



CITY OF

PASADENA

C A L I F O R N I A



COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020





FOR SUFFRAGE
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Pasadena CELEBRATES
WOMEN'S
VOTE 100
1920-2020

City of Pasadena, California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2020



Terry Tornek
Mayor



Tyron A.L. Hampton
Vice Mayor
District 1



Margaret McAustin
Council Member
District 2



John J. Kennedy
Council Member
District 3



Gene Masuda
Council Member
District 4



Victor Gordo
Council Member
District 5



Steve Madison
Council Member
District 6



Andy Wilson
Council Member
District 7

STEVE MERMELL, CITY MANAGER
MATTHEW E. HAWKESWORTH, DIRECTOR OF FINANCE
PREPARED BY THE DEPARTMENT OF FINANCE, CITY OF PASADENA

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INTRODUCTORY SECTION





DEPARTMENT OF FINANCE

February 8, 2021

To the Honorable Mayor, Members of the City Council
and the Citizens of the City of Pasadena, California:

The Comprehensive Annual Financial Report (CAFR) of the City of Pasadena, California (City) for the fiscal year ended June 30, 2020 (FY 2020) is hereby submitted in compliance with Section 907.5 of the City Charter. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements.

This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has the primary responsibility for determining accounting and financial reporting standards for state and local government entities. It is believed that the data, as presented, is accurate in all material respects, and is presented in a manner designed to fairly set forth the financial position and results of operations of the City and its component units as measured by the financial activity of the various funds. The financial statements include all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs and evaluate its financial condition.

The City Charter requires an audit of the financial statements of all accounts of the City by an independent certified public accountant. This year's audit was undertaken by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pasadena for the FY 2020 fairly state the City's financial position. The independent audit involved examining evidence, on a test basis, that supports the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Pasadena's financial statements for FY 2020 and that these financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. Under the current auditor contract, the City required the auditor to include sampling from every fund.

The independent audit of the financial statements of the City was part of a broader, federally-mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with emphasis on those involving the administration of federal awards. The auditor’s report on internal controls and compliance will be available in the City’s separately issued Single Audit Report.

GASB requires that management provide a narrative introduction, an overview, and an analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pasadena’s MD&A can be found immediately following the report of the independent auditor.

GOVERNMENTAL STRUCTURE

The City was incorporated in 1886 and became a charter city in 1901. The City operates under the powers granted by the City Charter which dictates the responsibilities of the City Council and the City Manager. There are seven City Council members who are nominated and elected by district for overlapping, four-year terms. In addition, there is a citywide elected Mayor who also serves a four-year term.

The City Council is responsible for, among other things, setting policies, passing ordinances, adopting the budget, appointing committees and hiring the City’s Manager, City Attorney/City Prosecutor, and City Clerk. The City Manager is responsible for carrying out policies and ordinances of the City Council, appointing the heads of the City’s departments, preparing and managing the budget, and overseeing the day-to-day operations of the City.

The City covers an area of 23 square miles in the northwestern portion of the San Gabriel Valley and has a 2020 population of 144,842, according to the California State Department of Finance. The City is bounded on the west by the cities of Los Angeles, Glendale, and La Cañada Flintridge; on the south by South Pasadena and San Marino; on the east by Arcadia and Sierra Madre; and on the north by the unincorporated community of Altadena.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and are included in this CAFR as part of the City. Accordingly, the Pasadena Public Financing Authority, Pasadena Parking Authority, the Pasadena Civic Improvement Corporation (PCIC), and the Pasadena Fire and Police Retirement System (FPRS) are reported as part of the City. The Successor Agency to the Pasadena Community Development Commission is shown as a Private Purpose Trust Fund reported in the Fiduciary Fund Section. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City and to differentiate their financial position, results of operations, and cash flows from those of the City. The Rose Bowl Operating Company (RBOC), the Pasadena Center Operating Company (PCOC), and the Pasadena Community Access Corporation (PCAC) are discretely presented component units. Separate financial statements are also available for all three discretely presented component units. The City is a party to, and designated administrator for, two Joint Powers Authorities, the Foothill Air Support Team (FAST) and the Foothill Workforce Development Board. These entities are accounted for in the City books, CAFR, and audited as part of the City’s audit.

The City provides a full range of municipal services including public safety (police and fire), street construction and maintenance, refuse collection, water, power, sewer collection utilities, libraries, parks and recreation, planning and zoning, code enforcement, public health, affordable housing, career services and job training, and general administrative and support services.

BUDGETARY CONTROLS

The City adopts a comprehensive budget detailed by department and fund prior to the beginning of each fiscal year, July 1. From the effective date of the budget, funds become appropriated to the departments and component units for the objects and purposes identified. At any public meeting after the adoption of the budget, the City Council may amend or supplement the budget by a motion adopted by the affirmative vote of at least five members of the City Council. The accounts of the City are maintained by line item detail or object of expenditure. The legal level of budgetary control (the level at which management may not reassign resources or overspend appropriations) is at the departmental level within each fund. Revenues are estimated annually and monitored on an ongoing basis to ensure there are adequate resources to cover expenditures.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the current environment in which the City of Pasadena operates.

The Current Economic Climate

The national economic backdrop is the worldwide pandemic impacting everyone in unanticipated ways. Halfway through the fiscal year, at the beginning of 2020, the big question continuing to be discussed was when will the longest economic expansion on record end? The answer to that question came rather decisively late in the 1st quarter of 2020 as economic shutdowns began in response to the COVID-19 pandemic. Around the country, the latter part of March, April and the first half of May saw mandated closures of businesses. The impacts to the economy were swift and vivid with many indicators exceeding levels only seen during other major downturns. In just four months the California unemployment rate soared to 15.5% from 3.7% in December 2019, and retail sales dropped 25% over just two months.

To help offset some of these impacts, Government stimulus packages pumped cash to business owners to keep employees on their payroll, provided one-time payments to taxpayers, and expanded unemployment benefits to the newly unemployed. By mid-May, due to their success many public health mandates were relaxed allowing many businesses to reopen at least partially. Data indicated a rebound was taking place with decreased unemployment rates and consumer spending on the rise. As a result, some economists were calling for a rapid recovery in the latter half of 2020 believing a “V” shape recovery was already taking place. Others were calling for a weaker bounce producing a “U” or “Nike-swoosh” type recoveries. However, as COVID-19 infection rate again began to rise, re-opening plans were paused or reversed. As the infection rates are surging in December 2020 and vaccinations are being approved and deployed, the goal is to get the pandemic under control as quickly as possible.

According to Mark Schniepp of the *California Fiscal Outlook* (August 4, 2020), two things are required to rebound: restoration of confidence so consumers spend, and withdrawal of restrictions allowing businesses to expand, sell and hire. He notes that “neither of these actions will occur until the pandemic is under control, and the concern about infection has passed.” Christopher Thornberg in the December 2020 *Beaconomics* noted:

“This will most assuredly be the last surge of the virus. There are now 3 statistically effective vaccines developed in the west. Additional successes may well be announced in the coming days and weeks given that over 37 groups were working to develop a vaccine. Recent analysis suggests that vaccination of first responders could start by December, and there will be widespread vaccination by March of next year. As noted in past editions of *Beaconomics*, the last expansion peaked in February of this year, and the economy hit bottom in April-making the two-month long pandemic-driven downturn the shortest recession in U.S. history. The recovery hasn’t been

as rapid as the downturn, but has still been historically faster than ever seen before with real GDP growth in the 3rd quarter coming in at over 33%. So, the worst quarter for growth in U.S. economic history was followed by the best, or in other words the steepest recession ever (a 15% decline in output from February to April) was followed by the fastest recovery ever.”

“The U.S. economy has not, of course, fully returned to normal, with most macro-statistics still below their pre-pandemic levels. But as of September, the economy was only 4% below long-run growth trends, having recovered three-fourths of the lost output that occurred between February and April.”

Cities continue to face economic and fiscal uncertainty while trying to keep their communities safe from the public health crisis. As the state faces their own fiscal challenges and the federal government provides only minimal fiscal relief to large cities, cities are once again in a position to largely go it alone.

Pasadena has fared better than many cities due to careful fiscal management, responsible accumulation of reserves, and diversity of revenue sources.

As with the national and state economy, Pasadena’s local economy has been impacted by the COVID-19 virus and stay-at-home orders. Fortunately, Pasadena’s diverse economic base has helped stabilize local impacts. Sectors like finance, healthcare and technology have experienced less disruption than other consumer focused activities.

The brand new Kaiser Permanente School of Medicine opened its doors this past fall, bringing in a new set of faculty and future medical doctors into Pasadena’s downtown. Caltech will start construction on the Amazon Quantum Computing Center in 2021 while other faculty are currently moving into the recently completed Tianqiao and Chrissy Chen Neuroscience Research facility. The Doheny Eye Institute, which is moving to Pasadena from the University of Southern California medical campus, is building out their new 125,000 s.f. headquarters and research facility in the Pasadena. In addition, recent decisions made by the Carnegie Institute of Science will result in a significant number of their administrative staff and researchers moving from northern California and Maryland into Pasadena.

The City’s Permit Center continues to support a robust number of requests for building improvements and new development. New housing is still moving forward with several infill projects under construction. Consistent with Pasadena’s Inclusionary Housing Program, new projects will include some affordable units as part of the overall investment, helping with workforce housing demands. The Playhouse Village area of the downtown is particularly active with several new projects representing hundreds of units nearing completion by end of 2021. This area will also see the ground breaking and construction commencement of a new public park. This new City investment will act as an important gathering spot for this dynamic part of the community. On the other side of the Civic Center, Lincoln Properties is nearing completion of nearly 400 housing units, 200,000 sf. of new office space, and ground floor retail space along Fair Oaks Avenue. Home Depot purchased the property previously occupied by Avon Corporation and is 3 months away from opening a modern new store. On the food service front, even with the disruption during the pandemic, Pasadena has seen a reasonable offset of business with several new restaurants opening. Pasadena has also been in a leadership position in ghost kitchens and was one of the first cities to house this multi-tenant prep kitchen concept that is becoming more commonplace in urban centers.

PASADENA’S FISCAL POSITION PRIOR TO THE COVID-19 PANDEMIC

The City entered FY 2020 in a strong financial position having reduced expenditures in excess of \$6 million over the preceding three fiscal years to ensure a balanced budget. Not wanting to make further reductions to essential services and mindful of the need to reinvest in critical infrastructure, in November 2018, Pasadena voters approved Measure I, a ¾-cent local sales tax measure. Associated with Measure I was an advisory measure, Measure J, which advised the City Council to share 1/3 of the revenue derived from Measure I with the Pasadena Unified School District (PUSD). Pursuant to a Memorandum of Understanding between the City and School District the City transferred \$7.9 million to PUSD for FY 2020.

Prior budget actions combined with a strong local economy and a commitment to fiscal responsibility and stability has enabled the City to build and maintain healthy fund balance reserves in the General Fund. Importantly, while the nature of the COVID-19 crisis was unknown until recently, it is understood that disaster can strike at any time whether it be natural or economic, that reinforces the importance of maintaining strong financial reserves.

General Fund - Fund Balance Summary

| | FY 2019 | FY 2020 | Increase (Decrease) |
|---------------------------|--------------|------------|---------------------|
| Unassigned | \$19,605,899 | 445,197 | \$(19,160,702) |
| 5% Operating Reserve | 12,693,700 | 12,692,400 | (1,300) |
| 15% Emergency Reserve | 38,081,100 | 42,427,200 | 4,346,100 |
| Section 115 Pension Trust | 11,230,935 | 11,706,421 | 475,486 |
| Total | \$81,611,634 | 67,271,218 | \$(14,340,416) |

FINANCIAL IMPACTS OF THE COVID-19 PANDEMIC

Total General Fund revenue losses between FY 2020 and FY 2021 are projected at \$40.5 million. The losses in FY 2020 were partially offset by underspending compared to the budget and the sale of the Concord apartments. The table above shows the value of having carefully built reserves. The overall utilization of FY 2019 reserves in FY 2020 have provided resources to soften the impact of COVID-19.

General Fund Taxes

Based on continued discussions with the City's property tax consultant, the revenue impacts for property tax for FY 2020 were minimal and FY 2021 impacts are expected to remain that way. In the near term, any immediate impacts would be due to late payments beyond the payment deadlines. Longer term impacts such as reassessments by the County could occur, but only if the real estate market contracts or collapses and there are no signs of that at this point. Furthermore, due to the annual tax assessment cycle, major downward shifts in property tax would probably not affect the City's revenues until FY 2022. The growth forecast in the longer term will need to be adjusted downward if development projects currently underway are halted or postponed due to the financial market turmoil. Should the City begin to see the real estate market collapse due to business closures, bankruptcies or other issues, it would have a significant impact on the City's revenues as property tax revenue has been the strongest revenue source since the Great Recession.

Sales Tax revenue will be negatively affected in both the short and long-term. As previously reported to the City Council through the quarterly sales tax newsletters, some business sectors were already struggling prior to March 2020. That preexisting market stress combined with the current economic environment may lead to a longer recovery cycle. Following, is a table by category regarding estimates of both immediate changes along with a 12-month outlook.

| Category | Jan-Mar 2020 | Apr-June 2020 | Fiscal Year 2021 |
|------------------------|--------------|---------------|------------------|
| Autos/Transportation | -12.0% | -55.0% | -6.3% |
| Building/Construction | -7.0% | -40.0% | -0.1% |
| Business/Industry | -15.0% | -30.0% | -5.4% |
| Fuel/Service Stations | -10.0% | -50.0% | 0.0% |
| Food/Drugs | 5.0% | 5.0% | 2.0% |
| General Consumer Goods | -15.0% | -45.0% | -2.5% |
| Restaurants/Hotels | -10.0% | -60.0% | -6.5% |
| State/County Pools | 15.0% | 10.0% | 7.3% |

Pasadena's sales tax FY 2020 revenues were \$0.7 million less than forecasted and FY 2021 will be at least \$2.2 million lower than the 5-year forecast projections. However, Pasadena's heavy dependence on the Autos/Transportation, Restaurant/Hotel, and General Consumer Goods categories will provide greater volatility. We are aware of layoffs occurring in Pasadena and it is unrealistic to expect businesses will return to 100% immediately following the Safer at Home orders.

In regards to the tax generated by Measure I, the locally generated taxes should mirror the table above with FY 2021 being \$3.9 million lower than the 5-year forecast. The original forecast reflected strong growth above the originally forecasted \$21 million; therefore the projected reduction is greater. Measure I is still forecasted to generate \$22.3 million in FY 2021. The primary variance will be from online sales as those retailers remit the Measure I tax directly to the City rather than through the State or County pools. Therefore, retailers such as Amazon will have increased growth similar to the County pool rather than their regular business category of General Consumer Goods.

On April 2nd Governor Newsom announced sales tax deferment measures to help small businesses with cash flow issues. The first measure is immediate and extends the payment deadline by 90 days for the first quarter of calendar year 2020 to the end of July. This extension delayed revenue received by the City for several months and resulted in \$1.0 million in revenue being recorded in FY 2021 instead of FY 2020. The second measure announced is a \$50,000 tax deferment of up to 12 months for small businesses. This measure will allow small businesses to delay payment of up to \$50,000 in sales tax for up to 12 months without penalty. Initial information shows that any deferments will be spread out against all tax rates and will include the City's base 1% Bradley-Burns tax and the Measure I tax. While these deferments will not be a permanent loss of revenue, it will negatively affect the City's cash flow and shift up to \$1.5 million.

ACTIONS TAKEN AND FUTURE ACTIONS

To offset the immediate loss of General Fund revenue in FY 2020 the City utilized most of the \$19.6 million of unassigned fund balance, leaving only \$0.4 million. This, along with underspending of \$15.3 million and proceeds from the sale of the Concord Senior Apartments offset the projected \$19.6 million loss and resulted in an \$8.9 million increase in total fund balance. While the Concord sale and payment of back ground lease resulted in a \$25.4 million cash infusion to the General Fund in FY 2020, it was all paid out; \$23.1 million to the Pasadena Fire and Police Retirement System, \$1.1 million to repay a HUD loan, and \$1.2 million to the Housing Successor. The balance of the Concord sale transaction comes in the form of a note receivable for \$18.35 million, with an estimated \$13.5 million due to the City in FY 2022. Upon receipt of the estimated \$13.5 million in FY 2022 these proceeds will be contributed to the Pasadena Fire and Police Retirement System.

Thanks to Measure I, prior to the current crisis, staff had intended to recommend an appropriation of \$8.5 million in General Fund dollars to the City's Capital Improvement Program budget for FY 2021. However, given the currently projected loss of \$10.8 million in FY 2021, rather than jeopardize the City's ability to provide essential services, these dollars have been reprogrammed to balance the Operating Budget. Through this action the FY 2021 Adopted Operating Budget is balanced without the use of reserves.

An update to the City's financial model based on more recent revenue projections and results indicates that although the FY 2021 budget was balanced, a \$2.4 million shortfall has developed and that Council will be taking action in February to address it. Normally, this would not be cause for alarm; however, at this juncture it is difficult to tell how pronounced the long-term impacts of the COVID-19 pandemic will be on the economy. Moreover, should these current projections come to pass, or become worse, the City would find itself in the position it was prior to the passage of Measure I; spending more annually than it brings in and having no capacity to reinvest in critical infrastructure.

General Fund Five-Year Forecast - Post COVID-19

| | FY 2020 Projected | FY 2021 Forecast | FY 2022 Forecast | FY 2023 Forecast | FY 2024 Forecast | FY 2025 Forecast |
|--|------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Beginning Amount Available for Appropriations | \$ 19,136,361 | \$ 2,311,923 | \$ 2,775,350 | \$ 2,443,644 | \$ 588,767 | \$ (3,179,396) |
| Revenues | | | | | | |
| Tax Revenues | 198,797,749 | 204,566,168 | 212,079,817 | 218,552,492 | 225,511,368 | 232,846,528 |
| Other Revenues | 42,958,455 | 45,835,945 | 46,967,239 | 48,127,657 | 49,317,965 | 50,538,948 |
| Contributions/Svs. From Other Funds | 20,607,388 | 19,640,438 | 20,490,438 | 20,490,438 | 20,490,438 | 20,490,438 |
| Total Revenues | 262,363,592 | 270,042,551 | 279,537,494 | 287,170,587 | 295,319,771 | 303,875,914 |
| Expenses | | | | | | |
| Personnel | 163,636,026 | 174,809,813 | 182,057,379 | 188,750,079 | 196,519,882 | 199,534,742 |
| Debt Service | 10,744,034 | 10,475,309 | 11,352,470 | 11,588,198 | 11,588,529 | 12,322,553 |
| Contributions To Other Funds | 32,964,673 | 13,301,473 | 14,067,502 | 14,348,853 | 14,635,830 | 14,928,546 |
| Other Expenses | 71,843,296 | 70,992,529 | 72,391,849 | 74,338,333 | 76,343,693 | 78,409,905 |
| Total Expenses | 279,188,029 | 269,579,124 | 279,869,200 | 289,025,463 | 299,087,934 | 305,195,746 |
| Operating Income/(Loss) | (16,824,437) | 463,427 | (331,706) | (1,854,876) | (3,768,163) | (1,319,832) |
| Ending Amount Available for Appropriations | 2,311,923 | 2,775,350 | 2,443,644 | 588,768 | (3,179,395) | (4,499,227) |
| Reserve for Capital | - | - | - | - | - | - |
| Contribution to Policy Reserve | - | - | - | - | - | - |
| Net Income/(Loss) with Reserve Contribution | \$ (16,824,437) | \$ 463,427 | \$ (331,706) | \$ (1,854,876) | \$ (3,768,163) | \$ (1,319,832) |

Recognizing that such a situation is far from optimal, we are making plans now to ensure a return to the more promising financial picture that existed prior to the COVID-19 pandemic. Even before the current crisis, the Operating Budget for FY 2021 was adopted with very few enhancements. Those that have been included were done to address a particular need or issue. For example:

- Convert all City buildings to “Go Green” by working with the Pasadena Water and Power Department to convert the traditional electricity plans to 100% green energy;
- Lease of 14 defibrillators. Half of the Fire Department’s 28 defibrillators, which are on every front line and reserve apparatus, are becoming obsolete and will no longer meet current standards for patient care;
- 1.0 FTE Fire Captain to manage recruitment, training, and retention activities for firefighters. With current vacancies and retirements on the horizon, hiring and training efforts are critical to ensure sufficient and safe staffing levels of firefighters;
- Tenant rights counseling provided by the Housing Rights Center. Even before COVID-19, the Housing Department had identified a need for counseling services. As the pandemic leads to financial loss and greater economic fallout, the potential for tenant displacement will only grow more and the timeliness of these services will be critical for those in need;
- 1.0 FTE Office Assistant (limited term) to assist with Section 8 open enrollment. The Housing Department is predominantly grant funded, which creates a heavy administrative workload for programmatic staff to bear;
- Fully fund the ROSE (Realizing Opportunities through Summer Employment) Program that supports 165 summer interns;
- 1.0 FTE Management Analyst IV to address internal audit concerns and provide day-to-day oversight of all contracts, vendors and processes in connection with the parking garages, surface lots, and parking meter districts. As equally important, the Parking Division has been in much need of long range planning and this position will help develop the Garage Assessment Study and Parking Strategic Plan; and

- Maintain a reliable fleet by replacing those that have exceeded their useful lives and are in constant need of repair. Replace four refuse side loaders, seven utility vehicles used in responding to power maintenance issues/outages, and four utility vehicles used for daily water customer service, field projects and inspections.

As the scope of the current economic crisis became clearer, staff identified a series of immediate budget reductions, totaling \$2.47 million overall and \$1.85 million in the General Fund, which were recommended and approved for immediate implementation along with the adoption of the budget. These reductions are not expected to impact existing service levels in a significant way.

As the City proceeds into FY 2021, opportunities for additional cost savings will be pursued further. This work will be accomplished in a careful methodical fashion that seeks to maintain all essential City services.

FISCAL YEAR 2020 ACCOMPLISHMENTS

While it is critically important that the City maintain strong fiscal health and address its multiple infrastructure-related issues, it must also take time to acknowledge positive improvements. Examples of FY 2020 accomplishments include:

- Adoption of a balanced budget for the eighth consecutive year, consistent with the City Council's goal to maintain fiscal responsibility and stability;
- Implemented fourth year of five-year program of tiered increases to City's minimum wage and wage enforcement program;
- Continued pursuit of long term legacy project in the Arroyo Seco, with good progress made to restore and revitalize Arroyo Seco parkland;
- Worked to minimize the impact of COVID-19 on City revenues, worked in conjunction with Federal, State, and other local agencies and businesses to support people in need, meet medical requirements, maintain public health and safety, and implement strategies to curtail spread of Coronavirus/COVID-19 in the community;
- In response to the COVID-19 pandemic the City Manager's Office took quick and decisive action to ensure that the community had the most updated information to address this nationwide issue. Immediately activated the EOC and held daily meetings with all department heads as well as the Pasadena Center Operating Company and the Rose Bowl Operating Company to ensure that essential services continued. Worked with the Health Officer regarding orders that protected Pasadena residents, workers, and visitors. Developed protection program for Pasadena renters who were experiencing financial difficulties. Implemented a stimulus program to give back to our utility customers. Established an alternate care facility in coordination with Huntington Hospital at the Pasadena Convention Center;
- Initiated the foundation for a November 2020 ballot measure regarding the power fund transfer to the General Fund. This included surveys and educational campaigns;
- Completed the annual citywide risk assessment and FY 2021 proposed internal audit plan;
- Oversaw the completion of the grants management Audit;
- Developed and coordinated the production of 2020 census outreach materials, including campaign logo, news releases, newsletters, bill inserts, bus and building banners, video PSAs, website updates, and social media advertisements;
- Worked with Councilmember Margaret McAustin and other City staff on organizing digital outreach campaign to celebrate 100th anniversary of women's right to vote, and solicited participation from local organizations;

- Distributed 184 “Welcome Packages” in 7 months to new Pasadena businesses;
- The Foothill Workforce Development Board (FWDB) served 15,764 job seekers or unemployed workers via the One Stop Career Centers from 7/1/2019 to 4/9/2020;
- Successfully refunded the Pension Obligation Bonds related to Fire and Police Retirement System, reducing the City’s General Fund debt service by approximately, \$435,000 annually;
- Implemented the Human Resources/Payroll module of Tyler Munis, which included electronic timekeeping for all City employees;
- The Fire Department is one of only 94 of over 30,000 fire departments in the United States that are both Insurance Services Office (ISO) Class 1 and accredited by the Center of Public Safety Excellence’s (CPSE) Commission on Fire Accreditation (CFAI). In California, only five fire departments achieved both accomplishments.
- Assisted eleven strike teams and fire-line deployments between July 2019 and December 2019 as part of the California Fire and Rescue Mutual Aid System to fight fires and assist with regional disasters;
- Purchased a new fire engine and rescue ambulance;
- Replaced all Police and Fire public safety radios to provide updated functionality and increased reliability;
- Applied over 10,000 gallons of fire retardant in wildfire prone areas;
- Building plans completed and construction financing was secured for the preservation of the Concord Apartments, a 150 unit affordable rental housing complex for seniors through sale to nonprofit developer Retirement Housing Foundation;
- Section 8 Housing Choice Voucher Program assisted 1,409 low income households;
- Permanently housed 29 households experiencing homelessness through Q2 of FY 2020;
- Department of I.T. assisted in the City’s response to the COVID-19 pandemic by rapidly supporting the expansion of technology tools required for approximately 30 percent of the City workforce to telecommute effectively, and for City Council and other public meetings to be held via video conferencing for the first time;
- Implemented Phase 1 of the new Enterprise Land Management and Permitting system, replacing legacy planning and permitting system and launched new online services;
- Recognized for the fifth time as one of the “Top Ten Digital Cities” by The Center of Digital Government;
- Library produced 255 total virtual programs from April through July for early learners, school age, teens and adults;
- Pasadena Public Library was awarded eleven grants;
- For the third year in a row, Parks Recreation and Community Services Department received the “Best of the Best” Award of Excellence from the California Park and Recreation Society;
- Provided paid jobs to 193 youth and young adults through the Youth Ambassador and Summer ROSE Intern programs;
- Developed and implemented a community feeding program to address needs of Pasadena residents facing food insecurity. Program included expanding the Pasadena Unified School District (PUSD) “grab and go” weekday

meal program for children to include weekend lunch for all family members; provided funding staffing and equipment to nine local food pantries enabling them to serve over 1,000 more families, and contracting to have nutritious prepared meals delivered to Pasadena seniors;

- Managed the set-up and day-to-day operation of the FEMA trailers at the Rose Bowl, which were used to safely house Pasadena’s quarantined public safety employees;
- Performed over 29,800 building inspections for commercial and residential construction;
- Awarded 30 grants to Pasadena Arts and cultural organizations for community programming;
- The Police Department completed a department reorganization to be more neighborhood based which meets the needs and demands of the Pasadena community;
- Public Works repaired over 140,000 square feet of sidewalks and additional 14,000 square feet of sidewalks in Northeast Pasadena with CDBG funds;
- Completed Desiderio park and restroom;
- Recycled more than 21,000 tons of debris material from private and public construction projects;
- The Citizen Service Center (CSC) answered over 77,000 calls (74 percent within 30 seconds), received over 35,000 web and mobile application service order requests, and answered 10,696 live chats;
- Installation of Parking Access Revenue Control System in the three Paseo City-owned garages;
- Completed the Marengo Charging Plaza in collaboration with Tesla. Featuring 24 Tesla Superchargers and 20 universal fast chargers, this location has become the largest electric vehicle (“EV”) fast-charging plaza in the United States;
- Installed 34 EV charging stations at Holly Street Garage to support City fleet and employee vehicles;
- Maintained APPA’s prestigious Reliable Public Power Provider Platinum designation for providing the highest degree of reliable and safe electric service;
- 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 Pasadena for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 21st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate;
- Maintained a current General Obligation Bond rating of “AAA” issuer rating issued by Standard & Poor’s, the highest rating given. The City continues to hold a AA+ issuer rating from Fitch Ratings with a stable outlook.
- Rebated nearly \$11 million in underground surtax funds to electric customers as a way to provide economic relief.

The 45 accomplishments listed above are just a sample of the hundreds of FY 2020 accomplishments which are listed by Department in the FY 2021 Adopted Operating Budget.

While all of the City staff have responded extremely well to this pandemic and are deserving of recognition, the work of the Fire, Police, and Public Health Departments deserves a special acknowledgement of their outstanding efforts:

To the men and women of the Fire and Police Departments who risk their lives in an additional and new way on a daily basis, we salute and thank you.

The Pasadena Public Health Department (PPHD) has been steadfast in leading our community through the COVID-19 public health emergency, effectively coordinating with other city departments and county, state, and federal partners to reduce the risk of COVID-19 transmission and protect the Pasadena community. Starting in December 2019 and over the course of 2020, PPHD staff monitored, prepared, and swiftly responded to the emerging novel coronavirus. The unprecedented public health emergency required staff to rapidly stand up a complex, multifaceted, and constantly shifting operation that included: issuance of health officer orders and enforcement to implement effective non-pharmaceutical interventions, creation of risk-reducing protocols for an expansive range of social and economic sectors, sophisticated and transparent epidemiologic surveillance and disease control activities including case investigation and contact tracing on a vast scale, preparation for surge healthcare resources, extensive support of healthcare and congregate living facilities for elderly and/or medically vulnerable residents, and launching of a monumental vaccine dispensing plan. This exceptional work was conducted in an environment of continuously evolving scientific and situational information that PPHD staff contributed to extensively through mainstream media, social media, regional, state and national forums, and scientific publications. As of December 2020, the pandemic remains in an acceleration phase and poses an ongoing threat to the health and well-being of our community. PPHD will continue to dedicate the resources needed to support the community and safeguard against the serious consequences of this deadly virus.

CONCLUSION

The City of Pasadena has existed for 134 years. Over those years the City's institutions have managed through all sorts of calamities and economic disruptions. Once again, our community's strength and resiliency is being tested. As in the past, Pasadena will rise to the challenge.

Respectfully submitted,



Steve Mermell
City Manager



Matthew E. Hawkesworth
Director of Finance

CITY OF PASADENA
City Officials

CITY COUNCIL

| | |
|---------------|---------------------------------|
| Mayor | Terry Tornek |
| Vice Mayor | Tyron A.L. Hampton (District 1) |
| Councilmember | Margaret McAustin (District 2) |
| Councilmember | John J. Kennedy (District 3) |
| Councilmember | Gene Masuda (District 4) |
| Councilmember | Victor Gordo (District 5) |
| Councilmember | Steve Madison (District 6) |
| Councilmember | Andy Wilson (District 7) |

APPOINTED OFFICIALS

| | |
|---------------|-----------------------|
| City Manager | Steve Mermell |
| City Attorney | Michele Beal Bagneris |
| City Clerk | Mark Jomsky |

EXECUTIVE LEADERSHIP TEAM

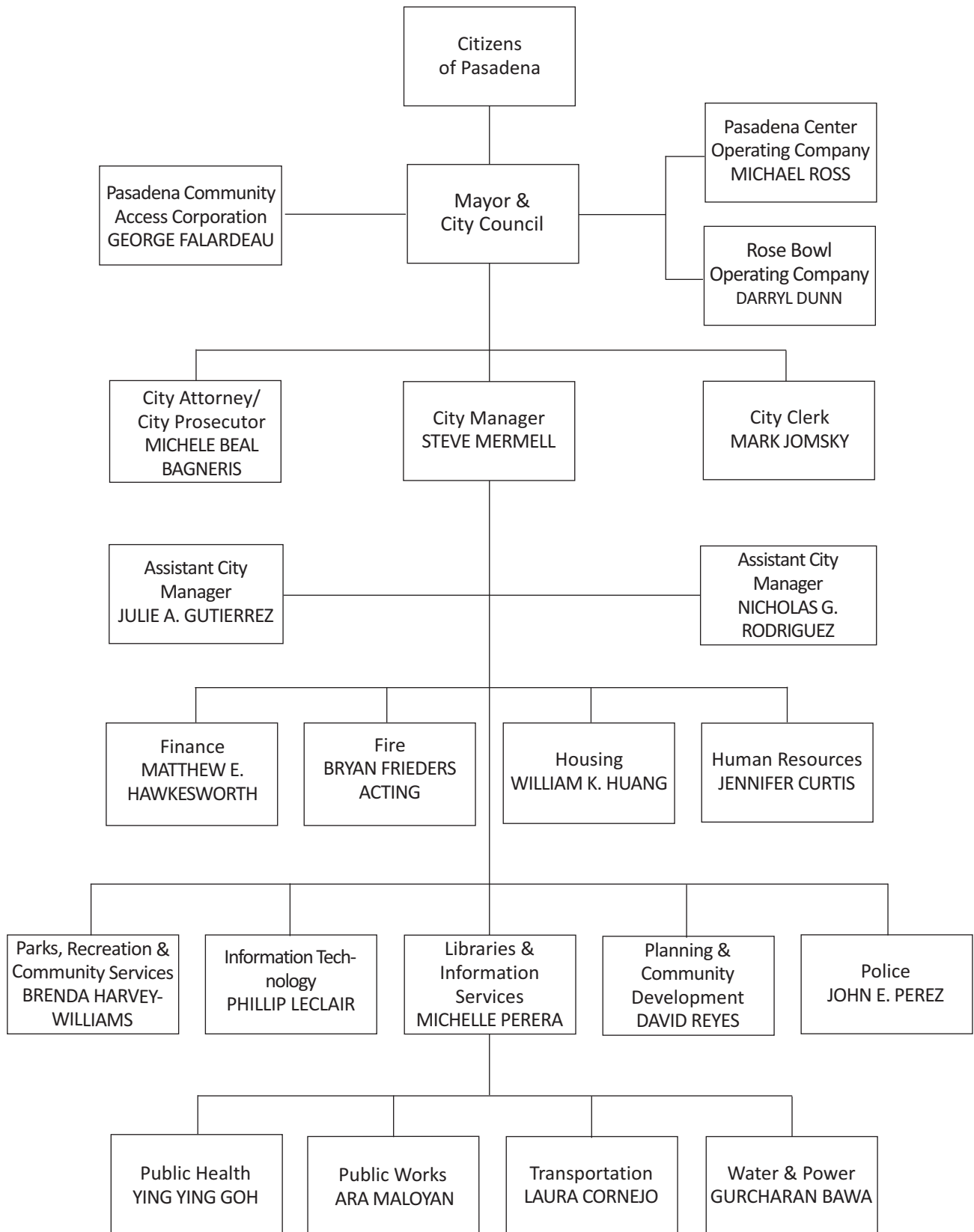
| | |
|--|------------------------|
| Assistant City Manager | Julie A. Gutierrez |
| Assistant City Manager | Nicholas Rodriguez |
| Director of Finance | Matthew E. Hawkesworth |
| Director of Housing and Career Services | William K. Huang |
| Director of Human Resources | Jennifer Curtis |
| Director of Human Services and Recreation | Brenda Harvey-Williams |
| Director of Library & Information Services | Michelle Perera |
| Chief Information Officer | Phillip Leclair |
| Director of Planning and Community Development | David Reyes |
| Chief of Police | John E. Perez |
| Director of Public Health | Ying Ying Goh |
| Director of Public Works | Ara Maloyan |
| Director of Transportation | Laura Cornejo |
| General Manager of Water and Power | Gurcharan Bawa |
| Public Information Officer | Lisa Derderian |
| Fire Chief, Acting | Bryan Frieders |

OPERATING COMPANY EXECUTIVES

| | |
|---|------------------|
| Chief Executive Officer, Pasadena Center Operating Company | Michael Ross |
| General Manager, Rose Bowl Operating Company | Darryl Dunn |
| Executive Director/Chief Executive Officer, Pasadena Community Access Corporation | George Falardeau |



CITY OF PASADENA
Organization Chart
June 30, 2020



CITY OF PASADENA
Comprehensive Annual Financial Report
Year Ended June 30, 2020



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pasadena
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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 Pasadena for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
of the City of Pasadena
Pasadena, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pasadena, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pasadena Fire and Police Retirement System, a Fiduciary Pension Trust Fund of the City of Pasadena, which represent 17.83 percent, 24.14 percent, and 9.41 percent, respectively, of the assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information opinion unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pasadena Fire and Police Retirement System, a Fiduciary Pension Trust Fund of the City of Pasadena is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion.

Auditors' Responsibility (Continued)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pasadena, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the net position of the governmental activities, and the fund balance of the non-major governmental funds as of July 1, 2019 were restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules - General and Major Special Revenue Funds, the schedules of changes in net pension liability and related ratios and the schedules of plan contributions for the City's pension plans, the schedule of changes in the net other post-employment benefit (OPEB) liability and related ratios, the schedule of OPEB plan contributions, and the schedule of OPEB plan investment returns, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules (supplementary information), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
February 8, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pasadena, we offer this narrative overview and analysis of the financial activities of the City of Pasadena for the fiscal year ended June 30, 2020 (FY 2020). We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages v-xv of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Pasadena's basic financial statements. The City of Pasadena's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Pasadena's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Pasadena is improving or deteriorating.

The *statement of activities* presents the most recent fiscal year changes in the City's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Pasadena include general government, public safety, transportation, utility, sanitation, health, culture and leisure, and community development. The business-type activities of the City of Pasadena include electric, water, refuse, parking, and telecommunication operations.

The basic government-wide financial statements can be found on pages 20-23 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The City of Pasadena, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Pasadena maintains thirty-one individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Project Management Capital Project Fund, the General Debt Service Fund, and the Housing Successor Fund, all four of which are considered to be major funds. Data from the other twenty-seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Pasadena adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison statements have been provided for the General Fund and Special Revenue Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary Funds

The City of Pasadena maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, refuse, parking, and telecommunication operations. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Pasadena uses internal service funds to account for its computing and communication, building maintenance, fleet maintenance, fleet replacement, benefits, workers' compensation, general liability, printing services, and 311 call center services. Because each of these services predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Light and Power, Water, and Off Street Parking Funds, each of which are considered to be major funds of the City of Pasadena. Conversely, each of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. Data from the other two proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-35 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Pasadena's own programs. The activities of the Successor Agency to the Pasadena Community Development Commission are also reported with the City's fiduciary funds as a private purpose trust fund. Individual fund data for each of these fiduciary funds is provided in the form of *combining statements* elsewhere in this report. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 42-117 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning budgetary practices and budget to actual comparisons for the general fund and the major special revenue funds. Additional RSI includes pension and Other Post-Employment Benefits (OPEB) information on net pension and OPEB liabilities and plan contributions. RSI can be found on pages 119-129 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 132-181 of this report.

FINANCIAL HIGHLIGHTS

New Significant Accounting Standards Implemented

In FY 2020, the City adopted two new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB) that relates to various accounting matters:

- Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*"

Statement No. 95 provides temporary relief to governments and other stockholders in light of the COVID-19 pandemic. It does not result in changes for the City of Pasadena financial reporting.

- Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*"

Statement No. 97 requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. It does not result in changes for the City of Pasadena financial reporting.

Restatement of Beginning Net Position and Fund Balances

As disclosed in Footnote 21 on page 116, the beginning net position of the Governmental Activities was restated from \$175,340,818 to \$173,912,602 as of July 1, 2019, a reduction of \$1,428,216. The same adjustment was applied to the Housing and Community Development Fund's beginning fund balance due to the revenue adjustments in the fund.

There was no restatement of the beginning net position of the Business Activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Pasadena, assets and deferred outflows exceed liabilities and deferred inflows by \$1,021.7 million at the close of the most recent fiscal year.

\$929.3 million of the City of Pasadena's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debts used to acquire those assets. The City of Pasadena uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Pasadena's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Pasadena's Net Position (in millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|--------------|--------------------------|----------------|----------------|-----------------|
| | 2020* | 2019* | 2020 | 2019 | 2020* | 2019* |
| Current and other assets | \$ 369.5 | 350.6 | 496.4 | 498.2 | 865.9 | \$ 848.8 |
| Capital assets | 513.1 | 508.1 | 787.8 | 765.7 | 1,300.9 | 1,273.8 |
| Total Assets | 882.6 | 858.7 | 1,284.2 | 1,263.9 | 2,166.8 | 2,122.6 |
| Deferred outflows | 108.3 | 90.2 | 16.1 | 20.4 | 124.4 | 110.6 |
| Long-term debt outstanding | 289.2 | 181.5 | 316.4 | 333.6 | 605.6 | 515.1 |
| Net pension liability | 410.9 | 411.6 | 87.6 | 85.5 | 498.5 | 497.1 |
| Other liabilities | 80.8 | 160.0 | 60.4 | 52.8 | 141.2 | 212.8 |
| Total Liabilities | 780.9 | 753.1 | 464.4 | 471.9 | 1,245.3 | 1,225.0 |
| Deferred inflows | 19.9 | 20.5 | 4.3 | 4.4 | 24.2 | 24.9 |
| Net position: | | | | | | |
| Net investment in capital assets | 470.7 | 458.3 | 458.6 | 434.4 | 929.3 | 892.7 |
| Restricted | 84.0 | 79.2 | 128.2 | 142.8 | 212.2 | 222.0 |
| Unrestricted | (364.6) | (362.2) | 244.8 | 230.7 | (119.8) | (131.5) |
| Total Net Position | \$ 190.1 | 175.3 | 831.6 | 807.9 | 1,021.7 | \$ 983.2 |

* As restated

A portion of the City of Pasadena's net position, \$212.2 million or 20.8 percent resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in *unrestricted net position* of, \$119.8 million, or 11.7 percent is for unrestricted uses in accordance with finance-related legal requirements. This deficit reflects liabilities which exceed assets on hand, and is related to implementation of GASB 68 and GASB 75 regarding Pension Plan and OPEB reporting.

At the end of FY 2020, the City of Pasadena is able to report positive balances in all categories of net position for the government as a whole except for unrestricted net position.

During FY 2020, the primary government's net position increased by \$39.9 million. Approximately \$16.2 million of this is an increase in the City's Governmental Activities and \$23.7 million of this increase is in the City Business-Type Activities. The increase in the Governmental activities reflects increases in spending offset by increases in revenues. The increase in Business-Type activities was less than FY 2019 due to a slight decrease in revenue because of the pandemic.

City of Pasadena's Changes in Net Position (in millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|--------------|--------------------------|---------------|----------------|-----------------|
| | 2020* | 2019 | 2020 | 2019 | 2020* | 2019 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 85.3 | 85.1 | 303.7 | 304.6 | 389.0 | \$ 389.7 |
| Operating grants and contributions | 56.8 | 59.8 | 1.8 | 1.5 | 58.6 | 61.3 |
| Capital grants and contributions | 36.7 | 8.6 | 2.9 | 3.6 | 39.6 | 12.2 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purpose | 70.7 | 68.3 | - | - | 70.7 | 68.3 |
| Sales taxes | 57.5 | 44.6 | - | - | 57.5 | 44.6 |
| Utility users' tax | 27.0 | 27.0 | - | - | 27.0 | 27.0 |
| Other taxes | 28.5 | 39.4 | 6.1 | 5.8 | 34.6 | 45.2 |
| Other revenues | 29.1 | 31.3 | 10.9 | 15.1 | 40.0 | 46.4 |
| Misc revenues | 7.7 | 8.3 | 3.0 | 3.3 | 10.7 | 11.6 |
| Total revenues | 399.3 | 372.4 | 328.4 | 333.9 | 727.7 | 706.3 |
| Expenses: | | | | | | |
| General government | 67.4 | 49.7 | - | - | 67.4 | 49.7 |
| Public safety | 152.9 | 145.9 | - | - | 152.9 | 145.9 |
| Transportation | 55.4 | 52.2 | - | - | 55.4 | 52.2 |
| Culture and leisure | 37.2 | 37.1 | - | - | 37.2 | 37.1 |
| Community development | 52.0 | 47.3 | - | - | 52.0 | 47.3 |
| Interest and other fiscal charges | 6.4 | 7.9 | - | - | 6.4 | 7.9 |
| Electric | - | - | 197.1 | 196.8 | 197.1 | 196.8 |
| Water | - | - | 59.0 | 56.7 | 59.0 | 56.7 |
| Other expenses | 26.1 | 17.5 | 34.3 | 31.2 | 60.4 | 48.7 |
| Total expenses | 397.4 | 357.6 | 290.4 | 284.7 | 687.8 | 642.3 |
| Increase (decrease) in net position before transfers | 1.9 | 14.8 | 38.0 | 49.2 | 39.9 | 64.1 |
| Transfers | 14.3 | 14.0 | (14.3) | (14.0) | - | - |
| Increase (decrease) in net position | 16.2 | 28.8 | 23.7 | 35.2 | 39.9 | 64.1 |
| Net position at beginning of year, as restated | 173.9 | 146.5 | 807.9 | 772.7 | 981.8 | 919.2 |
| Net position at end of year | \$ 190.1 | 175.3 | 831.6 | 807.9 | 1,021.7 | \$ 983.2 |

* As restated

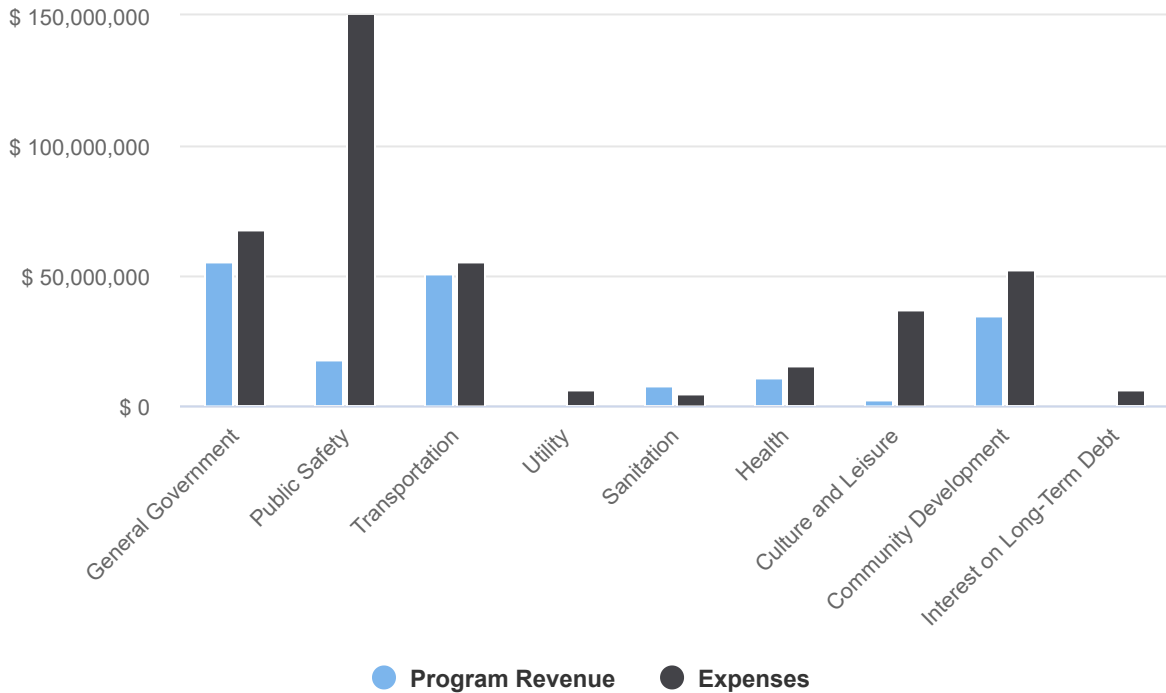
Governmental Activities

Governmental activities increased the City of Pasadena's net position by \$16.2 million or 40.6 percent of the primary government's net position increase. Key elements of this increase are a combination of factors as follows:

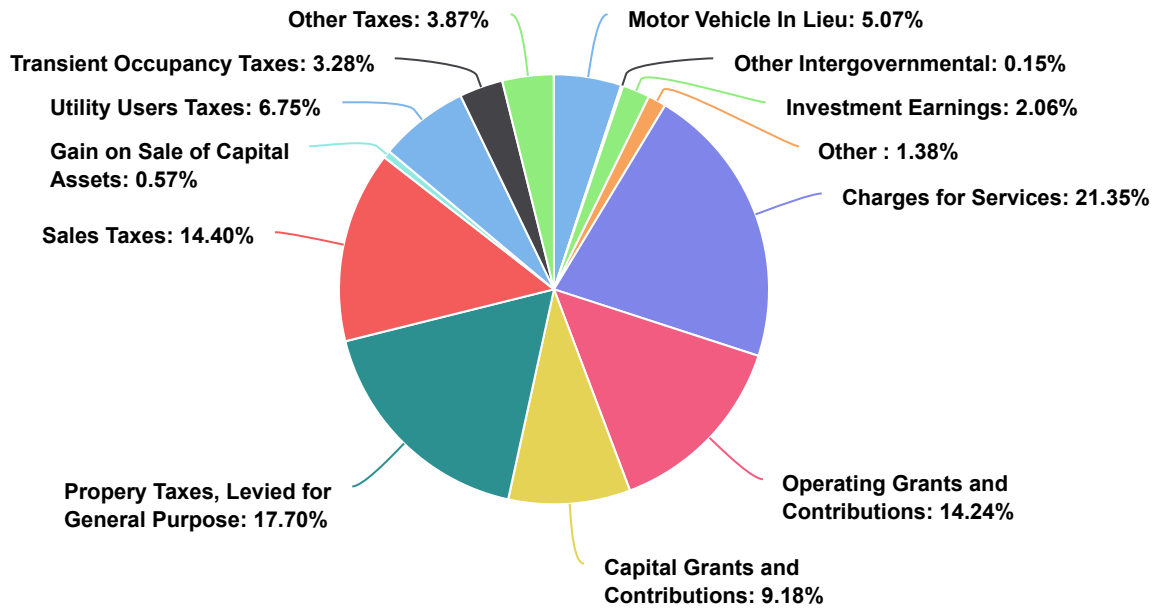
- The revenue components of governmental activities increased by \$26.9 million or 7.2 percent from prior year revenues. The following categories showed changes: Capital grants and contributions increased by \$28.1 million, sales taxes increased by \$12.9 million, property taxes increased by \$2.4 million. Other taxes decreased by \$10.9 million, operating grants and contributions decreased by \$3.0 million, and other revenues decreased by \$2.6 million.
 - Capital grants and contributions increased by \$28.1 million. The change was attributable to the sale of Concord property. The City received the property as a contribution, and subsequently sold it in May 2020. The transaction resulted in \$27.5 million of developer contribution upon execution of a quitclaim deed turning improvements over to the City just prior to the sale.
 - Sales taxes increased by \$12.9 million. Although the regular sales taxes decreased by \$5.6 million, from \$39.3 million in FY 2019 to \$33.7 million in FY 2020, the City received \$18.5 million more of Measure I sales tax in FY 2020 than in FY 2019. In November 2018, the City voters approved the sales tax Measure I enacted a 0.75 percent sales tax to fund the general city services. The City started receiving Measure I sales taxes in May 2019.
 - Property taxes increased by \$2.4 million due to appreciation of property value in Pasadena.
 - The other taxes decreased by \$10.9 million mainly due to the pandemic:
 - \$5.7 million reduction in light and power surtax – The City suspended collection of the surtax in April 2020, and provided a direct rebate of the surtax paid by each current Pasadena Water and Power customer during 24 months prior to April 2020. Therefore, the City received no light and power surtax revenue in FY 2020.
 - \$3.9 million reduction in transient occupancy taxes – The hospitality industry was heavily impacted by the pandemic in the last quarter of FY 2020.
 - \$0.9 million reduction in construction taxes
 - \$0.2 million reduction in business license taxes
 - Operating grants and contributions decreased by \$3.0 million, including \$3.1 million less in residential impact fee. Parsons paid an \$8.3 million of residential impact fee for five new buildings in FY 2019.
 - Other revenues decreased by \$2.6 million primarily due to \$1.3 million less in investment earnings and \$0.9 million less in revenues received from the State and Los Angeles County.
- The expense components of Governmental Activities increased by \$39.8 million or 11.1 percent. The changes in expenses were: general government increased by \$17.7 million, other expenses increased by \$8.6 million, public safety increased by \$7.0 million, community development increased by \$4.7 million, transportation increased by \$3.2 million. The other categories have a net decrease of \$1.4 million.
 - General government expenses increased by \$17.7 million or 35.6 percent. There was \$6.1 million more in sales taxes that the City passed to Pasadena Unified School District (PUSD) according to Measure J, a \$3.4 million increase in general liability insurance and benefit expenses, and \$2.0 million more in other general expenses due to the pandemic.

- The other expenses increased by \$8.6 million, including \$6.1 million increase in utility expenses and \$1.7 million increase in health expenses. The City suspended collection of the surtax in April 2020 and provided a direct rebate of the surtax paid by each customer of Pasadena Water and Power during 24 months prior to April 2020. Therefore, the net expense due to light and power surtax rebate was \$6.1 million in FY 2020. The \$1.7 million increase in health expenses was attributable to activities related to COVID-19 response, including response management, threat mitigation and enforcement.
- Public safety expenses increased by \$7.0 million or 4.8 percent mainly due to \$4.0 million increases in the City’s GASB 68 pension expenses and a \$3.3 million increase in general liability insurance and benefit expenses for both the police and fire departments.
- Community development expenses increased by \$4.7 million or 9.9 percent mainly due to \$1.1 million in Concord sale expenses, \$3.1 million increase in capital asset additions, and \$0.5 million increase in general liability insurance and benefit expenses.
- Transportation expenses increased by \$3.2 million, including increases of \$1.3 million in general liability and benefit expenses, \$0.8 million in capital asset additions, and \$0.8 million in pension costs.

Program Revenues and Expenses - Governmental Activities



Revenues by Sources - Governmental Activities



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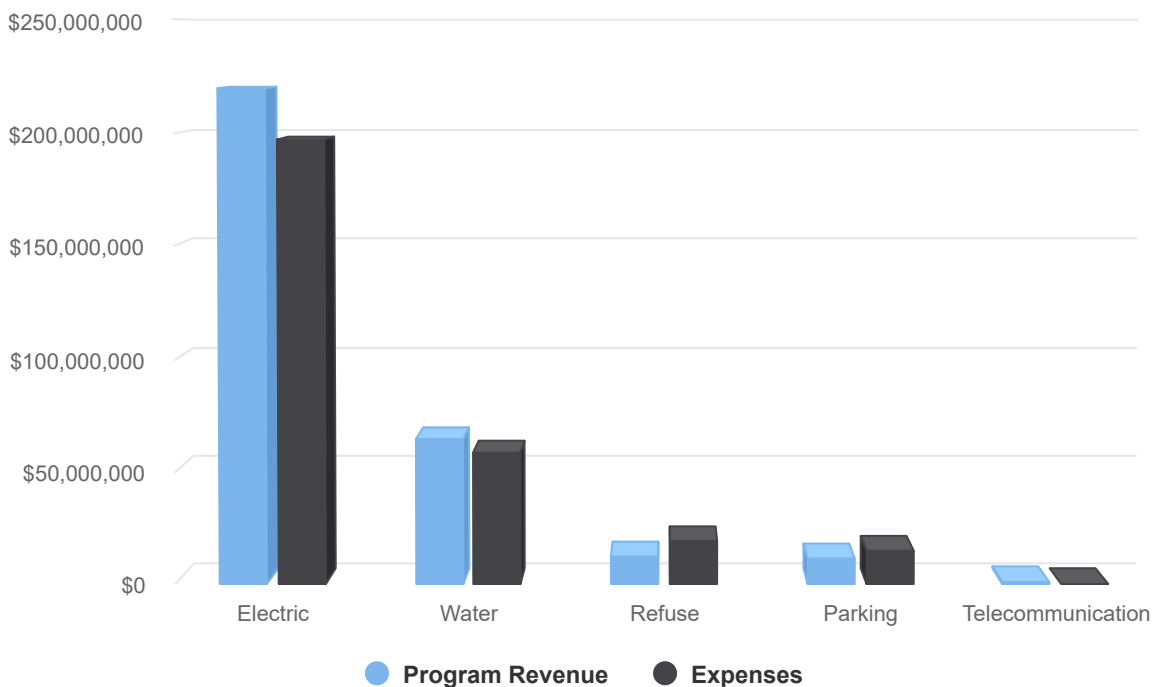


Business-Type Activities

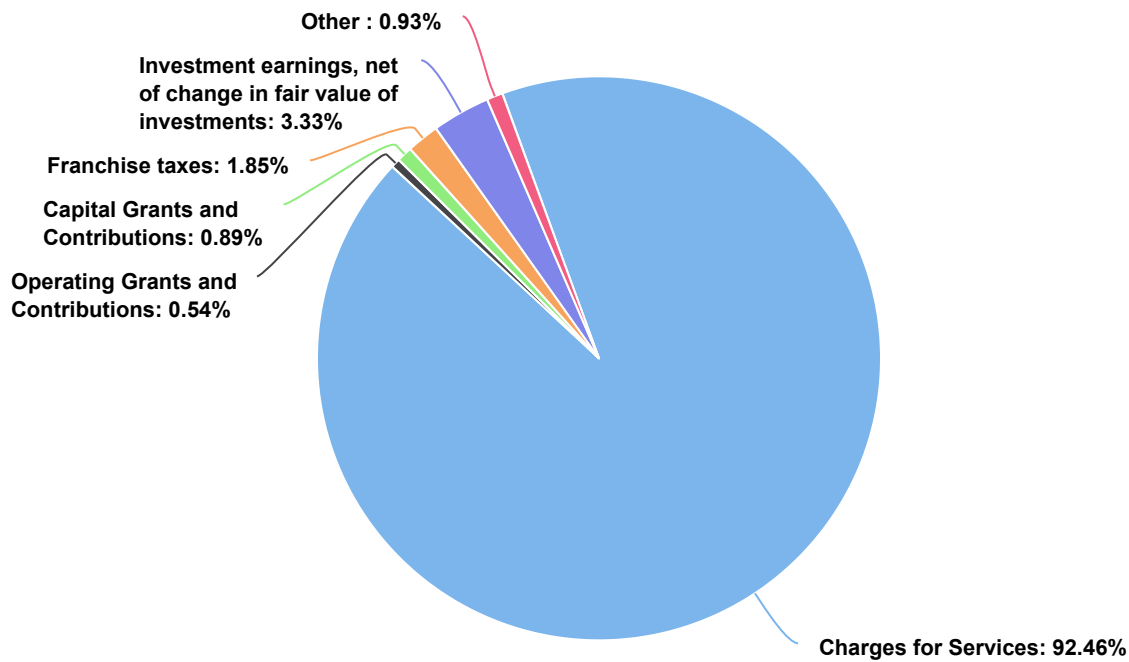
Business-type activities increased the City of Pasadena’s net position by almost \$23.7 million. Key elements of this year’s increase are as follows:

- Net income/(loss) of the Light and Power, Water, Off Street Parking, and Non-Major Enterprise Funds were \$20.5 million, \$7.1 million, (\$3.2) million, and (\$0.7) million respectively.
- Electric charges for services decreased \$0.2 million or 0.1 percent from the prior fiscal year.
- Electric expenses increased \$0.7 million or 0.4 percent from the prior year mainly due to increases in administrative and general expense, overhead and depreciation. These increases were offset by decreases in purchased power, fuel and gas expenses.
- Water charges for services increased \$2.3 million or 3.8 percent over the prior year mainly due to the approved Distribution and Customer (“D&C”) rate increase. This increase was offset by a decrease of 213 thousand billing units in retail water sales. Retail revenues generated from customers located inside city limits increased by approximately \$2.0 million or 5.3%.
- Water expenses increased \$2.4 million or 4.5 percent from the prior year mostly due to increased purchased water, transmission, and distribution expenses.
- Off Street Parking operating revenues decreased \$2.7 million or 19.6 percent and expenses decreased \$186 thousand or 1.4 percent.
- Off Street Parking net loss of \$3.2 million was primarily a result of pandemic reduced parking activity and suspended enforcement.

Program Revenues and Expenses - Business-Type Activities



Revenues by Sources - Business-Type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As noted earlier, the City of Pasadena uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Pasadena financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Governmental Funds report the difference between their assets and liabilities as fund balance, which is divided into *non-spendable, restricted, committed, assigned, and unassigned* portions. City Council may commit a portion of the *fund balance* by formal action, per the current policy of increasing the commitment up to 20 percent of the General Fund annual appropriations. The 20 percent comprised of 15 percent General Fund Emergency Contingency and 5 percent General Fund Operating Reserve. On June 22, 2020, the City Council committed the full 15 percent or \$42,427,200 for FY 2020 Emergency Contingency and up to 5 percent or \$12,692,400 for Operating Reserve. The City Operating Reserve was \$12,692,400 as a result of the General Fund financial position at the end of FY 2020.

At the end of FY 2020, the City’s governmental funds reported combined ending fund balances of \$292.9 million, an increase of \$9.2 million in comparison with the prior year. The non-spendable fund balance of \$16.4 million represents assets generated by prepayments, permanent trust fund balances and receivables in funds, net of allowances. The restricted fund balance of \$84.0 million represents resources that are subject to externally enforceable legal restrictions, such as the restrictions on the use of Special Revenue funding and Capital Improvement contracts. The committed fund balance of \$170.6 million represents resources whose use is constrained by limitations that the



City imposes upon itself through decisions made by the City Council. The assigned fund balance of \$26.7 million describes the portion of fund balance that reflects the City's intended use of resources. The unassigned fund balance of (\$4.7) million represents the deficit amount of that non-spendable, restricted, committed, and assigned in excess of total fund balance.

The General Fund is the chief operating fund of the City of Pasadena. At the end of FY 2020, total fund balance equaled \$107.6 million, versus \$98.7 million in the prior year. The fund balance increased by \$8.9 million or 9.0 percent, during FY 2020. Key factors for this change are as follows:

Total revenues increased by \$14.5 million due to increases in four categories of revenue and decrease in one category, as explained below:

- Taxes increased by net \$10.1 million primarily due to an increase of \$12.9 million in sales taxes. Property tax revenue increased by \$2.4 million while Transient Occupancy tax revenue decreased by \$3.9 million. The other taxes had a net decrease of \$1.3 million. The decreases were pandemic driven.
- Rental income increased by \$7.0 million mainly due to \$7.1 million of the ground lease revenue received as part of the Concord property's sale.
- Intergovernmental revenues increased by \$1.6 million, primarily due to an increase of \$1.1 million in Motor Vehicle in-lieu tax.
- Charges for services decreased by \$2.4 million as many outside jobs including filming and Rose Bowl related events have been cancelled due to the pandemic in the last quarter of the fiscal year. The City collected less General Fund revenues, including \$1.4 million less in Police billable services.
- The remaining differences were smaller and covered several categories: fines and forfeits up by \$0.1 million, investment earnings down by \$0.5 million, licenses and permits down by \$0.5 million, and miscellaneous revenues down by \$0.9 million.

Total expenditures increased by \$41.1 million or 18.0 percent. Four of the five components increased as follows: \$33.8 million in general government, \$5.9 million in public safety, \$1.4 million in community development, and \$1.0 million in transportation. Culture and leisure decreased by \$0.9 million.

- General government expenditures increased by \$33.8 million mainly due to the contributions of \$23.1 million from the City to FPRS. Also, there were \$6.1 million more in sales taxes that the City passed to PUSD in FY 2020 and \$2.0 million more in other general expenses due to the pandemic.
- Public safety expenditures increased by \$5.9 million primarily due to filled vacancies, increased salaries, pension cost, position coverage, and overtime expenses of both the police and fire departments.
- Community development expenditures increased by \$1.4 million primarily due to \$1.1 million of expenses related to the sale of Concord property.

In FY 2020, the General Fund made a one-time transfer of \$5.0 million to the General Liability Fund, a one-time transfer of \$4.5 million to the Printing Fund to close the fund, \$1.2 million to the Housing Successor Fund due to the Concord sale, and \$2.7 million less to the Debt Service Funds as 2008B Certificate of Participation was paid off in FY 2019. The other transfers-out decreased by \$0.2 million. Therefore, the net General Fund transfer-out increased by \$7.8 million in FY 2020.

The City received the Concord property and sold it in May 2020. The transaction resulted in \$31.8 million of sale proceeds in other financial sources.

The Housing Successor Fund has a fund balance of \$7.0 million, which is an increase of \$1.0 million from the prior year. The key factors contributing to this increase are as follows:

- Total revenue increased to \$0.2 million, mainly from loan repayments.
- Total expenditures decreased to \$0.4 million, mainly because a program - Rehabilitation of Villa Los Robles had less expenses in FY 2020, and the program ended in FY 2020.
- Moreover, there is a transfer of \$1.2 million from the General Fund due to the Concord Sale.

Proprietary Funds

The City of Pasadena's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Light and Power Fund at the end of the year amounted to \$203.2 million and those for the Water, Off Street Parking Fund, and Non-Major Enterprise Funds amounted to \$29.2 million, \$1.8 million, and \$10.6 million respectively. The total net income/ (loss) for each fund was \$20.5 million, \$7.1 million, (\$3.2) million, and (\$0.7) million respectively.

Light and Power operating revenues decreased by \$182 thousand from prior year. Total retail electric energy sold decreased by 28,993 megawatt hours, a 2.8 percent decrease compared to the prior fiscal year. Total operating expenses increased slightly by \$0.7 million to \$188 million.

Water Fund operating revenues increased \$2.3 million from prior year primarily due to higher distribution charges, sales of water rights and leases to other agencies. Total retail water sales decreased by 213 thousand or 1.9 percent billing units in retail water sales. Operating expenses increased \$2.4 million or 4.5 percent primarily due to \$1.3 million increase in transmission and distribution expenses and \$1 million increase in purchased water and production expenses.

The Off Street Parking Fund had a net loss of \$3.2 million in FY 2020, as compared to \$1.5 million net income in FY 2019. Primarily due to the reduction of parking revenues from all parking structures triggered by COVID-19 pandemic since mid-March 2020 and suspension of parking enforcement and citations.

Implementation of GASB 68 has resulted in showing a "GASB 68 Net Pension Liability" in the Proprietary Funds. At June 30, 2020, the GASB 68 Net Pension Liability is \$58.5 million, \$20.2 million, \$1.1 million, and \$7.7 million for Light and Power, Water, Off Street Parking, and Non-Major Enterprise funds respectively.

Implementation of GASB 75 has resulted in showing a "GASB 75 Net OPEB Liability" in the Proprietary Funds. At June 30, 2020, the GASB 75 Net OPEB Liability is \$11.0 million, \$5.4 million, \$0.1 million, and \$2.8 million for Light and Power, Water, Off Street Parking, and Non-Major Enterprise funds respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Pasadena's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$1,290 million, net of accumulated depreciation. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The net increase in the City of Pasadena's investment in capital assets for the current fiscal year was \$16.2 million (a \$5 million increase for governmental activities and \$11 million increase for business-type activities.)

Major capital asset related events during the 2020 fiscal year included the following:

- A variety of street maintenance and construction, technology, traffic control and parks and landscape projects continue City-wide. During the 2020 fiscal year the City spent \$32.8 million on capital projects in governmental activities. Costs for projects that are not completed are shown as Construction in Progress. The amount of Construction in Progress for the governmental activities as of June 30, 2020 is \$34.5 million and for the business-type activities is \$71.2 million.
- In the area of technology upgrade projects, the City spent nearly \$1.2 million towards new and replacement servers, routers, networks, and data centers, \$7.8 million for radio communication equipment and upgrades, and \$590 thousand toward replacement of its Land Management System.
- Improvement of city-owned facilities continues. The City spent \$6 million for parks and landscape projects, \$5.5 million for streets and sidewalks, \$1.9 million was spent for preventive maintenance and repairs for the City buildings, and facilities.
- Transportation acquired two Fixed Route busses for \$1.1 million and 4 Dial-A-Ride busses for \$315 thousand.
- The City spent nearly \$2.3 million for traffic safety and control programs and improvements.
- As of June 30, 2020, the business-type activities net assets amounted to \$776.9 million, an increase of \$11.1 million over the prior year.
- Water and Power utility plant net assets amounted to \$727.8 million, an increase of \$10.0 million. During the fiscal year, the City spent \$73.69 million on various water and power projects and moved \$22.0 million into completed projects.
- Some of the major power projects are Power Distribution Capacity and Reliability \$2.5 million, Distribution System Expansion \$3.3 million, Customer Information System \$3.2 million, and Installation of Low & High Voltage Electrical Services \$5.3 million.
- Some of the major Water projects are Customer Driven Meters and Services \$1.9 million, Distribution Mains \$10.0 million, and Booster Improvements \$2.1 million.

City of Pasadena's Capital Assets
(Net of Depreciation, in millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|-------|--------------------------|-------|---------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 87.3 | 87.9 | 14.7 | 14.7 | 102.0 | \$ 102.6 |
| Buildings and improvements | 157.1 | 163.4 | 77.5 | 80.4 | 234.6 | 243.8 |
| Machinery and equipment | 37.3 | 26.8 | 613.6 | 630.4 | 650.9 | 657.2 |
| Infrastructure | 196.9 | 193.5 | 0.0 | 0.0 | 196.9 | 193.5 |
| Construction in progress | 34.5 | 36.4 | 71.2 | 40.3 | 105.7 | 76.7 |
| Totals | \$ 513.1 | 508.0 | 777.0 | 765.8 | 1,290.1 | \$ 1,273.8 |

Additional information on the City of Pasadena's capital assets can be found in note 7 on pages 65-66 of this report.

Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These include \$136.7 million of taxable pension bonds, \$311.6 million of revenue bonds, \$55.5 million of certificate of participation, \$5.3 million of notes payable, and \$9.6 million of capitalized lease obligations. Long-term debt increased by a net amount of \$3.5 million as a result of normal scheduled principal maturities, refunding of debts, and new capital lease acquired for radio equipment. Operational liabilities decreased by a net amount of \$4.3 million due to increase in compensated absences, and decrease in insurance claims payable. The net pension obligation increased by \$1.4 million and the net Other Post-Employment Benefits (OPEB) increased \$6.7 million. The City was assigned an AAA issuer rating by Standard and Poor's and AA+ rating by Fitch Rating Agency.

City of Pasadena's Outstanding Long-Term Liabilities (in millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|--------------|--------------------------|--------------|--------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Long-term debt (including premium/discount): | | | | | | |
| Notes payable | \$ 5.3 | 5.6 | 0.0 | 0.1 | 5.3 | \$ 5.7 |
| Bonds | 136.7 | 117.5 | 311.6 | 330.3 | 448.3 | 447.8 |
| Certificates of participation | 55.5 | 57.6 | 0.0 | 0.0 | 55.5 | 57.6 |
| Capitalized lease obligations | 6.8 | 0.8 | 2.8 | 3.3 | 9.6 | 4.1 |
| Total long-term debt | 204.3 | 181.5 | 314.4 | 333.7 | 518.7 | 515.2 |
| Operational Liabilities: | | | | | | |
| Compensated absences | 12.1 | 11.2 | 0.0 | 0.0 | 12.1 | 11.2 |
| Insurance Claims Payable | 40.2 | 45.4 | 0.0 | 0.0 | 40.2 | 45.4 |
| Total operational liabilities | 52.3 | 56.6 | 0.0 | 0.0 | 52.3 | 56.6 |
| Totals | \$ 256.6 | 238.1 | 314.4 | 333.7 | 571.0 | \$ 571.8 |
| Net pension obligation | \$ 410.9 | 411.6 | 87.6 | 85.5 | 498.5 | \$ 497.1 |
| Net OPEB | \$ 64.5 | 61.8 | 19.2 | 15.2 | 83.7 | \$ 77.0 |

Additional information on the City of Pasadena's long-term debt can be found in note 9 on pages 69 to 83 of this report. Information on Insurance Claims Payable can be found in note 16 on pages 96 to 97, Net Pension Obligation in note 18 on pages 99 to 110, and Other Post-Employment Benefits can be found in note 19 on pages 111 to 114.

The City reports three items of significant economic importance in its subsequent event note 22 on page 117.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Pasadena's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Director of Finance, 100 North Garfield Avenue, Room S348, Pasadena, California, 91109.

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Statement of Net Position
June 30, 2020

| | Primary Government | | | Aggregate Component Units | Total |
|--|----------------------------|-----------------------------|--------------------------------|---------------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | | |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments (note 2) | \$ 292,336,240 | 328,212,351 | 620,548,591 | 36,552,402 | \$ 657,100,993 |
| Accounts receivable, net (note 3) | 39,633,758 | 38,382,694 | 78,016,452 | 3,961,650 | 81,978,102 |
| Notes receivable, net (note 4) | 13,505,395 | 6,583,333 | 20,088,728 | - | 20,088,728 |
| Internal balances | (1,073,784) | 1,073,784 | - | - | - |
| Inventories | 424,893 | 27,360,711 | 27,785,604 | 10,674 | 27,796,278 |
| Prepays and other assets | 1,130,493 | 1,197,420 | 2,327,913 | 175,711 | 2,503,624 |
| Advances to component units (note 6) | 167,208 | - | 167,208 | - | 167,208 |
| Due from City | - | - | - | 504,008 | 504,008 |
| Property held for resale | 275,566 | - | 275,566 | - | 275,566 |
| Total current assets | 346,399,769 | 402,810,293 | 749,210,062 | 41,204,445 | 790,414,507 |
| Noncurrent restricted assets: | | | | | |
| Restricted assets - cash and investments (note 2) | 23,090,057 | 85,508,320 | 108,598,377 | 27,377,928 | 135,976,305 |
| Restricted assets - others | - | 8,046,667 | 8,046,667 | - | 8,046,667 |
| Total noncurrent restricted assets | 23,090,057 | 93,554,987 | 116,645,044 | 27,377,928 | 144,022,972 |
| Other noncurrent assets: | | | | | |
| Long term prepaid and other assets | - | 10,883,146 | 10,883,146 | 471,481 | 11,354,627 |
| Land (note 7) | 87,336,607 | 14,676,030 | 102,012,637 | - | 102,012,637 |
| Construction in progress (note 7) | 34,458,339 | 71,153,143 | 105,611,482 | 7,461,662 | 113,073,144 |
| Other capital assets, net (note 7) | 391,291,429 | 691,055,267 | 1,082,346,696 | 299,824,775 | 1,382,171,471 |
| Total other noncurrent assets | 513,086,375 | 787,767,586 | 1,300,853,961 | 307,757,918 | 1,608,611,879 |
| Total assets | 882,576,201 | 1,284,132,866 | 2,166,709,067 | 376,340,291 | 2,543,049,358 |
| Deferred outflow of resources | | | | | |
| Accumulated decrease in fair value of hedging derivatives | - | - | - | 33,406,950 | 33,406,950 |
| Deferred charges - bond refunding (note 8) | 23,398,699 | 908,797 | 24,307,496 | 3,604,641 | 27,912,137 |
| Deferred outflows related to net pension liability (note 8 and 18) | 76,322,562 | 12,685,459 | 89,008,021 | 1,085,090 | 90,093,111 |
| Deferred outflows related to net OPEB liability (note 8 and 19) | 8,545,788 | 2,545,817 | 11,091,605 | - | 11,091,605 |
| Total deferred outflow of resources | 108,267,049 | 16,140,073 | 124,407,122 | 38,096,681 | 162,503,803 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts payable and accrued liabilities | 40,432,710 | 19,872,020 | 60,304,730 | 8,277,313 | 68,582,043 |
| Deposits | 5,117,407 | 14,145,193 | 19,262,600 | 1,596,300 | 20,858,900 |
| Due to primary government | - | - | - | 583,417 | 583,417 |
| Due to other governments | 21,467 | - | 21,467 | 1,282,531 | 1,303,998 |
| Long term advance due within one year | - | - | - | 100,000 | 100,000 |
| Unearned revenues | 3,163,968 | 9,247,877 | 12,411,845 | - | 12,411,845 |
| Compensated absences due within one year (note 9) | 9,308,011 | - | 9,308,011 | 239,899 | 9,547,910 |
| Insurance claims payable within one year (note 9 and 16) | 17,597,972 | - | 17,597,972 | - | 17,597,972 |
| Long-term debt due within one year (note 9) | 5,117,032 | 17,160,044 | 22,277,076 | 8,967,818 | 31,244,894 |
| Total current liabilities | 80,758,567 | 60,425,134 | 141,183,701 | 21,047,278 | 162,230,979 |
| Non-current liabilities: | | | | | |
| Derivative instrument liability (note 10) | - | - | - | 33,406,950 | 33,406,950 |
| Long-term advances from primary government | - | - | - | 700,000 | 700,000 |
| Non-current liabilities due in more than one year: | | | | | |
| Net pension liability (note 18) | 410,922,713 | 87,571,286 | 498,493,999 | 2,788,864 | 501,282,863 |
| Net OPEB liability (note 19) | 64,533,863 | 19,224,840 | 83,758,703 | - | 83,758,703 |
| Compensated absences due in more than one year (note 9) | 2,828,880 | - | 2,828,880 | 55,013 | 2,883,893 |
| Insurance claims payable due in more than one year (note 9 and 16) | 22,641,266 | - | 22,641,266 | - | 22,641,266 |
| Long-term debt due in more than one year (note 9) | 199,183,055 | 297,222,331 | 496,405,386 | 351,283,986 | 847,689,372 |
| Total non-current liabilities | 700,109,777 | 404,018,457 | 1,104,128,234 | 388,234,813 | 1,492,363,047 |
| Total liabilities | 780,868,344 | 464,443,591 | 1,245,311,935 | 409,282,091 | 1,654,594,026 |

Statement of Net Position
June 30, 2020

| | Primary Government | | | Aggregate Component Units | Total |
|---|----------------------------|-----------------------------|--------------------------------|---------------------------------|-------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | | |
| Deferred inflow of resources | | | | | |
| Derivative instruments (note 10) | - | - | - | 5,040,208 | 5,040,208 |
| Deferred inflows related to net pension liability (note 8 and 18) | 14,861,215 | 2,777,623 | 17,638,838 | 133,378 | 17,772,216 |
| Deferred inflows related to net OPEB liability (note 8 and 19) | 4,990,210 | 1,486,600 | 6,476,810 | - | 6,476,810 |
| Service concession agreement | - | - | - | 282,250 | 282,250 |
| Total deferred inflow of resources | 19,851,425 | 4,264,223 | 24,115,648 | 5,455,836 | 29,571,484 |
| Net Position | | | | | |
| Net investment in capital assets | 470,688,947 | 458,533,697 | 929,222,644 | 6,536,537 | 935,759,181 |
| Restricted: | | | | | |
| Nonexpendable | 1,434,131 | - | 1,434,131 | - | 1,434,131 |
| Expendable: | | | | | |
| Community development | 16,513,972 | - | 16,513,972 | - | 16,513,972 |
| Public safety | 3,510,414 | - | 3,510,414 | - | 3,510,414 |
| Capital projects | 2,698,740 | - | 2,698,740 | - | 2,698,740 |
| Debt service | 11,883,151 | 24,633,282 | 36,516,433 | 15,712,015 | 52,228,448 |
| Stranded investments (notes 12 and 20) | - | 77,427,235 | 77,427,235 | - | 77,427,235 |
| Transportation | 27,222,903 | - | 27,222,903 | - | 27,222,903 |
| Contribution | - | 19,544,138 | 19,544,138 | - | 19,544,138 |
| Other purposes | 6,199,255 | 6,615,490 | 12,814,745 | 870,240 | 13,684,985 |
| Air quality improvement | 123,261 | - | 123,261 | - | 123,261 |
| Donated funds | 2,313,946 | - | 2,313,946 | - | 2,313,946 |
| Trust and loans | 12,106,421 | - | 12,106,421 | - | 12,106,421 |
| Unrestricted | (364,571,660) | 244,811,283 | (119,760,377) | (23,419,747) | (143,180,124) |
| Total net position | \$ 190,123,481 | 831,565,125 | 1,021,688,606 | (300,955) | \$ 1,021,387,651 |

See Notes to the Basic Financial Statements

Statement of Activities
For the Fiscal Year Ended June 30, 2020

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 67,355,324 | 20,245,086 | 7,639,434 | 27,416,781 |
| Public safety | 152,889,149 | 13,656,268 | 3,956,392 | - |
| Transportation | 55,429,014 | 26,933,183 | 14,453,181 | 9,246,640 |
| Utility | 6,133,741 | - | - | - |
| Sanitation | 4,599,564 | 7,727,766 | - | - |
| Health | 15,366,671 | 2,497,177 | 8,155,860 | - |
| Culture and leisure | 37,224,271 | 1,724,910 | 296,300 | - |
| Community development | 52,019,315 | 12,486,736 | 22,335,894 | - |
| Interest and other fiscal charges | 6,425,402 | - | - | - |
| Total governmental activities | 397,442,451 | 85,271,126 | 56,837,061 | 36,663,421 |
| Business-type activities: | | | | |
| Electric | 197,138,305 | 217,872,892 | 293,670 | 1,897,395 |
| Water | 58,973,403 | 62,466,496 | 1,050,879 | 1,037,022 |
| Refuse | 19,429,153 | 11,643,977 | 439,299 | - |
| Parking | 14,713,358 | 11,229,039 | - | - |
| Telecommunication | 164,009 | 438,686 | - | - |
| Total business-type activities | 290,418,228 | 303,651,090 | 1,783,848 | 2,934,417 |
| Total primary government | \$ 687,860,679 | 388,922,216 | 58,620,909 | 39,597,838 |
| Aggregate Component Units | \$ 69,249,218 | 38,025,301 | - | 58,025 |

General revenues:

Taxes:

- Property taxes, levied for general purpose
- Sales taxes
- Utility users' taxes
- Transient occupancy taxes
- Construction taxes
- Business license taxes
- Franchise taxes
- Other taxes
- Other intergovernmental, unrestricted
- Motor Vehicle In Lieu, unrestricted
- Use of Money - Investment earnings
- Miscellaneous revenues
- Gain on sale of capital assets

Total general revenues

Transfers

Total general revenues and transfers

- Change in net position
- Net position - beginning of year, as restated (note 21)
- Net position - end of year**

See Notes to the Basic Financial Statements



| Net (Expenses) Revenues and Changes in Net Position | | | | |
|---|--------------------------|--------------------------|---------------------------|------------------|
| Primary Government | | | Aggregate Component Units | Total |
| Governmental Activities | Business-type Activities | Total Primary Government | | |
| (12,054,023) | - | (12,054,023) | - | \$ (12,054,023) |
| (135,276,489) | - | (135,276,489) | - | (135,276,489) |
| (4,796,010) | - | (4,796,010) | - | (4,796,010) |
| (6,133,741) | - | (6,133,741) | - | (6,133,741) |
| 3,128,202 | - | 3,128,202 | - | 3,128,202 |
| (4,713,634) | - | (4,713,634) | - | (4,713,634) |
| (35,203,061) | - | (35,203,061) | - | (35,203,061) |
| (17,196,685) | - | (17,196,685) | - | (17,196,685) |
| (6,425,402) | - | (6,425,402) | - | (6,425,402) |
| (218,670,843) | - | (218,670,843) | - | (218,670,843) |
| - | 22,925,652 | 22,925,652 | - | 22,925,652 |
| - | 5,580,994 | 5,580,994 | - | 5,580,994 |
| - | (7,345,877) | (7,345,877) | - | (7,345,877) |
| - | (3,484,319) | (3,484,319) | - | (3,484,319) |
| - | 274,677 | 274,677 | - | 274,677 |
| - | 17,951,127 | 17,951,127 | - | 17,951,127 |
| (218,670,843) | 17,951,127 | (200,719,716) | - | \$ (200,719,716) |
| - | - | - | (31,165,892) | \$ (31,165,892) |
| \$ 70,688,693 | - | 70,688,693 | - | 70,688,693 |
| 57,512,896 | - | 57,512,896 | - | 57,512,896 |
| 26,965,342 | - | 26,965,342 | - | 26,965,342 |
| 13,090,167 | - | 13,090,167 | 8,683,933 | 21,774,100 |
| 4,090,824 | - | 4,090,824 | - | 4,090,824 |
| 6,900,051 | - | 6,900,051 | - | 6,900,051 |
| 2,827,262 | 6,083,162 | 8,910,424 | - | 8,910,424 |
| 1,613,856 | - | 1,613,856 | 2,960,623 | 4,574,479 |
| 599,311 | - | 599,311 | 101,217 | 700,528 |
| 20,231,939 | - | 20,231,939 | - | 20,231,939 |
| 8,231,284 | 10,939,608 | 19,170,892 | 1,920,437 | 21,091,329 |
| 5,493,318 | 3,069,209 | 8,562,527 | 6,189,715 | 14,752,242 |
| 2,287,680 | - | 2,287,680 | - | 2,287,680 |
| 220,532,623 | 20,091,979 | 240,624,602 | 19,855,925 | 260,480,527 |
| 14,349,099 | (14,349,099) | - | - | - |
| 234,881,722 | 5,742,880 | 240,624,602 | 19,855,925 | 260,480,527 |
| 16,210,879 | 23,694,007 | 39,904,886 | (11,309,967) | 28,594,919 |
| 173,912,602 | 807,871,118 | 981,783,720 | 11,009,012 | 992,792,732 |
| \$ 190,123,481 | 831,565,125 | 1,021,688,606 | (300,955) | \$ 1,021,387,651 |

See Notes to the Basic Financial Statements

Balance Sheet
Governmental Funds
June 30, 2020

| | General | Project Management Fund | General Debt Service | Housing Successor | Non-Major Governmental Funds | Total |
|--|-----------------------|-------------------------------|-------------------------|----------------------|------------------------------------|-----------------------|
| Assets: | | | | | | |
| Pooled cash and investments (note 2) | \$ 65,842,920 | 4,044,217 | 3,507,568 | 7,045,181 | 169,580,439 | \$ 250,020,325 |
| Accounts receivable, net (note 3) | 23,261,631 | 3,299,402 | 14,798 | 4,624 | 12,698,704 | 39,279,159 |
| Notes receivable (note 4) | 18,350,000 | - | - | 21,296,344 | 52,992,731 | 92,639,075 |
| Allowance for uncollectible notes receivable (note 4) | (4,844,605) | - | - | (21,296,344) | (52,992,731) | (79,133,680) |
| Due from other funds (note 5) | 12,532,404 | - | - | - | - | 12,532,404 |
| Prepays and other assets | 93,678 | - | - | - | 119,973 | 213,651 |
| Restricted assets: | | | | | | |
| Cash and investments (note 2) | 11,706,397 | - | - | - | 2,240,412 | 13,946,809 |
| Cash with fiscal agent (note 2) | - | - | - | - | 9,143,248 | 9,143,248 |
| Advances to other funds (note 6) | 1,087,067 | - | - | - | - | 1,087,067 |
| Advances to component units (note 6) | 167,208 | - | - | - | - | 167,208 |
| Property held for resale | - | - | - | - | 275,566 | 275,566 |
| Total assets | \$ 128,196,700 | 7,343,619 | 3,522,366 | 7,049,805 | 194,058,342 | \$ 340,170,832 |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 15,341,450 | 3,656,805 | - | 16,624 | 4,817,500 | \$ 23,832,379 |
| Deposits | 4,443,395 | - | - | - | 674,012 | 5,117,407 |
| Due to other funds (note 5) | - | - | - | - | 8,618,964 | 8,618,964 |
| Due to other governments | 21,467 | - | - | - | - | 21,467 |
| Unearned revenue | 22,458 | - | - | - | 3,141,510 | 3,163,968 |
| Advances from other funds (note 6) | 330,000 | - | - | - | - | 330,000 |
| Total liabilities | 20,158,770 | 3,656,805 | - | 16,624 | 17,251,986 | 41,084,185 |
| Deferred inflow of resources: | | | | | | |
| Unavailable revenues (note 8) | 431,665 | 1,397,527 | - | - | 4,331,544 | 6,160,736 |
| Total deferred inflow of resources | 431,665 | 1,397,527 | - | - | 4,331,544 | 6,160,736 |
| Fund balances: | | | | | | |
| Nonspendable | 14,853,348 | - | - | - | 1,554,104 | 16,407,452 |
| Restricted | 12,106,421 | 637,147 | 3,522,366 | 7,033,181 | 60,654,755 | 83,953,870 |
| Committed | 55,119,600 | - | - | - | 115,445,636 | 170,565,236 |
| Assigned | 25,081,699 | 1,652,140 | - | - | - | 26,733,839 |
| Unassigned | 445,197 | - | - | - | (5,179,683) | (4,734,486) |
| Total fund balances | 107,606,265 | 2,289,287 | 3,522,366 | 7,033,181 | 172,474,812 | 292,925,911 |
| Total liabilities, deferred inflow of resources and fund balances | \$ 128,196,700 | 7,343,619 | 3,522,366 | 7,049,805 | 194,058,342 | \$ 340,170,832 |

See Notes to the Basic Financial Statements

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020**

| | | |
|--|--------------------|-----------------------|
| Fund balances of governmental funds | | \$ 292,925,911 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets net of depreciation have not been included as financial resources in governmental fund activity. | | 496,678,735 |
| Long-term debt not included in governmental fund activity. | | |
| Notes payable | \$ (5,271,481) | |
| Pension bonds | (136,820,000) | |
| Certificates of participation | (50,850,000) | |
| Capitalized lease obligations | (6,811,926) | |
| Unamortized premium (discount) | <u>(4,546,680)</u> | (204,300,087) |
| Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. | | (1,742,509) |
| Unavailable revenue related to GASB 33 requirement, which consisted primarily of intergovernmental receivables not collected within the availability period. | | |
| Revenues not available | | |
| General Fund | \$ 431,665 | |
| Project Management Capital Project Fund | 1,397,527 | |
| Non-Major Governmental Funds | <u>4,331,544</u> | 6,160,736 |
| The substance of an advanced refunding is reported as deferring the difference and amortizing it over future periods. | | 23,398,699 |
| The City implemented GASB 68. The following related items have been reflected in the Statement of Net Position. | | |
| Net pension liability | \$ (310,807,946) | |
| Net pension liability - deferred inflows | (11,313,832) | |
| Net pension liability - deferred outflows | <u>59,080,054</u> | (263,041,724) |
| The City implemented GASB 75. The following related items have been reflected in the Statement of Net Position. | | |
| Net OPEB liability | \$ (57,581,192) | |
| Net OPEB liability - deferred inflows | (4,452,579) | |
| Net OPEB liability - deferred outflows | <u>7,625,093</u> | (54,408,678) |
| Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The Net Position and Liabilities of the Internal Service Funds must be added to the Statement of Net Position | | <u>(105,547,602)</u> |
| Net position of governmental activities | | <u>\$ 190,123,481</u> |

See Notes to the Basic Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | General | Project Management Funds | General Debt Service | Housing Successor | Non-Major Governmental Funds | Total |
|--|-----------------------|--------------------------------|-------------------------|----------------------|------------------------------------|-----------------------|
| Revenues: | | | | | | |
| Taxes | \$ 180,097,469 | - | - | - | 3,591,622 | \$ 183,689,091 |
| Licenses and permits | 4,107,219 | - | - | - | 9,190,273 | 13,297,492 |
| Intergovernmental revenues | 22,023,659 | 5,668,134 | - | - | 50,783,176 | 78,474,969 |
| Charges for services | 39,789,367 | 363,277 | - | - | 12,913,825 | 53,066,469 |
| Fines and forfeits | 6,519,735 | - | - | - | - | 6,519,735 |
| Investment earnings | 2,743,724 | - | 100,691 | 34,932 | 4,656,533 | 7,535,880 |
| Rental income | 7,617,455 | - | - | 61,741 | 3,069,108 | 10,748,304 |
| Miscellaneous revenues | 3,139,644 | - | - | 141,538 | 3,801,010 | 7,082,192 |
| Contributions | 27,620 | 368,864 | - | - | 7,706,032 | 8,102,516 |
| Total revenues | 266,065,892 | 6,400,275 | 100,691 | 238,211 | 95,711,579 | 368,516,648 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 72,955,954 | 993,439 | 3,200 | - | 5,600 | 73,958,193 |
| Public safety | 136,522,404 | 112,861 | - | - | 2,306,547 | 138,941,812 |
| Transportation | 30,784,573 | 4,828,776 | - | - | 14,684,592 | 50,297,941 |
| Utility | - | - | - | - | 6,133,741 | 6,133,741 |
| Sanitation | - | 274,925 | - | - | 4,218,482 | 4,493,407 |
| Health | - | - | - | - | 14,250,373 | 14,250,373 |
| Culture and leisure | 20,091,786 | 410,779 | - | - | 13,763,043 | 34,265,608 |
| Community development | 9,417,666 | 1,262,079 | - | 397,337 | 34,049,235 | 45,126,317 |
| Capital outlay | - | 23,794,984 | - | - | - | 23,794,984 |
| Debt service: | | | | | | |
| Principal retirement | - | - | 3,376,583 | - | 2,195,000 | 5,571,583 |
| Interest | - | - | 3,558,370 | - | 2,522,825 | 6,081,195 |
| Bond issuance costs | - | - | 561,583 | - | - | 561,583 |
| Total expenditures | 269,772,383 | 31,677,843 | 7,499,736 | 397,337 | 94,129,438 | 403,476,737 |
| Excess (deficiency) of revenues over (under) expenditures | (3,706,491) | (25,277,568) | (7,399,045) | (159,126) | 1,582,141 | (34,960,089) |
| Other financing sources (uses): | | | | | | |
| Proceeds from issuance of debt | - | - | 6,800,000 | - | - | 6,800,000 |
| Proceeds from issuance of refunding debt | - | - | 131,805,000 | - | - | 131,805,000 |
| Payment to refunded bond escrow agent (note 9) | - | - | (131,153,973) | - | - | (131,153,973) |
| Proceeds from sale of capital assets | 31,818,965 | - | - | - | - | 31,818,965 |
| Transfers in (note 15) | 19,656,583 | 27,107,815 | 6,933,543 | 1,204,797 | 17,491,032 | 72,393,770 |
| Transfers out (note 15) | (38,863,033) | (264,735) | (6,800,000) | - | (21,602,485) | (67,530,253) |
| Total other financing sources (uses) | 12,612,515 | 26,843,080 | 7,584,570 | 1,204,797 | (4,111,453) | 44,133,509 |
| Change in fund balances | 8,906,024 | 1,565,512 | 185,525 | 1,045,671 | (2,529,312) | 9,173,420 |
| Fund balances at beginning of year, as restated (note 21) | 98,700,241 | 723,775 | 3,336,841 | 5,987,510 | 175,004,124 | 283,752,491 |
| Fund balances at end of year | \$ 107,606,265 | 2,289,287 | 3,522,366 | 7,033,181 | 172,474,812 | \$ 292,925,911 |

See Notes to the Basic Financial Statements

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2020**

Net change in fund balances - total governmental funds \$ 9,173,420

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

| | |
|---------------------------------------|--------------|
| Capital outlay | 23,794,984 |
| Donation of capital assets | 27,416,781 |
| Sale of capital assets | (30,716,781) |
| Depreciation | (16,572,137) |
| Gain/(loss) on sale of capital assets | 756,681 |

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.

Debt issued:

| | |
|---|------------------|
| Pension Bonds | \$ (131,805,000) |
| Capitalized lease obligations | (6,800,000) |
| Bond premiums/discounts/deferred refund charges | 19,248,973 |

Repayments:

| | |
|---|--------------------|
| Principal repayments | 117,476,583 |
| Amortization of bond premiums/discounts | <u>(1,627,649)</u> |
| Net adjustment | (3,507,093) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 20,066

Bond deferred charges and similar items are recorded as expenditures in governmental funds when debt is first issued, whereas these payments are deferred and amortized in the statement of activities. This amount is the net offset of the difference. (434,581)

Interest payable related to debt services or long-term liabilities. This is the net change in interest payable expense for the current period. 217,376

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources. 3,572,453

OPEB expense reported in the governmental funds includes payment of premiums for the current year. In the Statement of Activities, OPEB expense includes the change in the OPEB liability, and OPEB related deferred outflows of resources and deferred inflows of resources. 182,084

Internal service funds are used by management to charge the costs of certain activities, such as computing and communication, building maintenance, fleet maintenance, fleet replacement, benefits, workers' compensation, general liability, printing services, and 311 call center, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities. 2,307,626

Change in net position of governmental activities \$ 16,210,879

See Notes to the Basic Financial Statements

Statement of Net Position
Proprietary Funds
June 30, 2020

| | Light and Power | Water | Off Street Parking |
|---|-----------------------|--------------------|-----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments (note 2) | \$ 251,501,968 | 43,076,104 | 4,980,831 |
| Accounts receivable, net (note 3) | 25,627,795 | 10,100,250 | 343,676 |
| Notes receivable, restricted (note 4) | 6,583,333 | - | - |
| Due from other funds (note 5) | 1,830,851 | - | - |
| Inventories | 19,334,971 | 8,025,740 | - |
| Prepays and other assets | 674,188 | 344,403 | 178,829 |
| Total current assets | 305,553,106 | 61,546,497 | 5,503,336 |
| Noncurrent restricted assets: | | | |
| Cash and investments (note 2) | 15,663,384 | 2,316 | 923,753 |
| Cash and investments - stranded investments reserve (note 12) | 60,774,869 | - | - |
| Cash with fiscal agent (note 2) | 29 | 6,143,188 | 2,000,781 |
| Notes receivable (note 4) | 8,046,667 | - | - |
| Total noncurrent restricted assets | 84,484,949 | 6,145,504 | 2,924,534 |
| Other non-current assets: | | | |
| Advances to other funds (note 6) | 330,000 | - | - |
| Deposit with Independent System Operator (ISO) | 200,000 | - | - |
| Prepaid long-term assets | 10,683,146 | - | - |
| Capital assets – net of accumulated depreciation (note 7) | 514,891,691 | 212,863,000 | 44,344,407 |
| Total other non-current assets | 526,104,837 | 212,863,000 | 44,344,407 |
| Total assets | 916,142,892 | 280,555,001 | 52,772,277 |
| Deferred outflow of resources | | | |
| Deferred charges - bond refunding | 710,313 | 198,484 | - |
| Deferred outflows related to net pension liability | 7,993,153 | 3,270,541 | 192,941 |
| Deferred outflows related to net OPEB liability | 1,445,934 | 722,954 | 12,358 |
| Total deferred outflow of resources | 10,149,400 | 4,191,979 | 205,299 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 9,925,389 | 7,948,304 | 1,254,237 |
| Deposits | 3,098,747 | 520,171 | 250,723 |
| Insurance claims payable - current (note 16) | - | - | - |
| Due to other funds (note 5) | - | - | - |
| Unearned revenues | 7,181,654 | 2,066,223 | - |
| Compensated absences due within one year | - | - | - |
| Revenue bonds - current (note 9) | 13,380,000 | 2,540,000 | 800,000 |
| Capitalized lease obligations - current (note 9) | - | - | 440,044 |
| Total current liabilities | 33,585,790 | 13,074,698 | 2,745,004 |
| Non-current liabilities: | | | |
| Insurance claims payable - long-term (note 16) | - | - | - |
| Compensated absences due in more than one year | - | - | - |
| Advances from other funds (note 6) | - | - | 1,087,067 |
| Net pension liability (note 18) | 58,506,286 | 20,235,992 | 1,135,543 |
| Net OPEB liability (notes 19) | 11,012,143 | 5,366,301 | 93,324 |
| Revenue bonds - long-term (note 9) | 218,657,536 | 54,980,672 | 21,200,000 |
| Capitalized lease obligations - long-term (note 9) | - | - | 2,384,123 |
| Total non-current liabilities | 288,175,965 | 80,582,965 | 25,900,057 |
| Total liabilities | 321,761,755 | 93,657,663 | 28,645,061 |
| Deferred inflow of resources: | | | |
| Deferred inflows related to net pension liability | 1,750,190 | 716,121 | 42,247 |
| Deferred inflows related to net OPEB liability | 844,746 | 421,750 | 7,217 |
| Total deferred inflow of resources | 2,594,936 | 1,137,871 | 49,464 |
| Net Position | | | |
| Net investment in capital assets | 281,146,799 | 153,081,316 | 19,520,240 |
| Restricted: | | | |
| Debt Service | 15,563,244 | 6,145,504 | 2,924,534 |
| Contribution | 18,000,000 | 1,544,138 | - |
| Stranded investments (notes 12 and 20) | 77,427,235 | - | - |
| Other purposes | 6,615,490 | - | - |
| Unrestricted | 203,182,833 | 29,180,488 | 1,838,277 |
| Total net position | \$ 601,935,601 | 189,951,446 | 24,283,051 |

See Notes to the Basic Financial Statements

| Non-Major Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds | Total |
|----------------------------------|------------------------------|--|----------------|
| 28,653,448 | 328,212,351 | 42,315,915 | \$ 370,528,266 |
| 2,310,973 | 38,382,694 | 354,599 | 38,737,293 |
| - | 6,583,333 | - | 6,583,333 |
| - | 1,830,851 | - | 1,830,851 |
| - | 27,360,711 | 424,893 | 27,785,604 |
| - | 1,197,420 | 916,842 | 2,114,262 |
| 30,964,421 | 403,567,360 | 44,012,249 | 447,579,609 |
| - | 16,589,453 | - | 16,589,453 |
| - | 60,774,869 | - | 60,774,869 |
| - | 8,143,998 | - | 8,143,998 |
| - | 8,046,667 | - | 8,046,667 |
| - | 93,554,987 | - | 93,554,987 |
| - | 330,000 | - | 330,000 |
| - | 200,000 | - | 200,000 |
| - | 10,683,146 | - | 10,683,146 |
| 4,785,342 | 776,884,440 | 16,407,640 | 793,292,080 |
| 4,785,342 | 788,097,586 | 16,407,640 | 804,505,226 |
| 35,749,763 | 1,285,219,933 | 60,419,889 | 1,345,639,822 |
| - | 908,797 | - | 908,797 |
| 1,228,824 | 12,685,459 | 17,242,508 | 29,927,967 |
| 364,571 | 2,545,817 | 920,695 | 3,466,512 |
| 1,593,395 | 16,140,073 | 18,163,203 | 34,303,276 |
| 744,090 | 19,872,020 | 14,857,822 | 34,729,842 |
| 10,275,552 | 14,145,193 | - | 14,145,193 |
| - | - | 17,597,972 | 17,597,972 |
| - | - | 5,744,291 | 5,744,291 |
| - | 9,247,877 | - | 9,247,877 |
| - | - | 9,308,011 | 9,308,011 |
| - | 16,720,000 | - | 16,720,000 |
| - | 440,044 | - | 440,044 |
| 11,019,642 | 60,425,134 | 47,508,096 | 107,933,230 |
| - | - | 22,641,266 | 22,641,266 |
| - | - | 2,828,880 | 2,828,880 |
| - | 1,087,067 | - | 1,087,067 |
| 7,693,465 | 87,571,286 | 100,114,767 | 187,686,053 |
| 2,753,072 | 19,224,840 | 6,952,671 | 26,177,511 |
| - | 294,838,208 | - | 294,838,208 |
| - | 2,384,123 | - | 2,384,123 |
| 10,446,537 | 405,105,524 | 132,537,584 | 537,643,108 |
| 21,466,179 | 465,530,658 | 180,045,680 | 645,576,338 |
| 269,065 | 2,777,623 | 3,547,383 | 6,325,066 |
| 212,887 | 1,486,600 | 537,631 | 2,024,231 |
| 481,952 | 4,264,223 | 4,085,014 | 8,349,237 |
| 4,785,342 | 458,533,697 | 16,394,733 | 474,928,430 |
| - | 24,633,282 | - | 24,633,282 |
| - | 19,544,138 | - | 19,544,138 |
| - | 77,427,235 | - | 77,427,235 |
| - | 6,615,490 | - | 6,615,490 |
| 10,609,685 | 244,811,283 | (121,942,335) | 122,868,948 |
| 15,395,027 | 831,565,125 | (105,547,602) | \$ 726,017,523 |

See Notes to the Basic Financial Statements

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

| | Light and Power | Water | Off Street Parking |
|---|-----------------------|--------------------|-----------------------|
| Operating revenues: | | | |
| Utilities | \$ 217,872,892 | 62,466,496 | - |
| Offstreet parking | - | - | 11,221,094 |
| Refuse collection | - | - | - |
| Telecommunication | - | - | - |
| Computing and communication services | - | - | - |
| Building maintenance | - | - | - |
| Fleet maintenance | - | - | - |
| Employee benefits | - | - | - |
| Insurance | - | - | - |
| Printing | - | - | - |
| 311 Call Center | - | - | - |
| Total operating revenues | 217,872,892 | 62,466,496 | 11,221,094 |
| Operating expenses: | | | |
| Utility production | 108,491,899 | 29,273,973 | - |
| Utility transmission and distribution | 17,748,074 | 6,810,196 | - |
| Utility commercial and general | 29,797,593 | 11,354,073 | - |
| Offstreet parking | - | - | 12,231,112 |
| Refuse collection | - | - | - |
| Telecommunications | - | - | - |
| Computing and communication services | - | - | - |
| Building maintenance | - | - | - |
| Fleet maintenance | - | - | - |
| Benefits | - | - | - |
| Insurance | - | - | - |
| Printing | - | - | - |
| 311 Call Center | - | - | - |
| Depreciation | 31,955,010 | 8,694,776 | 1,707,290 |
| Total operating expenses | 187,992,576 | 56,133,018 | 13,938,402 |
| Operating income (loss) | 29,880,316 | 6,333,478 | (2,717,308) |
| Non-operating revenues (expenses): | | | |
| Taxes | - | - | - |
| Intergovernmental revenues | 293,670 | 1,050,879 | - |
| Investment earnings | 8,412,499 | 1,435,025 | 366,596 |
| Miscellaneous | - | - | - |
| Interest expense | (9,129,374) | (2,885,893) | (646,449) |
| Gain (loss) on disposal of assets | (16,355) | 45,508 | (128,507) |
| Other | 1,085,218 | 1,983,991 | 7,945 |
| Total nonoperating revenues (expenses) | 645,658 | 1,629,510 | (400,415) |
| Income (loss) before transfers and contributions | 30,525,974 | 7,962,988 | (3,117,723) |
| Capital contributions | 1,897,395 | 1,037,022 | - |
| Transfers in (note 15) | 5,436,527 | - | - |
| Transfers out (note 15) | (17,314,625) | (1,894,138) | (108,248) |
| Changes in net position | 20,545,271 | 7,105,872 | (3,225,971) |
| Net position (deficit) at beginning of year | 581,390,330 | 182,845,574 | 27,509,022 |
| Net position (deficit) at end of year | \$ 601,935,601 | 189,951,446 | 24,283,051 |

See Notes to the Basic Financial Statements

| Non-Major Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds | Total |
|----------------------------------|------------------------------|---|----------------|
| - | 280,339,388 | - | \$ 280,339,388 |
| - | 11,221,094 | - | 11,221,094 |
| 11,643,977 | 11,643,977 | - | 11,643,977 |
| 438,686 | 438,686 | - | 438,686 |
| - | - | 17,063,450 | 17,063,450 |
| - | - | 13,188,811 | 13,188,811 |
| - | - | 12,547,146 | 12,547,146 |
| - | - | 32,986,686 | 32,986,686 |
| - | - | 21,394,785 | 21,394,785 |
| - | - | 1,076,327 | 1,076,327 |
| - | - | 791,329 | 791,329 |
| 12,082,663 | 303,643,145 | 99,048,534 | 402,691,679 |
| - | 137,765,872 | - | 137,765,872 |
| - | 24,558,270 | - | 24,558,270 |
| - | 41,151,666 | - | 41,151,666 |
| - | 12,231,112 | - | 12,231,112 |
| 18,739,184 | 18,739,184 | - | 18,739,184 |
| 32,689 | 32,689 | - | 32,689 |
| - | - | 18,344,597 | 18,344,597 |
| - | - | 12,716,967 | 12,716,967 |
| - | - | 9,241,910 | 9,241,910 |
| - | - | 42,537,091 | 42,537,091 |
| - | - | 20,324,698 | 20,324,698 |
| - | - | 1,633,683 | 1,633,683 |
| - | - | 921,698 | 921,698 |
| 851,936 | 43,209,012 | 2,634,952 | 45,843,964 |
| 19,623,809 | 277,687,805 | 108,355,596 | 386,043,401 |
| (7,541,146) | 25,955,340 | (9,307,062) | 16,648,278 |
| 6,083,162 | 6,083,162 | - | 6,083,162 |
| 124,365 | 1,468,914 | - | 1,468,914 |
| 725,488 | 10,939,608 | 695,404 | 11,635,012 |
| - | - | 369,794 | 369,794 |
| - | (12,661,716) | - | (12,661,716) |
| 30,647 | (68,707) | 57,083 | (11,624) |
| 314,934 | 3,392,088 | - | 3,392,088 |
| 7,278,596 | 9,153,349 | 1,122,281 | 10,275,630 |
| (262,550) | 35,108,689 | (8,184,781) | 26,923,908 |
| - | 2,934,417 | - | 2,934,417 |
| 159,659 | 5,596,186 | 11,394,243 | 16,990,429 |
| (628,274) | (19,945,285) | (901,836) | (20,847,121) |
| (731,165) | 23,694,007 | 2,307,626 | 26,001,633 |
| 16,126,192 | 807,871,118 | (107,855,228) | 700,015,890 |
| 15,395,027 | 831,565,125 | (105,547,602) | \$ 726,017,523 |

See Notes to the Basic Financial Statements

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

| | Light and Power | Water | Off Street Parking |
|--|-----------------------|---------------------|-----------------------|
| Cash Flows from Operating Activities: | | | |
| Cash received from customers | \$ 215,248,713 | 60,990,376 | 11,261,835 |
| Cash payments to suppliers for goods and services | (113,170,694) | (30,196,198) | (10,088,413) |
| Cash payments to employees for services | (32,239,809) | (12,502,201) | (899,489) |
| Cash payments to other funds for services | (6,501,867) | (3,727,126) | (1,122,651) |
| Miscellaneous revenue/(expenses) | 1,085,218 | 1,983,991 | 7,968 |
| Net cash provided by (used for) operating activities | 64,421,561 | 16,548,842 | (840,750) |
| Cash Flows from Noncapital Financing Activities: | | | |
| Cash transfers in | 3,605,673 | - | - |
| Cash transfers out | (17,314,625) | (1,894,138) | (108,248) |
| Advances (to)/from other funds | 110,000 | - | - |
| Taxes received | - | - | - |
| Intergovernmental revenues | 293,670 | 1,050,879 | - |
| Net cash provided by (used for) noncapital financing activities | (13,305,282) | (843,259) | (108,248) |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisition and construction of capital assets | (27,779,541) | (18,666,020) | (2,222,439) |
| Proceeds from long-term debt | 11,575,000 | - | - |
| Amount paid to bond escrow agents | (261,081) | - | - |
| Proceeds from sale of capital assets | 20,998 | 46,434 | - |
| Payments on capital leases | - | - | (428,526) |
| Capital Contributions | 3,271,656 | 1,370,060 | - |
| Bond premiums received from debt issuance | 1,311,081 | - | - |
| Unspent cost of issuance | 36,095 | - | - |
| Principal paid on capital debt | (25,630,000) | (2,475,000) | (801,224) |
| Interest paid on capital debt | (10,248,925) | (3,114,465) | (646,449) |
| Net cash used for capital and related financing activities | (47,704,717) | (22,838,991) | (4,098,638) |
| Cash Flows from Investing Activities: | | | |
| Purchase of investments | (36,003,396) | - | - |
| Proceeds from sale of investments | 66,126,311 | 1,109,222 | - |
| Investment earnings | 8,735,565 | 1,478,160 | 366,585 |
| Payments received from loans made to suppliers | 6,014,167 | - | - |
| Net cash provided by (used for) investing activities | 44,872,647 | 2,587,382 | 366,585 |
| Net increase (decrease) in cash and cash equivalents | 48,284,209 | (4,546,026) | (4,681,051) |
| Cash and cash equivalents at beginning of year | 230,365,711 | 48,851,822 | 12,586,416 |
| Cash and cash equivalents at end of year | \$ 278,649,920 | 44,305,796 | 7,905,365 |
| Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position: | | | |
| Cash and Investments | \$ 251,501,968 | 43,076,104 | 4,980,831 |
| Restricted: | | | |
| Cash and stranded investments reserve | 60,774,869 | - | - |
| Cash and investments | 15,663,384 | 2,316 | 923,753 |
| Cash with fiscal agent | 29 | 6,143,188 | 2,000,781 |
| Less non-cash equivalents | (49,290,330) | (4,915,812) | - |
| Cash and cash equivalents at end of year | \$ 278,649,920 | 44,305,796 | 7,905,365 |

See Notes to the Basic Financial Statements

| Non-Major Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds | Total |
|----------------------------------|------------------------------|---|-----------------------|
| 12,615,433 | 300,116,357 | 92,646,349 | \$ 392,762,706 |
| (5,366,662) | (158,821,967) | (29,371,585) | (188,193,552) |
| (9,519,952) | (55,161,451) | (62,514,102) | (117,675,553) |
| (1,181,769) | (12,533,413) | - | (12,533,413) |
| 314,934 | 3,392,111 | - | 3,392,111 |
| <u>(3,138,016)</u> | <u>76,991,637</u> | <u>760,662</u> | <u>77,752,299</u> |
| 159,659 | 3,765,332 | 11,394,243 | 15,159,575 |
| (628,274) | (19,945,285) | (901,836) | (20,847,121) |
| - | 110,000 | - | 110,000 |
| 6,083,162 | 6,083,162 | - | 6,083,162 |
| 124,365 | 1,468,914 | 369,794 | 1,838,708 |
| <u>5,738,912</u> | <u>(8,517,877)</u> | <u>10,862,201</u> | <u>2,344,324</u> |
| (1,662,976) | (50,330,976) | (2,980,555) | (53,311,531) |
| - | 11,575,000 | - | 11,575,000 |
| - | (261,081) | - | (261,081) |
| 30,647 | 98,079 | 63,366 | 161,445 |
| - | (428,526) | - | (428,526) |
| - | 4,641,716 | - | 4,641,716 |
| - | 1,311,081 | - | 1,311,081 |
| - | 36,095 | - | 36,095 |
| - | (28,906,224) | - | (28,906,224) |
| - | (14,009,839) | - | (14,009,839) |
| <u>(1,632,329)</u> | <u>(76,274,675)</u> | <u>(2,917,189)</u> | <u>(79,191,864)</u> |
| - | (36,003,396) | - | (36,003,396) |
| - | 67,235,533 | - | 67,235,533 |
| 725,488 | 11,305,798 | 658,976 | 11,964,774 |
| - | 6,014,167 | - | 6,014,167 |
| <u>725,488</u> | <u>48,552,102</u> | <u>658,976</u> | <u>49,211,078</u> |
| 1,694,055 | 40,751,187 | 9,364,650 | 50,115,837 |
| 26,959,393 | 318,763,342 | 32,951,265 | 351,714,607 |
| <u>28,653,448</u> | <u>359,514,529</u> | <u>42,315,915</u> | <u>\$ 401,830,444</u> |
| 28,653,448 | 328,212,351 | 42,315,915 | \$ 370,528,266 |
| - | 60,774,869 | - | 60,774,869 |
| - | 16,589,453 | - | 16,589,453 |
| - | 8,143,998 | - | 8,143,998 |
| - | (54,206,142) | - | (54,206,142) |
| <u>28,653,448</u> | <u>359,514,529</u> | <u>42,315,915</u> | <u>\$ 401,830,444</u> |

See Notes to the Basic Financial Statements

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

| | Light and Power | Water | Off Street Parking |
|--|----------------------|-------------------|-----------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ 29,880,316 | 6,333,478 | (2,717,308) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation and amortization | 31,955,010 | 8,694,776 | 1,707,290 |
| Miscellaneous revenue (expense) | 1,085,218 | 1,983,991 | 7,968 |
| (Increase) decrease in accounts receivable | (3,708,259) | (1,870,426) | 40,728 |
| Increase (decrease) in allowance for uncollectible accounts | 1,084,080 | 394,306 | - |
| Increase (decrease) in due to other funds | - | - | - |
| (Increase) decrease in inventories | (730,324) | 105,191 | - |
| (Increase) decrease in prepaids and other assets | 1,074,831 | 11,073 | (6,622) |
| Increase (decrease) in accounts payable and accrued liabilities | 28,572 | (847,311) | 73,326 |
| Increase (decrease) in unearned revenue | (402,795) | - | - |
| Increase (decrease) in insurance claims payable | - | - | - |
| Increase (decrease) in OPEB liability | - | - | 6,436 |
| Increase (decrease) in compensated absences | - | - | - |
| Increase (decrease) in deposits payable | 210,948 | 61,305 | (8,745) |
| Increase (decrease) in deferred inflows | (399,728) | 21,777 | 12,531 |
| (Increase) decrease in deferred outflow | 2,070,072 | 701,766 | 30,432 |
| Increase (decrease) in net OPEB liability | 1,612,241 | 796,693 | (18,233) |
| Increase (decrease) in Net Pension Liability | 661,379 | 162,223 | 31,448 |
| Total adjustments | 34,541,245 | 10,215,364 | 1,876,559 |
| Net cash provided by (used for) operating activities | \$ 64,421,561 | 16,548,842 | (840,749) |
| Non-Cash Investing, Capital, and Financing Activities | | | |
| Gain/(Loss) on disposition of capital assets | \$ (16,355) | 45,508 | (128,507) |
| Amortization of deferred charges | (271,500) | (66,161) | - |
| Amortization of premiums (discounts) | 858,945 | 285,037 | - |
| Changes in fair value of investments | \$ 2,437,671 | 360,732 | 39,942 |

See Notes to the Basic Financial Statements

| Non-Major Enterprise Funds | Total Enterprise Funds | Governmental Activities- Internal Service Funds | | Total |
|----------------------------------|------------------------------|---|----|-------------|
| (7,541,146) | 25,955,340 | (9,307,062) | \$ | 16,648,278 |
| 851,936 | 43,209,012 | 2,634,952 | | 45,843,964 |
| 314,934 | 3,392,111 | - | | 3,392,111 |
| 462,290 | (5,075,667) | (9,770) | | (5,085,437) |
| 70,475 | 1,548,861 | - | | 1,548,861 |
| - | - | 1,270,898 | | 1,270,898 |
| - | (625,133) | 48,286 | | (576,847) |
| - | 1,079,282 | (10,311) | | 1,068,971 |
| (185,434) | (930,847) | 4,416,070 | | 3,485,223 |
| - | (402,795) | - | | (402,795) |
| - | - | (5,203,236) | | (5,203,236) |
| - | 6,436 | - | | 6,436 |
| - | - | 955,176 | | 955,176 |
| 1,707,157 | 1,970,665 | - | | 1,970,665 |
| 92,661 | (272,759) | (875,756) | | (1,148,515) |
| 94,800 | 2,897,070 | 1,836,507 | | 4,733,577 |
| 744,602 | 3,135,303 | 1,418,887 | | 4,554,190 |
| 249,709 | 1,104,759 | 3,586,021 | | 4,690,780 |
| 4,403,130 | 51,036,298 | 10,067,724 | | 61,104,022 |
| (3,138,016) | 76,991,638 | 760,662 | \$ | 77,752,300 |
| 30,647 | (68,707) | (6,283) | \$ | (74,990) |
| - | (337,661) | - | | (337,661) |
| - | 1,143,982 | - | | 1,143,982 |
| - | 2,838,345 | 181,356 | \$ | 3,019,701 |

See Notes to the Basic Financial Statements

Statement of Net Position
Fiduciary Funds
June 30, 2020

| | Employee Benefit Trust Funds | Agency Funds | Private Purpose Trust Funds |
|---|------------------------------------|--------------|--------------------------------|
| Assets: | | | |
| Cash and cash equivalents (note 2) | \$ 332,750,032 | \$ 457,779 | \$ 663,129 |
| Receivables: | | | |
| Accounts receivable | - | 665,908 | - |
| Contribution | 2,419,005 | - | - |
| Interest | 115,554 | - | - |
| Notes receivable | - | - | 515,000 |
| Allowance for uncollectible long-term receivables | - | - | (515,000) |
| Other assets | - | 839,193 | - |
| Investments, at fair value (note 2) | | | |
| Government and agencies | 12,716,435 | - | - |
| Corporate obligations | 21,687,948 | - | - |
| Fixed income mutual fund | 16,244,067 | - | - |
| Real estate | 11,175,291 | - | - |
| Corporate stocks | 44,159,164 | - | - |
| Total investments | 105,982,905 | - | - |
| Capital assets, net (note 7) | - | - | 214,261 |
| Total assets | 441,267,496 | \$ 1,962,880 | 877,390 |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | 21,310 | 658,629 | 12,412 |
| Due to other governments | - | 309,016 | - |
| Due to bondholders | - | 995,235 | - |
| Bonds payable - due within one year | - | - | 210,000 |
| Bonds payable - due in more than one year | - | - | 225,000 |
| Pending purchases | 5,366,983 | - | - |
| Total liabilities | 5,388,293 | \$ 1,962,880 | 447,412 |
| Net Position: | | | |
| Held in trust for other post retirement benefits | 2,215,925 | | - |
| Restricted for pensions | 433,663,278 | | - |
| Held in trust for other purposes | - | | 429,978 |
| Total Net Position | \$ 435,879,203 | | \$ 429,978 |

See Notes to the Basic Financial Statements

Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

| | Employee Benefit Trust Funds | Private Purpose Trust Funds |
|--|---|--|
| Additions: | | |
| Contributions: | | |
| Employer | \$ 23,137,382 | \$ - |
| Plan members | 16,286,969 | - |
| Property taxes | - | 9,842,655 |
| Total contributions | 39,424,351 | 9,842,655 |
| Net investment income: | | |
| Investment earnings | 15,091,779 | 5,253 |
| Interest | 901,682 | - |
| Dividends | 1,764,478 | - |
| Gross investment income | 17,757,939 | 5,253 |
| Less investment expenses | (400,280) | - |
| Total net investment income | 17,357,659 | 5,253 |
| Miscellaneous revenues | - | 20,827 |
| Total additions | 56,782,010 | 9,868,735 |
| Deductions: | | |
| Benefits paid to participants | 35,770,995 | - |
| Fiscal agency expenses | - | 5,217 |
| Interest expense | - | 21,210 |
| Statutory pass-through expenses | - | 8,941,010 |
| Administrative expenses | 550,734 | - |
| County administrative expenses | - | 836,564 |
| Successor agency administrative cost allowance | - | 126,786 |
| Total deductions | 36,321,729 | 9,930,787 |
| Change in net position | 20,460,281 | (62,052) |
| Net Position held in trust - beginning | 415,418,922 | 492,030 |
| Net Position held in trust - ending | \$ 435,879,203 | \$ 429,978 |

See Notes to the Basic Financial Statements

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2020**

| | Rose Bowl Operating Company | Pasadena Center Operating Company | Pasadena Community Access Corp. | Total |
|---|-----------------------------------|---|---------------------------------------|---------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 19,348,222 | 16,915,616 | 288,564 | \$ 36,552,402 |
| Accounts receivable, net | 3,609,605 | 350,232 | 1,813 | 3,961,650 |
| Inventory | 10,674 | - | - | 10,674 |
| Due from the City of Pasadena | - | 504,008 | - | 504,008 |
| Prepays and other assets | 42,410 | 118,053 | 15,248 | 175,711 |
| Total current assets | 23,010,911 | 17,887,909 | 305,625 | 41,204,445 |
| Non-current assets: | | | | |
| Restricted assets - cash and investmetns | 15,712,015 | 11,489,706 | 176,207 | 27,377,928 |
| Due from the City of Pasadena | 471,481 | - | - | 471,481 |
| Capital Assets: | | | | |
| Construction in progress | 4,737,926 | 2,723,736 | - | 7,461,662 |
| Other capital assets, net | 173,619,550 | 126,025,111 | 180,114 | 299,824,775 |
| Total non-current assets | 194,540,972 | 140,238,553 | 356,321 | 335,135,846 |
| Total assets | 217,551,883 | 158,126,462 | 661,946 | 376,340,291 |
| Deferred outflow of resources: | | | | |
| Accumulated decrease in fair value of hedging derivatives (note 10) | - | 33,406,950 | - | 33,406,950 |
| Deferred refunding charges | 2,538,189 | 1,066,452 | - | 3,604,641 |
| Outflows related to pension liability | 1,085,090 | - | - | 1,085,090 |
| Total deferred outflow of resources | 3,623,279 | 34,473,402 | - | 38,096,681 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 3,581,193 | 969,897 | 28,217 | 4,579,307 |
| Interest payable | 3,172,160 | 525,846 | - | 3,698,006 |
| Due to the City of Pasaena | 583,417 | - | - | 583,417 |
| Deposits | 317,046 | 1,279,254 | - | 1,596,300 |
| Due to other governments | 1,106,324 | - | 176,207 | 1,282,531 |
| Current portion of long-term advance | 100,000 | - | - | 100,000 |
| Current portion of compensated absences | 207,608 | - | 32,291 | 239,899 |
| Current portion of long-term debt (note 9) | 3,361,769 | 5,606,049 | - | 8,967,818 |
| Total current liabilities | 12,429,517 | 8,381,046 | 236,715 | 21,047,278 |
| Non-current liabilities: | | | | |
| Derivative instrument liability (note 10) | - | 33,406,950 | - | 33,406,950 |
| Long-term advance | 700,000 | - | - | 700,000 |
| Compensated absences | 55,013 | - | - | 55,013 |
| Long-term debt, net of current portion (note 9) | 206,250,640 | 145,033,346 | - | 351,283,986 |
| Net pension liability | 2,788,864 | - | - | 2,788,864 |
| Total non-current liabilities | 209,794,517 | 178,440,296 | - | 388,234,813 |
| Total liabilities | 222,224,034 | 186,821,342 | 236,715 | 409,282,091 |
| Deferred inflow of resources: | | | | |
| Deferred refunding charge (note 10) | - | 5,040,208 | - | 5,040,208 |
| Service concession agreement | - | 282,250 | - | 282,250 |
| Inflows related to net pension liability | 133,378 | - | - | 133,378 |
| Total deferred inflow of resources | 133,378 | 5,322,458 | - | 5,455,836 |
| Net Position: | | | | |
| Net Investment in capital assets | 2,324,793 | 4,031,630 | 180,114 | 6,536,537 |
| Restricted | 15,712,015 | 870,240 | - | 16,582,255 |
| Unrestricted | (19,219,058) | (4,445,806) | 245,117 | (23,419,747) |
| Total net position | \$ (1,182,250) | 456,064 | 425,231 | \$ (300,955) |

See Notes to the Basic Financial Statements in the Discretely Presented Component Units audited standalone financial statements

**Combining Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2020**

| | Rose Bowl Operating Company | Pasadena Center Operating Company | Pasadena Community Access Corp. | Total |
|---|-----------------------------------|---|---------------------------------------|---------------------|
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Rose Bowl | \$ 26,823,588 | - | - | \$ 26,823,588 |
| Golf course | 1,680,182 | - | - | 1,680,182 |
| Pasadena Center Operating Company | - | 8,506,912 | - | 8,506,912 |
| Pasadena Community Access Corporation | - | - | 1,014,619 | 1,014,619 |
| Total operating revenues | 28,503,770 | 8,506,912 | 1,014,619 | 38,025,301 |
| Operating expenses: | | | | |
| Rose Bowl | 21,442,946 | - | - | 21,442,946 |
| Golf course | 1,600,921 | - | - | 1,600,921 |
| Pasadena Center Operating Company | - | 9,924,972 | - | 9,924,972 |
| Pasadena Community Access Corporation | - | - | 1,014,154 | 1,014,154 |
| Depreciation | 12,263,992 | 4,158,709 | 40,784 | 16,463,485 |
| Total operating expenses | 35,307,859 | 14,083,681 | 1,054,938 | 50,446,478 |
| Operating income (loss) | (6,804,089) | (5,576,769) | (40,319) | (12,421,177) |
| Non-operating revenues (expenses): | | | | |
| Transient occupancy taxes, net | - | 8,683,933 | - | 8,683,933 |
| Tourism business improvement district tax | - | 2,960,623 | - | 2,960,623 |
| Facility restoration fee | - | 101,217 | - | 101,217 |
| Investment earnings | 960,391 | 960,008 | 38 | 1,920,437 |
| Interest expense | (12,327,400) | (6,272,340) | - | (18,599,740) |
| Public, education, and government (PEG) revenue | - | - | 300,050 | 300,050 |
| PEG expense | - | - | (203,000) | (203,000) |
| Other nonoperating revenues | 5,889,665 | - | - | 5,889,665 |
| Total non-operating revenues | (5,477,344) | 6,433,441 | 97,088 | 1,053,185 |
| Income (loss) before transfers | (12,281,433) | 856,672 | 56,769 | (11,367,992) |
| Capital contributions | - | 58,025 | - | 58,025 |
| Change in net position | (12,281,433) | 914,697 | 56,769 | (11,309,967) |
| Net position at beginning of year | 11,099,183 | (458,633) | 368,462 | 11,009,012 |
| Net position at end of year | \$ (1,182,250) | 456,064 | 425,231 | \$ (300,955) |

See Notes to the Basic Financial Statements in the Discretely Presented Component Units audited standalone financial statements

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NOTES TO THE BASIC FINANCIAL STATEMENTS



NOTE

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(1) Summary of Significant Accounting Policies

The basic financial statements of the City of Pasadena, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

(a) Reporting Entity

The City was incorporated on June 19, 1886 as a Charter City, which operates under a Council-City Manager form of government. The City is a municipal corporation governed by an elected mayor and seven council members.

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City is such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The two methods of reporting component unit data in the basic financial statements are blended and discrete presentation. Blending is limited exclusively to when the board of the component unit is substantively the same as that of the City or if the component unit serves the City exclusively, or almost exclusively.

Blended component units, although legally separate entities, are in substance part of the City's operations; data from these units are combined with data of the City. Component units that do not meet the criteria for blending are included within financial statements as discrete presentations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. Similar to the City, each blended and discretely presented component unit has a June 30th year-end.

Jointly governed organizations provide goods or services to the citizenry of two or more governments, but do not have an ongoing financial interest or responsibility by the participating governments.

Blended Component Units

Pasadena Parking Authority (The Authority)

The Authority was created by Resolution No. 1399, dated June 6, 1972 pursuant to the provisions of the Parking Law of 1949 (California Streets and Highways Code, Sections §32651 and §32661.1). The City Council constitutes the governing board of the Authority pursuant to the aforementioned Resolution. The primary purpose of the Authority is to establish parking facilities for motor vehicles within the City, to furnish motor vehicle parking spaces, and to care for such vehicles within any parking facility or space owned, controlled or operated by the Authority. The City has operational responsibility for the Authority. The Authority is reported as an Enterprise Fund and does not release a separate financial report.

(1) Summary of Significant Accounting Policies (Continued)

Pasadena Civic Improvement Corporation (PCIC)

PCIC was created on August 9, 1985 pursuant to the Non-profit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code). At the request of the City, PCIC was organized for the specific and primary purpose of providing financial assistance to the City by acquiring or constructing property and appurtenances for and on behalf of the City. This is accomplished through the issuance of such financing instruments as certificates of participation. The PCIC is a non-profit organization with three directors: Chief Executive Officer, Secretary/Financial Officer, and Assistant Executive Officer/Assistant Secretary. PCIC's financial data and transactions are blended with the Debt Service and Capital Projects fund types. The PCIC does not release a separate financial report.

Pasadena Housing Authority (Housing Authority)

Formerly known as the Local Housing Authority, the Pasadena Housing Authority administers the City's federally funded housing programs under contract with the United States Department of Housing and Urban Development (HUD). The Housing Authority's purpose is to help provide safe and sanitary housing accommodations for citizens with low income. It is governed by the City Council and the City has operational responsibility for the Authority. The Housing Authority's financial data and transactions are blended as a Special Revenue Fund. The Housing Authority does not release a separate financial report.

Pasadena Public Financing Authority (PPFA)

The Pasadena Public Financing Authority was created through the joint exercise of powers agreement between the City and the Pasadena Community Development Commission (PCDC) dated April 24, 2000. The purpose of creating the PPFA is to accomplish the purposes of the law and the Bond Pooling Act, including the financing of public capital improvements and the purchase of certain local obligations issued or incurred by the City, PCDC, or other public agencies or the sale of such local obligations or the issuance of bonds of the PPFA secured in whole or in part by such local obligations, or by any other designated source of revenues, all permitted by the law or the Bond Pooling Act. The Bond Pooling Act authorizes and empowers the PPFA to, among other things, (i) issue bonds and to expend or loan the proceeds thereof to the City or PCDC, (ii) finance the acquisition and/or construction of public capital improvements and to sell or lease such improvements to the City or PCDC and (iii) purchase bonds issued by the City or PCDC, all for the purpose of financing public capital improvements, working capital, liability and other insurance needs, or certain other projects whenever there are significant public benefits, as determined by the City or PCDC. PCDC ceased operations as an entity on January 31, 2012, and the City became the successor agency to the PCDC to perform all of PCDC's continuing obligations. PPFA's financial data and transactions are blended with the Debt Service and Capital Projects fund types. The PPFA does not release a separate financial report.

Pasadena Fire and Police Retirement System (FPRS)

FPRS was originally established by the City Charter in 1919. The system was closed on June 30, 1977, but continues to pay out benefits to retirees and their beneficiaries. FPRS covers all sworn fire and police personnel who were employed by the City prior to July 1, 1977, except those who elected to transfer to the California Public Employees' Retirement System (CalPERS) when the system closed. FPRS is managed by a five-member Retirement Board. Three of the members are appointed by the City Council. The other two members represent firefighter and police officials, and are each appointed by their respective members. Additional information related to FPRS is included in Note 18. The FPRS's Annual Report and Audited Financial Statements can be obtained by contacting the Pasadena Fire and Police Retirement System, 100 North Garfield Avenue, N206, Pasadena, CA 91109.

(1) Summary of Significant Accounting Policies (Continued)**Successor Agency to PCDC (Successor Agency)**

The Successor Agency to PCDC was created to serve, in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Pasadena Community Development Commission (PCDC). The Successor Agency operates under the auspices of a legislatively formed oversight board who has authority over its financial affairs and supervises its operations and timely dissolution. Its assets are held in trust for the benefit of the taxing entities within the former PCDC boundaries and as such are not available for City use. The accompanying financial statements include the Successor Agency under the statutorily required Private-Purpose Trust Fund.

Discretely Presented Component Units

The following organizations are considered to be discretely presented component units of the City:

Rose Bowl Operating Company (RBOC)

RBOC was incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City by managing a world class stadium and a professional quality golf course complex in a residential open-space environment. RBOC is governed by a thirteen-member board. Eleven members are appointed by the City Council, while the University of California, Los Angeles (UCLA) and the Tournament of Roses appoint one each. RBOC operations are discretely presented in the accompanying financial statements since neither of the two criteria for blended component units, as described above, have been met. RBOC's budget is reviewed and approved by the City Council. RBOC is presented as an Enterprise Fund Type. Separate component unit financial statements of RBOC are issued and available upon request from the RBOC Administration Office at 1001 Rose Bowl Drive, Pasadena, California 91103. RBOC was audited in accordance with Generally Accepted Government Auditing Standards. Additional information is available at www.rosebowlstadium.com.

Pasadena Center Operating Company (PCOC)

PCOC was established on September 19, 1973, as a legally separate entity with the primary purpose of managing and operating the Pasadena Center, a civic facility designed for conferences, exhibitions, trade shows, assemblies, cultural, educational and recreational programs, and for the use, benefit and enjoyment of the public. PCOC was also established to supervise the activities of the Pasadena Convention and Visitors Bureau. PCOC is governed by a fourteen-member board who are appointed by the City Council. The City provides a significant portion of the operating support of PCOC through allocation of the Transient Occupancy Tax collected by the City. PCOC is presented as an Enterprise Fund. Separate component unit financial statements of PCOC are issued and available upon request from Pasadena Center Operating Company, 300 E. Green Street, Pasadena, CA 91101. PCOC was audited in accordance with Generally Accepted Government Auditing Standards. Additional information is available at www.pasadenacenter.com.

(1) Summary of Significant Accounting Policies (Continued)**Pasadena Community Access Corporation Board (PCAC)**

PCAC was created by the City Council in July 1983 and established on December 9, 1983 by Articles of Incorporation. The PCAC's primary purpose is to provide a means for individuals or groups to use cable telecommunications in order to communicate and share information. The PCAC board consists of eleven members. Seven are appointed from each Council district, one each by the Mayor and City Manager, two members, including one representing Pasadena City College (PCC) and another one representing Pasadena Unified School District (PUSD) with residency required except for the PCC and PUSD representative. The City is able to impose its will on PCAC through its ability to appoint a majority of its board members. PCAC's budget is reviewed and approved by the City Council. The City provides support through the 1% Public, Education, and Government (PEG) allocation. Separate component unit financial statements of PCAC are issued and available upon request from Pasadena Community Access Corporation, 150 South Los Robles Avenue, Pasadena, CA 91101. PCAC was audited in accordance with Generally Accepted Government Auditing Standards. Additional information is available at www.pasadenamedia.webs.com.

Jointly Governed Organizations

The following organizations are considered to be jointly governed organizations of the City:

Bob Hope Airport

The Bob Hope Airport is under the governance of the Burbank-Glendale-Pasadena Airport Authority (Airport Authority). The Airport Authority is a separate agency created in 1977 under a joint powers agreement between the three cities for the sole purpose of owning and operating the Bob Hope Airport. Three commissioners from each city, appointed by each city's respective city council, make up the nine members of the Airport Authority. There is no ongoing financial interest or responsibility by the participating governments. Additional information is available at www.burbankairport.com.

County of Los Angeles (County)

Under a Joint Powers Agreement dated November 22, 1966, both the City and the County participated in the construction of a parking structure at 199 North Garfield Avenue, Pasadena, California. In 1985, the County exercised an option to purchase the structure from the Retirement Board of the Los Angeles County Employees' Retirement Association, at which time the City became tenant in common, holding a 30% share of the facility.

Foothill Air Support Team (FAST)

On July 31, 2000, the cities of Monrovia, Arcadia, Azusa, Covina, West Covina, and Pasadena formed a Joint Powers Agreement (JPA) for police helicopter services known as the FAST. Currently, the cities of Alhambra, Arcadia, Covina, Glendora, Monrovia, Pasadena, Pomona, San Marino, Sierra Madre, and South Pasadena are parties to the JPA. This arrangement provides police helicopter support to a number of neighboring cities on an hourly cost reimbursement basis. The City of Pasadena operates a fleet of police helicopters which it has made available for a limited set number of weekend hours and then on an on call basis. Cities are billed for their actual utilization. FAST does not own or operate helicopters, has not issued debt, and cannot levy taxes. The City bears the burden of purchasing, operating, maintaining, and providing helicopter support. It does so under the City's General Fund.

(1) Summary of Significant Accounting Policies (Continued)Rose Bowl Aquatics Center (RBAC)

On December 11, 1987, the City and the RBAC entered into an Operating and License Agreement for RBAC to build and operate swimming facilities owned by the City in the designated area of Brookside Park. The most recent Operating and License Agreement has a 15-year term with 3 five-year extensions and was executed on June 3, 2008. The City leases the property to the RBAC for \$1 per year and provides various financial and operational supports to the community aquatics facility. In return RBAC operates as a year-round community aquatics facility, is responsible for capital improvements and repairs, and provides scholarship assistance and community services. The City Council and Mayor appoint 5 of the 21 member of the RBAC Board of Directors.

Foothill Workforce Development Board (FWDB)

Developed 35 years ago, the City Council approved a Joint Powers Agreement (JPA) among the cities of Arcadia, Duarte, Monrovia, Sierra Madre, South Pasadena, and Pasadena. The JPA created the Foothill Employment and Training Consortium (FETC) which the City of Pasadena is the fiscal agent and has the authority to receive and administer workforce development funds. FETC formed the Foothill Workforce Development Board (FWDB) to take the lead in developing the implementation plan for workforce development services for job seekers and businesses. The mission is to support economic growth in the San Gabriel Valley by investing in skill development and job training to ensure that businesses have qualified workforce talent and job seekers have career opportunities. The FWDB's Americas Job Center of California is located at 1207 East Green Street in Pasadena and is funded through the Workforce Innovation and Opportunity Act (WIOA).

(b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by function to which they were allocated). However, general governmental expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources and obligations of the reporting government (both current and long-term) are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities are recognized in accordance with various GASB Statements.

(1) Summary of Significant Accounting Policies (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the City are reported as a reduction of the related liability, rather than as expenditures.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental 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.

Fund financial statements for the City are governmental, proprietary, and fiduciary funds and they are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a sixty-day availability period. The City accrues the following revenue types: taxes, licenses, fines and forfeits, and miscellaneous revenues.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction on which they are based takes place. *Imposed non-exchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first.

(1) Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are reflected in non-spendable fund balance.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary Funds

The City’s Enterprise and Internal Service Funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Light and Power Fund, Water Fund, Off Street Parking Facilities Fund and of the City’s Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as expense. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements. Amounts paid to reduce long-term liability of the proprietary funds are reported as a reduction of the related liability.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

(1) Summary of Significant Accounting Policies (Continued)**Fiduciary Funds**

The City's fiduciary funds include Employee Benefit Trust Funds, Agency Funds, and Private-Purpose Trust Funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. Employee Benefit Trust Funds are used to account for resources that are required to be held in trust for the members and beneficiaries of benefit and contribution plans. Private-Purpose Trust Funds are to account for receipt of incremental property tax and payment of enforceable obligations (debts) of the former redevelopment agency.

(c) Major Funds, Internal Service Funds and Fiduciary Fund Types

The City reports the following major governmental funds:

General Fund – The primary fund of the City is used to account for all general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City.

Project Management Capital Projects Fund – Used to account for all capital improvement projects, except for those involving the utilities, and special assessment districts, where revenues are received from grants by other governments, private parties, and through transfer from other City funds.

General Debt Service Fund - to account for the payment of interest and principal of the pension bonds and other city-wide obligations.

Housing Successor Fund - to account for the use of property tax increment legally restricted for increasing or improving housing for low and moderate income households effective February 1, 2012.

The City reports the following major proprietary funds:

Light and Power Fund – Used to account for the operations of the City's electric utility; a self-supporting activity that renders services on a user-charge basis to residents and businesses as prescribed by the City Charter.

Water Fund – Used to account for the operations of the City's water utility; a self-supporting activity that renders services on a user-charge basis to residents and businesses as prescribed by the City Charter.

Off Street Parking Fund – In FY 2014, the City combined all of the parking funds into the Off Street Parking Fund. This fund is used to account for the operation of the parking facilities throughout the City.

Additionally, the City reports the following fund types:

Special Revenue Funds - Used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Permanent Funds - Used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Internal Service Funds – Used to account for computing and communication services, building maintenance, fleet maintenance, employee benefits, workers' compensation and general liability, equipment leasing, printing and mail services to other departments or agencies of the City.

(1) Summary of Significant Accounting Policies (Continued)

Employee Benefit Trust Funds – Used to account for transactions of the FPRS and the City’s Deferred Compensation Plan.

Agency Funds – These funds account for assets held by the City on behalf of assessment district bondholders, the Foothill Employment and Training Consortium, and assets held for certain joint powers organizations.

Private-Purpose Trust Funds – To account for the receipt of incremental property tax and payment of enforceable obligations (debts) of the former redevelopment agency that were approved on the Recognized Obligation Payment Schedule by the California Department of Finance until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

(d) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the Proprietary Funds’ share in the City’s cash and investment pool. Cash equivalents have an original maturity date of three months or less from the date of purchase.

(e) Cash and Investments

Investments are reported in the accompanying financial statements at fair value based on quoted market prices, except for certain certificates of deposit, money market investments that mature within one year of acquisition and investment contracts that are reported at cost because they are not transferable, they have terms that are not affected by changes in market interest rates, and provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

Both realized and unrealized changes in fair value that occur during a fiscal year are recognized and recorded as *net changes in fair value of investments*. *Investment earnings* include net changes in fair value of investments, interest earnings, and all other investment income.

The City pools cash and investments of all funds, except for certain fund specific City held portfolios, deferred compensation assets, and assets held by fiscal agents. Each fund’s share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund’s average cash and investment balance, except for investment earnings associated with the following funds not legally required to receive pooled investment earnings that have been assigned to and recorded as revenue in the General Fund, as provided by the legal provisions of the California Government Code Section §53647: Health, Housing and Community Development, Project Management, Workers’ Compensation, General Liability, Employment and Training, South Lake Business Improvement District and Old Pasadena Business Improvement District.

The City enters into interest rate swap agreements to modify rates on outstanding debts. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

(f) Due from Other Governments

The amounts recorded as a receivable, *due from other governments*, include grant revenues and other state subventions, collected or provided by Federal, State, County and City Governments and unremitted to the City as of June 30, 2020.

(1) Summary of Significant Accounting Policies (Continued)**(g) Inventories**

Inventories held by the Light and Power Fund and Water Fund (Enterprise Funds) are carried at the lower of weighted average cost or market computed on a first-in /first-out basis depending on the type of inventory. There are three types of inventory, those held for consumption in operations, those capitalized, and inventory held for resale. Inventories held by the Fleet Maintenance Fund (Internal Service Fund) are carried at average cost. Inventory items are accounted for as an expenditure or expense when consumed or sold.

(h) Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as non-spendable fund balance by the general fund since they do not reflect current appropriable reserves.

(i) Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. The City utilizes the allocation method to record its prepaids. The prepaid assets recorded in the Governmental Funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is unspendable.

(j) Restricted Cash and Investments

The City considers all cash and investments from bond proceeds in Proprietary Funds as restricted. The City is legally mandated under bond indentures to use these resources only for the purposes specified. Also included as restricted cash and investments are amounts accumulated in the Light and Power Fund for the purpose of meeting future contractual commitments including the Stranded Investment Reserve (SIR) Utilization Plan which is discussed under Note 12 – Restricted Net Position, deferred compensation and all cash and investments belonging to Employee Benefit Trust and Agency Funds which are held by trustees.

(k) Property Held for Resale

Property held for resale represents land, structures, and their related improvements that were acquired for resale. This includes the properties acquired in accordance with the objective of the former Pasadena Community Development Commission (PCDC) project area.

On December 29, 2011 the California Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in California. The bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. The City Council elected to become the Successor Agency on January 30, 2012.

(l) Capital Assets

Capital assets (including infrastructure) greater than \$10,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets, works of art, and capital assets received in a service concession agreements are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets include public domain (infrastructure) general assets consisting of certain improvements including roads, streets, sidewalks, medians, sewer systems and storm drains.

(1) Summary of Significant Accounting Policies (Continued)

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

A summary of the estimated useful lives of capital assets is as follows:

| Light and Power Fund | | Water Fund | |
|-------------------------|----------------|------------------------------------|----------------|
| Production Plant | 20 to 40 years | Source of Supply | 20 to 50 years |
| Transmission Plant | 25 to 40 years | Pumping Plant | 10 to 50 years |
| Distribution Plant | 20 to 40 years | Treatment Plant | 10 to 20 years |
| General Plant | 10 to 40 years | Transmission and | |
| Equipment | 4 to 10 years | Distribution Plant | 10 to 80 years |
| | | General Plant | 6 to 50 years |
| | | Equipment | 4 to 10 years |
| Governmental Activities | | All Other Business-Type Activities | |
| Building and | | Building and | |
| Improvements | 20 to 50 years | Improvements | 20 to 50 years |
| Machinery and | | Machinery and | |
| Equipment | 2 to 20 years | Equipment | 2 to 20 years |
| Infrastructure | 8 to 200 years | | |
| Fiduciary Funds | | Fiduciary Funds | |
| Building and | | Machinery and | |
| Improvements | 20 to 50 years | Equipment | 2 to 20 years |

(m) Insurance Claims Payable

The City records a liability for material litigation, judgments, and claims (including incurred but not reported losses) when it is probable that an asset has been significantly impaired or a material liability has been incurred prior to year- end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. These claims are only recorded on a case-by-case basis. These liabilities are recorded and liquidated from the City’s Workers’ Compensation and General Liability Internal Service Funds. As mentioned in more detail in Note 16, excess liability insurance covers claims greater than the self-insurance thresholds.

(n) Compensated Absences

The City accounts for compensated absences including accumulated vacation, floating holidays, and compensatory time-off, and certain sick leave in the Benefits Internal Service Fund. Management time off is recorded under departmental expense as incurred. Upon separation, employees are paid for all of their unused vacation leave, floating holidays, management time off, and compensatory time-off subject to maximums described below.

Eligible employees accumulate 3 to 22 days of vacation each year, depending on the employee’s bargaining unit and length of service, but may not carry over from one year to the next more than the equivalent of one to three (depends on Memorandum of Understanding or Salary Resolution) year’s vacation without prior approval of the respective department head and/or City Manager.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees’ entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time-off or payments upon termination or retirement. The City does not accrue for unused holiday and management time off.



(1) Summary of Significant Accounting Policies (Continued)

Compensated absences are primarily liquidated by the General Fund, Light and Power Fund and Water Fund.

Sick pay benefits only accumulate; they can be converted at retirement from the City for PERS Service Credit. Consistent with this policy, the City does not accrue sick pay benefits.

The total outstanding vacation, compensatory time-off obligations are accrued at fiscal year-end and included under "Compensated Absences" in the Benefits Internal Service Fund as a current liability. See Note 9. The total actual payments in FY 2020 and FY 2019 were 83% and 90% of prior year accruals, respectively.

(o) Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office, and are in accordance with the implementation of GASB Statement No. 68. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications. See Note 18 for additional details.

(p) Post-employment Benefits Other Than Pension Obligation

For purpose 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 OPEB plan, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 19 for additional details.

(q) Bond Premiums / Discounts / Issuance Costs

For Governmental-Wide Financial Statements and Proprietary Funds financial statements, issuance costs are recognized during the current period. Any bond premiums and discounts are capitalized and amortized over the life of the bonds. Bond proceeds, premiums and discounts are reported as other financing sources in the governmental fund financial statements.

(r) Deferred Outflows and Inflows of Resources

Pursuant to GASB Statements No. 63 and 65, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. See Note 8 for additional details.

(s) Fund Balance

In the fund financial statements, governmental fund balance is made up of the following components:

- Non-spendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, notes receivable, and property held for resale, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the non-spendable category.

(1) Summary of Significant Accounting Policies (Continued)

- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.
- Committed fund balance is the portion of fund balance that includes amounts that can only be used for the specific purpose determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action, a resolution, that imposed the constraint originally.
- Assigned fund balance is the portion of fund balance that is constrained by the City’s intent to utilize fund balance for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the Finance Director through the Fund Balance Policy.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result.

The accounting policies of the City consider restricted fund balance to have been spent first when expenditures are incurred for purposes for which both the restricted and unrestricted fund balance is available. Similarly, when expenditures are incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned and then unassigned amounts.

In June 2017 City Council directed staff to revise the Fund Balance Policy to split the General Fund Emergency Contingency into two components of committed fund balance, the General Fund Emergency Contingency Reserve and a General Fund Operating Reserve. The goal of a 20 percent General Fund reserve as committed fund balance continues, but is split 15 percent to the Emergency Contingency Reserve and 5 percent to the Operating Reserve. These percentages continue to be calculated using that year’s General Fund budgeted appropriations. It is intended that these committed fund balances would not be reduced below a 20 percent level without the direction of Council or upon a declared local emergency.

(t) Property Taxes

The assessment, levy and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue when received from the County, except at year-end, when property taxes received within 60 days are accrued as revenue. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

| | |
|------------|---|
| Lien | January 1 |
| Levy | July 1 to June 30 |
| Due | November 1 - 1st installment March 1 - 2nd installment |
| Collection | December 10 - 1st installment April 10 - 2nd installment |



(1) Summary of Significant Accounting Policies (Continued)

Property taxes on the secured roll are due in two installments; on November 1 and March 1 of the fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Such delinquent property may thereafter be redeemed by payment of the delinquent taxes and the delinquent penalty, plus a redemption penalty of 1% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is then subject to sale by the County Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property of the unsecured roll, and an additional penalty of 1% per month begins to accrue. Collection of delinquent unsecured taxes is the responsibility of the County of Los Angeles using the several means legally available.

(u) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures. The City has made certain estimates and assumptions relating to the revenues due and expenditures incurred through fiscal year-end, collectability of its receivables, the valuation of property held for resale, the useful lives of the capital assets, the ultimate outcome of claims and judgments, and the valuation of pension and other postemployment benefit plan liabilities and related deferred outflows and inflows of resources. Actual results may differ from those estimates and assumptions.

(v) Interfund Activities

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. In the statement of activities, internal services funds transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated.

(w) Endowments

The City has been the recipient of endowments that are recorded in Permanent Funds. The endowments are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs or specific restrictions that were placed on the endowment when the donation to the City was made. Please refer to the Permanent Funds section for additional details.

(x) GASB Statements

Below is a summary of the GASB Statements that will be implemented in current and future financial statements (note all effective dates reflect that the provisions of these statements are effective for financial statements periods beginning after the date stated):

(1) Summary of Significant Accounting Policies (Continued)**Current GASB Statements**

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these paragraphs did not impact the City.

Pending GASB Statements

| Statement No. | Title | Effective for Fiscal Year Beginning On or After |
|---------------|--|---|
| 84 | <i>Fiduciary Activities</i> | December 15, 2019 |
| 87 | <i>Leases</i> | June 15, 2021 |
| 92 | <i>Omnibus 2020</i> | June 15, 2021 |
| 94 | <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> | June 15, 2021 |
| 97 | <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84</i> | June 15, 2021 |

Management is in the process of evaluating the impact of the statements to be implemented for the fiscal year ended June 30, 2021 and beyond. For the fiscal year ended June 30, 2021, management does not anticipate any significant impact from the new statements on the financial statements.

(2) Cash and Investments**Primary Government (excluding FPRS, Employee Benefit Trust Fund Cash and Investments)**

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

| | |
|---------------------------------|-------------------------|
| Statement of net position: | |
| Cash and investments | \$ 620,548,591 |
| Restricted cash and investments | 108,598,377 |
| Fiduciary funds: | |
| Cash and cash equivalents | 311,788,854 |
| Total cash and investments | <u>\$ 1,040,935,822</u> |

Cash and investments as of June 30, 2020 consist of the following:

| | |
|--------------------------------------|-------------------------|
| Cash on hand | \$ 60,339 |
| Deposits with financial institutions | 3,249,817 |
| Investments | 1,037,625,666 |
| Total cash and investments | <u>\$ 1,040,935,822</u> |

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

(2) Cash and Investments (Continued)

| Investment Types Authorized by State Law | Authorized By Investment Policy | * Maximum Maturity | * Maximum Percentage of Portfolio | * Maximum Investment in One Issuer |
|---|---------------------------------------|-----------------------|---|--|
| Local Agency Bonds | Yes | 5 years | None | None |
| US Treasury Obligations | Yes | 5 years | None | None |
| US Agency Securities | Yes | 5 years | None | None |
| Banker’s Acceptance | Yes | 180 days | 40% | 30% |
| Commercial Paper | Yes | 270 days | 15% | 10% |
| Negotiable Certificates of Deposit | Yes | 5 years | 30% | None |
| Repurchase Agreement | Yes | 1 year | None | None |
| Reverse Repurchase Agreements | Yes | 92 days | 20% of base value | None |
| Time Deposits | Yes | N/A | 25% | None |
| Medium Term Notes | Yes | 5 years | 30% | 5% |
| Mutual Funds | Yes | N/A | 20% | 10% |
| Money Market Mutual Funds | Yes | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | Yes | 5 years | 20% | None |
| Corporate Bonds | Yes | 5 years | 20% | 10% |
| County Pooled Investment Fund | Yes | N/A | None | None |
| Local Agency Investment Fund (LAIF) | Yes | N/A | None | None |
| JPA Pools (other investment pools) | Yes | N/A | None | None |
| Registered State Warrants | Yes | N/A | None | None |

* Based on state law requirements or investment policy requirements, whichever is more restrictive

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized Investment Type | Maximum Maturity |
|-------------------------------------|---------------------|
| US Treasury Obligations | None |
| US Agency Securities | None |
| Banker’s Acceptance | 360 days |
| Commercial Paper | 270 days |
| Money Market Mutual Funds | N/A |
| Investment Contracts | 20-30 years |
| Pre-refunded Municipal Bonds | None |
| Repurchase Agreements | 1 year |
| Local Agency Investment Fund (LAIF) | N/A |
| General Obligation Bonds | None |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Entity manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.



(2) Cash and Investments (Continued)

Information about the sensitivity of the fair values of the Entity's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Entity's investments by maturity:

| Investment Type | Total | Remaining Maturity (in Months) | | | |
|--------------------------------------|-------------------------|--------------------------------|----------------------|-----------------------|------------------------|
| | | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | More Than 60 Months |
| Corporate Bonds | \$ 149,394,196 | \$ 46,581,359 | \$ 21,584,376 | \$ 81,228,461 | \$ - |
| Supernationals | 51,149,221 | - | - | 51,149,221 | - |
| Federal Agency Securities | 248,800,223 | - | - | 214,128,877 | 34,671,346 |
| Municipal Bond | 35,576,028 | 9,208,647 | 12,607,315 | 6,735,507 | 7,024,559 |
| California Asset Management Program | 25,000,000 | 25,000,000 | - | - | - |
| Money Market Funds | 100,332,648 | 100,332,648 | - | - | - |
| State Investment Pool | 72,366,269 | 72,366,269 | - | - | - |
| US Treasury | 14,703,970 | 2,246,873 | 12,457,097 | - | - |
| Held by Bond Trustee: | | | | | |
| Federal Agency Securities | 15,082,681 | - | - | 2,000,780 | 13,081,901 |
| Money Market Funds | 2,846,088 | 2,846,088 | - | - | - |
| Held by OPEB Trustee: | | | | | |
| Mutual Fund | 2,215,921 | 2,215,921 | - | - | - |
| Held by Pension Section 115 Trustee: | | | | | |
| Mutual Fund | 11,706,396 | 11,706,396 | - | - | - |
| Deferred Compensation Plan: | | | | | |
| Mutual Fund | 308,452,025 | 308,452,025 | - | - | - |
| Total | \$ 1,037,625,666 | \$ 580,956,226 | \$ 46,648,788 | \$ 355,242,846 | \$ 54,777,806 |

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Entity's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

| Investment Type | Minimum Legal Rating | Rating as of Year-End | | | | Not Rated | SP-1+ Rated |
|--------------------------------------|----------------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|---------------------|
| | | AAA | Aa | A | | | |
| Corporate Bonds | \$ 149,394,196 | A | \$ 20,326,679 | \$ 40,875,854 | \$ 88,191,663 | \$ - | \$ - |
| Supernationals | 51,149,221 | A | 51,149,221 | - | - | - | - |
| Federal Agency Securities | 248,800,223 | N/A | 248,800,223 | - | - | - | - |
| Municipal Bond | 35,576,028 | N/A | 1,402,583 | 30,158,478 | - | - | 4,014,967 |
| California Asset Management Program | 25,000,000 | A | - | - | - | 25,000,000 | - |
| Money Market Funds | 100,332,648 | A | - | - | - | 100,332,648 | - |
| Comercial Paper | - | N/A | - | - | - | - | - |
| Negotiable CD | - | N/A | - | - | - | - | - |
| State Investment Pool | 72,366,269 | N/A | - | - | - | 72,366,269 | - |
| US Treasury | 14,703,970 | N/A | 14,703,970 | - | - | - | - |
| Held by Bond Trustee: | | | | | | | |
| Federal Agency Securities | 15,082,681 | N/A | 15,082,681 | - | - | - | - |
| Money Market Funds | 2,846,088 | A | 2,846,088 | - | - | - | - |
| Held by OPEB Trustee: | | | | | | | |
| Mutual Fund | 2,215,921 | N/A | - | 2,215,921 | - | - | - |
| Held by Pension Section 115 Trustee: | | | | | | | |
| Mutual Fund | 11,706,396 | N/A | - | 11,706,396 | - | - | - |
| Deferred Compensation Plan: | | | | | | | |
| Mutual Fund | 308,452,025 | N/A | - | 308,452,025 | - | - | - |
| Total | \$ 1,037,625,666 | | \$ 354,311,445 | \$ 393,408,674 | \$ 88,191,663 | \$ 197,698,917 | \$ 4,014,967 |

N/A Not Applicable

(2) Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

| Issuer | Investment Type | Reported Amount |
|----------------------------------|---------------------------|-----------------|
| Federal Home Loan Mortgage Bank | Federal Agency Securities | \$ 85,033,580 |
| Federal Farm Credit Bank | Federal Agency Securities | 79,219,070 |
| Federal Home Loan Bank | Federal Agency Securities | 63,451,749 |
| World Bank | Corporate Bond | 52,982,490 |
| Federal National Mortgage Assoc. | Federal Agency Securities | 30,013,125 |

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, \$0 of the City’s deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.



(2) Cash and Investments (Continued)**Fair Value Hierarchy**

The Company categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices in active markets for similar assets. Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2020:

| Measure by Fair Value | Not Subject to Fair Value Hierarchy | Level | | | Total |
|--------------------------------------|-------------------------------------|-------------|-----------------------|-------------|-------------------------|
| | | 1 | 2 | 3 | |
| Corporate Bonds | \$ - | \$ - | \$ 149,394,196 | \$ - | \$ 149,394,196 |
| Supernationals | - | - | 51,149,221 | - | 51,149,221 |
| Federal Agency Securities | - | - | 248,800,223 | - | 248,800,223 |
| Municipal Bond | - | - | 35,576,028 | - | 35,576,028 |
| California Asset Management Program | 25,000,000 | - | - | - | 25,000,000 |
| Money Market Funds | 100,332,648 | - | - | - | 100,332,648 |
| State Investment Pool | 72,366,269 | - | - | - | 72,366,269 |
| US Treasury | - | - | 14,703,970 | - | 14,703,970 |
| Held by Bond Trustee: | | | | | |
| Federal Agency Securities | - | - | 15,082,681 | - | 15,082,681 |
| Money Market Funds | 2,846,088 | - | - | - | 2,846,088 |
| Held by OPEB Trustee: | | | | | |
| Mutual Fund | 2,215,921 | - | - | - | 2,215,921 |
| Held by Pension Section 115 Trustee: | | | | | |
| Mutual Fund | 11,706,396 | - | - | - | 11,706,396 |
| Deferred Compensation Plan: | | | | | |
| Mutual Fund | 308,452,025 | - | - | - | 308,452,025 |
| Total | \$ 522,919,347 | \$ - | \$ 514,706,319 | \$ - | \$ 1,037,625,666 |

(3) Accounts Receivable

As of June 30, 2020 , the accounts receivable are categorized as follows:

| | General | Project Management Capital Project | General Debt Service | Housing Successor | Non-Major Governmental Funds | Internal Service |
|--|----------------------|---------------------------------------|-------------------------|----------------------|------------------------------------|---------------------|
| Governmental activities: | | | | | | |
| Accounts receivable | \$ 5,521,888 | \$ 3,246,595 | \$ - | \$ 5,145 | \$ 7,449,091 | \$ 141,982 |
| Accrued revenue receivable | 14,511,192 | 52,807 | - | - | 4,088,133 | 86,390 |
| Interest receivable | 466,828 | - | 14,798 | (521) | 735,192 | 126,227 |
| Paramedics receivable | 3,159,421 | - | - | - | - | - |
| Utility receivable | 1,422,221 | - | - | - | 509,236 | - |
| | 25,081,550 | 3,299,402 | 14,798 | 4,624 | 12,781,652 | 354,599 |
| Less: allowance for un-collectible amounts | (1,819,919) | - | - | - | (82,948) | - |
| Total | \$ 23,261,631 | \$ 3,299,402 | \$ 14,798 | \$ 4,624 | \$ 12,698,704 | \$ 354,599 |

| | Light and Power | Water | Off-Street Parking | Non-Major Proprietary |
|--|----------------------|----------------------|-----------------------|--------------------------|
| Business-type activities: | | | | |
| Accounts receivable | \$ 964,390 | \$ 559,029 | \$ 302,079 | \$ 46,185 |
| Accrued revenue receivable | 13,988,270 | 6,261,774 | - | 1,377,090 |
| Interest receivable | 1,080,511 | 257,036 | 41,597 | 89,793 |
| Utility receivable | 11,452,766 | 3,631,845 | - | 924,767 |
| | 27,485,937 | 10,709,684 | 343,676 | 2,437,835 |
| Less: allowance for un-collectible amounts | (1,858,142) | (609,434) | - | (126,862) |
| Total | \$ 25,627,795 | \$ 10,100,250 | \$ 343,676 | \$ 2,310,973 |

(4) Notes Receivable – Primary Government

The notes receivable in the Governmental Funds amounted to \$92,639,075 at June 30, 2020. \$52,992,731 consisted of primarily Housing and Community Development loans, which arose from the sale of land to project developers and other agencies, and the provision of loan assistance under the City’s affordable housing programs, subject to approved redevelopment plans. \$21,296,344 consisted of loans that the former redevelopment agency made to assist the development of affordable rental housing projects and the purchase of homes by homebuyers. These loans are secured by trust deeds and were funded with redevelopment low-moderate income housing set-aside funds. These notes have various terms, including maturities ranging from 5 to 45 years and interest rates ranging from 1.5% to 11%. Due to the uncertainty of their collectability at June 30, 2020, the City has recorded an allowance for uncollectible long-term receivables of \$79,133,680.

In January 2009, Light and Power utilized \$80 million of Reserves for Stranded Investment and in return received Subordinated Notes totaled \$70 million from Intermountain Power Agency (IPA) to defease some of IPA’s outstanding debt service requirement for Intermountain Power Project (IPP) bonds. These notes have various maturity dates, and the proceeds, when mature, will be used to stabilize future energy costs. The balance of the notes as of June 30, 2020 is \$14,630,000.

In May 2020, the City sold the Concord property at 275 Cordova St and resulted in \$18,350,000 notes receivable. The City expects to receive \$13,505,395 in eighteen months and the rest in 55 years. Due to the nature of the contingency, the City recognized \$4,844,605 as allowance.

(5) Due From and To Other Funds

Current interfund receivable and payable balances at June 30, 2020 are as follows:

| Due to other funds | Due from other funds | | Total |
|------------------------------|----------------------|----------------------|----------------------|
| | General Fund | Light and Power Fund | |
| Non-Major Governmental Funds | \$ 6,788,113 | \$ 1,830,851 | \$ 8,618,964 |
| Internal Service Funds | 5,744,291 | | 5,744,291 |
| Total | \$ 12,532,404 | \$ 1,830,851 | \$ 14,363,255 |

The above balances are due to short term payable between funds and negative cash balances at the end of the fiscal year.

(6) Advances To and From Other Funds

Primary Government

Long-term interfund receivable and payable balances at June 30, 2020 are as follows:

| Advances from other funds | Advances to other funds | | Total |
|---------------------------|-------------------------|----------------------|---------------------|
| | General Fund | Light and Power Fund | |
| General Fund | \$ - | \$ 330,000 | \$ 330,000 |
| Offstreet Parking Fund | 1,087,067 | - | 1,087,067 |
| Total | \$ 1,087,067 | \$ 330,000 | \$ 1,417,067 |

Outstanding at June 30, 2020

General Fund

The General Fund has an agreement with Old Pasadena Parking providing for advance of funds to finance parking activities. The annual reimbursements, including interest, to the General Fund is \$1,087,067 for FY 2020.

\$ 1,087,067

Light and Power

On May 14, 2012, City Council authorized a loan from Power Fund of Pasadena Water and Power (PWP) to Public Works Department (Public Works) and appropriated it to the FY 2013 Capital Improvement Program Budget for the repair and/or replacement of existing street lighting systems CIP Project. Public Works agreed to repay the loan to PWP in ten equal annual installments of \$110,000 each on January 31 of each year starting on January 31, 2014 and ending on January 31, 2023.

330,000

Total advances between City funds

\$ 1,417,067

Discretely Presented Component Units

Long-term interfund advance balances between the City and discretely presented component units as of June 30, 2020 are as follows:

| Advances To Component Units | Advances From the City | Amount |
|-----------------------------|-----------------------------------|------------|
| General Fund | Pasadena Center Operating Company | \$ 167,208 |

Outstanding at June 30, 2020

General Fund

On September 11 and October 25, 2011, PCOC borrowed a total of \$1,500,000 from the City to fund a new ice rink. The loan carries an interest rate of 2.5%. PCOC anticipates that the loan repayment will be from ice skating net income by the 5th year of operation of the new rink over a 10-year period.

\$ 167,208

Total advances between City and discretely presented component units

\$ 167,208

(7) Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2020 is as follows:

| Governmental activities | Balance at June 30, 2019 | Additions | Deletions | Transfers and Adjustments | Balance at June 30, 2020 |
|--------------------------------------|-----------------------------|---------------|-----------------|------------------------------|-----------------------------|
| Depreciable assets: | | | | | |
| Buildings and improvements | \$ 299,039,196 | \$ 32,365,098 | \$ (32,339,394) | \$ 34,142 | \$ 299,099,042 |
| Machinery and equipment | 72,331,587 | 3,651,167 | (2,886,732) | 12,926,508 | 86,022,530 |
| Infrastructure | 345,922,348 | - | - | 10,125,135 | 356,047,483 |
| Total cost of depreciable assets | 717,293,131 | 36,016,265 | (35,226,126) | 23,085,785 | 741,169,055 |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (135,589,956) | (6,491,521) | 78,008 | - | (142,003,469) |
| Machinery and equipment | (45,487,824) | (6,008,783) | 2,775,139 | - | (48,721,468) |
| Infrastructure | (152,445,903) | (6,706,786) | - | - | (159,152,689) |
| Total accumulated depreciation | (333,523,683) | (19,207,090) | 2,853,147 | - | (349,877,626) |
| Net depreciable assets | 383,769,448 | 16,809,175 | (32,372,979) | 23,085,785 | 391,291,429 |
| Capital assets not depreciated: | | | | | |
| Land | 87,854,974 | 493,953 | (1,012,320) | - | 87,336,607 |
| Construction in progress | 36,443,106 | 22,551,707 | (1,450,689) | (23,085,785) | 34,458,339 |
| Total cost of non-depreciable assets | 124,298,080 | 23,045,660 | (2,463,009) | (23,085,785) | 121,794,946 |
| Capital assets, net | \$ 508,067,528 | \$ 39,854,835 | \$ (34,835,988) | \$ - | \$ 513,086,375 |

During the year, the Governmental activities received proceeds of \$31,975,450 from the disposal of capital assets and incurred a loss on disposal of \$1,254,421.

Depreciation expense was charged in the following functions and activities in the statement of activities:

| | |
|------------------------------|----------------------|
| General government | \$ 6,217,147 |
| Public safety | 1,253,550 |
| Transportation | 1,249,478 |
| Health | 135,447 |
| Culture and leisure | 1,376,842 |
| Community development | 6,339,674 |
| Computing and Communication | 1,300,592 |
| Building Maintenance | 1,329 |
| Fleet Maintenance | 1,329,426 |
| Fleet Repair and Maintenance | 3,605 |
| | <u>\$ 19,207,090</u> |

(7) Capital Assets (Continued)

| Business-type activities | Balance at June 30, 2019 | Additions | Deletions | Transfers and Adjustments | Balance at June 30, 2020 |
|---|-----------------------------|----------------------|---------------------|------------------------------|-----------------------------|
| Depreciable assets: | | | | | |
| Buildings and improvements | \$ 142,518,601 | \$ - | \$ (1,758,641) | \$ 1,040,366 | \$ 141,800,326 |
| Utility lines, machinery and equipment | 1,145,812,944 | 1,662,977 | (10,110,312) | 20,930,002 | 1,158,295,611 |
| Total cost of depreciable assets | <u>1,288,331,545</u> | <u>1,662,977</u> | <u>(11,868,953)</u> | <u>21,970,368</u> | <u>1,300,095,937</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (62,103,203) | (3,872,272) | 1,661,272 | - | (64,314,203) |
| Utility lines, machinery and equipment | (515,430,750) | (39,336,740) | 10,041,023 | - | (544,726,467) |
| Total accumulated depreciation | <u>(577,533,953)</u> | <u>(43,209,012)</u> | <u>11,702,295</u> | <u>-</u> | <u>(609,040,670)</u> |
| Net depreciable assets | 710,797,592 | (41,546,035) | (166,658) | 21,970,368 | 691,055,267 |
| Capital assets not depreciated: | | | | | |
| Land | 14,676,126 | - | (96) | - | 14,676,030 |
| Construction in progress | 40,287,317 | 52,836,194 | - | (21,970,368) | 71,153,143 |
| Total cost of non-depreciable assets | <u>54,963,443</u> | <u>52,836,194</u> | <u>(96)</u> | <u>(21,970,368)</u> | <u>85,829,173</u> |
| Capital assets, net | <u>\$ 765,761,035</u> | <u>\$ 11,290,159</u> | <u>\$ (166,754)</u> | <u>\$ -</u> | <u>\$ 776,884,440</u> |

During the year, the Business-type activities received proceeds of \$104,664 from the disposal of capital assets and incurred a loss on disposal of \$166,787.

Depreciation expense was charged in the following functions and activities in the statement of activities:

| | |
|-------------------|----------------------|
| Electric | \$ 31,955,010 |
| Water | 8,694,776 |
| Refuse | 720,616 |
| Parking | 1,707,290 |
| Telecommunication | 131,320 |
| | <u>\$ 43,209,012</u> |

| Fiduciary Funds | Balance at June 30, 2019 | Additions | Deletions | Balance at June 30, 2020 |
|--------------------------------------|-----------------------------|-------------|-------------|-----------------------------|
| Capital assets not depreciated: | | | | |
| Land | \$ 214,261 | - | - | \$ 214,261 |
| Total cost of non-depreciable assets | <u>214,261</u> | <u>-</u> | <u>-</u> | <u>214,261</u> |
| Capital assets, net | <u>\$ 214,261</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 214,261</u> |

(8) Deferred Inflows and Outflows**Primary Government**

Deferred Outflows on the Government-Wide Statement of Net Position consists of the following at June 30, 2020:

| Governmental Activities | Balance at June 30, 2019 | Increase | Decrease | Balance at June 30, 2020 |
|---|-------------------------------------|-----------------------|------------------------|-------------------------------------|
| 2015A Refunding COP Deferred Charges | \$ 4,584,307 | \$ - | \$ (246,689) | \$ 4,337,618 |
| 2020A Refunding POB Deferred Charges | - | 12,960,297 | (171,660) | 12,788,637 |
| 2020B Refunding POB Deferred Charges | - | 6,389,686 | (117,242) | 6,272,444 |
| GASB68 Contribution Subsequent to Measurement Date | 40,270,576 | 47,121,534 | (40,270,576) | 47,121,534 |
| GASB68 Net Difference on Pension Plan Investments | 3,128,500 | - | (3,128,500) | - |
| GASB 68 Net Difference on FPRS Pension Plan Investments | 915,000 | 2,131,000 | (915,000) | 2,131,000 |
| GASB68 Change of Assumptions | 37,519,225 | 19,730,575 | (37,519,225) | 19,730,575 |
| GASB68 Difference in Experience | 1,458,034 | 7,339,453 | (1,458,034) | 7,339,453 |
| GASB75 Change of Assumptions | 2,326,722 | 6,216,020 | - | 8,542,742 |
| GASB75 Net Difference on OPEB Plan Investments | - | 3,046 | - | 3,046 |
| | <u>\$ 90,202,364</u> | <u>\$ 101,891,611</u> | <u>\$ (83,826,926)</u> | <u>\$ 108,267,049</u> |

| Business-Type Activities | Balance at June 30, 2019 | Increase | Decrease | Balance at June 30, 2020 |
|--|-------------------------------------|----------------------|------------------------|-------------------------------------|
| 1998 Electric Bonds Deferred Charges | \$ 433,854 | \$ - | \$ (108,463) | \$ 325,391 |
| 2002 Electric Bonds Deferred Charges | 585,990 | - | (292,995) | 292,995 |
| 2008 Electric Bonds Deferred Charges | 962,506 | - | (53,472) | 909,034 |
| 2019 Electric Bonds Deferred Charges | - | 391,877 | (1,208,984) | (817,107) |
| 2003 Water Bonds Deferred Charges | 264,645 | - | (66,161) | 198,484 |
| GASB68 Contribution Subsequent to Measurement Date | 8,411,385 | 10,051,710 | (8,411,385) | 10,051,710 |
| GASB68 Net Difference on Pension Plan Investments | 147,650 | - | (147,650) | - |
| GASB68 Change of Assumptions | 8,655,009 | 1,533,668 | (8,655,009) | 1,533,668 |
| GASB68 Difference in Experience | 304,542 | 1,100,081 | (304,542) | 1,100,081 |
| GASB75 Change of Assumptions | 604,948 | 1,939,961 | - | 2,544,909 |
| GASB75 Net Difference on OPEB Plan Investments | - | 908 | - | 908 |
| | <u>\$ 20,370,529</u> | <u>\$ 15,018,205</u> | <u>\$ (19,248,661)</u> | <u>\$ 16,140,073</u> |

(8) Deferred Inflows and Outflows (Continued)

Deferred Inflows on the Government-Wide Statement of Net Assets consists of the following at June 30, 2020:

Governmental Activities

| | Balance at June 30, 2019 | Increase | Decrease | Balance at June 30, 2020 |
|---|-----------------------------|----------------------|------------------------|-----------------------------|
| GASB68 Change of Assumptions | \$ 5,410,286 | \$ 3,963,269 | \$ (5,410,286) | \$ 3,963,269 |
| GASB68 Difference in Experience | 14,572,072 | 5,798,643 | (14,572,072) | 5,798,643 |
| GASB68 Net Difference on Pension Plan Investments | - | 5,099,303 | - | 5,099,303 |
| GASB75 Change of Assumptions | 477,991 | - | (173,464) | 304,527 |
| GASB75 Difference in Experience | - | 4,669,610 | - | 4,669,610 |
| GASB75 Differences between projected and actual earnings on OPEB plan investments | 22,209 | - | (6,136) | 16,073 |
| | <u>\$ 20,482,558</u> | <u>\$ 19,530,825</u> | <u>\$ (20,161,958)</u> | <u>\$ 19,851,425</u> |

Business-Type Activities

| | Balance at June 30, 2019 | Increase | Decrease | Balance at June 30, 2020 |
|---|-----------------------------|---------------------|-----------------------|-----------------------------|
| GASB68 Change of Assumptions | \$ 3,538,070 | \$ 905,221 | \$ (3,538,070) | \$ 905,221 |
| GASB68 Difference in Experience | 787,408 | 660,006 | (787,408) | 660,006 |
| GASB68 Net Difference on Pension Plan Investments | - | 1,212,396 | - | 1,212,396 |
| GASB75 Change of Assumptions | 114,879 | - | (24,160) | 90,719 |
| GASB75 Difference in Experience | - | 1,391,092 | - | 1,391,092 |
| GASB75 Differences between projected and actual earnings on OPEB plan investments | 5,753 | - | (964) | 4,789 |
| | <u>\$ 4,446,110</u> | <u>\$ 4,168,715</u> | <u>\$ (4,350,602)</u> | <u>\$ 4,264,223</u> |

Deferred Inflows on the Governmental Funds consists of the following at June 30, 2020:

| | General Fund | Project Management Capital Project | Non-Major Governmental | Total Governmental |
|--------------------------|-------------------|--|---------------------------|-----------------------|
| Revenues not "available" | \$ 431,665 | \$ 1,397,527 | \$ 4,331,544 | \$ 6,160,736 |
| | <u>\$ 431,665</u> | <u>\$ 1,397,527</u> | <u>\$ 4,331,544</u> | <u>\$ 6,160,736</u> |

In accordance with GASB Statement No. 33 revenue recognition requirements, the following revenues have been deferred because they were not available at year end: \$431,665 of park projects, \$1,397,527 of capital improvement projects, \$1,741,825 of Health grants, \$152,114 of Building Services, \$102,315 of Transportation services, and \$2,335,290 of Housing grants.

(9) Long-Term Debt and Other Liabilities

Primary Government

Changes in long-term debt and other liabilities for the year ended June 30, 2020 are as follows:

| Governmental Activities: | Balance at June 30, 2019 | Additions | Reductions | Balance at June 30, 2020 | Due Within One Year | Due in More Than One Year |
|---|-----------------------------|----------------|------------------|-----------------------------|------------------------|---------------------------------|
| Notes payable | | | | | | |
| Notes from Direct Borrowings (Rose Bowl) | \$ 487,305 | \$ - | \$ (15,824) | \$ 471,481 | \$ 16,156 | \$ 455,325 |
| Section 108 | 5,100,000 | - | (300,000) | 4,800,000 | 300,000 | 4,500,000 |
| Total Notes Payable | 5,587,305 | - | (315,824) | 5,271,481 | 316,156 | 4,955,325 |
| Pension bonds: | | | | | | |
| 2015 Taxable Pension Obligation Bonds | 119,460,000 | - | (112,615,000) | 6,845,000 | 890,000 | 5,955,000 |
| Bond Premiums/(Discount) | (1,971,888) | - | 1,890,837 | (81,051) | - | (81,051) |
| 2020 Taxable Pension Obligation Bonds | - | 131,805,000 | (1,830,000) | 129,975,000 | 980,000 | 128,995,000 |
| Total Pension Bonds | 117,488,112 | 131,805,000 | (112,554,163) | 136,738,949 | 1,870,000 | 134,868,949 |
| Certificates of participation: | | | | | | |
| 2015 COP Series A Refunding 2008 COP | 52,745,000 | - | (1,895,000) | 50,850,000 | 1,995,000 | 48,855,000 |
| Bond Premiums/(Discount) | 4,890,920 | - | (263,189) | 4,627,731 | - | 4,627,731 |
| Total Certificates of Participation | 57,635,920 | - | (2,158,189) | 55,477,731 | 1,995,000 | 53,482,731 |
| Capitalized lease obligations | 832,685 | 6,800,000 | (820,759) | 6,811,926 | 935,876 | 5,876,050 |
| Total governmental activity long term obligations | 181,544,022 | 138,605,000 | (115,848,935) | 204,300,087 | 5,117,032 | 199,183,055 |
| Other: | | | | | | |
| Compensated absences | 11,181,715 | 10,263,187 | (9,308,011) | 12,136,891 | 9,308,011 | 2,828,880 |
| Insurance claims payable | 45,442,474 | 13,461,378 | (18,664,614) | 40,239,238 | 17,597,972 | 22,641,266 |
| Total governmental activity long-term liabilities | \$ 238,168,211 | \$ 162,329,565 | \$ (143,821,560) | \$ 256,676,216 | \$ 32,023,015 | \$ 224,653,201 |

(9) Long-Term Debt and Other Liabilities (Continued)

| Business-Type Activities: | Balance at June 30, 2019 | Additions | Reductions | Balance at June 30, 2020 | Due Within One Year | Due In More Than One Year |
|--|-----------------------------|---------------|-----------------|-----------------------------|------------------------|---------------------------------|
| Note from Direct Borrowings | \$ 101,224 | \$ - | \$ (101,224) | \$ - | \$ - | \$ - |
| Revenue bonds: | | | | | | |
| 2009 Electric Revenue Refunding Bonds | 15,885,000 | - | (15,885,000) | - | - | - |
| 2010A Electric Revenue Refunding Bonds | 9,810,000 | - | (4,810,000) | 5,000,000 | 5,000,000 | - |
| 2010A Water Revenue Bonds (Taxable Build America) | 25,425,000 | - | - | 25,425,000 | 775,000 | 24,650,000 |
| 2010B Water Revenue Bonds (Tax-Exempt) | 740,000 | - | (740,000) | - | - | - |
| 2011A Water Revenue Bonds (Refunding Bonds) | 16,275,000 | - | (1,210,000) | 15,065,000 | 1,210,000 | 13,855,000 |
| 2012A Electric Revenue Refunding Bonds | 4,955,000 | - | (550,000) | 4,405,000 | 570,000 | 3,835,000 |
| 2013A Electric Revenue Refunding Bonds | 75,985,000 | - | (1,650,000) | 74,335,000 | 1,735,000 | 72,600,000 |
| 2016A Electric Revenue Refunding Bonds | 114,355,000 | - | (2,735,000) | 111,620,000 | 2,870,000 | 108,750,000 |
| 2017A Water Revenue Refunding Bonds | 13,620,000 | - | (525,000) | 13,095,000 | 555,000 | 12,540,000 |
| 2019A Electric Revenue Refunding Bonds | - | 11,575,000 | - | 11,575,000 | 3,205,000 | 8,370,000 |
| Total Water and Power | 277,050,000 | 11,575,000 | (28,105,000) | 260,520,000 | 15,920,000 | 244,600,000 |
| 2008 Paseo Colorado Taxable Revenue Bonds | 22,700,000 | - | (700,000) | 22,000,000 | 800,000 | 21,200,000 |
| Bond Premiums/(Discounts) | 30,545,767 | 1,311,080 | (2,818,640) | 29,038,207 | - | 29,038,207 |
| Total revenue bonds | 330,295,767 | 12,886,080 | (31,623,640) | 311,558,207 | 16,720,000 | 294,838,207 |
| Capitalized lease obligations | 3,252,694 | - | (428,526) | 2,824,168 | 440,044 | 2,384,124 |
| Total business-type activity long-term liabilities | \$ 333,649,685 | \$ 12,886,080 | \$ (32,153,390) | \$ 314,382,375 | \$ 17,160,044 | \$ 297,222,331 |

(9) Long-Term Debt and Other Liabilities (Continued)**Discretely Presented Component Units**

Changes in discretely presented component unit's long-term debt and other liabilities for the year ended June 30, 2020 are as follows:

| Discretely Presented Component Units | Balance at June 30, 2019 | Additions Including Accretion | Reductions | Balance at June 30, 2020 | Due Within One Year | Due In More Than One Year |
|--|-----------------------------|-------------------------------------|----------------|-----------------------------|------------------------|---------------------------------|
| Certificates of participation: | | | | | | |
| 2006 COP (CONFERENCE CENTER PROJECT) | \$ 18,884,698 | \$ 907,889 | \$ (4,815,000) | \$ 14,977,587 | \$ 5,145,000 | \$ 9,832,587 |
| 2008 Refunding COP Series 2008A (Conference Center Project) | 134,720,000 | - | - | 134,720,000 | - | 134,720,000 |
| Total Certificates of Participation | 153,604,698 | 907,889 | (4,815,000) | 149,697,587 | 5,145,000 | 144,552,587 |
| Revenue Bonds: | | | | | | |
| 2010A Revenue Bonds-Tax Exempt | 22,247,243 | 1,387,948 | (180,000) | 23,455,191 | 1,655,000 | 21,800,191 |
| 2010B Revenue Bonds-Taxable Build America Bonds | 106,660,000 | - | - | 106,660,000 | - | 106,660,000 |
| 2010C Revenue Bonds-Taxable | 1,240,000 | - | (1,240,000) | - | - | - |
| 2010D Revenue Bonds-Taxable Recovery | 7,400,000 | - | - | 7,400,000 | - | 7,400,000 |
| 2016A Revenue Bonds-Partial Refunding 2010A Bonds | 21,865,000 | - | - | 21,865,000 | - | 21,865,000 |
| 2016A Bond Premiums/(Discounts) | 4,264,070 | - | (550,203) | 3,713,867 | - | 3,713,867 |
| 2018A Revenue Bonds-Refunding / Tax Exempt Fixed Rate | 30,585,000 | - | - | 30,585,000 | - | 30,585,000 |
| 2018B Revenue Bonds-Taxable | 12,430,000 | - | (1,370,000) | 11,060,000 | 1,655,000 | 9,405,000 |
| 2018AB Bond Premium/(Discount) | 4,378,682 | - | (178,324) | 4,200,358 | - | 4,200,358 |
| Total Revenue Bonds (Rose Bowl Renovation) | 211,069,995 | 1,387,948 | (3,518,527) | 208,939,416 | 3,310,000 | 205,629,416 |
| Energy Conservation Loan | 1,057,074 | - | (282,474) | 774,600 | 293,841 | 480,759 |
| Conference Center Loan | 54,411 | - | (54,411) | - | - | - |
| Skating Rink Loan | 330,338 | - | (163,130) | 167,208 | 167,208 | - |
| Golf Equipment Finance | 724,761 | - | (51,767) | 672,994 | 51,769 | 621,225 |
| Compensated absences | 316,002 | 211,815 | (232,905) | 294,912 | 239,899 | 55,013 |
| Total discretely presented component units long-term liabilities | \$ 367,157,279 | \$ 2,507,652 | \$ (9,118,214) | \$ 360,546,717 | \$ 9,207,717 | \$ 351,339,000 |

(9) Long-Term Debt and Other Liabilities (Continued)

Fiduciary Funds – Private Purpose Trust Fund

| | Balance at June 30, 2019 | Additions Including Accretion | Reductions | Balance at June 30, 2020 | Due Within One Year | Due In More Than One Year |
|--|-----------------------------|-------------------------------------|--------------|-----------------------------|------------------------|------------------------------|
| Successor Agency to Pasadena Community Development Commission (PCDC): | | | | | | |
| Tax allocation bonds: | | | | | | |
| 2006 Tax Allocation Refunding Bonds (Fair Oaks) | \$ 635,000 | \$ - | \$ (200,000) | \$ 435,000 | \$ 210,000 | \$ 225,000 |
| Total tax allocation bonds | 635,000 | - | (200,000) | 435,000 | 210,000 | 225,000 |
| Total Successor Agency to PCDC long-term liabilities | \$ 635,000 | \$ - | \$ (200,000) | \$ 435,000 | \$ 210,000 | \$ 225,000 |

Governmental Activities:

| | Issue Date | Purpose | Original Amount | Coupon Interest Rate | Final Principal Payment Date | Outstanding at June 30, 2020 |
|---|---------------|---------|--------------------|-------------------------|---------------------------------------|---------------------------------|
| Detail of Long-Term Debts | | | | | | |
| Governmental Activities: | | | | | | |
| Notes payable | | | | | | |
| Notes Payable-RBOC | 1/15/2013 | a | \$ 575,642 | 2.10% | 1/7/2043 | \$ 471,481 |
| Notes Payable-Section 108 | 10/29/2015 | c | 6,000,000 | variable | 8/1/2035 | 4,800,000 |
| Total Notes Payable | | | | | | \$ 5,271,481 |
| Pension bonds: | | | | | | |
| 2015 Unrefunded Taxable Pension Obligation Bonds | 5/5/2015 | b | \$ 119,460,000 | 2.824% to 3.465% | 5/1/2025 | \$ 6,845,000 |
| 2020 Taxable Pension Obligation Bonds | 2/26/2020 | b | 131,805,000 | 1.601% to 3.097% | 5/1/2045 | 129,975,000 |
| Bond Premium (Discount) | | | | | | (81,051) |
| Total Pension Bonds | | | | | | \$ 136,738,949 |
| Certificates of Participation: | | | | | | |
| 2015 COP Series A Refunding 2008 COP | 12/2/2015 | d | \$ 55,350,000 | 3.0% to 5.0% | 2/1/2038 | \$ 50,850,000 |
| Bond Premium (Discount) | | | | | | 4,627,731 |
| Total Certificates of Participation | | | | | | \$ 55,477,731 |
| Capitalized Lease Obligations | | | | | | |
| 2015 Equipment Lease-South Lake Parking Meter | 9/23/2015 | e | 112,924 | 2.470% | 9/23/2020 | \$ 11,926 |
| 2020 Equipment Lease-Raido Equipment | 1/15/2020 | e | 6,800,000 | 1.659% | 1/15/2027 | 6,800,000 |
| Total Capitalized Lease Obligations | | | | | | \$ 6,811,926 |

(9) Long-Term Debt and Other Liabilities (Continued)

Business-Type Activities:

| | Issue Date | Purpose | Original Amount | Coupon Interest Rate | Final Principal Payment Date | Outstanding at June 20, 2020 |
|---|---------------|---------|--------------------|-------------------------|---------------------------------------|---------------------------------|
| Detail of Long-Term Debts | | | | | | |
| Business-Type Activities: | | | | | | |
| Revenue bonds: | | | | | | |
| 2008 Paseo Colorado Taxable Revenue Bonds | 9/17/2008 | f | 28,800,000 | variable | 6/1/2038 | \$ 22,000,000 |
| 2010A Electric Revenue/Refunding Bonds | 8/3/2010 | g | 36,320,000 | 2.0% to 4.0% | 6/1/2021 | 5,000,000 |
| 2010A Water Revenue Bonds (Taxable Build America) | 12/23/2010 | h | 25,425,000 | 6.0% to 7.3% | 6/1/2040 | 25,425,000 |
| 2011A Water Revenue/Refunding Bonds | 12/20/2011 | i | 29,770,000 | 3.0% to 5.0% | 6/1/2033 | 15,065,000 |
| 2012A Electric Revenue Refunding Bonds | 10/4/2012 | g | 11,780,000 | 1.0% to 4.0% | 6/1/2022 | 4,405,000 |
| 2013A Electric Revenue Refunding Bonds | 12/3/2013 | j, k | 80,485,000 | 4.5% to 5.0% | 6/1/2043 | 74,335,000 |
| 2016A Electric Revenue Refunding Bonds | 11/7/2016 | l | 119,440,000 | 4.0% to 5.0% | 6/1/2046 | 111,620,000 |
| 2017A Water Revenue Refunding Bonds | 3/13/2017 | m | 15,395,000 | 5.000% | 6/1/2036 | 13,095,000 |
| 2019A Electric Revenue Refunding Bonds | 8/1/2019 | n | 11,575,000 | 5.000% | 8/1/2024 | 11,575,000 |
| Bond Premium (Discount) | | | | | | 29,038,207 |
| Total Revenue Bonds | | | | | | <u>\$ 311,558,207</u> |
| Capitalized Lease Obligations: | | | | | | |
| 2019 Equipment Lease-Parking System | 4/1/2019 | e | 3,252,694 | 2.670% | 4/1/2026 | \$ 2,824,168 |
| Total Capitalized Lease Obligations | | | | | | <u>\$ 2,824,168</u> |

(9) Long-Term Debt and Other Liabilities (Continued)

Component Units Activities:

| | Issue Date | Purpose | Original Amount | Coupon Interest Rate | Final Principal Payment Date | Outstanding at June 20, 2020 |
|--|------------|---------|-----------------|----------------------|------------------------------|------------------------------|
| Detail of Long-Term Debts | | | | | | |
| Discretely Presented Component Units | | | | | | |
| Certificates of Participation | | | | | | |
| 2006 COP (Conference Center Project) | 8/23/2006 | CC1 | 27,139,972 | 3.85% to 4.81% | 2/1/2023 | \$ 14,977,587 |
| 2008 Refunding COP, Series 2008A (Conference Center Project) | 4/15/2008 | CC2 | 134,720,000 | variable | 2/1/2035 | 134,720,000 |
| Total Certificates of Participation (PCOC) | | | | | | <u>\$ 149,697,587</u> |
| Revenue bonds | | | | | | |
| 2010A Revenue Bonds-Tax Exempt | 11/18/2010 | RB1 | 25,220,000 | 4.0% to 5.0% | 3/1/2021 | \$ 1,655,000 |
| 2010A Revenue Bonds-Tax Exempt Capital Appreciation | 11/18/2010 | RB1 | 11,558,265 | 6.43% to 6.52% | 3/1/2033 | 21,800,191 |
| 2010B Revenue Bonds-Taxable Build America Bonds | 11/18/2010 | RB1 | 106,660,000 | 6.998% to 7.148% | 3/1/2043 | 106,660,000 |
| 2010D Revenue Bonds-Taxable Recovery Zone Economic Development | 11/18/2010 | RB1 | 7,400,000 | 7.148% | 3/1/2043 | 7,400,000 |
| 2016A Revenue Bonds-Partial Refunding 2010A Bonds | 10/5/2016 | RB3 | 21,865,000 | 5.000% | 4/1/2027 | 21,865,000 |
| 2016A Bond Premium (Discount) | | | | | | 3,713,867 |
| 2018A Revenue Bonds-(Refunding 2013A Tax Exempt) | 12/6/2018 | RB2 | 30,585,000 | 5.000% | 12/1/2042 | 30,585,000 |
| 2018B Revenue Bonds-(Refunding 2013B Taxable) | 12/6/2018 | RB2 | 12,515,000 | 2.604% to 3.575% | 12/1/2027 | 11,060,000 |
| 2018AB Bond Premium (Discount) | | | | | | 4,200,358 |
| Total Revenue Bonds (RBOC) | | | | | | <u>\$ 208,939,416</u> |

(9) Long-Term Debt and Other Liabilities (Continued)

| | Issue Date | Purpose | Original Amount | Coupon Interest Rate | Final Principal Payment Date | Outstanding at June 30, 2020 |
|--|---------------|---------|--------------------|-------------------------|---------------------------------------|---------------------------------|
| Fiduciary Funds | | | | | | |
| Successor Agency to Pasadena Community Development Commission (PCDC): | | | | | | |
| Tax Allocation bonds: | | | | | | |
| 2006 Tax Allocation Refunding Bond (Fair Oaks) | 5/17/2006 | T1 | 2,470,000 | 3.8% to 4.9% | 7/1/2021 | \$ 435,000 |
| Total tax allocation bonds | | | | | | <u>\$ 435,000</u> |

Purpose of Debt:

- a Refund 2006 Revenue Bonds
- b Fire and Police Retirement
- c Section 108 Note for Robinson Park Improvements
- d Partially refund 2008 Certificates of Participation City Hall
- e Equipment Purchases, assets purchased collateralized debt
- f Refund 2000 Paseo Bonds
- g Refund partial 2002/2003 Electric Bonds
- h Water System Capital Improvements
- i Refund partial 2003 Water Bonds
- j GT5 Improvements
- k Refund 2002 Electric Bonds and Capital Improvements to the Electric System
- l Refund 2008 Electric Bonds, repay Line of Credits and Capital Improvement to the Electric System
- m Refund 2007 Water Bonds
- n Refund 2009 Electric Bonds and Capital Improvement to the Electric System

- CC1 Conference Center Improvements
- CC2 Refund 2006B Certificates of Participation

- RB1 Rose Bowl Stadium Renovation
- RB2 Refund 2013 Rose Bowl Revenue Bonds
- RB3 Partial refund 2010A Rose Bowl Revenue Bonds

- T1 Fair Oaks Redevelopment Project & Public Improvement Program

(9) Long-Term Debt and Other Liabilities (Continued)

The annual requirements to amortize as of June 30, 2020, are as follows:

Governmental Activities:

| Year Ending June 30 | Notes Payable | | Pension Bonds | | Certificates of Participation | |
|-------------------------|---------------------|---------------------|-----------------------|----------------------|-------------------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 316,156 | \$ 149,329 | \$ 1,870,000 | \$ 3,995,492 | \$ 1,995,000 | \$ 2,304,900 |
| 2022 | 316,495 | 141,310 | 2,070,000 | 3,954,375 | 2,090,000 | 2,205,150 |
| 2023 | 316,842 | 133,288 | 2,355,000 | 3,904,603 | 2,195,000 | 2,100,650 |
| 2024 | 317,195 | 125,187 | 2,410,000 | 3,844,684 | 2,310,000 | 1,990,900 |
| 2025 | 317,556 | 116,897 | 3,210,000 | 3,780,052 | 2,420,000 | 1,875,400 |
| 2026-2030 | 1,593,470 | 452,058 | 17,245,000 | 17,715,301 | 14,045,000 | 7,435,500 |
| 2031-2035 | 1,603,705 | 205,419 | 23,260,000 | 15,440,228 | 13,870,000 | 3,938,125 |
| 2036-2040 | 415,061 | 20,453 | 32,075,000 | 11,900,829 | 11,925,000 | 966,400 |
| 2041-2045 | 75,001 | 3,168 | 52,325,000 | 5,189,234 | - | - |
| Bond Premium (Discount) | - | - | (81,051) | - | 4,627,731 | - |
| Total Payment | \$ 5,271,481 | \$ 1,347,109 | \$ 136,738,949 | \$ 69,724,798 | \$ 55,477,731 | \$ 22,817,025 |

| Year Ending June 30 | Capitalized Lease | |
|------------------------|---------------------|-------------------|
| | Principal | Interest |
| 2021 | \$ 935,876 | \$ 109,143 |
| 2022 | 939,341 | 93,604 |
| 2023 | 954,989 | 77,956 |
| 2024 | 970,898 | 62,047 |
| 2025 | 987,072 | 45,873 |
| 2026-2030 | 2,023,750 | 42,139 |
| Total Payment | \$ 6,811,926 | \$ 430,762 |

Business-Type Activities

| Year Ending June 30 | Revenue Bonds | | Capitalized Lease | |
|-------------------------|-----------------------|-----------------------|---------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 16,720,000 | \$ 12,897,065 | \$ 440,044 | \$ 72,487 |
| 2022 | 17,335,000 | 12,222,640 | 451,872 | 60,660 |
| 2023 | 10,790,000 | 11,427,690 | 464,017 | 48,514 |
| 2024 | 11,115,000 | 10,925,015 | 476,489 | 36,042 |
| 2025 | 11,630,000 | 10,405,715 | 489,297 | 23,235 |
| 2026-2030 | 52,935,000 | 44,964,220 | 502,449 | 10,085 |
| 2031-2035 | 63,915,000 | 31,530,230 | - | - |
| 2036-2040 | 57,545,000 | 16,599,390 | - | - |
| 2041-2045 | 35,650,000 | 4,966,750 | - | - |
| 2046 | 4,885,000 | 195,400 | - | - |
| Bond Premium (Discount) | 29,038,207 | - | - | - |
| Total Payment | \$ 311,558,207 | \$ 156,134,115 | \$ 2,824,168 | \$ 251,023 |

(9) Long-Term Debt and Other Liabilities (Continued)**Fiduciary Funds**

| Year Ending June 30 | Tax Allocation Bonds | |
|------------------------|----------------------|------------------|
| | Principal | Interest |
| 2021 | \$ 210,000 | \$ 16,118 |
| 2022 | 225,000 | 5,513 |
| Total Payment | <u>\$ 435,000</u> | <u>\$ 21,631</u> |

New Debts Issued FY 2020**2019A Electric Revenue Refunding Bonds**

On August 1, 2019, the City issued the Electric Revenue Refunding bonds, Series 2019A (2019A Revenue Bonds) in the amount of \$11,575,000 to refund the City's 2009 Electric Revenue Bonds, pay the cost of issuance of the 2019A Revenue Bonds, and to fund improvements to the City's Electrical System. The 5.00% interest rate is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2020. Principal is payable in annual installments ranging from \$1,940,000 to \$3,205,000 commencing August 1, 2020 and ending August 1, 2024. The City realized debt service savings of \$921 thousand and a present value savings of \$900 thousand. The true interest cost of the financing was 0.98%. The refunding resulted in a deferred gain of \$1,000,537.

2020 Equipment Lease-Radio Equipment

On January 15, 2020, the City entered into a Master Lease Purchase Agreement in the amount of \$6,800,000 with JP Morgan Chase Bank for the financing of Motorola Radio Equipment, which is then leased to the City of Pasadena. Lease payments will be budgeted in the General Fund. Principal and interest of \$516,472.51 are due semi-annually. The rate of interest is 1.659%. Principal installments range from \$460,066 to \$512,224 commencing July 15, 2020 and ending January 15, 2027.

2020 Taxable Pension Obligation Refunding Bonds

On February 26, 2020, the City issued 2020 Taxable Pension Obligation Refunding Bonds Series 2020A and 2020B in the aggregate amount of \$131,805,000. The bonds were issued for the purpose of refinancing and refunding the City's outstanding pension obligation bonds issued in 2015. The 2015 Series A were refunded in full and the 2015 Series B were partially refunded. The Pension Obligation Bonds are for the purpose of funding a portion of the City's unfunded actuarial accrued liability relating to the Pasadena Fire and Police Retirement System. Series 2020A \$84,195,000 and Series 2020B \$47,610,000 are fixed rate bonds. The rates of interest vary from 1.601% to 3.237% for Series 2020A and 1.601% to 2.997% for Series 2020B. Principal is payable in annual installments ranging from \$490,000 to \$11,145,000 commencing May 1, 2020 and ending May 1, 2045. New Bond Proceeds \$131,805,000 was used in payment to refunding bond escrow agent \$131,153,973 for 2015AB refunded bonds principal amount of \$111,905,000 (2015A POB \$71,110,000 and 2015B POB \$40,795,000), and to pay refunding bonds expenses. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of \$19,349,983. This difference reported in the accompanying basic financial statements as a deferred charge, is being charged to operations through the final maturity dates of the 2020 Taxable Pension Obligation Refunding Bonds of May 1, 2045 Series A and May 1, 2038 Series B using the straight-line method. The City completed the refunding to reduce its total debt service payments by \$10,993,894 and to obtain an economic gain of \$7,761,792.

(9) Long-Term Debt and Other Liabilities (Continued)**Disclosure Related to Long-Term Debt Under GASB 88**

The Government's outstanding notes from direct borrowings related to government activities of \$471,481 is payable to Rose Bowl Operating Company resulting from the refunding of revenue bonds activities in 2013 and does not have any special provision.

The City's outstanding Notes Payables-Section 108 relates to government activities are payable from the annual allocation of Community Development Block Grant Funds.

In regards to the 2020AB and 2015B Pension Obligation Bonds (POBs), the debt Service payments are secured by revenue received by the General Fund.

In case of a default, the following is the course of action:

The Trustee will, by written notice to the City and the Paying Agent, declare immediately due and payable the principal and Accreted Value of the accrued interest on all Outstanding Bonds of such Series, whereupon the same become immediately due and payable with any further action or notice.

In regards to the 2015A Certificates of Participation, the City's outstanding bonds from public offerings related to government activities are payable from and secured by revenue received by the City. In case of the City's default, the following is the course of action:

The Authority or its assignee, in addition to all other rights and remedies it may have at law, will have the option to do the following

- (1) To terminate the Sublease in the manner provided in the Sublease on account of default by the City, and to retake possession of the Lease Property. In the event of such termination, the City agrees to surrender immediately possession of the Lease Property, without let or hindrance, and to pay the Authority or its assignee all damages recoverable at law that the Authority or its assignee may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such retaking possession of the Lease Property. Neither notice to pay rent nor to deliver up possession of the Lease Property given pursuant to law nor any proceeding in unlawful detainer, or otherwise, brought by the Authority or its assignee for the purpose of obtaining possession of the Leased Property nor the appointment of a receiver upon initiative of the Authority or its assignee to protect the Authority's or its assignee's interest under the Sublease shall of itself operate to terminate the Sublease, and no termination of the Sublease on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, unless and until the Authority or its assignee shall have given written notice to the City of the election on the part of the Authority or its assignee to terminate the Sublease.*
- (2) Without terminating the Sublease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision of the Sublease to be kept or performed by the City and/or (ii) to exercise any and all rights to retake possession of the Lease Property. In the event the corporation or its assignee does not elect to terminate the Sublease in the manner described in subparagraph (1) above, the City will remain liable and agrees to keep or perform all covenants and conditions contained in the Sublease to be kept or performed by the City and, to pay the rent to the end of the term of the Sublease or, in the event that the Lease Property is re-let, to pay any deficiency in the rent that results therefrom; and further agrees to pay said rent and/or the payment of rent under the Sublease (without acceleration), notwithstanding the fact that the Authority or its assignee may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Sublease and notwithstanding any retaking of possession of the Leased Property by the Authority of its assignee or suit in unlawful detainer, or otherwise, brought by the Authority or its assignee for the purpose of obtaining possession of the Leased Property.*

(9) Long-Term Debt and Other Liabilities (Continued)

Should the Authority or its assignee elect to retake possession of the Lease Property as provided in the Sublease, the City irrevocably appoints the Authority or its assignee as the agent and attorney-in-fact of the City to re-let the Lease Property, or any items thereof, from time to time, either in the Authority's or its assignee's name or otherwise, upon such terms and conditions and for such use and period as the Authority or its assignee may deem advisable and the City indemnifies and agrees to save harmless the Authority or its assignee from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any retaking of possession of and re-letting of the Lease Property by the Authority or its assignee or its duly authorized agents in accordance with the provisions contained in the Sublease. The City agrees that the terms of the Sublease constitute full and sufficient notice of the right of the Authority or its assignee to re-let the Lease Property in the event of such reentry without effecting a surrender of the Sublease, and further agrees that no acts of the Authority or its assignee in effecting such re-letting with constitute a surrender of termination of the Sublease irrespective of the use or the terms for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that on the contrary, in the event of such default by the City the right to terminate the Sublease will vest in the Authority or its assignee to be effected in the sole and exclusive manner described in subparagraph (1) above. The City further waives the right to rental obtained by the Authority or its assignee in excess of the rental specified in the Sublease and conveys and release such excess to the Authority or its assignee as compensation to the Authority or its assignee for its services in re-letting the Lease Property or any items thereof. The City further agrees to pay the Authority or its assignee the cost of any alterations or repairs to the Lease Property or any items thereof necessary to place the Leased Property or any items thereof in conditions for re-letting immediately upon notice of the City of the completion and installation of such alterations or repairs.

The City waives any and all claims for damages caused or which may be caused by the Authority or its assignee in taking possession of the Leased Property as provided in the Sublease and all claims for the damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the City, or any other person, that may be on about the Leased Property.

The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a) (3) of the California Civil Code.

In addition to any default resulting from breach by the City of any agreement, condition, covenant or term of the Sublease, if (1) the City's interest in the Sublease or any part thereof be assigned, sublet or transferred without the written consent of the Authority (except as otherwise permitted by the Sublease), either voluntarily or by operation of law; or (2) the City or any assignee will file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City will make a general or any assignment for the benefit of its creditors; or (3) the City will abandon or vacate the Leased Property or any portion thereof (except as permitted by the Sublease); then in each and every such case the City will be deemed to be default under the Sublease.

Neither the City nor the Authority will be default in the performance of any of its obligations under the Sublease (except for the obligation to make Base Rental Payments pursuant to the Sublease) unless and until it will have failed to perform such obligation within 30 days after notice by the City or the Authority, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

(9) Long-Term Debt and Other Liabilities (Continued)

The City's outstanding Lease Revenue bonds from public offering related to business-type parking activities (Paseo Colorado Revenue Bonds, 2008 Series) are payable from and secured by revenue received by the City. In regards to the 2008 Paseo Colorado Revenue Bonds, the following is the remedy upon default:

The Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

- (a) Terminate the Lease in the manner provided in the Lease on account of default by the City, notwithstanding any re-entry or re-letting of the Lease Premises and remove all persons in possession thereof and all personal property whosoever situated upon the Leased Premises and place such personal property in storage in any warehouse or other suitable place in the County of Los Angeles, State of California, provided that the Leased Premises continue to be operated and maintained as a public off-street vehicular parking facility, subject to the provisions of the Development Agreements. In the event of such termination, the City agrees to surrender immediately possession of the Lease Premises, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or its duly authorized agents in accordance with the provisions contained in the Lease. Neither notice to pay rent or to deliver up possession of the Lease Premises given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Leased Premises nor the appointment of a receiver upon initiative of the Authority to protect the Authority interest under the Lease, will of itself operate to terminate the Lease, and no termination of the Lease on account of default by the City will be or become effective by operation of law or acts of the parties to the Lease, or otherwise, unless and until the Authority gives written notice to the City and the Commission of the election on the part of the Authority to terminate the Lease. The City agrees that no surrender of the Lease Premises or of the remainder of the term of the Lease or any termination of the Lease will be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.*
- (b) Without termination the Lease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision of the Lease to be kept or performed by the City or (ii) to exercise any and all rights of entry and re-entry upon the Leased Premises as provided. In the event the Authority does not elect to terminate the Lease in the manner provided for in the Lease, the City remains liable and agrees to keep or perform all covenants and conditions in the Lease contained to be kept or performed by the City and, if the Leased Premises are not re-let, to pay the full amount of the rent annually to the end of the term of the Lease or, in the event that the Leased Premises are re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as provided in the Lease for the payment of rent under the Lease (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Lease and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Lease Premises. Should the Authority elect to re-enter as provided in the Lease, the City irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Leased Premises, or any part thereof, from time to time, either in the Authority's name or otherwise, for use as public off-street vehicular parking facility upon such terms and conditions and for such period as the authority may deem advisable and, subject to the provisions of the Development Agreement, to remove all persons in possession thereof and all personal property whosoever situated in and upon the Leased Premises and to place such personal property in storage in any warehouse or other suitable place in the County of Los Angeles, State of California, for the account of and at the expense of the City, and the City exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever*

(9) Long-Term Debt and Other Liabilities (Continued)

arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Lease Premises and removal storage of such property by the Authority or its duly authorized agents in accordance with the provisions contained in the Lease; provided, however, that any such re-entry upon and re-letting of the Leased Premises its subject to the provisions of the Development Agreements. The City agrees that the terms of the Lease constitute full and sufficient notice of the right of the Authority to re-let the Leased Premises as provided in the Lease in the event of such re-entry without effecting a surrender of the Lease, and further agrees that no acts of the Authority in effecting such re-letting will constitute a surrender or termination of the Lease irrespective of the use or the term for which such re-letting or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate the Lease will vest in the Authority to be effected in the sole and exclusive manner provided for in the Lease. The City further waives the right to any rental obtained by the Authority in excess of the rental specified in the Lease and conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Leased Premises or any part thereof. The City further agrees to pay the Authority the cost of any alterations or additions to the Lease Premises or any part thereof necessary to place the Leased Premises or any part thereof in conditions for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

The City waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Lease Premises as provided in the Lease and all claims for damages that may result from the destruction of or injury to the Leased Premises and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Lease Premises.

Each and all of the remedies given to the Authority under the Lease or by any law enacted are cumulative and the exercise of one right or remedy will not impair the right of the Authority to any or all other remedies, provided, however, that the Lease Premises continue to be operated and maintained as public off-street vehicular parking facility, subject to the provisions of the Development Agreement. The term "re-let" or "re-letting" as used in the Lease include, but not be limited to re-letting by means of the operation of the Leased Premises by the Authority. If any statute or rule of law validly limits the remedies given to the Authority under the Lease, the Authority nevertheless will be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority prevails in any action brought to enforce any of the terms and provisions of the Lease, the City agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority to enforce any of the remedies available to the Authority under the Lease, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

- (c) *If (1) the City's interest in the Lease or any part thereof be assigned or transferred without the written consent of the Authority, wither voluntarily or by operation of law or otherwise, or if (2) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the City or all or substantially all of its assets is instituted by or with the consent of the City, or it instituted with its consent and is not permanently stayed or dismissed within sixty days, or it the City offers to the City's' creditors to effect a composition or extension of time to pay the City's debts, or asks, seeks or prays for reorganization or to effect a plan of reorganization or for readjustment of the City's debts, or if the City makes a general assignment or any assignment for the benefit of the City's creditors, or if (3) the City will abandon or vacate any part of the Leased Premises, then the City will be deemed to be default under the Lease.*

(9) Long-Term Debt and Other Liabilities (Continued)

In regards to, the City's outstanding bonds from public offerings related to business-type, activities (2010AB, 2011A and 2017A Water Revenue Bonds and 2010A, 2012A, 2013A, 2016A and 2019A Electric Revenue Bonds) are payable from and secured by revenue received by the Utilities (Water and Power Funds).

In relations to the Electric Revenue Bonds course of action in case of the City's default, the following is the course of action:

Upon the concurrence and continuation of and Event of Default the Bond Owners' Committee or, if there is none, the Owners of 25% in aggregate Bond Obligation of Bonds then Outstanding may, by written notice to the City, declare the entire unpaid principal of the Bonds due and payable and, thereupon the entire unpaid principal of the Bonds will forthwith become due and payable. Upon any such declaration the City will forthwith pay to the Owners of the Bonds the entire unpaid principal of, premium, pledged for such purpose. If at any time after such a declaration and before the entry of a final judgement or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedy under the Fiscal Agent Agreement, the principal of all Bonds that have matured or been called for redemption pursuant to any sinking fund provision and all arrears of interest have been paid and any other Events of Default which may have occurred have been remedied, then the Bonds Owners' Committee or, if there is none, the Owners of 25% in aggregate Bonds Obligation of Bond then Outstanding may, by written notice of the City, rescind of annual such declaration and its consequences. No such rescission or annulment will extend to or affect any subsequent default or impair any right consequent thereon.

In relations to the Water Revenue Bonds course of action in case of the City's default, the following is the course of action:

Application of Pledged Revenues and Other Funds After Default; Acceleration. *If an Event of Default shall occur and be continuing, the City shall immediately transfer to the Trustee all Pledged Revenues held by it and received thereafter and the Trustee shall apply all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (except as otherwise provided in the Indenture) as follows and in the following order:*

- (1) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and Parity Debt, including the costs and expenses of the Trustee and the Bondholders in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under the Indenture;*
- (2) To the payment of the whole amount of Bond Obligation then due on the Bonds and Parity Debt (upon presentation of the Bonds and Parity Debt to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, with interest on such Bond Obligation at the rate or rates of interest borne by the respective Bonds and Parity Debt, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or Redemption Price of any Bonds and Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue Bond Obligation and Parity Debt at the rate borne by the respective Bonds and Parity Debt, and, if the amount available shall not be sufficient to pay in full all the Bonds and Parity Debt due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or interest or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference; and*

(9) Long-Term Debt and Other Liabilities (Continued)

- (3) *To the extent not paid pursuant to clause (1) or (2) above, to any Credit Provider any amounts then due and owing.*

In each and every such case during the continuance of such Event of Default, the Owners of not less than a majority in aggregate amount of Bond Obligation of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the City, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the City shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal on such Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of not less than a majority in aggregate amount of Bond Obligation of the Bonds at the time Outstanding, by written notice to the City and to the Trustee, may, on behalf of the Owners of all the Bonds, rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

In regards to the Discretely Presented Component Units as it relates to the Rose Bowl Lease Revenue Bonds series, 2010AB, 2016A, and 2018AB in case of default, the following is the course of action:

- (a) *Upon the happening of any of the events & default, then it shall be lawful for the Authority or its assignee, subject to the terms of the Lease, with the consent of the Majority Holder, to (i) exercise any and all remedies available or granted to it under the Sublease or pursuant to law, to the extent not inconsistent with the remedies granted under the Sublease or (ii) by mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's or its assignee's rights against the City and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the City as provided in the Sublease. Upon the breach of any agreement, condition, covenant or term contained in the Sublease required to be observed or performed by the City, the Authority or its assignee may not exercise any rights of entry upon or repossession of the Leased Property. In the event of such default, the Authority or its assignee must thereafter maintain the Sublease in full force and effect and may only recover rent and other monetary charges as they become due, all without terminating the City's right to possession of the Leased Property, regardless of whether or not the City has abandoned the Leased Property; THIS SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE AGAINST THE CITY UNDER THE SUBLEASE OR OTHERWISE. THE AUTHORITY SHALL HAVE NO RIGHT UPON AN EVENT OF DEFAULT UNDER THE SUBLEASE BY THE CITY TO ACCELERATE THE RENTAL PAYMENTS, TERMINATE THE SUBLEASE OR RE-ENTER THE LEASED PROPERTY.*

(10) Derivative Instruments**Discretely Presented Component Units****Pasadena Center Operating Company (PCOC)****Conference Center Variable Rate Demand Refunding Certificates of Participation – SWAP No. 2**

On September 18, 2006, the City entered into an interest rate swap agreement with DEPFA Bank related to the \$135,500,000 Conference Center Auction Rate Certificates Series 2006B. The objective was to effectively change the City's Variable interest rate to a synthetic fixed rate of 3.536%. Under the terms of the swap, the City pays the counterparty the fixed rate of 3.536% and receives a floating rate equal to 64% of the one month LIBOR rate. The swap has a notional amount of \$133,000,000 representing a hedge ratio of 98.7% and declines according to the schedule set forth in the contract until the final principal payment on the certificates in 2034.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of PCOC's hedging derivative instruments outstanding at June 30, 2020, along with the credit rating of the associated counterparty:

| Cash Flow Hedge | Objective | Notional Amount | Effective Date | Maturity Date | Term | Counterparty Credit Rating |
|-------------------------------|---|-----------------|----------------|---------------|---|----------------------------|
| Pay-fixed interest rate swaps | Hedge of changes in cash flows on the 2008A COP's | \$ 133,000,000 | 4/1/2011 | 2/1/2034 | Pays 3.536%; receive 64% of LIBOR index | Aa2/AA- |

Note in 2011, due to its declining credit ratings, DEPFA was replaced by RBC as the counterparty for the swap. Pursuant to GASB 64, the replacement did not require any change in accounting treatment.

On April 15, 2008, the City issued the 2008 Refunding Certificates of Participation, Series 2008A in the amount of \$134,720,000. These certificates were issued to refund the City's Certificates of Participation (Conference Center Project), Series 2006B and finance the cost of execution of the 2008A Certificates of Participation backed by a letter of credit from Bank of America. The final maturity on the 2008A COP's was extended by one year to 2035 in order to reduce the reserve requirement and consequently, reduce the size of the issue by approximately \$800,000. The refunded certificates are considered to be defeased and the liability has been removed from the component unit's column of the statement of net position and recorded as a deferred amount upon a refunding.

During the fiscal year ending June 30, 2011, PCOC entered into a new agreement to take advantage of a more advantageous interest rate adjustment mode than the 2008 Series Bonds previously had. As a result, the former derivative instrument terminated and the new instrument has off-market terms. As a result, an up-front payment was received. The up-front payment is reported as a borrowing. The borrowing is amortized over the life of the swap and amortizes using the effective interest method for the life of the swap with adjustments to interest expense during each fiscal year. The original balance of the borrowing was \$8,935,612.84. As of the year ended June 30, 2020, the balance was \$5,040,208.

(10) Derivative Instruments (Continued)

| June 30 | Beginning Balance | Accrued Interest | Payment | Ending Balance |
|---------|-------------------|------------------|--------------|----------------|
| 2022 | \$ 5,040,208 | \$ 219,387 | \$ (646,380) | \$ 4,613,215 |
| 2023 | 4,613,215 | 199,651 | (646,380) | 4,166,486 |
| 2024 | 4,166,486 | 179,003 | (646,380) | 3,699,109 |
| 2025 | 3,699,109 | 157,461 | (635,404) | 3,221,166 |
| 2026 | 3,221,166 | 136,068 | (601,344) | 2,755,890 |
| 2027 | 2,755,890 | 115,332 | (563,760) | 2,307,462 |
| 2028 | 2,307,462 | 95,454 | (522,409) | 1,880,507 |
| 2029 | 1,880,507 | 76,649 | (477,171) | 1,479,985 |
| 2030 | 1,479,985 | 59,154 | (427,721) | 1,111,418 |
| 2031 | 1,111,418 | 43,226 | (373,774) | 780,870 |
| 2032 | 780,870 | 29,157 | (315,009) | 495,018 |
| 2033 | 495,018 | 17,258 | (251,140) | 261,136 |
| 2034 | 261,136 | 7,877 | (181,805) | 87,208 |
| 2035 | 87,208 | 1,487 | (88,695) | - |

The Company categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The Company has the following recurring fair value measurements as of June 30, 2020:

| Measurements by fair value level | Level | | |
|----------------------------------|---------------|------|---------------|
| | 1 | 2 | 3 |
| Derivative instrument liability | \$ 33,406,950 | \$ - | \$ 33,406,950 |

Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2020, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

| Cash Flow Hedge | Changes in Fair Value | | Fair Value at June 30, 2020 | | Notional |
|-------------------------------|-----------------------|---------------|-----------------------------|---------------|----------------|
| | Classification | Amount | Classification | Amount | |
| Pay-fixed interest rate swaps | Deferred Outflow | \$ 10,183,082 | Liability | \$ 33,406,950 | \$ 133,000,000 |

(10) Derivative Instruments (Continued)

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit risk: PCOC is exposed to credit risk on hedging derivative instruments to the extent that value of the swap is position from PCOC's perspective. The aggregate fair value of hedging derivative instruments was negative as of June 30, 2020 and therefore PCOC had no credit risk exposure.

Interest rate risk: The purpose of the swap is to eliminate interest rate risk on the associated hedged bonds and therefore the swap, in combination with related bonds does not create interest rate risk for PCOC.

Basis risk: PCOC is exposed to basis risk on its pay-fixed interest rate swap because the variable-rate payments received by PCOC on these hedging derivative instruments are based on a rate or index other than interest rates PCOC pays on its hedged variable-rate debt, which is typically remarketed every 7 days. As of June 30, 2020, the weighted-average interest rate on the PCOC's hedged variable-rate debt is 0.37013%, while 64 percent of LIBOR is 0.23688%.

Termination risk: PCOC or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The derivative contract uses the International Swap Dealers Association Master Agreement which includes standard termination events such as failure to pay and bankruptcy. In addition, PCOC may optionally terminate the agreement on any date. If at the time of a termination, PCOC may be required to make a termination payment to its counterparty. If PCOC had to terminate the Swap for any reason on June 30, 2020, the maximum exposure/loss would have been \$40,745,758.33.

Rollover risk: PCOC is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate prior to the maturity of the related debt, PCOC will be re-exposed to the risks being hedged by the hedging derivative instrument.

(11) Fund Balance and Net Position

Fund balances, Governmental Funds

On the Governmental Balance Sheet, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund balances by classification for the year ended June 30, 2020, are as follows:

| | General Fund | Project Management Capital Project | General Debt Service | Housing Successor | Non-Major Governmental Funds |
|---------------------------------------|---------------|--|-------------------------|----------------------|------------------------------------|
| Fund Balances | | | | | |
| Nonspendable: | | | | | |
| Prepaid and Other Assets | \$ 93,678 | \$ - | \$ - | \$ - | \$ 119,973 |
| Advances to Other Funds | 1,087,067 | - | - | - | - |
| Advances to Component Units | 167,208 | - | - | - | - |
| Permanent Fund Principal | - | - | - | - | 1,434,131 |
| Notes Receivable | 13,505,395 | - | - | - | - |
| Total Nonspendable | 14,853,348 | - | - | - | 1,554,104 |
| Restricted for: | | | | | |
| Air Quality Improvement | - | - | - | - | 123,261 |
| Notes Receivable | - | - | - | 21,296,344 | 52,992,731 |
| Allowance for Uncollectible Long-Term | - | - | - | (21,296,344) | (52,992,731) |
| City Charter/Capital Projects | - | 637,147 | - | - | 2,061,593 |
| Debt Service | - | - | 3,522,366 | - | 8,360,785 |
| Donor Imposed Purposes | - | - | - | - | 2,313,946 |
| Housing and Community Development | | | | | |
| Housing Funds | - | - | - | - | 3,506,495 |
| CDBG | - | - | - | - | (64,927) |
| Inclusionary Housing Trust | - | - | - | - | 10,947,437 |
| Rental Assistance Programs | - | - | - | - | 1,797,077 |
| Other Purpose | - | - | - | 7,033,181 | 600,205 |
| Property Held for Resale | - | - | - | - | 275,566 |
| Public Safety | | | | | |
| Asset Forfeiture | - | - | - | - | 2,018,915 |
| Public Safety Augmentation | - | - | - | - | 865,057 |
| Other Public Safety Programs | - | - | - | - | 626,442 |
| Section 108 HUD Loan Security for | | | | | |
| Robinson Park Rehab | 400,000 | - | - | - | - |
| Section 115 Trust | 11,706,421 | - | - | - | - |
| Transportation | - | - | - | - | 27,222,903 |
| Total Restricted | \$ 12,106,421 | \$ 637,147 | \$ 3,522,366 | \$ 7,033,181 | \$ 60,654,755 |

(11) Fund Balance and Net Position (Continued)

| | General Fund | Project Management Capital Project | General Debt Service | Housing Successor | Non-Major Governmental Funds |
|--|----------------|------------------------------------|----------------------|-------------------|------------------------------|
| Fund Balances, continued | | | | | |
| Total from previous page | \$ 26,959,769 | \$ 637,147 | \$ 3,522,366 | \$ 7,033,181 | \$ 62,208,859 |
| Committed to: | | | | | |
| Building Plan Check and Permit Services | - | - | - | - | 10,233,898 |
| Building Services - General Plan Maintenance | | | | | |
| Fee and Technology Fee | - | - | - | - | 5,247,220 |
| Capital Projects | - | - | - | - | 32,013,448 |
| Emergency Contingency | 42,427,200 | - | - | - | - |
| Operating Reserve | 12,692,400 | - | - | - | - |
| Libraries | - | - | - | - | 8,463,571 |
| Pasadena Center Capital Improvement Trust | - | - | - | - | 72,815 |
| Parking | - | - | - | - | 4,178,483 |
| Sewer Construction and Maintenance | - | - | - | - | 12,620,118 |
| Underground Utilities | - | - | - | - | 42,616,083 |
| Total Committed | 55,119,600 | - | - | - | 115,445,636 |
| Assigned to: | | | | | |
| General Government | 6,326,829 | - | - | - | - |
| Health | 6,589,515 | - | - | - | - |
| Transportation | 198,598 | - | - | - | - |
| Capital Projects | 11,966,757 | 1,652,140 | - | - | - |
| Total Assigned | 25,081,699 | 1,652,140 | - | - | - |
| Unassigned: | 445,197 | - | - | - | (5,179,683) |
| Total Fund Balance | \$ 107,606,265 | \$ 2,289,287 | \$ 3,522,366 | \$ 7,033,181 | \$ 172,474,812 |

Net Position

On the Governmental-Wide Statement of Net Position, the Net Position is reported in one of three classifications: Net Investment in Capital Assets, Restricted, or Unrestricted. Net position by classification as of June 30, 2020, are as follows:

| | Primary Government | | | Component Units |
|--|-------------------------|--------------------------|--------------------------|---------------------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government | Aggregate Component Units |
| Net Investment in Capital Assets | \$ 470,688,947 | \$ 458,533,697 | \$ 929,222,644 | \$ 6,536,537 |
| Restricted: | | | | |
| Non-expendable | 1,434,131 | | 1,434,131 | |
| Expendable: | | | | |
| Public Safety | 3,510,414 | - | 3,510,414 | - |
| Capital Projects | 2,698,740 | - | 2,698,740 | - |
| Community Development | 16,513,972 | - | 16,513,972 | - |
| Contributions* | - | 19,544,138 | 19,544,138 | - |
| Air quality improvement | 123,261 | - | 123,261 | - |
| Donated funds | 2,313,946 | - | 2,313,946 | - |
| Debt Service | 11,883,151 | 24,633,282 | 36,516,433 | 15,712,015 |
| Stranded Investments (notes 12 and 19) | - | 77,427,235 | 77,427,235 | - |
| Transportation | 27,222,903 | - | 27,222,903 | - |
| Trust and loans | 12,106,421 | - | 12,106,421 | - |
| Other Purposes | 6,199,255 | 6,615,490 | 12,814,745 | 870,240 |
| Unrestricted: | (364,571,660) | 244,811,283 | (119,760,377) | (23,419,747) |
| Total Net Position | \$ 190,123,481 | \$ 831,565,125 | \$ 1,021,688,606 | \$ (300,955) |

*Per Measure P approved by the voters in November, 2020, the Power Fund will contribute \$18,000,000 to the General Fund (GF) in FY 2021; the Water Fund will reimburse \$1,544,138 to GF for the cost of services provided GF.

(12) Restricted Net Position – Stranded Investments

In 1998, the City Council established a Reserve for Stranded Investment (Reserve) and imposed a Stranded Investment Surcharge (SIS) on all electric utility bills. The purpose of the Reserve for Stranded Investment was to create a fund to mitigate the potential impacts of open access to the energy market for Water and Power Department (PWP) customers and offset short and long term stranded energy costs associated with the Intermountain Power Project (IPP) and Palo Verde Nuclear Generating Station (PVNGS). Several sources of funding for the Reserve were identified in addition to the SIS and funding continued until June 30, 2002. At that time, it was determined that the Reserve was fully funded with no additional contributions required. Collection of the SIS was discontinued and excess funds returned to PWP customers. All funds deposited into the Reserve, including investment earnings, were recorded as income during the year collected or realized.

In November 2006, the City Council approved the Stranded Investment Reserve Utilization Plan (Plan). In January 2009, in accordance with the Plan and a previously approved Prepayment Agreement (Agreement), PWP utilized approximately \$80.0 million of the reserve funds to complete an economic defeasance of selected bonds for IPP. As authorized in the Agreement, the Intermountain Power Agency (IPA) issued approximately \$70.0 million of subordinated notes to PWP, the payments for which will offset a portion of the debt service associated with the economically defeased bonds, thereby reducing the cost of energy purchased from IPP.

As of June 30, 2020, the Stranded Investment Reserve balance was \$77.4 million. The details of the additions and subtractions, in the Reserve, that occurred during FY 2020 are shown below:

Restricted Cash and Investment

| | |
|---|----------------------|
| Beginning balance | \$ 65,911,092 |
| Interest earnings | 1,159,428 |
| Market gain (loss) | 704,349 |
| Transfer of SIS reserve | <u>(7,000,000)</u> |
| Restricted cash and investment ending balance | <u>\$ 60,774,869</u> |

IPA Subordinated Notes

| | Balance at June 30, 2019 | Reduction | Balance at June 30, 2020 |
|--|-------------------------------------|-----------------------|-------------------------------------|
| Notes Receivable | \$ 20,644,167 | \$ (6,014,167) | \$ 14,630,000 |
| Premium | 2,696,488 | (674,122) | 2,022,366 |
| Total IPA Subordinated Notes | <u>\$ 23,340,655</u> | <u>\$ (6,688,289)</u> | <u>\$ 16,652,366</u> |
| Total Restricted Cash and IPA Subordinated Notes | | | <u>\$ 77,427,235</u> |

**(13) Other Required Individual Fund Disclosures
(Fund Deficits and Expenditures in Excess of Appropriations)**

The following funds reported accumulated deficits in their respective fund balances/net position at June 30, 2020:

| | Due to Operations | Due to GASB 68 Implementation | Due to GASB 75 Implementation | Total Accumulated Deficit |
|--------------------------------------|----------------------|-------------------------------------|-------------------------------------|------------------------------|
| Governmental Activities: | | | | |
| Special Revenue Funds: | | | | |
| Health | \$ (5,149,295) | \$ - | \$ - | \$ (5,149,295) |
| Internal Service Funds: | | | | |
| Computing and Communications Service | 7,682,427 | (13,866,197) | (3,173,032) | (9,356,802) |
| Benefits | (15,702,444) | (67,259,129) | (233,311) | (83,194,884) |
| Workers Compensation | (22,207,373) | (7,800,823) | (279,973) | (30,288,169) |
| General Liability | (3,429,898) | (457,618) | (93,324) | (3,980,840) |
| 311 Call Center | 288,253 | (536,922) | (279,973) | (528,642) |

Management’s plans for resolution of the accumulated fund deficits are as follows:

Health

The Health Fund was established to account for grants for the provision of health services which are restricted by grant award agreement as well as state health realignment funding requirements. The Pasadena Public Health Department continues its steadfast commitment to offering programs that improve public health outcomes while maintaining systems and controls for a financially sustainable operation. In FY 2020, the Department ended the year with a shortfall largely attributable to COVID pandemic response; however, the City will be requesting FEMA reimbursement for pandemic related expenses. Other factors include program performance challenges and lower than projected health realignment funding. To address any continued fiscal challenges, the Department is working to expedite processing of grant reimbursement requests; implementing financial performance and contract compliance tools; and monitoring health realignment revenue payment to more accurately evaluate any funding adjustments.

Computing and Communications Fund

The Computing and Communications fund was established to historically track and fund the operations and lifecycle capital replacement of the City’s Department of Information Technology, which provides centralized IT support across all City department. In FY 2020, there was a deficit primarily attributable an increase in GASB 68 and 75 costs, and higher than expected personnel costs in operations due to COVID-19. With employees unable to take as much time off as in prior fiscal years, the benefit factor applied to employees’ regular time reported resulted in higher than anticipated personnel costs. Management reviewed the deficit and will consider appropriate revenue recovery measures to gradually reduce the deficit, as IT is solely funded by the fixed rates it charges to its customer departments. These rates increased by a little over 7% from FY 2019 to FY 2020.



(13) Other Required Individual Fund Disclosures**(Fund Deficits and Expenditures in Excess of Appropriations) (Continued)****Benefits Fund**

The Benefits Fund was established to account for employee compensated absences, retirement, and health benefits. A large deficit is likely to be shown in this fund at the end of each fiscal year, as the largest component represents a portion of the unfunded pension liability and a second largest portion of the deficit reflects the total liability from accrued leave balances. Each year, the city reviews the rates charged to Departments to adjust to an appropriate recovery level and keep the deficit as low as possible or reduce it. The overall FY 2020 fund balance deficit increased by \$9.6 million. This is primarily attributable to revenue of \$32.9 million exceeded by expenses of \$42.5 million. The expense increases are attributable to increased pension contributions, benefits, and compensation. To better manage the short-term costs and long-term liabilities associated with pensions and OPEB, the City set aside \$10.5 million into a Section 115 pension trust and \$2 million into a Section 115 OPEB trust in FY 2018.

Workers' Compensation

The City has established a Workers' Compensation Fund to provide benefits for potential claim and cost expenditures for workers' compensation claims against the City. In addition to any monies held in this Fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. Management has reviewed the deficit, and is working to correct the situation through a combination of injury prevention programs, training programs, reduction of claim severity and claim frequency, return-to-work procedures, medical management and minimizing delays in all aspects of claims handling. An increase in rates charged to the Departments remains a part of the annual budget process. Workers' Compensation benefit rates continue to rise annually as do medical costs. Management has been making progress in resolving some settled claims, terminating ongoing liabilities and has instituted bi-annual claim reviews with the attorneys representing the City for Workers' Compensation claims ensuring timely resolution.

General Liability

The City has established a General Liability Fund to provide for the potential claim and cost expenditures for general liability claims against the City. In addition to any monies held in this Fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. In FY 2019, there was a deficit primarily attributable to lower rates charged to Departments. In FY 2020, the City increased rates to collect an additional \$1.2 million from Departments. Additionally, the General Fund transferred \$5.0 million into this fund to help address increased claims and improve the deficit. Management monitors the deficit and is implementing appropriate recovery measures to gradually reduce the deficit. This resulted in a \$1.6 million reduction of the deficit.

311 Call Center

The City has established the 311 Call Center fund to account for the operations of the City's central call center. In FY 2020, there was a deficit primarily attributable to the implementation of GASB 68 and 75. Management reviewed the deficit and will revisit revenue sources to ensure they fully fund expenses related to these services.

GASB Implementation

In FY 2015, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. As part of the implementation, the City has recorded certain deferred inflows/outflows and obligations, related to the pension benefits provided to employees, to the proprietary funds. This caused several of the fund's fund balances to fall into or increase a deficit position.

**(13) Other Required Individual Fund Disclosures
(Fund Deficits and Expenditures in Excess of Appropriations) (Continued)**

In FY 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As part of the implementation, the City has recorded certain deferred inflows/outflows and obligations, related to other postemployment benefits provided to employees, to the proprietary funds. This caused several of the fund’s fund balances to fall into or increase a deficit position.

Expenditures in Excess of Appropriations

The following funds reported an excess of expenditures over appropriations at June 30, 2020:

| | Budget | Actual | Variance with Final Budget Positive/(Negative) |
|-------------------------------------|---------------|---------------|---|
| General Fund: | | | |
| General government | | | |
| City Attorney/City Prosecutor | \$ 10,068,935 | \$ 10,205,377 | \$ (136,442) |
| Non-departmental | 17,425,900 | 36,949,817 | (19,523,917) |
| Community development | | | |
| Planning and permitting | 9,206,300 | 9,417,666 | (211,366) |
| Underground Utilities Fund: | | | |
| Utility | 91,105 | 6,133,741 | (6,042,636) |
| Air Quality Improvement Fund | | | |
| Transportation | 172,388 | 295,231 | (122,843) |

General Fund

In FY 2020, the City Attorney department incurred more outside legal service expenses than the budgeted amount due to public records and litigation related to cannabis applications and other matters.

The general government, non-departmental expenditures exceeded appropriations primarily due to the Concord property’s sale and the related contribution from the City to Pasadena Fire and Police Retirement System (FPRS). In May 2020, the City sold the Concord property at 275 Cordova St and subsequently contributed \$23.1 million to FPRS according to the agreement between the City and FPRS. The contribution was \$19.7 million more than the budgeted amount of \$3.4 million.

Community Development

The expenditures exceeded the appropriation due to the Concord property disposal. In FY 2020 the Concord building and improvements were quitclaim deeded to the City. Subsequently, the City sold the Concord property in May 2020 and incurred \$1.1 million un-budgeted community development expenditures. This overage was offset by \$0.8 million less than budgeted outside contract and consultant service expenses, as the City had less community development activities in the last three months of the fiscal year due to the pandemic.



(14) Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions of the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service of pledged revenues for the remainder of the term of the commitments.

Total pledge revenue reported for Successor Agency to Pasadena Community Development Commission (SA PCDC) is the net property tax revenue received to pay for all approved expenses (not exclusive to debt service) on the Recognized Obligation Payment Schedule (ROPS).

| Description of Pledged Revenue | Annual Amount of Pledged Revenue (net of expenses) (in thousands) | Annual Debt Service Payment (in thousands) | Debt Service as a Percentage of Pledged Revenue |
|----------------------------------|--|--|---|
| <i>Primary Government</i> | | | |
| Light and Power Revenues | \$ 70,247 | \$ 23,254 | 33% |
| Water Revenues | 16,463 | 5,589 | 34% |
| <i>Fiduciary Funds</i> | | | |
| Tax Increment (SA PCDC) | \$ 65 | \$ 226 | 348% |

(15) Transfers

Primary Government

The following is a summary of transfers in and out for the year ended June 30, 2020:

| Transfers Out | Transfers In | | | | | | | | Total Sub/total | |
|------------------------------------|-----------------|-------------------------------|------------------------------------|----------------------|------------------------------------|----------------------------|----------------------------------|------------------------------|--------------------|---------------|
| | General Fund | Project Management Fund | General Debt Service Fund | Housing Successor | Non-Major Governmental Funds | Light and Power Fund | Non-Major Enterprise Funds | Internal Service Funds | | |
| General Fund\$ | - | \$ 4,348,055 | \$ 6,181,807 A | \$ 1,204,797 | \$ 17,491,032 B | - | \$ - | \$ - | 9,637,342 C | \$ 38,863,033 |
| Project Management Fund | - | - | - | - | - | - | 159,659 | 105,076 | - | 264,735 |
| General Debt Service Fund | - | 6,800,000 D | - | - | - | - | - | - | - | 6,800,000 |
| Non-Major Governmental Funds | 249,580 | 15,164,642 E | 751,736 | - | - | 5,436,527 | - | - | - | 21,602,485 |
| Light and Power Fund | 17,314,625 F | - | - | - | - | - | - | - | - | 17,314,625 |
| Water Fund | 1,894,138 | - | - | - | - | - | - | - | - | 1,894,138 |
| Off Street Parking Fund | - | 108,248 | - | - | - | - | - | - | - | 108,248 |
| Non-Major Enterprise Funds | 198,240 | 85,034 | - | - | - | - | - | - | 345,000 | 628,274 |
| Internal Service Funds | - | 601,836 | - | - | - | - | - | - | - | 601,836 |
| Total/Subtotal | \$ 19,656,583 | \$ 27,107,815 | \$ 6,933,543 | \$ 1,204,797 | \$ 17,491,032 | \$ 5,436,527 | \$ 159,659 | \$ 10,087,418 | \$ - | \$ 88,077,374 |

Primary Government

(A) Transfers from the General Fund to General Debt Service Fund consist of:

- \$3,543,480 to pay principal and interest for the 2015 Taxable Pension Obligation Bonds
- \$2,516,701 to pay principal and interest for the 2020 Taxable Pension Refunding Bonds
- \$121,626 for other debt service payments

(B) Transfers from the General Fund to Non-Major Governmental Funds consists of:

- \$11,901,200 to support the Library Services Fund
- \$3,847,200 to pay for 2015A Refunding COPs
- \$1,742,632 to Housing and Community Development, Transportation and Parking, and Health funds to support their operations



(15) Transfers (continued)

(C) Transfers from General Fund to Internal Service Funds consists of:

- \$5,550,079 to Printing Service Fund for closing the fund
- \$5,000,000 to General Liability Fund
- \$94,088 to Building Maintenance Funds to support its operations

(D) General Debt Service Fund transferred \$6,800,000 borrowed from JP Morgan to Project Management Fund for financing the radio communication equipment project.

(E) Transfer of \$15,164,642 to Project Management Fund to support projects funded by the various Non-Major Governmental Funds, including:

- \$5,592,469 from Residential Development Impact Fund
- \$2,222,708 from Road Maintenance and Rehabilitation Account
- \$1,713,801 from Traffic Reduction and Transportation Improvement Fund
- \$1,329,257 from Building Services Fund
- \$1,308,768 from Sewer Construction and Maintenance Fund

(F) Light and Power contributed \$17,314,625 to the General Fund for the payment of interest and principal on City bonds, municipal improvements, and other purposes.

Fiduciary Funds

The following is a summary of transfers in and out for the year ended June 30, 2020:

| Transfers In | Transfers Out Redevelopment Obligation Retirement Fund | Total |
|---------------------------------|---|---------------|
| Successor Agency Administration | \$ 144,119 | \$ 144,119 |
| Successor Agency Debt Service | 10,003,584 | 10,003,584 |
| Total | \$ 10,147,703 | \$ 10,147,703 |

The Redevelopment Obligation Retirement Fund transferred \$10,003,584 to the Successor Agency Debt Service Funds (SADSF) and \$144,119 to the Successor Agency Administration Fund.

(16) Self-Insurance

The City maintains self-insurance and excess insurance programs for various lines of liability coverage. Liability claims are self-administered, within the self-insured retention. For the period July 1, 2019 to June 30, 2020 excess liability insurance was purchased with limits of \$25 million excess of a \$3 million per occurrence self-insured retention. Excess worker's compensation insurance currently with a \$4,000,000 self-insurance retention, was renewed with the current carrier Safety National Insurance Company. This coverage was initially purchased in FY 2016 and renewed through FY2019, with a \$5,000,000 self-insured retention. Worker's Compensation claims for all City workers, including Public Safety, Fire and Police, are administered by a Third Party Administrator, AdminSure. The City maintains a few self-administered claims (with dates of Injury before 7/1/2012).

Five workers' compensation claims from prior years, when the retention was \$500,000, have exceeded the excess level. Nine workers' compensation claims from prior years, when the retention was \$250,000, have exceeded the excess level. Three workers' compensation claims from prior years, when the retention was \$50,000, have exceeded the excess level. Seven claims have met the self-insurance retention when it was \$250,000. No workers' compensation injury was incurred during the past three to four fiscal years that is expected to exceed \$4,000,000, over the course of succeeding years.

The Civil Division of the Department of the City Attorney/City Prosecutor, primarily using in-house civil attorneys, controls litigated liability claims. A claim is a demand seeking damages allegedly arising out of a wrongful act for which the claimant asserts the City is responsible. For new claims with alleged dates of loss within FY 2020, the City paid approximately \$71,847 in loss payments. The overall total incurred is \$2,257,122. Liability against a public entity is mitigated by existing laws/statutes/codes, which provide certain immunities. The City currently has approximately 14 active litigation cases, each with reserves estimated in excess of \$2 million.

Self-Insurance losses and administrative costs are reported in the General Liability and Workers' Compensation Internal Service Funds. Losses incurred are reimbursed by departments over a period of time as part of an internal service assessment system. Legal expenses are reported in the City Attorney Department of the General Fund. A case reserve is established for each claim, monitored and adjusted by the Liability Division or the Workers' Compensation Claims Supervisor, including expected litigation expenses and losses that will be paid by the City Treasurer.

Heliport and Aircraft coverage provides protection to the City for liability arising out of its public safety/police helicopter operations and for the City's leadership role on the LA Impact Team. The policy carries a per occurrence limit of \$50,000,000 for Aircraft Hull and Liability, with an aggregate of \$50,000,000. Coverages include hull physical damage for the scheduled aircraft, damage done by the City's aircraft to someone else's hangar, and emergency landing. The policy also covers liability resulting from an error by pilot. In addition, the policy provides coverage for Airport Liability with a \$50,000,000 per occurrence limit. This coverage complies with the City's contract with Burbank airport. The annual premium is apportioned between the City and LA Impact since the policy carries hull coverage for LA Impact aircraft.

(16) Self-Insurance (Continued)

The City renewed Property Insurance on all its buildings, including Equipment Breakdown, with a combined total scheduled insured value of \$1.077 billion. The policy includes coverage for fine arts, valuable papers, business personal property, business income and extended business income or rental value. Policy limits are \$250,000,000 with a deductible of \$25,000 for Earthquake Sprinkler Leakage, \$100,000 for Flood, and \$25,000 for any other covered loss. Exclusions include earthquake, collapse of buildings and nuclear hazard. There have been no new claims during FY 2020.

The City’s Property: Power Plant Boiler and Machinery policy, with total insured value of \$396,539,580. The program provides property and equipment breakdown coverage for City’s power plant facilities and machinery. The policy affords coverage for risks of loss or damage, including boiler explosion and machinery breakdown. Policy limits are \$130,000,000 with deductibles of \$750,000 per occurrence for all other property damage and \$1,500,000 per occurrence for machinery breakdown of GT1, GT3, and GT5. The City has received no new claims under this policy for FY 2020.

In an effort to protect the City’s assets and transfer potential risk, the City also purchases the following insurance policies: Medical Malpractice; Pollution Liability; Terrorism for Property and Business Interruption and Terrorism & Sabotage Insurance; Auto Physical Damage; Cyber Risk Privacy Liability; Fiduciary (purchased for and by the Fire and Police Retirement System); and Crime policies.

Pasadena Center Operating Company “PCOC” is entitled to indemnity from the City; however, PCOC purchases a Special Liability Insurance Program (SLIP) for general liability and employment practice coverage. The City manages the PCOC claims and tenders to the insurance carrier third party administrator. PCOC carries statutory workers’ compensation insurance with no retention. PCOC requires licensees to provide insurance or purchase Special Events Liability Insurance from PCOC. The City buys liability insurance on the parking structures at PCOC. PCOC buys separate liability insurance on the ice rink.

Rose Bowl Operating Company “RBOC” is entitled to indemnity from the City, and its losses are included in the City’s general liability self-insurance program and under the excess general liability policies. RBOC carries statutory workers’ compensation insurance with no retention. Brookside Golf Course is also managed through RBOC. Major Rose Bowl tenants include the Pasadena Tournament of Roses, UCLA Football, and the R. G. Canning Swap Meet. Tenants provide insurance, naming City of Pasadena as additional insured on their policies.

The claims liability reported in the General Liability and Workers’ Compensation Internal Service Funds is based on the requirements of GASB Statement No. 10, which requires a liability for claims to be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated, including incurred but not yet reported claims. As of June 30, 2020, liability claims payable amounted to \$18,545,950 of which \$7,821,665 is estimated to be paid within one year. Workers’ Compensation claims payable amounted to \$31,258,288, of which \$12,964,640 is estimated to be paid within one year.

| | Current Beginning Liability | Year Claims and Prior Year Changes Fiscal Year in Estimates | Claim Payments | Ending Fiscal Year Liability |
|---------|-----------------------------|---|----------------|------------------------------|
| 2018-19 | \$ 48,690,648 | \$ 8,338,456 | \$ 11,586,630 | \$ 45,442,474 |
| 2019-20 | 45,442,474 | 13,461,378 | 18,664,614 | 40,239,238 |

(17) Deferred Compensation Plan

For the benefit of its employees, the City has adopted a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or an unforeseeable emergency. As a result of changes under the Small Business Job Protection Act of 1996, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts must be held in a trust, custodial account, or annuity contract for the exclusive benefit of the employee participants and their beneficiaries.

The plan has a Plan Administrator and an oversight committee. The five member committee is comprised of three elected City employees and two members of the community appointed by the City Council. The oversight committee members basically monitor the plan activity, performance of investment options and ensure that the Plan Administrator carries out his duties and responsibilities. The Plan Administrator, the Director of Finance or his designee, is responsible for the day to day administration. The Plan Administrator has authority to sign all legal agreements with approved plan providers, and ensures proper amounts are withheld, immediately transferred to the trust, and invested in accordance with participants' directions.

The following is a summary of the increases and decreases of amounts in the deferred compensation plan during the fiscal year reported in a Employee Benefit Trust Fund:

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| Assets, beginning of year (market value) | \$ 301,519,140 | \$ 290,919,655 |
| Deferrals of compensation | 16,286,968 | 15,822,757 |
| Earnings and adjustments to market value | 13,862,223 | 14,500,564 |
| Payments to eligible employees | (22,997,537) | (19,517,759) |
| Plan fees | (218,769) | (206,077) |
| Assets, end of year (market value) | <u>\$ 308,452,025</u> | <u>\$ 301,519,140</u> |

(18) Pension Plans

Each full-time employee and each part-time employee (with 1,000 hours or more of service) of the City is a member of either the FPRS or CalPERS. Both plans are defined benefit pension plans and are described individually in the following notes.

Summary of Pension Plans

| | Net pension liability | Pension expense | Deferred outflows related to pension liability | Deferred inflows related to pension liability |
|-------------------------------------|--------------------------|----------------------|--|---|
| Pasadena Fire and Police Retirement | \$ 8,610,000 | \$ 3,749,000 | \$ 2,131,000 | \$ - |
| CalPERS - Safety Plan | 179,432,409 | 30,206,182 | 42,176,219 | 7,851,097 |
| CalPERS - Miscellaneous Plan | 310,451,590 | 54,749,946 | 44,700,802 | 9,787,741 |
| Total Plans | \$ 498,493,999 | \$ 88,705,128 | \$ 89,008,021 | \$ 17,638,838 |

Pasadena Fire and Police Retirement SystemPlan Description

FPRS is a single-employer defined benefit plan governed by a Retirement Board (Board) under provisions of the City Charter. The plan covers all fire and police personnel who were employed by the City prior to July 1, 1977, except for those who elected to transfer to CalPERS when FPRS closed to new member in June 2004. In June 2004, active members were provided a one-time opportunity to transfer from FPRS to CalPERS as provided by an agreement with the City. Once transferred to CalPERS, retirement benefits for all fire and police personnel employed thereafter are provided under CalPERS. The plan provides retirement, death and disability benefits. Copies of FPRS's annual financial report may be obtained from the Department of Finance, 100 North Garfield Avenue, 3rd Floor, Pasadena, California 91109.

Deposits and Investment Risk

The Board adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment to GASB Statement No. 3, effective July 1, 2004. The statement is designed to inform financial statement users about deposit and investment risks that could affect the ability to provide services and meet obligations as they become due. The disclosures required by this statement provide information to assess common risks inherent in deposit and investment transactions. The statement also requires the disclosure of the following specific risks that apply to the plan's investments: (1) Credit Risk and Market Value of Investments, (2) Custodial Credit Risk – Deposits and Investments, (3) Concentration of Credit Risk, (4) Interest Rate Risk, (5) Highly Sensitive Investments, and (6) Foreign Currency Risk.

| | |
|----------------------------|-----------------------|
| Cash and investments | |
| Unrestricted Pooled Cash | \$ 8,405,298 |
| Designated Pooled Cash | 1,250,000 |
| Money Market Funds | 6,303,900 |
| Short-term Investments | 6,122,888 |
| Cash and Cash Equivalents | 22,082,086 |
| Investments | 105,982,905 |
| Total Cash and Investments | <u>\$ 128,064,991</u> |

Please see the FPRS annual report for additional cash and investment details.

(18) Pension Plans (Continued)

Funding Policy

Section 1509.9 of the City Charter provides that the normal member contribution rates will provide an average annuity, at age 50, equal to 1/100 of the final compensation of members for each year of service according to tables adopted by the Board. The basic benefits otherwise funded by these contributions have now been fully funded by Contribution Agreement 16,900. Pursuant to the agreement, the City contributed \$100,000,000 net proceeds from the issuance of pension bonds to FPRS on August 5, 1999. The net proceeds plus the existing assets of FPRS became sufficient to fully fund the basic benefits, the unfunded basic benefits, the 1919 benefits, and the cost-of-living adjustment (COLA) benefits. Contributions are recognized when due. Therefore, member contributions are suspended as long as basic benefits remain fully funded.

On October 20, 2011, the Board approved Amended and Restated Agreement No. 20,823 (“Agreement No. 20,823”). Under this new agreement, the City’s minimum funding percentage schedule and reimbursement cap in Agreement No. 16,900 carried forward, and the City agreed to provide a contribution of \$46,600,000 to the System through the issuance of pension obligation bonds. Agreement No. 20,823 provided that the annual required supplemental contribution would be actuarially calculated using an interest assumption of 6% and an inflation rate of 3% beginning with the June 30, 2012 valuation. Pursuant to this agreement, future annual valuations after June 30, 2012, shall adopt an assumed interest rate and inflation assumption based on analysis performed by the System’s actuary and after seeking input from the City and System’s investment consultant. Agreements No. 16,900 and No. 20,823 state that if the minimum funding deficit is greater than \$3,000,000 in a year, the City will pay \$3,000,000 to the System. Any remaining amount necessary to reach the minimum funding percentage will be phased in over a five-year period; however, no annual supplemental payment may exceed a reimbursement cap measured by the prior year’s payments for benefits other than the funded basic benefits.

As of June 30, 2020, the funded percentage of the System, calculated in accordance with Agreement No. 20,823 and Agreement No. 16,900, was 89.2%. As provided by Contribution Agreement No. 16,900, if the funded percentage is below the minimum funding percentage of 80% for fiscal year 2020, the City will reimburse the System in the following fiscal year subject to certain reimbursement limits. Based on the June 30, 2020 actuarial valuation, there was no funding deficiency as the AVA funded percentage of 89.2% met the funding requirement of 80%. Thus, no required supplemental contribution is owed to the System by the City during fiscal year 2021.

Due to the sale of the Concord property and the City’s agreement with FPRS, the City’s contribution for the year was \$23,137,000. This caused an increase in the Actuarial Value of Assets, a decrease in the Actuarial Accrued Liability, which contributed to a decrease of the City’s Net Pension Liability from \$26,782,000 on June 30, 2019 to \$8,610,000 on June 30, 2020.

(18) Pension Plans (Continued)

Net Pension Liability

At June 30, 2020, the Net Pension Liability of FPRS was as follows:

| <u>Net Pension Liability</u> | <u>6/30/2020</u> |
|---|-----------------------|
| Discount Rate | 5.75% |
| Beginning Total Pension Liability (TPL) | \$ 138,556,000 |
| Interest | 7,600,000 |
| Benefit Payments | (12,773,000) |
| Changes in Experience | 438,000 |
| Ending Total Pension Liability (TPL) | <u>\$ 133,821,000</u> |
| Beginning Fiduciary Net Position (FNP) | \$ 111,774,000 |
| Employer Contribution | 23,137,000 |
| Net Investment Income | 3,394,000 |
| Benefit Payments | (12,773,000) |
| Administrative Expenses | (321,000) |
| Ending Fiduciary Net Position (FNP) | <u>125,211,000</u> |
| Net Pension Liability (NPL) | <u>\$ 8,610,000</u> |
| FNP as a Percentage of TPL | 93.6% |

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. Upon analysis provided by the System's Actuary on May 20, 2020, the Board accepted the recommended assumptions (that were concurred with by City Treasury and the System's Investment Advisor) for use in the preparation of the actuarial valuation for the fiscal year ending June 30, 2020. The TPL was determined by the actuarial valuation performed as of June 30, 2020, using the following actuarial assumptions:

(18) Pension Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

| | |
|-------------------------------|---|
| Actuarial Assumptions | |
| Discount Rate | 5.75%* |
| Inflation | 2.75% |
| Salary Increases | No active employees |
| Mortality | CalPERS 1997-2015 Experience Study, MP-2017 |
| Geometric Real Rate of Return | Based on the CalPERS 2017 10-year Expected Geometric Rate of Return |
| | Large Cap US Equity 4.36% |
| | Small Cap US Equity 5.18% |
| | Foreign Equity 4.60% |
| | Core Fixed Income 1.47% |
| | TIPS 1.29% |
| | Short-Term Gov't-Grade Bonds 1.26% |
| | Senior Bank Loans 3.10% |
| | Hedge Funds 2.79% |
| | Core Real Estate 3.04% |

* Discount Rate reflects assumed investment expense of 40bp.

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 194 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | - |
| Total | 194 |

Discount Rate

The discount rate of 5.75% was selected by the System actuary and approved by the Board to measure the June 30, 2020 Total Pension Liability for accounting purpose. The discount rate is the expected real long-term rate of return, plus the inflation assumption of 2.75%, less assumed investment expenses of 40 basis points. Based on the assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments. The discount rate used as of June 30, 2020, is the same as the discount rate used as of June 30, 2019.

| Asset Class | Target Asset Allocation |
|------------------------------|-------------------------|
| Large Cap US Equity | 16.00% |
| Small Cap US Equity | 4.00% |
| Foreign Equity | 20.00% |
| Real Estate | 10.00% |
| Core Fixed Income | 25.00% |
| Short-Term Gov't-Grade Bonds | 10.00% |
| Senior Bank Loans | 5.00% |
| TIPS | 5.00% |
| Hedge Funds | 5.00% |
| Total | 100.00% |

(18) Pension Plans (Continued)

Changes in Pension Liability

| | Increase (Decrease) | | |
|--|-------------------------|-----------------------------|-------------------------------|
| | A | B | C = B - A |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Asset/(Liability) |
| Balance at 6/30/2019 | \$ 138,556,000 | \$ 111,774,000 | \$ (26,782,000) |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | - | - | - |
| Interest on the Total Pension Liability | 7,600,000 | - | (7,600,000) |
| Changes in Experience | 438,000 | - | (438,000) |
| Contribution from Employers | - | 23,137,000 | 23,137,000 |
| Contribution from Employees | - | - | - |
| Net Investment Income | - | 3,394,000 | 3,394,000 |
| Benefit Payments | (12,773,000) | (12,773,000) | - |
| Administrative Expense | - | (321,000) | (321,000) |
| Change of Assumptions | - | - | - |
| Net Change during 2019-20 | (4,735,000) | 13,437,000 | 18,172,000 |
| Balance at 6/30/2020 | \$ 133,821,000 | \$ 125,211,000 | \$ (8,610,000) |

Pension Expense

| | Pension Expense/ (Income) |
|---|------------------------------|
| Service Cost | \$ - |
| Interest on Total Pension Liability | 7,600,000 |
| Projected Earnings on Pension Plan Investments | (6,290,000) |
| Recognized Differences between Projected and Actual Earnings | 1,680,000 |
| Recognized Differences between Expected and Actual Experience | 438,000 |
| Changes of Assumptions | - |
| Administrative Expenses | 321,000 |
| Total | \$ 3,749,000 |

(18) Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

Examining the sensitivity of the NPL to changes in the discount rate by a 1% decrease, from 5.75% to 4.75%, revealed an increase in the NPL by \$11,342,000 to a total NPL of \$19,952,000. Conversely, increasing the discount rate by 1%, from 5.75% to 6.75%, revealed a corresponding decrease in the NPL of \$9,834,000 to total Net Pension Asset of \$1,224,000 as of June 30, 2020.

| | FPRS | | |
|-------------------------|------------------------------|-------------------------------------|------------------------------|
| | Discount Rate -1% (4.75%) | Current Discount Rate (5.75%) | Discount Rate +1% (6.75%) |
| Total Pension Liability | \$ 145,163,000 | \$ 133,821,000 | \$ 123,987,000 |
| Fiduciary Net Position | 125,211,000 | 125,211,000 | 125,211,000 |
| Net Pension Liability | 19,952,000 | 8,610,000 | (1,224,000) |
| NPL Funded Percentage | 86.3% | 93.6% | 101.0% |

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

| | FPRS | | |
|--|-----------------------------------|----------------------------------|------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred of Resources |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | \$ 2,131,000 | \$ - | \$ 2,131,000 |
| Total | \$ 2,131,000 | \$ - | \$ 2,131,000 |

| FPRS | |
|--------------------------------------|--|
| Measurement Period ended June 30: | Deferred Outflows/(Inflows) of Resources |
| 2021 | \$ (44,000) |
| 2022 | 905,000 |
| 2023 | 690,000 |
| 2024 | 580,000 |

(18) Pension Plans (Continued)

CalPERS Miscellaneous and Safety Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plan and Safety Plan (Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

| <u>Miscellaneous</u> | | <u>Safety</u> | |
|---|--------------------------|---|--------------------------|
| Hire date | Prior to January 1, 2013 | Hire date | Prior to January 1, 2013 |
| Benefit formula | 2.5% @ 55 | Benefit formula | 3% @ 55 |
| Benefit vesting schedule | 5 years service | Benefit vesting schedule | 5 years service |
| Benefit payments | monthly for life | Benefit payments | monthly for life |
| Retirement age | 50 | Retirement age | 50 |
| Monthly benefits, as a % of eligible compensation | 2.00% to 2.50% | Monthly benefits, as a % of eligible compensation | 2.40% to 3.00% |
| Required employee contribution rates | 7.665% | Required employee contribution rates | 9.397% |
| Required employer contribution rates | 30.415% | Required employer contribution rates | 46.142% |

Employees Covered

At the measurement date June 30, 2019, the following employees were covered by the benefit terms of the plan:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|--|----------------------|---------------|
| Inactive employees or beneficiaries currently receiving benefits | 1,706 | 362 |
| Inactive employees entitled to but not yet receiving benefits | 1,035 | 131 |
| Active employees | 1,409 | 364 |
| Total | 4,150 | 857 |

(18) Pension Plans (Continued)

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

| | |
|--------------------------|--|
| Actuarial Assumptions | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table (1) | Derived using CalPERS’ Membership Data for all Funds |

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale. For more details on this table, please refer to the 2017 experience study report.

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.



(18) Pension Plans (Continued)Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

| Asset Class ⁽¹⁾ | New Strategic Allocation | Real Return Years 1 - 10 (2) | Real Return Years 11+ (3) |
|-----------------------------------|---------------------------------|-------------------------------------|----------------------------------|
| Global Equity | 50.00% | 4.80% | 5.98% |
| Fixed Income | 28.00 | 1.00 | 2.62 |
| Inflation Assets | - | 0.77 | 1.81 |
| Private Equity | 8.00 | 6.30 | 7.23 |
| Real Assets | 13.00 | 3.75 | 4.93 |
| Liquidity | 1.00 | - | (0.92) |

⁽¹⁾ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

⁽²⁾ An expected inflation of 2.00% used for this period

⁽³⁾ An expected inflation of 2.92% used for this period

Miscellaneous

| | Increase (Decrease) | | |
|--|--------------------------------|------------------------------------|--------------------------------------|
| | A | B | C = B - A |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Asset/(Liability) |
| Balance at 6/30/18 | \$ 1,124,521,080 | \$ 825,123,504 | \$ (299,397,576) |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 19,269,901 | - | (19,269,901) |
| Interest on the Total Pension Liability | 79,378,592 | - | (79,378,592) |
| Changes of Benefit Terms | - | - | - |
| Differences between Expected and Actual Experience | 5,491,637 | - | (5,491,637) |
| Changes of Assumption | - | - | - |
| Plan to Plan Resource Movement | - | - | - |
| Contribution from Employers | - | 31,374,515 | 31,374,515 |
| Contribution from Employees | - | 8,840,701 | 8,840,701 |
| Net Investment Income | - | 53,457,806 | 53,457,806 |
| Benefit Payments, including Refunds of Employee Contribution | (58,915,135) | (58,915,135) | - |
| Administrative Expense | - | (588,826) | (588,826) |
| Other Changes in Fiduciary Net Position | - | - | - |
| Other Miscellaneous Income(Expense) | - | 1,920 | 1,920 |
| Net Changes | 45,224,995 | 34,170,981 | (11,054,014) |
| Balance at 6/30/19 | \$ 1,169,746,075 | \$ 859,294,485 | \$ (310,451,590) |

(18) Pension Plans (Continued)

Safety

| | Increase (Decrease) | | |
|--|-------------------------|-----------------------------|-------------------------------|
| | A | B | C = B - A |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Asset/(Liability) |
| Balance at 6/30/18 | \$ 641,533,621 | \$ 470,601,506 | \$ (170,932,115) |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 12,763,700 | - | (12,763,700) |
| Interest on the Total Pension Liability | 45,653,513 | - | (45,653,513) |
| Changes of Benefit Terms | - | - | - |
| Differences between Expected and Actual Experience | 4,033,593 | - | (4,033,593) |
| Changes of Assumption | - | - | - |
| Net Plan to Plan Resource Movement | - | - | - |
| Contribution from Employers | - | 19,187,119 | 19,187,119 |
| Contribution from Employees | - | 4,382,598 | 4,382,598 |
| Net Investment Income | - | 30,715,531 | 30,715,531 |
| Benefit Payments, including Refunds of Employee Contribution | (26,876,788) | (26,876,788) | - |
| Administrative Expense | - | (335,831) | (335,831) |
| Other Miscellaneous Income (Expense) | - | 1,095 | 1,095 |
| Net Changes | 35,574,018 | 27,073,724 | (8,500,294) |
| Balance at 6/30/19 | \$ 677,107,639 | \$ 497,675,230 | \$ (179,432,409) |

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

| Miscellaneous | | | |
|---------------------------------------|----------------|------------------|----------------|
| | Discount Rate | Current Discount | Discount Rate |
| | -1% | Rate (7.15%) | (+1%) |
| Plan's Net Pension Liability/(Assets) | \$ 458,151,249 | \$ 310,451,590 | \$ 187,606,333 |

| Safety | | | |
|---------------------------------------|----------------|------------------|----------------|
| | Discount Rate | Current Discount | Discount Rate |
| | -1% | Rate (7.15%) | (+1%) |
| Plan's Net Pension Liability/(Assets) | \$ 275,842,518 | \$ 179,432,409 | \$ 100,591,104 |

(18) Pension Plans (Continued)Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

The EARSL for the Plan for the measurement period ending June 30, 2019 is 3.4 years for Miscellaneous and 4.9 years for Safety, which was obtained by dividing the total service years of 14,226 (Miscellaneous) and 4,207 (Safety) (the sum of remaining service lifetimes of the active employees) by 4,150 (Miscellaneous) and 856 (Safety) (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

| | Miscellaneous | Safety |
|---|--------------------------------------|--------------------------------------|
| | Pension Expense/ (Income) | Pension Expense/ (Income) |
| Service Cost | \$ 19,269,901 | \$ 12,763,700 |
| Interest on Total Pension Liability | 79,378,592 | 45,653,513 |
| Changes of Benefit Terms | - | - |
| Recognized Changes of Assumptions | 15,887,837 | 4,942,291 |
| Recognized Differences between Expected and Actual Experience | (4,326,825) | (1,725,736) |
| Plan to Plan Resource Movement | - | - |
| Employee Contributions | (8,840,701) | (4,382,598) |
| Projected Earnings on Pension Plan Investments | (58,209,661) | (33,503,274) |
| Recognize Differences between Projected and Actual Earnings on Plan Investments | 11,003,897 | 6,123,550 |
| Administrative Expenses | 588,826 | 335,831 |
| Other Miscellaneous (Income)Expense | (1,920) | (1,095) |
| Total | \$ 54,749,946 | \$ 30,206,182 |

(18) Pension Plans (Continued)

As of June 30, 2019, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

| | Miscellaneous | | Safety | | Total | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Changes of Assumption | \$ 5,404,312 | \$ (3,189,801) | \$ 15,859,931 | \$ (1,678,689) | \$ 21,264,243 | \$ (4,868,490) |
| Differences between Expected and Actual Experience | 3,876,450 | (2,325,720) | 4,563,084 | (4,132,929) | 8,439,534 | (6,458,649) |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | (4,272,220) | - | (2,039,479) | - | (6,311,699) |
| Contributions Subsequent to the Measurement Date | 35,420,040 | - | 21,753,204 | - | 57,173,244 | - |
| Total | \$ 44,700,802 | \$ (9,787,741) | \$ 42,176,219 | \$ (7,851,097) | \$ 86,877,021 | \$ (17,638,838) |

The amounts above are net of outflows and inflows recognized in the FY 2018-19 measurement period expense.

The \$35,420,040 and \$21,753,204 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| | Miscellaneous | | Safety | |
|------|-----------------------------------|---|-----------------------------------|---|
| | Measurement Period ended June 30: | Deferred Outflows/ (Inflows) of Resources | Measurement Period ended June 30: | Deferred Outflows/ (Inflows) of Resources |
| 2020 | \$ | 6,187,503 | 2020 | \$ 6,388,002 |
| 2021 | | (7,019,062) | 2021 | 2,739,250 |
| 2022 | | (625,791) | 2022 | 2,079,586 |
| 2023 | | 950,371 | 2023 | 1,365,080 |
| 2024 | | - | 2024 | - |

Defined Contribution Plan (PARS)

The City provides pension benefits for employees not covered by CalPERS or FPRS through the PARS. This is a defined contribution plan created in accordance with Internal Revenue Code Sections 401(a) and 501, and administered by Phase II Systems. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. On October 29, 2012, the City adopted a Salary Resolution for the Non-Represented Non-Management employees requiring the covered employees to contribute the full 7.5% of their earnings effective December 31, 2012. Prior to the adoption of the Salary Resolutions, the plan agreement required the City to contribute an amount equal to 4.0% of the employees’ earnings and the covered employee contributed 3.5%. The City contributions for each employee were fully vested.

The City’s payroll for employees covered by PARS for the year ended June 30, 2020 was \$4,166,880. The covered employees made the total required 7.5% contributions of \$312,516.



(19) Post-employment Benefits Other Than Pensions

The City of Pasadena provides a subsidy to retirees of the City who are members of the California Public Employees’ Retirement System or the Pasadena Fire and Police Pension System. Benefit provisions are established and amended through negotiations between the City and the respective unions. Two different levels of subsidy toward the purchase of medical insurance from CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA) are offered. These are currently at \$139.00 or \$97.30 per month depending on the bargaining unit or the unrepresented group the employee was a member. At the June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms:

| | |
|---|-------|
| Inactive plan members or beneficiaries currently receiving benefits | 718 |
| Inactive plan members entitled to but not yet receiving benefits | 246 |
| Active plan members | 1,833 |
| | 2,797 |

Plan Description

Eligibility. The plan is a single-employer plan which provides benefits under PEMHCA to individuals who retire with the City and begin to collect a monthly benefit under one of the retirement plans sponsored by the City. Employees who terminate under service retirement or disability retirement and certain survivors of Safety members who die in active service are eligible.

Service Retirement: Employees retiring directly from active status receive medical benefits commencing at retirement. Employee must be age 50 (or 52 if a “new member” as defined in the Public Employees’ Pension Reform Act of 2013) or older with 5 or more years of service.

Disability Retirement: Employees retiring directly from active status due to disability receive medical benefits commencing at retirement. Employees are eligible for Industrial Disability retirement at hire and for Non-Industrial Disability retirement after 5 years of CalPERS service.

Pre-retirement Death:

Safety Employees:

Industrial: Survivor receives medical benefits commencing immediately.

Non-Industrial: Survivor receives medical benefits immediately if death occurs after member reaches age 50 with 5 years of service.

Miscellaneous Employees: Survivor receives medical benefits immediately if death occurs after member reaches age 50 with 5 years of service.

Dependent Eligibility: Dependents are not eligible for benefits.

Survivor Eligibility: Survivors are eligible for benefits if the retiree elected a form of coverage providing for continued pension payments to the retiree.

Benefits:

Medical Benefit: Eligible retirees are provided a subsidy for medical benefits though PEHMCA. For the calendar year 2020, this monthly amount is \$139.00 for certain classes of employees and \$97.30 for remaining employees.

(19) Post-employment Benefits Other Than Pensions (Continued)

Contributions

The City contribution requirements have been established at the individual retiree levels of \$139.00 or \$97.30 per month depending on bargaining unit membership and policy enacted by CalPERS pursuant to State Law. These minimum requirements may be increased through future negotiations between the City and respective unions. In fiscal year 2018, the City set aside \$2 million in a Section 115 trust account, which was recognized as a reduction to the OPEB liability. The City has not made any contribution to the Section 115 trust account during fiscal year ended June 30, 2020.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal – level percentage of pay-as-you-go basis |
| Actuarial Assumptions | |
| Discount Rate | Pay-as-you-go – 2.66% per annum |
| Inflation | 2.50% per annum |
| Payroll Increases | 2.75% per annum, in aggregate |
| Salary Increase | For cost method purposes the merit increases from the CalPERS pension plan valuation will be used |
| Healthcare Trend Rate | Based on recent premium experience assuming 1%-2% increase due to market trends then reduced to a rate reflecting medical price inflation |
| Investment Rate of Return | 5.0% per annum |
| Pre-retirement Turnover | According to the termination rates under the most recent CalPERS pension plan valuation |
| Pre-retirement Mortality | According to the pre-retirement mortality rates under the most recent CalPERS pension plan valuation |
| Post-retirement Mortality | According to the post-retirement mortality rates under the most recent CalPERS pension plan valuation |
| Retirement Age | According to the retirement rates under the most recent CalPERS pension plan valuation |
| Participation Rates | 60% of eligible active employees are assumed to elect medical coverage at retirement. Future retirees are assumed to elect similar coverage as current retirees. Actual plan coverage is used for current retirees. |
| Spouse Coverage | 50% of future retirees are assumed to elect coverage for their spouse. Male spouses are assumed to be 3 years older than female spouses. Actual spouse coverage and spouse ages are used for current retirees. |



(19) Post-employment Benefits Other Than Pensions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

| Asset Class | Target Allocation | Long-term expected real rate of return |
|--------------|-------------------|--|
| Fixed Income | 65.00% | 4.00% |
| Equity | 30.00% | 7.70% |
| Cash | 5.00% | 2.40% |
| Total | 100.00% | |

Long-term expected rate of return is 5.00%.

Changes in the OPEB Liability

| | Increase(Decrease) | | |
|--|----------------------|-----------------------------|-----------------------------|
| | A | B | C = A-B |
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB (Asset)/ Liability |
| Balance at 06/30/2019 | \$ 79,126,733 | \$ 2,125,693 | \$ 77,001,040 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 3,567,267 | - | 3,567,267 |
| Interest | 2,560,523 | - | 2,560,523 |
| Differences between Expected and Actual Experience | (7,575,879) | | (7,575,879) |
| Changes of Assumptions | 11,111,122 | - | 11,111,122 |
| Contributions - Employer | - | 2,815,139 | (2,815,139) |
| Net investment income | - | 101,072 | (101,072) |
| Benefit payments, net | (2,815,139) | (2,815,139) | - |
| Administrative Expenses | - | (10,841) | 10,841 |
| Net Changes | 6,847,894 | 90,231 | 6,757,663 |
| Balance at 06/30/2020 | \$ 85,974,627 | \$ 2,215,924 | \$ 83,758,703 |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.66%, as well as what the net OPEB would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

| | 1% Decrease (1.66%) | Current Discount Rate (2.66%) | 1% Increase (3.66%) |
|--------------------|------------------------|----------------------------------|------------------------|
| Net OPEB Liability | \$ 98,498,813 | \$ 83,758,703 | \$ 72,072,270 |

(19) Post-employment Benefits Other Than Pensions (Continued)

Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates

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

| | 1% Decrease (5.50% decreasing to 3.50%) | Current Healthcare Cost Trend Rates (6.50% decreasing to 4.50%) | 1% Increase (7.50% decreasing to 5.50%) |
|--------------------|--|---|--|
| Net OPEB Liability | \$ 70,412,105 | \$ 83,758,703 | \$ 101,113,008 |

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$7,268,845. As of fiscal year ended June 30, 2020, the City reported deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Changes of Assumption | \$ 11,087,651 | \$ (395,246) |
| Differences between Expected and Actual Experience | - | (6,060,702) |
| Net Difference between Projected and Actual Earnings on OPEB Plan Investments | 3,954 | (20,862) |
| Total | \$ 11,091,605 | \$ (6,476,810) |

The \$11,091,605 reported as deferred outflows of resources and \$6,476,810 reported as deferred inflows related to OPEB will be recognized as OPEB expense as follows:

| Fiscal Year Ended June 30: | Deferred Outflows/(Inflows) of Resources |
|----------------------------|---|
| 2021 | \$ 1,236,229 |
| 2022 | 1,236,231 |
| 2023 | 1,434,294 |
| 2024 | 708,041 |
| 2025 | - |

(20) Commitments and Contingencies

Primary Government

“Take or Pay” Contracts

The City’s electric operation has entered into various long term “Take or Pay” contracts to provide for current and future electric generating capacity and transmission of energy for City customers. The City is obligated to pay the amortized cost of indebtedness regardless of the ability of the contracting agency to provide electricity and/or transmission, as applicable. The original indebtedness will be amortized by adding the financing costs to purchase energy over the life of the contract. The contracts expire at various times through FY 2036. The total commitment under these contracts as of June 30, 2020 is \$149 million.

Additional financial information on the SCPPA may be obtained by contacting the City of Pasadena Department of Water and Power at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

Stranded Investments

In response to California Assembly Bill 1890 (“AB1890”), the City chose to open its market to competition on January 1, 2000. The City has long-term contracts with IPA and SCPPA, most of which obligate the City to purchase power and/or services at cost, which was projected to be higher than market in a deregulated environment. As a result, the City was faced with a “stranded investment” with a net present value estimated to be approximately \$77.4 million in 2020. The City has implemented the approved Stranded Investment Utilization Plan by direct defeasance of the debt service of IPP outstanding bonds and mitigation of variable energy costs.

Additional information related to IPA and SCPPA is available online from Water and Power Department’s website or may be obtained by contacting the department at 150 South Los Robles, Suite 200, Pasadena, CA 91101.

Lawsuits and Claims

A number of suits and claims are pending against the City arising in the normal course of operations. In the opinion of management, the results of such legal actions will not have a material adverse effect on the financial position or results of operations of the City.

In 2017, the City was served with a class action lawsuit entitled *Komesar v. City of Pasadena*, which generally asserts that the City’s electric utility rates are more than reasonably necessary to operate the utility to the extent they finance the City’s annual Charter-authorized transfers from the Light & Power Fund to the General Fund, which was \$17.3 million for FY 2020. The lawsuit seeks a refund of the transferred funds. The City is vigorously defending the allegations, and a court trial is presently set for February 2021.

Other

Certain federal and state revenues are received for specific purposes and are subject to audit by the grantor agencies. City management is of the opinion that adjustments, if any, resulting from such audits will not be significant.

(20) Commitments and Contingencies (continued)

COVID-19

Due to the COVID-19 pandemic, the City dedicated a substantial amount of funding to departments for various programs including the Public Health Department for public health expenses related to the pandemic; Career Services Department for employment recovery and relief for underserved COVID-19 impacted individuals; Department of Transportation for on-street dining; Parks, Recreation, and Community Services Department for various food programs to alleviate food insecurity for qualified individuals affected by the pandemic; and the Housing Department for food distribution for low to moderate income households, and shelter programs for asymptomatic, high risk individuals experiencing homelessness. Since the pandemic is ongoing and the grant and reimbursement applications are in progress, the final amounts related to the pandemic are undeterminable.

(21) Restatement of Beginning Net Position

Primary Government

In FY 2020, a correction was required in the Housing and Community Development Fund Unearned Revenue account balance. The correction was due to an advance payment received for a new grant in FY 2019. It was recorded as revenue in FY 2019 even though there were no expenditures incurred in FY 2019 as the grant was effective in FY 2020 beginning July 1, 2019. This correction resulted in a restatement of the beginning net position of the Governmental Activities and the beginning fund balance of the Housing and Community Development Fund by \$1,428,216.

The following schedule summarizes the effect of the prior period adjustment to the beginning net positions and the beginning fund balance as of July 1, 2019:

| | <u>Governmental Activities</u> |
|---|---|
| Net Position at July 1, 2019 | \$ 175,340,818 |
| Adjustment of Housing Community Development | (1,428,216) |
| Net Position at July 1, 2019 as restated | <u>\$ 173,912,602</u> |
| | <u>Non-Major Governmental Funds</u> |
| Fund Balance at July 1, 2019 | \$ 176,432,340 |
| Adjustment of Housing Community Development | (1,428,216) |
| Fund Balance at July 1, 2019 as restated | <u>\$ 175,004,124</u> |



(22) Subsequent Events

Subsequent events were evaluated through the date of the audit report.

Water Revenue/Refunding Bonds, 2020A Series

On September 14, 2020 the City Council authorized the issuance of Pasadena Water Revenue/Refunding Series 2020A Bonds to refund the outstanding \$25,425,000 balance on existing 2010A Water Revenue Bond series and borrow an additional up to \$25,000,000 in new bond proceeds. On November 16, 2020 the 2020A bonds were sold on a competitive basis and the City Council accepted the winning bid, fixed the interest rate or rate on the bonds, and only utilized part of the authorization to borrow \$15,000,000 in new proceeds.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

The City has received and anticipates receiving allocations for the CARES Act Funding for Other Financing Uses funded by unanticipated revenue from the CARES Act Coronavirus Relief Fund. The City will receive approximately \$1,788,000 in federal funding. This federal funding will be passed from the State to the City of Pasadena in order to support activities and expenditures that promote public health and safety in response to the COVID-19 pandemic.

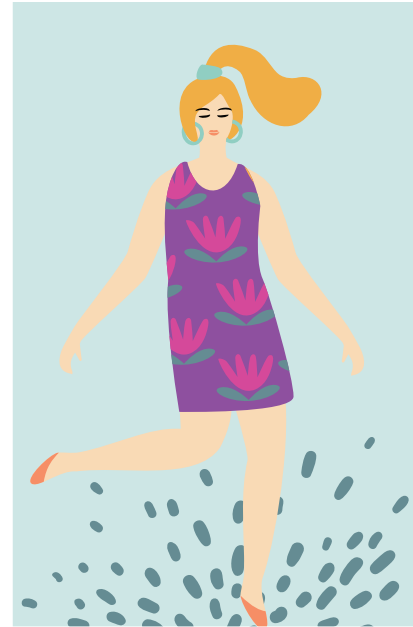
The City also has received COVID-19 program specific CARES Act funding to support departments' activities related to sheltering and homelessness as a result of the pandemic. This funding is reflected in the City's FY 2021 operating budget.

Vote to Ratify Annual Power Fund Transfer to General Fund

At the November 3, 2020 election, Pasadena voters passed the Pasadena City Services Protection Measure (Measure P). This measure calling for a charter amendment was approved by 83.6 percent of Pasadena voters. This ratifies the annual transfer from the Power Fund to the General Fund, and changes the City Charter to allow up to a 12 percent (reduced from 16 percent) transfer. This protects an approximate \$18 million annual transfer to the General Fund and helps to support emergency 911 response, fire, paramedics, police, public health programs, senior services, homelessness programs, street repairs, clean and safe public along with other general services.

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REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund

For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|----------------------|---------------------|--------------------|----------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 184,490,001 | 184,490,000 | 180,097,469 | \$ (4,392,531) |
| Licenses and permits | 4,603,027 | 4,603,027 | 4,107,219 | (495,808) |
| Intergovernmental revenues | 20,787,355 | 22,872,849 | 22,023,659 | (849,190) |
| Charges for services | 41,546,394 | 41,621,394 | 39,789,367 | (1,832,027) |
| Fines and forfeits | 7,174,500 | 7,099,500 | 6,519,735 | (579,765) |
| Investment earnings | 1,121,800 | 1,121,800 | 2,743,724 | 1,621,924 |
| Rental income | 752,531 | 752,531 | 7,617,455 | 6,864,924 |
| Miscellaneous revenues | 2,808,994 | 2,844,806 | 3,139,644 | 294,838 |
| Contributions | 27,620 | 27,620 | 27,620 | - |
| Total revenues | 263,312,222 | 265,433,527 | 266,065,892 | 632,365 |
| Expenditures: | | | | |
| General government: | | | | |
| City Attorney/City Prosecutor | 8,080,828 | 10,068,935 | 10,205,377 | (136,442) |
| City Clerk | 3,201,776 | 3,316,776 | 3,126,797 | 189,979 |
| City Council | 2,654,699 | 2,654,699 | 2,514,526 | 140,173 |
| City Manager | 5,513,338 | 5,730,895 | 4,972,830 | 758,065 |
| Finance | 11,113,403 | 11,481,503 | 11,092,070 | 389,433 |
| Human Resources | 4,712,549 | 4,712,549 | 4,094,537 | 618,012 |
| Non-departmental | 12,386,282 | 17,425,900 | 36,949,817 | (19,523,917) |
| Public safety: | | | | |
| Fire | 52,497,510 | 52,487,769 | 51,016,443 | 1,471,326 |
| Police | 86,122,114 | 87,074,854 | 85,505,961 | 1,568,893 |
| Transportation: | | | | |
| Public Works and Transportation | 30,708,283 | 31,744,797 | 30,784,573 | 960,224 |
| Culture and leisure: | | | | |
| Human Services and Recreation | 11,678,053 | 12,311,788 | 11,180,741 | 1,131,047 |
| Non-departmental - PCOC | 11,125,000 | 11,125,000 | 8,911,045 | 2,213,955 |
| Community development: | | | | |
| Planning and Permitting | 8,956,300 | 9,206,300 | 9,417,666 | (211,366) |
| Total expenditures | 248,750,135 | 259,341,765 | 269,772,383 | (10,430,618) |
| Excess (deficiency) of revenues over (under) expenditures | 14,562,087 | 6,091,762 | (3,706,491) | (9,798,253) |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | - | - | 31,818,965 | 31,818,965 |
| Transfers in | 19,757,388 | 18,357,388 | 19,656,583 | 1,299,195 |
| Transfers out | (34,097,582) | (44,081,483) | (38,863,033) | 5,218,450 |
| Total other financing sources (uses) | (14,340,194) | (25,724,095) | 12,612,515 | 38,336,610 |
| Change in fund balances | 221,893 | (19,632,333) | 8,906,024 | 28,538,357 |
| Fund balances at beginning of year | 98,700,241 | 98,700,241 | 98,700,241 | - |
| Fund balances at end of year | \$ 98,922,134 | 79,067,908 | 107,606,265 | \$ 28,538,357 |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Housing Successor Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|---------------------|--------------------|------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Investment earnings | \$ 62,861 | 62,861 | 34,932 | \$ (27,929) |
| Rental income | 12,660 | 12,660 | 61,741 | 49,081 |
| Miscellaneous revenues | 169,494 | 169,494 | 141,538 | (27,956) |
| Total revenues | 245,015 | 245,015 | 238,211 | (6,804) |
| Expenditures: | | | | |
| Community development | 2,770,405 | 7,239,239 | 397,337 | 6,841,902 |
| Total expenditures | 2,770,405 | 7,239,239 | 397,337 | 6,841,902 |
| Excess (deficiency) of revenues over (under) expenditures | (2,525,390) | (6,994,224) | (159,126) | 6,835,098 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 1,204,797 | 1,204,797 |
| Total other financing sources (uses) | - | - | 1,204,797 | 1,204,797 |
| Change in fund balances | (2,525,390) | (6,994,224) | 1,045,671 | 8,039,895 |
| Fund balance at beginning of year | 5,987,510 | 5,987,510 | 5,987,510 | - |
| Fund balance at end of year | \$ 3,462,120 | (1,006,714) | 7,033,181 | \$ 8,039,895 |



Notes to the Required Supplementary Information

Budgets and Budgetary Data

The City Council is required to adopt an annual budget resolution by June 30 of each fiscal year. The budgets are adopted on a basis that does not differ materially from GAAP.

An appropriated annual budget is legally adopted for the General and Special Revenue Governmental Funds. Annual appropriated budgets are not adopted for Debt Service Funds because bond indentures are used as the method for adequate budgetary control. Some Capital Projects Funds have annual appropriated budgets. Control over some projects is maintained by means of an annual budget; others through a project-length capital improvement budget. This project-length budget authorizes total expenditures over the duration of a construction project, rather than year by year.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the department level and within a single fund. The City Manager may authorize transfers of appropriations within a department so long as it is within a single fund. Supplemental appropriations during the year must be approved by the City Council. All unencumbered appropriations lapse at the end of the fiscal year. In order to be an encumbered appropriation there must be either an approved purchase order or contract in force as of June 30.

Schedule of Changes in the Net Pension Liability and Related Ratios
CalPERS Pension Plans - Miscellaneous
Last Ten Fiscal Years*

| Fiscal year ended | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|------------------|------------------|------------------|------------------|----------------|----------------|
| Measurement period | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability: | | | | | | |
| Service cost | \$ 19,269,901 | \$ 19,070,473 | \$ 18,792,979 | \$ 16,452,420 | \$ 16,518,922 | \$ 17,348,789 |
| Interest on total pension liability | 79,378,592 | 76,248,959 | 74,168,164 | 72,631,606 | 70,707,742 | 68,656,376 |
| Differences between expected and actual experience | 5,491,637 | (3,022,702) | (11,333,020) | (13,975,158) | (14,487,681) | - |
| Changes in assumptions | - | (7,442,869) | 59,447,425 | - | (16,681,849) | - |
| Changes in benefits | - | - | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (58,915,135) | (55,364,250) | (51,700,328) | (49,268,669) | (46,870,745) | (44,238,909) |
| Net Change in Total Pension Liability | 45,224,995 | 29,489,611 | 89,375,220 | 25,840,199 | 9,186,389 | 41,766,256 |
| Total Pension Liability - Beginning of Year | 1,124,521,080 | 1,095,031,469 | 1,005,656,249 | 979,816,050 | 970,629,661 | 928,863,405 |
| Total Pension Liability - End of Year (a) | \$ 1,169,746,075 | \$ 1,124,521,080 | \$ 1,095,031,469 | \$ 1,005,656,249 | \$ 979,816,050 | \$ 970,629,661 |
| Plan Fiduciary Net Position: | | | | | | |
| Plan to plan resource movement | \$ - | \$ (1,921) | \$ (482) | \$ (207) | \$ 704 | \$ - |
| Contributions - employer | 31,374,515 | 27,112,138 | 24,681,004 | 22,252,101 | 19,682,618 | 18,058,021 |
| Contributions - employee | 8,840,701 | 8,823,902 | 8,903,856 | 8,658,628 | 8,503,246 | 10,977,440 |
| Net investment income | 53,457,806 | 66,083,117 | 80,076,002 | 3,806,528 | 16,554,269 | 111,123,445 |
| Benefit payments, including refunds of employee contributions | (58,915,135) | (55,364,250) | (51,700,328) | (49,268,669) | (46,870,745) | (44,238,909) |
| Administrative Expense | (588,826) | (1,218,576) | (1,064,667) | (448,619) | (828,526) | - |
| Other Miscellaneous Income/ (Expense) | 1,920 | (2,314,097) | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 34,170,981 | 43,120,313 | 60,895,385 | (15,000,238) | (2,958,434) | 95,919,997 |
| Plan Fiduciary Net Position - Beginning of Year | 825,123,504 | 782,003,191 | 721,107,806 | 736,108,044 | 739,066,478 | 643,146,481 |
| Plan Fiduciary Net Position - End of Year (b) | \$ 859,294,485 | \$ 825,123,504 | \$ 782,003,191 | \$ 721,107,806 | \$ 736,108,044 | \$ 739,066,478 |
| Net Pension Liability - Ending (a)-(b) | \$ 310,451,590 | \$ 299,397,576 | \$ 313,028,278 | \$ 284,548,443 | \$ 243,708,006 | \$ 231,563,183 |
| Plan fiduciary net position as a percentage of the total pension liability | 73.46% | 73.38% | 71.41% | 71.71% | 75.13% | 76.14% |
| Covered payroll | \$ 112,847,855 | \$ 111,573,287 | \$ 107,545,903 | \$ 105,291,971 | \$ 102,406,150 | \$ 103,616,666 |
| Net pension liability as percentage of covered payroll | 275.11% | 268.34% | 291.06% | 270.25% | 237.98% | 223.48% |

Notes to Schedule:**Benefit Changes:**

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Schedule of Contributions
CalPERS Pension Plans - Miscellaneous
Last Ten Fiscal Years*

| Fiscal year ended | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------|----------------|----------------|----------------|----------------|--------------------------------|
| Contractually required contribution (actuarially determined) | \$ 35,420,040 | \$ 30,840,389 | \$ 29,907,490 | \$ 25,201,205 | \$ 22,909,508 | \$ 18,552,040 |
| Contributions in relation to the actuarially determined contributions | (35,420,040) | (30,840,389) | (29,907,490) | (25,201,205) | (22,909,508) | (18,552,040) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 116,645,392 | \$ 112,847,855 | \$ 111,573,287 | \$ 107,545,903 | \$ 105,291,971 | \$ 102,406,150 |
| Contributions as a percentage of covered payroll | 30.37% | 27.33% | 26.81% | 23.43% | 21.76% | 18.12% |
| Notes to Schedule: | | | | | | |
| Valuation Date | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 | 6/30/2013 | 6/30/2012 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | | |
| Actuarial cost method | Entry age | Entry age | Entry age | Entry age | Entry age | Entry age |
| Amortization method | (1) | (1) | (1) | (1) | (1) | (1) |
| Asset valuation method | Market Value | Market Value | Market Value | Market Value | Market Value | 15 Year Smoothed Market Method |
| Inflation | 2.625% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Salary increases | (2) | (2) | (2) | (2) | (2) | (2) |
| Investment rate of return | 7.25% (3) | 7.375% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) |
| Retirement age | (4) | (4) | (4) | (4) | (4) | (4) |
| Mortality | (5) | (5) | (5) | (5) | (5) | (5) |

⁽¹⁾ Level percentage of payroll, closed

⁽²⁾ Depending on age, service, and type of employment

⁽³⁾ Net of pension plan investment expense, including inflation

⁽⁴⁾ The probabilities of retirement are based on the most recent CalPERS Experience Study adopted by the CalPERS Board

⁽⁵⁾ Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Schedule of Changes in the Net Pension Liability and Related Ratios
CalPERS Pension Plans - Safety
Last Ten Fiscal Years*

| Fiscal year ended | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Measurement period | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability: | | | | | | |
| Service cost | \$ 12,763,700 | \$ 12,756,843 | \$ 12,323,779 | \$ 10,508,643 | \$ 10,701,701 | \$ 11,182,155 |
| Interest on total pension liability | 45,653,513 | 43,215,347 | 41,004,210 | 39,393,555 | 37,307,299 | 35,798,456 |
| Differences between expected and actual experience | 4,033,593 | 2,172,478 | (7,057,346) | (634,242) | (8,454,840) | - |
| Changes in assumptions | - | (994,610) | 36,546,793 | - | (9,887,742) | - |
| Changes in benefits | - | - | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (26,876,788) | (24,941,212) | (22,653,545) | (20,870,861) | (19,142,925) | (16,923,959) |
| Net Change in Total Pension Liability | 35,574,018 | 32,208,846 | 60,163,891 | 28,397,095 | 10,523,493 | 30,056,652 |
| Total Pension Liability - Beginning of Year | 641,533,621 | 609,324,775 | 549,160,884 | 520,763,789 | 510,240,296 | 480,183,644 |
| Total Pension Liability - End of Year (a) | \$ 677,107,639 | \$ 641,533,621 | \$ 609,324,775 | \$ 549,160,884 | \$ 520,763,789 | \$ 510,240,296 |
| Plan Fiduciary Net Position: | | | | | | |
| Plan to plan resource movement | \$ - | \$ (1,095) | \$ - | \$ 207 | \$ - | \$ - |
| Contributions - employer | 19,187,119 | 16,541,698 | 15,279,240 | 13,026,190 | 12,026,962 | 10,533,400 |
| Contributions - employee | 4,382,598 | 4,197,458 | 4,056,265 | 3,803,804 | 3,764,101 | 4,225,771 |
| Net investment income | 30,715,531 | 37,156,382 | 44,322,546 | 2,093,377 | 8,834,410 | 59,051,934 |
| Benefit payments, including refunds of employee contributions | (26,876,788) | (24,941,212) | (22,653,545) | (20,870,861) | (19,142,925) | (16,923,959) |
| Administrative Expense | (335,831) | (685,071) | (589,420) | (244,639) | (451,748) | - |
| Other Miscellaneous Income/(Expense) | 1,095 | (1,300,962) | - | - | 684,181 | - |
| Net Change in Plan Fiduciary Net Position | 27,073,724 | 30,967,198 | 40,415,086 | (2,191,922) | 5,714,981 | 56,887,146 |
| Plan Fiduciary Net Position - Beginning of Year | 470,601,506 | 439,634,308 | 399,219,222 | 401,411,144 | 395,696,163 | 338,809,017 |
| Plan Fiduciary Net Position - End of Year (b) | \$ 497,675,230 | \$ 470,601,506 | \$ 439,634,308 | \$ 399,219,222 | \$ 401,411,144 | \$ 395,696,163 |
| Net Pension Liability - Ending (a)-(b) | \$ 179,432,409 | \$ 170,932,115 | \$ 169,690,467 | \$ 149,941,662 | \$ 119,352,645 | \$ 114,544,133 |
| Plan fiduciary net position as a percentage of the total pension liability | 73.50% | 73.36% | 72.15% | 72.70% | 77.08% | 77.55% |
| Covered payroll | \$ 46,443,734 | \$ 44,887,069 | \$ 41,527,930 | \$ 41,141,713 | \$ 41,013,280 | \$ 34,243,101 |
| Net pension liability as percentage of covered payroll | 386.34% | 380.80% | 408.62% | 364.45% | 291.01% | 334.50% |

Notes to Schedule:**Benefit Changes:**

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Schedule of Contributions
CalPERS Pension Plans - Safety
Last Ten Fiscal Years*

| Fiscal year ended | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|---------------|---------------|--------------------------------|
| Contractually required contribution (actuarially determined) | \$ 21,753,204 | \$ 17,841,573 | \$ 15,973,522 | \$ 14,087,144 | \$ 12,421,469 | \$ 10,533,400 |
| Contributions in relation to the actuarially determined contributions | (21,753,204) | (17,841,573) | (15,973,522) | (14,087,144) | (12,421,469) | (10,533,400) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 47,456,523 | \$ 46,443,734 | \$ 44,887,069 | \$ 41,527,930 | \$ 41,141,713 | \$ 41,013,280 |
| Contributions as a percentage of covered payroll | 45.84% | 38.42% | 35.59% | 33.92% | 30.19% | 25.68% |
| Notes to Schedule: | | | | | | |
| Valuation Date | 30.06.2017 | 30.06.2016 | 30.06.2015 | 30.06.2014 | 30.06.2013 | 30.06.2012 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | | |
| Actuarial cost method | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Amortization method | (1) | (1) | (1) | (1) | (1) | (1) |
| Asset valuation method | Market Value | Market Value | Market Value | Market Value | Market Value | 15 Year Smoothed Market Method |
| Inflation | 2.625% | 2.750% | 2.750% | 2.750% | 2.750% | 2.750% |
| Salary increases | (2) | (2) | (2) | (2) | (2) | (2) |
| Investment rate of return | 7.25% (3) | 7.375% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) |
| Retirement age | (4) | (4) | (4) | (4) | (4) | (4) |
| Mortality | (5) | (5) | (5) | (5) | (5) | (5) |

⁽¹⁾ Level percentage of payroll, closed

⁽²⁾ Depending on age, service, and type of employment

⁽³⁾ Net of pension plan investment expense, including inflation

⁽⁴⁾ The probabilities of retirement are based on the most recent CalPERS Experience Study adopted by the CalPERS Board.

⁽⁵⁾ Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Fire and Police Retirement System
Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years*

| Fiscal year ended | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Measurement period | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Total Pension Liability: | | | | | | |
| Interest on total pension liability | \$ 7,600,000 | \$ 7,781,000 | \$ 8,832,000 | \$ 9,272,000 | \$ 9,644,000 | \$ 9,162,000 |
| Differences between expected and actual experience | 438,000 | 1,862,000 | 1,261,000 | (3,081,000) | (2,098,000) | (3,075,000) |
| Changes in assumptions | - | - | 2,189,000 | - | - | 3,141,000 |
| Changes in benefits | - | - | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (12,773,000) | (12,824,000) | (12,815,000) | (13,118,000) | (13,448,000) | (13,645,000) |
| Net Change in Total Pension Liability | (4,735,000) | (3,181,000) | (533,000) | (6,927,000) | (5,902,000) | (4,417,000) |
| Total Pension Liability - Beginning of Year | 138,556,000 | 141,737,000 | 142,270,000 | 149,197,000 | 155,099,000 | 159,516,000 |
| Total Pension Liability - End of Year (a) | \$ 133,821,000 | \$ 138,556,000 | \$ 141,737,000 | \$ 142,270,000 | \$ 149,197,000 | \$ 155,099,000 |
| Plan Fiduciary Net Position: | | | | | | |
| Contributions - employer | \$ 23,137,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions - employee | - | - | - | - | - | - |
| Net investment income | 3,394,000 | 5,923,000 | 6,656,000 | 12,512,000 | 50,000 | 5,683,000 |
| Benefit payments, including refunds of employee contributions | (12,773,000) | (12,824,000) | (12,815,000) | (13,118,000) | (13,448,000) | (13,645,000) |
| Administrative Expense | (321,000) | (257,000) | (272,000) | (300,000) | (302,000) | (273,000) |
| Other Miscellaneous Income/(Expense) | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 13,437,000 | (7,158,000) | (6,431,000) | (906,000) | (13,700,000) | (8,235,000) |
| Plan Fiduciary Net Position - Beginning of Year | 111,774,000 | 118,932,000 | 125,363,000 | 126,269,000 | 139,969,000 | 148,204,000 |
| Plan Fiduciary Net Position - End of Year (b) | \$ 125,211,000 | \$ 111,774,000 | \$ 118,932,000 | \$ 125,363,000 | \$ 126,269,000 | \$ 139,969,000 |
| Net Pension Liability - Ending (a)-(b) | \$ 8,610,000 | \$ 26,782,000 | \$ 22,805,000 | \$ 16,907,000 | \$ 22,928,000 | \$ 15,130,000 |
| Plan fiduciary net position as a percentage of the total pension liability | 93.57% | 80.67% | 83.91% | 88.12% | 84.63% | 90.24% |

Notes to Schedule:

Changes of Assumptions: June 30, 2018 assumption changes of \$2,189,000 for change in the discount rate, from 6.50% in 2017 to 5.75% in 2018, and inflation rate, from 3.00% in 2017 to 2.75% in 2018. June 30, 2015 assumption changes of \$1,895,000 for change in base mortality rates, \$8,301,000 for change in mortality improvements scale, and (\$7,055,000) for change in the discount rate.

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Fire and Police Retirement System
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years*

| Fiscal Year Ending | Actuarially Determined Contribution* | Actual Fiscal Year Contribution | Deficiency (Excess) | Covered Payroll | Contribution as % of Payroll |
|-----------------------|--|---------------------------------------|------------------------|--------------------|------------------------------------|
| 6/30/2020 | \$ - | \$ 23,137,000 | \$ (23,137,000) | n/a | n/a |
| 6/30/2019 | - | - | - | n/a | n/a |
| 6/30/2018 | - | - | - | n/a | n/a |
| 6/30/2017 | - | - | - | n/a | n/a |
| 6/30/2016 | - | - | - | n/a | n/a |
| 6/30/2015 | \$ - | \$ - | - | n/a | n/a |

* - Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Schedule of Changes in the Net OPEB Liability and Related Ratios
As of June 30, For the Last Ten Fiscal Years*

| | 2020 | 2019 | 2018 |
|--|----------------|----------------|----------------|
| Total OPEB Liability | | | |
| Service cost | \$ 3,567,267 | \$ 3,216,534 | \$ 3,178,096 |
| Interest on the total OPEB liability | 2,560,523 | 2,596,030 | 2,447,926 |
| Actual and expected experience difference | (7,575,879) | - | - |
| Changes in assumptions | 11,111,122 | 3,664,587 | (988,115) |
| Benefit payments | (2,815,139) | (2,612,362) | (2,391,366) |
| Net change in Total OPEB Liability | 6,847,894 | 6,864,789 | 2,246,541 |
| Total OPEB liability - beginning | 79,126,733 | 72,261,944 | 70,015,403 |
| Total OPEB liability - ending (a) | \$ 85,974,627 | \$ 79,126,733 | \$ 72,261,944 |
| Plan Fiduciary Net Position | | | |
| Contribution - employer | \$ 2,815,139 | \$ 2,612,362 | \$ 4,391,366 |
| Net investment income | 101,072 | 133,177 | 2,193 |
| Benefit payments | (2,815,139) | (2,612,362) | (2,391,366) |
| Administrative expense | (10,841) | (9,677) | - |
| Net change in plan fiduciary net position | 90,231 | 123,500 | 2,002,193 |
| Plan fiduciary net position - beginning | 2,125,693 | 2,002,193 | - |
| Plan fiduciary net position - ending (b) | \$ 2,215,924 | \$ 2,125,693 | \$ 2,002,193 |
| Net OPEB Liability/(Assets) - ending (a) - (b) | \$ 83,758,703 | \$ 77,001,040 | \$ 70,259,751 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 2.58% | 2.69% | 2.77% |
| Covered - employee payroll | \$ 164,101,914 | \$ 134,733,594 | \$ 130,809,315 |
| Net OPEB Liability as percentage of covered-employee payroll | 51.04% | 57.15% | 53.71% |

Notes to Schedule:

* - Fiscal year 2018 was the 1st year of implementation, therefore only three years are shown.

Schedule of OPEB Plan Contributions
As of June 30, For the Last Ten Fiscal Years*

| | 2020 | 2019 | 2018 |
|--|----------------|----------------|-----------------------|
| Contractually Determined Contribution | \$ 2,815,139 | \$ 2,612,362 | \$ 2,391,366 |
| Contribution in Relation to the contractually Determined Contributions | (2,815,139) | (2,612,362) | (4,391,366) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,000,000)</u> |
| | | | |
| Covered-employee payroll | \$ 164,101,914 | \$ 134,733,594 | \$ 130,809,315 |
| | | | |
| Contributions as a percentage of covered-employee payroll | 1.72% | 1.94% | 1.83% |

Notes to Schedule:

* - Fiscal year 2018 was the 1st year of implementation, therefore only three years are shown.

Schedule of OPEB Plan Investment Returns
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

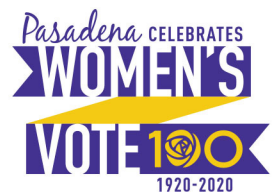
| Fiscal year ended | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|--|----------------------|----------------------|----------------------|
| Measurement period | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Weighted average investment return rates | 4.29% | 6.15% | 0.00% |

Notes to Schedule:

* - Fiscal year 2018 was the 1st year of implementation, therefore only three years are shown.



SUPPLEMENTARY INFORMATION



Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Funds | Total |
|--|--------------------------|--------------------------|---------------------------|------------------|-----------------------|
| Assets | | | | | |
| Pooled cash and investments | \$ 133,568,284 | - | 33,916,124 | 2,096,031 | \$ 169,580,439 |
| Accounts receivable | 12,528,667 | - | 158,917 | 11,120 | 12,698,704 |
| Notes receivable | 52,992,731 | - | - | - | 52,992,731 |
| Prepays and other assets | 119,973 | - | - | - | 119,973 |
| Allowance for uncollectible long-term receivables | (52,992,731) | - | - | - | (52,992,731) |
| Restricted assets | | | | | |
| Cash and investments | 2,240,412 | - | - | - | 2,240,412 |
| Cash with fiscal agent | 782,463 | 8,360,785 | - | - | 9,143,248 |
| Property held for resale | 275,566 | - | - | - | 275,566 |
| Total assets | \$ 149,515,365 | 8,360,785 | 34,075,041 | 2,107,151 | \$ 194,058,342 |
| Liabilities, deferred inflow of resources and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | 4,817,500 | - | - | - | 4,817,500 |
| Deposits | 674,012 | - | - | - | 674,012 |
| Due to other funds | 8,618,964 | - | - | - | 8,618,964 |
| Unearned revenue | 3,141,510 | - | - | - | 3,141,510 |
| Total liabilities | 17,251,986 | - | - | - | 17,251,986 |
| Deferred inflow of resources | | | | | |
| Unavailable revenues (note 8) | 4,331,544 | - | - | - | 4,331,544 |
| Total deferred inflow of resources | 4,331,544 | - | - | - | 4,331,544 |
| Fund balances | | | | | |
| Nonspendable | 119,973 | - | - | 1,434,131 | 1,554,104 |
| Restricted | 49,632,172 | 8,360,785 | 2,061,593 | 600,205 | 60,654,755 |
| Committed | 83,359,373 | - | 32,013,448 | 72,815 | 115,445,636 |
| Unassigned | (5,179,683) | - | - | - | (5,179,683) |
| Total fund balances | 127,931,835 | 8,360,785 | 34,075,041 | 2,107,151 | 172,474,812 |
| Total liabilities, deferred inflow of resources and fund balances | \$ 149,515,365 | 8,360,785 | 34,075,041 | 2,107,151 | \$ 194,058,342 |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Funds | Total |
|--|--------------------------|--------------------------|---------------------------|--------------------|-----------------------|
| Revenues | | | | | |
| Taxes | \$ 3,591,622 | - | - | - | \$ 3,591,622 |
| Licenses and permits | 9,190,273 | - | - | - | 9,190,273 |
| Intergovernmental revenues | 50,783,176 | - | - | - | 50,783,176 |
| Charges for services | 11,690,143 | - | 1,223,682 | - | 12,913,825 |
| Investment earnings | 3,498,347 | 219,023 | 885,390 | 53,773 | 4,656,533 |
| Rental income | 3,069,108 | - | - | - | 3,069,108 |
| Miscellaneous revenues | 3,796,441 | - | 4,569 | - | 3,801,010 |
| Contributions | 279,908 | - | 7,426,124 | - | 7,706,032 |
| Total revenues | 85,899,018 | 219,023 | 9,539,765 | 53,773 | 95,711,579 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | - | 5,600 | - | - | 5,600 |
| Public safety | 2,306,547 | - | - | - | 2,306,547 |
| Transportation | 14,684,592 | - | - | - | 14,684,592 |
| Utility | 6,133,741 | - | - | - | 6,133,741 |
| Sanitation | 4,218,482 | - | - | - | 4,218,482 |
| Health | 14,250,373 | - | - | - | 14,250,373 |
| Culture and leisure | 13,763,043 | - | - | - | 13,763,043 |
| Community development | 34,049,235 | - | - | - | 34,049,235 |
| Debt service | | | | | |
| Principal retirement | 300,000 | 1,895,000 | - | - | 2,195,000 |
| Interest | 123,175 | 2,399,650 | - | - | 2,522,825 |
| Total expenditures | 89,829,188 | 4,300,250 | - | - | 94,129,438 |
| Excess (deficiency) of revenues over (under) expenditures | (3,930,170) | (4,081,227) | 9,539,765 | 53,773 | 1,582,141 |
| Other financing sources (uses) | | | | | |
| Transfers in | 13,643,832 | 3,847,200 | - | - | 17,491,032 |
| Transfers out | (14,296,215) | - | (7,306,270) | - | (21,602,485) |
| Total other financing sources (uses) | (652,383) | 3,847,200 | (7,306,270) | - | (4,111,453) |
| Change in fund balances | (4,582,553) | (234,027) | 2,233,495 | 53,773 | (2,529,312) |
| Fund balances at beginning, as restated (note 21) | 132,514,388 | 8,594,812 | 31,841,546 | 2,053,378 | 175,004,124 |
| Fund balances at end of year | \$ 127,931,835 | 8,360,785 | 34,075,041 | 2,107,151 | \$ 172,474,812 |

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SPECIAL REVENUE FUNDS



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result. If that occurs, amount assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount should be classified as unassigned fund balance.

Public Safety Fund - to account for revenue received from State AB3229 funds, the 1/2-cent sales tax approved by the voters in November 1993, money received by the Police Department from forfeited cash and other tangible property seized under the Federal Comprehensive Crime Control Act of 1984 and grants received from the Homeland Security Grant Program..

Health Fund - to account for all grants received for the provision of health services which are restricted by grant award agreements.

Building Services Fund - to account for fees collected and restricted to the operations of the Permit Center.

Sewer Construction and Maintenance Fund - to account for revenue received from sewer use and storm drain charges restricted for the construction and maintenance of the City's sewer system.

Underground Utilities Fund - to account for revenue received from the underground surtax on sales of electric energy restricted for the extension, conversion, replacement and repair of underground utility lines.

Transportation Fund - to account for the use of revenue derived from the 1/2-cent sales tax approved by voters, state gasoline tax, sales tax collected for bikeways and pedestrian facilities, and State AB2928 traffic congestion relief, all of which are restricted for construction, maintenance, preservation and rehabilitation of the City's street and road system.

Library Fund - to account for the operations of the City's public libraries and the library special tax approved by the voters on June 22, 1993 and restricted for Library use.

Parking Fund - to account for revenue derived from on-off street parking, zoning credits, parking and business improvement tax, parking space rental and leases, and on-street parking meters. These funds are restricted for use in the various enterprise zones of the City.

Air Quality Improvement Fund - to account for the use of revenue derived from a fee added to the motor vehicle registration fee for reducing air pollution in accordance with the California Government Code (AB2766).

Housing and Community Development Fund - to account for the use of Community Development Block Grant and other U.S. Department of Housing and Urban Development programs restricted for housing and community development.

Donated Funds - to account for principal and interest on funds donated to the City for expressed and expendable purposes.

**Combining Balance Sheet
Non-Major Governmental Funds
Special Revenue Funds
June 30, 2020**

| | Public Safety | Health | Building Services | Sewer Construction and Maintenance | Underground Utilities |
|--|---------------------|--------------------|----------------------|---|--------------------------|
| Assets: | | | | | |
| Cash and investments | \$ 3,314,704 | - | 17,672,005 | 12,078,230 | 43,734,341 |
| Accounts receivable | 262,636 | 4,135,607 | 266,026 | 612,299 | 761,865 |
| Prepays and other assets | - | 30,388 | - | - | - |
| Notes receivable | - | - | - | - | - |
| Allowance for uncollectible long-term receivables | - | - | - | - | - |
| Restricted assets: | | | | | |
| Cash and investments | - | - | - | - | - |
| Cash with fiscal agent (note 2) | - | 120,683 | - | - | - |
| Property held for resale | - | - | - | - | - |
| Total assets | \$ 3,577,340 | 4,286,678 | 17,938,031 | 12,690,529 | 44,496,206 |
| Liabilities, deferred inflow of resources and fund balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | 66,926 | 840,940 | 622,653 | 70,411 | 49,272 |
| Deposits | - | - | 51,000 | - | - |
| Due to other funds | - | 6,589,515 | - | - | 1,830,851 |
| Unearned revenue | - | 263,693 | 1,631,146 | - | - |
| Total liabilities | 66,926 | 7,694,148 | 2,304,799 | 70,411 | 1,880,123 |
| Deferred inflow of resources: | | | | | |
| Unavailable revenues (note 8) | - | 1,741,825 | 152,114 | - | - |
| Total deferred inflow of resources | - | 1,741,825 | 152,114 | - | - |
| Fund balances: | | | | | |
| Nonspendable | - | 30,388 | - | - | - |
| Restricted | 3,510,414 | - | - | - | - |
| Committed | - | - | 15,481,118 | 12,620,118 | 42,616,083 |
| Unassigned | - | (5,179,683) | - | - | - |
| Total fund balances (deficit) | 3,510,414 | (5,149,295) | 15,481,118 | 12,620,118 | 42,616,083 |
| Total liabilities, deferred inflow of resources and fund balances | \$ 3,577,340 | 4,286,678 | 17,938,031 | 12,690,529 | 44,496,206 |

| Transportation | Library | Parking | Air Quality Improvement | Housing and Community Development | Donated Funds | Total |
|-------------------|------------------|------------------|-------------------------|-----------------------------------|------------------|-----------------------|
| 26,140,725 | 8,783,333 | 4,359,882 | 79,894 | 14,427,792 | 2,977,378 | \$ 133,568,284 |
| 2,194,965 | 71,013 | 22,147 | 46,259 | 4,145,665 | 10,185 | 12,528,667 |
| - | 37,261 | - | - | 52,324 | - | 119,973 |
| - | - | - | - | 52,992,731 | - | 52,992,731 |
| - | - | - | - | (52,992,731) | - | (52,992,731) |
| - | - | - | - | 2,240,412 | - | 2,240,412 |
| - | - | - | - | 661,780 | - | 782,463 |
| - | - | - | - | 275,566 | - | 275,566 |
| <u>28,335,690</u> | <u>8,891,607</u> | <u>4,382,029</u> | <u>126,153</u> | <u>21,803,539</u> | <u>2,987,563</u> | <u>\$ 149,515,365</u> |
| 811,874 | 387,863 | 203,546 | 2,892 | 1,706,606 | 54,517 | 4,817,500 |
| - | 2,912 | - | - | 1,000 | 619,100 | 674,012 |
| 198,598 | - | - | - | - | - | 8,618,964 |
| - | - | - | - | 1,246,671 | - | 3,141,510 |
| <u>1,010,472</u> | <u>390,775</u> | <u>203,546</u> | <u>2,892</u> | <u>2,954,277</u> | <u>673,617</u> | <u>17,251,986</u> |
| 102,315 | - | - | - | 2,335,290 | - | 4,331,544 |
| <u>102,315</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,335,290</u> | <u>-</u> | <u>4,331,544</u> |
| - | 37,261 | - | - | 52,324 | - | 119,973 |
| 27,222,903 | - | - | 123,261 | 16,461,648 | 2,313,946 | 49,632,172 |
| - | 8,463,571 | 4,178,483 | - | - | - | 83,359,373 |
| - | - | - | - | - | - | (5,179,683) |
| <u>27,222,903</u> | <u>8,500,832</u> | <u>4,178,483</u> | <u>123,261</u> | <u>16,513,972</u> | <u>2,313,946</u> | <u>127,931,835</u> |
| <u>28,335,690</u> | <u>8,891,607</u> | <u>4,382,029</u> | <u>126,153</u> | <u>21,803,539</u> | <u>2,987,563</u> | <u>\$ 149,515,365</u> |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

| | Public Safety | Health | Building Services | Sewer Construction and Maintenance | Underground Utilities |
|--|---------------------|--------------------|----------------------|---|--------------------------|
| Revenues: | | | | | |
| Taxes | \$ - | 783,232 | - | - | - |
| Licenses and permits | - | 1,616,123 | 7,574,150 | - | - |
| Intergovernmental revenues | 2,677,772 | 9,405,698 | 88,425 | - | - |
| Charges for services | - | 529,776 | 2,157,533 | 7,727,766 | - |
| Investment earnings | 63,274 | 194 | 480,086 | 291,921 | 1,369,236 |
| Rental income | - | 217,481 | - | - | - |
| Miscellaneous revenues | - | 183,779 | 114,372 | 3,498 | 570 |
| Contributions | - | - | - | - | - |
| Total revenues | 2,741,046 | 12,736,283 | 10,414,566 | 8,023,185 | 1,369,806 |
| Expenditures: | | | | | |
| Public safety | 2,306,547 | - | - | - | - |
| Transportation | - | - | - | - | - |
| Utility | - | - | - | - | 6,133,741 |
| Sanitation | - | - | - | 4,218,482 | - |
| Health | - | 14,250,373 | - | - | - |
| Culture and leisure | - | - | - | - | - |
| Community development | - | - | 10,080,646 | - | - |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total expenditures | 2,306,547 | 14,250,373 | 10,080,646 | 4,218,482 | 6,133,741 |
| Excess (deficiency) of revenues over (under) expenditures | 434,499 | (1,514,090) | 333,920 | 3,804,703 | (4,763,935) |
| Other financing sources (uses): | | | | | |
| Transfers in | - | 125,000 | - | - | - |
| Transfers out | (120,923) | (207,714) | (1,329,257) | (1,676,005) | (5,584,533) |
| Total other financing sources (uses) | (120,923) | (82,714) | (1,329,257) | (1,676,005) | (5,584,533) |
| Change in fund balances | 313,576 | (1,596,804) | (995,337) | 2,128,698 | (10,348,468) |
| Fund balances (deficit) at beginning of year, as restated (note 21) | 3,196,838 | (3,552,491) | 16,476,455 | 10,491,420 | 52,964,551 |
| Fund balances (deficit) at end of year | \$ 3,510,414 | (5,149,295) | 15,481,118 | 12,620,118 | 42,616,083 |

| Transportation | Library | Parking | Air Quality Improvement | Housing and Community Development | Donated Funds | Total |
|----------------|--------------|-----------|-------------------------|-----------------------------------|---------------|--------------|
| - | 2,798,986 | 9,404 | - | - | - \$ | 3,591,622 |
| - | - | - | - | - | - | 9,190,273 |
| 16,642,718 | 296,100 | - | 185,564 | 21,486,899 | - | 50,783,176 |
| 1,010,771 | 30,616 | 232,460 | - | 1,221 | - | 11,690,143 |
| 644,745 | 191,880 | 118,647 | 4,326 | 257,378 | 76,660 | 3,498,347 |
| - | 31,634 | 2,693,699 | - | 126,294 | - | 3,069,108 |
| 1,127,530 | 54,196 | 1,348 | - | 2,311,148 | - | 3,796,441 |
| - | - | - | - | - | 279,908 | 279,908 |
| 19,425,764 | 3,403,412 | 3,055,558 | 189,890 | 24,182,940 | 356,568 | 85,899,018 |
| - | - | - | - | - | - | 2,306,547 |
| 11,539,865 | - | 2,849,496 | 295,231 | - | - | 14,684,592 |
| - | - | - | - | - | - | 6,133,741 |
| - | - | - | - | - | - | 4,218,482 |
| - | - | - | - | - | - | 14,250,373 |
| - | 13,461,680 | - | - | - | 301,363 | 13,763,043 |
| - | - | - | - | 23,968,589 | - | 34,049,235 |
| - | - | - | - | 300,000 | - | 300,000 |
| - | - | - | - | 123,175 | - | 123,175 |
| 11,539,865 | 13,461,680 | 2,849,496 | 295,231 | 24,391,764 | 301,363 | 89,829,188 |
| 7,885,899 | (10,058,268) | 206,062 | (105,341) | (208,824) | 55,205 | (3,930,170) |
| 378,994 | 11,901,200 | - | - | 1,238,638 | - | 13,643,832 |
| (4,466,191) | (423,612) | (96,711) | - | (391,269) | - | (14,296,215) |
| (4,087,197) | 11,477,588 | (96,711) | - | 847,369 | - | (652,383) |
| 3,798,702 | 1,419,320 | 109,351 | (105,341) | 638,545 | 55,205 | (4,582,553) |
| 23,424,201 | 7,081,512 | 4,069,132 | 228,602 | 15,875,427 | 2,258,741 | 132,514,388 |
| 27,222,903 | 8,500,832 | 4,178,483 | 123,261 | 16,513,972 | 2,313,946 \$ | 127,931,835 |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Safety Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 2,386,000 | 2,632,186 | 2,677,772 | \$ 45,586 |
| Investment earnings | 28,083 | 28,083 | 63,274 | 35,191 |
| Total revenues | 2,414,083 | 2,660,269 | 2,741,046 | 80,777 |
| Expenditures: | | | | |
| Public safety | 2,628,850 | 2,875,036 | 2,306,547 | 568,489 |
| Total expenditures | 2,628,850 | 2,875,036 | 2,306,547 | 568,489 |
| Excess (deficiency) of revenues over (under) expenditures | (214,767) | (214,767) | 434,499 | 649,266 |
| Other financing sources (uses): | | | | |
| Transfers out | - | (406,013) | (120,923) | 285,090 |
| Total other financing sources (uses) | - | (406,013) | (120,923) | 285,090 |
| Change in fund balances | (214,767) | (620,780) | 313,576 | 934,356 |
| Fund balance at beginning of year | 3,196,838 | 3,196,838 | 3,196,838 | - |
| Fund balance at end of year | \$ 2,982,071 | 2,576,058 | 3,510,414 | \$ 934,356 |



**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Health Fund**

For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|-----------------------|--------------------|--------------------|-------------------------------------|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 970,111 | 970,111 | 783,232 | \$ (186,879) |
| Licenses and permits | 2,121,000 | 2,121,000 | 1,616,123 | (504,877) |
| Intergovernmental revenues | 11,330,486 | 12,541,816 | 9,405,698 | (3,136,118) |
| Charges for services | 578,100 | 578,100 | 529,776 | (48,324) |
| Investment earnings | (26,006) | (26,006) | 194 | 26,200 |
| Rental income | 210,093 | 210,093 | 217,481 | 7,388 |
| Miscellaneous revenues | 167,286 | 167,286 | 183,779 | 16,493 |
| Total revenues | 15,351,070 | 16,562,400 | 12,736,283 | (3,826,117) |
| Expenditures: | | | | |
| Health | 15,152,903 | 16,338,626 | 14,250,373 | 2,088,253 |
| Total expenditures | 15,152,903 | 16,338,626 | 14,250,373 | 2,088,253 |
| Excess (deficiency) of revenues over (under) expenditures | 198,167 | 223,774 | (1,514,090) | (1,737,864) |
| Other financing sources: | | | | |
| Transfers in | 50,000 | 125,000 | 125,000 | - |
| Transfers out | (193,806) | (246,607) | (207,714) | 38,893 |
| Total other financing sources | (143,806) | (121,607) | (82,714) | 38,893 |
| Change in fund balances | 54,361 | 102,167 | (1,596,804) | (1,698,971) |
| Fund balance (deficit) at beginning of year | (3,552,491) | (3,552,491) | (3,552,491) | - |
| Fund balance (deficit) at end of year | \$ (3,498,130) | (3,450,324) | (5,149,295) | \$ (1,698,971) |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Building Services Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|----------------------|--------------------|--------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Licenses and permits | \$ 7,088,651 | 7,088,651 | 7,574,150 | \$ 485,499 |
| Intergovernmental revenues | 800,000 | 800,000 | 88,425 | (711,575) |
| Charges for services | 1,751,000 | 1,751,000 | 2,157,533 | 406,533 |
| Investment earnings | 260,944 | 260,944 | 480,086 | 219,142 |
| Miscellaneous revenues | 14,483 | 14,483 | 114,372 | 99,889 |
| Total revenues | 9,915,078 | 9,915,078 | 10,414,566 | 499,488 |
| Expenditures: | | | | |
| Community development | 11,634,911 | 11,634,911 | 10,080,646 | 1,554,265 |
| Total expenditures | 11,634,911 | 11,634,911 | 10,080,646 | 1,554,265 |
| Excess (deficiency) of revenues over (under) expenditures | (1,719,833) | (1,719,833) | 333,920 | 2,053,753 |
| Other financing sources (uses): | | | | |
| Transfers out | - | (260,223) | (1,329,257) | (1,069,034) |
| Total other financing sources (uses) | - | (260,223) | (1,329,257) | (1,069,034) |
| Change in fund balances | (1,719,833) | (1,980,056) | (995,337) | 984,719 |
| Fund balance at beginning of year | 16,476,455 | 16,476,455 | 16,476,455 | - |
| Fund balance at end of year | \$ 14,756,622 | 14,496,399 | 15,481,118 | \$ 984,719 |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Sewer Construction and Maintenance Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|----------------------|--------------------|--------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Charges for services | \$ 6,866,081 | 6,866,081 | 7,727,766 | \$ 861,685 |
| Investment earnings | 146,430 | 146,430 | 291,921 | 145,491 |
| Miscellaneous revenues | - | - | 3,498 | 3,498 |
| Total revenues | 7,012,511 | 7,012,511 | 8,023,185 | 1,010,674 |
| Expenditures: | | | | |
| Sanitation | 4,786,728 | 4,786,728 | 4,218,482 | 568,246 |
| Total expenditures | 4,786,728 | 4,786,728 | 4,218,482 | 568,246 |
| Excess (deficiency) of revenues over (under) expenditures | 2,225,783 | 2,225,783 | 3,804,703 | 1,578,920 |
| Other financing sources (uses): | | | | |
| Transfers out | - | (2,961,511) | (1,676,005) | 1,285,506 |
| Total other financing sources (uses) | - | (2,961,511) | (1,676,005) | 1,285,506 |
| Change in fund balances | 2,225,783 | (735,728) | 2,128,698 | 2,864,426 |
| Fund balance at beginning of year | 10,491,420 | 10,491,420 | 10,491,420 | - |
| Fund balance at end of year | \$ 12,717,203 | 9,755,692 | 12,620,118 | \$ 2,864,426 |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Underground Utilities Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|----------------------|--------------------|--------------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 5,644,216 | 5,644,216 | - | \$ (5,644,216) |
| Investment earnings | 809,848 | 809,848 | 1,369,236 | 559,388 |
| Miscellaneous revenues | - | - | 570 | 570 |
| Total revenues | <u>6,454,064</u> | <u>6,454,064</u> | <u>1,369,806</u> | <u>(5,084,258)</u> |
| Expenditures: | | | | |
| Utility | 91,105 | 91,105 | 6,133,741 | (6,042,636) |
| Total expenditures | <u>91,105</u> | <u>91,105</u> | <u>6,133,741</u> | <u>(6,042,636)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>6,362,959</u> | <u>6,362,959</u> | <u>(4,763,935)</u> | <u>(11,126,894)</u> |
| Other financing sources (uses): | | | | |
| Transfers out | (6,040,560) | (6,220,560) | (5,584,533) | 636,027 |
| Total other financing sources (uses) | <u>(6,040,560)</u> | <u>(6,220,560)</u> | <u>(5,584,533)</u> | <u>636,027</u> |
| Change in fund balances | 322,399 | 142,399 | (10,348,468) | (10,490,867) |
| Fund balance at beginning of year | 52,964,551 | 52,964,551 | 52,964,551 | - |
| Fund balance at end of year | <u>\$ 53,286,950</u> | <u>53,106,950</u> | <u>42,616,083</u> | <u>\$ (10,490,867)</u> |



Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Transportation Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|----------------------|--------------------|--------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 17,038,967 | 17,446,966 | 16,642,718 | \$ (804,248) |
| Charges for services | 1,012,084 | 1,012,084 | 1,010,771 | (1,313) |
| Investment earnings | 282,565 | 282,565 | 644,745 | 362,180 |
| Miscellaneous revenues | 1,449,265 | 1,449,265 | 1,127,530 | (321,735) |
| Total revenues | 19,782,881 | 20,190,880 | 19,425,764 | (765,116) |
| Expenditures: | | | | |
| Transportation | 12,613,565 | 13,050,349 | 11,539,865 | 1,510,484 |
| Total expenditures | 12,613,565 | 13,050,349 | 11,539,865 | 1,510,484 |
| Excess (deficiency) of revenues over (under) expenditures | 7,169,316 | 7,140,531 | 7,885,899 | 745,368 |
| Other financing sources (uses): | | | | |
| Transfers in | 378,994 | 378,994 | 378,994 | - |
| Transfers out | (248,712) | (5,043,589) | (4,466,191) | 577,398 |
| Total other financing sources (uses) | 130,282 | (4,664,595) | (4,087,197) | 577,398 |
| Change in fund balances | 7,299,598 | 2,475,936 | 3,798,702 | 1,322,766 |
| Fund balance at beginning of year | 23,424,201 | 23,424,201 | 23,424,201 | - |
| Fund balance at end of year | \$ 30,723,799 | 25,900,137 | 27,222,903 | \$ 1,322,766 |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Library Services Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 2,804,893 | 2,804,893 | 2,798,986 | \$ (5,907) |
| Intergovernmental revenues | - | 324,500 | 296,100 | (28,400) |
| Charges for services | 59,500 | 59,500 | 30,616 | (28,884) |
| Investment earnings | 105,148 | 105,148 | 191,880 | 86,732 |
| Rental income | - | - | 31,634 | 31,634 |
| Miscellaneous revenues | 78,500 | 328,500 | 54,196 | (274,304) |
| Total revenues | <u>3,048,041</u> | <u>3,622,541</u> | <u>3,403,412</u> | <u>(219,129)</u> |
| Expenditures: | | | | |
| Culture and leisure | 15,098,268 | 15,672,768 | 13,461,680 | 2,211,088 |
| Total expenditures | <u>15,098,268</u> | <u>15,672,768</u> | <u>13,461,680</u> | <u>2,211,088</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(12,050,227)</u> | <u>(12,050,227)</u> | <u>(10,058,268)</u> | <u>1,991,959</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 11,901,200 | 11,901,200 | 11,901,200 | - |
| Transfers out | - | (805,831) | (423,612) | 382,219 |
| Total other financing sources (uses) | <u>11,901,200</u> | <u>11,095,369</u> | <u>11,477,588</u> | <u>382,219</u> |
| Change in fund balances | (149,027) | (954,858) | 1,419,320 | 2,374,178 |
| Fund balance at beginning of year | 7,081,512 | 7,081,512 | 7,081,512 | - |
| Fund balance at end of year | <u>\$ 6,932,485</u> | <u>6,126,654</u> | <u>8,500,832</u> | <u>\$ 2,374,178</u> |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Parking Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|---------------------|------------------|------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 14,000 | 14,000 | 9,404 | \$ (4,596) |
| Charges for services | 313,000 | 313,000 | 232,460 | (80,540) |
| Investment earnings | 51,324 | 51,324 | 118,647 | 67,323 |
| Rental income | 3,067,700 | 3,067,700 | 2,693,699 | (374,001) |
| Miscellaneous revenues | 5,000 | 5,000 | 1,348 | (3,652) |
| Total revenues | <u>3,451,024</u> | <u>3,451,024</u> | <u>3,055,558</u> | <u>(395,466)</u> |
| Expenditures: | | | | |
| Transportation | 2,875,804 | 3,055,804 | 2,849,496 | 206,308 |
| Total expenditures | <u>2,875,804</u> | <u>3,055,804</u> | <u>2,849,496</u> | <u>206,308</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>575,220</u> | <u>395,220</u> | <u>206,062</u> | <u>(189,158)</u> |
| Other financing sources (uses): | | | | |
| Transfers out | (24,147) | (140,147) | (96,711) | 43,436 |
| Total other financing sources (uses) | <u>(24,147)</u> | <u>(140,147)</u> | <u>(96,711)</u> | <u>43,436</u> |
| Change in fund balances | 551,073 | 255,073 | 109,351 | (145,722) |
| Fund balance at beginning of year | 4,069,132 | 4,069,132 | 4,069,132 | - |
| Fund balance at end of year | <u>\$ 4,620,205</u> | <u>4,324,205</u> | <u>4,178,483</u> | <u>\$ (145,722)</u> |

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Air Quality Improvement Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|-------------------|----------------|------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 170,000 | 170,000 | 185,564 | \$ 15,564 |
| Investment earnings | 3,527 | 3,527 | 4,326 | 799 |
| Total revenues | <u>173,527</u> | <u>173,527</u> | <u>189,890</u> | <u>16,363</u> |
| Expenditures: | | | | |
| Transportation | 172,388 | 172,388 | 295,231 | (122,843) |
| Total expenditures | <u>172,388</u> | <u>172,388</u> | <u>295,231</u> | <u>(122,843)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,139</u> | <u>1,139</u> | <u>(105,341)</u> | <u>(106,480)</u> |
| Change in fund balances | 1,139 | 1,139 | (105,341) | (106,480) |
| Fund balance at beginning of year | 228,602 | 228,602 | 228,602 | - |
| Fund balance at end of year | <u>\$ 229,741</u> | <u>229,741</u> | <u>123,261</u> | <u>\$ (106,480)</u> |



Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Housing and Community Development Fund
For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|----------------------|--------------------|-------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental revenues | \$ 21,714,115 | 26,090,036 | 21,486,899 | \$ (4,603,137) |
| Charges for services | 800 | 800 | 1,221 | 421 |
| Investment earnings | 199,600 | 199,600 | 257,378 | 57,778 |
| Rental income | 152,700 | 152,700 | 126,294 | (26,406) |
| Miscellaneous revenues | 2,597,246 | 416,023 | 2,311,148 | 1,895,125 |
| Total revenues | 24,664,461 | 26,859,159 | 24,182,940 | (2,676,219) |
| Expenditures: | | | | |
| Community development | 27,322,941 | 31,686,388 | 23,968,589 | 7,717,799 |
| Debt service: | | | | |
| Principal retirement | 300,000 | 300,000 | 300,000 | - |
| Interest | 120,000 | 120,000 | 123,175 | (3,175) |
| Total expenditures | 27,742,941 | 32,106,388 | 24,391,764 | 7,714,624 |
| Excess (deficiency) of revenues over (under) expenditures | (3,078,480) | (5,247,229) | (208,824) | 5,038,405 |
| Other financing sources (uses): | | | | |
| Transfers in | 1,313,638 | 1,238,638 | 1,238,638 | - |
| Transfers out | - | (4,033) | (391,269) | (387,236) |
| Total other financing sources (uses) | 1,313,638 | 1,234,605 | 847,369 | (387,236) |
| Change in fund balances | (1,764,842) | (4,012,624) | 638,545 | 4,651,169 |
| Fund balances at beginning of year, as restated (note 21) | 15,875,427 | 15,875,427 | 15,875,427 | - |
| Fund balance at end of year | \$ 14,110,585 | 11,862,803 | 16,513,972 | \$ 4,651,169 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Donated Funds**

For the Fiscal Year Ended June 30, 2020

| | Budget | | Actual | Variance with |
|--|---------------------|------------------|------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Investment earnings | \$ 31,391 | 31,391 | 76,660 | \$ 45,269 |
| Contributions | 375,000 | 375,000 | 279,908 | (95,092) |
| Total revenues | 406,391 | 406,391 | 356,568 | (49,823) |
| Expenditures: | | | | |
| Culture and leisure | 438,261 | 534,561 | 301,363 | 233,198 |
| Total expenditures | 438,261 | 534,561 | 301,363 | 233,198 |
| Excess (deficiency) of revenues over (under) expenditures | (31,870) | (128,170) | 55,205 | 183,375 |
| Change in fund balances | (31,870) | (128,170) | 55,205 | 183,375 |
| Fund balance at beginning of year | 2,258,741 | 2,258,741 | 2,258,741 | - |
| Fund balance at end of year | \$ 2,226,871 | 2,130,571 | 2,313,946 | \$ 183,375 |

DEBT SERVICE FUNDS



NON-MAJOR GOVERNMENTAL FUNDS**DEBT SERVICE FUNDS**

Debt service funds are used to account for the accumulation of resources for and payment of the City's general long-term debt principal and interest.

2015 Series A Refunding COP Fund – to account for the payment of interest and principle on certain municipal building renovation and park improvement projects.

**Combining Balance Sheet
Non-Major Governmental Funds
Debt Service Funds
June 30, 2020**

| | 2015 Series A Refunding COP | |
|--|--|--------------|
| | Debt Service | Total |
| Assets | | |
| Cash with fiscal agent | \$ 8,360,785 | \$ 8,360,785 |
| Total assets | 8,360,785 | 8,360,785 |
| Fund balances: | | |
| Restricted | 8,360,785 | 8,360,785 |
| Total fund balances | 8,360,785 | 8,360,785 |
| Total Liabilities and Fund Balances | \$ 8,360,785 | \$ 8,360,785 |



Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Debt Service Funds
For the Fiscal Year Ended June 30, 2020

| | 2015 Series A | |
|--|----------------------|---------------------|
| | Refunding COP | |
| | Debt Service | Total |
| Revenues: | | |
| Investment earnings | \$ 219,023 | \$ 219,023 |
| Total revenues | <u>219,023</u> | <u>219,023</u> |
| Expenditures: | | |
| General government | 5,600 | 5,600 |
| Debt service: | | |
| Principal retirement | 1,895,000 | 1,895,000 |
| Interest | 2,399,650 | 2,399,650 |
| Total expenditures | <u>4,300,250</u> | <u>4,300,250</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,081,227)</u> | <u>(4,081,227)</u> |
| Other financing sources: | | |
| Transfers in | 3,847,200 | 3,847,200 |
| Total other financing sources | <u>3,847,200</u> | <u>3,847,200</u> |
| Change in fund balances | (234,027) | (234,027) |
| Fund balances at beginning of year | 8,594,812 | 8,594,812 |
| Fund balances at end of year | <u>\$ 8,360,785</u> | <u>\$ 8,360,785</u> |

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CAPITAL PROJECT FUNDS



NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

Charter Capital Projects Fund - to account for certain resources identified by the City Council for the acquisition, construction, replacement or repair of municipal improvements where disbursements other than specific municipal improvement projects can be authorized only by a vote of the people.

New Development Impact Fund - to account for fees received from developers of commercial and industrial facilities to be used to fund capital projects, which are made necessary in whole or in part by new development.

Residential Development Impact Fund - to account for fees received from developers of residential facilities to be used to develop park or recreational facilities.

10% Green Fee Capital Projects Fund - to account for capital improvements related to the development of the Arroyo Seco. Funding comes from 10% of the gross receipts generated from green fees at the Brookside Golf Course, which are submitted to the capital project fund.

Capital Public Art Fund – to account for fees collected to be used for public art projects.

Traffic Reduction and Transportation Improvement Fee Fund – to account for fees assessed on new fee for new industrial, office, retail, and residential development, to insure that the transportation improvements identified in the Mobility Element necessary to address the impact of new development on the City’s transportation system are equitably shared by all new development.

**Combining Balance Sheet
Non-Major Governmental Funds
Capital Projects Funds
June 30, 2020**

| | Charter Capital Projects | New Development Impact | Residential Development Impact | 10% Green Fee Capital Projects |
|--|---|---------------------------------------|---|---|
| Assets: | | | | |
| Cash and investments | \$ 2,048,226 | 268,287 | 25,092,951 | 84,052 |
| Accounts receivable | 13,367 | 2,676 | 119,806 | 654 |
| Total assets | <u>\$ 2,061,593</u> | <u>270,963</u> | <u>25,212,757</u> | <u>84,706</u> |
| Fund balances: | | | | |
| Restricted | 2,061,593 | - | - | - |
| Committed | - | 270,963 | 25,212,757 | 84,706 |
| Total fund balances | <u>2,061,593</u> | <u>270,963</u> | <u>25,212,757</u> | <u>84,706</u> |
| Total liabilities and fund balances | <u>\$ 2,061,593</u> | <u>270,963</u> | <u>25,212,757</u> | <u>84,706</u> |



| Capital Public Art | Traffic Reduction Transportation Improvement | Total |
|--------------------------|---|----------------------|
| 1,041,061 | 5,381,547 | \$ 33,916,124 |
| 4,574 | 17,840 | 158,917 |
| <u>1,045,635</u> | <u>5,399,387</u> | <u>\$ 34,075,041</u> |
| - | - | 2,061,593 |
| <u>1,045,635</u> | <u>5,399,387</u> | <u>32,013,448</u> |
| <u>1,045,635</u> | <u>5,399,387</u> | <u>34,075,041</u> |
| <u>1,045,635</u> | <u>5,399,387</u> | <u>\$ 34,075,041</u> |

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Capital Projects Funds
For the Fiscal Year Ended June 30, 2020**

| | Charter Capital Projects | New Development Impact | Residential Development Impact | 10% Green Fee Capital Projects |
|--|---|---------------------------------------|---|---|
| Revenues: | | | | |
| Charges for services | \$ - | - | - | - |
| Investment earnings | 77,509 | 6,883 | 632,131 | 2,156 |
| Miscellaneous revenues | - | - | - | - |
| Contributions | - | - | 7,426,124 | - |
| Total revenues | 77,509 | 6,883 | 8,058,255 | 2,156 |
| Other financing sources (uses): | | | | |
| Transfers out | - | - | (5,592,469) | - |
| Total other financing sources (uses) | - | - | (5,592,469) | - |
| Change in fund balances | 77,509 | 6,883 | 2,465,786 | 2,156 |
| Fund balances (deficits) at beginning | 1,984,084 | 264,080 | 22,746,971 | 82,550 |
| Fund balances (deficits) at end of year | \$ 2,061,593 | 270,963 | 25,212,757 | 84,706 |



| Capital Public Art | Traffic Reduction Transportation Improvement | | Total |
|--------------------------|---|----|-------------|
| - | 1,223,682 | \$ | 1,223,682 |
| 26,589 | 140,122 | | 885,390 |
| 4,569 | - | | 4,569 |
| - | - | | 7,426,124 |
| 31,158 | 1,363,804 | | 9,539,765 |
| - | (1,713,801) | | (7,306,270) |
| - | (1,713,801) | | (7,306,270) |
| 31,158 | (349,997) | | 2,233,495 |
| 1,014,477 | 5,749,384 | | 31,841,546 |
| 1,045,635 | 5,399,387 | \$ | 34,075,041 |

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PERMANENT FUNDS



NON-MAJOR GOVERNMENTAL FUNDS**PERMANENT FUNDS**

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Vroman Art Bequest Fund - for purchase of books on art and works of art for the Pasadena Public Library.

Singer Trust Fund - for maintenance of Singer Park.

Noble Award Fund - for purchase of medals to award persons rendering notable service in promoting the beauty or general welfare of Pasadena.

Sheldon Memorial Fund - to finance periodic awards to deserving citizens.

Pasadena Center Capital Improvement Trust Fund - for capital improvements.

Cox Trust Fund - for purchase of literary classics.

Jankos Trust Fund - for purchase of books and materials for the purpose of self-improvement, career development, and agriculture.

Hudson Family Trust Fund - for the purchase of any type of library material for the Lamanda Park Branch of the Pasadena Public Library.

M. A. Berger Trust Fund - for support and maintenance of the Library's business and economic collections.

**Combining Balance Sheet
Non-Major Governmental Funds
Permanent Funds
June 30, 2020**

| | Vroman Art Bequest | Singer Trust | Noble Award | Sheldon Memorial | Pasadena Center Capital Improvement Trust |
|----------------------------|-------------------------------|-------------------------|------------------------|-----------------------------|--|
| Assets: | | | | | |
| Cash and investments | \$ 6,027 | 47,848 | 6,373 | 333 | 470,320 |
| Accounts receivable | 32 | 254 | 34 | 2 | 2,495 |
| Total assets | \$ 6,059 | 48,102 | 6,407 | 335 | 472,815 |
| Fund balances: | | | | | |
| Nonspendable | 5,000 | 23,426 | 1,100 | 298 | 400,000 |
| Restricted | 1,059 | 24,676 | 5,307 | 37 | - |
| Committed | - | - | - | - | 72,815 |
| Total fund balances | \$ 6,059 | 48,102 | 6,407 | 335 | 472,815 |



| Cox Trust | Jankos Trust | Hudson Family Trust | M.A. Berger Trust | Total |
|--------------|---------------|---------------------|---------------------|------------------|
| 4,809 | 28,725 | 114,061 | 1,417,535 \$ | 2,096,031 |
| 25 | 152 | 605 | 7,521 | 11,120 |
| <u>4,834</u> | <u>28,877</u> | <u>114,666</u> | <u>1,425,056 \$</u> | <u>2,107,151</u> |
| 4,307 | 25,000 | 100,000 | 875,000 | 1,434,131 |
| 527 | 3,877 | 14,666 | 550,056 | 600,205 |
| - | - | - | - | 72,815 |
| <u>4,834</u> | <u>28,877</u> | <u>114,666</u> | <u>1,425,056 \$</u> | <u>2,107,151</u> |

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Permanent Funds
For the Fiscal Year Ended June 30, 2020**

| | Vroman Art Bequest | Singer Trust | Noble Award | Sheldon Memorial | Pasadena Center Capital Improvement Trust |
|-------------------------------------|-------------------------------|-------------------------|------------------------|-----------------------------|--|
| Revenues: | | | | | |
| Investment earnings | \$ 155 | \$ 1,227 | \$ 164 | \$ 9 | \$ 12,066 |
| Total revenues | <u>155</u> | <u>1,227</u> | <u>164</u> | <u>9</u> | <u>12,066</u> |
| Change in fund balances | 155 | 1,227 | 164 | 9 | 12,066 |
| Fund balances at beginning of year | 5,904 | 46,875 | 6,243 | 326 | 460,749 |
| Fund balances at end of year | <u>\$ 6,059</u> | <u>\$ 48,102</u> | <u>\$ 6,407</u> | <u>\$ 335</u> | <u>\$ 472,815</u> |



| Cox Trust | Jankos Trust | Hudson Family Trust | M.A. Berger Trust | Total |
|-----------|--------------|---------------------|-------------------|--------------|
| \$ 124 | \$ 737 | \$ 2,925 | \$ 36,366 | \$ 53,773 |
| 124 | 737 | 2,925 | 36,366 | 53,773 |
| 124 | 737 | 2,925 | 36,366 | 53,773 |
| 4,710 | 28,140 | 111,741 | 1,388,690 | 2,053,378 |
| \$ 4,834 | \$ 28,877 | \$ 114,666 | \$ 1,425,056 | \$ 2,107,151 |

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NON-MAJOR ENTERPRISE FUNDS



NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Refuse Collection Fund - to account for the operations of the City's refuse collection program, a self-supporting activity, which renders services on a user charge basis to residents and businesses.

Telecommunications Fund - to account for revenues received for the use of the fiber optic system excess capacity by private sector firms and used to repay the loan, which funded its construction, as well as fees for setting up wireless facilities on City-owned property.

Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2020

| | Refuse Collection | Tele- communications | Total |
|--|----------------------|-------------------------|----------------------|
| Assets: | | | |
| Current assets: | | | |
| Cash and investments | \$ 27,658,334 | 995,114 | \$ 28,653,448 |
| Accounts receivable, net | 2,290,751 | 20,222 | 2,310,973 |
| Total current assets | 29,949,085 | 1,015,336 | 30,964,421 |
| Non-current assets: | | | |
| Capital assets | 10,724,256 | 1,867,950 | 12,592,206 |
| Less accumulated depreciation | (7,198,374) | (608,490) | (7,806,864) |
| Total non-current assets | 3,525,882 | 1,259,460 | 4,785,342 |
| Total assets | 33,474,967 | 2,274,796 | 35,749,763 |
| Deferred outflow of resources: | | | |
| Deferred outflows related to net pension liability | 1,228,824 | - | 1,228,824 |
| Deferred outflows related to net OPEB liability | 364,571 | - | 364,571 |
| Total deferred outflow of resources | 1,593,395 | - | 1,593,395 |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 735,235 | 8,855 | 744,090 |
| Deposits | 10,275,552 | - | 10,275,552 |
| Total current liabilities | 11,010,787 | 8,855 | 11,019,642 |
| Non-current liabilities: | | | |
| GASB68 Net pension liability | 7,693,465 | - | 7,693,465 |
| GASB75 Net OPEB liability | 2,753,072 | - | 2,753,072 |
| Total non-current liabilities | 10,446,537 | - | 10,446,537 |
| Total liabilities | 21,457,324 | 8,855 | 21,466,179 |
| Deferred inflow of resources: | | | |
| Deferred inflows related to net pension liability | 269,065 | - | 269,065 |
| Deferred inflows related to net OPEB liability | 212,887 | - | 212,887 |
| Total deferred inflow of resources | 481,952 | - | 481,952 |
| Net Position: | | | |
| Investment in Capital Assets | 3,525,882 | 1,259,460 | 4,785,342 |
| Unrestricted | 9,603,204 | 1,006,481 | 10,609,685 |
| Total net position | \$ 13,129,086 | 2,265,941 | \$ 15,395,027 |

Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2020

| | Refuse Collection | Tele- communications | Total |
|---|----------------------|-------------------------|----------------------|
| Operating revenues: | | | |
| Charges for services: | | | |
| Refuse collection | \$ 11,643,977 | - | \$ 11,643,977 |
| Telecommunication | - | 438,686 | 438,686 |
| Total operating revenues | <u>11,643,977</u> | <u>438,686</u> | <u>12,082,663</u> |
| Operating expenses: | | | |
| Refuse collection | 18,739,184 | - | 18,739,184 |
| Telecommunications | - | 32,689 | 32,689 |
| Depreciation | 720,616 | 131,320 | 851,936 |
| Total operating expenses | <u>19,459,800</u> | <u>164,009</u> | <u>19,623,809</u> |
| Operating income (loss) | <u>(7,815,823)</u> | <u>274,677</u> | <u>(7,541,146)</u> |
| Nonoperating revenues (expenses): | | | |
| Taxes | 6,083,162 | - | 6,083,162 |
| Intergovernmental revenues | 124,365 | - | 124,365 |
| Investment earnings | 701,369 | 24,119 | 725,488 |
| Gain (loss) on disposal of assets | 30,647 | - | 30,647 |
| Miscellaneous revenues | 314,934 | - | 314,934 |
| Total nonoperating revenues (expenses) | <u>7,254,477</u> | <u>24,119</u> | <u>7,278,596</u> |
| Income (loss) before transfers | <u>(561,346)</u> | <u>298,796</u> | <u>(262,550)</u> |
| Transfers: | | | |
| Transfers in | - | 159,659 | 159,659 |
| Transfers out | (202,749) | (425,525) | (628,274) |
| Net income (loss) | <u>(764,095)</u> | <u>32,930</u> | <u>(731,165)</u> |
| Net position at beginning of year | 13,893,181 | 2,233,011 | 16,126,192 |
| Net position at end of year | <u>\$ 13,129,086</u> | <u>\$ 2,265,941</u> | <u>\$ 15,395,027</u> |

Statement of Cash Flows
Non-major Enterprise Funds
Year Ended June 30, 2020

| | Refuse Collection | Tele- communications | Total |
|--|----------------------|-------------------------|----------------------|
| Cash Flows from Operating Activities: | | | |
| Cash received from customers | \$ 12,009,824 | 605,609 | \$ 12,615,433 |
| Cash payments to suppliers for goods and services | (5,330,875) | (35,787) | (5,366,662) |
| Cash payments to employees for services | (9,519,952) | - | (9,519,952) |
| Cash payments to other funds for services | (1,181,769) | - | (1,181,769) |
| Miscellaneous revenues (expenses) | 314,934 | - | 314,934 |
| Net cash provided by (used for) operating activities | (3,707,838) | 569,822 | (3,138,016) |
| Cash Flows from Noncapital Financing Activities: | | | |
| Cash transfers in | - | 159,659 | 159,659 |
| Cash transfers out | (202,749) | (425,525) | (628,274) |
| Taxes received | 6,083,162 | - | 6,083,162 |
| Intergovernmental revenues | 124,365 | - | 124,365 |
| Net cash provided by (used for) noncapital financing activities | 6,004,778 | (265,866) | 5,738,912 |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisition and construction of capital assets | (1,468,062) | (194,914) | (1,662,976) |
| Proceeds from sale of capital assets | 30,647 | - | 30,647 |
| Net cash used for capital and related financing activities | (1,437,415) | (194,914) | (1,632,329) |
| Cash Flows from Investing Activities: | | | |
| Investment earnings | 701,369 | 24,119 | 725,488 |
| Net cash provided by investing activities | 701,369 | 24,119 | 725,488 |
| Net increase in cash and cash equivalents | 1,560,894 | 133,161 | 1,694,055 |
| Cash and cash equivalents at beginning of year | 26,097,440 | 861,953 | 26,959,393 |
| Cash and cash equivalents at end of year | <u>\$ 27,658,334</u> | <u>995,114</u> | <u>\$ 28,653,448</u> |
| Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position: | | | |
| Cash and Investments | \$ 27,658,334 | 995,114 | \$ 28,653,448 |
| Cash and cash equivalents at end of year | <u>\$ 27,658,334</u> | <u>995,114</u> | <u>\$ 28,653,448</u> |

Statement of Cash Flows
Non-major Enterprise Funds (continued)
Year Ended June 30, 2020

| | Refuse | Tele- communication | Total |
|--|-----------------------|------------------------|-----------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ (7,815,823) | \$ 274,677 | \$ (7,541,146) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation and amortization | 720,616 | 131,320 | 851,936 |
| Miscellaneous revenue | 314,934 | - | 314,934 |
| (Increase) decrease in accounts receivable | 295,367 | 166,923 | 462,290 |
| Increase (decrease) in allowance for uncollectible accounts | 70,475 | - | 70,475 |
| Increase (decrease) in accounts payable and accrued liabilities | (182,336) | (3,098) | (185,434) |
| Increase (decrease) in deposits payable | 1,707,157 | - | 1,707,157 |
| Increase (decrease) in deferred inflows | 92,661 | - | 92,661 |
| (Increase) decrease in deferred outflow | 94,800 | - | 94,800 |
| Increase (decrease) in net OPEB liability | 744,602 | - | 744,602 |
| Increase (decrease) in Net Pension Obligations | 249,709 | - | 249,709 |
| Total adjustments | 4,107,985 | 295,145 | 4,403,130 |
| Net cash provided by (used for) operating activities | \$ (3,707,838) | \$ 569,822 | \$ (3,138,016) |

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INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one City department to another or to other governmental units on a cost-reimbursement basis.

Computing and Communication Services Fund - to account for all operations of the Computing and Communications Division of the City Manager's Department, which includes such services as data processing, radio communications, telephone, and voice services.

Building Maintenance Fund - to account for housekeeping and structural maintenance of City buildings.

Fleet Replacement Fund - to account for the procurement of City vehicles.

Fleet Maintenance Fund - to account for the repair and maintenance of City vehicles.

Benefits Fund - to account for employee compensated absences, retirement, and health benefits.

Workers' Compensation Fund - to account for investigation services, temporary disability and medical payments, excess insurance, permanent disability awards, administrative services, and litigation costs. Premiums based on employee worker classifications are indirectly charged to each department for claims proportionate to current industry rates applicable to job functions.

General Liability Fund - to account for payment of self-insured general liability and automobile liability claims, excess insurance, claims adjusting services, litigation costs, and administrative services. Contributions are made from each department and are based on past claims experience and appropriate risk factors.

Printing Services Fund – to account for printing services provided to other departments by the Printing Services Section of the Department of Finance.

311 Call Center Fund – to account for the operation of the City's central call center.

**Combining Statement of Net Position
Internal Service Funds
June 30, 2020**

| | Computing and Communication Services | Building Maintenance | Fleet Replacement | Fleet Maintenance |
|--|--|-------------------------|----------------------|----------------------|
| Assets: | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 1,918,348 | 10,353,851 | 13,536,790 | 1,480,773 |
| Accounts receivable | 13,322 | 100,625 | 32,844 | 35,080 |
| Inventories | - | - | - | 424,893 |
| Prepays and other assets | 870,694 | - | - | - |
| Total current assets | 2,802,364 | 10,454,476 | 13,569,634 | 1,940,746 |
| Non-current assets: | | | | |
| Capital assets | 13,572,751 | 24,310 | 25,117,164 | 42,516 |
| Less accumulated depreciation | (9,878,704) | (23,508) | (16,156,134) | (5,146) |
| Net property, plant and equipment | 3,694,047 | 802 | 8,961,030 | 37,370 |
| Total non-current assets | 3,694,047 | 802 | 8,961,030 | 37,370 |
| Total assets | 6,496,411 | 10,455,278 | 22,530,664 | 1,978,116 |
| Deferred outflow of resources: | | | | |
| Deferred Outflows related to net pension liability | 2,265,460 | 958,473 | 16,727 | 450,674 |
| Deferred Outflows related to net OPEB liability | 420,183 | 259,525 | 6,179 | 117,404 |
| Total deferred outflow of resources | 2,685,643 | 1,217,998 | 22,906 | 568,078 |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 758,218 | 702,567 | 15,992 | 629,687 |
| Insurance claims payable - current | - | - | - | - |
| Due to other funds | - | - | - | - |
| Compensated absences due within one year | - | - | - | - |
| Total current liabilities | 758,218 | 702,567 | 15,992 | 629,687 |
| Non-current liabilities: | | | | |
| Insurance claims payable - long-term | - | - | - | - |
| Compensated absences due in more than one year | - | - | - | - |
| Net pension liability | 13,866,197 | 6,604,972 | 3,026,150 | 562,956 |
| Net OPEB liability | 3,173,032 | 1,959,814 | 46,662 | 886,582 |
| Total non-current liabilities | 17,039,229 | 8,564,786 | 3,072,812 | 1,449,538 |
| Total liabilities | 17,797,447 | 9,267,353 | 3,088,804 | 2,079,225 |
| Deferred inflow of resources: | | | | |
| Deferred inflows related to net pension liability | 496,048 | 209,868 | 3,662 | 98,681 |
| Deferred inflows related to net OPEB liability | 245,361 | 151,547 | 3,608 | 68,557 |
| Total deferred inflow of resources | 741,409 | 361,415 | 7,270 | 167,238 |
| Net Position: | | | | |
| Net investment in capital assets | 3,694,047 | 802 | 8,948,123 | 37,370 |
| Unrestricted | (13,050,849) | 2,043,706 | 10,509,373 | 262,361 |
| Total net position (deficit) | \$ (9,356,802) | 2,044,508 | 19,457,496 | 299,731 |

| Benefits | Workers' Compensation | General Liability | Printing Services | 311 Call Center | Total |
|--------------|-----------------------|-------------------|-------------------|-----------------|------------------|
| - | 7,793,166 | 7,032,313 | - | 200,674 | \$ 42,315,915 |
| 108,558 | 16,049 | 47,194 | - | 927 | 354,599 |
| - | - | - | - | - | 424,893 |
| 34,363 | - | 11,785 | - | - | 916,842 |
| 142,921 | 7,809,215 | 7,091,292 | - | 201,601 | 44,012,249 |
| - | - | 3,714,391 | - | - | 42,471,132 |
| - | - | - | - | - | (26,063,492) |
| - | - | 3,714,391 | - | - | 16,407,640 |
| - | - | 3,714,391 | - | - | 16,407,640 |
| 142,921 | 7,809,215 | 10,805,683 | - | 201,601 | 60,419,889 |
| 11,603,841 | 1,756,550 | 62,030 | - | 128,753 | 17,242,508 |
| 30,896 | 37,075 | 12,358 | - | 37,075 | 920,695 |
| 11,634,737 | 1,793,625 | 74,388 | - | 165,828 | 18,163,203 |
| 7,216,996 | 196,808 | 5,308,220 | - | 29,334 | 14,857,822 |
| - | 12,964,640 | 4,633,332 | - | - | 17,597,972 |
| 5,744,291 | - | - | - | - | 5,744,291 |
| 9,308,011 | - | - | - | - | 9,308,011 |
| 22,269,298 | 13,161,448 | 9,941,552 | - | 29,334 | 47,508,096 |
| - | 18,293,648 | 4,347,618 | - | - | 22,641,266 |
| 2,828,880 | - | - | - | - | 2,828,880 |
| 67,259,129 | 7,800,823 | 457,618 | - | 536,922 | 100,114,767 |
| 233,311 | 279,973 | 93,324 | - | 279,973 | 6,952,671 |
| 70,321,320 | 26,374,444 | 4,898,560 | - | 816,895 | 132,537,584 |
| 92,590,618 | 39,535,892 | 14,840,112 | - | 846,229 | 180,045,680 |
| 2,363,883 | 333,467 | 13,582 | - | 28,192 | 3,547,383 |
| 18,041 | 21,650 | 7,217 | - | 21,650 | 537,631 |
| 2,381,924 | 355,117 | 20,799 | - | 49,842 | 4,085,014 |
| - | - | 3,714,391 | - | - | 16,394,733 |
| (83,194,884) | (30,288,169) | (7,695,231) | - | (528,642) | (121,942,335) |
| (83,194,884) | (30,288,169) | (3,980,840) | - | (528,642) | \$ (105,547,602) |

**Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds**

For the Fiscal Year Ended June 30, 2020

| | Communication Services | Building Maintenance | Fleet Replacement | Fleet Maintenance |
|--|---------------------------|-------------------------|----------------------|----------------------|
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Computing and communication services | \$ 17,063,450 | - | - | - |
| Building maintenance | - | 13,188,811 | - | - |
| Fleet maintenance | - | - | 3,144,745 | 9,402,401 |
| Employee benefits | - | - | - | - |
| Insurance | - | - | - | - |
| Printing | - | - | - | - |
| 311 Call Center | - | - | - | - |
| Total operating revenues | 17,063,450 | 13,188,811 | 3,144,745 | 9,402,401 |
| Operating expenses: | | | | |
| Computing and communication services | 18,344,597 | - | - | - |
| Building maintenance | - | 12,716,967 | - | - |
| Fleet replacement and maintenance | - | - | 170,834 | 9,071,076 |
| Benefits | - | - | - | - |
| Insurance | - | - | - | - |
| Printing | - | - | - | - |
| 311 Call Center | - | - | - | - |
| Depreciation | 1,300,592 | 1,329 | 1,329,426 | 3,605 |
| Total operating expenses | 19,645,189 | 12,718,296 | 1,500,260 | 9,074,681 |
| Operating income (loss) | (2,581,739) | 470,515 | 1,644,485 | 327,720 |
| Nonoperating revenues (expenses): | | | | |
| Investment earnings | 47,117 | 237,673 | 330,831 | 24,975 |
| Miscellaneous revenue | - | - | - | 7,247 |
| Gain (loss) on disposal of assets | - | - | 57,083 | - |
| Total nonoperating revenues (expenses) | 47,117 | 237,673 | 387,914 | 32,222 |
| Income (loss) before transfers | (2,534,622) | 708,188 | 2,032,399 | 359,942 |
| Transfers from (to) other funds: | | | | |
| Transfers in | 450,076 | 94,088 | 300,000 | - |
| Transfers out | (246,774) | (351,531) | - | (302,362) |
| Net income (loss) | (2,331,320) | 450,745 | 2,332,399 | 57,580 |
| Net position (deficit) at beginning of year | (7,025,482) | 1,593,763 | 17,125,097 | 242,151 |
| Net position (deficit) at end of year | \$ (9,356,802) | 2,044,508 | 19,457,496 | 299,731 |

| Benefits | Workers' Compensation | General Liability | Printing Services | 311 Call Center | Total |
|--------------|-----------------------|-------------------|-------------------|-----------------|------------------|
| - | - | - | - | - | \$ 17,063,450 |
| - | - | - | - | - | 13,188,811 |
| - | - | - | - | - | 12,547,146 |
| 32,986,686 | - | - | - | - | 32,986,686 |
| - | 17,085,361 | 4,309,424 | - | - | 21,394,785 |
| - | - | - | 1,076,327 | - | 1,076,327 |
| - | - | - | - | 791,329 | 791,329 |
| 32,986,686 | 17,085,361 | 4,309,424 | 1,076,327 | 791,329 | 99,048,534 |
| - | - | - | - | - | 18,344,597 |
| - | - | - | - | - | 12,716,967 |
| - | - | - | - | - | 9,241,910 |
| 42,537,091 | - | - | - | - | 42,537,091 |
| - | 12,276,277 | 8,048,421 | - | - | 20,324,698 |
| - | - | - | 1,633,683 | - | 1,633,683 |
| - | - | - | - | 921,698 | 921,698 |
| - | - | - | - | - | 2,634,952 |
| 42,537,091 | 12,276,277 | 8,048,421 | 1,633,683 | 921,698 | 108,355,596 |
| (9,550,405) | 4,809,084 | (3,738,997) | (557,356) | (130,369) | (9,307,062) |
| (116,230) | 159,881 | 108,879 | (101,953) | 4,231 | 695,404 |
| 86,547 | - | 276,000 | - | - | 369,794 |
| - | - | - | - | - | 57,083 |
| (29,683) | 159,881 | 384,879 | (101,953) | 4,231 | 1,122,281 |
| (9,580,088) | 4,968,965 | (3,354,118) | (659,309) | (126,138) | (8,184,781) |
| - | - | 5,000,000 | 5,550,079 | - | 11,394,243 |
| (187) | (716) | (266) | - | - | (901,836) |
| (9,580,275) | 4,968,249 | 1,645,616 | 4,890,770 | (126,138) | 2,307,626 |
| (73,614,609) | (35,256,418) | (5,626,456) | (4,890,770) | (402,504) | (107,855,228) |
| (83,194,884) | (30,288,169) | (3,980,840) | - | (528,642) | \$ (105,547,602) |

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2020

| | Computing and Communication Services | Building Maintenance | Fleet Replacement | Fleet Maintenance |
|--|--|-------------------------|----------------------|----------------------|
| Cash flows from operating activities: | | | | |
| Cash received from customers and users | \$ 17,063,443 | 13,192,198 | 3,144,745 | 9,402,977 |
| Cash payments to suppliers for goods or services | (6,764,335) | (6,609,916) | (185,567) | (6,072,229) |
| Cash payments to employees for services | (10,716,042) | (5,265,257) | (87,928) | (2,512,813) |
| Net cash provided by (used for) operating activities | (416,934) | 1,317,025 | 2,871,250 | 817,935 |
| Cash flows from noncapital financing activities: | | | | |
| Transfers from other funds | 450,076 | 94,088 | 300,000 | - |
| Transfers to other funds | (246,774) | (351,531) | - | (302,362) |
| Non-operating miscellaneous revenue | - | - | - | 7,247 |
| Net cash provided by (used for) noncapital financing activities | 203,302 | (257,443) | 300,000 | (295,115) |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition and construction of capital assets | (953,843) | - | (2,007,310) | (19,402) |
| Proceeds from sale of capital assets | - | - | 63,366 | - |
| Net cash provided by (used for) capital and related financing activities | (953,843) | - | (1,943,944) | (19,402) |
| Cash flows from investing activities: | | | | |
| Investment earnings (expenses) | 49,124 | 214,551 | 341,230 | 24,109 |
| Net cash provided by (used for) investing activities | 49,124 | 214,551 | 341,230 | 24,109 |
| Net increase (decrease) in cash and cash equivalents | (1,118,351) | 1,274,133 | 1,568,536 | 527,527 |
| Cash and cash equivalents at beginning of year | 3,036,699 | 9,079,718 | 11,968,254 | 953,246 |
| Cash and cash equivalents at end of year | \$ 1,918,348 | 10,353,851 | 13,536,790 | 1,480,773 |
| Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position: | | | | |
| Cash and investments | \$ 1,918,348 | \$ 10,353,851 | \$ 13,536,790 | \$ 1,480,773 |
| Cash and cash equivalents at end of year | \$ 1,918,348 | \$ 10,353,851 | \$ 13,536,790 | \$ 1,480,773 |



| Benefits | Workers' Compensation | General Liability | Printing Services | 311 Call Center | Totals |
|--------------|-----------------------|-------------------|-------------------|-----------------|---------------|
| 38,108,770 | 17,089,818 | (3,357,062) | (2,789,869) | 791,329 | \$ 92,646,349 |
| (1,714,732) | (9,689,493) | 2,844,194 | (1,069,103) | (110,404) | (29,371,585) |
| (36,356,919) | (4,983,378) | (307,581) | (1,589,152) | (695,032) | (62,514,102) |
| 37,119 | 2,416,947 | (820,449) | (5,448,124) | (14,107) | 760,662 |
| - | - | 5,000,000 | 5,550,079 | - | 11,394,243 |
| (187) | (716) | (266) | - | - | (901,836) |
| 86,547 | - | 276,000 | - | - | 369,794 |
| 86,360 | (716) | 5,275,734 | 5,550,079 | - | 10,862,201 |
| - | - | - | - | - | (2,980,555) |
| - | - | - | - | - | 63,366 |
| - | - | - | - | - | (2,917,189) |
| (123,479) | 159,870 | 91,139 | (101,955) | 4,387 | 658,976 |
| (123,479) | 159,870 | 91,139 | (101,955) | 4,387 | 658,976 |
| - | 2,576,101 | 4,546,424 | - | (9,720) | 9,364,650 |
| - | 5,217,065 | 2,485,889 | - | 210,394 | 32,951,265 |
| - | 7,793,166 | 7,032,313 | - | 200,674 | \$ 42,315,915 |
| \$ - | \$ 7,793,166 | \$ 7,032,313 | \$ - | \$ 200,674 | \$ 42,315,915 |
| \$ - | \$ 7,793,166 | \$ 7,032,313 | \$ - | \$ 200,674 | \$ 42,315,915 |

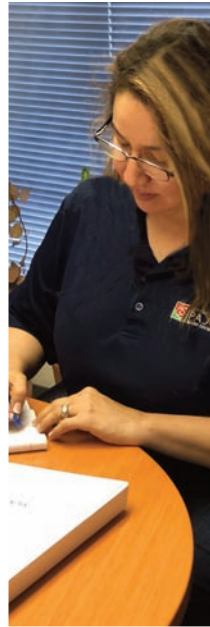
Internal Service Funds
Combining Statement of Cash Flows, (Continued)
Year Ended June 30, 2020

| | Computing and Communication Services | Building Maintenance | Fleet Replacement | Fleet Maintenance |
|--|--|-------------------------|----------------------|----------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Operating income (loss) | \$ (2,581,739) | \$ 470,515 | \$ 1,644,485 | \$ 327,720 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation | 1,300,592 | 1,329 | 1,329,426 | 3,605 |
| (Increase) decrease in accounts receivable | (6) | 3,387 | - | 576 |
| (Increase) decrease in due to other funds | - | - | - | - |
| (Increase) decrease in inventories | - | - | - | 48,286 |
| (Increase) decrease in prepaids and other assets | (12,159) | - | - | - |
| (Increase) decrease in deferred outflow related to pension liability | 783,567 | 330,867 | 41,368 | 158,929 |
| (Increase) decrease in deferred outflow related to OPEB liability | (324,294) | (200,299) | 19,203 | (114,584) |
| Increase (decrease) in accounts payable and accrued liabilities | (795,275) | 56,222 | 10,647 | (54,260) |
| Increase (decrease) in insurance claims payable | - | - | - | - |
| Increase (decrease) in OPEB liability | 816,484 | 443,406 | (143,153) | 354,299 |
| Increase (decrease) in pension liability | 348,586 | 201,490 | (19,869) | 95,047 |
| Increase (decrease) in deferred inflow related to pension liability | 47,310 | 10,108 | (10,857) | (1,683) |
| Increase (decrease) in compensated absences | - | - | - | - |
| Total adjustments | 2,164,805 | 846,510 | 1,226,765 | 490,215 |
| Net cash provided by (used for) operating activities | \$ (416,934) | \$ 1,317,025 | \$ 2,871,250 | \$ 817,935 |
| Non-Cash Investing, Capital, and Financing Activities | | | | |
| Gain/(Loss) on disposition of capital assets | - | - | (6,283) | - |
| Changes in fair value of investments | 12,462 | 62,347 | 86,918 | 6,974 |

| Benefits | Workers' Compensation | General Liability | Printing Services | 311 Call Center | Totals |
|----------------|-----------------------|-------------------|-------------------|-----------------|----------------|
| \$ (9,550,405) | \$ 4,809,084 | \$ (3,738,997) | \$ (557,356) | \$ (130,369) | \$ (9,307,062) |
| - | - | - | - | - | 2,634,952 |
| 1,493 | 4,456 | (3,178) | (16,498) | - | (9,770) |
| 5,120,596 | - | - | (3,849,698) | - | 1,270,898 |
| - | - | - | - | - | 48,286 |
| 13,483 | - | (11,635) | - | - | (10,311) |
| 917,501 | 80,725 | (36,856) | 191,796 | 69,324 | 2,537,221 |
| (23,845) | (27,204) | (9,538) | 8,461 | (28,614) | (700,714) |
| (36,216) | 5,394 | 5,291,597 | (69,512) | 7,473 | 4,416,070 |
| - | (2,767,468) | (2,435,768) | - | - | (5,203,236) |
| 19,923 | 27,238 | 53,977 | (216,630) | 63,343 | 1,418,887 |
| 3,519,085 | 270,023 | 65,835 | (884,131) | (10,045) | 3,586,021 |
| (899,672) | 14,699 | 4,114 | (54,556) | 14,781 | (875,756) |
| 955,176 | - | - | - | - | 955,176 |
| 9,587,524 | (2,392,137) | 2,918,548 | (4,890,768) | 116,262 | 10,067,724 |
| \$ 37,119 | \$ 2,416,947 | \$ (820,449) | \$ (5,448,124) | \$ (14,107) | \$ 760,662 |
| - | - | - | - | - | (6,283) |
| (39,559) | 43,562 | 33,698 | (26,144) | 1,098 | 181,356 |

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FIDUCIARY FUNDS



FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee or agency capacity for individuals, governmental entities, and others, and are operated by carrying out the specifications of trust indentures, statutes, ordinances, or other governing regulations.

Employee Benefit Trust Funds:

Deferred Compensation Fund - to account for resources earned by present and former employees and held in a trust capacity by the City in accordance with the provisions of Internal Revenue Code Section 457.

Fire and Police Retirement Fund - to account for transactions of the Fire and Police Retirement System, which is governed by its own retirement board.

Employment Benefit (OPEB) Trust Fund - to account for resources held in a trust capacity by the City in accordance with the provisions of Internal Revenue Code Section 115 for the Post-employment Benefits Other than Pensions.

Agency Funds:

Lake/Washington Special Assessment District Fund - to account for maintenance costs of the parking lot located at Lake Avenue and Washington Boulevard.

Library Equipment Replacement Fund - to account for the library automated control system operated under joint agreement with the City of Glendale.

Workforce Innovation and Opportunity Act Fund – to account for the administration of Workforce Innovation and Opportunity Act (WIOA) activities under the direction of the Foothill Workforce Development Board (FWDB).

Open Space Assessment District Fund – to account for receipt and disbursement of debt service activity related to the acquisition and improvement of the Annandale Canyon Estates and adjacent property to be established as open space.

Private-Purpose Trust Funds: Fiduciary fund type used to report all trust arrangements, other than those properly reported in employee benefit trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. Private-purpose trust funds are used for the activities of the Successor Agency to the Pasadena Community Development Commission. Please see the next tab for the combining statements related to the Successor Agency.

Combining Statement of Net Position
Employee Benefit Trust Funds
June 30, 2020

| | Deferred Compensation | Fire and Police Retirement System | Employment Benefit (OPEB) Trust Fund | Total |
|--|--------------------------|--|--|----------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 308,452,025 | 22,082,086 | 2,215,921 | \$ 332,750,032 |
| Receivables: | | | | |
| Pending trade sales | - | 2,419,005 | - | 2,419,005 |
| Interest | - | 115,550 | 4 | 115,554 |
| Total receivables | - | 2,534,555 | 4 | 2,534,559 |
| Investments, at fair value: | | | | |
| Government and agencies | - | 12,716,435 | - | 12,716,435 |
| Fixed income mutual funds | - | 16,244,067 | - | 16,244,067 |
| Domestic corporate obligations | - | 20,793,908 | - | 20,793,908 |
| International corporate obligations | - | 894,040 | - | 894,040 |
| Real estate | - | 11,175,291 | - | 11,175,291 |
| Domestic corporate stocks | - | 21,897,212 | - | 21,897,212 |
| International corporate stocks | - | 22,261,952 | - | 22,261,952 |
| Total investments | - | 105,982,905 | - | 105,982,905 |
| Total assets | 308,452,025 | 130,599,546 | 2,215,925 | 441,267,496 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | - | 21,310 | - | 21,310 |
| Pending purchases | - | 5,366,983 | - | 5,366,983 |
| Total liabilities | - | 5,388,293 | - | 5,388,293 |
| Net position reserved in trust for | | | | |
| Held in trust for other post retirement benefits | - | - | 2,215,925 | 2,215,925 |
| Net position restricted for pensions | 308,452,025 | 125,211,253 | - | 433,663,278 |
| Total Net Position reserved in trust | \$ 308,452,025 | 125,211,253 | 2,215,925 | \$ 435,879,203 |

**Combining Statement of Changes in Net Position
Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2020**

| | Deferred Compensation | Fire and Police Retirement System | Employment Benefit (OPEB) Trust Fund | Total |
|--|--------------------------|---|--|-----------------------|
| Additions: | | | | |
| Contributions: | | | | |
| Employer | \$ - | 23,137,382 | - | \$ 23,137,382 |
| Plan members | 16,286,969 | - | - | 16,286,969 |
| Total contributions | 16,286,969 | 23,137,382 | - | 39,424,351 |
| Net investment income: | | | | |
| Investment earnings | 13,862,223 | 1,228,582 | 974 | 15,091,779 |
| Interest | - | 858,343 | 43,339 | 901,682 |
| Dividends | - | 1,707,719 | 56,759 | 1,764,478 |
| Gross investment income | 13,862,223 | 3,794,644 | 101,072 | 17,757,939 |
| Less investment expenses | - | (400,280) | - | (400,280) |
| Total net investment income | 13,862,223 | 3,394,364 | 101,072 | 17,357,659 |
| Total additions | 30,149,192 | 26,531,746 | 101,072 | 56,782,010 |
| Deductions: | | | | |
| Benefits paid to participants | 22,997,538 | 12,773,457 | - | 35,770,995 |
| Administrative expenses | 218,769 | 321,126 | 10,839 | 550,734 |
| Total deductions | 23,216,307 | 13,094,583 | 10,839 | 36,321,729 |
| Change in net position | 6,932,885 | 13,437,163 | 90,233 | 20,460,281 |
| Net position held in trust for employees: | | | | |
| Beginning of year | 301,519,140 | 111,774,090 | 2,125,692 | 415,418,922 |
| End of year | \$ 308,452,025 | 125,211,253 | 2,215,925 | \$ 435,879,203 |

**Combining Balance Sheet
Agency Funds
June 30, 2020**

| | Lake/ Washington Special Assessment District | Library Equipment Replacement | Workforce Innovation and Opportunity Act | Open Space Assessment District | Total |
|--|--|-------------------------------------|---|--------------------------------------|---------------------|
| Assets: | | | | | |
| Cash and investments | \$ - | 303,678 | - | 154,101 | \$ 457,779 |
| Accounts receivable | 613 | 5,975 | 656,629 | 2,691 | 665,908 |
| Other assets | - | - | - | 839,193 | 839,193 |
| Total assets | 613 | 309,653 | 656,629 | 995,985 | 1,962,880 |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | - | 1,250 | 656,629 | 750 | 658,629 |
| Due to other governments | 613 | 308,403 | - | - | 309,016 |
| Due to bondholders | - | - | - | 995,235 | 995,235 |
| Total liabilities | \$ 613 | 309,653 | 656,629 | 995,985 | \$ 1,962,880 |



Combining Statements of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

| | Balance at July 1, 2019 | Additions | Deletions | Balance at June 30, 2020 |
|--|----------------------------|---------------------|---------------------|-----------------------------|
| <u>LAKE/WASHINGTON SPECIAL ASSESMENT DISTRICT</u> | | | | |
| <u>Assets</u> | | | | |
| Accounts receivable | \$ (35) | 771 | 123 | \$ 613 |
| Total assets | (35) | 771 | 123 | 613 |
| <u>Liabilities</u> | | | | |
| Due to other governments | (35) | 32,271 | 31,623 | 613 |
| Total liabilities | (35) | 32,271 | 31,623 | 613 |
| <u>LIBRARY EQUIPMENT REPLACEMENT</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | 329,727 | 15,050 | 41,099 | 303,678 |
| Accounts receivable | 6,235 | 6,328 | 6,588 | 5,975 |
| Other assets | 117,107 | - | 117,107 | - |
| Total assets | 453,069 | 21,378 | 164,794 | 309,653 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | 225 | 34,440 | 33,415 | 1,250 |
| Due to other governments | 452,844 | 8,376 | 152,817 | 308,403 |
| Total liabilities | 453,069 | 42,816 | 186,232 | 309,653 |
| <u>WORKFORCE INNOVATION AND OPPORTUNITY ACT</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | - | 4,669,765 | 4,669,765 | - |
| Accounts receivable | 859,081 | 3,683,033 | 3,885,485 | 656,629 |
| Total assets | 859,081 | 8,352,798 | 8,555,250 | 656,629 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | 859,081 | 9,275,630 | 9,478,082 | 656,629 |
| Total liabilities | \$ 859,081 | \$ 9,275,630 | \$ 9,478,082 | \$ 656,629 |

(Continued)

Combining Statements of Changes in Assets and Liabilities (Continued)
Agency Funds
For the Fiscal Year Ended June 30, 2020

| | Balance at July 1, 2019 | Additions | Deletions | Balance at June 30, 2020 |
|--|----------------------------|------------------|------------------|-----------------------------|
| <u>OPEN SPACE ASSESSMENT DISTRICT</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$ 154,003 | 89,401 | 89,303 | \$ 154,101 |
| Accounts receivable | 3,096 | 4,556 | 4,961 | 2,691 |
| Other assets | 862,036 | 67,427 | 90,270 | 839,193 |
| Total assets | 1,019,135 | 161,384 | 184,534 | 995,985 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | 750 | - | - | 750 |
| Due to bondholders | 1,018,385 | 86,875 | 110,025 | 995,235 |
| Total liabilities | 1,019,135 | 86,875 | 110,025 | 995,985 |
| <u>TOTAL AGENCY FUNDS</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | 483,730 | 4,774,216 | 4,800,167 | 457,779 |
| Accounts receivable | 868,377 | 3,694,688 | 3,897,157 | 665,908 |
| Other assets | 979,143 | 67,427 | 207,377 | 839,193 |
| Total assets | 2,331,250 | 8,536,331 | 8,904,701 | 1,962,880 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | 860,056 | 9,310,070 | 9,511,497 | 658,629 |
| Due to other governments | 452,809 | 40,647 | 184,440 | 309,016 |
| Due to bondholders | 1,018,385 | 86,875 | 110,025 | 995,235 |
| Total liabilities | \$ 2,331,250 | 9,437,592 | 9,805,962 | \$ 1,962,880 |

SUCCESSOR AGENCY COMBINED



PRIVATE-PURPOSE TRUST FUNDS

Private-purpose trust funds are one type of the fiduciary funds reported in the prior tab.

Successor Agency to Pasadena Community Development Commission – was formed to account for receipt of incremental property tax and disbursements related to enforceable obligations (debts) of the former redevelopment agency. It will remain in place until all enforceable obligations, as approved on the Recognized Obligation Payment Schedule by California Department of Finance, are paid in full and all assets have been liquidated. It includes the following funds:

Successor Agency Administration Fund – to account for administrative costs of the Successor Agency as approved on the Recognized Obligation Payment Schedule.

Redevelopment Obligation Retirement Fund – to account for receipts and disbursements of incremental property tax.

Successor Agency Debt Service Funds – to account for debt service payments and other enforceable obligations of the former redevelopment agency. They include Old Pasadena, Lincoln, Downtown, Fair Oaks, Orange Grove, Villa Parke, and Lake/Washington project areas.

Successor Agency Debt Service Fund – Affordable Housing – to account for the 2006 Tax Allocation Revenue Bonds (housing set-aside revenues-Townhouse Project Refunding), Housing Enabled By Local Partnerships (HELP) program loans, and payment of enforceable obligations of the former Low and Moderate Income Housing Fund.

**Combining Statement of Net Position
Private Purpose Trust Funds
June 30, 2020**

| | Successor Agency Admin | Redevelopment Obligation Retirement Fund | Successor Agency Debt Service | | |
|--|------------------------------|---|-------------------------------|----------|----------|
| | | | Old Pasadena | Lincoln | Downtown |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 11,243 | 231,467 | - | - | - |
| Notes receivable | - | - | - | - | - |
| Allowance for uncollectible long-term receivables | - | - | - | - | - |
| Total current assets | 11,243 | 231,467 | - | - | - |
| Non-current assets: | | | | | |
| Capital assets | - | 214,261 | - | - | - |
| Total non-current assets | - | 214,261 | - | - | - |
| Total assets | 11,243 | 445,728 | - | - | - |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | - | - | - | - | - |
| Bonds payable - due within one year | - | - | - | - | - |
| Bonds payable - due in more than one year | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net Position | | | | | |
| Net position held in trust | \$ 11,243 | 445,728 | - | - | - |



Successor Agency Debt Service

| Fair Oaks | Orange Grove | Villa Parke | Lake Washington | Affordable Housing | Total |
|-----------|--------------|-------------|-----------------|--------------------|-----------|
| 304,008 | 20,667 | 9,272 | 86,392 | 80 \$ | 663,129 |
| 515,000 | - | - | - | - | 515,000 |
| (515,000) | - | - | - | - | (515,000) |
| 304,008 | 20,667 | 9,272 | 86,392 | 80 | 663,129 |
| - | - | - | - | - | 214,261 |
| - | - | - | - | - | 214,261 |
| 304,008 | 20,667 | 9,272 | 86,392 | 80 | 877,390 |
| 12,412 | - | - | - | - | 12,412 |
| 210,000 | - | - | - | - | 210,000 |
| 225,000 | - | - | - | - | 225,000 |
| 447,412 | - | - | - | - | 447,412 |
| (143,404) | 20,667 | 9,272 | 86,392 | 80 \$ | 429,978 |

**Combining Statement of Changes in Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020**

| | Successor Agency Admin | Redevelopment Obligation Retirement Fund | Successor Agency Debt Service | | |
|--|------------------------------|---|-------------------------------|---------|----------|
| | | | Old Pasadena | Lincoln | Downtown |
| Additions: | | | | | |
| Property taxes | \$ - | 9,842,655 | - | - | - |
| Investment earnings | - | - | - | - | - |
| Miscellaneous revenues | - | - | - | - | - |
| Total additions | - | 9,842,655 | - | - | - |
| Deductions: | | | | | |
| Fiscal agency expenses | - | - | - | - | - |
| Interest expense | - | - | - | - | - |
| Statutory pass-through expenses | - | - | 7,627,458 | 40,032 | - |
| Administrative expenses: | | | | | |
| County administrative expenses | - | - | 131,763 | 6,737 | 584,444 |
| Successor agency administrative cost allowance | 126,787 | - | - | - | - |
| Total deductions | 126,787 | - | 7,759,221 | 46,769 | 584,444 |
| Transfers: | | | | | |
| Transfers in | 144,119 | - | 7,759,221 | 46,769 | 584,444 |
| Transfers out | - | (10,003,584) | (52,272) | - | - |
| Total transfers | 144,119 | (10,003,584) | 7,706,949 | 46,769 | 584,444 |
| Change in amount held in trust | 17,332 | (160,929) | (52,272) | - | - |
| Amount held in trust at beginning of year | (6,089) | 606,657 | 52,272 | - | - |
| Amount held in trust at end of year | \$ 11,243 | 445,728 | - | - | - |



| Successor Agency Debt Service | | | | | |
|-------------------------------|--------------|-------------|-----------------|--------------------|--------------|
| Fair Oaks | Orange Grove | Villa Parke | Lake Washington | Affordable Housing | Total |
| - | - | - | - | - | \$ 9,842,655 |
| 3,834 | - | 137 | 1,281 | - | 5,252 |
| - | 20,827 | - | - | - | 20,827 |
| 3,834 | 20,827 | 137 | 1,281 | - | 9,868,734 |
| 5,216 | - | - | - | - | 5,216 |
| 21,210 | - | - | - | - | 21,210 |
| 367,142 | 212,346 | 424,527 | 269,505 | - | 8,941,010 |
| 42,871 | 20,191 | 41,610 | 8,948 | - | 836,564 |
| - | - | - | - | - | 126,787 |
| 436,439 | 232,537 | 466,137 | 278,453 | - | 9,930,787 |
| 636,023 | 232,537 | 466,137 | 278,453 | - | 10,147,703 |
| - | (91,847) | - | - | - | (10,147,703) |
| 636,023 | 140,690 | 466,137 | 278,453 | - | - |
| 203,418 | (71,020) | 137 | 1,281 | - | (62,053) |
| (346,822) | 91,687 | 9,135 | 85,111 | 80 | 492,031 |
| (143,404) | 20,667 | 9,272 | 86,392 | 80 | \$ 429,978 |

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COMPONENT UNITS



DISCRETELY PRESENTED COMPONENT UNIT**ROSE BOWL OPERATING COMPANY**

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Discretely presented component units do not meet one of the two criteria for blending. The two criteria required to blend component units are 1) the board of the component unit is substantively the same as that of the City or 2) the component unit serves the City exclusively.

Rose Bowl Operating Company – incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City by managing a world class stadium and a professional quality golf course complex in a residential open-space environment.

**Combining Statement of Net Position
Discretely Presented Component Units
Rose Bowl Operating Company
June 30, 2020**

| | Rose Bowl | Golf Course | Total |
|---|------------------------|-------------------|-----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments (note 2) | \$ 8,432,475 | 10,915,747 | \$ 19,348,222 |
| Accounts receivable, net | 3,415,641 | 193,964 | 3,609,605 |
| Inventory | 861 | 9,813 | 10,674 |
| Prepays and other assets | 33,972 | 8,438 | 42,410 |
| Total current assets | 11,882,949 | 11,127,962 | 23,010,911 |
| Non-current assets: | | | |
| Restricted assets - cash and investments (note 2) | 15,712,015 | - | 15,712,015 |
| Due from City of Pasadena | 471,481 | - | 471,481 |
| Capital assets (note 7): | | | |
| Construction in progress | 4,315,499 | 422,427 | 4,737,926 |
| Other capital assets, net | 166,480,249 | 7,139,301 | 173,619,550 |
| Total non-current assets | 186,979,244 | 7,561,728 | 194,540,972 |
| Total assets | 198,862,193 | 18,689,690 | 217,551,883 |
| Deferred outflow of resources: | | | |
| Deferred refunding charge | 2,538,189 | - | 2,538,189 |
| Outflows related to net pension liability | 1,031,044 | 54,046 | 1,085,090 |
| Total deferred outflow of resources | 3,569,233 | 54,046 | 3,623,279 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 3,325,975 | 255,218 | 3,581,193 |
| Accrued Interest payable | 3,172,160 | - | 3,172,160 |
| Due to primary government | 583,417 | - | 583,417 |
| Deposits | 317,046 | - | 317,046 |
| Unearned revenues | 1,040,224 | 66,100 | 1,106,324 |
| Current portion of long-term advance | 100,000 | - | 100,000 |
| Current portion of compensated absences | 199,413 | 8,195 | 207,608 |
| Current portion of long-term debt (note 9) | 3,310,000 | 51,769 | 3,361,769 |
| Total current liabilities | 12,048,235 | 381,282 | 12,429,517 |
| Non-current liabilities: | | | |
| Long-term advance | 700,000 | - | 700,000 |
| Compensated absences | 52,215 | 2,798 | 55,013 |
| Long-term debt, net of current portion (note 9) | 205,629,416 | 621,224 | 206,250,640 |
| Net pension liability | 2,514,917 | 273,947 | 2,788,864 |
| Total non-current liabilities | 208,896,548 | 897,969 | 209,794,517 |
| Total liabilities | 220,944,783 | 1,279,251 | 222,224,034 |
| Deferred inflow of resources: | | | |
| Inflows related to net pension liability | 90,195 | 43,183 | 133,378 |
| Total deferred inflow of resources | 90,195 | 43,183 | 133,378 |
| Net Position | | | |
| Net Investment in Capital Assets | (4,563,942) | 6,888,735 | 2,324,793 |
| Restricted for debt service | 15,712,015 | - | 15,712,015 |
| Unrestricted | (29,751,625) | 10,532,567 | (19,219,058) |
| Total net position | \$ (18,603,552) | 17,421,302 | \$ (1,182,250) |

See accompanying notes to the basic financial statements.

Combining Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Units
Rose Bowl Operating Company
For the Fiscal Year Ended June 30, 2020

| | Rose Bowl | Golf Course | Total |
|--|------------------------|-------------------|-----------------------|
| Operating revenues: | | | |
| Charges for services: | | | |
| Rose Bowl | \$ 26,823,588 | - | \$ 26,823,588 |
| Golf course | - | 1,680,182 | 1,680,182 |
| Total operating revenues | <u>26,823,588</u> | <u>1,680,182</u> | <u>28,503,770</u> |
| Operating expenses: | | | |
| Rose Bowl | 21,442,946 | - | 21,442,946 |
| Golf course | - | 1,600,921 | 1,600,921 |
| Depreciation | 12,101,872 | 162,120 | 12,263,992 |
| Total operating expenses | <u>33,544,818</u> | <u>1,763,041</u> | <u>35,307,859</u> |
| Operating income (loss) | <u>(6,721,230)</u> | <u>(82,859)</u> | <u>(6,804,089)</u> |
| Non-operating revenues (expenses): | | | |
| Investment gain (loss) | 863,381 | 97,010 | 960,391 |
| Interest expense | (12,327,400) | - | (12,327,400) |
| Other nonoperating revenues | 5,819,882 | 69,783 | 5,889,665 |
| Total non-operating revenues (expenses) | <u>(5,644,137)</u> | <u>166,793</u> | <u>(5,477,344)</u> |
| Change in net position | <u>(12,365,367)</u> | <u>83,934</u> | <u>(12,281,433)</u> |
| Net position (deficit) at beginning of year | (6,238,185) | 17,337,368 | 11,099,183 |
| Net position (deficit) at end of year | <u>\$ (18,603,552)</u> | <u>17,421,302</u> | <u>\$ (1,182,250)</u> |

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STATISTICAL SECTION



This section of the City of Pasadena’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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Financial Trends

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Debt Capacity

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Demographic and Economic Information

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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..... 238

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Net Position by Component
Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

| | Fiscal Year | | | |
|---|-------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 |
| Governmental activities | | | | |
| Net Investment in Capital Assets | \$ 375,202 | 382,296 | 430,453 | 419,328 |
| Restricted | 97,996 | 37,259 | 63,633 | 60,592 |
| Unrestricted | (198,788) | 36,017 | (41,046) | (29,751) |
| Total governmental activities net position | <u>\$ 274,410</u> | <u>455,572</u> | <u>453,040</u> | <u>450,169</u> |
| Business-type activities | | | | |
| Net Investment in Capital Assets | \$ 311,054 | 332,781 | 364,493 | 422,610 |
| Restricted | 151,872 | 149,763 | 144,017 | 133,791 |
| Unrestricted | 176,307 | 188,164 | 185,593 | 159,948 |
| Total business-type activities net position | <u>\$ 639,233</u> | <u>670,708</u> | <u>694,103</u> | <u>716,349</u> |
| Primary government | | | | |
| Net Investment in Capital Assets | \$ 656,069 | 715,077 | 794,946 | 841,938 |
| Restricted | 243,060 | 187,022 | 207,650 | 194,382 |
| Unrestricted | 98,913 | 224,181 | 144,547 | 130,197 |
| Total primary government net position | <u>\$ 998,042</u> | <u>1,126,280</u> | <u>1,147,143</u> | <u>1,166,517</u> |



Table 1

| Fiscal Year | | | | | |
|-------------|-----------|-----------|-----------|-----------|--------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 408,195 | 405,858 | 418,266 | 439,355 | 458,378 | \$ 470,689 |
| 44,327 | 56,050 | 55,477 | 69,730 | 79,205 | 84,006 |
| (339,336) | (325,826) | (310,488) | (362,358) | (362,242) | (364,572) |
| 113,186 | 136,081 | 163,254 | 146,727 | 175,341 | \$ 190,123 |
| 371,526 | 449,141 | 408,944 | 420,692 | 434,358 | \$ 458,534 |
| 176,248 | 153,241 | 171,545 | 152,811 | 142,806 | 128,220 |
| 114,512 | 131,037 | 183,279 | 199,209 | 230,707 | 244,811 |
| 662,286 | 733,419 | 763,768 | 772,712 | 807,871 | \$ 831,565 |
| 779,721 | 854,999 | 827,210 | 860,047 | 892,736 | \$ 929,223 |
| 220,575 | 209,291 | 227,022 | 222,541 | 222,011 | 212,226 |
| (224,824) | (194,789) | (127,209) | (163,149) | (135,535) | (119,761) |
| 775,472 | 869,501 | 927,023 | 919,439 | 983,212 | \$ 1,021,688 |

Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

| | Fiscal Year | | | |
|---|--------------|-----------|-----------|-----------|
| | 2011 | 2012 | 2013 | 2014 |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 43,955 | 35,085 | 54,650 | 53,260 |
| Public safety | 103,392 | 103,389 | 105,541 | 104,708 |
| Transportation | 51,134 | 63,839 | 45,045 | 59,581 |
| Utility | - | - | - | - |
| Sanitation | 3,782 | 3,516 | 3,744 | 4,106 |
| Health | 12,108 | 11,422 | 14,228 | 14,239 |
| Culture and leisure | 26,196 | 27,825 | 29,402 | 31,321 |
| Community development | 45,937 | 42,169 | 35,156 | 31,669 |
| Interest and other fiscal charges | 12,121 | 41,481 | 3,142 | 11,047 |
| Total governmental activities expenses | 298,625 | 328,726 | 290,908 | 309,931 |
| Business-type activities: | | | | |
| Electric | 167,442 | 173,410 | 183,202 | 177,590 |
| Water | 40,101 | 43,771 | 46,484 | 51,054 |
| Refuse | 13,158 | 16,783 | 13,185 | 13,022 |
| Parking | 11,384 | 11,711 | 12,229 | 14,556 |
| Telecommunication | 380 | 267 | 827 | 849 |
| Total business-type activities expenses | 232,465 | 245,942 | 255,927 | 257,071 |
| Total primary government expenses | 531,090 | 574,668 | 546,835 | 567,002 |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services | | | | |
| General government | 16,975 | 17,465 | 17,563 | 17,872 |
| Public safety | 13,315 | 11,085 | 13,370 | 13,050 |
| Transportation | 13,215 | 12,863 | 13,784 | 14,253 |
| Sanitation | 6,541 | 7,220 | 7,083 | 8,010 |
| Health | 696 | 666 | 741 | 797 |
| Culture and leisure | 2,476 | 2,856 | 2,975 | 3,382 |
| Community development | 7,724 | 9,594 | 9,085 | 12,935 |
| Operating grants and contributions | 36,910 | 86,051 | 38,350 | 35,948 |
| Capital grants and contributions | 11,090 | 15,665 | 7,116 | 16,504 |
| Total governmental activities program revenues | 108,942 | 163,465 | 110,067 | 122,751 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Electric | 186,993 | 185,951 | 190,071 | 188,174 |
| Water | 47,137 | 54,301 | 58,536 | 61,233 |
| Refuse | 10,918 | 11,291 | 12,057 | 11,925 |
| Parking | 11,753 | 11,991 | 12,783 | 13,334 |
| Telecommunication | 681 | 670 | 580 | 816 |
| Operating grants and contributions | - | - | - | - |
| Capital grants and contributions | 2,481 | 2,317 | 1,933 | 2,828 |
| Total business-type activities program revenues | 259,963 | 266,521 | 275,960 | 278,310 |
| Total primary government program revenues | 368,905 | 429,986 | 386,027 | 401,061 |
| Net Revenues (Expenses) | | | | |
| Governmental activities | (189,683) | (165,261) | (180,841) | (187,180) |
| Business-type activities | 27,498 | 20,579 | 20,033 | 21,239 |
| Total net revenues (expenses) | \$ (162,185) | (144,682) | (160,808) | (165,941) |



Table 2

| Fiscal Year | | | | | | |
|-------------|-----------|-----------|-----------|-----------|------|-----------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| 38,902 | 59,425 | 42,895 | 45,755 | 49,619 | \$ | 67,355 |
| 106,327 | 96,484 | 127,760 | 142,495 | 145,937 | | 152,889 |
| 49,526 | 35,739 | 41,738 | 46,452 | 52,239 | | 55,429 |
| - | - | - | - | - | | 6,134 |
| 4,232 | 4,267 | 4,290 | 4,376 | 4,117 | | 4,600 |
| 13,764 | 10,914 | 10,558 | 11,347 | 13,401 | | 15,367 |
| 30,127 | 32,286 | 34,249 | 38,365 | 37,135 | | 37,224 |
| 35,248 | 72,725 | 39,787 | 45,114 | 47,304 | | 52,019 |
| 10,310 | 9,187 | 8,611 | 8,411 | 7,889 | | 6,425 |
| 288,436 | 321,027 | 309,888 | 342,315 | 357,641 | | 397,442 |
| 171,282 | 174,858 | 183,522 | 187,872 | 196,874 | | 197,138 |
| 48,462 | 45,240 | 48,009 | 54,757 | 56,738 | | 58,974 |
| 12,843 | 14,421 | 14,330 | 15,695 | 16,528 | | 19,429 |
| 13,532 | 14,488 | 13,062 | 14,140 | 14,502 | | 14,713 |
| 89 | 141 | 110 | 144 | 170 | | 164 |
| 246,208 | 249,148 | 259,033 | 272,608 | 284,812 | | 290,418 |
| 534,644 | 570,175 | 568,921 | 614,923 | 642,453 | | 687,860 |
| 18,750 | 18,053 | 14,651 | 10,861 | 11,203 | | 20,245 |
| 14,674 | 14,841 | 19,244 | 15,708 | 15,297 | | 13,656 |
| 16,059 | 16,384 | 16,663 | 28,165 | 30,555 | | 26,933 |
| 7,875 | 7,008 | 7,127 | 7,665 | 8,193 | | 7,728 |
| 1,022 | 644 | 870 | 2,346 | 2,432 | | 2,497 |
| 3,566 | 4,504 | 5,870 | 3,181 | 2,748 | | 1,725 |
| 12,630 | 14,193 | 15,803 | 13,286 | 14,954 | | 12,487 |
| 41,943 | 40,422 | 41,050 | 47,058 | 59,763 | | 56,837 |
| 16,197 | 15,383 | 9,083 | 14,190 | 8,582 | | 36,663 |
| 132,716 | 131,432 | 130,361 | 142,460 | 153,727 | | 178,771 |
| 203,748 | 199,197 | 202,480 | 212,116 | 218,054 | | 217,873 |
| 57,440 | 50,835 | 58,287 | 62,592 | 60,181 | | 62,466 |
| 11,959 | 11,880 | 11,775 | 11,413 | 11,743 | | 11,644 |
| 13,603 | 14,621 | 14,595 | 14,560 | 13,977 | | 11,229 |
| 655 | 609 | 669 | 471 | 680 | | 439 |
| - | - | - | 2,355 | 1,462 | | 1,784 |
| 2,905 | 2,790 | 4,811 | 4,112 | 3,615 | | 2,934 |
| 290,310 | 279,932 | 292,617 | 307,619 | 309,712 | | 308,369 |
| 423,026 | 411,364 | 422,978 | 450,079 | 463,439 | | 487,140 |
| (155,720) | (189,595) | (179,527) | (199,855) | (203,914) | | (218,671) |
| 44,102 | 30,784 | 33,584 | 35,011 | 24,900 | | 17,951 |
| (111,618) | (158,811) | (145,943) | (164,844) | (179,014) | \$ | (200,720) |

(continued)

Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

| | Fiscal Year | | | |
|---|------------------|-------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property tax, levied for general purpose | \$ 70,803 | \$ 54,051 | \$ 42,957 | \$ 44,066 |
| Sales tax | 30,301 | 32,239 | 30,871 | 33,198 |
| Utility users' tax | 29,355 | 29,318 | 29,531 | 28,893 |
| Transient occupancy tax | 7,668 | 9,553 | 11,109 | 12,043 |
| Construction tax | 1,480 | 2,819 | 2,066 | 3,682 |
| Business license tax | 5,600 | 5,479 | 5,230 | 5,633 |
| Franchise tax | 2,216 | 2,015 | 2,063 | 2,361 |
| Other taxes | 6,108 | 6,262 | 6,532 | 7,088 |
| Other intergovernmental | 15,427 | 14,919 | 15,187 | 15,924 |
| Investment earnings | 3,690 | 3,178 | 2,681 | 4,833 |
| Gain on sale of assets | 737 | 5,396 | 424 | 1,153 |
| Miscellaneous revenues | 7,033 | 11,509 | 4,023 | 4,655 |
| Reinstatement of PCDC Loan (Note 23) | - | - | - | - |
| Transfers | 16,216 | 19,285 | 22,083 | 16,305 |
| Extraordinary gain | - | 150,399 | (2,197) | - |
| Total governmental activities | <u>196,634</u> | <u>346,422</u> | <u>172,560</u> | <u>179,834</u> |
| Business-type activities: | | | | |
| Taxes: | | | | |
| Transient occupancy tax | 1,421 | 541 | - | - |
| Franchise tax | 2,901 | 2,760 | 3,825 | 3,907 |
| Investment earnings | 6,910 | 9,401 | 4,743 | 7,136 |
| Gain on sale of assets | - | - | (92) | (1,161) |
| Miscellaneous revenues | 9,296 | 6,670 | 20,614 | 8,977 |
| Transfers | (16,215) | (19,300) | (20,974) | (16,305) |
| Extraordinary Gain | - | 10,825 | - | - |
| Total business-type activities | <u>4,313</u> | <u>10,897</u> | <u>8,116</u> | <u>2,554</u> |
| Total primary government | <u>200,947</u> | <u>357,319</u> | <u>180,676</u> | <u>182,388</u> |
| Changes in Net Position | | | | |
| Governmental activities | 6,951 | 181,161 | (8,281) | (7,346) |
| Business-type activities | 31,811 | 31,476 | 28,149 | 23,793 |
| Total primary government | <u>\$ 38,762</u> | <u>\$ 212,637</u> | <u>\$ 19,868</u> | <u>\$ 16,447</u> |

Table 2

| | | Fiscal Year | | | | | | | | | |
|----|----------|-------------|----------|------|----------|------|----------|----|----------|----|----------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | | |
| \$ | 56,446 | \$ | 59,141 | \$ | 68,752 | \$ | 63,483 | \$ | 68,275 | \$ | 70,689 |
| | 33,706 | | 36,855 | | 35,708 | | 35,076 | | 44,616 | | 57,513 |
| | 29,316 | | 28,100 | | 28,251 | | 27,881 | | 26,982 | | 26,966 |
| | 13,165 | | 14,864 | | 15,229 | | 15,814 | | 16,948 | | 13,090 |
| | 4,770 | | 4,375 | | 3,491 | | 3,265 | | 4,985 | | 4,091 |
| | 5,836 | | 6,483 | | 6,347 | | 7,196 | | 7,302 | | 6,900 |
| | 2,903 | | 2,542 | | 2,797 | | 2,733 | | 2,881 | | 2,827 |
| | 7,181 | | 7,335 | | 7,298 | | 7,449 | | 7,286 | | 1,614 |
| | 16,648 | | 18,005 | | 18,259 | | 19,996 | | 20,345 | | 20,831 |
| | 4,461 | | 4,955 | | 1,857 | | 3,008 | | 10,922 | | 8,231 |
| | 370 | | (60) | | - | | (299) | | - | | 2,288 |
| | 4,863 | | 14,621 | | 8,224 | | 11,372 | | 8,270 | | 5,493 |
| | - | | 11,128 | | - | | - | | - | | - |
| | 14,657 | | 15,033 | | 18,652 | | 18,766 | | 13,976 | | 14,349 |
| | - | | - | | - | | - | | - | | - |
| | 194,321 | | 223,377 | | 214,865 | | 215,740 | | 232,788 | | 234,882 |
| | - | | - | | - | | - | | - | | - |
| | 4,319 | | 4,575 | | 4,893 | | 5,359 | | 5,787 | | 6,083 |
| | 5,529 | | 6,593 | | 2,372 | | 2,506 | | 16,216 | | 10,940 |
| | - | | (311) | | - | | (49) | | (1,114) | | - |
| | 15,631 | | 42,427 | | 8,154 | | 2,552 | | 3,346 | | 3,069 |
| | (14,657) | | (15,033) | | (18,652) | | (18,766) | | (13,976) | | (14,349) |
| | - | | - | | - | | - | | - | | - |
| | 10,823 | | 38,250 | | (3,233) | | (8,398) | | 10,259 | | 5,743 |
| | 205,143 | | 261,627 | | 211,632 | | 207,342 | | 243,047 | | 240,625 |
| | 38,601 | | 33,782 | | 35,338 | | 15,885 | | 28,874 | | 16,211 |
| | 54,925 | | 69,035 | | 30,351 | | 26,613 | | 35,159 | | 23,694 |
| \$ | 93,525 | \$ | 102,816 | \$ | 65,689 | \$ | 42,498 | \$ | 64,033 | \$ | 39,905 |

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(in thousands)

| | Fiscal Year | | | |
|--------------------------------------|-------------|----------|---------|---------|
| | 2011 | 2012 | 2013 | 2014 |
| General Fund: | | | | |
| Nonspendable | \$ 52 | 8,352 | 8,351 | 8,352 |
| Restricted | - | - | - | - |
| Committed | 39,321 | 80,043 | 37,380 | 34,868 |
| Assigned | 8,583 | 5,510 | 4,249 | 5,043 |
| Unassigned | (1,391) | (40,129) | 11,965 | 15,015 |
| Total general fund | \$ 46,565 | 53,776 | 61,945 | 63,278 |
| All Other Governmental Funds: | | | | |
| Nonspendable | \$ 44,386 | 36,311 | 33,356 | 31,674 |
| Restricted | 85,216 | 85,250 | 69,676 | 57,300 |
| Committed | 54,266 | 59,078 | 62,629 | 72,479 |
| Assigned | - | - | - | - |
| Unassigned | (45,102) | (6,874) | (4,265) | (7,981) |
| Total all other governmental funds | \$ 138,766 | 173,765 | 161,396 | 153,472 |



Table 3

| Fiscal Year | | | | | |
|-------------|---------|----------|---------|---------|------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 8,620 | 12,236 | 11,108 | 4,545 | 1,590 | \$ 14,853 |
| 400 | 400 | 400 | 10,995 | 11,631 | 12,106 |
| 30,951 | 33,451 | 47,563 | 46,949 | 50,775 | 55,120 |
| 11,087 | 17,227 | 26,825 | 12,426 | 15,099 | 25,082 |
| 12,140 | 15,139 | 3,832 | 11,957 | 19,605 | 445 |
| 63,198 | 78,452 | 89,728 | 86,872 | 98,700 | \$ 107,606 |
| 30,997 | 7,799 | 2,482 | 1,574 | 1,478 | \$ 1,554 |
| 52,516 | 55,650 | 55,077 | 58,597 | 67,575 | 71,848 |
| 87,144 | 101,338 | 106,631 | 108,569 | 121,002 | 115,446 |
| - | - | - | - | - | 1,652 |
| (7,482) | (8,126) | (10,950) | (2,273) | (3,574) | (5,180) |
| 163,175 | 156,661 | 153,240 | 166,467 | 186,481 | \$ 185,320 |

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (in thousands)

| | Fiscal Year | | | | |
|--|--------------------|-----------------|----------------|----------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | | |
| Taxes | \$ 153,532 | 141,736 | 130,356 | 136,965 | 153,323 |
| Licenses and permits | 7,063 | 9,525 | 9,196 | 13,675 | 11,235 |
| Intergovernmental revenues | 61,459 | 64,715 | 58,988 | 61,505 | 63,785 |
| Charges for services | 40,820 | 38,939 | 42,006 | 43,416 | 49,413 |
| Fines and forfeits | 6,362 | 6,796 | 7,453 | 6,768 | 7,329 |
| Investment earnings | 25,332 | 11,745 | 11,041 | 5,255 | 4,294 |
| Rental income | 4,601 | 4,462 | 4,355 | 4,064 | 3,822 |
| Miscellaneous revenues | 8,431 | 13,618 | 6,172 | 6,081 | 7,133 |
| Contributions | 2,928 | 5,280 | 1,534 | 7,807 | 11,759 |
| Total revenues | 310,528 | 296,816 | 271,101 | 285,536 | 312,093 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 39,418 | 77,897 | 30,977 | 34,613 | 44,283 |
| Public safety | 100,535 | 100,265 | 99,680 | 99,871 | 106,469 |
| Transportation | 33,895 | 35,275 | 34,419 | 36,912 | 37,018 |
| Utility | - | - | - | - | - |
| Sanitation | 3,782 | 3,517 | 3,744 | 4,106 | 4,274 |
| Health | 11,027 | 10,899 | 13,480 | 13,551 | 13,553 |
| Culture and leisure | 25,214 | 27,192 | 28,240 | 30,039 | 30,505 |
| Community development | 42,043 | 37,848 | 32,447 | 29,579 | 31,933 |
| Capital outlay | 21,612 | 20,645 | 24,907 | 23,571 | 16,855 |
| Debt service: | | | | | |
| Principal retirement | 21,174 | 20,303 | 20,415 | 20,808 | 129,469 |
| Interest | 40,296 | 16,486 | 10,783 | 9,797 | 8,730 |
| Bond issuance costs | - | - | - | - | - |
| Total expenditures | 338,996 | 350,327 | 299,092 | 302,847 | 423,089 |
| Excess (deficiency) of revenues over (under) expenditures | (28,468) | (53,511) | (27,991) | (17,311) | (110,996) |
| Other financing sources (uses): | | | | | |
| Premium (discount) on debt issued | - | - | (459) | - | - |
| Issuance of long-term debt | - | - | 51,097 | 841 | 351 |
| Payment to refunded bond escrow agent | - | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | - |
| Transfers in | 112,078 | 95,951 | 81,635 | 84,444 | 61,085 |
| Transfers out | (96,168) | (77,238) | (63,131) | (65,045) | (50,718) |
| Reinstatement of PCDC Loan (Note 23) | - | - | - | - | - |
| Total other financing sources (uses) | 15,910 | 18,713 | 69,142 | 20,240 | 10,718 |
| Extraordinary gain (loss): | - | - | - | 152,582 | (2,197) |
| Net change in fund balances | \$ (12,558) | (34,798) | 41,151 | 155,511 | (102,475) |
| Debt service as a percentage of noncapital expenditures | 19.4% | 11.2% | 11.4% | 11.0% | 34.0% |

Table 4

| Fiscal Year | | | | |
|-------------|-----------|----------|----------|------------|
| 2016 | 2017 | 2018 | 2019 | 2020 |
| 159,694 | 167,874 | 162,898 | 179,275 | \$ 183,689 |
| 14,946 | 14,882 | 15,022 | 13,979 | 13,297 |
| 65,299 | 62,121 | 74,093 | 75,237 | 78,475 |
| 46,984 | 49,324 | 53,417 | 59,111 | 53,066 |
| 7,378 | 7,802 | 7,262 | 6,377 | 6,520 |
| 4,780 | 1,752 | 1,597 | 9,207 | 7,536 |
| 4,212 | 4,765 | 4,418 | 4,326 | 10,748 |
| 16,341 | 12,072 | 14,240 | 11,929 | 7,082 |
| 6,496 | 5,397 | 5,512 | 12,476 | 8,103 |
| 326,130 | 325,989 | 338,459 | 371,917 | 368,516 |
| 47,488 | 42,054 | 38,611 | 40,655 | 73,958 |
| 111,012 | 116,577 | 126,827 | 133,461 | 138,942 |
| 35,282 | 40,196 | 45,078 | 49,621 | 50,298 |
| - | - | - | - | 6,134 |
| 4,356 | 4,324 | 4,352 | 4,300 | 4,493 |
| 11,294 | 10,309 | 10,977 | 12,522 | 14,250 |
| 32,241 | 32,663 | 37,111 | 34,529 | 34,266 |
| 60,841 | 34,370 | 39,365 | 40,599 | 45,126 |
| 29,032 | 32,254 | 28,707 | 21,492 | 23,795 |
| 6,611 | 6,345 | 10,520 | 5,996 | 5,572 |
| 8,139 | 8,744 | 8,558 | 8,220 | 6,081 |
| - | - | - | - | 562 |
| 346,296 | 327,836 | 350,106 | 351,395 | 403,477 |
| (20,166) | (1,847) | (11,647) | 20,522 | (34,961) |
| (2,283) | 5,790 | - | - | - |
| 119,460 | 60,460 | - | - | 138,605 |
| - | (60,762) | - | - | (131,154) |
| - | - | - | - | 31,819 |
| 51,606 | 121,920 | 80,737 | 76,926 | 72,394 |
| (38,028) | (109,631) | (62,326) | (62,000) | (67,530) |
| - | 11,128 | - | - | - |
| 130,755 | 28,905 | 18,411 | 14,926 | 44,134 |
| - | - | - | - | - |
| 110,589 | 27,058 | 6,764 | 35,448 | \$ 9,173 |

4.6%

5.1%

5.9%

4.3%

4.3%

Table 5

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
 (in thousands)

| Fiscal Year | Secured Valuations | Homeowners Exemption | Net Secured Valuations | Unsecured Valuations | Total Assessed Valuation | Total Direct Tax Rate |
|-------------|--------------------|----------------------|------------------------|----------------------|--------------------------|-----------------------|
| 2011 | 20,481,388 | (138,275) | 20,343,113 | 605,404 | 20,948,517 | 0.34% |
| 2012 | 20,969,532 | (137,843) | 20,831,689 | 567,527 | 21,399,216 | 0.32% |
| 2013 | 21,368,295 | (136,241) | 21,232,054 | 571,614 | 21,803,668 | 0.24% |
| 2014 | 22,534,203 | (134,257) | 22,399,946 | 575,006 | 22,974,952 | 0.22% |
| 2015 | 23,756,525 | (131,813) | 23,624,712 | 608,539 | 24,233,251 | 0.25% |
| 2016 | 25,354,224 | (130,238) | 25,223,986 | 602,659 | 25,826,645 | 0.26% |
| 2017 | 26,599,121 | (128,241) | 26,470,880 | 625,032 | 27,095,912 | 0.30% |
| 2018 | 28,631,957 | (126,543) | 28,505,414 | 638,858 | 29,144,272 | 0.25% |
| 2019 | 30,388,233 | (124,908) | 30,263,325 | 662,995 | 30,926,320 | 0.23% |
| 2020 | 32,158,077 | (123,481) | 32,034,595 | 672,205 | 32,706,801 | 0.25% |

NOTES:

Amounts pertaining to the Pasadena Community Development Commission and the City have been combined.

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of Los Angeles Tax Assessor and HdL Coren & Cone, starting from FY 2020.



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Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| City Direct Rates: | | | | | |
| City basic rate | 0.1891 | 0.1921 | 0.1970 | 0.1918 | 0.2329 |
| Pasadena Community Development Commission (PCDC) | 0.1489 | 0.0605 | - | - | - |
| PCDC Successor Agency | - | 0.0657 | 0.0437 | 0.0282 | 0.0219 |
| Total City Direct Rate | <u>0.3380</u> | <u>0.3183</u> | <u>0.2407</u> | <u>0.2200</u> | <u>0.2548</u> |
| Overlapping Rates: | | | | | |
| Los Angeles County General | 0.3307 | 0.3346 | 0.4266 | 0.4483 | 0.4118 |
| La Canada Unified School District | | | | | |
| Pasadena School District | 0.4392 | 0.3589 | 0.4389 | 0.4379 | 0.4389 |
| Pasadena Community College District | - | - | - | - | - |
| Flood Control District | 0.1231 | 0.1121 | 0.1248 | 0.1247 | 0.1254 |
| Metropolitan Water District | - | - | - | - | - |
| Total Direct Rate | <u>0.0037</u> | <u>0.0037</u> | <u>0.0035</u> | <u>0.0035</u> | <u>0.0035</u> |
| Total Direct Rate | <u>1.2347</u> | <u>1.1276</u> | <u>1.2345</u> | <u>1.2344</u> | <u>1.2344</u> |

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various intergovernmental overlapping debt.

PCDC dissolved in January 2012, thereby, this schedule represents its seven months of enforceable obligations. The remaining five months are reported under the Successor Agency for the former PCDC.

The La Canada Unified School District Election of 2017 General Obligation Bonds, Series A, were authorized at an election of the registered voters of the La Canada Unified School District. The Bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. The total ad valorem tax rates levied, as a percentage of assessed valuation, by all taxing entities in Tax Rate Area 4774, which includes Pasadena Area Community College District.

Source: County of Los Angeles Tax Assessor and HdL Coren & Cone, starting from FY 2019.



Table 6

| 2016 | 2017 | 2018 | 2019 | 2020 |
|--------|--------|--------|--------|--------|
| 0.2290 | 0.2537 | 0.2178 | 0.2208 | 0.2161 |
| - | - | - | - | - |
| 0.0331 | 0.0479 | 0.0356 | 0.0096 | 0.0301 |
| 0.2621 | 0.3016 | 0.2534 | 0.2304 | 0.2462 |
| 0.4060 | 0.3647 | 0.4169 | 0.4396 | 0.4238 |
| | | | 0.0579 | 0.0552 |
| 0.4375 | 0.4386 | 0.4359 | 0.4363 | 0.4365 |
| - | - | - | - | - |
| 0.1254 | 0.1260 | 0.1248 | 0.1247 | 0.1245 |
| - | - | - | - | - |
| 0.0035 | 0.0035 | 0.0035 | 0.0035 | 0.0035 |
| 1.2345 | 1.2344 | 1.2345 | 1.2924 | 1.2897 |

Table 7

**Principal Property Taxpayers
Current Year and Ten Years Ago**

| Property Owner | 2020 | | 2011 | |
|---|--------------------------|--|--------------------------|--|
| | Total Assessed Valuation | Percent of Total City Taxable Assessed Valuation | Total Assessed Valuation | Percent of Total City Taxable Assessed Valuation |
| Kaiser Foundation Health Plan | \$ 286,200,393 | 0.88% | \$ 218,652,076 | 1.04% |
| Cpus Pasadena LP | 271,669,246 | 0.83% | - | 0.00% |
| BPP East Union LLC | 213,302,803 | 0.65% | - | 0.00% |
| PPF Off 100 W Walnut St LP | 181,257,124 | 0.55% | - | 0.00% |
| PPF Off 74 N Psdna Ave | 168,444,786 | 0.52% | - | 0.00% |
| Western Asset Plaza LLC | 168,179,829 | 0.51% | - | 0.00% |
| Pacific Huntington Hotel Corp | 167,204,770 | 0.51% | 160,189,387 | 0.76% |
| 177 Colorado Owner LLC | 164,730,000 | 0.50% | - | 0.00% |
| Trio Pasadena LLC | 160,270,952 | 0.49% | - | 0.00% |
| SFIII Lake LLC | 156,046,307 | 0.48% | - | 0.00% |
| Leonard M Marangi Et Al Trust | - | 0.00% | 456,711,319 | 2.18% |
| Paseo Colorado Holdings LLC | - | 0.00% | 191,828,405 | 0.92% |
| Maguire Partners Wap LLC | - | 0.00% | 128,706,466 | 0.61% |
| Equity Office Properties Trust | - | 0.00% | 127,437,391 | 0.61% |
| Tishman Speyer Archstone Smith | - | 0.00% | 119,186,722 | 0.57% |
| SSR Paseo Colorado LLC | - | 0.00% | 109,888,463 | 0.52% |
| Pasadena Towers LLC | - | 0.00% | 108,116,048 | 0.52% |
| South Lake Ave Investors LLC | - | 0.00% | 107,603,992 | 0.51% |
| Total principal property taxpayers gross assessed value | <u>\$1,937,306,210</u> | 5.92% | <u>\$1,728,320,269</u> | 8.24% |

The amounts shown above include assessed value data for both the City and the Redevelopment Agency. Data is only presented for the top ten properties in each of the two years presented.

Source: HdL Coren & Cone, starting from FY 2020.

Table 8

Property Tax Levies and Collections (1)
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------|--|---|--------------------|---------------------------------------|---------------------------|------------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy (2) |
| 2011 | \$ 37,774,007 | \$ 36,668,527 | 97.07% | \$ 505,708 | \$ 36,668,527 | 97.07% |
| 2012 | 38,752,298 | 38,214,429 | 99.92% | 567,546 | 38,214,429 | 98.61% |
| 2013 | 39,044,561 | 38,331,579 | 99.63% | 516,462 | 38,331,579 | 98.17% |
| 2014 | 41,214,435 | 41,488,565 | 100.67% | 626,989 | 41,488,565 | 100.67% |
| 2015 | 43,784,611 | 53,950,721 | 123.22% | * | 53,950,721 | 123.22% |
| 2016 | 46,436,623 (3) | 56,653,799 | 122.63% | * | 56,653,799 | 122.63% |
| 2017 | 48,735,223 (3) | 66,159,085 | 134.82% | * | 66,159,085 | 134.82% |
| 2018 | 52,461,971 (3) | 58,934,277 | 112.34% | 608,224 | 58,934,277 | 112.34% |
| 2019 | 55,562,005 | 65,535,044 | 117.95% | * | 65,535,044 | 117.95% |
| 2020 | 59,511,441 | 67,889,708 | 114.08% | * | 67,889,708 | 114.08% |

⁽¹⁾ Excludes collections from Police Building General Obligation Bond Assessment.

⁽²⁾ This percentage may exceed 100% because information provided by Tax Assessor may not clearly identify the year collected.

⁽³⁾ Taxes Levied for the Fiscal Years 2016, 2017 and 2018 restated on Fiscal Year 2019 table.

* Collection in subsequent year information not available.

Source: County of Los Angeles, Department of Auditor-Controller, Information for Reconciliation of Taxes.

Electricity Sold by Type of Customer
Last Ten Fiscal Years
 (in Megawatt-Hours)

| | Fiscal Year | | | | |
|--|---------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Type of Customer: | | | | | |
| Residential | \$ 319,657 | 316,084 | 334,179 | 316,631 | 324,657 |
| Commercial and Industrial | 813,566 | 783,296 | 776,816 | 783,878 | 768,735 |
| Street Lights and Traffic Signals | 15,640 | 15,598 | 15,683 | 13,678 | 13,423 |
| Wholesales to Other Utilities | 168,613 | 199,045 | 185,361 | 36,811 | 30,969 |
| Other | 10,697 | (867) | 574 | - | - |
| Total | <u>\$ 1,328,173</u> | <u>1,313,156</u> | <u>1,312,613</u> | <u>1,150,998</u> | <u>1,137,784</u> |
| Total direct rate per megawatt hour ⁽¹⁾ | 139.32 | 147.09 | 139.95 | 162.46 | 163.43 |

⁽¹⁾ Rate represents average cost per megawatt hour with respect to total revenue sales from electricity.

Source: Pasadena Water and Power



Table 9

| 2016 | 2017 | Fiscal Year | | | 2020 |
|------------------|------------------|------------------|------------------|---------------------|------|
| | | 2018 | 2019 | 2020 | |
| 326,023 | 320,280 | 320,878 | 325,487 | \$ 319,437 | |
| 755,510 | 720,678 | 709,597 | 686,614 | 657,633 | |
| 13,384 | 13,368 | 13,372 | 13,371 | 12,273 | |
| 310 | - | 20,719 | 26,868 | 68,714 | |
| - | - | - | - | - | |
| <u>1,095,227</u> | <u>1,054,326</u> | <u>1,064,566</u> | <u>1,052,340</u> | <u>\$ 1,058,057</u> | |
| 173.54 | 178.48 | 179.07 | 174.22 | 173.28 | |

Table 10

Electricity Rates
Last Ten Fiscal Years
 (Average Rate in Dollars per Kilowatt-Hour)

| Fiscal Year Ended June 30* | Residential | Commercial & Industrial | Traffic Signals | Other |
|----------------------------|-------------|----------------------------|-----------------|-------|
| 2011 | \$ 0.1554 | \$ 0.1337 | \$ 0.1367 | N/A |
| 2012 | 0.1570 | 0.1362 | 0.1396 | N/A |
| 2013 | 0.1613 | 0.1443 | 0.1313 | N/A |
| 2014 | 0.1612 | 0.1442 | 0.1427 | N/A |
| 2015 | 0.1784 | 0.1556 | 0.1514 | N/A |
| 2016 | 0.1827 | 0.1582 | 0.1505 | N/A |
| 2017 | 0.1826 | 0.1597 | 0.1467 | N/A |
| 2018 | 0.1927 | 0.1684 | 0.1495 | N/A |
| 2019 | 0.1940 | 0.1677 | 0.1495 | N/A |
| 2020 | 0.2092 | 0.1867 | 0.1793 | N/A |

* FY 2011 - FY 2020 include Public Benefit Charge (PBC)

Source: Pasadena Water and Power



Table 11

Electricity Customers
Current Year

| Electricity Customer | 2020 | |
|------------------------------------|---------------------|--|
| | Electricity Charges | Percent of Operating Electric Revenues |
| Pasadena Hospital Association | \$ 5,201,649 | 2.40% |
| California Institute of Technology | 2,546,758 | 1.17% |
| Pasadena Unified School District | 2,531,355 | 1.17% |
| Pasadena City College | 2,439,538 | 1.13% |
| Water Department | 2,134,078 | 0.98% |
| Street Lights | 1,998,660 | 0.92% |
| Public Works | 1,503,288 | 0.69% |
| Metropolitan Transit Authority | 1,473,661 | 0.68% |
| Art Center College of Design | 1,416,997 | 0.65% |
| Kaiser Permanente | 1,347,369 | 0.62% |
| | \$ 22,593,354 | 10.42% |

Source: Pasadena Water and Power

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Governmental Activities | | | | |
|---------------------------------|--------------------------------|--------------------|------------------|--------------------------------------|-------------------------------|
| | General Obligation Bonds | Revenue Bonds ^ | Pension Bonds | Certificates of Participation (1) | Tax Allocation Bonds ** |
| 2011 | \$ - | 8,405,000 | 103,935,000 | 103,651,183 | 5,149,000 |
| 2012 | - | 7,880,000 | 143,040,000 | 94,920,443 | - |
| 2013 | - | 6,700,000 | 133,905,000 | 85,772,925 | - |
| 2014 | - | 6,180,000 | 123,890,000 | 76,589,936 | - |
| 2015 | - | 5,617,649 | 117,184,671 | 73,165,019 | - |
| 2016 | - | 5,059,568 | 117,259,853 | 73,397,830 | - |
| 2017 | - | 4,501,487 | 117,335,939 | 68,275,669 | - |
| 2018 | - | - | 117,412,025 | 62,967,375 | - |
| 2019 | - | - | 117,488,112 | 57,635,920 | - |
| 2020 | - | - | 136,738,949 | 55,477,731 | - |

^ Information of Revenue Bonds under Governmental Activities was added in FY 2011

(1) Restated COP prior year data 2007 to 2011

**FY 2012's balance from Tax Allocation Bonds under Governmental Activities were transferred to FY 2012's Long-Term Liabilities under Private Purpose Trust Fund.

*** Beginning with fiscal year 2015, the City implemented GASB 68, so the pension liability amount was removed from the long term debt section.

Beginning with fiscal year 2018, the City implemented GASB 75, so the other post employment benefits liability amount was removed from the long term debt section.

Beginning with fiscal year 2019, the City implemented GASB 88, so the other compensated absences and insurance claim liability amount were removed from the long term debt section.

Source: City of Pasadena Notes to Financial Statements and Statistical Table 18



Table 12

| Capitalized Lease Obligations | Notes Payable | Other *** | Total Governmental Activities |
|-------------------------------------|------------------|------------|-------------------------------------|
| 8,196,271 | 3,420,722 | 92,795,473 | \$325,552,649 |
| 9,494,610 | 685,000 | 61,632,939 | 317,652,992 |
| 8,532,705 | 925,642 | 75,837,593 | 311,673,865 |
| 7,542,101 | 561,673 | 89,295,467 | 304,059,177 |
| 6,153,430 | 547,411 | 67,172,783 | 269,840,963 |
| 4,838,030 | 6,532,849 | 69,774,761 | 276,862,891 |
| 3,360,807 | 6,217,983 | 87,229,120 | 286,921,005 |
| 1,844,179 | 5,902,803 | 59,668,752 | 247,795,134 |
| 832,685 | 5,587,305 | - | 181,544,022 |
| 6,811,926 | 5,271,481 | - | 204,300,087 |

(continued)

Ratios of Outstanding Debt by Type (continued)
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Business-type Activities | | | | | Total Business-type Activities |
|---------------------------------|--------------------------|----------------------------------|-------------------------------------|------------------|--------------|--------------------------------------|
| | Revenue Bonds | Certificates of Participation | Capitalized Lease Obligations | Notes Payable | Other | |
| 2011 | \$ 263,190,000 | \$ 17,393,817 | \$ 111,754 | \$ 1,421,679 | \$ 2,069,094 | \$ 284,186,344 |
| 2012 | 251,565,000 | 13,764,557 | 78,828 | 1,283,965 | 2,641,858 | 269,334,208 |
| 2013 | 239,665,000 | 9,837,075 | 44,626 | 1,139,066 | 3,346,787 | 254,032,554 |
| 2014 | 304,245,000 | 8,125,064 | 9,096 | 986,804 | (3,040,335) | 310,325,629 |
| 2015 | 303,423,927 | 6,300,977 | - | 826,805 | - | 310,551,709 |
| 2016 | 289,292,444 | 4,358,024 | - | 658,777 | - | 294,309,245 |
| 2017 | 366,890,070 | 2,291,366 | - | 482,108 | - | 369,663,544 |
| 2018 | 348,915,418 | 105,841 | - | 296,462 | - | 349,317,721 |
| 2019 | 330,295,767 | - | 3,252,694 | 101,224 | - | 333,649,685 |
| 2020 | 311,558,207 | - | 2,824,168 | - | - | 314,382,375 |

* Percentage of Personal Income and Debt Per Capital (See Table 18), correction made retroactive to FY2008

**FY 2012's balance from Tax Allocation Bonds under Governmental Activities were transferred to FY 2012's Long-Term Liabilities under Private Purpose Trust Fund

Source: City of Pasadena Notes to Financial Statements and Statistical Table 18.

Table 12

| | Total Primary Government | Private Purpose Long-Term Liabilities** | Percentage of Personal Income * | Debt Per Capita * |
|----|---|--|--|----------------------------------|
| \$ | 609,738,993 | \$ - | 10.74% | 4,389 |
| | 586,987,200 | 66,886,678 | 10.32% | 4,216 |
| | 565,706,419 | 51,256,905 | 10.86% | 4,040 |
| | 614,384,806 | 48,552,905 | 10.34% | 4,361 |
| | 580,392,672 | 7,525,000 | 9.73% | 4,101 |
| | 571,172,136 | 16,553,159 | 9.67% | 4,050 |
| | 656,584,549 | 10,483,543 | 10.44% | 4,581 |
| | 597,112,855 | 3,501,092 | 8.86% | 4,135 |
| | 515,193,707 | 635,000 | 8.24% | 3,521 |
| | 518,682,462 | 435,000 | 8.11% | 3,581 |

**Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Outstanding General Bonded Debt | | | | | | Total |
|---------------------------------|---------------------------------|------------------|------------------|----------------------------------|-------------------------------|--|-------------|
| | General Obligation Bonds | Revenue Bonds | Pension Bonds | Certificates of Participation | Tax Allocation Bonds ** | | |
| 2011 | \$ - | 8,405,000 | 103,935,000 | 103,651,183 | 5,149,000 | | 221,140,183 |
| 2012 | - | 7,880,000 | 143,040,000 | 94,920,443 | - | | 245,840,443 |
| 2013 | - | 6,700,000 | 133,905,000 | 85,772,925 | - | | 226,377,925 |
| 2014 | - | 6,180,000 | 123,890,000 | 76,589,936 | - | | 206,659,936 |
| 2015 | - | 5,617,649 | 117,184,671 | 73,165,019 | - | | 195,967,339 |
| 2016 | - | 5,059,568 | 117,259,853 | 73,397,830 | - | | 195,717,251 |
| 2017 | - | 4,501,487 | 117,335,939 | 68,275,669 | - | | 190,113,095 |
| 2018 | - | - | 117,412,025 | 62,967,375 | - | | 180,379,400 |
| 2019 | - | - | 117,488,112 | 57,635,920 | - | | 175,124,032 |
| 2020 | - | - | 136,738,949 | 55,477,731 | - | | 192,216,680 |

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

⁽¹⁾ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**FY 2012's balance from Tax Allocation Bonds under Governmental Activities were transferred to FY 2012's Long-Term Liabilities under the Private Purpose Trust Funds.



Table 13

| Restricted Net Assets for Debt Service | Net Bonded Debt | Percent of Assessed Value 1 | Per Capita |
|--|--------------------|-----------------------------------|---------------|
| 40,502,909 \$ | 180,637,274 | 1.06% | 1,592 |
| - | 245,840,443 | 1.15% | 1,766 |
| 31,126,374 | 195,251,551 | 1.04% | 1,617 |
| 24,754,798 | 181,905,138 | 0.90% | 1,467 |
| 9,723,366 | 186,243,973 | 0.81% | 1,316 |
| 12,036,110 | 183,681,141 | 0.71% | 1,302 |
| 11,519,460 | 178,593,635 | 0.70% | 1,246 |
| 11,528,304 | 168,851,096 | 0.62% | 1,169 |
| 11,931,653 | 163,192,379 | 0.57% | 1,115 |
| 11,883,151 | 180,333,529 | 0.59% | 1,245 |

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Legal Debt Margin Information
Last Ten Fiscal Years
 (in thousands)

| | Fiscal Year | | | | |
|---|-------------|------------|------------|------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Assessed valuation | \$ 605,404 | \$ 567,527 | \$ 571,614 | \$ 575,006 | \$ 24,233,251 |
| Conversion percentage | 25% | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 151,351 | 141,882 | 142,904 | 143,752 | 6,058,313 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 22,703 | 21,282 | 21,436 | 21,563 | 908,747 |
| Total net debt applicable to limit: | \$ - | \$ - | \$ - | \$ - | \$ - |
| Legal debt margin | \$ 22,703 | \$ 21,282 | \$ 21,436 | \$ 21,563 | \$ 908,747 |
| Total debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Pasadena, Department of Finance Los Angeles County Tax Assessor



Table 15

| | | Fiscal Year | | | | | | | |
|----|------------|-------------|------------|------|------------|------|------------|----|------------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| \$ | 25,826,921 | \$ | 27,095,911 | \$ | 29,144,272 | \$ | 30,926,320 | \$ | 32,706,801 |
| | 25% | | 25% | | 25% | | 25% | | 25% |
| | 6,456,730 | | 6,773,978 | | 7,286,068 | | 7,731,580 | | 8,176,700 |
| | 15% | | 15% | | 15% | | 15% | | 15% |
| | 968,510 | | 1,016,097 | | 1,092,910 | | 1,159,737 | | 1,226,505 |
| \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| \$ | 968,510 | \$ | 1,016,097 | \$ | 1,092,910 | \$ | 1,159,737 | \$ | 1,226,505 |
| | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% |

**Pledged-Revenue Coverage
Governmental Activity Debt
Last Ten Fiscal Years
(in thousands)**

| Fiscal Year Ended June 30 | General Obligation Bonds | | | | | Tax Increment |
|---------------------------------|--------------------------|--------------|----------|----------|------|------------------|
| | Property Taxes | Debt Service | | Coverage | | |
| | | Principal | Interest | | | |
| 2011 | \$ 39,608 | \$ - | \$ - | - | \$ - | 31,195 |
| 2012 | 41,106 | - | - | - | - | 12,945 |
| 2013 | 44,066 | - | - | - | - | - |
| 2014 | 44,066 | - | - | - | - | - |
| 2015 | 56,446 | - | - | - | - | - |
| 2016 | 59,141 | - | - | - | - | - |
| 2017 | 68,752 | - | - | - | - | - |
| 2018 | 63,484 | - | - | - | - | - |
| 2019 | 68,276 | - | - | - | - | - |
| 2020 | 70,689 | - | - | - | - | - |

Note: Details regarding the City’s outstanding debt can be found in the notes to the financial statements.

*Up to January 31, 2012, the date of PCDC dissolution, tax increment was reported under Primary Government grouping.

**As of February 1, 2012, tax increment is reported under Private Purpose Trust Fund grouping.

Prior to fiscal year 2015, gross amount was reported (before deduction of Pass-through and County Administrative Cost).

Starting in fiscal year 2015, net amount is reported (post deduction of Pass-through and County Administrative Cost).



Table 16

| Tax Allocation Bonds | | | | | | | | |
|----------------------|----------|----------|------------------------------|-----------|----------|--------------|--|--|
| Primary Government* | | | Private Purpose Trust Fund** | | | | | |
| Debt Service | | | Tax | | | Debt Service | | |
| Principal | Interest | Coverage | Increment ** | Principal | Interest | Coverage | | |
| \$ 1,273 | \$ 315 | 20.00% | \$ - | \$ - | - | - | | |
| 455 | 182 | 20.00% | 14,065 | 500 | 65 | 24.88% | | |
| - | - | - | 9,537 | 13,433 | 1,187 | 0.65% | | |
| - | - | - | 6,486 | 2,704 | 725 | 1.89% | | |
| - | - | - | 1,925 | 2,245 | 409 | 0.73% | | |
| - | - | - | 4,965 | 2,100 | 284 | 2.08% | | |
| - | - | - | 9,327 | 2,235 | 234 | 3.78% | | |
| - | - | - | 4,586 | 2,360 | 177 | 1.81% | | |
| - | - | - | 143 | 195 | 35 | 0.62% | | |
| - | - | - | 65 | 200 | 26 | 0.29% | | |

Table 17

**Pledged-Revenue Coverage
Business-Type Activity Debt
Last Ten Fiscal Years
(in thousands)**

| Fiscal Year Ended June 30 | Light & Power Revenue Bonds | | | | | | Coverage |
|---------------------------|-----------------------------|-----------------------------|-----------------------|-----------|---------------------------|---------|----------|
| | Light & Power Revenue (1) | Less Operating Expenses (2) | Net Available Revenue | Principal | Debt Service (3) Interest | | |
| 2011 | \$ 193,049 | \$ 142,962 | \$ 50,087 | \$ 5,320 | \$ 6,261 | 432.49% | |
| 2012 | 192,542 | 149,327 | 43,215 | 7,945 | 6,181 | 305.93% | |
| 2013 | 193,400 | 159,351 | 34,049 | 9,060 | 5,885 | 227.83% | |
| 2014 | 193,701 | 155,663 | 38,038 | 8,695 | 7,190 | 239.46% | |
| 2015 | 207,745 | 147,810 | 59,935 | 8,950 | 8,715 | 339.29% | |
| 2016 | 204,224 | 146,510 | 57,714 | 9,340 | 8,347 | 326.31% | |
| 2017 | 204,287 | 151,499 | 52,788 | 11,290 | 10,865 | 238.27% | |
| 2018 | 213,873 | 148,636 | 65,237 | 12,000 | 11,250 | 280.59% | |
| 2019 | 230,980 | 155,634 | 75,346 | 12,475 | 10,778 | 324.03% | |
| 2020 | 226,285 | 156,038 | 70,247 | 13,005 | 10,249 | 302.09% | |

| Fiscal Year Ended June 30 | Water Revenue Bonds | | | | | | Coverage |
|---------------------------|---------------------------|-----------------------------|-----------------------|-----------|---------------------------|---------|----------|
| | Light & Power Revenue (1) | Less Operating Expenses (2) | Net Available Revenue | Principal | Debt Service (3) Interest | | |
| 2011 | \$ 47,353 | \$ 31,480 | \$ 15,873 | \$ 2,300 | \$ 3,518 | 272.83% | |
| 2012 | 54,777 | 36,413 | 18,364 | 2,390 | 4,340 | 272.87% | |
| 2013 | 58,839 | 37,699 | 21,140 | 2,985 | 4,188 | 294.72% | |
| 2014 | 61,772 | 42,615 | 19,157 | 3,070 | 4,045 | 269.25% | |
| 2015 | 58,039 | 38,810 | 19,229 | 3,185 | 3,915 | 270.83% | |
| 2016 | 51,538 | 35,501 | 16,037 | 3,305 | 3,782 | 226.29% | |
| 2017 | 58,551 | 38,589 | 19,962 | 4,430 | 3,634 | 247.54% | |
| 2018 | 62,819 | 43,801 | 19,018 | 3,525 | 3,456 | 272.43% | |
| 2019 | 62,244 | 45,322 | 16,922 | 3,695 | 3,287 | 242.37% | |
| 2020 | 63,901 | 47,447 | 16,454 | 2,475 | 3,114 | 294.40% | |

(1) Total operating revenues including investment earnings
 (2) Total operating expenses exclusive of depreciation
 (3) Requirements are reported on a cash basis, excluding premiums

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

* Amount restated

Table 18

Demographic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Personal Income (in thousands) | Per Capita Personal Income (2) | Unemployment Rate (3) |
|-------------|----------------|-----------------------------------|-----------------------------------|--------------------------|
| 2011 | 138,915 | \$ 5,677,039 | \$ 40,867 | 12.6% |
| 2012 | 139,222 | 5,689,585 | 40,867 | 9.1% |
| 2013 | 140,020 | 5,206,803 | 37,186 | 8.4% |
| 2014 | 140,879 | 5,940,727 | 42,169 | 5.8% |
| 2015 | 141,510 | 5,965,432 | 42,156 | 6.3% |
| 2016 | 141,023 | 5,905,778 | 41,878 | 6.0% |
| 2017 | 143,333 | 6,287,051 | 43,863 | 4.7% |
| 2018 | 144,388 | 6,736,226 | 46,654 | 3.5% |
| 2019 | 146,312 | 6,251,241 | 42,725 | 4.0% |
| 2020 | 144,842 | 6,399,297 | 44,181 | 3.9% |

Source:

HdL, Coren & Cone (Source: 2019-2020)

Avenu Insights & Analytics (Source: 2018 and prior)

⁽¹⁾ California Department of Finance Projections⁽²⁾ U.S. Census Bureau, 2010 American Community Survey⁽³⁾ State of California, Employment Development Department, Bureau of Labor Statistics Department

Table 19

Principal Employers
Current Year and Nine Years Ago

| Employer | 2020 | | 2011 | |
|--|---------------------|-----------------------------|---------------------|-----------------------------|
| | Number of Employees | Percent of Total Employment | Number of Employees | Percent of Total Employment |
| California Institute of Technology - Jet Propulsion Laboratory | 5,029 | 9.04% | 4,887 | 4.29% |
| Kaiser Permanente | 4,760 | 8.56% | 4,500 | 3.95% |
| California Institute of Technology - Campus | 3,900 | 7.01% | 3,700 | 3.25% |
| Huntington Memorial Hospital | 3,200 | 5.75% | 3,300 | 2.89% |
| Pasadena City College | 2,619 | 4.71% | 3,465 | 3.04% |
| Pasadena Unified School District | 2,420 | 4.35% | 2,665 | 2.34% |
| The City of Pasadena | 2,276 | 4.09% | 1,967 | 1.73% |
| Bank of America | 1,300 | 2.34% | 2,500 | 2.19% |
| Pacific Clinics Administration | 1,100 | 1.98% | 550 | 0.48% |
| Art Center College of Design | 883 | 1.59% | 897 | 0.78% |
| Hathaway-Sycamores | 657 | 1.18% | 550 | 0.48% |
| The Langham Huntington Hotel (The Ritz-Carlton) | 592 | 1.06% | 550 | 0.48% |
| East West Bank | 569 | 1.02% | 400 | * |
| Western Asset | 558 | 1.00% | 400 | * |
| One West Bank | 554 | 1.00% | * | * |
| San Gabriel Valley Newspapers | 525 | 0.94% | * | * |
| AT&T (SBC in 2007, Pacific Bell in 1998) | 491 | 0.88% | 2,525 | 2.21% |

Source:

Pasadena Chamber of Commerce unless noted below:

⁽¹⁾ For City of Pasadena, the number includes seasonal employees. The information was provided by City of Pasadena Human Resources.

⁽²⁾ Total Employment, as used above, represents the total employment of all employers located within City limits. The information was provided by City of Pasadena Business License Division.

* Data not available

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Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | |
|----------------------|----------------|----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General government | 448.4 | 338.0 | 348.5 | 338.0 | 365.0 |
| Public safety | 568.8 | 560.0 | 562.9 | 540.0 | 548.0 |
| Public works | 340.4 | 292.0 | 306.6 | 293.0 | 315.0 |
| Transportation | 45.0 | 43.0 | 45.0 | 51.0 | 50.0 |
| Health | 92.0 | 96.0 | 103.9 | 124.0 | 125.0 |
| Culture and leisure | 139.4 | 210.0 | 192.2 | 281.0 | 94.0 |
| Water & power | 434.0 | 371.0 | 422.0 | 355.0 | 426.0 |
| Information services | 105.4 | 150.0 | 104.9 | 140.0 | 107.0 |
| Seasonal | - | 119.0 | 288.0 | 267.0 | 192.0 |
| Total | 2,173.4 | 2,179.0 | 2,374.0 | 2,389.0 | 2,222.0 |

Source: City Payroll Office



Table 20

| Fiscal Year | | | | |
|----------------|----------------|----------------|----------------|----------------|
| 2016 | 2017 | 2018 | 2019 | 2020 |
| 382.0 | 405.0 | 394.0 | 393.0 | 466.9 |
| 550.0 | 563.0 | 561.0 | 557.0 | 564.8 |
| 317.0 | 320.0 | 320.0 | 320.0 | 319.0 |
| 51.0 | 51.0 | 50.0 | 50.0 | 50.0 |
| 85.0 | 80.0 | 84.0 | 89.0 | 100.6 |
| 97.0 | 103.0 | 107.0 | 105.0 | 107.2 |
| 433.0 | 443.0 | 406.0 | 418.0 | 417.0 |
| 108.0 | 108.0 | 105.0 | 104.0 | 103.6 |
| 265.0 | 262.0 | 260.0 | 242.0 | 41.0 |
| <u>2,288.0</u> | <u>2,335.0</u> | <u>2,287.0</u> | <u>2,278.0</u> | <u>2,170.0</u> |

Operating Indicators by Function
Last Ten Fiscal Years

| | Fiscal Year | | | | |
|--|-------------|---------|---------|---------|---------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Police: | | | | | |
| Arrests | 6,481 | 6,031 | 4,906 | 3,852 | 3,966 |
| Transportation: | | | | | |
| Parking citations issued** | 142,615 | 160,384 | 172,154 | 168,896 | 185,832 |
| Fire: | | | | | |
| Number of emergency calls*** | 15,647 | 16,431 | 16,570 | 17,368 | 18,237 |
| Inspections | * | 7,168 | 7,123 | 7,445 | 7,500 |
| Water: | | | | | |
| New connections | 66 | 42 | 55 | 57 | 31 |
| Average daily consumption (thousands of gallons) | 24,528 | 25,174 | 26,982 | 28,368 | 25,436 |

* Information was not available.

** Parking citations were originally reported under Police Dept. This category moved to Transportation Department in FY 2010 because a majority of parking tickets are issued by Transportation Department.

*** FY2015 initially reported as 14,349; corrected in FY 2016 to 18,237.



Table 21

| 2016 | 2017 | Fiscal Year | | | 2020 |
|---------|---------|-------------|---------|---------|------|
| | | 2018 | 2019 | | |
| 4,210 | 4,078 | 5,701 | 6,018 | 5,444 | |
| 166,481 | 175,430 | 150,945 | 129,108 | 125,715 | |
| 19,488 | 19,458 | 19,483 | 19,016 | 19,223 | |
| 8,296 | 9,251 | 9,096 | 8,959 | 8,253 | |
| 35 | 98 | 100 | 88 | 65 | |
| 21,144 | 22,535 | 24,757 | 23,519 | 23,083 | |

Capital Asset Statistics by Function
Last Ten Fiscal Years

| | Fiscal Year | | | | |
|---------------------------------|-------------|--------|--------|--------|--------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Police: | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Substations | 5 | 5 | 5 | 5 | 3 |
| Fire: | | | | | |
| Fire stations | 7 | 7 | 8 | 8 | 8 |
| Transportation: | | | | | |
| Streets (miles) | 322 | 322 | 322 | 357 | 357 |
| Streetlights | 17,069 | 17,100 | 17,207 | 17,452 | 17,584 |
| Traffic signals | 327 | 329 | 329 | 329 | 330 |
| Parking facilities | 12 | 12 | 9 | 9 | 9 |
| Culture and leisure: | | | | | |
| Park sites | 24 | 24 | 20 | 20 | 20 |
| Community centers | 5 | 4 | 4 | 4 | 4 |
| Libraries | 10 | 10 | 10 | 10 | 10 |
| Electric Utility: | | | | | |
| Power plants | 1 | 1 | 1 | 1 | 1 |
| Customers | 63,957 | 64,163 | 64,931 | 65,039 | 65,564 |
| Miles of service | 525 | 525 | 673 | 680 | 680 |
| Maximum capacity (megawatts) | 175 | 175 | 174 | 175 | 174 |
| Water: | | | | | |
| Water mains (miles) | 508 | 508 | 516 | 520 | 520 |
| Customers | 38,036 | 38,069 | 37,911 | 37,974 | 37,972 |
| Average daily consumption (mgd) | 26.70 | 25.17 | 26.98 | 28.37 | 25.43 |

Source: City of Pasadena



Table 22

| | | Fiscal Year | | | | |
|--------|--------|-------------|--------|--------|--------|--|
| 2016 | 2017 | 2018 | 2019 | 2020 | | |
| 1 | 1 | 1 | 1 | 1 | 1 | |
| 3 | 3 | 2 | 2 | 2 | 2 | |
| 8 | 8 | 8 | 8 | 8 | 8 | |
| 357 | 338 | 338 | 338 | 338 | 338 | |
| 17,597 | 17,597 | 17,708 | 17,731 | 17,753 | 17,753 | |
| 330 | 330 | 330 | 313 | 332 | 332 | |
| 9 | 9 | 9 | 9 | 9 | 9 | |
| 20 | 20 | 23 | 24 | 24 | 24 | |
| 4 | 4 | 4 | 4 | 4 | 4 | |
| 10 | 10 | 10 | 10 | 10 | 10 | |
| 1 | 1 | 1 | 1 | 1 | 1 | |
| 65,318 | 65,979 | 66,505 | 66,712 | 67,103 | 67,103 | |
| 687 | 687 | 662 | 664 | 665 | 665 | |
| 174 | 174 | 174 | 174 | 174 | 174 | |
| 520 | 520 | 520 | 520 | 520 | 520 | |
| 37,959 | 38,067 | 38,046 | 38,114 | 38,193 | 38,193 | |
| 21.14 | 22.54 | 24.76 | 23.52 | 23.08 | 23.08 | |

