%	34%	33%
Combined FRS and HIS Pension Plan				
Total Pension Liability	\$ 10,384,451	\$ 8,396,312	\$ 7,286,523	\$ 8,050,594
Plan Fiduciary Net Position	(8,321,696)	(7,740,221)	(5,466,561)	(6,364,689)
Net Pension Liability	<u>\$ 2,062,755</u>	<u>\$ 656,091</u>	<u>\$ 1,819,962</u>	<u>\$ 1,685,905</u>

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.

9-30-18	9-30-17	9-30-16	9-30-15
0.003859612%	0.003723260%	0.002924305%	0.001829231%
\$ 7,384,109	\$ 6,837,119	\$ 4,884,496	\$ 2,951,844
(6,221,574)	(5,735,804)	(4,146,107)	(2,715,574)
<u>\$ 1,162,535</u>	<u>\$ 1,101,315</u>	<u>\$ 738,389</u>	<u>\$ 236,270</u>
84.26%	83.89%	84.88%	92.00%
\$ 93,556	\$ 173,845	\$ 86,833	\$ 44,049
495,880	1,046,562	492,974	244,236
-	7,728	1,315	-
25,269	118,408	39,905	33,773
99,844	871,705	41,960	-
(85,683)	(218,233)	(99,280)	(50,801)
(28,807)	(62,441)	(28,934)	(14,550)
(539,618)	(1,576,186)	(33,407)	(115,085)
779	1,538	753	376
61,220	362,926	502,119	141,998
1,101,315	738,389	236,270	94,272
<u>\$ 1,162,535</u>	<u>\$ 1,101,315</u>	<u>\$ 738,389</u>	<u>\$ 236,270</u>
\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
114%	111%	78%	39%
0.003119899%	0.003059396%	0.002962991%	0.001434881%
\$ 337,466	\$ 332,580	\$ 348,698	\$ 147,064
(7,252)	(5,455)	(3,374)	(729)
<u>\$ 330,214</u>	<u>\$ 327,125</u>	<u>\$ 345,324</u>	<u>\$ 146,335</u>
2.15%	1.64%	0.97%	50%
\$ 8,063	\$ 5,761	\$ 35,080	\$ 14,624
12,158	6,384	53,398	27,258
-	-	-	-
5,857	-	(4,212)	40,856
(12,098)	(20,310)	184,818	-
(10,790)	(10,011)	(70,044)	(25,700)
(7)	-	-	-
(99)	(26)	(77)	(27)
5	3	26	13
3,089	(18,199)	198,989	57,024
327,125	345,324	146,335	89,311
<u>\$ 330,214</u>	<u>\$ 327,125</u>	<u>\$ 345,324</u>	<u>\$ 146,335</u>
\$ 1,021,075	\$ 988,476	\$ 942,075	\$ 608,026
32%	33%	37%	24%
\$ 7,721,575	\$ 7,169,699	\$ 5,233,194	\$ 3,098,908
(6,228,826)	(5,741,259)	(4,149,481)	(2,716,303)
<u>\$ 1,492,749</u>	<u>\$ 1,428,440</u>	<u>\$ 1,083,713</u>	<u>\$ 382,605</u>

CITY OF SOUTH PASADENA, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION

**FLORIDA RETIREMENT SYSTEM
 SCHEDULE OF CONTRIBUTIONS**

(Eight years of data available for GASB 67 and 68) *
 September 30, 2022

	9/30/2022	9/30/2021	9/30/2020	9/30/2019
FRS Pension Plan				
Contractually required contribution	\$ 204,031	\$ 159,436	\$ 123,043	\$ 119,395
Contributions in relation to the contractually required contribution	<u>(204,031)</u>	<u>(159,436)</u>	<u>(123,043)</u>	<u>(119,395)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,209,684</u>	<u>\$ 1,073,053</u>	<u>\$ 1,017,892</u>	<u>\$ 1,085,837</u>
Contributions as a percentage of covered payroll	16.87%	14.86%	12.09%	11.00%
Retiree Health Insurance Subsidy (HIS Plan)				
Contractually required contribution	\$ 20,081	\$ 17,813	\$ 16,897	\$ 18,025
Contributions in relation to the contractually required contribution	<u>(20,081)</u>	<u>(17,813)</u>	<u>(16,897)</u>	<u>(18,025)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,209,684</u>	<u>\$ 1,073,053</u>	<u>\$ 1,017,892</u>	<u>\$ 1,085,837</u>
Contributions as a percentage of covered payroll	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:	9-30-22	9-30-21	9-30-20	9-30-19
Measurement date:	<u>9-30-21</u>	<u>9-30-20</u>	<u>9-30-19</u>	<u>9-30-18</u>
Total OPEB Liability				
Service cost	\$ 12,814	\$ 10,978	\$ 9,727	\$ 9,552
Interest on the total pension liability	5,256	6,807	7,091	4,856
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	-	562	-	18,098
Change of assumptions	(10,123)	44,835	12,324	8,921
Benefit payments, including refunds of employee contributions	<u>(8,767)</u>	<u>(10,285)</u>	<u>(9,523)</u>	<u>(1,246)</u>
Net change in total pension liability	\$ (820)	\$ 52,897	\$ 19,619	\$ 40,181
Total OPEB liability beginning	<u>237,139</u>	<u>184,242</u>	<u>164,623</u>	<u>124,442</u>
Total pension liability ending	<u>\$ 236,319</u>	<u>\$ 237,139</u>	<u>\$ 184,242</u>	<u>\$ 164,623</u>
Covered Employee Payroll	\$ 2,587,275	\$ 2,524,171	\$ 2,553,130	\$ 2,490,858
Net OPEB liability as a percentage of covered employee payroll	9.13%	9.39%	7.22%	6.61%

NOTES: (1) GASB 75 requires 10 year of information. Information is only available for six years. Additional years of information will be added as the information becomes available.

(2) There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits for the OPEB plan.

<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 116,387 <u>(116,387)</u>	\$ 108,450 <u>(108,450)</u>	\$ 72,614 <u>(72,614)</u>	\$ 55,948 <u>(55,948)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 993,506</u>	<u>\$ 994,407</u>	<u>\$ 928,886</u>	<u>\$ 612,282</u>
11.71%	10.91%	7.82%	9.14%
\$ 16,492 <u>(16,492)</u>	\$ 16,507 <u>(16,507)</u>	\$ 15,420 <u>(15,420)</u>	\$ 10,164 <u>(10,164)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 993,506</u>	<u>\$ 994,407</u>	<u>\$ 928,886</u>	<u>\$ 612,282</u>
1.66%	1.66%	1.66%	1.66%

<u>9-30-18</u>	<u>9-30-17</u>
<u>9-30-17</u>	<u>9-30-16</u>
\$ 9,319 3,903 - - (6,410) <u>(1,145)</u>	\$ 7,977 4,034 - - 6,579 <u>(1,145)</u>
<u>\$ 5,667</u>	<u>17,445</u>
<u>118,775</u>	<u>101,330</u>
<u>\$ 124,442</u>	<u>\$ 118,775</u>
\$ 2,277,871	\$ 2,168,110
5.46%	5.48%

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Budgetary Comparison Schedules

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, 2022

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

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Taxes, licenses and permits -					
Impact fees/assessments	\$ -	\$ -	\$ -	\$ -	\$ 27,451
Intergovernmental revenue					
Infrastructure tax	566,000	566,000	737,769	171,769	629,401
Federal grants	-	-	547,525	547,525	-
Public safety grants	225,000	225,000	-	(225,000)	-
Environmental grants	4,000	4,000	-	(4,000)	3,630
Interest	6,425	6,425	40,389	33,964	4,431
Change in fair value of investments	-	-	(5,977)	(5,977)	65
Miscellaneous	-	-	400	400	5,200
AMOUNTS AVAILABLE FOR APPROPRIATION	801,425	801,425	1,320,106	518,681	670,178
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Finance and administration					
Supplies	-	-	2,301	(2,301)	-
	-	-	2,301	(2,301)	-
Public Safety					
Fire Department and Protective Inspections					
Small Tools	-	-	966	(966)	340
Supplies	-	-	780	(780)	-
	-	-	1,746	(1,746)	340
Physical environment					
Flood control	-	-	7,702	(7,702)	8,156
Maintenance	-	-	28,611	(28,611)	-
	-	-	36,313	(36,313)	8,156
Transportation					
Public Works					
Professional services	-	-	-	-	4,200
Supplies	-	-	4,203	(4,203)	4,896
Maintenance	-	-	-	-	26,670
	-	-	4,203	(4,203)	35,766
Total current charges to appropriations	-	-	44,563	(44,563)	44,262
Capital outlay					
General government					
Legislative					
Equipment	3,850	3,850	-	3,850	-
Finance and administration					
Equipment	97,650	97,650	4,493	93,157	52,021
Vehicle	42,500	42,500	40,456	2,044	-
Total general government	144,000	144,000	44,949	99,051	52,021

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2022 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Public Safety					
Fire Department					
Building improvements	\$ 3,735,000	\$ 3,735,000	\$ 521,281	\$ 3,213,719	\$ 90,258
Equipment	46,250	46,250	21,937	24,313	27,277
Vehicle	1,250,000	1,250,000	-	1,250,000	37,497
	<u>5,031,250</u>	<u>5,031,250</u>	<u>543,218</u>	<u>4,488,032</u>	<u>155,032</u>
Protective inspections					
Building improvements	75,000	75,000	19,681	55,319	4,922
Equipment	40,175	40,175	14,150	26,025	4,975
	<u>115,175</u>	<u>115,175</u>	<u>33,831</u>	<u>81,344</u>	<u>9,897</u>
Total Public Safety	<u>5,146,425</u>	<u>5,146,425</u>	<u>577,049</u>	<u>4,569,376</u>	<u>164,929</u>
Transportation - public works					
Building improvements	27,500	27,500	19,417	8,083	17,533
Recreation	20,000	20,000	-	20,000	-
Equipment	44,000	44,000	35,577	8,423	10,517
Highways, streets and bridges	610,000	610,000	143,805	466,195	17,018
Total Transportation - public works	<u>701,500</u>	<u>701,500</u>	<u>198,799</u>	<u>502,701</u>	<u>45,068</u>
Physical environment					
Visioning / beautification	450,000	450,000	33,877	416,123	48,995
Flood control	75,000	75,000	5,700	69,300	-
Total Physical environment	<u>525,000</u>	<u>525,000</u>	<u>39,577</u>	<u>485,423</u>	<u>48,995</u>
Total capital outlay charges to appropriations	<u>6,516,925</u>	<u>6,516,925</u>	<u>860,374</u>	<u>5,656,551</u>	<u>311,013</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>6,516,925</u>	<u>6,516,925</u>	<u>904,937</u>	<u>5,611,988</u>	<u>355,275</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>(5,715,500)</u>	<u>(5,715,500)</u>	<u>415,169</u>	<u>6,130,669</u>	<u>314,903</u>
OTHER FINANCING SOURCES					
Loan proceeds	3,990,000	3,990,000	-	(3,990,000)	-
Transfer in	212,675	212,675	109,052	(103,623)	58,461
TOTAL OTHER FINANCING SOURCES	<u>4,202,675</u>	<u>4,202,675</u>	<u>109,052</u>	<u>(4,093,623)</u>	<u>58,461</u>
NET CHANGE	(1,512,825)	(1,512,825)	524,221	2,037,046	373,364
FUND BALANCE - BEGINNING OF YEAR	<u>5,882,882</u>	<u>5,882,882</u>	<u>5,882,882</u>	<u>-</u>	<u>5,509,518</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,370,057</u>	<u>\$ 4,370,057</u>	<u>\$ 6,407,103</u>	<u>\$ 2,037,046</u>	<u>\$ 5,882,882</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, 2022
With Comparative Actual Amounts for the Year Ended September 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Charges for services	\$ 1,546,600	\$ 1,546,600	\$ 1,503,184	\$ (43,416)	\$ 1,394,330
Interest earned	2,400	2,400	10,186	7,786	837
AMOUNT AVAILABLE FOR APPROPRIATION	<u>1,549,000</u>	<u>1,549,000</u>	<u>1,513,370</u>	<u>(35,630)</u>	<u>1,395,167</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	61,815	61,815	61,815	-	53,590
Utilities	11,650	11,650	10,750	900	10,546
City of St. Petersburg:					
Sewer processing	1,212,300	1,212,300	1,114,129	98,171	1,101,945
Sewer administration charge	3,455	3,455	3,285	170	3,281
Insurance	21,370	21,370	16,100	5,270	18,271
Audit	3,495	3,495	3,092	403	3,790
Repairs, maintenance, renewals and replacement	202,900	202,900	66,437	136,463	54,266
Capital outlay	185,000	185,000	58,057	126,943	-
Administrative service charge	32,180	32,180	32,180	-	29,865
Miscellaneous	6,040	6,040	4,149	1,891	5,479
TOTAL CHARGES TO APPROPRIATIONS	<u>1,740,205</u>	<u>1,740,205</u>	<u>1,369,994</u>	<u>370,211</u>	<u>1,281,033</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ (191,205)</u>	<u>\$ (191,205)</u>	<u>\$ 143,376</u>	<u>\$ 334,581</u>	<u>\$ 114,134</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.	\$ 1,369,994
Differences - budget to GAAP:	
Capitalization of capital outlay expenditures	(58,057)
Depreciation	141,972
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	<u>\$ 1,453,909</u>

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
RECLAIMED WATER

For the Year Ended September 30, 2022
With Comparative Actual Amounts for the Year Ended September 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
RESOURCES (INFLOWS)					
Charges for services	\$ 250,580	\$ 250,580	\$ 247,111	\$ (3,469)	\$ 221,366
Interest earned	2,500	2,500	10,882	8,382	1,561
AMOUNT AVAILABLE FOR APPROPRIATION	<u>253,080</u>	<u>253,080</u>	<u>257,993</u>	<u>4,913</u>	<u>222,927</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	48,120	48,120	48,120	-	43,860
City of St. Petersburg:					
Administration charge	600	600	580	20	578
Pinellas County:					
Reclaimed water	92,300	92,300	85,317	6,983	66,129
Audit	905	905	837	68	550
Consultants	1,000	1,000	-	1,000	-
Repairs, maintenance, renewals and replacement	35,000	35,000	11,294	23,706	17,513
Capital outlay	283,000	283,000	-	283,000	-
Administrative service charge	15,365	15,365	15,365	-	15,075
TOTAL CHARGES TO APPROPRIATIONS	<u>476,290</u>	<u>476,290</u>	<u>161,513</u>	<u>314,777</u>	<u>143,705</u>
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ (223,210)</u>	<u>\$ (223,210)</u>	<u>\$ 96,480</u>	<u>\$ 319,690</u>	<u>\$ 79,222</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.	\$ 161,513
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>\$ 264,462</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, 2022

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>2022</u>	<u>2021</u>
ASSETS		
Cash, cash equivalents and pooled cash and investments	\$ 4,116,477	\$ 3,492,090
Receivables - other	-	78,549
Due from other governments	29,100	109,582
Inventory of supplies	14,347	8,429
Prepaid expenditures	<u>30,989</u>	<u>75,677</u>
TOTAL ASSETS	<u><u>\$ 4,190,913</u></u>	<u><u>\$ 3,764,327</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 199,181	\$ 228,074
Accrued liabilities	<u>351,684</u>	<u>164,335</u>
TOTAL LIABILITIES	<u>550,865</u>	<u>392,409</u>
DEFERRED INFLOWS OF RESOURCES		
Local business tax receipts	<u>84,088</u>	<u>88,228</u>
TOTAL DEFERRED INFLOWS	<u>84,088</u>	<u>88,228</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>634,953</u>	<u>480,637</u>
FUND BALANCES		
Fund balances		
Nonspendable:		
Inventories and prepaids	45,337	84,106
Assigned to:		
Future budgetary appropriations	-	214,390
Unassigned	<u>3,510,623</u>	<u>2,985,194</u>
TOTAL FUND BALANCES	<u>3,555,960</u>	<u>3,283,690</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u><u>\$ 4,190,913</u></u>	<u><u>\$ 3,764,327</u></u>

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET
CAPITAL IMPROVEMENTS FUND

	September 30,	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash equivalents and pooled cash and investments	\$ 8,385,922	\$ 5,893,828
Due from other governments	51,292	3,630
TOTAL ASSETS	<u>\$ 8,437,214</u>	<u>\$ 5,897,458</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 32,898	\$ 14,576
Accrued liabilities	13,139	-
TOTAL LIABILITIES	<u>46,037</u>	<u>14,576</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred grant revenue	1,984,074	-
TOTAL DEFERRED INFLOWS	<u>1,984,074</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>2,030,111</u>	<u>14,576</u>
FUND BALANCES		
Fund balances		
Restricted for:		
Infrastructure	6,379,628	5,855,407
Impact fees	27,475	27,475
TOTAL FUND BALANCES	<u>6,407,103</u>	<u>5,882,882</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,437,214</u>	<u>\$ 5,897,458</u>

CITY OF SOUTH PASADENA, FLORIDA

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

September 30, 2022

	Total Governmental Funds	Long Term Assets, Liabilities	Adjustments and Eliminations	Statement of Net Position Totals
ASSETS				
Cash, cash equivalents and pooled cash and investments	\$ 12,502,399	\$ -	\$ -	\$ 12,502,399
Receivables - other	-	-	-	-
Due from other governments	80,392	-	-	80,392
Inventory of supplies	14,347	-	-	14,347
Prepaid expenditures	30,989	-	-	30,989
Land and land rights	-	2,059,183	-	2,059,183
Structures and improvements	-	4,451,711	-	4,451,711
Infrastructure	-	4,698,158	-	4,698,158
Furniture, fixtures and equipment	-	3,439,613	-	3,439,613
Construction and projects in process	-	917,347	-	917,347
Accumulated depreciation	-	(8,255,419)	-	(8,255,419)
Deferred outflows of resources:				
Net Other Post Employment Benefits	-	11,031	-	11,031
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	1,104,034	-	1,104,034
Florida Retirement System	-	816,106	-	816,106
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 12,628,127	\$ 9,241,764	\$ -	\$ 21,869,891
LIABILITIES AND FUND BALANCES				
LIABILITIES & DEFERRED INFLOWS				
Accounts payable	\$ 232,079	\$ -	\$ -	\$ 232,079
Accrued liabilities	364,823	-	-	364,823
Current portion of:				
Accrued compensated absences	-	65,290	-	65,290
Non-current portion of:				
Net Other Post Employment Benefits	-	236,319	-	236,319
Accrued compensated absences	-	246,964	-	246,964
Net pension liability:				
Firefighters' Retirement Fund	-	2,107,056	-	2,107,056
Florida Retirement System	-	2,062,755	-	2,062,755
Deferred inflows of resources:				
Deferred revenue - local business tax receipts	2,068,162			2,068,162
Defined benefit pension plans				
Firefighters' Retirement Fund	-	651,742		651,742
Florida Retirement System	-	131,373		131,373
TOTAL LIABILITIES & DEFERRED INFLOWS	2,665,064	5,501,499	-	8,166,563
TOTAL FUND BALANCES / NET POSITION	9,963,063	3,740,265	-	13,703,328
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES / NET POSITION	\$ 12,628,127	\$ 9,241,764	\$ -	\$ 21,869,891

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, 2022

	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	\$ 4,462,061	\$ -	\$ -	\$ (4,462,061)	\$ -
Licenses and permits	483,970	-	-	(483,970)	-
Intergovernmental revenue	3,074,382	-	-	(3,074,382)	-
Fines and forfeits	3,718	-	-	(3,718)	-
Interest	64,862	-	-	(64,862)	-
Change in fair value of investments	(11,158)	-	-	11,158	-
Rent	5,500	-	-	(5,500)	-
Miscellaneous revenues	73,438	-	-	(73,438)	-
Charges for services	-	-	-	498,145	498,145
Operating grants and contributions	-	-	-	1,582,602	1,582,602
General revenues	-	-	-	6,076,026	6,076,026
TOTAL REVENUES	8,156,773	-	-	-	8,156,773
EXPENDITURES					
Current					
General government	1,040,781	48,456	5,454	58,720	1,153,411
Public safety	4,479,194	-	-	(4,479,194)	-
Public safety - police	-	-	-	885,672	885,672
Public safety - fire	-	156,193	(7,932)	2,963,659	3,111,920
Public safety - protective inspections	-	22,438	7,138	489,859	519,435
Transportation - public works	911,913	81,799	2,865	47,477	1,044,054
Human services	3,500	3,824	-	-	7,324
Culture and recreation	32,912	37,634	-	-	70,546
Physical environment	36,313	172,370	-	-	208,683
Capital outlay	860,374	(860,374)	-	-	-
TOTAL EXPENDITURES	7,364,987	(337,660)	7,525	(33,807)	7,001,045
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	4,705	-	-	(4,705)	-
TOTAL OTHER FINANCING SOURCES (USES)	4,705	-	-	(4,705)	-
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 796,491	\$ 337,660	\$ (7,525)	\$ 29,102	\$ 1,155,728

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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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 7,304,979	\$ 7,101,744	\$ 7,199,435	\$ 7,248,467
Restricted	4,015,421	4,350,523	4,313,043	4,569,676
Unrestricted (deficit)	3,696,741	3,056,789	690,581	860,223
Total governmental activities net position	<u>\$ 15,017,141</u>	<u>\$ 14,509,056</u>	<u>\$ 12,203,059</u>	<u>\$ 12,678,366</u>
Business-type activities				
Net investment in capital assets	\$ 3,111,889	\$ 2,940,647	\$ 2,686,418	\$ 2,550,469
Unrestricted	2,536,170	2,609,344	2,766,363	2,734,889
Total business-type activities net position	<u>\$ 5,648,059</u>	<u>\$ 5,549,991</u>	<u>\$ 5,452,781</u>	<u>\$ 5,285,358</u>
Primary Government				
Net investment in capital assets	\$ 10,416,868	\$ 10,042,391	\$ 9,885,853	\$ 9,798,936
Restricted	4,015,421	4,350,523	4,313,043	4,569,676
Unrestricted	6,232,911	5,666,133	3,456,944	3,595,112
Total primary government activities net position	<u>\$ 20,665,200</u>	<u>\$ 20,059,047</u>	<u>\$ 17,655,840</u>	<u>\$ 17,963,724</u>

2017	2018	2019	2020	2021	2022
\$ 7,776,157	\$ 7,471,268	\$ 7,208,370	\$ 7,198,510	\$ 6,977,639	\$ 7,310,593
4,174,483	4,673,236	5,201,648	5,444,363	5,882,882	6,407,103
523,370	362,827	155,304	(440,226)	(312,921)	(14,368)
<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>	<u>\$ 13,703,328</u>
\$ 2,310,729	\$ 2,070,929	\$ 1,940,537	\$ 1,694,679	\$ 1,538,523	\$ 1,351,659
2,853,010	3,060,234	3,210,911	3,544,880	3,649,615	3,889,471
<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>	<u>\$ 5,241,130</u>
\$ 10,086,886	\$ 9,542,197	\$ 9,148,907	\$ 8,893,189	\$ 8,516,162	\$ 8,662,252
4,174,483	4,673,236	5,201,648	5,444,363	5,882,882	6,407,103
3,376,380	3,423,061	3,366,215	3,104,654	3,336,694	3,875,103
<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>	<u>\$ 18,944,458</u>

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

	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 633,246	\$ 666,485	\$ 808,125	\$ 804,196	\$ 840,118
Public safety - Police	1,011,206	1,022,502	1,023,307	881,550	772,949
Public safety - Fire	2,152,151	2,240,521	2,185,829	2,331,312	2,558,760
Public safety - Protective inspections	301,625	331,803	353,270	369,046	369,852
Transportation - Public Works	905,564	895,487	879,520	931,613	926,658
Human services	8,545	3,895	5,795	3,286	4,223
Culture and recreation	60,482	67,662	72,858	62,198	62,164
Physical environment	71,372	85,689	90,854	108,423	110,779
Interest	-	124	66	2	-
Total governmental activities expenses	<u>5,144,191</u>	<u>5,314,168</u>	<u>5,419,624</u>	<u>5,491,626</u>	<u>5,645,503</u>
Business-type activities:					
Sewer	983,726	954,274	991,172	1,027,658	1,082,192
Reclaimed water	175,529	174,310	179,451	195,261	191,780
Total business-type activities expenses	<u>1,159,255</u>	<u>1,128,584</u>	<u>1,170,623</u>	<u>1,222,919</u>	<u>1,273,972</u>
Total primary government expenses	<u>\$ 6,303,446</u>	<u>\$ 6,442,752</u>	<u>\$ 6,590,247</u>	<u>\$ 6,714,545</u>	<u>\$ 6,919,475</u>
Program Revenues					
Governmental activities:					
Charges for services	\$ 1,001,570	\$ 835,462	\$ 689,326	\$ 857,705	\$ 397,383
Operating grants and contributions	720,984	772,767	810,767	730,936	744,612
Capital grants and contributions	-	7,742	3,880	200,204	-
Total governmental activities program revenues	<u>1,722,554</u>	<u>1,615,971</u>	<u>1,503,973</u>	<u>1,788,845</u>	<u>1,141,995</u>
Business-type activities:					
Charges for services	1,048,581	1,031,609	1,065,857	1,046,723	1,133,811
Total business-type activities program revenues	<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>	<u>1,046,723</u>	<u>1,133,811</u>
Total primary government program revenues	<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>	<u>\$ 2,569,830</u>	<u>\$ 2,835,568</u>	<u>\$ 2,275,806</u>
Net (Expense)/Revenue					
Governmental activities net expense	\$ (3,421,637)	\$ (3,698,197)	\$ (3,915,651)	\$ (3,702,781)	\$ (4,503,508)
Business-type activities net revenue	(110,674)	(96,975)	(104,766)	(176,196)	(140,161)
Total primary government net expense	<u>\$ (3,532,311)</u>	<u>\$ (3,795,172)</u>	<u>\$ (4,020,417)</u>	<u>\$ (3,878,977)</u>	<u>\$ (4,643,669)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem	\$ 642,422	\$ 712,589	\$ 894,391	\$ 1,570,705	\$ 1,730,425
Franchise fees	439,881	502,227	490,429	467,936	473,192
Utility taxes	595,950	618,039	632,972	648,746	650,481
Communication services tax	244,085	240,254	241,330	231,531	233,979
Sales tax - infrastructure	463,895	494,915	534,832	563,632	581,267
Half-cent sales tax	272,640	290,685	307,159	319,883	321,020
Local option gas tax	75,514	77,058	78,796	81,708	81,739
Other taxes	61,169	67,357	62,494	64,689	58,273
State revenue sharing	156,238	157,524	159,685	160,186	161,033
Investment income	48,316	5,471	23,944	23,319	48,881
Change in fair value of investments	(26,865)	(9,093)	3,231	7,161	8,176
Miscellaneous	23,965	33,086	37,694	38,592	52,016
Deepwater Horizon - BP Oil spill settlement	-	-	131,898	-	-
Total governmental activities	<u>2,997,210</u>	<u>3,190,112</u>	<u>3,598,855</u>	<u>4,178,088</u>	<u>4,400,482</u>
Business-type activities					
Investment income	540	1,403	7,556	8,773	18,542
Change in fair value of investments	4,591	(2,496)	-	-	-
Total business-type activities	<u>5,131</u>	<u>(1,093)</u>	<u>7,556</u>	<u>8,773</u>	<u>18,542</u>
Total primary government	<u>\$ 3,002,341</u>	<u>\$ 3,189,019</u>	<u>\$ 3,606,411</u>	<u>\$ 4,186,861</u>	<u>\$ 4,419,024</u>
Change in Net Position					
Governmental activities	\$ (424,427)	\$ (508,085)	\$ (316,796)	\$ 475,307	\$ (103,026)
Business-type activities	(105,543)	(98,068)	(97,210)	(167,423)	(121,619)
Total primary government	<u>\$ (529,970)</u>	<u>\$ (606,153)</u>	<u>\$ (414,006)</u>	<u>\$ 307,884</u>	<u>\$ (224,645)</u>

	2018	2019	2020	2021	2022
\$	887,455	\$ 999,635	\$ 1,043,304	\$ 970,276	\$ 1,153,411
	786,522	810,378	834,420	856,752	885,672
	2,633,364	2,838,432	3,167,311	3,121,082	3,111,920
	397,196	458,251	420,474	422,863	519,435
	1,014,262	992,511	1,044,856	944,246	1,044,054
	10,162	9,402	10,829	6,417	7,324
	54,475	56,469	50,905	53,236	70,546
	156,794	156,934	166,398	180,716	208,683
	-	-	-	-	-
	<u>5,940,229</u>	<u>6,322,011</u>	<u>6,738,497</u>	<u>6,555,588</u>	<u>7,001,045</u>
	1,025,922	1,174,549	1,248,053	1,422,861	1,453,909
	212,074	188,877	211,695	246,654	264,462
	<u>1,237,996</u>	<u>1,363,426</u>	<u>1,459,748</u>	<u>1,669,515</u>	<u>1,718,371</u>
\$	<u>7,178,225</u>	<u>7,685,437</u>	<u>8,198,245</u>	<u>8,225,103</u>	<u>8,719,416</u>
\$	513,550	\$ 495,840	\$ 393,349	\$ 546,156	\$ 498,145
	819,272	869,746	928,742	1,046,504	1,582,602
	-	-	-	-	-
	<u>1,332,822</u>	<u>1,365,586</u>	<u>1,322,091</u>	<u>1,592,660</u>	<u>2,080,747</u>
	1,166,250	1,323,268	1,518,803	1,615,696	1,750,295
	<u>1,166,250</u>	<u>1,323,268</u>	<u>1,518,803</u>	<u>1,615,696</u>	<u>1,750,295</u>
\$	<u>2,499,072</u>	<u>2,688,854</u>	<u>2,840,894</u>	<u>3,208,356</u>	<u>3,831,042</u>
\$	(4,607,407)	\$ (4,956,425)	\$ (5,416,406)	\$ (4,962,928)	\$ (4,920,298)
	(71,746)	(40,158)	59,055	(53,819)	31,924
\$	<u>(4,679,153)</u>	<u>(4,996,583)</u>	<u>(5,357,351)</u>	<u>(5,016,747)</u>	<u>(4,888,374)</u>
\$	1,820,247	\$ 2,095,658	\$ 2,216,228	\$ 2,514,741	\$ 2,970,495
	509,999	533,672	522,323	530,215	563,914
	663,585	703,744	733,155	734,185	767,546
	247,881	212,307	190,185	164,739	160,106
	609,637	643,325	584,673	629,401	737,769
	329,118	334,408	316,827	363,983	407,783
	75,738	71,246	65,364	66,504	67,968
	60,288	18,898	102,689	64,177	66,945
	161,955	165,471	161,155	169,368	211,715
	97,760	148,657	74,652	7,213	64,862
	13,951	33,454	28,185	117	(11,158)
	50,569	53,576	58,295	63,238	68,081
	-	-	-	-	-
	<u>4,640,728</u>	<u>5,014,416</u>	<u>5,053,731</u>	<u>5,307,881</u>	<u>6,076,026</u>
	39,170	60,443	29,056	2,398	21,068
	-	-	-	-	-
	<u>39,170</u>	<u>60,443</u>	<u>29,056</u>	<u>2,398</u>	<u>21,068</u>
\$	<u>4,679,898</u>	<u>5,074,859</u>	<u>5,082,787</u>	<u>5,310,279</u>	<u>6,097,094</u>
\$	33,321	\$ 57,991	\$ (362,675)	\$ 344,953	\$ 1,155,728
	(32,576)	20,285	88,111	(51,421)	52,992
\$	<u>745</u>	<u>78,276</u>	<u>(274,564)</u>	<u>293,532</u>	<u>1,208,720</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 26,281	\$ 23,357	\$ 26,041	\$ 24,403	\$ 32,486
Restricted	2,651	1,651	1,651	1,651	2,651
Assigned	744,110	754,970	137,095	104,340	160,230
Unassigned	<u>2,493,922</u>	<u>1,955,827</u>	<u>2,099,926</u>	<u>2,467,165</u>	<u>2,490,642</u>
Total general fund	<u>\$ 3,266,964</u>	<u>\$ 2,735,805</u>	<u>\$ 2,264,713</u>	<u>\$ 2,597,559</u>	<u>\$ 2,686,009</u>
All Other Governmental Funds					
Restricted	\$ 4,012,770	\$ 4,348,872	\$ 4,311,392	\$ 4,568,025	\$ 4,171,832
Assigned to:					
Capital improvement projects	<u>592,556</u>	<u>472,523</u>	<u>455,073</u>	<u>433,616</u>	<u>387,876</u>
Total all other governmental funds	<u>\$ 4,605,326</u>	<u>\$ 4,821,395</u>	<u>\$ 4,766,465</u>	<u>\$ 5,001,641</u>	<u>\$ 4,559,708</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 38,991	\$ 42,544	\$ 73,005	\$ 84,106	\$ 45,337
2,651	1,651	1,651	-	-
126,280	208,260	133,165	214,390	-
<u>2,723,043</u>	<u>2,845,909</u>	<u>2,875,270</u>	<u>2,985,194</u>	<u>3,510,623</u>
<u>\$ 2,890,965</u>	<u>\$ 3,098,364</u>	<u>\$ 3,083,091</u>	<u>\$ 3,283,690</u>	<u>\$ 3,555,960</u>
\$ 4,670,585	\$ 5,199,997	\$ 5,442,712	\$ 5,882,882	\$ 6,407,103
240,878	200,255	66,806	-	-
<u>\$ 4,911,463</u>	<u>\$ 5,400,252</u>	<u>\$ 5,509,518</u>	<u>\$ 5,882,882</u>	<u>\$ 6,407,103</u>

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

	2013	2014	2015	2016
Revenues				
Taxes	\$ 1,933,588	\$ 2,091,109	\$ 2,272,072	\$ 2,921,293
Licenses and permits	293,115	355,998	381,410	551,956
Intergovernmental revenue	1,748,940	1,867,048	1,957,613	2,121,238
Fines and forfeitures	688,842	453,682	288,141	298,600
Interest	48,316	5,471	23,944	23,319
Change in fair value of investments	(26,865)	(9,093)	3,231	7,161
Rent	8,050	6,750	6,093	3,600
Miscellaneous revenue	25,491	35,118	38,426	39,766
Total revenues	<u>4,719,477</u>	<u>4,806,083</u>	<u>4,970,930</u>	<u>5,966,933</u>
Expenditures				
General government	601,174	642,915	777,213	735,542
Public safety	3,349,673	3,393,938	3,464,592	3,365,382
Transportation - public works	794,919	788,780	759,608	787,372
Human services	7,250	2,600	4,500	2,000
Culture and recreation	19,652	26,851	32,476	24,960
Physical environment	-	-	-	-
Capital outlay	1,095,056	270,712	586,334	482,967
Debt service				
Principal retirement	-	3,315	4,061	686
Interest and fiscal charges	-	124	66	2
Total expenditures	<u>5,867,724</u>	<u>5,129,235</u>	<u>5,628,850</u>	<u>5,398,911</u>
Excess of revenues over (under) expenditures	(1,148,247)	(323,152)	(657,920)	568,022
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>287</u>	<u>8,062</u>	<u>131,898</u>	<u>-</u>
Net change in fund balances	(1,147,960)	(315,090)	(526,022)	568,022
Fund balances - beginning of year	8,987,545	7,839,585	7,524,495	6,998,473
Fund balances - end of year	<u>\$ 7,839,585</u>	<u>\$ 7,524,495</u>	<u>\$ 6,998,473</u>	<u>\$ 7,566,495</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.1%	0.1%	0.0%

	2017	2018	2019	2020	2021	2022
\$	3,088,677	\$ 3,246,996	\$ 3,546,478	\$ 3,668,516	\$ 3,971,331	\$ 4,462,061
	360,643	476,897	475,885	375,713	511,552	483,970
	1,946,944	2,056,008	2,103,094	2,159,450	2,334,737	3,074,382
	26,742	21,062	7,523	5,181	4,996	3,718
	48,881	97,760	148,657	74,652	7,213	64,862
	8,176	13,951	33,454	28,185	117	(11,158)
	8,600	9,950	11,335	5,830	1,400	5,500
	49,114	50,926	53,576	58,295	69,195	73,438
	<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>	<u>8,156,773</u>
	736,468	771,751	810,750	853,883	929,722	1,040,781
	3,312,183	3,540,403	3,796,629	4,014,598	4,198,257	4,479,194
	757,592	754,024	790,564	858,725	852,793	911,913
	4,000	4,000	3,000	4,650	3,500	3,500
	27,577	25,825	28,469	21,479	17,632	32,912
	14,228	99,233	4,229	4,953	8,156	36,313
	1,043,912	221,963	250,173	523,541	316,518	860,374
	-	-	-	-	-	-
	-	-	-	-	-	-
	<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>	<u>7,364,987</u>
	(358,183)	556,351	696,188	93,993	573,963	791,786
	4,700	360	-	-	-	4,705
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>4,700</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,705</u>
	(353,483)	556,711	696,188	93,993	573,963	796,491
	7,599,200	7,245,717	7,802,428	8,498,616	8,592,609	9,166,572
\$	<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>	<u>\$ 9,963,063</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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function / Program			
Governmental activities :			
Charges for services			
General government	\$ 86,223	\$ 103,963	\$ 105,754
Public safety - Police	688,843	453,682	288,141
Public safety - Protective inspections	218,454	271,067	289,339
Culture and recreation	8,050	6,750	6,092
Total charges for services	<u>1,001,570</u>	<u>835,462</u>	<u>689,326</u>
Operating grants and contributions			
General government	-	-	-
Public safety - Fire	719,484	771,767	810,767
Human services	-	-	-
Culture and recreation	1,500	1,000	-
Physical environment	-	-	-
Total operating grants and contributions	<u>720,984</u>	<u>772,767</u>	<u>810,767</u>
Capital grants and contributions			
Public safety - Fire	-	-	-
Culture and recreation	-	7,742	3,880
Physical environment	-	-	-
Total capital grants and contributions	<u>-</u>	<u>7,742</u>	<u>3,880</u>
Sub-total governmental activities	<u>1,722,554</u>	<u>1,615,971</u>	<u>1,503,973</u>
Business-type activities:			
Charges for services			
Sewer	859,051	842,519	876,912
Reclaimed water	189,530	189,090	188,945
Total charges for services	<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>
Sub-total business-type activities	<u>1,048,581</u>	<u>1,031,609</u>	<u>1,065,857</u>
Total primary government revenues	<u>\$ 2,771,135</u>	<u>\$ 2,647,580</u>	<u>\$ 2,569,830</u>

2016	2017	2018	2019	2020	2021	2022
\$ 87,309	\$ 97,102	\$ 105,383	\$ 104,819	\$ 107,872	\$ 108,501	\$ 98,234
298,600	26,742	21,062	7,523	5,181	4,996	3,718
468,196	264,939	377,155	372,163	274,466	431,259	390,693
3,600	8,600	9,950	11,335	5,830	1,400	5,500
<u>857,705</u>	<u>397,383</u>	<u>513,550</u>	<u>495,840</u>	<u>393,349</u>	<u>546,156</u>	<u>498,145</u>
-	-	-	40,793	36,891	104,448	567,775
730,936	743,612	813,282	825,974	888,216	933,226	1,014,427
-	1,000	-	-	-	-	-
-	-	5,990	2,979	963	-	-
-	-	-	-	2,672	8,830	400
<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>	<u>1,582,602</u>
196,418	-	-	-	-	-	-
3,786	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>200,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>2,080,747</u>
857,922	945,215	977,692	1,133,869	1,328,968	1,394,330	1,503,184
188,801	188,596	188,558	189,399	189,835	221,366	247,111
<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>1,750,295</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>1,750,295</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>	<u>\$ 3,831,042</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
2022	\$ 2,970,495	\$ 563,914	\$ 767,546	\$ 160,106	\$ 4,462,061
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

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
2022	\$ 750,534,327	\$ 111,799,966	\$ 6,031,034	\$ 57,739,560	\$ 424,290
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

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
\$ 35,333,625	\$ 961,862,802	\$ 232,267,330	\$ 729,595,472	4.2474
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

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			Total County - Operating	Pinellas County School Board		
		Operating	Mosquito Control	Health Department		State School	Local School	Total School Board
2022	4.2474	5.1302	0.0000	0.0790	5.2092	3.5770	2.7480	6.3250
2021	3.7806	5.2755	0.0000	0.0835	5.3590	3.6790	2.7480	6.4270
2020	3.5000	5.2755	0.0000	0.0835	5.3590	3.8360	2.7480	6.5840
2019	3.5000	5.2755	0.0000	0.0835	5.3590	3.9790	2.7480	6.7270
2018	3.2500	5.2755	0.0000	0.0835	5.3590	4.2610	2.7480	7.0090
2017	3.2500	5.2755	0.0000	0.0622	5.3377	4.5700	2.7480	7.3180
2016	3.2500	5.2755	0.0000	0.0622	5.3377	5.0220	2.7480	7.7700
2015	2.0105	5.2755	0.0000	0.0622	5.3377	5.0930	2.7480	7.8410
2014	1.6985	5.2755	0.0000	0.0622	5.3377	5.3120	2.7480	8.0600
2013	1.6985	5.0105	0.0000	0.0622	5.0727	5.5540	2.7480	8.3020

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 Other	Total
	Emerg. Medical Services	Pinellas Planning Council	Juvenile Welfare Board	SW Fla. Wtr. Management District			
0.7500	0.9158	0.0150	0.8981	0.2535	2.0824	18.6140	
0.7500	0.9158	0.0150	0.8981	0.2669	2.0958	18.4124	
0.7500	0.9158	0.0150	0.8981	0.2801	2.1090	18.3020	
0.7500	0.9158	0.0150	0.8981	0.2955	2.1244	18.4604	
0.7500	0.9158	0.0150	0.8981	0.3131	2.1420	18.5100	
0.7500	0.9158	0.0150	0.8981	0.3317	2.1606	18.8163	
0.7305	0.9158	0.0160	0.8981	0.3488	2.1787	19.2669	
0.7305	0.9158	0.0160	0.8981	0.3658	2.1957	18.1154	
0.7305	0.9158	0.0160	0.8981	0.3818	2.2117	18.0384	
0.7305	0.9158	0.0125	0.8981	0.3928	2.2192	18.0229	

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Watermark Boca Ciega Bay Owner LLC / Fountains Property, Inc. - Majestic Towers	\$ 40,866,653	1	5.60%	\$ 22,733,818	2	5.43%
Waters Pointe Apartments LLC	33,750,000	2	4.63%	17,825,000	3	4.26%
Palms of Pasadena Hospital, Inc.	26,695,777	3	3.66%	23,490,206	1	5.61%
South Pasadena R2G Owner, LLC	21,230,000	4	2.91%	-		0.00%
Bay Pointe Tower Apartments LLC	12,511,400	5	1.71%	-		0.00%
Causeway Village MHC LLC	12,211,432	6	1.67%	7,300,180	5	1.74%
Pasadena Bayside LLC	10,990,000	7	1.51%	-		0.00%
Extra Space Properties Two LLC	9,680,000	8	1.33%	-		0.00%
Duke Energy Florida / Progress Energy	8,067,227	9	1.11%	-		0.00%
Publix Super Markets	6,797,462	10	0.93%	6,722,872	7	1.61%
V.V. FL, Inc. (Pasadena Shopping Center)				11,831,151	4	2.82%
N M E Hospitals Inc. (Pasadena Prof. Medical Bldg)				7,078,695	6	1.69%
Serenity at St. Petersburg LLC				5,400,000	8	1.29%
Denasan LLC (Sweetbay)				4,155,000	9	0.99%
Harvard Family Investments LLC				2,500,000	10	0.60%
Quality Self-Storage Pasadena Land Trust				2,500,000	10	0.60%
Total Principal Taxpayers	182,799,951		25.05%	111,536,922		26.63%
All Other Taxpayers	546,795,521		74.95%	307,312,929		73.37%
Total	\$ 729,595,472		100.00%	418,849,851		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	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2022	\$ 3,098,884	\$ 2,970,495	95.86%
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%

Notes:

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

Source:

Pinellas County Property Appraiser

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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			
2022	\$ -	\$ -	\$ -	0.00%	\$ -
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%	-

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, 2022

<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)	\$ 35,905,598	0.691%	\$ 248,008
Pinellas County Governmental Activities Bonds (2)	6,318,081	0.691%	43,640
Pinellas County School Board (2)	<u>9,314,547</u>	0.691%	<u>64,338</u>
	<u>\$ 51,538,226</u>		355,986
City direct debt	<u>\$ -</u>		<u>-</u>
Total direct and overlapping debt			<u>\$ 355,986</u>
Total direct and overlapping debt per capita			<u>\$ 67</u>

Note:

(1) The City's share is calculated based on the ratio of the 2022 City Taxable Value of \$729,595,472 to the County's Taxable Value of \$105,627,946,782.

(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
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-

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 (1)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2022	5,319	\$ 1,604,008,439	\$ 38,954	70.5	95,446	2.50%
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%

Sources:

- (1) United States Census Bureau
- (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.
- (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	2022		2013	
	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 / Bright House Networks	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

Function / Program	Full-time Equivalent Employees as of September 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government										
Legislative	-	-	-	-	-	-	-	-	-	-
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Financial Administration	3.75	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
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	17.0	18.0	18.0	18.0	16.0	15.0	15.0	15.0	15.0
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	1.0	2.0	2.0	2.0
Bldg / Parks / Facility Maint.	6.0	6.0	4.0	6.0	6.0	6.0	6.0	4.0	5.0	5.0
Building Permitting / Licensing										
Administration	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	2.0
Inspectors	1.0	-	0.75	0.75	0.5	-	-	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	-	-	-
	<u>39.75</u>	<u>38.00</u>	<u>36.75</u>	<u>38.75</u>	<u>39.50</u>	<u>37.00</u>	<u>36.00</u>	<u>36.00</u>	<u>37.00</u>	<u>36.00</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>2022</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>
Fire										
EMS responses	2,505	2,589	2,761	2,991	2,895	2,652	2,540	2,507	2,219	2,023
Fire dept. responses	504	483	518	497	503	755	783	702	627	661
Water										
New connections	-	-	-	-	-	-	-	-	-	-
Avg. daily consumption (thousands of gallons)	502	496	512	437	470	480	461	469	478	473
Sewer										
Average daily flow (mgd)	0.47	0.51	0.49	0.50	0.52	0.52	0.55	0.53	0.51	0.52

Sources:

City of South Pasadena Fire and Public Works Departments

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

<u>Function/Program</u>	<u>2022</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>
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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 10, 2023.

Report on Internal Control over Financial Reporting

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

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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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

August 10, 2023

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 fiscal year ended September 30, 2022, and have issued our report thereon dated August 10, 2023.

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 our Independent Auditor'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 those reports, which are dated August 10, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554 (1)(i)4., Rules of the Auditor General, 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 operates under applicable provisions of Florida Statutes Chapter 166. The City was established in 1955 pursuant to Chapter 31277 (1955) of the laws of Florida. The City of South Pasadena, Florida has no component units.

Financial Condition and Management

Section 10.554 (1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of South Pasadena, Florida met one or more the conditions described in Section 218.503(1), Florida Statutes, and to identify 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 for the City of South Pasadena, Florida. 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 review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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

Section 10.554 (1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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.
St. Petersburg, Florida

August 10, 2023

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 Section 218.415, Florida Statutes, during the year ended September 30, 2022. 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, 2022.

Wells, Houser & Schatzel, P.A.

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

August 10, 2023

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

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

We have audited the financial statements of the City of South Pasadena, Florida (the City) as of and for the year ended September 30, 2022, and have issued our report thereon dated August 10, 2023 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

August 10, 2023

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