



PASADENA

C A L I F O R N I A



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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OPENING PASADENA



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CITY OF PASADENA, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2022



Victor M. Gordo
Mayor



Andy Wilson
Vice Mayor
District 7



Tyron Hampton
Councilmember
District 1



Felicia Williams
Councilmember
District 2



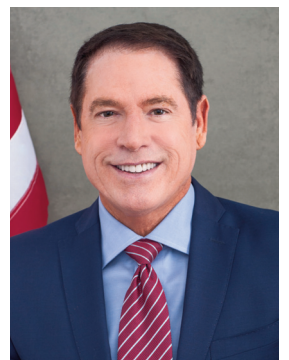
John J. Kennedy
Councilmember
District 3
IN MEMORIAM



Gene Masuda
Councilmember
District 4



Jessica C. Rivas
Councilmember
District 5



Steve Madison
Councilmember
District 6

CYNTHIA J. KURTZ, INTERIM CITY MANAGER
MATTHEW E. HAWKESWORTH, DIRECTOR OF FINANCE

PREPARED BY THE DEPARTMENT OF FINANCE, CITY OF PASADENA

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INTRODUCTORY SECTION

Letter of Transmittal	vii
Principal City Officials	xiv
Organizational Chart	xv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvi

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position	20
Statement of Activities	22

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet	24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27

Proprietary Fund Financial Statements

Statement of Net Position	28
Statement of Revenues, Expenditures and Changes in Net Position	30
Statement of Cash Flows	32

Fiduciary Fund Financial Statements

Statement of Net Position	36
Statement of Changes in Net Position	37

Discretely Presented Component Units

Combining Statement of Net Position	38
Combining Statement of Revenues, Expenditures and Changes in Net Position	39

Notes to the Basic Financial Statements	43
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FINANCIAL SECTION (Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 – General Fund 123

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 – Housing Successor Fund 124

Notes to Required Supplementary Information 125

Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan 126

Schedule of Plan Contributions – Miscellaneous Plan 128

Schedule of Changes in Net Pension Liability and Related Ratios – Safety Plan 130

Schedule of Plan Contributions – Safety Plan 132

Schedule of Changes in Net Pension Liability and Related Ratios –
 Fire and Police Retirement System 134

Schedule of Plan Contributions - Fire and Police Retirement System 136

Schedule of Changes in the Net OPEB Liability and Related Ratios 137

Schedule of OPEB Plan Contributions 138

Schedule of OPEB Plan Investment Return 139

Supplementary Information

Non-Major Governmental Funds

Combining Balance Sheet 142

Combining Statement of Revenues, Expenditures and Changes in Net Position 143

Special Revenue Funds

Combining Balance Sheet 148

Combining Statement of Revenues, Expenditures and Changes in Net Position 150

Budgetary Comparison Schedules

Public Safety Fund 152

Health Fund 153

Building Services Fund 154

Sewer Construction and Maintenance Fund 155

Underground Utilities Fund 156

Transportation Fund 157

Library Services Fund 158

Parking Fund 159

Air Quality Improvement Fund 160

Housing and Community Development Fund 161

Donated Fund 162

Capital Projects Funds

Combining Balance Sheet 166

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 168



FINANCIAL SECTION (Continued)

Permanent Funds	
Combining Balance Sheet	174
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	176
Non-Major Enterprise Funds	
Combining Statement of Net Position	182
Combining Statement of Revenues, Expenses and Changes in Net Position	183
Combining Statement of Cash Flows.....	184
Internal Service Funds	
Combining Statement of Net Position	190
Combining Statement of Revenues, Expenses and Changes in Net Position	192
Combining Statement of Cash Flows.....	194
Fiduciary Funds	
Combining Statement of Net Position – Employee Benefit Trust Funds	202
Combining Statement of Changes in Net Position – Employee Benefit Trust Funds	203
Combining Statement of Net Position – Custodial Funds	204
Combining Statement of Changes in Assets and Liabilities – Custodial Funds.....	205
Combined Successor Agency Funds	
Combining Statement of Net Position – Private Purpose Trust Funds	210
Combining Statement of Changes in Net Position – Private Purpose Trust Funds	212
Discretely Presented Component Unit	
Rose Bowl Operating Company	
Combining Statement of Net Position	218
Combining Statement of Revenues, Expenses and Changes in Net Position	219

STATISTICAL SECTION

Net Position by Component	224
Changes in Net Position	226
Fund Balances of Governmental Funds.....	230
Changes in Fund Balances of Governmental Funds.....	232
Assessed Value and Actual Value of Taxable Property.....	235
Direct and Overlapping Property Tax Rates	236
Principal Property Taxpayers.....	238
Property Tax Levies and Collections	239
Taxable Sales by Category.....	240
Electricity Sold by Type of Customer	242
Electricity Rates	244
Electricity Customers	245
Ratios of Outstanding Debt by Type.....	246
Ratios of General Bonded Debt Outstanding	250

STATISTICAL SECTION (Continued)

Direct and Overlapping Debt.....253

Legal Debt Margin Information 254

Pledged-Revenue Coverage – Governmental Activity Debt 256

Pledged-Revenue Coverage –Business-Type Activity Debt 258

Demographic and Economic Information..... 259

Principal Employers 261

Full-time and Part-time City Employees by Function 262

Operating Indicators by Function 264

Capital Asset Statistics by Function 266





INTRODUCTORY SECTION

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DEPARTMENT OF FINANCE

March 17, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Pasadena, California (City) for the fiscal year ended June 30, 2022 (FY 2022) 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 misstatement.

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 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 year ended FY 2022 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 2022 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 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 the 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 2022 population of 138,310, 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; south by South Pasadena and San Marino; east by Arcadia and Sierra Madre; and north by the unincorporated community of Altadena.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City, as well as all 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 ACFR 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 Funds 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, ACFR, 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. It is important to consider various and volatile shifts in the global economy, exacerbated by the ripple effects of the COVID-19 pandemic still being felt throughout FY 2022 and beyond.

THE CURRENT ECONOMIC CLIMATE

The national and global economies are facing inflationary pressures not seen for several decades, caused by a variety of factors, including ongoing supply chain shortages, and the war in Ukraine. Upward price pressures on energy, raw materials, and finished goods translate to inflation and an increase to the Consumer Price Index (CPI) across all sectors of the economy. The year-over-year CPI rose 9.1% in June of 2022.

In an effort to control inflation, as predicted, the Federal Reserve triggered several rate hikes in calendar year 2022, increasing the Federal Funds Rate from 0.25% to 4.50%. While rising interest rates will positively affect our investment income long-term, it will also deter future business expansion due to the cost of financing.

General Fund revenues have shown stability in FY 2022, as property tax, sales tax, utility users' tax, and transient occupancy tax continue to show resilience and recovery.

The City of Pasadena received \$52.2 million in direct support through the American Rescue Plan Act (ARPA). The City adopted to use the \$26.3 million in FY 2022, of which approximately \$12.8 million was recognized as revenue.

Looking Forward

The travel and tourism industry has shown significant improvement from a year ago; however, a full recovery to 2019 levels is not expected until 2024. International travel, especially related to business, is still down significantly and a recovery in the sectors will provide additional benefit to Pasadena's economy. Locally, while business closures, including many restaurants, may take years to recover, new business openings and activity in the City's various business districts have improved from a year ago.

Fortunately, the City benefited from the upside of the recovery. Sales tax categories, such as automobile sales and online purchases, have continued to be robust, property tax has remained stable, and development activity for new residential and commercial space continues. Additionally, both the RBOC and PCOC have strong event calendars booked for the upcoming year.

The City's General Fund funded \$9.3 million of the \$11.8 million annual debt service obligation associated with the Rose Bowl, with the RBOC making up the \$2.5 million balance.

General Fund Five-Year Forecast

	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Beginning Amount Available for Appropriations	-	-	-	277,276	(5,390,054)	(9,172,860)	(13,534,596)
Revenues							
Tax Revenues	216,790,289	221,184,124	233,807,300	241,972,488	249,881,254	257,744,757	265,119,024
Other Revenues	39,993,028	39,993,028	41,694,344	42,713,035	43,757,685	44,828,967	45,927,573
Contributions/Svs. From Other Funds	29,909,283	29,909,283	20,715,438	20,140,438	20,140,438	20,140,438	20,140,438
Total Revenues	286,692,600	291,086,435	296,217,082	304,825,961	313,779,377	322,714,162	331,187,036
Expenses							
Personnel	177,870,499	177,870,499	186,860,271	193,331,299	195,623,957	202,106,702	208,201,534
Debt Service*	21,361,974	21,361,974	11,597,702	16,988,529	18,922,553	19,023,966	19,151,139
Contributions To Other Funds	14,330,434	17,540,434	14,629,784	15,935,573	16,254,285	16,579,370	16,910,958
Other Expenses	73,129,694	73,129,694	82,852,050	84,237,889	86,761,388	89,365,858	91,730,589
Total Expenses	286,692,601	289,902,601	295,939,806	310,493,290	317,562,183	327,075,897	335,994,219
Operating Income/(Loss)	-	1,183,835	277,276	(5,667,329)	(3,782,806)	(4,361,735)	(4,807,184)
Ending Amount Available for Appropriations	-	1,183,835	277,276	(5,390,054)	(9,172,860)	(13,534,596)	(18,341,780)
Reserve for Capital & EOC	-	-	-	-	-	-	-
Reduction/(Contribution) to Policy Reserve	-	-	-	-	-	-	-
Net Income/(Loss) with Reserve Contribution	-	1,183,835	277,276	(5,667,329)	(3,782,806)	(4,361,735)	(4,807,184)

* Forecast includes contributions to RBOC to cover Debt Service in FY 2024 and beyond.

It was anticipated that the RBOC would need ongoing financial assistance to cover a portion of their debt service. Fortunately, due to better-than-expected actuals in both FY 2021 and 2022, the receipt of a \$10 million Shuttered Venue grant, and a slightly better future forecast, the RBOC does not require an annual contribution in FY 2023. Additionally, the expected assistance in future years has also decreased and is reflected in the General Fund Five-Year Forecast.

FISCAL YEAR 2022 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 2022 accomplishments include:

- Adoption of a balanced budget for the tenth consecutive year, consistent with the City Council's goal to maintain fiscal responsibility and stability;
- Received \$25.6 million in local sales tax revenue from Measure I and provided \$8.5 million (Measure J) to the Pasadena Unified School District to protect and strengthen public schools;
- Completed Redistricting Process and adopted recommended Redistricting Plan;
- To minimize the impact of COVID-19 on City revenues, continued to work 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 the spread of Coronavirus/COVID-19 in the community;

- Managed the development, approval, and/or implementation of City Council policy initiatives and directives such as affordable housing, accessory dwelling units, violence prevention programs, cannabis business regulations, and the Caltrans 710 stub relinquishment;
- Provided support for the PEDAL team (Pasadena Elderly and Dependent Adult Liaison Team) with the mission to improve the quality of life for elders and dependent adults residing in long-term care facilities through education, community outreach, code enforcement, and prosecution;
- Assisted with administration of the State of California Great Plates Program and coordinated the participation of 22 Pasadena restaurants in the program;
- Maintained a current General Obligation Bond rating of AAA, the highest rating given by Standard and Poor's and AA+ by Fitch rating agencies;
- Successfully refunded the Water Fund's 2011A Revenue Bonds, providing a net present value savings to the Water Fund of approximately \$1.9 million;
- Maintained ISO Class 1 Public Protection Certification rating, the highest rating given nationally;
- Completed the outfitting of Power Load systems for all front line and reserve ambulances. These mechanical ambulance gurneys and lifting systems help reduce the risk of injury to employees;
- A total of 244 affordable units were permitted, under construction, or completed;
- Updated and enhanced the Public Health COVID-19 dashboard with vital statistics;
- Opened six-library branches for in-person service in May and two-branches solely dedicated to curbside service. By late summer, curbside service concluded, and the nine-library branches were fully open providing in-person service to the public;
- Since the inception of the Pasadena First Buy Local Program, over 480 construction related jobs have been filled by Pasadena residents. This resulted in over \$2.2 million in wages earned on private development projects, which comprised approximately 26 percent of the total payroll of private projects subject to the Local Hiring ordinance. Additionally, over \$3.6 million in wages have been earned on public projects and a total of over \$18 million in subcontracting and procurement has gone to Pasadena businesses;
- In response to food insecurity issues for Pasadena residents caused by the pandemic, the City acted to:
 - Provide up to \$1.2 million of Community Development Block Grant funding to local non-profit food pantries to address food insecurity in Pasadena,
 - Responded to a need for prepared meals by distributing 75-125 meals weekly at the Wednesday Hot Meals Program at the Jackie Robinson Community Center,
- Performed over 21,000 building inspections for commercial and residential construction;
- Issued over 8,100 construction related building permits;
- Investigated more than 16,900 confirmed COVID-19 cases, over 730 probable COVID-19 cases, more than 400 outbreaks, and over 500 different worksites;
- Distributed over 11,500 COVID-19 antigen tests to long-term care facilities, schools, childcare centers, and community agencies;

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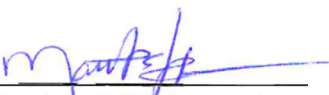
- The Citizen Service Center answered over 46,000 calls, of which 50 percent were answered within 30 seconds;
- Resurfaced approximately ten miles of local streets and repaired over 47,000 square feet of sidewalks;
- Awarded Tree City USA designee and Tree City Growth award for the 32nd and 22nd year respectively;
- Completion of Gas Turbine (“GT”)-2 refurbishment, which restored approximately 22 megawatts of local generation to improve system reliability, which has been out of service since 2012 due to a power turbine blade failure. The project included control system retrofits for both units GT-1 and GT-2;
- Ensured City employee workplace safety, continued provision of exemplary municipal services to which the public is accustomed, supported local businesses with a moratorium on commercial and residential evictions, and maintained conversion of sidewalks and streets to support outdoor dining in accordance with health orders; and
- 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 23rd 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 Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one-year. The City believes that its current Annual Comprehensive 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.

The 26 accomplishments listed above are just a sample of the hundreds of FY 2022 accomplishments, which are listed by department in the FY 2023 Adopted Operating Budget.

CONCLUSION

Under the leadership of the Mayor and City Council and with prudent financial management, the City of Pasadena has successfully addressed the unique challenges it faced since the beginning of the pandemic with no reduction in the quality of services provided to the community. The FY 2022 Annual Comprehensive Financial Report illustrates the City’s mission to deliver exemplary municipal service and responsiveness to the community, consistent with its history, culture, and unique character.

Respectfully submitted,



Matthew E. Hawkesworth
Director of Finance

CITY OF PASADENA City Officials

CITY COUNCIL

Mayor	Victor M. Gordo
Vice Mayor (District 7)	Andy Wilson
Councilmember (District 1)	Tyron A. L. Hampton
Councilmember (District 2)	Felicia Williams
Councilmember (District 3)	John J. Kennedy
Councilmember (District 4)	Gene Masuda
Councilmember (District 5)	Jessica C. Rivas
Councilmember (District 6)	Steve Madison

APPOINTED OFFICIALS

City Manager (Interim)	Cynthia J. Kurtz
City Attorney	Michele Beal Bagneris
City Clerk	Mark Jomsky

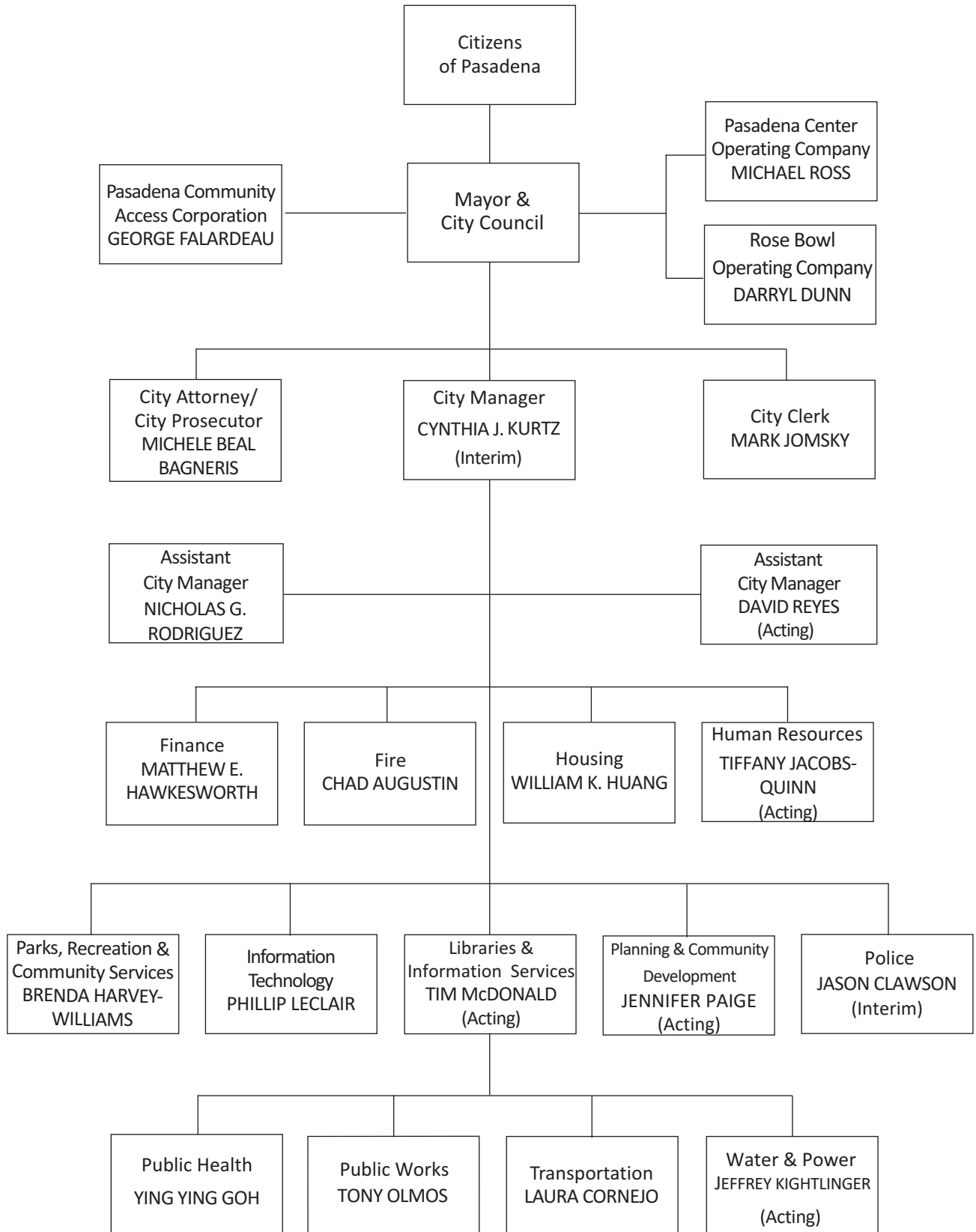
EXECUTIVE LEADERSHIP TEAM

Assistant City Manager	Nicholas Rodriguez
Assistant City Manager (Acting)	David Reyes
Director of Finance	Matthew E. Hawkesworth
Director of Housing	William K. Huang
Director of Human Resources and Career Services (Acting)	Tiffany Jacobs-Quinn
Director of Parks, Recreation & Community Services	Brenda Harvey-Williams
Director of Libraries & Information Services (Acting)	Tim McDonald
Chief Information Officer	Phillip Leclair
Director of Planning and Community Development (Acting)	Jennifer Paige
Chief of Police (Interim)	Jason Clawson
Director of Public Health	Ying Ying Goh
Director of Public Works	Tony Olmos
Director of Transportation	Laura Cornejo
General Manager of Water and Power (Acting)	Jeffrey Kightlinger
Public Information Officer	Lisa Derderian
Fire Chief	Chad Augustin

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, 2022



CITY OF PASADENA
Annual Comprehensive Financial Report
Year Ended June 30, 2022



Government Finance Officers Association

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

Presented to

**City of Pasadena
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the City of Pasadena for our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive 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



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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, 2022, 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.

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 16.48 percent, 24.11 percent, and 4.3 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with GAAS, 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.

Supplementary 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 individual fund schedules and combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund schedules and combining financial statements funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

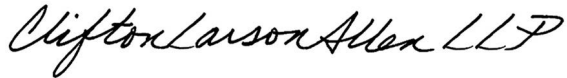
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

City Council
City of Pasadena, California

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023, 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 City of Pasadena, California's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
March 17, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pasadena (City), we offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022 (FY 2022). 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 vii-xiii of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City'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'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 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 include general government, public safety, transportation, utility, sanitation, health, culture and leisure, and community development. The business-type activities of the City 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, 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 maintains 30 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 26 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 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 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 uses internal service funds to account for its computing and communication, building maintenance, fleet maintenance, fleet replacement, benefits, workers' compensation, general liability, 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. 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'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 43-119 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 Postemployment Benefits (OPEB) information on net pension and OPEB liabilities and plan contributions. RSI can be found on pages 122-139 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 142-219 of this report.

FINANCIAL HIGHLIGHTS**New Significant Accounting Standards Implemented**

In FY 2022, the City adopted one new statement of financial accounting standards issued by the Government Accounting Standards Board (GASB), Statement No. 87, *Leases* (GASB 87).

GASB 87 requires long-term leases recorded on the financial statements. The objective of this statement is to better meet information needs of financial statement users by improving accounting and financial reporting for leases by principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about public agency lease 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, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,028.7 million at the close of the most recent fiscal year.

\$971.5 million of the City's net position reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debts used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City'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 Primary Government			
	2022	2021	2022	2021	2022	2021	\$ Change	% Change
Other assets	\$ 372.6	\$ 368.9	\$ 602.1	\$ 491.5	\$ 974.7	\$ 860.4	\$ (114.3)	-13.3%
Capital assets	519.5	516.0	716.4	809.3	1,235.9	1,325.3	89.4	6.7%
Total Assets	892.1	884.9	1,318.5	1,300.8	2,210.6	2,185.7	(24.9)	-1.1%
Deferred Outflows	96.9	109.5	14.8	17.7	111.8	127.2	15.4	12.1%
Long-term debt outstanding	289.0	294.7	305.0	310.3	593.9	605.0	11.0	1.8%
Net pension liability	252.0	422.1	50.3	91.3	302.3	513.4	211.1	41.1%
Other liabilities	141.6	97.8	61.3	60.4	202.9	158.2	(44.7)	-28.3%
Total Liabilities	682.6	814.6	416.6	462.0	1,099.1	1,276.6	177.4	13.9%
Deferred Inflows	156.9	19.8	37.5	2.4	194.5	22.2	(172.3)	-776.1%
Net Position:								
Invested in capital assets, net of debt	471.8	468.0	499.7	486.9	971.5	954.9	(16.5)	-1.7%
Restricted	81.5	82.1	109.5	126.7	191.0	208.8	17.8	8.5%
Unrestricted	(403.7)	(390.1)	270.0	240.5	(133.7)	(149.7)	(16.0)	10.7%
Total Net Position	\$ 149.6	\$ 160.0	\$ 879.2	\$ 854.1	\$ 1,028.8	\$ 1,014.0	\$ (14.7)	-1.4%

The restricted portion of the City's net position, \$191.0 million or 18.6% of the total net position represents resources subject to externally imposed limitations for specific purposes. The remaining balance is a *deficit in unrestricted net position* of, \$133.7 million, or 13.0% of the total net position is for unrestricted uses in accordance with finance-related legal requirements. This deficit reflects liabilities and deferred inflows that exceed assets and deferred outflows, with a significant portion of the deficit attributable to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, i.e., \$83.2 million, and GASB 75, *Other Postretirement Employment Benefits (OPEB)*, i.e., \$16.0 million, upon the recognition of actuarial estimated future costs related to pension retirement and post-employment medical benefits.

During FY 2022, the primary government's net position increased by \$14.7 million, where approximately \$10.5 million relates to the decrease in governmental activities, and \$25.2 million to the increase in the City's business-type activities. The decrease in the governmental activities reflects increases in spending, in comparison to a smaller increase in revenues. The increase in business-type activities is the continuance of strong trend in revenues in addition to this year's modest decrease in expenses.

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

	Governmental Activities				Business-Type Activities				Total Primary Government			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
Revenues:												
Program Revenues:												
Charges for services	\$ 68.4	\$ 66.6	\$ 1.8	2.7%	\$ 319.6	\$ 314.8	\$ 4.8	1.5%	\$ 388.0	\$ 634.4	\$ (246.4)	-38.8%
Operating grants and contributions	80.7	60.8	19.9	32.7%	6.2	2.8	3.4	121.4%	86.9	9.0	77.9	865.6%
Capital grants and contributions	10.2	9.4	0.8	8.5%	4.6	4.2	0.4	9.5%	14.8	8.8	6.0	68.2%
General revenues:												
Taxes:												
Property taxes, levied for general purpose	79.1	76.6	2.5	3.3%	-	-	-	-	79.1	-	79.1	-
Sales taxes	74.4	62.3	12.1	19.4%	-	-	-	-	74.4	-	74.4	-
Utility users' tax	30.1	27.0	3.1	11.5%	-	-	-	-	30.1	-	30.1	-
Other taxes	42.3	23.2	19.1	82.3%	6.2	5.7	0.5	8.8%	48.5	11.9	36.6	307.6%
Other revenues	11.5	27.9	(16.4)	-58.8%	(22.3)	1.0	(23.3)	-2325.2%	(10.7)	(21.3)	10.5	-49.4%
Miscellaneous revenues	4.7	3.1	1.6	51.6%	10.6	2.9	7.7	265.5%	15.3	13.5	1.8	13.3%
Total revenues	401.4	356.9	44.5	12.5%	324.9	331.4	(6.5)	-1.9%	726.3	688.3	38.0	5.5%
Expenses:												
General government	86.1	72.8	13.3	18.3%	-	-	-	-	86.1	72.8	13.3	18.3%
Public safety	151.0	148.3	2.7	1.8%	-	-	-	-	151.0	148.3	2.7	1.8%
Transportation	44.8	48.6	(3.8)	-7.8%	-	-	-	-	44.8	48.6	(3.8)	-7.8%
Culture and leisure	48.5	45.3	3.2	7.1%	-	-	-	-	48.5	45.3	3.2	7.1%
Community development	62.7	57.4	5.3	9.2%	-	-	-	-	62.7	57.4	5.3	9.2%
Interest and other fiscal charges	6.4	6.5	(0.1)	-1.5%	-	-	-	-	6.4	6.5	(0.1)	-1.5%
Electric	-	-	-	-	196.7	196.4	0.3	0.2%	196.7	196.4	0.3	0.2%
Water	-	-	-	-	61.5	63.9	(2.4)	-3.8%	61.5	63.9	(2.4)	-3.8%
Other expenses	23.3	24.4	(1.1)	-4.5%	29.9	32.3	(2.4)	-7.4%	53.2	56.6	(3.4)	-6.0%
Total expenses	422.8	403.3	19.5	4.8%	288.1	292.6	(4.5)	-1.5%	710.9	695.8	15.1	2.2%
Increase (decrease) in net position, before transfers	(21.4)	(46.4)	25.0	-53.9%	36.8	38.8	(2.0)	-5.0%	15.4	(7.6)	23.0	-303.3%
Transfers	11.0	16.3	(5.3)	-32.5%	(11.4)	(16.3)	4.9	-30.1%	(0.4)	-	(0.4)	-
Increase (decrease) in net position	(10.4)	(30.1)	19.7	-65.4%	25.4	22.5	2.9	13.1%	15.0	(7.6)	22.6	-298.0%
Net position at beginning of year	160.0	190.1	(30.1)	-15.8%	854.1	831.6	22.5	2.7%	1,014.1	1,021.7	(7.6)	-0.7%
Net position at end of year	\$ 149.6	\$ 160.0	\$ (10.4)	-6.5%	\$ 879.5	\$ 854.1	\$ 25.4	3.0%	\$1,029.1	\$1,014.1	\$ 15.0	1.5%

Governmental Activities

Governmental activities net position decreased by \$10.4 million or 6.5%. Key elements of this decrease are a combination of factors as follows:

The revenue components of governmental activities increased by \$44.5 million or 12.5% from prior year revenues. The following categories illustrates the changes: charges for services increased by \$1.8 million, operating grants and contributions increased by \$19.9 million, property taxes increased by \$2.5 million, sales taxes increased by \$12.1 million, utility users' tax increased by \$3.1 million, other taxes increased by \$19.1 million and miscellaneous revenues by \$1.6 million. Capital grants and contributions increased by \$0.8 million and other revenues decreased by \$16.4 million.

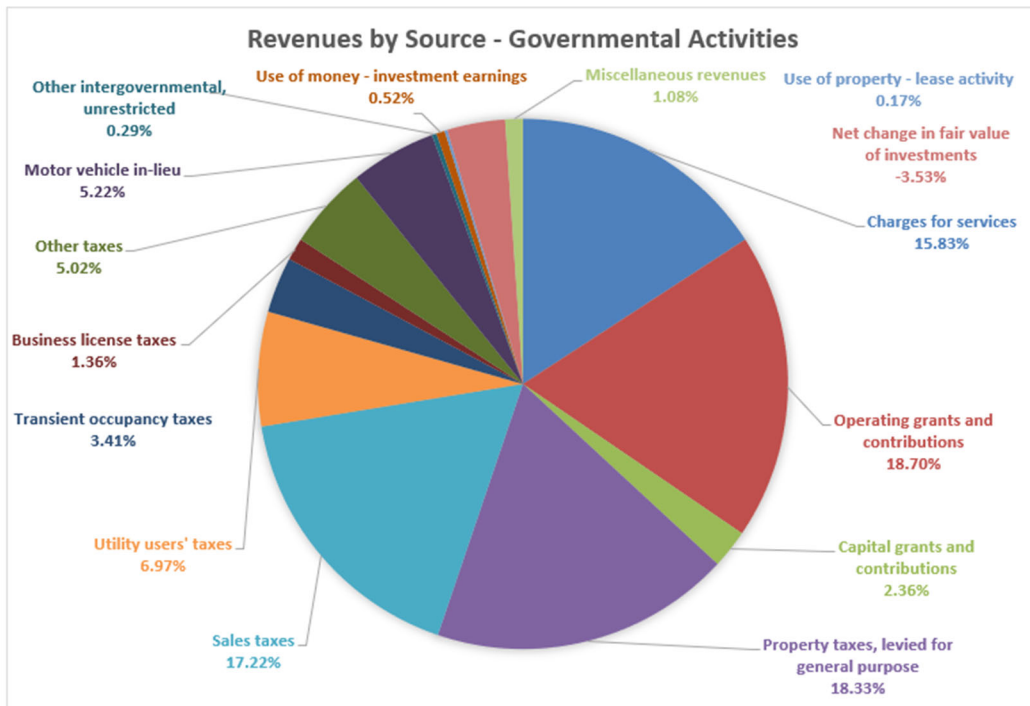
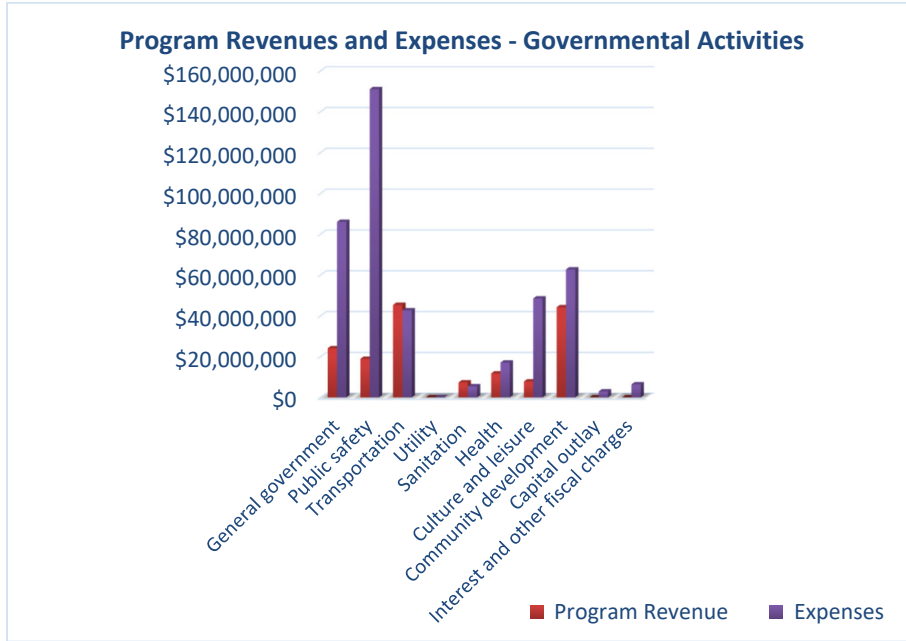
- Charges for services increase of \$1.8 million include changes in the following categories:
 - \$3.4 million increase in public safety due to police outside event revenues related to increased business activities resuming from the pandemic and increased emergency medical services.
 - \$2.7 million increase in community development;
 - The increase is offset by the \$4.2 million decrease in transportation, \$0.5 million in general government, and \$0.4 million in culture and leisure activities.
- Operating grants and contributions increased by \$20.0 million, primarily due to the recognition of approximately \$12.7 million in ARPA revenue during the current fiscal year.
- Property taxes increased by \$2.5 million due to appreciation of property value in Pasadena.

- Sales taxes increased by \$12.1 million. Regular sales tax increased by \$6.4 million and Measure I sales tax increased by \$5.5 million due to increased spending activity within city jurisdiction during the current fiscal year.
- Other taxes increased by \$19.1 million mainly due to the following categories:
 - \$8.4 million increase in transient occupancy taxes, as the hospitality industry rebounded when shelter-in-place orders were lifted;
 - \$10.6 million increase in other taxes such as a \$2.0 million increase in the underground utility surtax and \$6.4 million for streetlight and traffic signal taxes, previously presented under charges for services.
- Other revenues decreased by \$16.4 million due, primarily due to unfavorable investment performance during the current fiscal year. The breakdown is as follows:
 - \$14.1 million decrease in net change in investment fair value; and
 - \$2.3 million decrease in intergovernmental revenues.
- Miscellaneous revenue increased by \$1.6 million, where \$1.5 million relates to having a Rose Parade and Tournament of Roses for New Year's Day 2022, when this event had been cancelled in 2021 due to the pandemic.

The expense components of governmental activities increased by \$19.5 million or 4.8%. The changes in expenses were general government increased by \$13.2 million, public safety increased by \$2.7 million, transportation decreased by \$6.0 million, and community development increased by \$5.3 million. The other categories have a net increase of \$4.3 million.

- General government expenses increased by \$13.2 million or 18.1%. There was a \$12.4 million increase in general liability insurance and a \$5.6 million increase in the City's GASB 68 pension expenses. There was a \$0.4 million decrease in the City's GASB 75 OPEB expenses, \$1.6 million decrease in benefit expenses, and \$2.2 million decrease in non-capitalized infrastructure improvement expenditures.
- Other expenses decreased by \$1.2 million, including \$0.5 million decrease in utility expenses, \$1.3 million decrease in sanitation expenses, and \$0.4 million decrease in health expenses. In sanitation expenses, capital outlay decreased by \$1.7 million and general operating increased by \$0.5 million, and internal service fund allocation increased by \$0.2 million.
- Public safety expenses increased by \$2.7 million or 1.8% mainly due to increased police and fire personnel costs.
- Community development expenses increased by \$5.3 million or 9.2% mainly due to increased loans to other entities for affordable housing for \$9.7 million. There was an increase in emergency shelter services by \$1.0 million, decrease in capital investment by \$1.8 million, GASB 68 expense by \$2.5 million, and other operating cost decreased by \$1.1 million.
- Transportation expenses decreased by \$6 million or 12.3%. There was a \$4.2 million increase in general liability insurance. There was a \$3.3 million decrease in the City's GASB 68 pension expense \$0.9 million decrease in the City's GASB 75 OPEB expenses, \$0.5 million decrease in benefit expenses and a \$6.3 million decrease in non-capitalized infrastructure improvement expenditures.

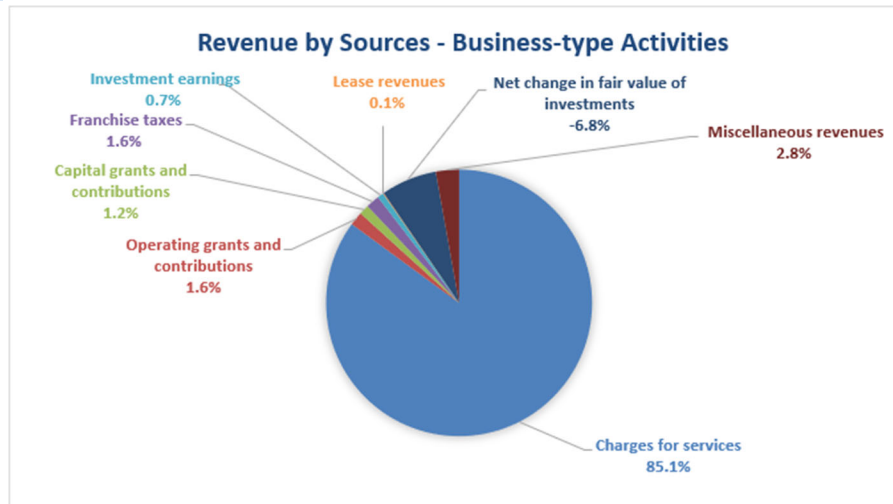
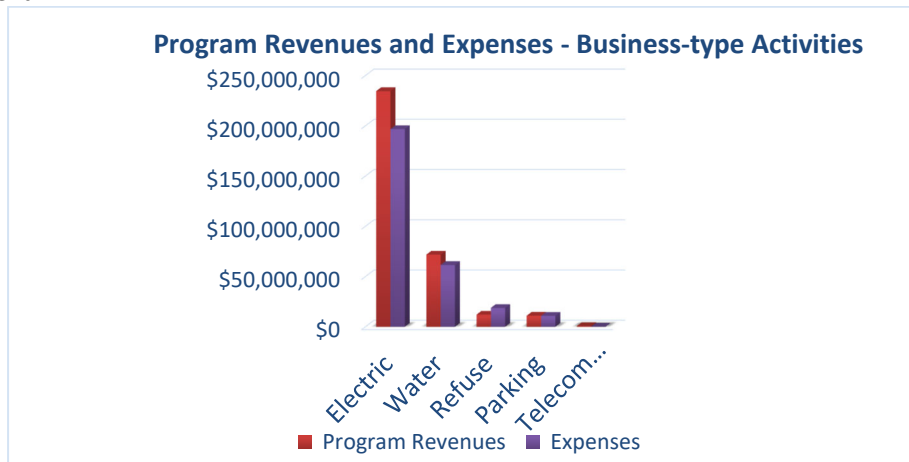
Governmental Activities (Continued)



Business-type Activities

Business-type activities increased the City's net position by \$25.2 million. Key elements of this year's increase are as follows:

- Net income of the Light and Power, Water, Off-Street Parking, and Non-Major Enterprise Funds were \$10.8 million, \$7.3 million, \$1.4 million, and \$5.7 million, respectively.
- Electric charges for services increased \$4.2 million or 1.9% from the prior fiscal year. Majority of the increase was due to an increase in cap & trade retail revenue.
- Electric expenses increased by \$0.50 million or 0.2% from the prior year. The increase in Fuel expense was offset by a decrease in administrative and general expenses.
- Water charges for services decreased by \$1.9 million or 2.7% over the prior year mainly due to a decrease in water sales and lease to other agencies.
- Water expenses decreased by \$2.4 million or 3.8% from the prior year mostly due to decrease in administrative and transmission and distributions costs.
- Off-Street Parking operating revenues increased by \$3.2 million or 40.1%, and expenses decreased \$1.0 million or 8.5% mostly due to administering parking enforcement post suspension of enforcement due to the pandemic.
- Off-Street Parking net gain of \$1.4 million was primarily the result of recoveries. As the public resumed activities, the city experienced increased parking activity as well as increased revenues in previously suspended parking enforcement.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

**City of Pasadena's Governmental Funds
Summary Statement of Revenues, Expenditures and
Changes in Fund Balances (in millions)**

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Taxes	\$ 225.9	\$ 189.0	\$ 36.9	19.5%
Licenses and permits	15.3	12.8	2.5	19.5%
Intergovernmental revenues	106.2	87.3	18.9	21.6%
Charges for services	43.5	46.0	(2.5)	-5.4%
Fines and forfeits	4.2	3.5	0.7	20.0%
Investment earnings	2.2	2.4	(0.2)	-8.3%
Net change in fair value of investments	(14.8)	-	(14.8)	-
Lease revenues	4.5	3.3	1.2	36.4%
Miscellaneous revenues	8.2	5.8	2.4	41.4%
Contributions	<u>3.1</u>	<u>3.6</u>	<u>(0.5)</u>	<u>-13.9%</u>
Total revenues	<u>398.3</u>	<u>353.7</u>	<u>44.6</u>	<u>12.6%</u>
Expenditures:				
Current:				
General government	63.8	65.6	(1.8)	-2.7%
Public safety	147.6	138.8	8.8	6.3%
Transportation	40.8	44.1	(3.3)	-7.5%
Utility	0.1	0.2	(0.1)	-50.0%
Sanitation	6.0	6.7	(0.7)	-10.4%
Health	16.5	16.3	0.2	1.2%
Culture and leisure	45.9	41.4	4.5	10.9%
Community development	55.7	48.0	7.7	16.0%
Capital outlay	25.0	16.0	9.0	56.3%
Debt service:				
Principal retirement	5.4	5.1	0.3	5.9%
Interest	6.4	6.6	(0.2)	-3.0%
Lease payments	<u>1.1</u>	<u>-</u>	<u>1.1</u>	<u>-</u>
Total expenditures	<u>414.4</u>	<u>388.5</u>	<u>25.9</u>	<u>6.7%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16.1)</u>	<u>(34.8)</u>	<u>18.7</u>	<u>-53.7%</u>
Other financing sources (uses):				
Transfers in	73.5	67.5	6.0	8.9%
Transfers out	(65.0)	(49.5)	(15.5)	31.3%
Transfer to component unit	(0.4)	-	(0.4)	-
Leases issued	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>-</u>
Total other financing sources (uses)	<u>8.2</u>	<u>18.0</u>	<u>(9.8)</u>	<u>-54.4%</u>
Net change in fund balances	<u>(7.9)</u>	<u>(16.9)</u>	<u>9.0</u>	<u>-53.3%</u>
Fund balances at beginning of year	276.1	292.9	(16.8)	-5.7%
Fund balances at end of year	<u>\$ 268.2</u>	<u>\$ 276.1</u>	<u>\$ (7.9)</u>	<u>-2.9%</u>

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 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 *nonspendable, 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% of the General Fund annual appropriations. The 20% is comprised of 15% General Fund Emergency Contingency and 5% General Fund Operating Reserve. On September 12, 2022, the City Council committed the full 15% or \$43,003,950 for the FY 2022 Emergency Contingency Reserve and up to 5% or \$14,334,650 for Operating Reserve.

At the end of FY 2022, the City's governmental funds reported combined ending fund balances of \$268.2 million, a decrease of \$7.9 million in comparison with the prior year. The nonspendable fund balance of \$15.3 million represents assets generated by prepayments, permanent trust fund balances and receivables in funds, net of allowances. The restricted fund balance of \$76.9 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 \$159.6 million represents the use of resources constrained by limitations the City imposes upon itself through decisions made by the City Council. The assigned fund balance of \$25.9 million designates the portion of fund balance that reflects the City's intended use of resources. The unassigned fund balance of (\$9.5) million represents the deficit amount of that nonspendable, restricted, committed, and assigned in excess of total fund balance.

The General Fund is the chief operating fund of the City. At the end of FY 2022, total fund balance equaled \$106.2 million, versus \$99.1 million in the prior year. The fund balance increased by \$7.1 million or 7.2%, during FY 2022. Key factors for this change are as follows:

Total revenues increased by \$38.7 million due to increases in three categories of revenue and decrease in two categories, as explained below:

Taxes increased by net \$33.5 million primarily due to an increase of \$2.6 in property taxes. Sales tax increases by \$11.9 million, utility user's tax increased by \$3.2 million and transient occupancy tax revenue increased by \$8.4 million. St Light & Traffic Signal Tax of \$6.4 million was reclassified from Charges for service to Tax. The other taxes had a net increase of \$1.0 million.

Intergovernmental revenues increased by \$11.4 million, primarily due to \$12.4 million received in American Rescue Plan Act funding and an increase of \$0.8 million in motor vehicle in-lieu tax. No more CARES Act grant of \$1.8 million.

Miscellaneous revenues increased by \$1.8 million primarily due to Filming Revenue increase of \$0.3 million, Tournament of Roses revenue increase of \$1.1 million and increase of other revenues such as claim settlements and collection of interest.

Charges for service decreased by \$2.8 million, primarily due to a reclassification of St Light & Traffic Signal Tax of \$6.4 million and increase of \$1.5 million in EMS Cost Recovery, increase of Billable Police service of \$1.9 million.

The decrease was due to loss of investment earnings down by \$6.5 million.

Total expenditures increased by \$25.9 million or 6.7%. These expenditure categories increased: public safety \$8.7 million, culture and leisure \$4.4 million, community development \$7.7 million and capital outlay \$13.3 million. These expenditure categories decreased: general government \$2 million and transportation \$6.3 million. The other categories have a net decrease of \$1.4 million. In addition, due to the implementation of GASB 87, lease financing will be presented under debt service. Prior to 2022 these expenditures were presented within the governmental funds' function.

- General government expenditures decreased by \$2 million mainly due to a \$2.2 million decrease in non-capitalized infrastructure improvement expenditures net of an increase of \$0.2 million in overall non-improvement related costs.

- Public safety expenditures increased by \$10.5 million due to several factors. Expenses related to other contract services, such as additional law enforcement services, supplemental traffic control services for the New Year's parade in 2022 in comparison to 2021, as the parade was not held in 2021. An overall increase in personnel, services and supplies costs contributed to the overall increase. For fiscal year 2022, the city recognized \$2.6 million in additional capital outlay expenditures due to the first-year implementation of GASB 87.
- Transportation expenditures decreased by \$6.3 million mainly due to a decrease of \$6.7 in non-capitalized infrastructure improvement expenditures net of an increase of \$0.3 million in overall non-improvement related costs.
- Culture and leisure expense increased by \$5.2 million mainly due to the rebound of the hospitality industry in the current fiscal year, thereby the increase in the transient occupancy taxes during FY 2022 and the portion allocation to the Pasadena Center Operating Company.

In FY 2022, the net General Fund transfer-out increased by \$7.1 million due to the following one-time transfers made in the current year: (1) \$3.4 million to the Project Management Fund, (2) \$18.9 million to the Non-major Governmental Funds, and (3) \$7.1 million to the General Debt Service Fund. There was also an \$18.0 million transfer-in from the Light & Power Fund to the General Fund

The Housing Successor Fund has a fund balance of \$1.9 million, which is a decrease of \$5.0 million from the prior year. The key factors contributing to this decrease are as follows:

- Total revenue increased to \$0.3 million, mainly from loan repayments.
- Total expenditures increased to \$5.3 million, primarily due to the Bridge Housing affordable housing project.

Proprietary Funds

The City'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 \$214.3 million and those for the Water, Off-Street Parking Fund, and Non-Major Enterprise Funds amounted to \$38.9 million, \$2.8 million, and \$14 million respectively. The total net income/(loss) for each fund was \$10.8 million, \$7.3 million, \$1.4 million, and \$5.7 million respectively.

Light and Power operating revenues increased by \$4.2 million from prior year. Total retail electric energy sold increased by 28,324 megawatt hours, a 3.0% increase compared to the prior fiscal year. Total operating expenses increased by \$1.3 million to \$189 million.

Water Fund operating revenues decreased \$1.9 million from prior year primarily due to reduction in usage, reduction in sales of water rights and leases to other agencies. Total retail water sales decreased by \$0.5 million or 3.8% billing units in retail water sales. Operating expenses decreased by \$2.3 million or 3.7% primarily due to \$1.7 million decrease in transmission and distribution expenses and \$0.5 million decrease in production expenses.

The Off-Street Parking Fund had a net gain of \$1.4 million in FY 2022, as compared to \$2.7 million net loss in FY 2021. Primarily due to the increase of parking revenues from all parking structures and resuming parking enforcement and citations.

Implementation of GASB 68 has resulted in showing a *Net Pension Liability* in the Proprietary Funds. At June 30, 2022, the Net Pension Liability is \$34.6 million, \$11.0 million, \$0.5 million, and \$4.2 million for Light and Power, Water, Off-Street Parking, and Non-Major Enterprise funds respectively.

Implementation of GASB 75 has resulted in showing a *Net OPEB Liability* in the Proprietary Funds. At June 30, 2022, the Net OPEB Liability is \$8.3 million, \$4.1 million, \$0.07 million, and \$2.1 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, 2022 amounts to \$1,331 million, net of accumulated depreciation/amortization. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, construction-in-progress, and intangible assets. Infrastructure assets are items that are normally immovable such as roads, bridges, drainage systems, and other similar assets. The net increase in the City of Pasadena’s investment in capital assets for the current fiscal year was \$18 million, a \$4.6 million increase for governmental activities and \$13.4 million increase for business-type activities. There is a restatement for the beginning balance of capital asset due to the retrospective application required for prior years under GASB 87 by restating financial statements for all periods presented.

**City of Pasadena’s Capital Assets
(Net of Depreciation/Amortization, in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 87.3	\$ 87.3	\$ 14.7	\$ 14.7	\$ 102.0	\$ 102.0
Construction in progress	31.4	22.5	82.0	82.5	113.4	105.0
Buildings and improvements	153.7	152.4	71.6	73.9	225.2	226.3
Right-to-use leased buildings	3.4	-	1.3	-	4.7	-
Machinery and equipment	34.7	36.9	643.5	628.6	678.2	665.4
Right-to-use leased equipment	0.5	-	-	-	0.5	-
Infrastructure	206.8	209.0	-	-	206.8	209.0
Total	\$ 517.8	\$ 508.1	\$ 813.1	\$ 799.7	\$ 1,330.9	\$ 1,307.8

Major capital asset-related events during FY 2022 included the following:

- A variety of street maintenance and construction, technology, traffic control, parks and landscape projects continue city-wide. The city spent \$37 million on capital projects in governmental activities. Costs for projects not yet completed are shown as construction-in-progress (CIP). Governmental activities CIP as of June 30, 2022 is \$31.4 million and \$82 million for business-type activities.
- In the area of technology upgrade projects, the city spent \$3.2 million towards new and replacement computer equipment. Of this amount, \$1,914 million is for computer-aided dispatch records management system, \$0.4 million toward land management system, \$0.8 million for fleet asset management system web software upgrade, and \$0.1 million for safety aviation radio system.
- Public Works acquired a severe-duty truck and four Ford trucks for refuse services for \$0.5 million. Fire spent \$0.7 million on two ambulance trucks EMS.
- Housing invested \$0.6 million for two condos for affordable housing.
- Improvement of city-owned facilities continues. Nearly \$3.1 million was spent in city buildings for preventive maintenance and repair, \$4 million in parks and landscape projects, and \$0.7 million for street improvements.
- Major capital improvements for Transportation includes: \$3.9 million to Intelligent Transportation Systems which utilize technology to improve transportation safety, capacity, travel times, service quality; and \$0.9 million for traffic safety and control program improvements.
- As of June 30, 2022, the business-type activities net assets amounted to \$813 million, an increase of \$13.4 million over the prior year.



- Pasadena Water and Power (PWP) utility plant net assets amounted to \$766 million, an increase of \$15 million. During the fiscal year, the City spent \$82 million on various water and power projects and moved \$57.3 million into completed projects.
- PWP partnered with Red Clay Consulting and spent \$23.8 million to implement Oracle Field Service, a cloud-base field service management solution, Oracle Utilities Customer to Meter(C2M) and Oracle Field Service (OFS) with bill printing, bill payment and a customer portal. The new C2M and OFS system is helping PWP understand at a glance what is happening in the field at any time. It enables PWP's field workers to instantly communicate and collaborate, connecting them seamlessly to assets and back-office logistics.
- Some of the major water projects are: \$1.3 million on installing water iron pipe in Altadena Drive from Woodlyn Road to Paloma Street and \$1.0 million on small water meter upgrades.
- Some of the major power projects are: \$1.4 million on Overhead electric services and \$0.8 million on developing a master plan for the Power Delivery System.

Additional information on the City's capital assets can be found in Note 7 on pages 64-67 of this report.

Long-Term Liabilities

At year-end, the City has a number of debt issues outstanding. These include \$132.8 million of taxable pension bonds, \$301.3 million of revenue bonds, \$50.9 million of certificates of participation and \$4.6 million of notes payable. Long-term debt decreased by a net amount of \$9.9 million as a result of normal scheduled principal maturities and refunding of debt. Other liabilities decreased by a net amount of \$194.9 million primarily due to an increase of \$34.2 in insurance claims payable offset by a decrease of \$211.1 million in net pension liability and a decrease of \$21.2 million in net OPEB liability. 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 Primary Government	
	2022	2021	2022	2011	2022	2021
Long-term debt:						
Notes payable	\$ 4.6	\$ 5.0	\$ -	\$ -	\$ 4.6	\$ 5.0
Bonds payable	132.8	134.9	301.3	306.5	434.1	441.3
Certificates of participation	50.9	53.2	-	-	50.9	53.2
Loan payable	4.9	5.9	1.9	2.4	6.9	8.3
Total long-term debt	<u>193.3</u>	<u>198.9</u>	<u>303.2</u>	<u>308.8</u>	<u>496.5</u>	<u>507.8</u>
Other:						
Net pension liability	252.0	422.1	50.3	91.3	302.3	513.4
Net OPEB liability	57.9	74.2	14.5	19.4	72.4	93.6
Compensated absences	12.2	13.0	-	-	12.2	13.0
Insurance claims payable	76.2	42.0	-	-	76.2	42.0
Lease liability	4.0	-	1.4	-	5.4	-
Total other liabilities	<u>402.3</u>	<u>551.4</u>	<u>66.2</u>	<u>110.6</u>	<u>468.5</u>	<u>662.0</u>
Total long-term liabilities	<u>\$ 595.6</u>	<u>\$ 750.3</u>	<u>\$ 369.4</u>	<u>\$ 419.5</u>	<u>\$ 965.0</u>	<u>\$ 1,169.8</u>

Additional information on the City's long-term debt can be found in Note 10 on pages 73-85 of this report. Information on self-insurance claims payable can be found in Note 18 on pages 99-100, net pension liability in Note 20 on pages 101-112, and OPEB can be found in Note 21 on pages 113-117.

The City reports two items of significant economic importance in its subsequent event Note 23 on page 119.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City'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, 91101.



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Statement of Net Position

June 30, 2022

	Primary Government			Aggregate Component Units	Total
	Governmental	Business-type	Total		
	Activities	Activities	Primary Government		
Assets:					
Current assets:					
Cash and investments	\$ 279,829,214	\$ 341,333,365	\$ 621,162,579	\$ 47,045,282	\$ 668,207,861
Accounts receivable, net	53,469,007	44,045,855	97,514,862	6,905,188	104,420,050
Notes receivable, net	13,505,395	1,366,250	14,871,645	-	14,871,645
Internal balances	(1,573,031)	1,573,031	-	-	-
Inventories	508,207	27,135,879	27,644,086	122,897	27,766,983
Lease receivable	717,748	413,890	1,131,638	7,495	1,139,133
Prepays and other assets	1,907,250	2,092,963	4,000,213	487,177	4,487,390
Due from component units	1,524,852	9,000	1,533,852	-	1,533,852
Due from City	-	-	-	2,095,167	2,095,167
Due from other governments	60,981	-	60,981	-	60,981
Property held for resale	560,996	-	560,996	-	560,996
Total current assets	350,510,619	417,970,233	768,480,852	56,663,206	825,144,058
Noncurrent restricted assets:					
Restricted assets - cash and investments	22,131,375	78,155,837	100,287,212	20,407,211	120,694,423
Restricted assets - others	-	74,167	74,167	-	74,167
Total noncurrent restricted assets	22,131,375	78,230,004	100,361,379	20,407,211	120,768,590
Other noncurrent assets:					
Long-term prepaid and other assets	-	8,328,192	8,328,192	438,830	8,767,022
Lease receivable - noncurrent	1,719,749	885,701	2,605,450	479,042	3,084,492
Land	87,321,596	14,684,665	102,006,261	-	102,006,261
Construction in progress	31,408,653	81,995,624	113,404,277	2,475,272	115,879,549
Other capital assets, net	399,078,107	716,397,467	1,115,475,574	274,829,904	1,390,305,478
Total other noncurrent assets	519,528,105	822,291,649	1,341,819,754	278,223,048	1,620,042,802
Total noncurrent assets	541,659,480	900,521,653	1,442,181,133	298,630,259	1,740,811,392
Total assets	892,170,099	1,318,491,886	2,210,661,985	355,293,465	2,565,955,450
Deferred outflow of resources					
Accumulated decrease in fair value of hedging derivatives	-	-	-	10,763,362	10,763,362
Bond refunding related	21,171,911	976,712	22,148,623	2,688,063	24,836,686
Pension related	66,649,228	11,556,887	78,206,115	888,259	79,094,374
OPEB related	9,122,615	2,287,079	11,409,694	-	11,409,694
Total deferred outflow of resources	96,943,754	14,820,678	111,764,432	14,339,684	126,104,116
Liabilities:					
Current liabilities					
Accounts payable and accrued liabilities	38,121,752	28,855,124	66,976,876	11,475,996	78,452,872
Deposits	5,552,498	6,169,882	11,722,380	1,776,671	13,499,051
Due to component units	2,143	1,095	3,238	-	3,238
Due to primary government	-	-	-	1,532,654	1,532,654
Long-term advances	-	-	-	100,000	100,000
Unearned revenue	43,351,060	12,134,497	55,485,557	4,298,319	59,783,876
Compensated absences due within one year	11,355,797	-	11,355,797	30,259	11,386,056
Insurance claims payable within one year	34,307,683	-	34,307,683	-	34,307,683
Long-term obligations due within one year	5,821,831	11,314,017	17,135,848	10,696,101	27,831,949
Lease liability due within one year	951,875	964,062	1,915,937	192,673	2,108,610
Total current liabilities	139,464,639	59,438,677	198,903,316	30,102,673	229,005,989
Noncurrent liabilities:					
Derivative instrument liability	-	-	-	10,763,362	10,763,362
Long-term advances from primary government	-	-	-	500,000	500,000
Net pension liability	252,049,067	50,274,603	302,323,670	1,390,048	303,713,718
Net OPEB liability	57,913,379	14,519,130	72,432,509	-	72,432,509
Compensated absences due in more than one year	831,254	-	831,254	146,626	977,880
Insurance claims payable due in more than one year	41,844,950	-	41,844,950	-	41,844,950
Long-term obligations due in more than one year	187,452,549	291,900,498	479,353,047	334,050,323	813,403,370
Lease liability due in more than one year	3,072,008	412,421	3,484,429	28,403	3,512,832
Total noncurrent liabilities	543,163,207	357,106,652	900,269,859	346,878,762	1,247,148,621
Total liabilities	682,627,846	416,545,329	1,099,173,175	376,981,435	1,476,154,610

The accompanying notes are an integral part of these financial statements.

Statement of Net Position
June 30, 2022

	Primary Government		Total Primary Government	Aggregate Component Units	Total
	Governmental Activities	Business-type Activities			
Deferred inflow of resources					
Derivative instruments	-	-	-	4,166,486	4,166,486
Bond refunding related	-	2,046,138	2,046,138	-	2,046,138
Service concession agreement	-	-	-	193,519	193,519
Lease related	2,383,085	1,287,812	3,670,897	702,061	4,372,958
Pension related	132,659,324	28,723,156	161,382,480	1,213,439	162,595,919
OPEB related	21,890,988	5,488,164	27,379,152	-	27,379,152
Total deferred inflow of resources	156,933,397	37,545,270	194,478,667	6,275,505	200,754,172
Net Position:					
Net investment in capital assets	471,778,310	499,718,823	971,497,133	(13,486,937)	958,010,196
Restricted:					
Nonexpendable	1,434,131	-	1,434,131	-	1,434,131
Expendable:					
Community development	15,516,715	-	15,516,715	-	15,516,715
Public safety	4,975,255	-	4,975,255	-	4,975,255
Capital projects	2,488,871	-	2,488,871	-	2,488,871
Debt service	7,084,563	36,484,028	43,568,591	11,663,709	55,232,300
Stranded investments	-	43,780,340	43,780,340	-	43,780,340
Transportation	33,718,365	-	33,718,365	-	33,718,365
Contribution to General Fund	-	19,544,138	19,544,138	-	19,544,138
Culture and literacy	3,021,242	-	3,021,242	-	3,021,242
Other purposes	994,715	9,665,198	10,659,913	870,240	11,530,153
Air quality improvement	159,964	-	159,964	-	159,964
Trust and loans	12,101,050	-	12,101,050	-	12,101,050
Unrestricted	(403,720,571)	270,029,438	(133,691,133)	(12,670,803)	(146,361,936)
Total net position	\$ 149,552,610	\$ 879,221,965	\$ 1,028,774,575	\$ (13,623,791)	\$ 1,015,150,784

Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 86,104,284	\$ 12,983,685	\$ 11,091,008	\$ -
Public safety	151,004,670	13,736,003	5,141,054	-
Transportation	44,751,810	16,606,508	20,131,913	8,584,061
Utility	124,195	-	-	-
Sanitation	6,091,235	7,301,252	-	-
Health	17,061,844	2,167,887	9,588,112	-
Culture and leisure	48,528,681	1,095,671	5,102,059	1,600,000
Community development	62,726,513	14,470,174	29,693,094	-
Interest and other fiscal charges	6,364,229	-	-	-
Total governmental activities	422,757,461	68,361,180	80,747,240	10,184,061
Business-type activities:				
Electric	196,717,783	226,509,255	4,007,119	4,026,308
Water	61,517,911	69,359,266	1,919,178	532,373
Refuse	18,817,986	11,863,585	261,541	-
Parking	10,900,735	11,065,878	-	-
Telecommunications	162,655	775,861	-	-
Total business-type activities	288,117,070	319,573,845	6,187,838	4,558,681
Total primary government	710,874,531	387,935,025	86,935,078	14,742,742
Aggregate Component Units	\$ 76,111,366	\$ 48,372,793	\$ 31,560,902	\$ 76,055

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
- Use of property - lease activity
- Net change in fair value of investments
- Gain (loss) on sale of capital assets
- Miscellaneous revenues

Total general revenues

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning of year

Net position - end of year

The accompanying notes are an integral part of these financial statements.



Net (Expenses) Revenues and
Changes in Net Position

Primary Government		Total Primary Government	Aggregate Component Units	Total
Governmental Activities	Business-type Activities			
\$ (62,029,591)	\$ -	\$ (62,029,591)	\$ -	\$ (62,029,591)
(132,127,613)	-	(132,127,613)	-	(132,127,613)
570,672	-	570,672	-	570,672
(124,195)	-	(124,195)	-	(124,195)
1,210,017	-	1,210,017	-	1,210,017
(5,305,845)	-	(5,305,845)	-	(5,305,845)
(40,730,951)	-	(40,730,951)	-	(40,730,951)
(18,563,245)	-	(18,563,245)	-	(18,563,245)
(6,364,229)	-	(6,364,229)	-	(6,364,229)
(263,464,980)	-	(263,464,980)	-	(263,464,980)
-	37,824,899	37,824,899	-	37,824,899
-	10,292,906	10,292,906	-	10,292,906
-	(6,692,860)	(6,692,860)	-	(6,692,860)
-	165,143	165,143	-	165,143
-	613,206	613,206	-	613,206
-	42,203,294	42,203,294	-	42,203,294
(263,464,980)	42,203,294	(221,261,686)	-	\$ (221,261,686)
			3,898,384	3,898,384
79,143,553	-	79,143,553	-	79,143,553
74,365,959	-	74,365,959	-	74,365,959
30,123,514	-	30,123,514	-	30,123,514
14,711,398	-	14,711,398	-	14,711,398
2,625,544	-	2,625,544	-	2,625,544
5,889,914	-	5,889,914	-	5,889,914
2,730,218	6,161,960	8,892,178	-	8,892,178
16,308,638	-	16,308,638	3,189,250	19,497,888
1,235,060	-	1,235,060	65,872	1,300,932
22,562,229	-	22,562,229	-	22,562,229
2,238,519	2,792,508	5,031,027	(6,483,996)	(1,452,969)
731,368	394,643	1,126,011	-	1,126,011
(15,261,512)	(25,439,219)	(40,700,731)	-	(40,700,731)
-	(166,537)	(166,537)	-	(166,537)
4,663,555	10,571,083	15,234,638	5,318,837	20,553,475
242,067,957	(5,685,562)	236,382,395	2,089,963	238,472,358
10,954,124	(11,362,386)	(408,262)	-	(408,262)
253,022,081	(17,047,948)	235,974,133	2,089,963	238,064,096
(10,442,899)	25,155,346	14,712,447	5,988,347	20,700,794
159,995,509	854,066,619	1,014,062,128	(19,612,138)	994,449,990
\$ 149,552,610	\$ 879,221,965	\$ 1,028,774,575	\$ (13,623,791)	\$ 1,015,150,784

Balance Sheet
Governmental Funds
June 30, 2022

	General	Project Management	General Debt Service	Housing Successor	Non-Major Governmental Funds	Total
Assets:						
Pooled cash and investments	\$ 71,628,929	\$ 8,295,771	\$ -	\$ 2,712,441	\$ 155,375,824	\$ 238,012,965
Accounts receivable, net	33,972,308	958,689	-	6,374	18,222,006	53,159,377
Lease receivable	628,297	-	-	-	976,340	1,604,637
Notes receivable	18,350,000	-	-	26,318,280	58,023,672	102,691,952
Allowance for uncollectible notes receivable	(4,844,605)	-	-	(26,318,280)	(58,023,672)	(89,186,557)
Due from other funds	38,662,450	-	-	-	-	38,662,450
Due from component units	1,503,287	-	-	-	-	1,503,287
Due from other governments	60,981	-	-	-	-	60,981
Prepays and other assets	191,694	-	-	-	148,066	339,760
Restricted assets:						
Cash and investments	11,696,726	-	-	-	10,430,296	22,127,022
Cash with fiscal agent	-	-	813	-	3,540	4,353
Property held for resale	-	-	-	-	560,996	560,996
Total assets	171,850,067	9,254,460	813	2,718,815	185,717,068	369,541,223
Liabilities:						
Accounts payable and accrued liabilities	17,895,173	4,936,612	-	825,988	4,919,285	28,577,058
Deposits	3,990,568	-	-	-	1,561,930	5,552,498
Due to other funds	-	-	-	-	9,938,684	9,938,684
Due to component units	2,143	-	-	-	-	2,143
Unearned revenue	40,738,287	-	-	-	2,612,773	43,351,060
Advances from other funds	110,000	-	-	-	-	110,000
Total liabilities	62,736,171	4,936,612	-	825,988	19,032,672	87,531,443
Deferred inflow of resources:						
Unavailable revenues	2,286,400	931,321	-	-	9,067,520	12,285,241
Lease related	611,783	-	-	-	960,333	1,572,116
Total deferred inflow of resources	2,898,183	931,321	-	-	10,027,853	13,857,357
Fund balances:						
Nonspendable	13,697,089	-	-	-	1,582,197	15,279,286
Restricted	12,101,050	611,197	813	1,892,827	62,341,228	76,947,115
Committed	57,338,600	-	-	-	102,213,003	159,551,603
Assigned	23,078,974	2,775,330	-	-	-	25,854,304
Unassigned	-	-	-	-	(9,479,885)	(9,479,885)
Total fund balances	106,215,713	3,386,527	813	1,892,827	156,656,543	268,152,423
Total liabilities, deferred inflow of resources and fund balances	\$ 171,850,067	\$ 9,254,460	\$ 813	\$ 2,718,815	\$ 185,717,068	\$ 369,541,223

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Fiscal Year Ended June 30, 2022**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds \$ 268,152,423

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

Capital assets	809,628,522	
Accumulated depreciation	(310,903,100)	
Right-to-use lease assets	5,139,591	
Accumulated amortization	<u>(1,182,517)</u>	502,682,496

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.

Unavailable revenues	12,285,241	
Deferred outflows - pension related	51,163,193	
Deferred outflows - OPEB related	<u>8,290,014</u>	71,738,448

Long-term liabilities and deferred inflows of resources are not due and payable in the current period, and therefore, are not reported in the funds.

Notes payable	(4,638,830)	
Pension bonds payable	(132,880,000)	
Certificates of participation	(46,765,000)	
Unamortized premium (discount)	(4,053,840)	
Accrued interest payable on long-term debt	(1,621,280)	
Loan payable	(4,936,710)	
Lease liability	(4,023,883)	
Net OPEB liability	(52,627,763)	
Net pension liability	(195,484,103)	
Deferred inflows - pension related	(97,314,708)	
Deferred inflows - OPEB related	<u>(19,893,049)</u>	(564,239,166)

The substance of an advanced refunding is reported as deferring the difference and amortizing it over future periods. 21,171,911

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 assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. (149,953,502)

Net position of governmental activities \$ 149,552,610

The accompanying notes are an integral part of these financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022**

	General	Project Management	General Debt Service	Housing Successor	Non-Major Governmental Funds	Total
Revenues:						
Taxes	\$ 214,739,973	\$ -	\$ -	\$ -	\$ 11,158,765	\$ 225,898,738
Licenses and permits	3,940,945	-	-	-	11,342,539	15,283,484
Intergovernmental revenues	35,880,294	4,518,028	-	-	65,826,329	106,224,651
Charges for services	32,950,457	50,479	-	55,362	10,491,702	43,548,000
Fines and forfeits	4,189,673	-	-	-	-	4,189,673
Investment earnings	908,360	-	253	6,508	1,254,814	2,169,935
Net change in fair value of investments	(5,492,911)	-	-	-	(9,351,353)	(14,844,264)
Lease revenues	974,320	296,483	-	61,741	3,179,161	4,511,705
Interest - leases (as lessor)	2,971	-	-	-	5,635	8,606
Miscellaneous revenues	4,261,946	-	-	220,971	3,743,851	8,226,768
Contributions	27,620	745,152	-	-	2,316,223	3,088,995
Total revenues	292,383,648	5,610,142	253	344,582	99,967,666	398,306,291
Expenditures:						
Current:						
General government	63,478,360	221,140	6,400	-	103,817	63,809,717
Public safety	144,019,978	911,105	-	-	2,628,949	147,560,032
Transportation	22,028,024	3,960,184	-	-	14,806,908	40,795,116
Utility	-	-	-	-	124,195	124,195
Sanitation	-	1,211,157	-	-	4,825,470	6,036,627
Health	-	-	-	-	16,505,189	16,505,189
Culture and leisure	32,454,156	79,679	-	-	13,341,727	45,875,562
Community development	8,432,414	42,796	-	5,335,625	41,883,327	55,694,162
Capital outlay	37,658	24,963,110	-	-	19,079	25,019,847
Debt service:						
Principal retirement	-	-	3,025,836	-	2,390,000	5,415,836
Interest	-	-	4,057,541	-	2,336,898	6,394,439
Interest - leases (as lessee)	26,306	112	-	-	5,730	32,148
Lease payments	592,259	11,939	-	-	511,437	1,115,635
Total expenditures	271,069,155	31,401,222	7,089,777	5,335,625	99,482,726	414,378,505
Excess (deficiency) of revenues over (under) expenditures	21,314,493	(25,791,080)	(7,089,524)	(4,991,043)	484,940	(16,072,214)
Other financing sources (uses):						
Transfers in	20,288,374	27,042,903	7,089,743	-	19,073,943	73,494,963
Transfers out	(34,079,764)	(484,456)	-	-	(30,458,585)	(65,022,805)
Transfer to component unit	(408,262)	-	-	-	-	(408,262)
Leases issued	37,583	53,726	-	-	19,079	110,388
Total other financing sources (uses)	(14,162,069)	26,612,173	7,089,743	-	(11,365,563)	8,174,284
Net change in fund balances	7,152,424	821,093	219	(4,991,043)	(10,880,623)	(7,897,930)
Fund balances at beginning of year	99,063,289	2,565,434	594	6,883,870	167,537,166	276,050,353
Fund balances at end of year	\$ 106,215,713	\$ 3,386,527	\$ 813	\$ 1,892,827	\$ 156,656,543	\$ 268,152,423

The accompanying notes are an integral part of these 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, 2022**

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

Net change in fund balances - total governmental funds \$ (7,897,930)

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/amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlay that was capitalized in the current period.

Capital assets	\$ 24,038,483	
Depreciation/amortization expense	<u>(18,428,646)</u>	5,609,837

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Loss on sale of assets		(370,004)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,128,451
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Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on notes	316,493	
Principal paid on pension bonds	2,070,000	
Principal paid on certificates of participation	2,090,000	
Principal paid on leases	1,115,710	
Principal paid on loan	<u>939,341</u>	6,531,544

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.		(1,113,394)
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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, and 311 call center, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		(37,255,307)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	62,358	
Amortization of bond premiums and discounts and deferred amounts of refunding	246,420	
Net change in deferred (inflows) and outflows of resources relating to pension liability	23,855,608	
Net change in deferred (inflows) and outflows of resources relating to OPEB liability	<u>(3,240,482)</u>	20,923,904

Change in net position of governmental activities \$ (10,442,899)

The accompanying notes are an integral part of these financial statements.

**Statement of Net Position
Proprietary Funds
June 30, 2022**

	Light and Power	Water	Off-Street Parking
Assets:			
Current assets:			
Cash and investments	\$ 262,953,842	\$ 49,763,890	\$ 2,554,036
Accounts receivable, net	29,011,594	11,566,050	907,611
Notes receivable, restricted	1,366,250	-	-
Due from other funds	1,463,031	-	-
Due from component units	-	-	-
Inventories	18,962,825	8,173,054	-
Lease receivable	-	8,810	352,580
Prepays and other assets	1,322,361	512,001	234,601
Total current assets	315,079,903	70,023,805	4,048,828
Noncurrent restricted assets:			
Cash and investments	14,571,142	15,694,760	-
Cash and investments - stranded investments reserve	41,665,801	-	-
Cash with fiscal agent	36,336	4,310,938	1,876,860
Notes receivable	74,167	-	-
Total noncurrent restricted assets	56,347,446	20,005,698	1,876,860
Other noncurrent assets:			
Advances to other funds	110,000	-	-
Deposit with Independent System Operator (ISO)	200,000	-	-
Prepaid long-term assets	8,128,192	-	-
Lease receivable	-	12,166	818,963
Capital assets, net of accumulated depreciation/amortization	536,499,394	229,797,739	41,731,964
Total other noncurrent assets	544,937,586	229,809,905	42,550,927
Total noncurrent assets	601,285,032	249,815,603	44,427,787
Total assets	916,364,935	319,839,408	48,476,615
Deferred outflow of resources:			
Bond refunding related	910,550	66,162	-
Pension related	7,434,262	2,834,243	202,658
OPEB related	1,299,104	653,907	10,279
Total deferred outflow of resources	9,643,916	3,554,312	212,937
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	18,615,739	8,307,010	942,997
Deposits	1,254,197	378,281	249,038
Insurance claims payable	-	-	-
Due to other funds	-	-	-
Due to component units	712	383	-
Unearned revenues	8,192,860	2,744,554	-
Compensated absences	-	-	-
Revenue bonds	7,225,000	2,725,000	900,000
Loan payable	-	-	464,017
Lease liability	529,291	425,421	9,350
Total current liabilities	35,817,799	14,580,649	2,565,402
Noncurrent liabilities:			
Insurance claims payable	-	-	-
Compensated absences	-	-	-
Net pension liability	34,636,782	10,972,536	503,819
Net OPEB liability	8,345,600	4,052,758	65,255
Revenue bonds	194,636,294	76,295,970	19,500,000
Loan payable	-	-	1,468,234
Lease liability	232,470	179,171	780
Total noncurrent liabilities	237,851,146	91,500,435	21,538,088
Total liabilities	273,668,945	106,081,084	24,103,490
Deferred inflows of resources:			
Bond refunding related	416,890	1,629,248	-
Lease related	-	20,793	1,150,050
Pension related	18,476,900	7,044,147	503,681
OPEB related	3,137,385	1,549,137	24,666
Total deferred inflows of resources	22,031,175	10,243,325	1,678,397
Net position:			
Net investment in capital assets	329,930,063	146,617,537	18,239,533
Restricted:			
Debt service	14,601,470	20,005,698	1,876,860
Contribution to General Fund	18,000,000	1,544,138	-
Stranded investments	43,780,340	-	-
Other purposes	9,665,198	-	-
Unrestricted	214,331,660	38,901,938	2,791,272
Total net position	\$ 630,308,731	\$ 207,069,311	\$ 22,907,665

The accompanying notes are an integral part of these financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds	Total
\$ 26,061,597	\$ 341,333,365	\$ 41,816,249	\$ 383,149,614
2,560,600	44,045,855	309,630	44,355,485
-	1,366,250	-	1,366,250
-	1,463,031	-	1,463,031
9,000	9,000	21,565	30,565
-	27,135,879	508,207	27,644,086
52,500	413,890	260,841	674,731
24,000	2,092,963	1,567,490	3,660,453
<u>28,707,697</u>	<u>417,860,233</u>	<u>44,483,982</u>	<u>462,344,215</u>
-	30,265,902	-	30,265,902
-	41,665,801	-	41,665,801
-	6,224,134	-	6,224,134
-	74,167	-	74,167
<u>-</u>	<u>78,230,004</u>	<u>-</u>	<u>78,230,004</u>
-	110,000	-	110,000
-	200,000	-	200,000
-	8,128,192	-	8,128,192
54,572	885,701	572,019	1,457,220
<u>5,048,659</u>	<u>813,077,756</u>	<u>15,125,860</u>	<u>828,203,616</u>
<u>5,103,231</u>	<u>822,401,649</u>	<u>15,697,879</u>	<u>838,099,528</u>
<u>5,103,231</u>	<u>900,631,653</u>	<u>15,697,879</u>	<u>916,329,532</u>
<u>33,810,928</u>	<u>1,318,491,886</u>	<u>60,181,861</u>	<u>1,378,673,747</u>
-	976,712	-	976,712
1,085,724	11,556,887	15,486,035	27,042,922
323,789	2,287,079	832,601	3,119,680
<u>1,409,513</u>	<u>14,820,678</u>	<u>16,318,636</u>	<u>31,139,314</u>
989,378	28,855,124	7,923,414	36,778,538
4,288,366	6,169,882	-	6,169,882
-	-	34,307,683	34,307,683
-	-	30,186,797	30,186,797
-	1,095	-	1,095
1,197,083	12,134,497	-	12,134,497
-	-	11,355,797	11,355,797
-	10,850,000	-	10,850,000
-	464,017	-	464,017
-	964,062	-	964,062
<u>6,474,827</u>	<u>59,438,677</u>	<u>83,773,691</u>	<u>143,212,368</u>
-	-	41,844,950	41,844,950
-	-	831,254	831,254
4,161,466	50,274,603	56,564,964	106,839,567
2,055,517	14,519,130	5,285,616	19,804,746
-	290,432,264	-	290,432,264
-	1,468,234	-	1,468,234
-	412,421	-	412,421
<u>6,216,983</u>	<u>357,106,652</u>	<u>104,526,784</u>	<u>461,633,436</u>
<u>12,691,810</u>	<u>416,545,329</u>	<u>188,300,475</u>	<u>604,845,804</u>
-	2,046,138	-	2,046,138
116,969	1,287,812	810,969	2,098,781
2,698,428	28,723,156	35,344,616	64,067,772
776,976	5,488,164	1,997,939	7,486,103
<u>3,592,373</u>	<u>37,545,270</u>	<u>38,153,524</u>	<u>75,698,794</u>
4,931,690	499,718,823	14,314,891	514,033,714
-	36,484,028	-	36,484,028
-	19,544,138	-	19,544,138
-	43,780,340	-	43,780,340
-	9,665,198	-	9,665,198
<u>14,004,568</u>	<u>270,029,438</u>	<u>(164,268,393)</u>	<u>105,761,045</u>
<u>\$ 18,936,258</u>	<u>\$ 879,221,965</u>	<u>\$ (149,953,502)</u>	<u>\$ 729,268,463</u>

Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Light and Power	Water	Off-Street Parking
Operating revenues:			
Utilities	\$ 226,509,255	\$ 69,359,266	\$ -
Off-street parking	-	-	11,065,878
Refuse collection	-	-	-
Telecommunication	-	-	-
Computing and communication services	-	-	-
Building maintenance	-	-	-
Fleet maintenance	-	-	-
Employee benefits	-	-	-
Insurance	-	-	-
311 Call Center	-	-	-
Total operating revenues	226,509,255	69,359,266	11,065,878
Operating expenses:			
Utility production	109,812,044	32,508,513	-
Utility transmission and distribution	16,645,734	5,449,127	-
Utility commercial and general	28,582,631	11,139,895	-
Off-street parking	-	-	8,689,538
Refuse collection	-	-	-
Telecommunications	-	-	-
Computing and communication services	-	-	-
Building maintenance	-	-	-
Fleet maintenance	-	-	-
Benefits	-	-	-
Insurance	-	-	-
311 Call Center	-	-	-
Depreciation/amortization	33,980,866	9,863,811	1,935,148
Total operating expenses	189,021,275	58,961,346	10,624,686
Operating income (loss)	37,487,980	10,397,920	441,192
Nonoperating revenues (expenses):			
Taxes	-	-	-
Intergovernmental revenues	4,007,119	1,919,178	-
Investment earnings	2,092,656	481,011	14,559
Net change in fair value of investments	(21,039,163)	(2,971,858)	(85,425)
Lease revenues	-	8,975	341,951
Interest - leases (as lessor)	-	158	6,116
Noncompliance forfeitures	-	-	-
Other	1,756,962	1,645,576	9,553
Interest expense	(7,696,508)	(2,556,565)	(276,049)
Interest - leases (as lessee)	(2,286)	(1,564)	(22)
Gain (loss) on sale of assets	(169,589)	7,732	-
Total nonoperating revenues (expenses)	(21,050,809)	(1,467,357)	10,683
Income (loss) before transfers and contributions	16,437,171	8,930,563	451,875
Capital contributions	4,026,308	532,373	-
Transfers in	8,288,302	-	1,000,000
Transfers out	(18,000,000)	(2,144,138)	(83,000)
Changes in net position	10,751,781	7,318,798	1,368,875
Net position (deficit) at beginning of year	619,556,950	199,750,513	21,538,790
Net position (deficit) at end of year	\$ 630,308,731	\$ 207,069,311	\$ 22,907,665

The accompanying notes are an integral part of these financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds	Total
\$ -	\$ 295,868,521	\$ -	\$ 295,868,521
-	11,065,878	-	11,065,878
11,863,585	11,863,585	-	11,863,585
775,861	775,861	-	775,861
-	-	18,147,130	18,147,130
-	-	13,484,944	13,484,944
-	-	13,908,698	13,908,698
-	-	32,924,362	32,924,362
-	-	20,587,688	20,587,688
-	-	956,162	956,162
<u>12,639,446</u>	<u>319,573,845</u>	<u>100,008,984</u>	<u>419,582,829</u>
-	142,320,557	-	142,320,557
-	22,094,861	-	22,094,861
-	39,722,526	-	39,722,526
-	8,689,538	-	8,689,538
18,175,712	18,175,712	-	18,175,712
(6,614)	(6,614)	-	(6,614)
-	-	15,842,370	15,842,370
-	-	12,200,762	12,200,762
-	-	10,229,520	10,229,520
-	-	36,504,936	36,504,936
-	-	62,107,416	62,107,416
-	-	704,865	704,865
<u>811,543</u>	<u>46,591,368</u>	<u>2,550,477</u>	<u>49,141,845</u>
<u>18,980,641</u>	<u>277,587,948</u>	<u>140,140,346</u>	<u>417,728,294</u>
<u>(6,341,195)</u>	<u>41,985,897</u>	<u>(40,131,362)</u>	<u>1,854,535</u>
6,161,960	6,161,960	-	6,161,960
261,541	6,187,838	-	6,187,838
204,282	2,792,508	68,609	2,861,117
(1,342,773)	(25,439,219)	(417,249)	(25,856,468)
40,685	391,611	270,323	661,934
630	6,904	3,938	10,842
7,100,291	7,100,291	-	7,100,291
58,701	3,470,792	-	3,470,792
-	(10,529,122)	-	(10,529,122)
-	(3,872)	-	(3,872)
<u>(4,680)</u>	<u>(166,537)</u>	<u>60,206</u>	<u>(106,331)</u>
<u>12,480,637</u>	<u>(10,026,846)</u>	<u>(14,173)</u>	<u>(10,041,019)</u>
<u>6,139,442</u>	<u>31,959,051</u>	<u>(40,145,535)</u>	<u>(8,186,484)</u>
-	4,558,681	-	4,558,681
266,764	9,555,066	4,565,533	14,120,599
<u>(690,314)</u>	<u>(20,917,452)</u>	<u>(1,675,305)</u>	<u>(22,592,757)</u>
5,715,892	25,155,346	(37,255,307)	(12,099,961)
<u>13,220,366</u>	<u>854,066,619</u>	<u>(112,698,195)</u>	<u>741,368,424</u>
<u>\$ 18,936,258</u>	<u>\$ 879,221,965</u>	<u>\$ (149,953,502)</u>	<u>\$ 729,268,463</u>

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Light and Power	Water	Off-Street Parking
Cash Flows from Operating Activities:			
Cash received from customers	\$ 223,863,626	\$ 67,518,802	\$ 10,795,664
Cash payments to suppliers for goods and services	(116,326,160)	(35,933,817)	(7,654,753)
Cash payments to employees for services	(32,161,075)	(11,842,976)	(1,079,689)
Cash payments to other funds for services	(6,749,927)	(3,886,436)	-
Miscellaneous revenue	1,756,962	1,645,576	-
Nonoperating miscellaneous revenue	-	-	9,553
Net cash provided by (used for) operating activities	70,383,426	17,501,149	2,070,775
Cash Flows from Noncapital Financing Activities:			
Cash transfers in	6,825,271	-	1,000,000
Cash transfers out	(18,000,000)	(2,144,138)	(83,000)
Advances from other funds	110,000	-	-
Taxes received	-	-	-
Intergovernmental revenues	4,007,119	1,919,178	-
Net cash provided by (used for) noncapital financing activities	(7,057,610)	(224,960)	917,000
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(40,378,162)	(18,406,479)	(19,080)
Proceeds from long-term debt	-	22,480,000	-
Proceeds from sale of capital assets	14,014	73,345	-
Proceeds from lease activities	-	9,134	-
Payments on leases	(914,323)	(397,080)	(115,168)
Capital contributions	3,395,981	2,181,826	-
Bond premium received from debt issuance	-	6,256,610	-
Bond premiums received from bond refunding Cost of issuance of bonds	-	1,629,248	-
	-	(298,163)	-
Principal paid on debt and finance obligation	(13,930,000)	(17,508,658)	(800,000)
Interest paid on debt and finance obligation	(9,149,469)	(2,491,969)	(276,071)
Net cash used for capital and related financing activities	(60,961,959)	(6,472,186)	(1,210,319)
Cash Flows from Investing Activities:			
Proceeds from sale of investments	15,005,585	244,866	-
Purchase of investments	(11,000,000)	-	-
Investment earnings	2,043,750	453,905	14,559
Net change in fair value of investments	(21,039,163)	(2,971,858)	(85,425)
Payments received from loans made to suppliers	6,606,250	-	-
Net cash provided by (used for) investing activities	(8,383,578)	(2,273,087)	(70,866)
Net increase (decrease) in cash and cash equivalents	(6,019,721)	8,530,916	1,706,590
Cash and cash equivalents at beginning of year	277,750,119	57,830,713	2,724,306
Cash and cash equivalents at end of year	271,730,398	66,361,629	4,430,896
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:			
Cash and investments	262,953,842	49,763,890	2,554,036
Restricted:			
Cash and stranded investments reserve	41,665,801	-	-
Cash and investments	14,571,142	15,694,760	-
Cash with fiscal agent	36,336	4,310,938	1,876,860
Less non-cash equivalents	(47,496,723)	(3,407,959)	-
Cash and cash equivalents at end of year	\$ 271,730,398	\$ 66,361,629	\$ 4,430,896

The accompanying notes are an integral part of these financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds	Total
\$ 14,210,267	\$ 316,388,359	\$ 100,243,730	\$ 416,632,089
(10,565,251)	(170,479,981)	(38,040,331)	(208,520,312)
(7,189,806)	(52,273,546)	(61,614,717)	(113,888,263)
-	(10,636,363)	-	(10,636,363)
58,701	3,461,239	-	3,461,239
-	9,553	-	9,553
<u>(3,486,089)</u>	<u>86,469,261</u>	<u>588,682</u>	<u>87,057,943</u>
266,764	8,092,035	4,565,533	12,657,568
(690,314)	(20,917,452)	(1,675,305)	(22,592,757)
-	110,000	-	110,000
6,161,960	6,161,960	-	6,161,960
261,541	6,187,838	-	6,187,838
<u>5,999,951</u>	<u>(365,619)</u>	<u>2,890,228</u>	<u>2,524,609</u>
(750,475)	(59,554,196)	(1,851,124)	(61,405,320)
-	22,480,000	-	22,480,000
(4,680)	82,679	64,468	147,147
51,212	60,346	252,370	312,716
-	(1,426,571)	-	(1,426,571)
-	5,577,807	-	5,577,807
-	6,256,610	-	6,256,610
-	1,629,248	-	1,629,248
-	(298,163)	-	(298,163)
-	(32,238,658)	-	(32,238,658)
-	(11,917,509)	-	(11,917,509)
<u>(703,943)</u>	<u>(69,348,407)</u>	<u>(1,534,286)</u>	<u>(70,882,693)</u>
-	15,250,451	-	15,250,451
-	(11,000,000)	-	(11,000,000)
204,282	2,716,496	68,609	2,785,105
(1,342,773)	(25,439,219)	(417,249)	(25,856,468)
-	6,606,250	-	6,606,250
<u>(1,138,491)</u>	<u>(11,866,022)</u>	<u>(348,640)</u>	<u>(12,214,662)</u>
671,428	4,889,213.00	1,595,984	6,485,197
<u>25,390,169</u>	<u>363,695,307</u>	<u>40,220,265</u>	<u>403,915,572</u>
<u>26,061,597</u>	<u>368,584,520</u>	<u>41,816,249</u>	<u>410,400,769</u>
26,061,597	341,333,365	41,816,249	383,149,614
-	41,665,801	-	41,665,801
-	30,265,902	-	30,265,902
-	6,224,134	-	6,224,134
-	(50,904,682)	-	(50,904,682)
<u>\$ 26,061,597</u>	<u>\$ 368,584,520</u>	<u>\$ 41,816,249</u>	<u>\$ 410,400,769</u>

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<u>Light and Power</u>	<u>Water</u>	<u>Off-Street Parking</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 37,487,980	\$ 10,397,920	\$ 441,192
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	33,980,866	9,863,811	1,935,148
Miscellaneous and other revenue (loss)	1,756,962	1,645,576	9,553
(Increase) decrease in accounts receivable	(4,305,390)	(1,854,134)	(247,729)
Increase (decrease) in allowance for uncollectible accounts	785,761	13,670	-
Increase (decrease) in due to other funds	-	-	-
(Increase) decrease in inventories	(2,168,233)	(119,037)	-
(Increase) decrease in prepaids and other assets	330,241	(92,729)	(22,485)
Increase (decrease) in accounts payable and other accrued liabilities	7,159,901	(721,588)	148,714
Increase (decrease) in unearned revenue	(45,044)	-	(1,130)
Increase (decrease) in insurance claims payable	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deposits payable	472,035	211,928	-
Increase (decrease) in deferred inflows - non-lease related	14,738,888	5,627,181	502,548
(Increase) decrease in deferred outflows	1,513,923	838,019	33,528
Increase (decrease) in net OPEB liability	(1,985,223)	(1,012,837)	(704,753)
Increase (decrease) in net pension liability	(19,339,241)	(7,296,631)	(23,811)
Total adjustments	<u>32,895,446</u>	<u>7,103,229</u>	<u>1,629,583</u>
Net cash provided by (used for) operating activities	<u>\$ 70,383,426</u>	<u>\$ 17,501,149</u>	<u>\$ 2,070,775</u>
Non-Cash Investing, Capital and Financing Activities			
Gain (loss) on disposition of capital assets	\$ (169,589)	7,732	-
Amortization of deferred charges	(38,171)	(77,657)	-
Amortization of premiums (discounts)	651,293	536,254	-
Capital contributions	(4,026,308)	(532,373)	-

The accompanying notes are an integral part of these financial statements.

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds	Total
\$ (6,341,195)	\$ 41,985,897	\$ (40,131,362)	\$ 1,854,535
811,543	46,591,368	2,550,477	49,141,845
7,158,992	10,571,083	-	10,571,083
(326,797)	(6,734,050)	256,311	(6,477,739)
-	799,431	(21,565)	777,866
-	-	17,893,542	17,893,542
-	(2,287,270)	(67,370)	(2,354,640)
(24,000)	191,027	(569,978)	(378,951)
261,626	6,848,653	(976,952)	5,871,701
1,197,083	1,150,909	-	1,150,909
-	-	34,108,440	34,108,440
-	-	(789,036)	(789,036)
(5,202,673)	(4,518,710)	-	(4,518,710)
3,196,392	24,065,009	35,582,479	59,647,488
354,831	2,740,301	3,313,363	6,053,664
(705,527)	(4,408,340)	(1,661,526)	(6,069,866)
<u>(3,866,364)</u>	<u>(30,526,047)</u>	<u>(48,898,141)</u>	<u>(79,424,188)</u>
<u>2,855,106</u>	<u>44,483,364</u>	<u>40,720,044</u>	<u>85,203,408</u>
<u>\$ (3,486,089)</u>	<u>\$ 86,469,261</u>	<u>\$ 588,682</u>	<u>\$ 87,057,943</u>
-	(161,857)	-	\$ (161,857)
-	(115,828)	-	(115,828)
-	1,187,547	-	1,187,547
-	(4,558,681)	-	(4,558,681)

Statement of Net Position
Fiduciary Funds
June 30, 2022

	Employee Benefit Trust Funds	Custodial Funds	Private-Purpose Trust Funds	Total
Assets:				
Cash and cash equivalents	\$ 327,861,636	\$ 458,511	\$ 192,734	\$ 328,512,881
Cash with fiscal agent	-	-	7,943	7,943
Short-term investments	608,561	-	-	608,561
Receivables:				
Accounts receivable	-	2,317,108	-	2,317,108
Contribution	2,634,599	-	-	2,634,599
Interest	283,993	-	-	283,993
Notes receivable	-	-	515,000	515,000
Allowance for uncollectible long-term receivables	-	-	(515,000)	(515,000)
Total receivables	2,918,592	2,317,108	-	5,235,700
Other assets	-	4,414	-	4,414
Investments, at fair value:				
Government and agencies	19,255,353	-	-	19,255,353
Corporate obligations	22,970,722	-	-	22,970,722
Fixed income mutual fund	15,676,777	-	-	15,676,777
Real estate	15,029,667	-	-	15,029,667
Corporate stocks	40,724,068	-	-	40,724,068
Total investments	113,656,587	-	-	113,656,587
Capital assets, net	-	-	214,261	214,261
Total assets	445,045,376	2,780,033	414,938	448,240,347
Liabilities:				
Accounts payable and accrued liabilities	60,343	1,492,711	-	1,553,054
Due to other governments	-	3,960	-	3,960
Due to bondholders	-	944,635	-	944,635
Pending purchases	8,230,969	-	-	8,230,969
Total liabilities	8,291,312	2,441,306	-	10,732,618
Net Position/(Deficit):				
Restricted for pensions	436,754,064	-	-	436,754,064
Restricted for special assessments	-	(1,655)	-	(1,655)
Restricted for library equipment	-	304,830	-	304,830
Restricted for WIOA	-	833,001	-	833,001
Restricted for bondholders	-	(797,449)	-	(797,449)
Held in trust for other purposes	-	-	414,938	414,938
Total net position	\$ 436,754,064	\$ 338,727	\$ 414,938	\$ 437,507,729

The accompanying notes are an integral part of these financial statements.

**Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022**

	Employee Benefit Trust Funds	Custodial Funds	Private Purpose Trust Funds	Total
Additions:				
Contributions:				
Plan members	\$ 16,645,496	\$ -	\$ -	\$ 16,645,496
Property taxes	-	-	8,572,235	8,572,235
Intergovernmental revenue	-	3,719,300	-	3,719,300
Assessment revenue	-	114,055	-	114,055
Total contributions	16,645,496	3,833,355	8,572,235	29,051,086
Net investment income (loss):				
Investment earnings (loss)	(40,644,722)	(10,997)	7	(40,655,712)
Interest	(12,759,021)	-	-	(12,759,021)
Dividends	1,786,426	-	-	1,786,426
Gross investment income (loss)	(51,617,317)	(10,997)	7	(51,628,307)
Less investment expenses	(337,741)	-	-	(337,741)
Total net investment income	(51,955,058)	(10,997)	7	(51,966,048)
Miscellaneous revenues	-	-	7,745	7,745
Total additions	(35,309,562)	3,822,358	8,579,987	(22,907,217)
Deductions:				
Benefits paid to participants	35,661,932	-	-	35,661,932
Contributions to City	-	27,620	-	27,620
Program expense	-	3,980,290	-	3,980,290
Fiscal agency expenses	-	-	1,902	1,902
Interest expense	-	56,632	-	56,632
Statutory pass-through expenses	-	-	7,638,691	7,638,691
Administrative expenses	576,477	2,999	-	579,476
County administrative expenses	-	-	933,544	933,544
Successor agency administrative cost allowance	-	-	36,142	36,142
Total deductions	36,238,409	4,067,541	8,610,279	48,916,229
Transfers:				
Transfers in	-	-	24,899	24,899
Transfers out	-	-	(24,899)	(24,899)
Total transfers	-	-	-	-
Change in net position	(71,547,971)	(245,183)	(30,292)	(71,823,446)
Net position (deficit) held in trust - beginning, as restated	508,302,035	583,910	445,230	509,331,175
Net position held in trust - ending	\$ 436,754,064	\$ 338,727	\$ 414,938	\$ 437,507,729

The accompanying notes are an integral part of these financial statements.

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2022**

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Total
Assets:				
Current assets:				
Cash and investments	\$ 36,112,298	\$ 10,572,001	\$ 360,983	\$ 47,045,282
Accounts receivable, net	5,961,352	943,736	100	6,905,188
Lease receivable	-	7,495	-	7,495
Inventory	122,897	-	-	122,897
Due from City of Pasadena	225,789	1,869,378	-	2,095,167
Prepays and other assets	347,573	116,600	23,004	487,177
Total current assets	42,769,909	13,509,210	384,087	56,663,206
Noncurrent assets:				
Restricted assets - cash and investments	11,188,835	8,743,502	474,874	20,407,211
Due from City of Pasadena	438,830	-	-	438,830
Lease receivable	479,042	-	-	479,042
Capital assets:				
Not being depreciated/amortized	970	2,474,302	-	2,475,272
Being depreciated/amortized, net	155,450,983	119,098,828	280,093	274,829,904
Total noncurrent assets	167,558,660	130,316,632	754,967	298,630,259
Total assets	210,328,569	143,825,842	1,139,054	355,293,465
Deferred outflow of resources:				
Accumulated decrease in fair value of hedging	-	10,763,362	-	10,763,362
Deferred refunding charges	1,776,732	911,331	-	2,688,063
Pension related	888,259	-	-	888,259
Total deferred outflow of resources	2,664,991	11,674,693	-	14,339,684
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	6,003,963	765,219	8,021	6,777,203
Accrued salaries and benefits	640,588	357,887	24,320	1,022,795
Accrued interest payable	3,110,530	565,433	35	3,675,998
Due to City of Pasadena	1,532,654	-	-	1,532,654
Deposits	377,285	1,399,386	-	1,776,671
Long-term advance due within one year	100,000	-	-	100,000
Compensated absences due within one year	-	-	30,259	30,259
Lease liability due within one year	-	23,334	169,339	192,673
Long-term debt due within one year	4,670,904	6,025,197	-	10,696,101
Unearned revenue	4,298,319	-	-	4,298,319
Total current liabilities	20,734,243	9,136,456	231,974	30,102,673
Noncurrent liabilities:				
Derivative instrument liability	-	10,763,362	-	10,763,362
Long-term advance	500,000	-	-	500,000
Accrued salaries and benefits	-	146,626	-	146,626
Lease liability	-	-	28,403	28,403
Long-term debt, net of current portion	199,571,679	134,478,644	-	334,050,323
Net pension liability	1,390,048	-	-	1,390,048
Total noncurrent liabilities	201,461,727	145,388,632	28,403	346,878,762
Total liabilities	222,195,970	154,525,088	260,377	376,981,435
Deferred inflow of resources:				
Deferred refunding charge	-	4,166,486	-	4,166,486
Service concession agreement	-	193,519	-	193,519
Lease related	694,573	7,488	-	702,061
Pension related	1,213,439	-	-	1,213,439
Total deferred inflow of resources	1,908,012	4,367,493	-	6,275,505
Net Position:				
Net investment in capital assets	(16,001,853)	2,432,565	82,351	(13,486,937)
Restricted	11,188,835	870,240	474,874	12,533,949
Unrestricted	(6,297,404)	(6,694,851)	321,452	(12,670,803)
Total net position	\$ (11,110,422)	\$ (3,392,046)	\$ 878,677	\$ (13,623,791)

The accompanying notes are an integral part of these financial statements.

**Combining Statement of Revenues, Expenditures and Changes in Net Position
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2022**

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Total
Operating revenues:				
Charges for services:				
Rose Bowl	\$ 30,225,641	\$ -	\$ -	\$ 30,225,641
Golf course	8,624,885	-	-	8,624,885
Pasadena Center Operating Company	-	8,494,453	-	8,494,453
Pasadena Community Access Corporation	-	-	1,027,814	1,027,814
Total operating revenues	38,850,526	8,494,453	1,027,814	48,372,793
Operating expenses:				
Rose Bowl	26,329,694	-	-	26,329,694
Golf course	5,993,624	-	-	5,993,624
Pasadena Center Operating Company	-	8,542,537	-	8,542,537
Pasadena Community Access Corporation	-	-	835,437	835,437
Depreciation/amortization	12,454,402	3,975,554	213,168	16,643,124
Total operating expenses	44,777,720	12,518,091	1,048,605	58,344,416
Operating loss	(5,927,194)	(4,023,638)	(20,791)	(9,971,623)
Nonoperating revenues (expenses):				
Contributions from City of Pasadena	9,258,005	9,750,623	-	19,008,628
Grant revenues	10,000,000	2,552,274	-	12,552,274
Tourism business improvement district tax	-	3,189,250	-	3,189,250
Facility restoration fee	-	65,872	-	65,872
Investment income (loss)	(3,997,110)	(2,486,935)	49	(6,483,996)
Interest expense	(12,275,424)	(5,490,931)	(595)	(17,766,950)
Public, education, and government (PEG) revenue	-	-	143,220	143,220
Other nonoperating revenues	5,175,617	-	-	5,175,617
Total nonoperating revenues	8,161,088	7,580,153	142,674	15,883,915
Income before capital contributions	2,233,894	3,556,515	121,883	5,912,292
Capital contributions	-	76,055	-	76,055
Changes in net position	2,233,894	3,632,570	121,883	5,988,347
Net position at beginning of year	(13,344,316)	(7,024,616)	425,140	(19,943,792)
Net position at beginning of year, as restated	-	-	756,794	756,794
Net position at end of year	\$ (11,110,422)	\$ (3,392,046)	\$ 878,677	\$ (13,623,791)

The accompanying notes are an integral part of these financial statements

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NOTES TO THE BASIC FINANCIAL STATEMENTS





Note Index

(1)	Summary of Significant Accounting Policies.....	44
(A)	Reporting Entity	44
(B)	Basis of Accounting and Measurement Focus.....	47
(C)	Major Funds, Internal Service Funds and Fiduciary Fund Types	50
(D)	Cash Equivalents.....	51
(E)	Cash and Investments	51
(F)	Inventories	51
(G)	Advances to Other Funds	51
(H)	Prepays.....	51
(I)	Restricted Cash and Investments	52
(J)	Property Held for Resale	52
(K)	Capital Assets	52
(L)	Leases (new in fiscal year 2022)	53
(M)	Insurance Claims Payable	53
(N)	Compensated Absences	53
(O)	Net Pension Liability.....	53
(P)	Postemployment Benefits Other than Pension Obligation (OPEB).....	54
(Q)	Bond Premiums / Discounts / Issuance Costs	54
(R)	Deferred Outflows and Inflows of Resources.....	54
(S)	Fund Balance	54
(T)	Property Taxes.....	55
(U)	Use of Estimates.....	55
(V)	Interfund Activities.....	56
(W)	Endowments	56
(X)	New and Future Accounting Pronouncements	56
	Detailed Notes to the Basic Financial Statements	57
(2)	Cash and Investments.....	57
(3)	Accounts Receivable.....	61
(4)	Notes Receivable – Primary Government.....	62
(5)	Due to and from Other Funds.....	62
(6)	Advances to and from Other Funds.....	63
(7)	Capital Assets.....	64
(8)	Leases	68
(9)	Deferred Inflows and Outflows	71
(10)	Long-Term Debt and Other Liabilities.....	73
(11)	Derivative Instruments	85
(12)	Fund Balance and Net Position.....	88
(13)	Restricted Net Position – Stranded Investments.....	91
(14)	Accumulated Fund Deficits.....	92
(15)	Excess of Expenditures over Appropriations	94
(16)	Pledged Revenue	95
(17)	Transfers	96
(18)	Self-Insurance	99
(19)	Deferred Compensation Plan	101
(20)	Pension Plans.....	101
(21)	Postemployment Benefits Other than Pensions (OPEB)	113
(22)	Commitments and Contingencies.....	118
(23)	Subsequent Events	119

(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, 1887 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 (7) 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.

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 Funds. The PCIC does not release a separate financial report.

(1) Summary of Significant Accounting Policies (Continued)**(A) Reporting Entity (Continued)***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, (1) issue bonds and to expend or loan the proceeds thereof to the City or PCDC, (2) finance the acquisition and/or construction of public capital improvements and to sell or lease such improvements to the City or PCDC, and (3) 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. 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. The accompanying financial statements include FPRS under the Employee Benefit Trust Fund. Additional information related to FPRS is included in the detailed notes on Pension Plans.

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.

(1) Summary of Significant Accounting Policies (Continued)**(A) Reporting Entity (Continued)**

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. 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's financials were audited in accordance with *Government Auditing Standards*. Additional information is available at <https://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. 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's financials were audited in accordance with *Government Auditing Standards*. Additional information is available at <https://www.visitpasadena.com/>.

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 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 can 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's financials were audited in accordance with *Government Auditing Standards*. Additional information is available at <https://www.pasadenamedia.org/>.

Jointly Governed Organizations

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

Hollywood Burbank Airport

The Hollywood Burbank Airport (formerly marketed as 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 (JPA) 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.hollywoodburbankairport.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.

(1) Summary of Significant Accounting Policies (Continued)**(A) Reporting Entity (Continued)**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.

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 members of the RBAC Board of Directors.

Foothill Workforce Development Board (FWDB)

Developed 35 years ago, the City Council approved a 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

(1) Summary of Significant Accounting Policies (Continued)

(B) Basis of Accounting and Measurement Focus (Continued)

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.

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 based on 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 how 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.

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 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.

(1) Summary of Significant Accounting Policies (Continued)

(B) Basis of Accounting and Measurement Focus (Continued)

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets despite 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 nonspendable 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/amortization 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 paid first from restricted resources, and then from unrestricted resources.

Fiduciary Funds

The City’s fiduciary funds include Employee Benefit Trust Funds, Custodial Funds, and Private-Purpose Trust Funds. 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.

(1) Summary of Significant Accounting Policies (Continued)**(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; accounts 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. Included under the General Fund are American Rescue Plan Act (ARPA) activities. ARPA funds are restricted for the bridging of budget shortfalls, education, housing, and healthcare-related funding, including COVID-19 vaccines, testing and contact tracing, and emergency paid leave.

Project Management Capital Projects Fund – Accounts 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 – Accounts the payment of interest and principal of the pension bonds and other city-wide obligations.

Housing Successor Fund – Accounts 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 – Accounts 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 – Accounts 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 fiscal year ended 2014, the City combined all the parking funds into the Off-Street Parking Fund. This fund accounts the operation of the parking facilities throughout the City.

The City reports the following internal service funds:

Computing and communication services, building maintenance, fleet replacement, fleet repair and maintenance, employee benefits, workers' compensation, general liability, and the 311 call center to other departments or agencies of the City.

The City reports the following fiduciary fund types:

Employee Benefit Trust Funds – The funds account for transactions of the Pasadena Fire and Police Retirement System (FPRS) and the City's Deferred Compensation Plan.

Custodial Funds – These funds account for resources held by the City in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. The custodial funds account for monies received from agencies and financial activities for: (1) Lake/Washington Special Assessment District, (2) library equipment, (3) the Workforce Innovation and Opportunity Act (WIOA), and (4) the Open Space Assessment District.

Private-Purpose Trust Funds – These funds account for monies held on behalf of others in a fiduciary capacity, typically pursuant to a formal trust agreement. The City uses a private purpose trust fund 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 (ROPS) 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.

(1) Summary of Significant Accounting Policies (Continued)**(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) 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 inventories, 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.

(G) Advances to Other Funds

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

(H) 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 nonspendable.

(1) Summary of Significant Accounting Policies (Continued)

(I) 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 (discussed further in the detailed notes), deferred compensation, and all cash and investments belonging to Employee Benefit Trust and Custodial Funds held by trustees.

(J) 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.

(K) 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 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.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

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 distribution plant	10 to 80 years
Equipment	4 to 10 years	General plant	6 to 50 years
Right-to-use leased assets	Shorter of the leased asset's useful life or the lease term	Equipment	4 to 10 years
		Right-to-use leased assets	Shorter of the leased asset's useful life or the lease term
All Other Funds			
Buildings and improvements	20 to 50 years	Building and improvements	20 to 50 years
Machinery and equipment	2 to 20 years	Machinery and equipment	2 to 20 years
Infrastructure	8 to 200 years	Right-to-use leased assets	Shorter of the leased asset's useful life or the lease term

(1) Summary of Significant Accounting Policies (Continued)**(L) Leases (new in fiscal year 2022)**

Leases are financings of the right-to-use an underlying asset. In accordance with GASB Statement No. 87, *Leases*, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereinafter referred to as the lease asset), and a lease receivable and deferred inflow of resources, respectively. A general description of the leasing arrangements, the aggregated amounts of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of lease arrangements on a government's resources are further discussed in the detailed notes.

(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. Detailed notes discuss 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 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 is attributable to services already rendered and it is probable that virtually all 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.

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.

(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, *Accounting and Financial Reporting for Pensions*. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website, www.calpers.ca.gov, under Forms and Publications.

(1) Summary of Significant Accounting Policies (Continued)**(P) Postemployment Benefits Other than Pension Obligation (OPEB)**

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 and are in accordance with the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 20 for additional details.

(Q) Bond Premiums / Discounts / Issuance Costs

For Governmental-wide 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, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Items Previously Reported as Assets and Liabilities*, respectively, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period.

(S) Fund Balance

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

Nonspendable 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 nonspendable category.

- 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 is subject to self-imposed constraints due to City Council resolutions, as they have the highest level of decision-making authority.
- 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.

(1) Summary of Significant Accounting Policies (Continued)**(S) Fund Balance (Continued)**

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, the 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

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.

(1) Summary of Significant Accounting Policies (Continued)**(V) Interfund Activities**

Certain eliminations have been made as prescribed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, regarding 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) New and Future Accounting Pronouncements

In fiscal year ended June 30, 2022, the City adopted GASB Statement No. 87, *Leases*.

GASB Statement No. 87, *Leases*, establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereinafter referred to as the lease asset), and a lease receivable and deferred inflow of resources, respectively. The new leases standard also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of lease arrangements on a government’s resources.

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards:

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
91	Conduit Debt Obligations	2023
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	2023
96	Subscription-Based Information Technology Arrangements	2023
99	Omnibus 2022	2023 and 2024
100	Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62	2024
101	Compensated Absences	2025

Detailed Notes to the Basic Financial Statements

(2) Cash and Investments

Primary Government

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 621,162,579
Restricted cash and investments	100,287,212
Fiduciary funds:	
Cash and cash equivalents	<u>328,512,881</u>
Total cash and investments	<u>\$ 1,049,962,672</u>

Cash and investments as of June 30, 2022 consist of the following:

Cash on hand	\$ 52,737
Deposits with financial institutions	(2,207,809)
Investments	<u>1,052,117,744</u>
Total cash and investments	<u>\$ 1,049,962,672</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.

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.

(2) Cash and Investments (Continued)

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 City manages its exposure to interest rate risk is by purchasing a combination of shorter 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.

Information about the sensitivity of the fair values of the City’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 City’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	\$ 92,512,513	\$ 29,785,275	\$ 13,427,756	\$ 49,299,482	\$ -
Supernationals	23,391,788	-	4,830,263	18,561,525	-
Federal Agency Securities	353,226,428	3,928,323	49,540,887	274,208,582	25,548,636
Municipal Bonds	40,230,551	10,435,038	8,430,193	20,540,376	824,944
Certificates of Deposit	1,235,299	-	-	1,235,299	-
California Asset Management Program	76,825,076	76,825,076	-	-	-
Money Market Funds	692	692	-	-	-
Commercial Paper Disc	9,762,274	9,762,274	-	-	-
State Investment Pool	48,331,063	48,331,063	-	-	-
US Treasury	56,478,385	9,657,254	23,734,883	23,086,248	-
Held by Bond Trustee:					
Federal Agency Securities	12,122,475	-	-	5,285,599	6,836,876
Money Market Funds	1,212,148	1,212,148	-	-	-
Held by Pension Section 115 Trustee:					
Mutual Fund	11,696,726	11,696,726	-	-	-
Deferred Compensation Plan:					
Mutual Funds	325,092,326	325,092,326	-	-	-
Total	\$ 1,052,117,744	\$ 526,726,196	\$ 99,963,982	\$ 392,217,111	\$ 33,210,456

(2) Cash and Investments (Continued)**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 City'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
			AAA	Aa	A	
Corporate Bonds	\$ 92,512,513	A	\$ 18,551,820	\$ -	\$ 73,960,693	\$ -
Supnationals	23,391,788	A	23,391,788	-	-	-
Federal Agency Securities	353,226,428	N/A	353,226,428	-	-	-
Municipal Bond	40,230,551	N/A	3,549,562	35,558,233	1,122,756	-
Certificate of Deposit	1,235,299	A	-	-	-	1,235,299
California Asset Management Program	76,825,076	N/A	-	-	-	76,825,076
Money Market Funds	692	N/A	-	-	-	692
Commercial Paper Disc	9,762,274	AA	-	-	9,762,274	-
State Investment Pool	48,331,063	N/A	-	-	-	48,331,063
US Treasury	56,478,385	N/A	56,478,385	-	-	-
Held by Bond Trustee:						
Federal Agency Securities	12,122,475	A	12,122,475	-	-	-
Money Market Funds	1,212,148	A	1,212,148	-	-	-
Held by Pension Section 115 Trustee:						
Mutual Fund	11,696,726	N/A	-	11,696,726	-	-
Deferred Compensation Plan:						
Mutual Fund	325,092,326	N/A	-	325,092,326	-	-
Total	\$ 1,052,117,744		\$ 468,532,606	\$ 372,347,285	\$ 84,845,723	\$ 126,392,130

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	Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$ 183,354,908
Federal Home Loan Mortgage Bank	Federal Agency Securities	96,994,346
Federal Farm Credit Bank	Federal Agency Securities	80,351,741
U.S. Treasury	U.S. Treasury	56,478,385

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).

(2) Cash and Investments (Continued)

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, 2022, the City did not have bank balances related to deposits with financial institutions in excess of the federal depository insurance limits 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.

California Asset Management Program (CAMP)

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust and created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies under California Government Code Section 53601(p). CAMP is governed by a seven-member Board of Trustees comprised of finance directors and treasurers of California public agencies. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. On June 30, 2022, the CAMP pool had an average maturity of 28 days and it exempt from the fair value hierarchy.

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.

Fair Value Hierarchy

The City 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, 2022:

Measure by Fair Value	Not Subject to Fair Value Hierarchy	Level			Total
		1	2	3	
Corporate Bonds	\$ -	\$ -	\$ 92,512,513	\$ -	\$ 92,512,513
Supernationals	-	-	23,391,788	-	23,391,788
Federal Agency Securities	-	-	353,226,428	-	353,226,428
Municipal Bond	-	-	40,230,551	-	40,230,551
Certificates of Deposit	1,235,299	-	-	-	1,235,299
California Asset Management Program	-	-	76,825,076	-	76,825,076
Money Market Funds	692	-	-	-	692
Commercial Paper Disc	-	-	9,762,274	-	9,762,274
State Investment Pool	48,331,063	-	-	-	48,331,063
US Treasury	-	-	56,478,385	-	56,478,385
Held by Bond Trustee:					
Federal Agency Securities	-	-	12,122,475	-	12,122,475
Money Market Funds	1,212,148	-	-	-	1,212,148
Held by Pension Section 115 Trustee:					
Mutual Fund	-	-	11,696,726	-	11,696,726
Deferred Compensation Plan:					
Mutual Fund	-	99,300,298	225,792,028	-	325,092,326
Total	\$ 50,779,202	\$ 99,300,298	\$ 902,038,244	\$ -	\$ 1,052,117,744

(3) Accounts Receivable

As of June 30, 2022, accounts receivable are categorized as follows:

	<u>General</u>	<u>Project Management</u>	<u>Housing Successor</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service</u>	<u>Total</u>
Governmental Activities:						
Accounts receivable	\$ 6,567,393	\$ 958,689	\$ 5,145	\$ 8,396,195	\$ 46,317	\$ 15,973,739
Accrued revenue						
receivable	23,425,853	-	-	8,708,072	141,889	32,275,813
Interest receivable	265,480	-	1,229	372,277	121,424	760,410
Paramedics receivable	4,123,963	-	-	-	-	4,123,963
Utility receivable	2,237,639	-	-	940,492	-	3,178,131
	<u>36,620,328</u>	<u>958,689</u>	<u>6,374</u>	<u>18,417,035</u>	<u>309,630</u>	<u>56,312,056</u>
Less: allowance for uncollectible amounts	<u>(2,648,020)</u>	<u>-</u>	<u>-</u>	<u>(195,029)</u>	<u>-</u>	<u>(2,843,049)</u>
Total	<u>\$ 33,972,308</u>	<u>\$ 958,689</u>	<u>\$ 6,374</u>	<u>\$ 18,222,006</u>	<u>\$ 309,630</u>	<u>\$ 53,469,007</u>
		<u>Light and Power</u>	<u>Water</u>	<u>Off-Street Parking</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Business-type Activities:						
Accounts receivable		\$ 135,690	\$ 304,418	\$ 506,821	\$ 265,716	\$ 1,212,645
Accrued revenue						
receivable		14,628,663	5,865,928	365,751	1,270,176	22,130,518
Interest receivable		467,244	184,652	35,038	27,909	714,844
Paramedics receivable		-	-	-	-	-
Utility receivable		18,443,090	6,673,422	-	1,560,194	26,676,706
		<u>33,674,687</u>	<u>13,028,420</u>	<u>907,611</u>	<u>3,123,995</u>	<u>50,734,713</u>
Less: allowance for uncollectible amounts		<u>(4,663,093)</u>	<u>(1,462,370)</u>	<u>-</u>	<u>(563,395)</u>	<u>(6,688,858)</u>
Total		<u>\$ 29,011,594</u>	<u>\$ 11,566,050</u>	<u>\$ 907,611</u>	<u>\$ 2,560,600</u>	<u>\$ 44,045,855</u>

(4) Notes Receivable – Primary Government

The notes receivable in the governmental funds amounted to \$102,691,952 at June 30, 2022. \$58,023,672 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. \$26,318,280 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, 2022, the City has recorded an allowance for uncollectible long-term receivables of \$89,186,557.

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, 2022 is \$1,440,417.

(5) Due to and from Other Funds

Current interfund receivable and payable balances at June 30, 2022 are as follows:

Due to Other Funds	Due From Other Funds		
	General Fund	Light and Power Fund	Total
Non-Major Governmental Funds	\$ 8,475,653	\$ 1,463,031	\$ 9,938,684
Internal Service Funds	30,186,797	-	30,186,797
Total	\$ 38,662,450	\$ 1,463,031	\$ 40,125,481

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, 2022 are as follows:

Advances from Other funds	Advances to Other funds Light and Power Fund	Total
General Fund	\$ 110,000	\$ 110,000
Total	<u>\$ 110,000</u>	<u>\$ 110,000</u>

**Outstanding at
June 30, 2022**

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 fiscal year 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.

\$ 110,000

Total advances between City funds

\$ 110,000

(7) Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2022 is as follows:

Governmental Activities:	Restated (1) Balance at June 30, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital assets not being depreciated/amortized:					
Land	\$ 87,336,607	\$ -	\$ (370,000)	\$ 354,989	\$ 87,321,596
Construction in progress	22,524,764	23,997,878	-	(15,113,989)	31,408,653
Total capital assets not being depreciated/amortized	109,861,371	23,997,878	(370,000)	(14,759,000)	118,730,249
Capital assets being depreciated/amortized:					
Right-to-use leased land	-	53,726	-	-	53,726
Buildings and improvements	300,494,310	278,921	-	6,950,546	307,723,777
Right-to-use leased buildings	4,351,610	19,079	-	-	4,370,689
Machinery and equipment	91,206,304	1,456,238	(7,750,511)	3,120,534	88,032,565
Right-to-use leased equipment	677,593	37,583	-	-	715,176
Infrastructure	328,504,579	-	-	4,822,722	333,327,301
Total capital assets being depreciated/amortized	725,234,396	1,845,547	(7,750,511)	14,893,802	734,223,234
Less accumulated depreciation/amortization:					
Right-to-use leased land	-	(11,939)	-	-	(11,939)
Buildings and improvements	(148,104,293)	(5,980,935)	-	21,768	(154,063,460)
Right-to-use leased buildings	-	(925,125)	-	-	(925,125)
Machinery and equipment	(54,346,699)	(6,765,681)	7,746,249	-	(53,366,131)
Right-to-use leased equipment	-	(245,454)	-	-	(245,454)
Infrastructure	(119,483,025)	(7,049,993)	-	-	(126,533,018)
Total accumulated depreciation/amortization	(321,934,017)	(20,979,127)	7,746,249	21,768	(335,145,127)
Total capital assets, being depreciated/amortized, net	403,300,379	(19,133,580)	(4,262)	14,915,570	399,078,107
Governmental activities capital assets, net	<u>\$ 513,161,750</u>	<u>\$ 4,864,298</u>	<u>\$ (374,262)</u>	<u>\$ 156,570</u>	<u>\$ 517,808,356</u>

(1) The beginning balance was restated to add the right-to-use lease assets due to the implementation of GASB Statement No. 87, *Leases*. See Note 1X.

During the year, governmental activities received proceeds of \$124,686 from the disposal of capital assets with a net gain of \$60,206.

(7) Capital Assets (Continued)**Primary Government (Continued)**

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

General Government	\$ 4,575,873
Public Safety	1,787,177
Transportation	1,942,379
Health	155,568
Culture and Leisure	1,428,748
Community Development	6,490,615
Computing and Communication	3,244,347
Building Maintenance	208
Fleet Maintenance	1,345,894
Fleet Repair and Maintenance	<u>8,318</u>
Total	<u>\$ 20,979,127</u>

The following is a summary of governmental activities amount of intangible lease assets by major classes of underlying assets for the fiscal year ended June 30, 2022 as a result of the implementation of GASB 87, *Leases*.

Governmental Activities:

Lease assets:	
Lease land	\$ 53,726
Less accumulated amortization	<u>(11,939)</u>
Lease land, net	<u>41,787</u>
Lease building	4,370,689
Less accumulated amortization	<u>(925,125)</u>
Lease building, net	<u>3,445,565</u>
Lease equipment	715,176
Less accumulated amortization	<u>(245,454)</u>
Lease equipment, net	<u>469,723</u>
Total lease assets, net	<u>\$ 3,957,074</u>

(7) Capital Assets (Continued)

Primary Government (Continued)

Business-type Activities:	Restated (1) Balance at June 30, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital assets not being depreciated/amortized:					
Land	\$ 14,675,193	\$ -	\$ -	\$ 9,472	\$ 14,684,665
Construction in progress	82,506,094	56,782,535	(33)	(57,292,972)	81,995,624
Total nondepreciable assets	97,181,287	56,782,535	(33)	(57,283,500)	96,680,289
Capital assets being depreciated/amortized:					
Buildings and improvements	141,995,745	434,835	(1,630,304)	1,489,243	142,289,519
Right-to-use leased buildings	2,642,494	19,079	(422,283)	-	2,239,290
Utility lines, machinery and equipment	1,209,040,360	1,074,675	(12,002,848)	55,496,078	1,253,608,265
Right-to-use leased equipment	-	31,631	-	-	31,631
Total capital assets being depreciated/amortized	1,353,678,599	1,560,220	(14,055,434)	56,985,321	1,398,168,705
Less accumulated depreciation/amortization:					
Buildings and improvements	(68,070,511)	(4,231,461)	1,609,204	-	(70,692,768)
Right-to-use leased buildings	(422,283)	(958,228)	422,283	-	(958,228)
Utility lines, machinery and equipment	(580,454,801)	(41,394,579)	11,758,006	(21,768)	(610,113,142)
Right-to-use leased equipment	-	(7,100)	-	-	(7,100)
Total accumulated depreciation/amortization	(648,947,595)	(46,591,368)	13,789,493	(21,768)	(681,771,238)
Total capital assets, being depreciated/amortized, net	704,731,004	(45,031,148)	(265,941)	56,963,553	716,397,467
Business-type activities capital assets, net	\$ 801,912,291	\$ 11,751,386	\$ (265,974)	\$ (319,947)	\$ 813,077,756

(1) The beginning balance was restated to add the right-to-use lease assets due to the implementation of GASB Statement No. 87, *Leases*. See Note 1X.

During the year, business-type activities received proceeds of \$99,403 from the disposal of capital assets and incurred a net loss on disposal of \$166,537.

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

Electric	\$ 33,980,866
Water	9,863,812
Refuse	642,274
Off-Street Parking	1,935,147
Telecommunications	169,269
Total	\$ 46,591,368

(7) Capital Assets (Continued)

Primary Government (Continued)

The following is a summary of business-type activities amount of intangible right-to-use leased assets by major classes of underlying assets for the fiscal year ended June 30, 2022 as a result of the implementation of GASB 87, *Leases*.

Business-type Activities:

Right-to-use leased assets:	
Lease building	\$ 2,239,289
Less accumulated amortization	<u>(958,228)</u>
Lease building, net	<u>1,281,061</u>
Lease equipment	31,631
Less accumulated amortization	<u>(7,100)</u>
Lease equipment, net	<u>24,531</u>
Total right-to-use leased assets	<u><u>\$ 1,305,592</u></u>

Fiduciary Funds – Private-Purpose Trust Fund

Fiduciary Funds	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets not depreciated/amortized:				
Land	\$ 214,261	\$ -	\$ -	\$ 214,261
Total cost of assets not depreciated/ amortized	<u>214,261</u>	<u>-</u>	<u>-</u>	<u>214,261</u>
Capital assets, net	<u><u>\$ 214,261</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 214,261</u></u>

(8) Leases

A lease is defined as a contractual agreement that conveys control of the right to use another entity’s nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange-like transaction.

In fiscal year 2022, the City adopted Statement No. 87, *Leases*, issued by the Governmental Accounting Standard Board (GASB). This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset, and a lease receivable and deferred inflow of resources, respectively.

City as Lessor

The City is a lessor of land and building nonfinancial assets. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

The following are key estimates and judgments how the City determines the discount rate on the expected lease receipts to present value, lease term, and lease receipts:

- The City uses its estimated incremental borrowing rate as the discount rate for leases
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

As lessor, the City recognized twelve lease agreements subject to GASB 87, *Leases*, at the beginning of the fiscal year. During the fiscal year, the City entered into one lease agreement. The lease terms range from 18 to 120 months for the right to use land, land improvements, buildings, and infrastructure. Most of these leases include periodic adjustments to the lease amounts at determined intervals. The fixed monthly lease payment ranges from \$1,340 to \$51,156, with the incremental borrowing rate ranging from 0.185% to 1.040%. For the year ended June 30, 2022 the City received an immaterial amount of variable and other payments from these lease arrangements.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Changes in lease receivable for the year ended June 30, 2022 are as follows:

	Restated (1) Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022
Governmental Activities:				
Lease receivable	\$ 3,124,989	\$ -	\$ (687,493)	\$ 2,437,496
Deferred inflow of resources	3,124,990	-	(741,905)	2,383,085
Business-type Activities:				
Lease receivable	1,314,728	364,695	(379,832)	1,299,591
Deferred inflow of resources	1,314,728	364,695	(391,611)	1,287,812

(1) The beginning balance was restated to add the lease receivable due to the implementation of GASB Statement No. 87, *Leases*.

(8) Leases (Continued)**City as Lessor (Continued)**

During the year ended June 30, 2022, the City recognized the lease revenues and interest revenues as follows:

	Governmental Activities	Business-type Activities
Amortization of deferred inflow of resources	\$ 741,905	\$ 391,611
Short-term rental revenues	4,040,123	-
Total lease revenues	<u>\$ 4,782,028</u>	<u>\$ 391,611</u>
Lease interest revenues	\$ 8,606	\$ 6,904

City as Lessee

The City is a lessee of nonfinancial assets such as land, buildings, and equipment. The City recognizes a lease liability and intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life, which is the shorter of the leased asset's useful life for the lease term.

The following are key estimates and judgements on how the City determines its discount rate on the expected lease payments to present value, lease term, and lease payments:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payment and purchase option price that the City is reasonably certain to exercise.

As lessee, the City recognized ten lease agreements subject to GASB 87, *Leases*, at the beginning of the fiscal year. During the fiscal year, the City entered into five lease agreements. The lease terms range from 9 to 108 months for the right to use buildings and equipment. Most of these leases include periodic adjustments to the lease amounts at determined intervals. The fixed monthly lease payment ranges from \$417 to \$68,878 with the incremental borrowing rate ranging from 0.165% to 1.530%. For the year ended June 30, 2022 the City paid an immaterial amount of variable and other payments from these lease arrangements.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with capital assets (see Note 7); lease liabilities are reported with long-term debt and other liabilities (see Note 10).

(8) Leases (Continued)

City as Lessee (Continued)

Changes in lease asset and lease liability for the year ended June 30, 2022 are as follows:

	Restated (1) Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022
Governmental Activities:				
Lease assets				
Right-to-use land	\$ -	\$ 53,726	\$ -	\$ 53,726
Right-to-use buildings	4,351,610	19,079	-	4,370,689
Right-to-use equipment	677,593	37,583	-	715,176
Total lease assets	5,029,203	110,388	-	5,139,591
Accumulated amortization	-	(1,182,518)	-	(1,182,518)
Total lease assets, net	<u>\$ 5,029,203</u>	<u>\$ (1,072,130)</u>	<u>\$ -</u>	<u>\$ 3,957,073</u>
Lease liability	<u>\$ 5,029,203</u>	<u>\$ 110,313</u>	<u>\$ (1,115,633)</u>	<u>\$ 4,023,883</u>
Business-type Activities:				
Lease assets				
Right-to-use buildings	\$ 2,642,494	\$ 19,079	\$ (422,283)	\$ 2,239,290
Right-to-use equipment	-	31,630	-	31,630
Total lease assets	2,642,494	50,709	(422,283)	2,270,920
Accumulated amortization	-	(1,387,611)	422,283	(965,328)
Total lease assets, net	<u>\$ 2,642,494</u>	<u>\$ (1,336,902)</u>	<u>\$ -</u>	<u>\$ 1,305,592</u>
Lease liability	<u>\$ 2,642,494</u>	<u>\$ 50,709</u>	<u>\$ (1,316,720)</u>	<u>\$ 1,376,483</u>

(1) The beginning balance was restated to add the lease receivable due to the implementation of GASB Statement No. 87, *Leases*.

During the year ended June 30, 2022, the City recognized the lease expenses and interest expenses as follows:

	Governmental Activities	Business-type Activities
Amortization of lease assets	\$ 1,182,517	\$ 1,387,611
Other lease (non-GASB 87) expenses	939,341	451,872
Total lease expenses	<u>\$ 2,121,858</u>	<u>\$ 1,839,483</u>
Lease interest expenses	\$ 32,148	\$ 3,872
Other lease (non-GASB 87) interest expenses	93,604	60,660
Total lease interest expenses	<u>\$ 125,752</u>	<u>\$ 64,532</u>

As of June 30, 2022, the City had minimum principal and interest payment requirements for its leasing activities with a remaining term in excess of one year, as follows:

Lease Payable Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2023	\$ 1,906,864	\$ 106,915	\$ 2,027,160
2024	1,723,156	86,300	1,809,457
2025	1,475,276	65,771	1,541,047
2026	1,470,482	45,286	1,515,768
2027	1,435,060	24,517	1,459,577
2028 - 2031	949,755	15,177	1,008,491
Fiscal Year	Business-type Activities		
	Principal	Interest	Total Payments
2023	\$ 1,428,080	\$ 50,389	\$ 1,478,468
2024	885,398	36,267	921,664
2025	492,809	23,237	516,047
2026	502,448	10,085	512,533

See more information for lease liability (City as lessee) in the long-term liabilities in Note 10.

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

Deferred outflows on the government-wide statement of net position consists of the following at June 30, 2022:

Governmental Activities	Balance at June 30, 2021	Increase	Decrease	Balance at June 30, 2022
2015A Refunding COP Deferred Charges	\$ 4,090,929	\$ -	\$ (246,689)	\$ 3,844,240
2020A Refunding POB Deferred Charges	12,273,658	-	(514,979)	11,758,679
2020B Refunding POB Deferred Charges	5,920,718	-	(351,726)	5,568,992
GASB 68 Contribution Subsequent to Measurement Date	51,421,992	54,426,047	(51,421,992)	54,426,047
GASB 68 Net Difference on Pension Plan Investments	9,891,122	-	(9,891,122)	-
GASB 68 Change of Assumptions	8,964,309	2,068,688	(8,964,309)	2,068,688
GASB 68 Difference in Experience	5,762,033	3,795,493	(5,762,033)	3,795,493
GASB 75 Net Difference on Pension Plan Investments	-	172,656	-	172,656
GASB 75 Change of Assumptions	11,187,954	8,320,875	(11,187,954)	8,320,875
GASB 75 Difference in Experience	-	629,084	-	629,084
GASB 68 FPRS Net Difference on Pension Plan Investments	-	6,359,000	-	6,359,000
	<u>\$ 109,512,715</u>	<u>\$ 75,771,843</u>	<u>\$ (88,340,804)</u>	<u>\$ 96,943,754</u>

Business-type Activities	Balance at June 30, 2021	Increase	Decrease	Balance at June 30, 2022
1998 Electric Bonds Deferred Charges	\$ 216,928	\$ -	\$ (108,464)	\$ 108,464
2008 Electric Bonds Deferred Charges	855,561	-	(53,475)	802,086
2003 Water Bonds Deferred Charges	132,323	-	(66,161)	66,162
GASB 68 Contribution Subsequent to Measurement Date	11,373,463	11,375,259	(11,373,463)	11,375,259
GASB 68 Net Difference on Pension Plan Investments	2,132,880	-	(2,132,880)	-
GASB 68 Difference in Experience	659,296	181,628	(659,296)	181,628
GASB 75 Net Difference on Pension Plan Investments	-	43,285	-	43,285
GASB 75 Change of Assumptions	2,921,224	2,086,078	(2,921,224)	2,086,078
GASB 75 Difference in Experience	-	157,716	-	157,716
	<u>\$ 18,291,675</u>	<u>\$ 13,843,966</u>	<u>\$ (17,314,963)</u>	<u>\$ 14,820,678</u>

(9) Deferred Inflows and Outflows (Continued)

Deferred inflows on the government-wide statement of net position consists of the following at June 30, 2022:

Governmental Activities

	Balance at June 30, 2021	Increase	Decrease	Balance at June 30, 2022
GASB 68 Change of Assumptions	\$ 1,184,883	\$ 243,960	\$ (1,184,883)	\$ 243,960
GASB 68 Difference in Experience	4,075,060	2,808,521	(4,075,060)	2,808,521
GASB 68 Net Difference on Pension Plan Investments	-	129,606,843	-	129,606,843
GASB 75 Change of Assumptions	156,707	19,124,031	(156,707)	19,124,031
GASB 75 Difference in Experience	3,994,348	2,766,957	(3,994,348)	2,766,957
GASB 75 Differences between projected and actual earnings on OPEB plan investments	136,284	-	(136,284)	-
GASB 87 Lease Related	-	2,383,085	-	2,383,085
GASB 68 FPRS Net Difference in Experience	10,243,000	-	(10,243,000)	-
	<u>\$ 19,790,282</u>	<u>\$ 156,933,397</u>	<u>\$ (19,790,282)</u>	<u>\$ 156,933,397</u>

Business-type Activities

	Balance at June 30, 2021	Increase	Decrease	Balance at June 30, 2022
2019 Electric Bonds Deferred Gain	\$ 617,000	\$ -	\$ (200,110)	\$ 416,890
2021 Water Bonds Deferred Gain	-	1,716,307	(87,059)	1,629,248
GASB 68 Change of Assumptions	310,008	-	(310,008)	-
GASB 68 Difference in Experience	945,356	942,088	(945,356)	942,088
GASB 68 Net Difference on Pension Plan Investments	-	27,781,068	-	27,781,068
GASB 75 Change of Assumptions	40,917	4,794,476	(40,917)	4,794,476
GASB 75 Difference in Experience	1,042,943	693,688	(1,042,943)	693,688
GASB 75 Differences between projected and actual earnings on OPEB plan investments	35,584	-	(35,584)	-
GASB 87 Lease Related	-	1,287,812	-	1,287,812
	<u>\$ 2,991,808</u>	<u>\$ 37,215,439</u>	<u>\$ (2,661,977)</u>	<u>\$ 37,545,270</u>

Deferred inflows on the governmental funds consists of the following at June 30, 2022:

	General Fund	Project Management	Non-Major Governmental	Total Governmental
Unavailable Revenues	\$ 2,286,400	\$ 931,321	\$ 9,067,520	\$ 12,285,241
GASB 87 Lease Related	611,783	-	960,333	1,572,116
	<u>\$ 2,898,183</u>	<u>\$ 931,321</u>	<u>\$ 10,027,853</u>	<u>\$ 13,857,357</u>

In accordance with GASB Statement No. 65 revenue recognition requirements, the following revenues have been deferred, because the related cash was not available at year-end. The breakdown by fund is as follows:

Fund Name	Amount
General Fund	\$ 2,286,400
Health	2,369,133
Building Services	34,917
Air Quality Improvement	47,791
Public Safety	88,460
Transportation	40,107
Housing and Community Development	6,487,112
Project Management	931,321
Total unavailable revenues	<u>\$ 12,285,241</u>

(10) Long-Term Debt and Other Liabilities**Primary Government**

Changes in long-term debt and other liabilities for the year ended June 30, 2022 are as follows:

Governmental Activities:	Restated (1) Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Notes payable:						
Notes from Direct Borrowings						
(Rose Bowl)	\$ 455,325	\$ -	\$ (16,495)	\$ 438,830	\$ 16,842	\$ 421,988
Section 108	4,500,000	-	(300,000)	4,200,000	300,000	3,900,000
Total Notes Payable	<u>4,955,325</u>	<u>-</u>	<u>(316,495)</u>	<u>4,638,830</u>	<u>316,842</u>	<u>4,321,988</u>
Pension bonds:						
2015 Taxable Pension Obligation Bonds						
	5,955,000	-	(1,075,000)	4,880,000	1,340,000	3,540,000
Bond Premiums/(Discount)	(64,282)	-	16,769	(47,513)	-	(47,513)
2020 Taxable Pension Obligation Bonds	128,995,000	-	(995,000)	128,000,000	1,015,000	126,985,000
Total Pension Bonds	<u>134,885,718</u>	<u>-</u>	<u>(2,053,231)</u>	<u>132,832,487</u>	<u>2,355,000</u>	<u>130,477,487</u>
Certificates of participation:						
2015 COP Series A Refunding 2008 COP						
	48,855,000	-	(2,090,000)	46,765,000	2,195,000	44,570,000
Bond Premiums/(Discount)	4,364,542	-	(263,189)	4,101,353	-	4,101,353
Total Certificates of Participation	<u>53,219,542</u>	<u>-</u>	<u>(2,353,189)</u>	<u>50,866,353</u>	<u>2,195,000</u>	<u>48,671,353</u>
Loan payable	<u>5,876,051</u>	<u>-</u>	<u>(939,341)</u>	<u>4,936,710</u>	<u>954,989</u>	<u>3,981,721</u>
Other:						
Net pension liability	422,146,077	-	(170,097,010)	252,049,067	-	252,049,067
Net OPEB liability	74,191,917	-	(16,278,538)	57,913,379	-	57,913,379
Compensated absences	12,976,087	10,566,761	(11,355,797)	12,187,051	11,355,797	831,254
Insurance claims payable	42,044,193	64,785,235	(30,676,795)	76,152,633	34,307,683	41,844,950
Lease liability	5,029,130	110,388	(1,115,635)	4,023,883	951,875	3,072,008
Total governmental activity long-term liabilities	<u>\$ 755,324,040</u>	<u>\$ 75,462,384</u>	<u>\$ (235,186,031)</u>	<u>\$ 595,600,393</u>	<u>\$ 52,437,186</u>	<u>\$ 543,163,207</u>

(1) Previously presented as notes for long-term debt, this note now includes other long-term liabilities. The beginning balance was restated to include net pension liability, net OPEB liability, and lease liability.

Internal service funds predominately serve the governmental funds. Therefore, long-term liabilities for internal service funds are included in the above totals for governmental activities. Compensated absences, pension and OPEB liabilities for governmental activities are generally liquidated by (1) the fund where the accrued liability occurred and (2) the Benefits and Insurance internal service fund. Lease liabilities are liquidated by the lessee fund, i.e., the fund with the activity that is utilizing the right-to-use leased assets.

(10) Long-Term Debt and Other Liabilities (Continued)**Primary Government (Continued)**

Business-type Activities:	Restated (1) Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Revenue bonds:						
2011A Water Revenue Refunding Bonds	\$ 13,855,000	\$ -	\$ (13,855,000)	\$ -	\$ -	\$ -
2012A Electric Revenue Refunding Bonds	3,835,000	-	(3,835,000)	-	-	-
2013A Electric Revenue Refunding Bonds	72,600,000	-	(5,140,000)	67,460,000	2,015,000	65,445,000
2016A Electric Revenue Refunding Bonds	108,750,000	-	(3,015,000)	105,735,000	3,170,000	102,565,000
2017A Water Revenue Refunding Bonds	12,540,000	-	(580,000)	11,960,000	610,000	11,350,000
2019A Electric Revenue Refunding Bonds	8,370,000	-	(1,940,000)	6,430,000	2,040,000	4,390,000
2020A Water Revenue Refunding Bonds	29,310,000	-	(930,000)	28,380,000	965,000	27,415,000
2021A Water Revenue Refunding Bonds	-	22,480,000	(155,000)	22,325,000	1,150,000	21,175,000
Total Water and Power revenue bonds	249,260,000	22,480,000	(29,450,000)	242,290,000	9,950,000	232,340,000
2008 Paseo Colorado Taxable Revenue Bonds	21,200,000	-	(800,000)	20,400,000	900,000	19,500,000
Bond Premiums/(Discounts)	35,993,348	6,256,610	(3,657,693)	38,592,264	-	38,592,264
Total revenue bonds	306,453,348	28,736,610	(33,907,693)	301,282,264	10,850,000	290,432,264
Loan payable	2,384,123	-	(451,872)	1,932,251	464,017	1,468,233
Other:						
Net pension liability	91,263,075	-	(40,988,472)	50,274,603	-	50,274,603
Net OPEB liability	19,371,840	-	(4,852,710)	14,519,130	-	14,519,130
Lease liability	2,642,494	50,710	(1,316,721)	1,376,483	964,062	412,421
Total business-type activity long-term liabilities	\$ 422,114,880	\$ 28,787,320	\$ (81,517,468)	\$ 369,384,731	\$ 12,278,079	\$ 357,106,652

- (1) Previously presented as notes for long-term debt, this note now includes other long-term liabilities. The beginning balance was restated to include net pension liability, net OPEB liability, and lease liability.

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

Changes in discretely presented component units' long-term debt and other liabilities for the year ended June 30, 2022 are as follows:

Discretely Presented Component Units	Restated (1) Balance at June 30, 2021	Additions Including Accretion	Reductions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Certificates of participation:						
2006 COP (Conference Center Project), net of interest accretion	\$ 10,556,153	\$ 512,288	\$ (5,490,000)	\$ 5,578,441	\$ 5,578,441	\$ -
2008 Refunding COP Series 2008A (Conference Center Project)	<u>134,720,000</u>	<u>-</u>	<u>-</u>	<u>134,720,000</u>	<u>-</u>	<u>134,720,000</u>
Total Certificates of Participation	<u>145,276,153</u>	<u>512,288</u>	<u>(5,490,000)</u>	<u>140,298,441</u>	<u>5,578,441</u>	<u>134,720,000</u>
Revenue Bonds:						
2010A Revenue Bonds-Tax Exempt	23,282,536	1,583,125	-	24,865,661	-	24,865,661
2010B Revenue Bonds-Taxable Build America Bonds	106,660,000	-	-	106,660,000	-	106,660,000
2010D Revenue Bonds-Taxable Recovery	7,400,000	-	-	7,400,000	-	7,400,000
2016A Revenue Bonds-Partial Refunding 2010A Bonds	21,865,000	-	(1,980,000)	19,885,000	2,255,000	17,630,000
2016A Bond Premium (Discount)	3,163,665	-	(550,203)	2,613,462	-	2,613,462
2018A Revenue Bonds-Refunding	30,585,000	-	-	30,585,000	-	30,585,000
2018B Revenue Bonds-Taxable	9,405,000	-	(1,865,000)	7,540,000	2,155,000	5,385,000
2018AB Bond Premium/(Discount)	<u>4,022,036</u>	<u>-</u>	<u>(178,323)</u>	<u>3,843,713</u>	<u>-</u>	<u>3,843,713</u>
Total Revenue Bonds (Rose Bowl Renovation)	<u>206,383,236</u>	<u>1,583,125</u>	<u>(4,573,525)</u>	<u>203,392,836</u>	<u>4,410,000</u>	<u>198,982,836</u>
Net pension liability	2,996,766	-	(1,606,718)	1,390,048	-	1,390,048
Derivative Instrument liability	10,763,262	-	-	10,763,262	-	10,763,262
Long term debt advance	700,000	-	(100,000)	600,000	100,000	500,000
Energy Conservation Loan	480,759	-	(305,562)	175,197	175,197	-
Loan payable	621,224	-	(51,769)	569,455	51,769	517,686
Compensated absences	562,432	592,767	(395,896)	759,304	573,434	185,870
Lease liability	<u>-</u>	<u>334,777</u>	<u>(27,735)</u>	<u>307,042</u>	<u>216,521</u>	<u>90,521</u>
Total discretely presented component units long-term liabilities	<u>\$367,783,833</u>	<u>\$ 3,022,958</u>	<u>\$ (12,551,205)</u>	<u>\$358,255,585</u>	<u>\$ 11,105,362</u>	<u>\$347,150,223</u>

(1) Previously presented as notes for long-term debt, this note now includes other long-term liabilities. The beginning balance was restated to include net pension liability, derivative instrument liability, long term debt advance and lease liability.

Fiduciary Funds – Private-Purpose Trust Fund

Successor Agency to Pasadena Community Development Commission (PCDC):	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due within One Year	Due in More than One Year
Tax allocation bond:						
2006 Tax Allocation Refunding Bonds (Fair Oaks)	\$ 225,000	\$ -	\$ (225,000)	\$ -	\$ -	\$ -
Total Successor Agency to PCDC long-term liabilities	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ (225,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Detail of Long-Term Debt

Governmental Activities:

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2022
Notes payable						
Notes Payable-RBOC	1/15/2013	a	\$ 575,642	2.10%	1/7/2043	\$ 438,830
Notes Payable-Section 108	10/29/2015	c	6,000,000	variable	8/1/2035	4,200,000
Total Notes Payable						<u>4,638,830</u>
Pension bonds:						
2015 Unrefunded Taxable Pension Obligation Bonds	5/5/2015	b	\$ 119,460,000	2.824% to 3.465%	5/1/2025	4,880,000
2020 Taxable Pension Obligation Bonds	2/26/2020	b	131,805,000	1.601% to 3.097%	5/1/2045	128,000,000
Bond Premium (Discount)						(47,513)
Total Pension Bonds						<u>132,832,487</u>
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	46,765,000
Bond Premium (Discount)						4,101,353
Total Certificates of Participation						<u>50,866,353</u>
Loan payable:						
2020 Equipment Lease-Radio Equipment	1/15/2020	e	6,800,000	1.659%	1/15/2027	4,936,710
Total governmental activities long-term debt						<u>\$ 193,274,380</u>

Business-type Activities:

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2022
Revenue bonds:						
2008 Paseo Colorado Taxable Revenue Bonds	9/17/2008	f	28,800,000	variable	6/1/2038	\$ 20,400,000
2013A Electric Revenue Refunding Bonds	12/3/2013	j, k	80,485,000	4.25% to 5.0%	6/1/2043	67,460,000
2016A Electric Revenue Refunding Bonds	11/7/2016	l	119,440,000	4.0% to 5.0%	6/1/2046	105,735,000
2017A Water Revenue Refunding Bonds	3/13/2017	m	15,395,000	5.000%	6/1/2036	11,960,000
2019A Electric Revenue/ Refunding Bonds	8/1/2019	n	11,575,000	5.000%	8/1/2024	6,430,000
2020A Water Revenue Refunding Bonds	12/1/2020	h	30,130,000	5.000%	6/1/2050	28,380,000
2021A Water Revenue Refunding Bonds	12/1/2021	i	22,480,000	5.000%	6/1/2051	22,325,000
Bond Premiums (Discounts)						38,592,264
Total Revenue Bonds						<u>301,282,264</u>
Loan payable:						
2019 Equipment Lease-Parking System	4/1/2019	e	3,252,694	2.670%	4/1/2026	1,932,251
Total business-type activities long-term debt						<u>\$ 303,214,515</u>

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

Detail of Long-Term Debt (Continued)

Component Unit Activities:

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2022
Certificates of Participation:						
2006 COP (Conference Center Project)	8/23/2006	CC1	\$ 27,139,972	3.85% to 4.81%	2/1/2023	\$ 5,578,441
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>140,298,441</u>
Revenue Bonds:						
2010A Revenue Bonds-Tax Exempt Capital Appreciation	11/18/2010	RB1	11,588,265	6.43% to 6.52%	3/1/2033	24,865,661
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	19,885,000
2016A Bond Premium (Discount)						2,613,462
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	7,540,000
2018 AB Bond Premium (Discount)						3,843,713
Total Revenue Bonds (RBOC)						<u>203,392,836</u>
Total component unit activities long-term debt						<u>\$ 343,691,277</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 Refund 2010A Water Revenue Bonds
- i Refund 2011A Water Revenue Bonds and Capital Improvements to Water System
- 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

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

The annual requirements to amortize as of June 30, 2022 are as follows:

Governmental Activities:

Year Ending June 30	Notes Payable		Pension Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
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	317,925	108,419	3,305,000	3,685,783	2,545,000	1,754,400
2027	318,302	99,646	3,370,000	3,620,211	2,670,000	1,627,150
2028-2032	1,597,437	357,389	18,030,000	16,928,162	15,480,000	5,996,000
2033-2037	1,308,107	104,769	24,555,000	14,145,954	15,015,000	2,797,275
2038-2042	119,945	10,341	43,255,000	9,746,219	4,130,000	165,200
2043-2047	25,521	536	32,390,000	2,119,264	-	-
Bond Premium/(Discount)	-	-	(47,513)	-	4,101,353	-
Total Payment	\$ 4,638,830	\$ 1,056,470	\$ 132,832,487	\$ 61,774,931	\$ 50,866,353	\$ 18,306,975

Year Ending June 30	Loan Payable	
	Principal	Interest
2023	\$ 954,989	\$ 77,956
2024	970,898	62,047
2025	987,072	45,873
2026	1,003,516	29,429
2027	1,020,233	12,712
Total Payment	\$ 4,936,710	\$ 228,016

Business-type Activities:

Year Ending June 30	Revenue Bonds		Loan Payable	
	Principal	Interest	Principal	Interest
2023	\$ 10,850,000	\$ 11,670,875	\$ 464,017	\$ 48,514
2024	11,180,000	11,168,500	476,489	36,042
2025	11,705,000	10,649,750	489,297	23,235
2026	9,810,000	10,168,125	502,448	10,085
2027	10,175,000	9,725,125	-	-
2028-2032	58,265,000	41,304,625	-	-
2033-2037	67,280,000	27,383,550	-	-
2038-2042	49,730,000	14,079,850	-	-
2043-2047	28,875,000	4,167,500	-	-
2048-2052	4,820,000	564,750	-	-
Bond Premium (Discount)	38,592,264	-	-	-
Total Payment	\$ 301,282,264	\$ 140,882,650	\$ 1,932,251	\$ 117,877

(10) Long-Term Debt and Other Liabilities (Continued)**New Debt Issued in Fiscal Year Ended June 30, 2022**

2021A Water Revenue Refunding Bonds

On December 1, 2021, the City issued the Water Revenue/Refunding Bonds, Series 2021A (2021A Revenue Bonds) in the amount of \$22,480,000 to refund the 2011A Water Revenue Bonds, finance the costs of acquisition and construction of certain capital improvements to the Water System, make an additional deposit to the Parity Reserve Fund and pay the costs of issuance of the 2021A Revenue Bonds. The rate of interest is 5.00% payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2022. Principal is payable in annual installments ranging from \$155,000 to \$1,345,000 commencing June 1, 2022 and ending June 1, 2051. The City realized debt service savings of \$1.97 million and a present value savings of \$1.86 million. The true interest cost of the financing was 2.38%.

Disclosure Related to Long-Term Debt under GASB 88

The City's outstanding notes from direct borrowings related to government activities of \$438,830 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 Payable – Section 108 relating to government activities are payable from the annual allocation of Community Development Block Grant Funds (CDBG).

In regard 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 regard 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.*

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

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 or 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.

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.

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

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 of 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.

In regard to the Paseo Colorado Revenue Bonds 2008 Series, the City's outstanding Lease Revenue bonds from public offering related to business-type parking activities are payable from and secured by revenue received by the City. In relation 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:

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 situation 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.

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

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 reentry 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 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.

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

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.*

In regard to the City's outstanding bonds from public offerings related to business-type, activities (2017A, 2020A and 2021A Water Revenue Bonds and 2013A, 2016A and 2019A Electric Revenue Bonds) are payable from and secured by revenue received by the Utilities (Water and Power Funds).

In relation 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.

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

In relation 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 Accrued Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference; and*
- (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.

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

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

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.

(11) 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, PCOC 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, 2022, along with the credit rating of the associated counterparty:

<u>Cash Flow Hedge</u>	<u>Objective</u>	<u>Notational Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Counterparty Credit Rating</u>
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	A1/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.

(11) Derivative Instruments (Continued)

Pasadena Center Operating Company (PCOC) (Continued)

Objective and Terms of Hedging Derivative Instruments (Continued)

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 COPs 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 \$8,935,613. As of the year ended June 30, 2022, the balance was \$4,166,486.

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

The City 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 City has the following recurring fair value measurements as of June 30, 2022:

Measurements by fair value level		Level		
		1	2	3
Derivative instrument liability	\$ 10,763,362	\$ -	\$ 10,763,362	\$ -

(11) Derivative Instruments (Continued)Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2022, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

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

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, 2022 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, 2022, the weighted-average interest rate on the PCOC's hedged variable-rate debt is 0.69900%, while 64 percent of LIBOR is 0.6739%.

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, 2022, the maximum exposure/loss would have been \$15,484,274.

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.

(12) 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, 2022, are as follows:

	<u>General Fund</u>	<u>Project Management Capital Project</u>	<u>General Debt Service</u>	<u>Housing Successor</u>	<u>Non-Major Governmental Funds</u>
Fund Balances					
Nonspendable:					
Prepaid and other assets	\$ 191,694	-	-	-	\$ 148,066
Permanent fund principal	-	-	-	-	1,434,131
Notes receivable	<u>13,505,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonspendable	<u>13,697,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,582,197</u>
Restricted for:					
Air Quality Improvement	-	-	-	-	112,173
Notes receivable	-	-	-	-	58,023,672
Allowance for uncollectible long-term receivables	-	-	-	-	(58,023,672)
City Charter/Capital projects	-	611,197	-	-	1,877,674
Debt service	-	-	813	-	7,083,750
Culture and literacy	-	-	-	-	3,021,242
Housing and Community Development					
Housing funds	-	-	-	-	2,441,428
CDBG	-	-	-	-	-
Inclusionary Housing Trust	-	-	-	-	5,746,550
Rental Assistance programs	-	-	-	-	2,396,343
Other purposes	-	-	-	1,892,827	536,019
Property held for resale	-	-	-	-	560,996
Public Safety					
Asset Forfeiture	-	-	-	-	2,815,506
Public Safety Augmentation	-	-	-	-	1,595,018
Other Public Safety Programs	-	-	-	-	476,271
Section 108 HUD Loan Security for Robinson Park Recreation Center Rehabilitation	400,000	-	-	-	-
Section 115 Trust - Pension	11,701,050	-	-	-	-
Transportation	-	-	-	-	33,678,258
Total Restricted	<u>\$ 12,101,050</u>	<u>\$ 611,197</u>	<u>\$ 813</u>	<u>\$ 1,892,827</u>	<u>\$ 62,341,228</u>

(Continued)

(12) Fund Balance and Net Position (Continued)Fund Balances, Governmental Funds (Continued)

	<u>General Fund</u>	<u>Project Management Capital Project</u>	<u>General Debt Service</u>	<u>Housing Successor</u>	<u>Non-Major Governmental Funds</u>
Fund Balances, continued					
Total from previous page	\$ 25,798,139	\$ 611,197	\$ 813	\$ 1,892,827	\$ 63,923,425
Committed to:					
Building Plan Check and Permit Services	-	-	-	-	21,762,323
Building Services - General Plan Maintenance Fee and Technology Fee	-	-	-	-	(5,244,443)
Capital Projects	-	-	-	-	18,011,030
Emergency Contingency	43,003,950	-	-	-	-
Operating Reserve	14,334,650	-	-	-	-
Libraries	-	-	-	-	13,037,831
Pasadena Center Capital Improvement Trust	-	-	-	-	54,246
Parking	-	-	-	-	4,062,539
Sewer Construction and Maintenance	-	-	-	-	14,248,428
Underground Utilities	-	-	-	-	36,281,049
Total Committed	<u>57,338,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,213,003</u>
Assigned to:					
General Government	6,384,489	-	-	-	-
Capital Projects	16,694,485	2,775,330	-	-	-
Total Assigned	<u>23,078,974</u>	<u>2,775,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,479,885)</u>
Total Fund Balance	<u>\$ 106,215,713</u>	<u>\$ 3,386,527</u>	<u>\$ 813</u>	<u>\$ 1,892,827</u>	<u>\$ 156,656,543</u>

(12) Fund Balance and Net Position (Continued)

Net Position

On the government-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, 2022 are as follows:

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total Primary Government	Aggregate Component Units
Net investment in capital assets	\$ 471,778,310	\$ 499,718,823	\$ 971,497,133	\$ (10,049,624)
Restricted:				
Nonexpendable	1,434,131	-	1,434,131	-
Expendable:				
Community development	15,516,715	-	15,516,715	-
Public safety	4,975,255	-	4,975,255	-
Capital projects	2,488,871	-	2,488,871	-
Debt service	7,084,563	36,484,028	43,568,591	11,663,709
Stranded investments	-	43,780,340	43,780,340	-
Transportation	33,718,365	-	33,718,365	-
Contribution to General Fund	-	19,544,138	19,544,138	-
Culture and literacy	3,021,242	-	3,021,242	-
Other purposes	994,715	9,665,198	10,659,913	870,240
Air quality improvement	159,964	-	159,964	-
Trust and loans	12,101,050	-	12,101,050	-
Unrestricted	(403,720,571)	270,029,438	(133,691,133)	(16,108,116)
Total Net Position	\$ 149,552,610	\$ 879,221,965	\$ 1,028,774,575	\$ (13,623,791)

(13) 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, 2022, the Stranded Investment Reserve balance was \$43.8 million. The details of the additions and subtractions, in the Reserve, that occurred during fiscal year 2022 are shown below:

Restricted Cash and Investment

Beginning balance	\$ 54,000,846
Interest earnings	665,689
Market gain (loss)	(6,000,734)
Transfer of SIR	<u>(7,000,000)</u>
Restricted cash and investment ending balance	<u>\$ 41,665,801</u>

IPA Subordinated Notes

	Balance at June 30, 2021	Reduction	Balance at June 30, 2022
Notes receivable	\$ 8,046,667	\$ (6,606,250)	\$ 1,440,417
Premium	<u>1,348,244</u>	<u>(674,122)</u>	<u>674,122</u>
Total IPA subordinated notes	<u>\$ 9,394,911</u>	<u>\$ (7,280,372)</u>	<u>\$ 2,114,539</u>

Restricted for Stranded Investments at June 30, 2022	<u>\$ 43,780,340</u>
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(14) Accumulated Fund Deficits

The following funds reported accumulated deficits in their respective fund balances/net position at June 30, 2022:

	<u>Due to Operations</u>	<u>Due to GASB 68 Implementation</u>	<u>Due to GASB 75 Implementation</u>	<u>Total Accumulated Deficit</u>
Governmental Activities:				
Special Revenue Funds:				
Health	\$ (7,216,105)	\$ -	\$ -	\$ (7,216,105)
Internal Service Funds:				
Computing and Communication Services	1,335,547	(7,225,009)	(2,544,926)	(8,434,388)
Benefits	(55,247,700)	(37,871,560)	(163,136)	(93,282,396)
Workers' Compensation	(29,555,030)	(5,112,862)	(195,764)	(34,863,656)
General Liability	(37,164,949)	(265,700)	(65,255)	(37,495,904)
311 Call Center	69,901	(180,334)	(195,764)	(306,197)

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

Health Fund

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 fiscal year 2022, 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. To address any continued fiscal challenges, the Department will continue to expedite processing of grant reimbursement requests; maintain monitoring of program and financial performance.

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 departments. In fiscal year 2022, the deficit decreased compared to fiscal year 2021 primarily attributable to a decrease in GASB 68 and 75 costs. There was also a significant number of personnel vacancies due to service retirements and internal promotions that kept personnel costs lower than expected. The deficit is being monitored by management, and an appropriate revenue recovery plan to gradually reduce the deficit is in place, as IT is solely funded by the fixed rates it charges to its customer departments. The first step in this plan was initiated in fiscal year 2023 where these rates were increased by over 11% from fiscal year 2022 in an effort to ‘true-up’ from prior years when rates were even held flat in fiscal year 2022. The challenge in the coming years will be to maintain enough growth in revenues to keep pace with the costs needed to provide effective service, while also combatting any financial pressures that may impact a fund’s ability to absorb these increases.

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 fiscal year 2022 fund balance deficit increased by \$2.2 million. This is primarily attributable to revenue of \$34.3 million exceeded by expenses of \$36.5 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 fiscal year 2018.

(14) Accumulated Fund Deficits (Continued)Workers' Compensation Fund

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. The City initiated the Carve Out program with Pasadena Police Officers Association (PPOA) and that program remains in effect through all of the current fiscal year. That program is focused on ensuring timely delivery of treatment that will: (1) expedite claim resolutions; and (2) reduce costs and litigation. All of this will continue to reduce the negative fund balance.

General Liability Fund

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 fiscal year 2019, there was a deficit primarily attributable to lower rates charged to Departments. In fiscal years 2020 and 2021, the City increased rates to collect an additional \$1.2 million from Departments. Additionally, in fiscal year 2020 the General Fund transferred \$5.0 million into this fund to help address increased claims and improve the deficit. In fiscal year 2022 the City again increased the allocation to the fund while undertaking a cost recovery study to revise the allocation methodology along with a review of future liability claims payable amounts. In fiscal year 2023, a new allocation methodology shall be put in place to collect an additional \$5 million annually to cover increased settlements and self-insured retention amounts, which should gradually reduce the deficit.

311 Call Center Fund

The City has established the 311 Call Center fund to account for the operations of the City's central call center. In fiscal year 2022, there was a deficit primarily attributable to the implementation of GASB Statements 68 and 75. Management reviewed the deficit during the fiscal year 2022 operating budget process and proposed to increase revenue transfers for fiscal year 2023. However, as the Department continues to revert to normal operations, post Covid pandemic and the reorganization of two major Divisions (Parks and Natural Resources and Street Maintenance and Integrated Waste Divisions) in fiscal year 2022, the fund will incur a deficit. For fiscal year 2024, the revenue sources and fund structure will be reviewed to address the ongoing GASB 68 and 75 deficits.

GASB Implementation

In fiscal year 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.

In fiscal year 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.

(15) Excess of Expenditures over Appropriations

The following funds reported an excess of expenditures over appropriations at June 30, 2022:

	<u>Budget</u>	<u>Actual</u>	<u>Better (Worse) Than Final Budget</u>
General Fund:			
General Government			
Non-departmental	\$ 24,576,700	\$ 24,981,166	\$ (404,466)
Transportation			
Public Works & Transportation	21,313,105	22,028,024	(714,919)
Culture and Leisure			
Non-departmental - PCOC	10,076,565	11,548,087	(1,471,522)
Debt Service			
Interest - leases (as lessee)	-	26,306	(26,306)
Lease payments	-	592,259	(592,259)
Transportation Fund:			
Debt Service			
Interest - leases (as lessee)	-	57	(57)
Lease payments	-	49,480	(49,480)
Library Services Fund:			
Debt Service			
Interest - leases (as lessee)	-	225	(225)
Lease payments	-	148,483	(148,483)
Parking Fund:			
Debt Service			
Interest - leases (as lessee)	-	23	(23)
Lease payments	-	8,949	(8,949)
Housing and Community Development Fund:			
Debt Service			
Interest - leases (as lessee)	-	5,425	(5,425)
Lease payments	-	304,525	(304,525)

General Fund:

Culture and Leisure – Non-Departmental-PCOC

The City provides a significant portion of the operating support of the Pasadena Center Operating Company (PCOC) through an allocation of Transient Occupancy Tax (TOT) collected by the City. In fiscal year 2022, the actual allocation to PCOC is approximately \$1,500,000 more than the budgeted amount because of the increase in TOT collection, caused by favorable hotel, motel, and short-term rental activity during the year.

Other Governmental Funds:

Other City funds with interest and lease financing principal expenditures in excess over appropriations relate to the first-year implementation of GASB 87. Prior to fiscal year 2022, these expenditures were presented within the governmental funds’ function as opposed to being presented under debt service.



(16) 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.

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	\$ 52,522	16,372	31%
Water Revenues	17,781	5,652	32%

(17) Transfers

The following is a summary of transfers in and out for the year ended June 30, 2022:

Transfers Out	Transfers In			
	General Fund	Project Management Fund	General Debt Service Fund	Non-Major Governmental Funds
General Fund	\$ -	\$ 3,372,837 A	\$7,089,743 F	\$18,818,481 B
Project Management Fund	-	-	-	5,462
Non-Major Governmental Funds	195,996	21,963,687 C	-	-
Light and Power Fund	18,000,000 E	-	-	-
Water Fund	1,894,138	-	-	250,000
Off-Street Parking	-	-	-	-
Non-Major Enterprise Funds	198,240	117,074	-	-
Internal Service Funds	-	1,589,305	-	-
Total	<u>\$20,288,374</u>	<u>\$27,042,903</u>	<u>\$7,089,743</u>	<u>\$19,073,943</u>

Primary Government

- (A) Transfers of \$3,372,837 from General Fund to Project Management Fund mainly consisted of:
 - \$2,105,898 for the technology upgrade projects, including \$1,799,862 for the police computer-aided dispatch and records management system replacement project.
 - \$752,594 for the improvement of Municipal buildings
- (B) Transfers of \$18,818,481 from General Fund to Non-Major Governmental Funds mainly consisted of:
 - \$11,802,558 to support the Library Services Fund
 - \$4,298,750 to pay for 2015A Refunding COPs
- (C) Transfers of \$21,963,687 from Non-Major Governmental Funds to Project Management Fund mainly consisted of:
 - \$9,925,803 from Residential Development Impact Fund
 - \$3,129,167 from Road Maintenance and Rehabilitation Account
 - \$2,822,278 from Gas Tax Fund
 - \$2,767,099 from Sewer Facility Charge Fund and Sewer Construction Management Fund
- (D) Transfers of \$8,288,302 from Non-Major Governmental Funds to Light and Power Fund to pay for the underground utilities program expenses.
- (E) Light and Power Fund contributed \$18,000,000 to the General Fund for the payment of interest and principal on City bonds, municipal improvements, and other purposes.
- (F) Transfer of \$7,089,743 from General Fund to General Debt Service Fund mainly consisted of
 - \$1,274,585.89 to pay taxable pension obligation for Bonds Series 2015
 - \$4,756,155.39 to pay pension obligation for Bonds Series 2020AB

(17) Transfers (Continued)

Transfers In				
Light and Power Fund	Off- Street Parking	Non-Major Enterprise Funds	Internal Service Funds	Total
\$ -	\$1,000,000	\$ -	\$ 3,798,703	\$ 34,079,764
-	-	266,764	212,230	484,456
8,288,302	D -	-	10,600	30,458,585
-	-	-	-	18,000,000
-	-	-	-	2,144,138
-	-	-	83,000	83,000
-	-	-	375,000	690,314
-	-	-	86,000	1,675,305
<u>\$ 8,288,302</u>	<u>\$1,000,000</u>	<u>\$ 266,764</u>	<u>\$ 4,565,533</u>	<u>\$ 87,615,562</u>

(17) Transfers (Continued)

Fiduciary Funds

The following is a summary of transfers in and out for the year ended June 30, 2022:

<u>Transfer In</u>	<u>Transfer Out</u>	
	Redevelopment Obligation Retirement Fund	Total
Successor Agency Debt Service	\$ 24,899	24,899
Total	<u>\$ 24,899</u>	<u>24,899</u>

The Redevelopment Obligation Retirement Fund transferred \$24,899 to the Successor Agency Debt Fund.



(18) 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 (SIR). For the period of July 1, 2021 to June 30, 2022, excess liability insurance was purchased with limits of \$25,000,000 in excess of \$5,000,000 per occurrence SIR. Excess worker's compensation insurance is at \$4,000,000. Workers' compensation claims for all City workers, including Public Safety, Fire and Police, are administered by a third-party administrator, Acclamation Insurance Management Services (AIMS). The City maintains a few self-administered claims (for dates of injury prior to 7/1/2012).

The City currently has twenty-three (23) workers' compensation claims from prior years that exceeded the SIR. These claims' breakdown that exceeded the corresponding year's SIR excess level are as follows:

	Number of Existing Worker's Compensation Claims	Retention Amount
	9	\$500,000
	8	250,000
	1	100,000
	5	50,000
Total	23	

No workers' compensation injury was incurred since the SIR has been \$4,000,000. City has received \$3,112,628 in workers' compensation excess recovery. City is requesting \$1,587,543 in workers' compensation excess recovery currently.

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. During fiscal year 2022, the City paid \$14,671,962 in claims and settlement payments. For new claims with alleged dates of loss within fiscal year 2022, the overall total incurred was \$380,581. Liability against a public entity is mitigated by existing laws/statutes/codes, which provide certain immunities. The City currently has approximately nine (9) active litigation cases, each with reserves estimated in excess of \$2,000,000.

SIR 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 Hollywood Burbank Airport. The annual premium is apportioned between the City and LA Impact since the policy carries hull coverage for LA Impact aircraft.

The City renewed property insurance on all its buildings, with a combined total scheduled insured value of \$1.14 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 fiscal year 2022.

(18) Self-Insurance (Continued)

The City’s Property: Power Plant Boiler and Machinery policy, with total insured value of \$425,202,564. 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 \$250,000,000 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 fiscal year 2022.

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 – Chemical, Biological or Biochemical, Radiological or Nuclear (CBRN); Auto Physical Damage; Cyber 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 (*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*), 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, 2022, General Liability claims payable amounted to \$35,174,026 of which \$17,856,032 is estimated to be paid within one year. Workers’ Compensation claims payable amounted to \$40,978,607 of which \$16,451,651 is estimated to be paid within one year.

Fiscal Year	Beginning Liability	Fiscal Year In Estimates	Claim Payments	Ending Liability
2020-21	\$ 40,239,238	\$ 35,024,507	\$ (33,219,552)	\$ 42,044,193
2021-22	42,044,193	64,785,235	(30,676,795)	76,152,633



(19) 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.

As of June 30, 2022 the market value of the City's deferred compensation plan assets amounted to \$325,092,326.

(20) 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

	<u>Net Pension Liability</u>	<u>Pension Expense</u>	<u>Deferred Outflows Related to Pension</u>	<u>Deferred Inflows Related to Pension</u>
Pasadena Fire and Police Retirement Plan (FPRS)	\$ 14,629,000	\$ 5,908,000	\$ 6,359,000	\$ -
CalPERS - Safety Plan	109,669,810	11,261,147	30,737,680	59,210,266
CalPERS - Miscellaneous Plan	178,024,860	874,812	41,109,435	102,172,214
Total Plans	<u>\$ 302,323,670</u>	<u>\$ 18,043,959</u>	<u>\$ 78,206,115</u>	<u>\$ 161,382,480</u>

(20) Pension Plans (Continued)**Pasadena Fire and Police Retirement System (FPRS)**Plan Description

FPRS (the System) 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 Pasadena Fire & Police Retirement System, 100 N. Garfield Ave., Rm. S201 Pasadena, CA 91101-1726 or at <https://www.cityofpasadena.net/commissions/fire-and-police-retirement-board/>.

Cash and Investments		
Unrestricted pooled cash	\$	971,372
Designated pooled cash		1,250,000
Money market funds		547,938
		2,769,310
Cash and cash equivalents		2,769,310
Short-term investments		608,561
Investments		113,656,587
Total investments		114,265,148
Total cash and investments	\$	117,034,458

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, 2022, the funded percentage of the System, calculated in accordance with Agreement No. 20,823 and Agreement No. 16,900, was 87.8%. As provided by Contribution Agreement No. 16,900, if the funded percentage is below the minimum funding percentage of 80% for fiscal year 2022, the City will reimburse the System in the following fiscal year subject to certain reimbursement limits. Based on the June 30, 2022 actuarial valuation, the funding deficiency was \$0, or 0%, below the funding requirement of 80% as of June 30, 2022. Thus, no required supplemental contribution is owed to the System by the City during fiscal year ended June 30, 2022.

(20) Pension Plans (Continued)

The components of the net pension liability of the System as of June 30, 2022 are as follows:

FPRS	
Total Pension Liability	\$ 126,290,000
Beginning Fiduciary Net Position (FNP)	\$ 134,732,000
Net Investment Income	(10,656,000)
Benefit Payments	(12,072,000)
Administrative Expenses	(343,000)
Plan Fiduciary Net Position	111,661,000
Net Pension Liability/(Asset)	14,629,000
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.4%

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. Following the recommendation provided by the System's Actuary on May 26, 2022, the Board later accepted the recommended assumptions for use in the preparation of the actuarial valuation for the year ended June 30, 2022.

Actuarial Assumptions

Discount Rate	5.25%*
Inflation	2.50%
Salary Increases	No active employees
Mortality	CalPERS 2000-2019 Experience Study, Mortality Improvement Scale 80% Scale MP-2020
Expected Geometric Real Rate of Return	10-year geometric expected real rates of return from Board-approved actuarial valuations, as prepared by Bartel Associates, LLC (June 30, 2013-2021) & Foster & Foster, Inc. (June 30, 2022)
	Large Cap US Equity 3.77%
	Small Cap US Equity 4.45%
	Foreign Equity 4.41%
	Domestic Core Fixed Income 0.53%
	Senior Bank Loans 1.64%
	Short-Term Investment-Grade Bonds 0.05%
	TIPS -0.24%
	Risk Parity 3.38%
	Real Estate 3.81%

* Discount Rate reflects assumed investment expense of 15 basis points.

Inactive employees or beneficiaries currently receiving benefits**	193
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total participants	<u>193</u>

** Alternative payee data for 23 Domestic Relations Order (DRO) agreements provided separately from employee-retiree for first time in 6/30/22 valuation. Benefits for these alternative payee previously included in the corresponding retiree's benefits. All DRO agreements provide benefits to the alternative payees for the lifetime of the System's retiree.

(20) Pension Plans (Continued)Discount Rate

The discount rate of 5.25% was selected by the System actuary and approved by the Board to measure the June 30, 2022 TPL for accounting purposes. The discount rate is the expected real long-term rate of return, plus the inflation assumption of 2.50%, less assumed investment expenses of 15 basis points. The expected long-term real rate of return is compared at the 50% and 55% confidence levels of capital market assumptions. Based on the assumptions, the System's Fiduciary Net Position was projected to be available to make all projected future benefit payments. The discount rate used as of June 30, 2022 is lower than the discount rate of 5.75% used as of June 30, 2021.

Asset Class	Target Asset Allocation
Large Cap US Equity	16.00%
Small Cap US Equity	4.00%
Foreign Equity	20.00%
Domestic Core Fixed Income	25.00%
TIPS	5.00%
Short-Term Investment-Grade Bonds	10.00%
Senior Bank Loans	5.00%
Alternative (Risk Parity)	5.00%
Real Estate	10.00%
Total Portfolio	100.00%

Changes in Pension Liability

	Increase / (Decrease)		
	A	B	C = B - A
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset/(Liability)
Balance at June 30, 2021	\$ 126,851,000	\$ 134,732,000	\$ 7,881,000
Changes Recognized for the Measurement Period:			
Service Cost	-	-	-
Interest on the Total Pension Liability	6,947,000	-	(6,947,000)
Differences between Expected and Actual Experience	164,000	-	(164,000)
Contribution from Employers	-	-	-
Contribution from Employees	-	-	-
Net Investment Income	-	(10,656,000)	(10,656,000)
Benefit Payments	(12,072,000)	(12,072,000)	-
Administrative Expense	-	(343,000)	(343,000)
Change of Assumptions	4,400,000	-	(4,400,000)
Net Change during 2021-22	(561,000)	(23,071,000)	(22,510,000)
Balance at June 30, 2022	\$ 126,290,000	\$ 111,661,000	\$ (14,629,000)
Ending Fiduciary Net Position as a Percentage of the Total Pension Liability			88.4%
Pension Expense			\$ 5,908,000

(20) Pension Plans (Continued)Sensitivity of the Net Pension Liability to Changes in the Discount Rates

Examining the sensitivity of the net pension liability (NPL) to changes in the discount rate by a 1% decrease, from 5.25% to 4.25%, revealed an increase in the NPL by \$10,041,000 to a total NPL of \$24,670,000. Conversely, increasing the discount rate by 1%, from 5.25% to 6.25%, revealed a corresponding decrease in the NPL of \$8,782,000 to total NPL of \$5,847,000 as of June 30, 2022.

	FPRS		
	Discount Rate -1% (4.25%)	Current Discount Rate (5.25%)	Discount Rate +1% (6.25%)
Net Pension Liability (NPL)	24,670,000	14,629,000	5,847,000
NPL Funded Percentage	81.9%	88.4%	95.0%

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

	FPRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred of Resources
Projected versus Actual Earnings on Investments	\$ 6,359,000	\$ -	\$ 6,359,000
Total	\$ 6,359,000	\$ -	\$ 6,359,000

Measurement Period ended June 30:	FPRS	
	Deferred Outflows/(Inflows) of Resources	
2023	\$	1,186,000
2024		1,076,000
2025		498,000
2026		3,599,000

(20) 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, 2022, 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	7.730%	Required employee contribution rates	9.770%
Required employer contribution rates*	34.090%	Required employer contribution rates	52.050%

*As a percentage of projected payroll

Employees Covered

At the measurement date June 30, 2021, 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	1,730	402
Inactive employees entitled to but not yet receiving benefits	1,116	145
Active employees	<u>1,408</u>	<u>357</u>
Total	<u><u>4,254</u></u>	<u><u>904</u></u>

(20) Pension Plans (Continued)**CalPERS Miscellaneous and Safety 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. The City made contributions to the Miscellaneous and Safety Plans during the fiscal year ended June 30, 2022 of \$40,463,358 and \$25,337,947, respectively.

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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
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
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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.

(20) 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 follows:

<u>Asset Class</u> ⁽¹⁾	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u> ⁽²⁾	<u>Real Return Years 11+</u> ⁽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 ACFR, 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

Source: CalPERS Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2021
 PERF B & PERF C – Long-Term Expected Real Rates of Return by Asset Class

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

(20) Pension Plans (Continued)Changes in Net Pension Liability**Miscellaneous**

	Increase/(Decrease)		
	A	B	C = B - A
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Asset/(Liability)</u>
Balance at June 30, 2020, Measurement Date (MD)	\$ 1,205,853,208	\$ 883,670,577	\$ (322,182,631)
Changes Recognized for the Measurement Period 2020-21:			
Service Cost	19,875,637	-	(19,875,637)
Interest on the Total Pension Liability	84,479,928	-	(84,479,928)
Differences between Expected and Actual Experience	(2,424,819)	-	2,424,819
Contribution from Employers	-	38,235,467	38,235,467
Contribution from Employees	-	9,264,874	9,264,874
Net Investment Income	-	199,470,910	199,470,910
Benefit Payments, including Refunds of Employee Contribution	(63,657,472)	(63,657,472)	-
Administrative Expense	-	(882,734)	(882,734)
Net Changes	<u>38,273,274</u>	<u>182,431,045</u>	<u>144,157,771</u>
Balance at June 30, 2021, MD	<u>\$ 1,244,126,482</u>	<u>\$ 1,066,101,622</u>	<u>\$ (178,024,860)</u>
Pension Expense			\$ 874,812

Safety

	Increase/(Decrease)		
	A	B	C = B - A
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Asset/(Liability)</u>
Balance at June 30, 2020, Measurement Date (MD)	\$ 709,797,933	\$ 518,571,412	\$ (191,226,521)
Changes Recognized for the Measurement Period 2020-21:			
Service Cost	13,227,086	-	(13,227,086)
Interest on the Total Pension Liability	50,129,704	-	(50,129,704)
Differences between Expected and Actual Experience	776,870	-	(776,870)
Contribution from Employers	-	23,383,968	23,383,968
Contribution from Employees	-	4,734,292	4,734,292
Net Investment Income	-	118,090,132	118,090,132
Benefit Payments, including Refunds of Employee Contribution	(32,147,195)	(32,147,195)	-
Administrative Expense	-	(518,021)	(518,021)
Net Changes	<u>31,986,465</u>	<u>113,543,176</u>	<u>81,556,711</u>
Balance at June 30, 2021, MD	<u>\$ 741,784,398</u>	<u>\$ 632,114,588</u>	<u>\$ (109,669,810)</u>
Pension Expense			\$ 11,261,147

(20) Pension Plans (Continued)

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 -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan Net Pension Liability	\$ 332,063,843	\$ 178,024,860	\$ 49,708,201

Safety			
	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan Net Pension Liability	\$ 212,860,709	\$ 109,669,810	\$ 25,045,762

Subsequent Events (as measurement period is from July 1, 2020 through June 30, 2021)

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.



(20) Pension Plans (Continued)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 Miscellaneous Plan for the measurement period ending June 30, 2021 is 3.4 years, which was obtained by dividing the total service years of 14,442 (the sum of remaining service lifetimes of the active employees) by 4,294 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The EARSL for the Safety Plan for the measurement period ending June 30, 2021 is 4.7 years, which was obtained by dividing the total service years of 4,266 (the sum of remaining service lifetimes of the active employees) by 904 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

(20) Pension Plans (Continued)

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

As of June 30, 2022, 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	\$ -	\$ -	\$ 2,068,688	\$ (243,962)	\$ 2,068,688	\$ (243,962)
Differences between Expected and Actual Experience	646,076	(3,351,138)	3,331,045	(399,471)	3,977,121	(3,750,609)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(98,821,076)	-	(58,566,833)	-	(157,387,909)
Contributions Subsequent to the Measurement Date	40,463,359	-	25,337,947	-	65,801,306	-
Total	\$ 41,109,435	\$ (102,172,214)	\$ 30,737,680	\$ (59,210,266)	\$ 71,847,115	\$ (161,382,480)

The amounts above are net of outflows and inflows recognized in the fiscal year 2020-21 measurement period expense. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30	Miscellaneous	Measurement Period ended June 30:	Safety
	Deferred Outflows/(Inflows) of Resources		Deferred Outflows/(Inflows) of Resources
2022	\$ (26,211,438)	2022	\$ (11,631,853)
2023	(23,932,633)	2023	(12,346,359)
2024	(23,986,667)	2024	(13,711,438)
2025	(27,395,400)	2025	(16,120,883)
2026	-	2026	-
Thereafter	-	Thereafter	-

Defined Contribution Plan (PARS)

The City provides pension benefits for employees not covered by CalPERS or FPRS through the Public Agency Retirement Services (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, 2022 was \$4,237,855. The covered employees made the total required 7.5% contributions of \$317,839.

(21) Postemployment Benefits Other than Pensions (OPEB)

The City of Pasadena provides a direct subsidy to retirees of the City who are members of the California Public Employees’ Retirement System or the Pasadena Fire and Police Pension System. As such, the OPEB plan is not separately audited and does not issue its own report.

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 \$149.00 or \$143.00 per month depending on the bargaining unit or the unrepresented group the employee was a member.

At the June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	725
Active plan members	1,681
	2,406

Plan Description

Eligibility. The plan is an agent multiple-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 Eligibility	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 2022, this monthly amount is \$149.00 for certain classes of employees and \$119.20 for remaining employees.
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(21) Postemployment Benefits Other than Pensions (Continued)

Contributions

The City contributes the minimum amount allowed under Government Code Section 22825 of the PEMHCA enacted by CalPERS pursuant to State Law. The City’s required monthly contributions for calendar years 2022 and 2021 were \$149.00 or \$119.20, respectively. The statutory contribution will be indexed by the medical CPI each year. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City contribution. 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 additional contribution since the initial funding and during fiscal year ended June 30, 2022. As of June 30, 2022, the market value of the OPEB Section 115 trust account was \$2,215,631.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2021, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal – level percentage of Salary method
Actuarial Assumptions	
Discount Rate	4.09% as of July 1, 2022 and 2.19% as of July 1, 2021
Inflation	2.80% per annum
Payroll Increases	2.80% per annum, plus salary merit increases
Merit Increases	Merit increases from the most recent CalPERS pension plan valuation. The benefits are not payroll related but each individual’s projected cost is allocated over their lifetime as a level-percentage of pay.
Healthcare Trend Rate	Initial rate of 6.50% decreasing to 6.25%, and then decreasing by 0.25% annually to an ultimate rate of 4.50% in 2030 and thereafter.
Investment Rate of Return	5.0% per annum
Disability	According to the disability rates under the 2021 CalPERS experience study.
Turnover Rate	According to the termination rates under the 2021 experience study for the CalPERS pension plan
Retirement rate	According to the retirement rates under the 2021 CalPERS experience study. According to the following retirement tables: Miscellaneous Tier 1: 2.7% @ 55 Miscellaneous Tier 2: 2.0% @ 62 Fire Tier 1: 3.0% @ 55 Fire Tier 2: 2.7% @ 57 Police Tier 1: 3.0% @ 55 Police Tier 2: 2.7% @ 57
Mortality Rate	The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.



(21) Postemployment Benefits Other than Pensions (Continued)

Pre-retirement Turnover	According to the rates under the 2021 experience study for the CalPERS pension plan [Rates have been updated to the CalPERS 2017 experience study from the 2014 experience study for the pension plan]
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.

(21) Postemployment 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, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Gross Rate of Return</u>
Equities	30.00%	7.70%
Fixed Income	65.00%	4.00%
Cash	5.00%	2.40%
Total	100.00%	5.00%

Long-term expected rate of return is 5.00%.

Changes in the OPEB Liability

	<u>A</u>	<u>Increase (Decrease) B</u>	<u>C = A - B</u>
		<u>Plan Fiduciary Net Position</u>	<u>Net OPEB (Asset)/Liability</u>
	<u>Total OPEB Liability</u>		<u>(Asset)/Liability</u>
Balance at June 30, 2021	\$ 96,085,460	\$ 2,521,704	\$ 93,563,756
Changes recognized for the Measurement Period:			
Service Cost	4,916,833	-	4,916,833
Interest	2,181,093	-	2,181,093
Difference between expected and actual experience	874,222	-	874,222
Changes of Assumptions	(26,576,119)	-	(26,576,119)
Contribution - Employer	-	2,833,350	(2,833,350)
Net Investment Income	-	(300,832)	300,832
Benefit Payments, Net	(2,833,350)	(2,833,350)	-
Administrative Expenses	-	(5,241)	5,241
Net Changes	(21,437,321)	(306,073)	(21,131,248)
Balance at June 30, 2022	\$ 74,648,139	\$ 2,215,631	\$ 72,432,508

(21) Postemployment Benefits Other than Pensions (Continued)**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 4.09%, 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, 2022:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Net OPEB Liability	\$ 83,793,060	\$ 72,432,509	\$ 63,316,947

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, 2022:

	Current Healthcare Cost		
	1% Decrease (5.50% decreasing to 3.50%)	Trend Rates (6.50% decreasing to 4.50%)	1% Increase (7.50% decreasing to 5.50%)
Net OPEB Liability	\$ 61,737,849	\$ 72,432,509	\$ 86,159,950

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$6,373,955. As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 786,800	\$ (3,460,645)
Difference between expected and actual experience	10,406,953	(23,918,507)
Net difference between projected and actual earning on OPEB plan investments	215,941	-
Total	\$ 11,409,694	\$ (27,379,152)

The \$11,409,694 reported as deferred outflows of resources and \$27,379,152 reported as deferred inflows related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (405,193)
2024	(1,131,446)
2025	(1,839,486)
2026	(1,799,220)
2027	(1,884,576)
Thereafter	(8,909,537)
Total	\$ (15,969,458)

(22) 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 fiscal year 2036. The total commitment under these contracts as of June 30, 2022 is \$113 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 \$43.8 million in 2022. 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.

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.

(23) Subsequent Events

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

Measure H – Charter Amendment Imposing Rent Control

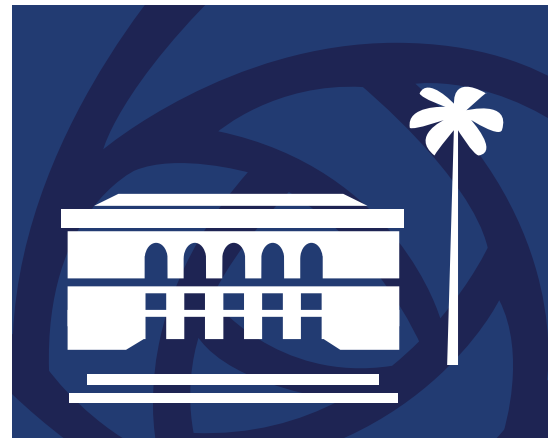
On November 8, 2022, Pasadena voters approved Measure H amending the City's Charter imposing rent control on applicable residential rental properties. The measure requires the establishment of an independent rental housing board appointed by the City Council to oversee and adopt rules and regulations. An impartial analysis of the charter amendment projected that implementation and first year operations would total \$5.76 million, which the City is obligated to advance. The rental housing board is responsible for establishing an annual rental housing fee charged to landlords to support operations, and the City may be reimbursed when revenues generated by the rental housing board exceeds annual expenditures.

Measure L – Library Services Parcel Tax

On November 8, 2022, Pasadena voters approved Measure L extending the Library Special Tax to fund library operations. The extension provides for continued collection of the special tax through fiscal year 2037. Approximately, \$3 million is generated annually from the tax and is adjusted annually by the Consumer Price Index as outlined in Section 1.08.060 of the Pasadena Municipal Code. Additionally, to collect the tax the City must make an annual contribution, currently \$12.2 million, from the General Fund to support Library operations. This amount also increases annually by the Consumer Price Index.

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REQUIRED SUPPLEMENTARY INFORMATION



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

For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Taxes	\$ 196,410,680	\$ 204,574,041	\$ 214,739,973	\$ 10,165,932
Licenses and permits	3,389,205	3,389,205	3,940,945	551,740
Intergovernmental revenues	21,668,845	23,951,214	35,880,294	11,929,080
Charges for services	34,478,282	34,678,282	32,950,457	(1,727,825)
Fines and forfeits	4,532,500	4,532,500	4,189,673	(342,827)
Investment earnings	724,213	724,213	908,360	184,147
Net change in fair value of investments	-	-	(5,492,911)	(5,492,911)
Lease revenues	738,910	738,910	974,320	235,410
Interest - leases (as lessor)	-	-	2,971	2,971
Miscellaneous revenues	2,720,494	2,720,494	4,261,946	1,541,452
Contributions	27,620	27,620	27,620	-
Total revenues	264,690,749	275,336,479	292,383,648	17,047,169
Expenditures:				
General government:				
City Attorney	9,299,375	10,832,506	10,492,094	340,412
City Clerk	3,259,305	3,393,379	2,795,769	597,610
City Council	3,050,338	3,050,338	2,743,111	307,227
City Manager	5,765,979	5,905,979	5,030,994	874,985
Finance	13,427,614	13,427,614	12,937,057	490,557
Human Resources	4,660,614	5,585,614	4,498,169	1,087,445
Non-departmental	23,881,580	24,576,700	24,981,166	(404,466)
Public safety:				
Fire	55,294,880	55,494,880	55,480,461	14,419
Police	90,035,433	91,128,936	88,539,517	2,589,419
Transportation:				
Public Works and Transportation	20,106,179	21,313,105	22,028,024	(714,919)
Culture and leisure:				
Human Services and Recreation	22,813,656	22,813,656	20,906,069	1,907,587
Non-departmental	8,476,565	10,076,565	11,548,087	(1,471,522)
Community development:				
Planning and Permitting	9,395,921	9,395,921	8,432,414	963,507
Capital outlay				
	-	-	37,658	(37,658)
Debt Service:				
Interest	9,504	9,504	-	9,504
Interest - leases (as lessee)	-	-	26,306	(26,306)
Lease payments	-	-	592,259	(592,259)
Total expenditures	269,476,944	277,004,697	271,069,155	5,961,848
Excess (deficiency) of revenues over (under) expenditures	(4,786,195)	(1,668,218)	21,314,493	23,009,017
Other financing sources (uses):				
Transfers in	20,140,438	20,140,438	20,288,374	147,936
Transfers out	(25,682,904)	(44,369,904)	(34,079,764)	10,290,140
Transfers to component unit	-	(475,000)	(408,262)	66,738
Leases issued	-	-	37,583	37,583
Total other financing sources (uses)	(5,542,466)	(24,704,466)	(14,162,069)	10,542,397
Net change in fund balances	(10,328,661)	(26,372,685)	7,152,424	33,551,415
Fund balances at beginning of year	99,063,289	99,063,289	99,063,289	-
Fund balances at end of year	\$ 88,734,628	\$ 72,690,604	\$ 106,215,713	\$ 33,551,415

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

Housing Successor Fund

For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 400	\$ 400	\$ 55,362	\$ 54,962
Net change in fair value of investments	-	-	-	-
Lease revenues	63,301	63,301	61,741	(1,560)
Miscellaneous revenues	118,453	118,453	220,971	102,518
Total revenues	182,154	182,154	344,582	162,428
Expenditures:				
Current:				
Community development	3,941,619	6,941,619	5,335,625	1,605,994
Total expenditures	3,941,619	6,941,619	5,335,625	1,605,994
Excess (deficiency) of revenues over (under) expenditures	(3,759,465)	(6,759,465)	(4,991,043)	1,768,422
Net change in fund balances	(3,759,465)	(6,759,465)	(4,991,043)	1,768,422
Fund balance at beginning of year	6,883,870	6,883,870	6,883,870	-
Fund balance at end of year	\$ 3,124,405	\$ 124,405	\$ 1,892,827	\$ 1,768,422

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 Years¹

Fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020
Measurement period ended	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:			
Service cost	\$ 19,875,637	\$ 19,565,533	\$ 19,269,901
Interest on total pension liability	84,479,928	81,858,875	79,378,592
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(2,424,819)	(3,981,645)	5,491,637
Benefit payments, including refunds of employee contributions	(63,657,472)	(61,335,630)	(58,915,135)
Net Change in Total Pension Liability	38,273,274	36,107,133	45,224,995
Total Pension Liability - Beginning of Year	1,205,853,208	1,169,746,075	1,124,521,080
Total Pension Liability - End of Year (a)	\$ 1,244,126,482	\$ 1,205,853,208	\$ 1,169,746,075
Plan Fiduciary Net Position:			
Contributions - employer	\$ 38,235,467	\$ 35,785,979	\$ 31,374,515
Contributions - employee	9,264,874	8,895,269	8,840,701
Net investment income	199,470,910	42,241,867	53,457,806
Benefit payments, including refunds of employee contributions	(63,657,472)	(61,335,630)	(58,915,135)
Net plan to plan resource movement	-	-	-
Administrative expense	(882,734)	(1,211,394)	(588,826)
Other miscellaneous income/(expense)	-	-	1,921
Net Change in Plan Fiduciary Net Position	182,431,045	24,376,091	34,170,982
Plan Fiduciary Net Position - Beginning of Year	883,670,577	859,294,486	825,123,504
Plan Fiduciary Net Position - End of Year (b)	\$ 1,066,101,622	\$ 883,670,577	\$ 859,294,486
Net Pension Liability - Ending (a)-(b)	\$ 178,024,860	\$ 322,182,631	\$ 310,451,589
Plan fiduciary net position as a percentage of the total pension liability	85.69%	73.28%	73.46%
Covered payroll	\$ 119,504,738	\$ 116,645,392	\$ 112,847,855
Net pension liability as percentage of covered payroll	148.97%	276.21%	275.11%

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.

For fiscal years ended 2016 and 2017:

There were no significant changes in assumptions.

For fiscal years ended 2017 and 2018:

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

For fiscal years ended 2019, 2020, 2021 and 2022:

There were no significant changes in assumptions.

GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional

¹ years will be added as they become available in the future.

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 19,070,473	\$ 18,792,979	\$ 16,452,420	\$ 16,518,922	\$ 17,348,789
76,248,959	74,168,164	72,631,606	70,707,742	68,656,376
-	-	-	-	-
(7,442,869)	59,447,425	-	(16,681,849)	-
(3,022,702)	(11,333,020)	(13,975,158)	(14,487,681)	-
<u>(55,364,250)</u>	<u>(51,700,328)</u>	<u>(49,268,669)</u>	<u>(46,870,745)</u>	<u>(44,238,909)</u>
29,489,611	89,375,220	25,840,199	9,186,389	41,766,256
<u>1,095,031,469</u>	<u>1,005,656,249</u>	<u>979,816,050</u>	<u>970,629,661</u>	<u>928,863,405</u>
<u>\$ 1,124,521,080</u>	<u>\$ 1,095,031,469</u>	<u>\$ 1,005,656,249</u>	<u>\$ 979,816,050</u>	<u>\$ 970,629,661</u>
\$ 27,112,138	\$ 24,681,004	\$ 22,252,101	\$ 19,682,618	\$ 18,058,021
8,823,902	8,903,856	8,658,628	8,503,246	10,977,440
66,083,117	80,076,002	3,806,528	16,554,269	111,123,445
(55,364,250)	(51,700,328)	(49,268,669)	(46,870,745)	(44,238,909)
(1,921)	(482)	(207)	704	-
(1,218,576)	(1,064,667)	(448,619)	(828,526)	-
<u>(2,314,097)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
43,120,313	60,895,385	(15,000,238)	(2,958,434)	95,919,997
<u>782,003,191</u>	<u>721,107,806</u>	<u>736,108,044</u>	<u>739,066,478</u>	<u>643,146,481</u>
<u>\$ 825,123,504</u>	<u>\$ 782,003,191</u>	<u>\$ 721,107,806</u>	<u>\$ 736,108,044</u>	<u>\$ 739,066,478</u>
<u>\$ 299,397,576</u>	<u>\$ 313,028,278</u>	<u>\$ 284,548,443</u>	<u>\$ 243,708,006</u>	<u>\$ 231,563,183</u>
73.38%	71.41%	71.71%	75.13%	76.14%
\$ 111,573,287	\$ 107,545,903	\$ 105,291,971	\$ 102,406,150	\$ 103,616,666
268.34%	291.06%	270.25%	237.98%	223.48%

Schedule of Contributions
CalPERS Pension Plans – Miscellaneous
Last Ten Fiscal Years¹

Fiscal year ended	2022	2021	2020
Actuarially determined contribution ²	\$ 38,235,467	\$ 35,785,979	\$ 31,374,515
Contributions in relation to the actuarially determined contribution	(38,235,467)	(35,785,979)	(31,374,515)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 119,630,194	\$ 119,504,738	\$ 116,645,392
Contributions as a percentage of covered payroll	31.96%	29.95%	26.90%

Notes to Schedule:

Valuation date	6/30/2019	6/30/2018	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age
Asset valuation method	Fair value	Fair value	Fair value
Inflation	2.500%	2.625%	2.625%
Amortization method ³			
Salary increases ⁴			
Investment rate of return ⁵	7.00%	7.25%	7.25%
Retirement age ⁶			
Mortality ⁷			

Notes to Schedule:

¹ GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Level percentage of payroll, closed.

⁴ Depending on age, service, and type of employment.

⁵ Net of pension plan investment expense, including inflation

⁶ The probabilities of retirement are based on the most recent CalPERS Experience Study adopted by the CalPERS Board.

⁷ Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 27,112,138	\$ 24,681,004	\$ 22,252,101	\$ 19,682,618	\$ 18,058,021
<u>(27,112,138)</u>	<u>(24,681,004)</u>	<u>(22,252,101)</u>	<u>(19,682,618)</u>	<u>(18,058,021)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 112,847,855	\$ 111,573,287	\$ 107,545,903	\$ 105,291,971	\$ 102,406,150
24.03%	22.12%	20.69%	18.69%	17.63%

6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry age Fair value	Entry age Fair value	Entry age Fair value	Entry age 15 Year Smoothed Market Method	Entry age 15 Year Smoothed Market Method
2.75%	2.75%	2.75%	2.75%	2.75%
7.375%	7.50%	7.50%	7.50%	7.50%

Schedule of Changes in the Net Pension Liability and Related Ratios

CalPERS Pension Plans – Safety

Last Ten Fiscal Years¹

Fiscal year ended Measurement period	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019
Total Pension Liability:			
Service cost	\$ 13,227,086	\$ 13,264,435	\$ 12,763,700
Interest on total pension liability	50,129,704	47,906,317	45,653,513
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	776,870	1,037,581	4,033,593
Benefit payments, including refunds of employee contributions	<u>(32,147,195)</u>	<u>(29,518,039)</u>	<u>(26,876,788)</u>
Net Change in Total Pension Liability	31,986,465	32,690,294	35,574,018
Total Pension Liability - Beginning of Year	<u>709,797,933</u>	<u>677,107,639</u>	<u>641,533,621</u>
Total Pension Liability - End of Year (a)	<u>\$ 741,784,398</u>	<u>\$ 709,797,933</u>	<u>\$ 677,107,639</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ 23,383,968	\$ 21,823,026	\$ 19,187,119
Contributions - employee	4,734,292	4,616,959	4,382,598
Net investment income	118,090,132	24,675,836	30,715,531
Benefit payments, including refunds of employee contributions	(32,147,195)	(29,518,039)	(26,876,788)
Net plan to plan resource movement	-	-	-
Administrative expense	(518,021)	(701,600)	(335,831)
Other miscellaneous income/(expense)	<u>-</u>	<u>-</u>	<u>1,095</u>
Net Change in Plan Fiduciary Net Position	113,543,176	20,896,182	27,073,724
Plan Fiduciary Net Position - Beginning of Year	<u>518,571,412</u>	<u>497,675,230</u>	<u>470,601,506</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 632,114,588</u>	<u>\$ 518,571,412</u>	<u>\$ 497,675,230</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 109,669,810</u>	<u>\$ 191,226,521</u>	<u>\$ 179,432,409</u>
Plan fiduciary net position as a percentage of the total pension liability	85.22%	73.06%	73.50%
Covered payroll	\$ 47,997,014	\$ 47,456,523	\$ 46,443,734
Net pension liability as percentage of covered payroll	228.49%	402.95%	386.34%

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.

For fiscal years ended 2016 and 2017:

There were no significant changes in assumptions.

For fiscal years ended 2017 and 2018:

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

For fiscal years ended 2019, 2020, 2021 and 2022:

There were no significant changes in assumptions.

¹ GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 12,756,843	\$ 12,323,779	\$ 10,508,643	\$ 10,701,701	\$ 11,182,155
43,215,347	41,004,210	39,393,555	37,307,299	35,798,456
-	-	-	-	-
(994,610)	36,546,793	-	(9,887,742)	-
2,172,478	(7,057,346)	(634,242)	(8,454,840)	-
<u>(24,941,212)</u>	<u>(22,653,545)</u>	<u>(20,870,861)</u>	<u>(19,142,925)</u>	<u>(16,923,959)</u>
32,208,846	60,163,891	28,397,095	10,523,493	30,056,652
<u>609,324,775</u>	<u>549,160,884</u>	<u>520,763,789</u>	<u>510,240,296</u>	<u>480,183,644</u>
<u>\$ 641,533,621</u>	<u>\$ 609,324,775</u>	<u>\$ 549,160,884</u>	<u>\$ 520,763,789</u>	<u>\$ 510,240,296</u>
\$ 16,541,698	\$ 15,279,240	\$ 13,026,190	\$ 12,026,962	\$ 10,533,400
4,197,458	4,056,265	3,803,804	3,764,101	4,225,771
37,156,382	44,322,546	2,093,377	8,834,410	59,051,934
(24,941,212)	(22,653,545)	(20,870,861)	(19,142,925)	(16,923,959)
(1,095)	-	207	-	-
(685,071)	(589,420)	(244,639)	(451,748)	-
<u>(1,300,962)</u>	<u>-</u>	<u>-</u>	<u>684,181</u>	<u>-</u>
30,967,198	40,415,086	(2,191,922)	5,714,981	56,887,146
<u>439,634,308</u>	<u>399,219,222</u>	<u>401,411,144</u>	<u>395,696,163</u>	<u>338,809,017</u>
<u>\$ 470,601,506</u>	<u>\$ 439,634,308</u>	<u>\$ 399,219,222</u>	<u>\$ 401,411,144</u>	<u>\$ 395,696,163</u>
<u>\$ 170,932,115</u>	<u>\$ 169,690,467</u>	<u>\$ 149,941,662</u>	<u>\$ 119,352,645</u>	<u>\$ 114,544,133</u>
73.36%	72.15%	72.70%	77.08%	77.55%
\$ 44,887,069	\$ 41,527,930	\$ 41,141,713	\$ 41,013,280	\$ 34,243,101
380.80%	408.62%	364.45%	291.01%	334.50%

Schedule of Contributions
CalPERS Pension Plans – Safety
Last Ten Fiscal Years¹

Fiscal year ended	2022	2021	2020
Actuarially determined contribution ²	\$ 23,383,968	\$ 21,823,026	\$ 19,187,119
Contributions in relation to the actuarially determined contribution	(23,383,968)	(21,823,026)	(19,187,119)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 48,883,176	\$ 46,443,734	\$ 47,456,523
Contributions as a percentage of covered payroll	47.84%	46.99%	40.43%

Notes to Schedule:

Valuation date	6/30/2019	6/30/2018	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

	Entry age Fair value	Entry age Fair value	Entry age Fair value
Actuarial cost method			
Asset valuation method			
Inflation	2.500%	2.625%	2.625%
Amortization method ³			
Salary increases ⁴			
Investment rate of return ⁵	7.00%	7.25%	7.25%
Retirement age ⁶			
Mortality ⁷			

Notes to Schedule:

- ¹ GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.
- ² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.
- ³ Level percentage of payroll, closed.
- ⁴ Depending on age, service, and type of employment.
- ⁵ Net of pension plan investment expense, including inflation
- ⁶ The probabilities of retirement are based on the most recent CalPERS Experience Study adopted by the CalPERS Board.
- ⁷ Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 16,541,698	\$ 15,279,240	\$ 13,026,190	\$ 12,026,962	\$ 10,533,400
<u>(16,541,698)</u>	<u>(15,279,240)</u>	<u>(13,026,190)</u>	<u>(12,026,962)</u>	<u>(10,533,400)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 46,443,734	\$ 44,887,069	\$ 41,527,930	\$ 41,141,713	\$ 41,013,280
35.62%	34.04%	31.37%	29.23%	25.68%

6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry age Fair value	Entry age Fair value	Entry age 15 Year Smoothed Market Method	Entry age 15 Year Smoothed Market Method	Entry age 15 Year Smoothed Market Method
2.75%	2.75%	2.75%	2.75%	2.75%
7.375%	7.50%	7.50%	7.50%	7.50%

Fire and Police Retirement System
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years¹

Fiscal year ended Measurement period	<u>June 30, 2022</u> June 30, 2022	<u>June 30, 2021</u> June 30, 2021	<u>June 30, 2020</u> June 30, 2020
Total Pension Liability:			
Interest on total pension liability	\$ 6,947,000	\$ 7,335,000	\$ 7,600,000
Differences between expected and actual experience	164,000	(1,798,000)	438,000
Changes of assumptions	4,447,000	-	-
Changes of benefits	-	-	-
Benefit payments, including refunds of employee contributions	<u>(12,072,000)</u>	<u>(12,506,000)</u>	<u>(12,773,000)</u>
Net Change in Total Pension Liability	(514,000)	(6,969,000)	(4,735,000)
Total Pension Liability - Beginning of Year	<u>126,852,000</u>	<u>133,821,000</u>	<u>138,556,000</u>
Total Pension Liability - End of Year (a)	<u>\$ 126,338,000</u>	<u>\$ 126,852,000</u>	<u>\$ 133,821,000</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ -	\$ -	\$ 23,137,000
Contributions - employee	-	-	-
Net investment income	(10,612,000)	22,355,000	3,394,000
Benefit payments, including refunds of employee contributions	(12,072,000)	(12,506,000)	(12,773,000)
Administrative expense	<u>(340,000)</u>	<u>(327,000)</u>	<u>(321,000)</u>
Net Change in Plan Fiduciary Net Position	(23,024,000)	9,522,000	13,437,000
Plan Fiduciary Net Position - Beginning of Year	<u>134,733,000</u>	<u>125,211,000</u>	<u>111,774,000</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 111,709,000</u>	<u>\$ 134,733,000</u>	<u>\$ 125,211,000</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 14,629,000</u>	<u>\$ (7,881,000)</u>	<u>\$ 8,610,000</u>
Plan fiduciary net position as a percentage of the total pension liability	88.42%	106.21%	93.57%

Notes to Schedule:

Changes of Assumptions: Fiscal years ended 2019 through 2022 had no significant 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.

GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 7,781,000	\$ 8,832,000	\$ 9,272,000	\$ 9,644,000	\$ 9,162,000
1,862,000	1,261,000	(3,081,000)	(2,098,000)	(3,075,000)
-	2,189,000	-	-	3,141,000
-	-	-	-	-
<u>(12,824,000)</u>	<u>(12,815,000)</u>	<u>(13,118,000)</u>	<u>(13,448,000)</u>	<u>(13,645,000)</u>
(3,181,000)	(533,000)	(6,927,000)	(5,902,000)	(4,417,000)
<u>141,737,000</u>	<u>142,270,000</u>	<u>149,197,000</u>	<u>155,099,000</u>	<u>159,516,000</u>
<u>\$ 138,556,000</u>	<u>\$ 141,737,000</u>	<u>\$ 142,270,000</u>	<u>\$ 149,197,000</u>	<u>\$ 155,099,000</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
5,923,000	6,656,000	12,512,000	50,000	5,683,000
(12,824,000)	(12,815,000)	(13,118,000)	(13,448,000)	(13,645,000)
<u>(257,000)</u>	<u>(272,000)</u>	<u>(300,000)</u>	<u>(302,000)</u>	<u>(273,000)</u>
(7,158,000)	(6,431,000)	(906,000)	(13,700,000)	(8,235,000)
<u>118,932,000</u>	<u>125,363,000</u>	<u>126,269,000</u>	<u>139,969,000</u>	<u>148,204,000</u>
<u>\$ 111,774,000</u>	<u>\$ 118,932,000</u>	<u>\$ 125,363,000</u>	<u>\$ 126,269,000</u>	<u>\$ 139,969,000</u>
<u>\$ 26,782,000</u>	<u>\$ 22,805,000</u>	<u>\$ 16,907,000</u>	<u>\$ 22,928,000</u>	<u>\$ 15,130,000</u>
80.67%	83.91%	88.12%	84.63%	90.24%

Fire and Police Retirement System

Schedule of Plan Contributions

As of June 30, for the Last Ten Fiscal Years¹

Fiscal Year Ending	Actuarially Determined Contribution*	Actual Fiscal Year Contribution	Deficiency (Excess)	Covered Payroll
6/30/2022	\$ -	\$ -	\$ -	n/a
6/30/2021	-	-	-	n/a
6/30/2020	3,478,000	23,137,000	(19,659,000)	n/a
6/30/2019	-	-	-	n/a
6/30/2018	-	-	-	n/a
6/30/2017	-	-	-	n/a
6/30/2016	-	-	-	n/a
6/30/2015	-	-	-	n/a

Note to Schedule:

¹ GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

* Actuarially determined contribution based on Board-adopted assumptions for use in preparing the valuation, and as required by applicable Contribution Agreement with the City. Additional years will be presented as they become available.



Schedule of Changes in the Net OPEB Liability and Related Ratios

As of June 30, for the Last Ten Fiscal Years¹

Fiscal year ended	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 4,916,833	\$ 4,253,500	\$ 3,567,267	\$ 3,216,534	\$ 3,178,096
Interest on the total OPEB liability	2,181,093	2,364,686	2,560,523	2,596,030	2,447,926
Differences between expected and actual experience	874,222	(553,234)	(7,575,879)	-	-
Changes in assumptions	(26,576,118)	6,723,752	11,111,122	3,664,587	(988,115)
Benefit payments	<u>(2,833,350)</u>	<u>(2,677,871)</u>	<u>(2,815,139)</u>	<u>(2,612,362)</u>	<u>(2,391,366)</u>
Net change in Total OPEB Liability	(21,437,320)	10,110,833	6,847,894	6,864,789	2,246,541
Total OPEB liability - beginning	<u>96,085,460</u>	<u>85,974,627</u>	<u>79,126,733</u>	<u>72,261,944</u>	<u>70,015,403</u>
Total OPEB liability - ending (a)	<u>\$ 74,648,140</u>	<u>\$ 96,085,460</u>	<u>\$ 85,974,627</u>	<u>\$ 79,126,733</u>	<u>\$ 72,261,944</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 2,833,350	\$ 2,677,871	\$ 2,815,139	\$ 2,612,362	\$ 4,391,366
Net investment income	(300,832)	311,987	101,072	133,177	2,193
Benefit payments	(2,833,350)	(2,677,871)	(2,815,139)	(2,612,362)	(2,391,366)
Administrative expense	<u>(5,241)</u>	<u>(6,208)</u>	<u>(10,840)</u>	<u>(9,677)</u>	-
Net change in plan fiduciary net position	(306,073)	305,779	90,232	123,500	2,002,193
Plan fiduciary net position - beginning	<u>2,521,704</u>	<u>2,215,925</u>	<u>2,125,693</u>	<u>2,002,193</u>	-
Plan fiduciary net position - ending (b)	<u>\$ 2,215,631</u>	<u>\$ 2,521,704</u>	<u>\$ 2,215,925</u>	<u>\$ 2,125,693</u>	<u>\$ 2,002,193</u>
Net OPEB Liability/(Assets) - ending (a) - (b)	<u>\$ 72,432,509</u>	<u>\$ 93,563,756</u>	<u>\$ 83,758,702</u>	<u>\$ 77,001,040</u>	<u>\$ 70,259,751</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.97%	2.62%	2.58%	2.69%	2.77%
Covered - employee payroll	\$160,024,202	\$167,501,752	\$164,101,914	\$134,733,594	\$130,809,315
Net OPEB Liability as percentage of covered-employee payroll	45.3%	55.9%	51.0%	57.2%	53.7%

Note to Schedule:

¹ GASB Statement No. 75, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2018. Additional years will be added as they become available in the future.

Schedule of OPEB Plan Contributions

As of June 30, for the Last Ten Fiscal Years¹

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 2,833,350	\$ 2,677,871	\$ 2,815,139	\$ 2,612,362	\$ 2,391,366
Contribution in relation to the contractually determined contributions	<u>(2,833,350)</u>	<u>(2,677,871)</u>	<u>(2,815,139)</u>	<u>(2,612,362)</u>	<u>(4,391,366)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,000,000)</u>
Covered employee payroll	\$ 160,024,202	\$ 167,501,752	\$ 164,101,914	\$ 134,733,594	\$ 130,809,315
Contributions as a percentage of covered-employee payroll	1.77%	1.60%	1.72%	1.94%	1.83%

Note to Schedule:

¹ GASB Statement No. 75, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2018. Additional years will be added as they become available in the future.

Schedule of OPEB Plan Investment Returns

As of June 30, for the Last Ten Fiscal Years¹

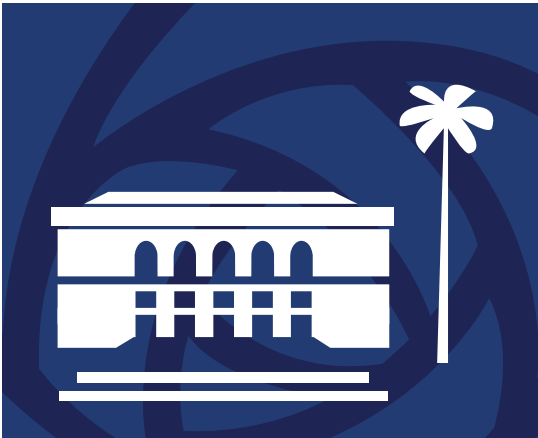
Fiscal year ended	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Weighted average investment return rates	-12.14%	13.80%	4.29%	6.15%	0.00%

Note to Schedule:

¹ GASB Statement No. 75, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2018. Additional years will be added as they become available in the future.

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SUPPLEMENTARY INFORMATION



Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Special Revenue Funds	2015 Series A Refunding COP Debt Service	Capital Projects Funds	Permanent Funds	Total
Assets:					
Pooled cash and investments	\$ 133,546,854	\$ -	\$ 19,811,115	\$ 2,017,855	\$ 155,375,824
Accounts receivable	18,137,876	-	77,589	6,541	18,222,006
Lease receivable	976,340	-	-	-	976,340
Prepays and other assets	148,066	-	-	-	148,066
Notes receivable	58,023,672	-	-	-	58,023,672
Allowance for uncollectible long-term receivables	(58,023,672)	-	-	-	(58,023,672)
Restricted assets:					
Cash and investments	3,346,546	7,083,750	-	-	10,430,296
Cash with fiscal agent	3,540	-	-	-	3,540
Property held for resale	560,996	-	-	-	560,996
Total assets	156,720,218	7,083,750	19,888,704	2,024,396	185,717,068
Liabilities, deferred inflow of resources and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	4,919,285	-	-	-	4,919,285
Deposits	1,561,930	-	-	-	1,561,930
Due to other funds	9,938,684	-	-	-	9,938,684
Unearned revenue	2,612,773	-	-	-	2,612,773
Total liabilities	19,032,672	-	-	-	19,032,672
Deferred inflows of resources:					
Unavailable revenues	9,067,520	-	-	-	9,067,520
Lease related	960,333	-	-	-	960,333
Total deferred inflow of resources	10,027,853	-	-	-	10,027,853
Fund balances:					
Nonspendable	148,066	-	-	1,434,131	1,582,197
Restricted	52,843,785	7,083,750	1,877,674	536,019	62,341,228
Committed	84,147,727	-	18,011,030	54,246	102,213,003
Unassigned	(9,479,885)	-	-	-	(9,479,885)
Total fund balances	127,659,693	7,083,750	19,888,704	2,024,396	156,656,543
Total liabilities, deferred inflow of resources and fund balances	\$ 156,720,218	\$ 7,083,750	\$ 19,888,704	\$ 2,024,396	\$ 185,717,068

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds	2015 Series A Refunding COP Debt Service	Capital Projects Funds	Permanent Funds	Total
Revenues:					
Taxes	\$ 11,158,765	\$ -	\$ -	\$ -	\$ 11,158,765
Licenses and permits	11,342,539	-	-	-	11,342,539
Intergovernmental revenues	65,826,329	-	-	-	65,826,329
Charges for services	10,330,604	-	161,098	-	10,491,702
Investment earnings	1,021,066	-	217,368	16,380	1,254,814
Net change in fair value of investments	(6,779,516)	(1,124,781)	(1,339,826)	(107,230)	(9,351,353)
Lease revenues	3,179,161	-	-	-	3,179,161
Interest - leases (as lessor)	5,635	-	-	-	5,635
Miscellaneous revenues	3,743,212	-	639	-	3,743,851
Contributions	1,031,501	-	1,284,722	-	2,316,223
Total revenues	100,859,296	(1,124,781)	324,001	(90,850)	99,967,666
Expenditures:					
Current:					
General government	-	3,600	100,217	-	103,817
Public safety	2,628,949	-	-	-	2,628,949
Transportation	14,806,908	-	-	-	14,806,908
Utility	124,195	-	-	-	124,195
Sanitation	4,825,470	-	-	-	4,825,470
Health	16,505,189	-	-	-	16,505,189
Culture and leisure	13,341,727	-	-	-	13,341,727
Community development	41,883,327	-	-	-	41,883,327
Capital outlay	19,079	-	-	-	19,079
Debt service:					
Principal retirement	300,000	2,090,000	-	-	2,390,000
Interest	131,748	2,205,150	-	-	2,336,898
Interest - leases (as lessee)	5,730	-	-	-	5,730
Lease payments	511,437	-	-	-	511,437
Total expenditures	95,083,759	4,298,750	100,217	-	99,482,726
Excess (deficiency) of revenues over (under) expenditures	5,775,537	(5,423,531)	223,784	(90,850)	484,940
Other financing sources (uses):					
Transfers in	14,775,193	4,298,750	-	-	19,073,943
Transfers out	(19,557,342)	-	(10,901,243)	-	(30,458,585)
Leases issued	19,079	-	-	-	19,079
Total other financing sources (uses)	(4,763,070)	4,298,750	(10,901,243)	-	(11,365,563)
Net change in fund balances	1,012,467	(1,124,781)	(10,677,459)	(90,850)	(10,880,623)
Fund balances at beginning of year	126,647,226	8,208,531	30,566,163	2,115,246	167,537,166
Fund balances at end of year	\$ 127,659,693	\$ 7,083,750	\$ 19,888,704	\$ 2,024,396	\$ 156,656,543

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SPECIAL REVENUE FUNDS



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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. This includes the use of revenue derived from a special parcel tax (Measure W) approved by voters for improving water quality, recapturing, treating, and recycling stormwater in Los Angeles County.

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, 2022

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
Assets:					
Cash and investments	\$ 4,506,393	\$ -	\$ 18,324,139	\$ 13,537,156	\$ 36,860,184
Accounts receivable	495,412	4,583,680	192,558	756,731	883,896
Lease receivable	-	976,340	-	-	-
Prepays and other assets	-	13,030	-	-	-
Notes receivable	-	-	-	-	-
Allowance for uncollectible long-term receivables	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agent	-	3,540	-	-	-
Property held for resale	-	-	-	-	-
Total assets	5,001,805	5,576,590	18,516,697	14,293,887	37,744,080
Liabilities, deferred inflow of resources and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	26,550	727,656	323,342	45,459	-
Deposits	-	1,465	939,015	-	-
Due to other funds	-	8,475,653	-	-	1,463,031
Unearned revenue	-	258,455	701,543	-	-
Total liabilities	26,550	9,463,229	1,963,900	45,459	1,463,031
Deferred inflows of resources:					
Unavailable revenues	88,460	2,369,133	34,917	-	-
Lease related	-	960,333	-	-	-
Total deferred inflows of resources	88,460	3,329,466	34,917	-	-
Fund balances:					
Nonspendable	-	13,030	-	-	-
Restricted	4,886,795	-	-	-	-
Committed	-	-	16,517,880	14,248,428	36,281,049
Unassigned	-	(7,229,135)	-	-	-
Total fund balances (deficit)	4,886,795	(7,216,105)	16,517,880	14,248,428	36,281,049
Total liabilities, deferred inflow of resources and fund balances	\$ 5,001,805	\$ 5,576,590	\$ 18,516,697	\$ 14,293,887	\$ 37,744,080

Transportation	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Total
\$ 32,013,183	\$ 13,017,399	\$ 4,009,818	\$ 114,981	\$ 7,434,119	\$ 3,729,482	\$ 133,546,854
3,152,408	143,369	111,062	48,003	7,766,724	4,033	18,137,876
-	-	-	-	-	-	976,340
-	-	-	-	135,036	-	148,066
-	-	-	-	58,023,672	-	58,023,672
-	-	-	-	(58,023,672)	-	(58,023,672)
-	-	-	-	3,346,546	-	3,346,546
-	-	-	-	-	-	3,540
-	-	-	-	560,996	-	560,996
<u>35,165,591</u>	<u>13,160,768</u>	<u>4,120,880</u>	<u>162,984</u>	<u>19,243,421</u>	<u>3,733,515</u>	<u>156,720,218</u>
1,447,226	121,587	58,341	3,020	2,072,931	93,173	4,919,285
-	1,350	-	-	1,000	619,100	1,561,930
-	-	-	-	-	-	9,938,684
-	-	-	-	1,652,775	-	2,612,773
<u>1,447,226</u>	<u>122,937</u>	<u>58,341</u>	<u>3,020</u>	<u>3,726,706</u>	<u>712,273</u>	<u>19,032,672</u>
40,107	-	-	47,791	6,487,112	-	9,067,520
-	-	-	-	-	-	960,333
<u>40,107</u>	<u>-</u>	<u>-</u>	<u>47,791</u>	<u>6,487,112</u>	<u>-</u>	<u>10,027,853</u>
-	-	-	-	135,036	-	148,066
33,678,258	-	-	112,173	11,145,317	3,021,242	52,843,785
-	13,037,831	4,062,539	-	-	-	84,147,727
-	-	-	-	(2,250,750)	-	(9,479,885)
<u>33,678,258</u>	<u>13,037,831</u>	<u>4,062,539</u>	<u>112,173</u>	<u>9,029,603</u>	<u>3,021,242</u>	<u>127,659,693</u>
\$ 35,165,591	\$ 13,160,768	\$ 4,120,880	\$ 162,984	\$ 19,243,421	\$ 3,733,515	\$ 156,720,218

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended June 30, 2022

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
Revenues:					
Taxes	\$ -	\$ 1,072,497	\$ -	\$ 1,194,953	\$ 6,044,849
Licenses and permits	-	1,426,883	9,915,656	-	-
Intergovernmental revenues	4,738,478	10,982,267	302,922	-	-
Charges for services	-	473,609	1,410,203	7,301,252	-
Investment earnings	19,435	104	133,052	95,195	326,579
Net change in fair value of investments	(124,792)	-	(887,897)	(631,796)	(2,204,101)
Lease revenues	-	267,395	-	-	-
Interest - leases (as lessor)	-	5,635	-	-	-
Miscellaneous revenues	-	94,413	44,977	-	245
Contributions	-	-	-	-	-
Total revenues	4,633,121	14,322,803	10,918,913	7,959,604	4,167,572
Expenditures:					
Current:					
Public safety	2,628,949	-	-	-	-
Transportation	-	-	-	-	-
Utility	-	-	-	-	124,195
Sanitation	-	-	-	4,825,470	-
Health	-	16,505,189	-	-	-
Culture and leisure	-	-	-	-	-
Community development	-	-	9,260,762	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Interest - leases (as lessee)	-	-	-	-	-
Lease payments	-	-	-	-	-
Total expenditures	2,628,949	16,505,189	9,260,762	4,825,470	124,195
Excess (deficiency) of revenues over (under) expenditures	2,004,172	(2,182,386)	1,658,151	3,134,134	4,043,377
Other financing sources (uses):					
Transfers in	-	1,081,813	-	-	-
Transfers out	(805,198)	-	(243,386)	(2,767,099)	(8,439,463)
Leases issued	-	-	-	-	-
Total other financing sources (uses)	(805,198)	1,081,813	(243,386)	(2,767,099)	(8,439,463)
Net change in fund balances	1,198,974	(1,100,573)	1,414,765	367,035	(4,396,086)
Fund balances (deficit) at beginning of year	3,687,821	(6,115,532)	15,103,115	13,881,393	40,677,135
Fund balances (deficit) at end of year	\$ 4,886,795	\$ (7,216,105)	\$ 16,517,880	\$ 14,248,428	\$ 36,281,049

Transportation	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Total
\$ -	\$ 2,834,404	\$ 12,062	\$ -	\$ -	\$ -	\$ 11,158,765
-	-	-	-	-	-	11,342,539
21,323,045	2,128,040	-	139,995	26,211,582	-	65,826,329
1,034,850	3,822	99,973	-	6,895	-	10,330,604
251,006	80,442	28,365	1,105	58,613	27,170	1,021,066
(1,717,921)	(522,342)	(185,725)	-	(324,793)	(180,149)	(6,779,516)
-	38,260	2,858,630	-	14,876	-	3,179,161
-	-	-	-	-	-	5,635
1,037,837	102	572	-	2,565,066	-	3,743,212
-	56,305	-	-	-	975,196	1,031,501
21,928,817	4,619,033	2,813,877	141,100	28,532,239	822,217	100,859,296
-	-	-	-	-	-	2,628,949
12,582,378	-	2,078,518	146,012	-	-	14,806,908
-	-	-	-	-	-	124,195
-	-	-	-	-	-	4,825,470
-	-	-	-	-	-	16,505,189
-	13,004,873	-	-	-	336,854	13,341,727
-	-	-	-	32,622,565	-	41,883,327
-	-	19,079	-	-	-	19,079
-	-	-	-	300,000	-	300,000
-	-	-	-	131,748	-	131,748
57	225	23	-	5,425	-	5,730
49,480	148,483	8,949	-	304,525	-	511,437
12,631,915	13,153,581	2,106,569	146,012	33,364,263	336,854	95,083,759
9,296,902	(8,534,548)	707,308	(4,912)	(4,832,024)	485,363	5,775,537
384,456	11,802,558	188,000	-	1,318,366	-	14,775,193
(6,290,365)	(1,399)	(145,834)	-	(864,598)	-	(19,557,342)
-	-	19,079	-	-	-	19,079
(5,905,909)	11,801,159	61,245	-	453,768	-	(4,763,070)
3,390,993	3,266,611	768,553	(4,912)	(4,378,256)	485,363	1,012,467
30,287,265	9,771,220	3,293,986	117,085	13,407,859	2,535,879	126,647,226
\$ 33,678,258	\$ 13,037,831	\$ 4,062,539	\$ 112,173	\$ 9,029,603	\$ 3,021,242	\$ 127,659,693

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Public Safety Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Intergovernmental revenues	\$ 2,121,900	\$ 2,688,304	\$ 4,738,478	\$ 2,050,174
Investment earnings	20,070	20,070	19,435	(635)
Net change in fair value of investments	-	-	(124,792)	(124,792)
Total revenues	2,141,970	2,708,374	4,633,121	1,924,747
Expenditures:				
Current:				
Public safety	2,822,019	3,808,423	2,628,949	1,179,474
Total expenditures	2,822,019	3,808,423	2,628,949	1,179,474
Excess (deficiency) of revenues over (under) expenditures	(680,049)	(1,100,049)	2,004,172	3,104,221
Other financing sources (uses):				
Transfers out	-	(1,300,000)	(805,198)	494,802
Total other financing sources (uses)	-	(1,300,000)	(805,198)	494,802
Net change in fund balances	(680,049)	(2,400,049)	1,198,974	3,599,023
Fund balance at beginning of year	3,687,821	3,687,821	3,687,821	-
Fund balance at end of year	\$ 3,007,772	\$ 1,287,772	\$ 4,886,795	\$ 3,599,023

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Health Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Taxes	\$ 804,075	\$ 804,075	\$ 1,072,497	\$ 268,422
Licenses and permits	1,871,834	1,871,834	1,426,883	(444,951)
Intergovernmental revenues	16,870,353	17,857,521	10,982,267	(6,875,254)
Charges for services	518,250	518,250	473,609	(44,641)
Investment earnings	-	-	104	104
Lease revenues	217,578	217,578	267,395	49,817
Interest - leases (as lessor)	-	-	5,635	5,635
Miscellaneous revenues	-	-	94,413	94,413
Total revenues	<u>20,282,090</u>	<u>21,269,258</u>	<u>14,322,803</u>	<u>(6,946,455)</u>
Expenditures:				
Current:				
Health	19,814,804	21,051,266	16,505,189	4,546,077
Debt service:				
Lease payments	25,000	25,000	-	25,000
Total expenditures	<u>19,839,804</u>	<u>21,076,266</u>	<u>16,505,189</u>	<u>4,571,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>442,286</u>	<u>192,992</u>	<u>(2,182,386)</u>	<u>(2,375,378)</u>
Other financing sources:				
Transfers in	610,541	1,166,813	1,081,813	(85,000)
Interest - leases (as lessee)	-	-	-	-
Total other financing sources	<u>610,541</u>	<u>1,166,813</u>	<u>1,081,813</u>	<u>(85,000)</u>
Net change in fund balances	1,052,827	1,359,805	(1,100,573)	(2,460,378)
Fund balance (deficit) at beginning of year	(6,115,532)	(6,115,532)	(6,115,532)	-
Fund balance (deficit) at end of year	<u>\$ (5,062,705)</u>	<u>\$ (4,755,727)</u>	<u>\$ (7,216,105)</u>	<u>\$ (2,460,378)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Building Services Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Licenses and permits	\$ 6,624,000	\$ 6,624,000	\$ 9,915,656	\$ 3,291,656
Intergovernmental revenues	-	-	302,922	302,922
Charges for services	1,710,000	1,710,000	1,410,203	(299,797)
Investment earnings	134,600	134,600	133,052	(1,548)
Net change in fair value of investments	-	-	(887,897)	(887,897)
Miscellaneous revenues	54,000	54,000	44,977	(9,023)
Total revenues	8,522,600	8,522,600	10,918,913	2,396,313
Expenditures:				
Current:				
Community development	11,622,843	11,622,843	9,260,762	2,362,081
Total expenditures	11,622,843	11,622,843	9,260,762	2,362,081
Excess (deficiency) of revenues over (under) expenditures	(3,100,243)	(3,100,243)	1,658,151	4,758,394
Other financing sources (uses):				
Transfers out	-	(50,000)	(243,386)	(193,386)
Total other financing sources (uses)	-	(50,000)	(243,386)	(193,386)
Net change in fund balances	(3,100,243)	(3,150,243)	1,414,765	4,565,008
Fund balance at beginning of year	15,103,115	15,103,115	15,103,115	-
Fund balance at end of year	\$ 12,002,872	\$ 11,952,872	\$ 16,517,880	\$ 4,565,008

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Sewer Construction and Maintenance Fund
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 1,194,953	\$ 1,194,953
Intergovernmental revenues	-	-	-	-
Charges for services	7,517,263	7,517,263	7,301,252	(216,011)
Investment earnings	93,845	93,845	95,195	1,350
Net change in fair value of investments	-	-	(631,796)	(631,796)
Total revenues	7,611,108	7,611,108	7,959,604	348,496
Expenditures:				
Current:				
Sanitation	4,864,794	4,925,244	4,825,470	99,774
Debt service:				
Lease payments	736	736	-	736
Total expenditures	4,865,530	4,925,980	4,825,470	100,510
Excess (deficiency) of revenues over (under) expenditures	2,745,578	2,685,128	3,134,134	449,006
Other financing sources (uses):				
Transfers out	-	(11,257,166)	(2,767,099)	8,490,067
Total other financing sources (uses)	-	(11,257,166)	(2,767,099)	8,490,067
Net change in fund balances	2,745,578	(8,572,038)	367,035	8,939,073
Fund balance at beginning of year	13,881,393	13,881,393	13,881,393	-
Fund balance at end of year	\$ 16,626,971	\$ 5,309,355	\$ 14,248,428	\$ 8,939,073

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Underground Utilities Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Taxes	\$ 5,700,000	\$ 5,700,000	\$ 6,044,849	\$ 344,849
Investment earnings	353,885	353,885	326,579	(27,306)
Net change in fair value of investments	-	-	(2,204,101)	(2,204,101)
Miscellaneous revenues	-	-	245	245
Total revenues	6,053,885	6,053,885	4,167,572	(1,886,313)
Expenditures:				
Current:				
Utility	124,195	124,195	124,195	-
Total expenditures	124,195	124,195	124,195	-
Excess (deficiency) of revenues over (under) expenditures	5,929,690	5,929,690	4,043,377	(1,886,313)
Other financing sources (uses):				
Transfers out	(3,545,460)	(4,045,460)	(8,439,463)	(4,394,003)
Total other financing sources (uses)	(3,545,460)	(4,045,460)	(8,439,463)	(4,394,003)
Net change in fund balances	2,384,230	1,884,230	(4,396,086)	(6,280,316)
Fund balance at beginning of year	40,677,135	40,677,135	40,677,135	-
Fund balance at end of year	\$ 43,061,365	\$ 42,561,365	\$ 36,281,049	\$ (6,280,316)

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Transportation Fund
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Intergovernmental revenues	\$ 17,150,057	\$ 20,077,527	\$ 21,323,045	\$ 1,245,518
Charges for services	1,042,050	1,042,050	1,034,850	(7,200)
Investment earnings	197,456	197,456	251,006	53,550
Net change in fair value of investments	-	-	(1,717,921)	(1,717,921)
Miscellaneous revenues	1,023,000	1,023,000	1,037,837	14,837
Total revenues	19,412,562	22,340,032	21,928,817	(411,215)
Expenditures:				
Current:				
Transportation	13,245,552	13,917,966	12,582,378	1,335,588
Debt service:				
Interest - leases (as lessee)	-	-	57	(57)
Lease payments	-	-	49,480	(49,480)
Total expenditures	13,245,552	13,917,966	12,631,915	1,286,051
Excess (deficiency) of revenues over (under) expenditures	6,167,010	8,422,066	9,296,902	874,836
Other financing sources (uses):				
Transfers in	378,994	719,402	384,456	(334,946)
Transfers out	(5,400)	(5,236,342)	(6,290,365)	(1,054,023)
Total other financing sources (uses)	373,594	(4,516,940)	(5,905,909)	(1,388,969)
Net change in fund balances	6,540,604	3,905,126	3,390,993	(514,133)
Fund balance at beginning of year	30,287,265	30,287,265	30,287,265	-
Fund balance at end of year	\$ 36,827,869	\$ 34,192,391	\$ 33,678,258	\$ (514,133)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Library Services Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Taxes	\$ 2,816,080	\$ 2,816,080	\$ 2,834,404	\$ 18,324
Intergovernmental revenues	-	87,700	2,128,040	2,040,340
Charges for services	35,000	35,000	3,822	(31,178)
Investment earnings	61,552	61,552	80,442	18,890
Net change in fair value of investments	-	-	(522,342)	(522,342)
Lease revenues	35,000	35,000	38,260	3,260
Miscellaneous revenues	6,650	6,650	102	(6,548)
Contributions	57,150	97,150	56,305	(40,845)
Total revenues	3,011,432	3,139,132	4,619,033	1,479,901
Expenditures:				
Current:				
Culture and leisure	15,446,389	15,635,126	13,004,873	2,630,253
Debt service:				
Interest - leases (as lessee)	-	-	225	(225)
Lease payments	-	-	148,483	(148,483)
Total expenditures	15,446,389	15,635,126	13,153,581	2,481,545
Excess (deficiency) of revenues over (under) expenditures	(12,434,958)	(12,495,994)	(8,534,548)	3,961,446
Other financing sources (uses):				
Transfers in	11,802,558	11,802,558	11,802,558	-
Transfers out	(85,000)	(85,000)	(1,399)	83,601
Total other financing sources (uses)	11,717,558	11,717,558	11,801,159	83,601
Net change in fund balances	(717,400)	(778,436)	3,266,611	4,045,047
Fund balance at beginning of year	9,771,220	9,771,220	9,771,220	-
Fund balance at end of year	\$ 9,053,820	\$ 8,992,784	\$ 13,037,831	\$ 4,045,047

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Parking Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Taxes	\$ 14,000	\$ 14,000	\$ 12,062	\$ (1,938)
Charges for services	60,000	60,000	99,973	39,973
Investment earnings	21,700	21,700	28,365	6,665
Net change in fair value of investments	-	-	(185,725)	(185,725)
Lease revenues	2,641,375	2,641,375	2,858,630	217,255
Miscellaneous revenues	2,000	2,000	572	(1,428)
Total revenues	2,739,075	2,739,075	2,813,877	74,802
Expenditures:				
Current:				
Transportation	2,997,822	3,017,822	2,078,518	939,304
Capital outlay	-	-	19,079	(19,079)
Debt service:				
Interest - leases (as lessee)	-	-	23	(23)
Lease payments	-	-	8,949	(8,949)
Total expenditures	2,997,822	3,017,822	2,106,569	911,253
Excess (deficiency) of revenues over (under) expenditures	(258,748)	(278,748)	707,308	986,056
Other financing sources (uses):				
Transfers in	-	188,000	188,000	-
Transfers out	(5,200)	(633,199)	(145,834)	487,365
Leases issued	-	-	19,079	19,079
Total other financing sources (uses)	(5,200)	(445,199)	61,245	506,444
Net change in fund balances	(263,948)	(723,947)	768,553	1,492,500
Fund balance at beginning of year	3,293,986	3,293,986	3,293,986	-
Fund balance at end of year	\$ 3,030,038	\$ 2,570,039	\$ 4,062,539	\$ 1,492,500

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Air Quality Improvement Fund
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Intergovernmental revenues	\$ 170,000	\$ 170,000	\$ 139,995	\$ (30,005)
Investment earnings	2,131	2,131	1,105	(1,026)
Total revenues	<u>172,131</u>	<u>172,131</u>	<u>141,100</u>	<u>(31,031)</u>
Expenditures:				
Current:				
Transportation	172,388	172,388	146,012	26,376
Total expenditures	<u>172,388</u>	<u>172,388</u>	<u>146,012</u>	<u>26,376</u>
Net change in fund balances	(257)	(257)	(4,912)	(4,655)
Fund balance at beginning of year	117,085	117,085	117,085	-
Fund balance at end of year	<u>\$ 116,828</u>	<u>\$ 116,828</u>	<u>\$ 112,173</u>	<u>\$ (4,655)</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, 2022

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Intergovernmental revenues	\$ 26,943,508	\$ 28,316,441	\$ 26,211,582	\$ (2,104,859)
Charges for services	800	800	6,895	6,095
Investment earnings	78,591	78,591	58,613	(19,978)
Net change in fair value of investments	-	-	(324,793)	(324,793)
Lease revenues	91,100	91,100	14,876	(76,224)
Miscellaneous revenues	3,061,486	3,061,486	2,565,066	(496,420)
Total revenues	30,175,485	31,548,418	28,532,239	(3,016,179)
Expenditures:				
Current:				
Community development	35,965,367	42,915,656	32,622,565	10,293,091
Debt service:				
Principal retirement	300,000	300,000	300,000	-
Interest	140,000	140,000	131,748	8,252
Interest - leases (as lessee)	-	-	5,425	(5,425)
Lease payments	-	-	304,525	(304,525)
Total expenditures	36,405,367	43,355,656	33,364,263	9,991,393
Excess (deficiency) of revenues over (under) expenditures	(6,229,882)	(11,807,238)	(4,832,024)	6,975,214
Other financing sources (uses):				
Transfers in	1,474,638	1,798,366	1,318,366	(480,000)
Transfers out	-	(72,837)	(864,598)	(791,761)
Leases issued	-	-	-	-
Total other financing sources (uses)	1,474,638	1,725,529	453,768	(1,271,761)
Net change in fund balances	(4,755,244)	(10,081,709)	(4,378,256)	5,703,453
Fund balances at beginning of year	13,407,859	13,407,859	13,407,859	-
Fund balance at end of year	\$ 8,652,615	\$ 3,326,150	\$ 9,029,603	\$ 5,703,453

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Donated Fund
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual	Better (Worse) Than Final Budget
	Adopted	Final		
Revenues:				
Investment earnings	\$ 22,184	\$ 22,184	\$ 27,170	\$ 4,986
Net change in fair value of investments	-	-	(180,149)	(180,149)
Contributions	405,250	405,250	975,196	569,946
Total revenues	427,434	427,434	822,217	394,783
Expenditures:				
Current:				
Culture and leisure	362,108	362,108	336,854	25,254
Total expenditures	362,108	362,108	336,854	25,254
Net change in fund balances	65,326	65,326	485,363	420,037
Fund balance at beginning of year	2,535,879	2,535,879	2,535,879	-
Fund balance at end of year	\$ 2,601,205	\$ 2,601,205	\$ 3,021,242	\$ 420,037

CAPITAL PROJECT FUNDS



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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 ensure 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 Project Funds
June 30, 2022**

	Charter Capital Projects	New Development Impact	Residential Development Impact	10% Green Fee Capital Projects
Assets:				
Cash and investments	\$ 1,875,650	\$ 258,281	\$ 12,736,522	\$ 80,918
Accounts receivable	2,024	2,090	64,479	470
Total assets	<u>1,877,674</u>	<u>260,371</u>	<u>12,801,001</u>	<u>81,388</u>
Fund balances:				
Restricted	1,877,674	-	-	-
Committed	-	260,371	12,801,001	81,388
Total fund balances	<u>1,877,674</u>	<u>260,371</u>	<u>12,801,001</u>	<u>81,388</u>
Total liabilities and fund balances	<u>\$ 1,877,674</u>	<u>\$ 260,371</u>	<u>\$ 12,801,001</u>	<u>\$ 81,388</u>



Capital Public Art	Traffic Reduction Transportation Improvement	Total
\$ 1,022,922	\$ 3,836,822	\$ 19,811,115
2,300	6,226	77,589
<u>1,025,222</u>	<u>3,843,048</u>	<u>19,888,704</u>
-	-	1,877,674
<u>1,025,222</u>	<u>3,843,048</u>	<u>18,011,030</u>
<u>1,025,222</u>	<u>3,843,048</u>	<u>19,888,704</u>
<u>\$ 1,025,222</u>	<u>\$ 3,843,048</u>	<u>\$ 19,888,704</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Capital Project Funds
For the Fiscal Year Ended June 30, 2022

	Charter Capital Projects	New Development Impact	Residential Development Impact	10% Green Fee Capital Projects
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	19,369	2,096	152,173	657
Net change in fair value of investments	(82,966)	(13,725)	(961,316)	(4,300)
Miscellaneous revenues	-	-	-	-
Contributions	-	-	1,284,722	-
Total revenues	<u>(63,597)</u>	<u>(11,629)</u>	<u>475,579</u>	<u>(3,643)</u>
Expenditures:				
Current:				
General government	100,217	-	-	-
Total expenditures	<u>100,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(163,814)</u>	<u>(11,629)</u>	<u>475,579</u>	<u>(3,643)</u>
Other financing sources (uses):				
Transfers out	(7,243)	-	(9,925,803)	-
Total other financing sources (uses)	<u>(7,243)</u>	<u>-</u>	<u>(9,925,803)</u>	<u>-</u>
Net change in fund balances	(171,057)	(11,629)	(9,450,224)	(3,643)
Fund balances at beginning of year	2,048,731	272,000	22,251,225	85,031
Fund balances at end of year	<u>\$ 1,877,674</u>	<u>\$ 260,371</u>	<u>\$ 12,801,001</u>	<u>\$ 81,388</u>

Capital Public Art	Traffic Reduction Transportation Improvement	Total
\$ -	\$ 161,098	\$ 161,098
8,296	34,777	217,368
(54,324)	(223,195)	(1,339,826)
639	-	639
-	-	1,284,722
<u>(45,389)</u>	<u>(27,320)</u>	<u>324,001</u>
-	-	100,217
-	-	100,217
<u>(45,389)</u>	<u>(27,320)</u>	<u>223,784</u>
-	(968,197)	(10,901,243)
-	(968,197)	(10,901,243)
(45,389)	(995,517)	(10,677,459)
1,070,611	4,838,565	30,566,163
<u>\$ 1,025,222</u>	<u>\$ 3,843,048</u>	<u>\$ 19,888,704</u>

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PERMANENT FUNDS



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NON-MAJOR GOVERNMENTAL FUNDS PERMANENT FUNDS

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, 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 Pasadena Public Library's business and economic collections.

Combining Balance Sheet
Non-Major Governmental Funds
Permanent Funds
June 30, 2022

	Vroman Art Bequest	Singer Trust	Noble Award	Sheldon Memorial	Pasadena Center Capital Improvement Trust
Assets:					
Cash and investments	\$ 5,802	\$ 46,064	\$ 6,135	\$ 320	\$ 452,778
Accounts receivable	19	149	20	1	1,468
Total assets	5,821	46,213	6,155	321	454,246
Fund balances:					
Nonspendable	5,000	23,426	1,100	298	400,000
Restricted	821	22,787	5,055	23	-
Committed	-	-	-	-	54,246
Total fund balances	\$ 5,821	\$ 46,213	\$ 6,155	\$ 321	\$ 454,246

Cox Trust	Jankos Trust	Hudson Family Trust	M. A. Berger Trust	Total
\$ 4,629	\$ 27,654	\$ 109,807	\$ 1,364,666	\$ 2,017,855
15	90	356	4,423	6,541
<u>4,644</u>	<u>27,744</u>	<u>110,163</u>	<u>1,369,089</u>	<u>2,024,396</u>
4,307	25,000	100,000	875,000	1,434,131
337	2,744	10,163	494,089	536,019
-	-	-	-	54,246
<u>\$ 4,644</u>	<u>\$ 27,744</u>	<u>\$ 110,163</u>	<u>\$ 1,369,089</u>	<u>\$ 2,024,396</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Permanent Funds**

For the Fiscal Year Ended June 30, 2022

	Vroman Art Bequest	Singer Trust	Noble Award	Sheldon Memorial	Pasadena Center Capital Improvement Trust
Revenues:					
Investment earnings	\$ 47	\$ 374	\$ 50	\$ 2	\$ 3,675
Net change in fair value of investments	(308)	(2,448)	(326)	(17)	(24,061)
Total revenues	<u>(261)</u>	<u>(2,074)</u>	<u>(276)</u>	<u>(15)</u>	<u>(20,386)</u>
Net change in fund balances	(261)	(2,074)	(276)	(15)	(20,386)
Fund balances at beginning of year	6,082	48,287	6,431	336	474,632
Fund balances at end of year	<u>\$ 5,821</u>	<u>\$ 46,213</u>	<u>\$ 6,155</u>	<u>\$ 321</u>	<u>\$ 454,246</u>

Cox Trust	Jankos Trust	Hudson Family Trust	M. A. Berger Trust	Total
\$ 38	\$ 226	\$ 891	\$ 11,077	\$ 16,380
(246)	(1,470)	(5,835)	(72,519)	(107,230)
<u>(208)</u>	<u>(1,244)</u>	<u>(4,944)</u>	<u>(61,442)</u>	<u>(90,850)</u>
(208)	(1,244)	(4,944)	(61,442)	(90,850)
4,852	28,988	115,107	1,430,531	2,115,246
<u>\$ 4,644</u>	<u>\$ 27,744</u>	<u>\$ 110,163</u>	<u>\$ 1,369,089</u>	<u>\$ 2,024,396</u>

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NON-MAJOR ENTERPRISE FUNDS



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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, 2022

	Refuse Collection	Tele- communications	Total
Assets:			
Current assets:			
Cash and investments	\$ 23,764,031	\$ 2,297,566	\$ 26,061,597
Accounts receivable, net	2,293,384	267,216	2,560,600
Due from component units	-	9,000	9,000
Lease receivable	-	52,500	52,500
Prepays and other assets	24,000	-	24,000
Total current assets	26,081,415	2,626,282	28,707,697
Noncurrent assets:			
Lease receivable - noncurrent	-	54,572	54,572
Capital assets	11,904,829	2,348,934	14,253,763
Less: accumulated depreciation/amortization	(8,254,786)	(950,318)	(9,205,104)
Capital assets, net of accumulated depreciation/ amortization	3,650,043	1,398,616	5,048,659
Total noncurrent assets	3,650,043	1,453,188	5,103,231
Total assets	29,731,458	4,079,470	33,810,928
Deferred outflow of resources:			
Pension related	1,085,724	-	1,085,724
OPEB related	323,789	-	323,789
Total deferred outflow of resources	1,409,513	-	1,409,513
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	987,468	1,910	989,378
Deposits	4,288,366	-	4,288,366
Unearned revenues	-	1,197,083	1,197,083
Total current liabilities	5,275,834	1,198,993	6,474,827
Noncurrent liabilities:			
Net pension liability	4,161,466	-	4,161,466
Net OPEB liability	2,055,517	-	2,055,517
Total noncurrent liabilities	6,216,983	-	6,216,983
Total liabilities	11,492,817	1,198,993	12,691,810
Deferred inflow of resources:			
Lease related	-	116,969	116,969
Pension related	2,698,428	-	2,698,428
OPEB related	776,976	-	776,976
Total deferred inflow of resources	3,475,404	116,969	3,592,373
Net position:			
Investment in capital assets	3,650,043	1,281,647	4,931,690
Unrestricted	12,522,707	1,481,861	14,004,568
Total net position	\$ 16,172,750	\$ 2,763,508	\$ 18,936,258

Combining Statement of Revenues, Expenditures and Changes in Net Position
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2022

	Refuse Collection	Tele- communications	Total
Operating revenues:			
Charges for services:			
Refuse collection	\$ 11,863,585	\$ -	\$ 11,863,585
Telecommunication	-	775,861	775,861
Total operating revenues	<u>11,863,585</u>	<u>775,861</u>	<u>12,639,446</u>
Operating expenses:			
Refuse collection	18,175,712	-	18,175,712
Telecommunications	-	(6,614)	(6,614)
Depreciation/amortization	642,274	169,269	811,543
Total operating expenses	<u>18,817,986</u>	<u>162,655</u>	<u>18,980,641</u>
Operating income (loss)	<u>(6,954,401)</u>	<u>613,206</u>	<u>(6,341,195)</u>
Nonoperating revenues (expenses):			
Taxes	6,161,960	-	6,161,960
Intergovernmental revenues	261,541	-	261,541
Investment earnings	187,054	17,228	204,282
Net change in fair value of investments	(1,214,511)	(128,262)	(1,342,773)
Gain (loss) on disposal of assets	(4,680)	-	(4,680)
Lease revenues	-	40,685	40,685
Interest - leases (as lessor)	-	630	630
Noncompliance forfeitures	7,100,291	-	7,100,291
Other	58,701	-	58,701
Total nonoperating revenues (expenses)	<u>12,550,356</u>	<u>(69,719)</u>	<u>12,480,637</u>
Income (loss) before transfers	<u>5,595,955</u>	<u>543,487</u>	<u>6,139,442</u>
Transfers:			
Transfers in	-	266,764	266,764
Transfers out	(198,240)	(492,074)	(690,314)
Changes in net position	<u>5,397,715</u>	<u>318,177</u>	<u>5,715,892</u>
Net position at beginning of year	10,775,035	2,445,331	13,220,366
Net position at end of year	<u>\$ 16,172,750</u>	<u>\$ 2,763,508</u>	<u>\$ 18,936,258</u>

Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2022

	Refuse Collection	Tele- communications	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 13,709,846	\$ 500,421	\$ 14,210,267
Cash payments to suppliers for goods and services	(11,761,843)	1,196,592	(10,565,251)
Cash payments to employees for services	(7,189,806)	-	(7,189,806)
Other revenue	58,701	-	58,701
Net cash provided by (used for) operating activities	(5,183,102)	1,697,013	(3,486,089)
Cash Flows from Noncapital Financing Activities:			
Cash transfers in	-	266,764	266,764
Cash transfers out	(198,240)	(492,074)	(690,314)
Taxes received	6,161,960	-	6,161,960
Intergovernmental revenues	261,541	-	261,541
Net cash provided by (used for) noncapital financing activities	6,225,261	(225,310)	5,999,951
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(483,710)	(266,765)	(750,475)
Proceeds from sale of capital assets	(4,680)	-	(4,680)
Proceeds from lease activities	-	51,212	51,212
Net cash used for capital and related financing activities	(488,390)	(215,553)	(703,943)
Cash Flows from Investing Activities:			
Investment earnings	187,054	17,228	204,282
Net change in fair value of investments	(1,214,511)	(128,262)	(1,342,773)
Net cash provided by (used for) investing activities	(1,027,457)	(111,034)	(1,138,491)
Net increase (decrease) in cash and cash equivalents	(473,688)	1,145,116	671,428
Cash and cash equivalents at beginning of year	24,237,719	1,152,450	25,390,169
Cash and cash equivalents at end of year	\$ 23,764,031	\$ 2,297,566	\$ 26,061,597
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:			
Cash and investments	23,764,031	2,297,566	26,061,597
Cash and cash equivalents at end of year	\$ 23,764,031	\$ 2,297,566	\$ 26,061,597

Statement of Cash Flows
Non-Major Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2022

	Refuse Collection	Tele- communications	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (6,954,401)	613,206	\$ (6,341,195)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	642,274	169,269	811,543
Other revenue (expense)	7,158,992	-	7,158,992
(Increase) decrease in accounts receivable	(51,357)	(275,440)	(326,797)
(Increase) decrease in prepaids and other assets	(24,000)	-	(24,000)
Increase (decrease) in Accounts payable and accrued liabilities	268,731	(7,105)	261,626
Increase (decrease) in unearned revenue	-	1,197,083	1,197,083
Increase (decrease) in deposits payable	(5,202,673)	-	(5,202,673)
Increase (decrease) in deferred inflows - non-lease related	3,196,392	-	3,196,392
(Increase) decrease in deferred outflows	354,831	-	354,831
Increase (decrease) in net OPEB liability	(705,527)	-	(705,527)
Increase (decrease) in net pension liability	(3,866,364)	-	(3,866,364)
Total adjustments	<u>1,771,299</u>	<u>1,083,807</u>	<u>2,855,106</u>
Net cash provided by (used for) operating activities	<u>\$ (5,183,102)</u>	<u>\$ 1,697,013</u>	<u>\$ (3,486,089)</u>
Non-Cash Investing, Capital and Financing Activities			
Changes in fair value of investments	1,214,511	128,262	1,342,773

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INTERNAL SERVICE FUNDS



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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 Repair and 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.

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, 2022

	Computing and Communication Services	Building Maintenance	Fleet Replacement
Assets:			
Current assets:			
Cash and investments	\$ 2,079,427	\$ 8,038,994	\$ 14,932,484
Accounts receivable	10,296	34,203	2,914
Due from component units	-	525	-
Inventories	-	-	-
Prepays and other assets	1,169,837	-	333,500
Lease receivable	-	260,841	-
Total current assets	3,259,560	8,334,563	15,268,898
Noncurrent assets:			
Lease receivable	-	572,019	-
Capital assets	8,076,419	24,310	26,235,700
Less: accumulated depreciation/amortization	(5,635,563)	(24,310)	(17,381,923)
Capital assets, net	2,440,856	-	8,853,777
Total noncurrent assets	2,440,856	572,019	8,853,777
Total assets	5,700,416	8,906,582	24,122,675
Deferred outflow of resources:			
Pension related	2,056,492	861,467	34,372
OPEB related	400,881	200,441	5,140
Total deferred outflow of resources	2,457,373	1,061,908	39,512
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	749,127	714,741	54,154
Insurance claims payable	-	-	-
Due to other funds	-	-	-
Compensated absences	-	-	-
Total current liabilities	749,127	714,741	54,154
Noncurrent liabilities:			
Insurance claims payable	-	-	-
Compensated absences	-	-	-
Net pension liability	7,225,009	3,814,390	2,931,542
Net OPEB liability	2,544,926	1,272,463	32,627
Total noncurrent liabilities	9,769,935	5,086,853	2,964,169
Total liabilities	10,519,062	5,801,594	3,018,323
Deferred inflows of resources:			
Lease related	-	810,969	-
Pension related	5,111,145	2,141,066	85,427
OPEB related	961,970	480,985	12,333
Total deferred inflows of resources	6,073,115	3,433,020	97,760
Net position:			
Net investment in capital assets	2,440,856	(810,969)	8,853,777
Unrestricted	(10,875,244)	1,544,845	12,192,327
Total net position (deficit)	\$ (8,434,388)	\$ 733,876	\$ 21,046,104

Fleet Repair and Maintenance	Benefits	Workers' Compensation	General Liability	311 Call Center	Total
\$ 3,893,793	\$ -	\$ 12,574,127	\$ -	\$ 297,424	\$ 41,816,249
48,141	195,289	-	18,178	609	309,630
6,506	-	-	14,534	-	21,565
508,207	-	-	-	-	508,207
-	26,168	37,047	938	-	1,567,490
-	-	-	-	-	260,841
<u>4,456,647</u>	<u>221,457</u>	<u>12,611,174</u>	<u>33,650</u>	<u>298,033</u>	<u>44,483,982</u>
-	-	-	-	-	572,019
134,552	-	-	3,714,391	-	38,185,372
(17,716)	-	-	-	-	(23,059,512)
116,836	-	-	3,714,391	-	15,125,860
116,836	-	-	3,714,391	-	15,697,879
<u>4,573,483</u>	<u>221,457</u>	<u>12,611,174</u>	<u>3,748,041</u>	<u>298,033</u>	<u>60,181,861</u>
441,395	10,887,795	1,035,975	60,425	108,114	15,486,035
128,488	25,698	30,837	10,279	30,837	832,601
<u>569,883</u>	<u>10,913,493</u>	<u>1,066,812</u>	<u>70,704</u>	<u>138,951</u>	<u>16,318,636</u>
1,109,705	5,160,195	92,822	18,288	24,382	7,923,414
-	-	16,451,651	17,856,032	-	34,307,683
-	24,570,260	-	5,616,537	-	30,186,797
-	11,355,797	-	-	-	11,355,797
<u>1,109,705</u>	<u>41,086,252</u>	<u>16,544,473</u>	<u>23,490,857</u>	<u>24,382</u>	<u>83,773,691</u>
-	-	24,526,956	17,317,994	-	41,844,950
-	831,254	-	-	-	831,254
(836,433)	37,871,560	5,112,862	265,700	180,334	56,564,964
815,681	163,136	195,764	65,255	195,764	5,285,616
<u>(20,752)</u>	<u>38,865,950</u>	<u>29,835,582</u>	<u>17,648,949</u>	<u>376,098</u>	<u>104,526,784</u>
<u>1,088,953</u>	<u>79,952,202</u>	<u>46,380,055</u>	<u>41,139,806</u>	<u>400,480</u>	<u>188,300,475</u>
-	-	-	-	-	810,969
1,097,030	24,403,479	2,087,589	150,177	268,703	35,344,616
308,324	61,665	73,998	24,666	73,998	1,997,939
<u>1,405,354</u>	<u>24,465,144</u>	<u>2,161,587</u>	<u>174,843</u>	<u>342,701</u>	<u>38,153,524</u>
116,836	-	-	3,714,391	-	14,314,891
2,532,223	(93,282,396)	(34,863,656)	(41,210,295)	(306,197)	(164,268,393)
<u>\$ 2,649,059</u>	<u>\$ (93,282,396)</u>	<u>\$ (34,863,656)</u>	<u>\$ (37,495,904)</u>	<u>\$ (306,197)</u>	<u>\$ (149,953,502)</u>

Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

	Computing and Communication Services	Building Maintenance	Fleet Replacement
Operating revenues:			
Charges for services:			
Computing and communication services	\$ 18,147,130	\$ -	\$ -
Building maintenance	-	13,484,944	-
Fleet replacement and maintenance	-	-	3,056,649
Employee benefits	-	-	-
Insurance	-	-	-
Other revenues	-	-	-
Total operating revenues	18,147,130	13,484,944	3,056,649
Operating expenses:			
Computing and communication services	15,842,370	-	-
Building maintenance	-	12,200,762	-
Fleet replacement and maintenance	-	-	197,172
Benefits	-	-	-
Insurance	-	-	-
311 Call Center	-	-	-
Depreciation	1,196,057	208	1,345,894
Total operating expenses	17,038,427	12,200,970	1,543,066
Operating income (loss)	1,108,703	1,283,974	1,513,583
Nonoperating revenues (expenses):			
Investment earnings (loss)	11,785	63,795	116,893
Net change in fair value of investments	(96,214)	(418,906)	(769,894)
Lease revenues	-	270,323	-
Interest - leases (as lessor)	-	3,938	-
Gain (loss) on disposal of assets	-	-	60,206
Total nonoperating revenues (expenses)	(84,429)	(80,850)	(592,795)
Income (loss) before transfers	1,024,274	1,203,124	920,788
Transfers from (to) other funds:			
Transfers in	818,630	246,903	-
Transfers out	(557,439)	(1,117,866)	-
Net income (loss)	1,285,465	332,161	920,788
Net position (deficit) at beginning of year	(9,719,853)	401,715	20,125,316
Net position (deficit) at end of year	\$ (8,434,388)	\$ 733,876	\$ 21,046,104

<u>Repair and Maintenance</u>	<u>Benefits</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>311 Call Center</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,147,130
-	-	-	-	-	13,484,944
10,852,049	-	-	-	-	13,908,698
-	32,924,362	-	-	-	32,924,362
-	-	16,543,393	4,044,295	-	20,587,688
-	105,605	-	-	850,557	956,162
<u>10,852,049</u>	<u>33,029,967</u>	<u>16,543,393</u>	<u>4,044,295</u>	<u>850,557</u>	<u>100,008,984</u>
-	-	-	-	-	15,842,370
-	-	-	-	-	12,200,762
10,032,348	-	-	-	-	10,229,520
-	36,504,936	-	-	-	36,504,936
-	-	22,226,743	39,880,673	-	62,107,416
-	-	-	-	704,865	704,865
8,318	-	-	-	-	2,550,477
<u>10,040,666</u>	<u>36,504,936</u>	<u>22,226,743</u>	<u>39,880,673</u>	<u>704,865</u>	<u>140,140,346</u>
<u>811,383</u>	<u>(3,474,969)</u>	<u>(5,683,350)</u>	<u>(35,836,378)</u>	<u>145,692</u>	<u>(40,131,362)</u>
23,008	(211,497)	94,821	(31,947)	1,751	68,609
(154,537)	1,459,031	(645,742)	221,134	(12,121)	(417,249)
-	-	-	-	-	270,323
-	-	-	-	-	3,938
-	-	-	-	-	60,206
<u>(131,529)</u>	<u>1,247,534</u>	<u>(550,921)</u>	<u>189,187</u>	<u>(10,370)</u>	<u>(14,173)</u>
679,854	(2,227,435)	(6,234,271)	(35,647,191)	135,322	(40,145,535)
-	-	-	3,500,000	-	4,565,533
-	-	-	-	-	(1,675,305)
<u>679,854</u>	<u>(2,227,435)</u>	<u>(6,234,271)</u>	<u>(32,147,191)</u>	<u>135,322</u>	<u>(37,255,307)</u>
<u>1,969,205</u>	<u>(91,054,961)</u>	<u>(28,629,385)</u>	<u>(5,348,713)</u>	<u>(441,519)</u>	<u>(112,698,195)</u>
<u>\$ 2,649,059</u>	<u>\$ (93,282,396)</u>	<u>\$ (34,863,656)</u>	<u>\$ (37,495,904)</u>	<u>\$ (306,197)</u>	<u>\$ (149,953,502)</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

	Computing and Communication Services	Building Maintenance	Fleet Replacement
Cash Flows from Operating Activities:			
Cash received from customers	\$ 18,146,512	\$ 13,500,607	\$ 3,054,953
Cash payments to suppliers for goods and services	(7,235,798)	(7,993,071)	(327,165)
Cash payments to employees for services	(10,869,718)	(5,107,096)	(191,982)
Net cash provided by (used for) operating activities	40,996	400,440	2,535,806
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	818,630	246,903	-
Transfers to other funds	(557,439)	(1,117,866)	-
Net cash provided by (used for) noncapital financing activities	261,191	(870,963)	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(212,229)	-	(1,546,860)
Proceeds from sale of capital assets	-	-	64,468
Proceeds from lease activities	-	252,370	-
Net cash used for capital and related financing activities	(212,229)	252,370	(1,482,392)
Cash Flows from Investing Activities:			
Investment earnings (loss)	11,785	63,795	116,893
Net change in fair value of investments	(96,214)	(418,906)	(769,894)
Net cash provided by (used for) investing activities	(84,429)	(355,111)	(653,001)
Net increase (decrease) in cash and cash equivalents	5,529	(573,264)	400,413
Cash and cash equivalents at beginning of year	2,073,898	8,612,258	14,532,071
Cash and cash equivalents at end of year	\$ 2,079,427	\$ 8,038,994	\$ 14,932,484
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:			
Cash and investments	2,079,427	8,038,994	14,932,484
Cash and cash equivalents at end of year	\$ 2,079,427	\$ 8,038,994	\$ 14,932,484

Fleet						
Repair and		Workers'	General	311		Total
Maintenance	Benefits	Compensation	Liability	Call Center		
\$ 11,062,650	\$ 33,004,851	\$ 16,543,393	\$ 4,080,252	\$ 850,512		\$ 100,243,730
(7,076,837)	(3,584,768)	3,353,932	(15,056,210)	(120,414)		(38,040,331)
(2,758,734)	(30,667,617)	(16,674,595)	5,294,282	(639,257)		(61,614,717)
<u>1,227,079</u>	<u>(1,247,534)</u>	<u>3,222,730</u>	<u>(5,681,676)</u>	<u>90,841</u>		<u>588,682</u>
-	-	-	3,500,000	-		4,565,533
-	-	-	-	-		(1,675,305)
-	-	-	3,500,000	-		2,890,228
(92,035)	-	-	-	-		(1,851,124)
-	-	-	-	-		64,468
-	-	-	-	-		252,370
<u>(92,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(1,534,286)</u>
23,008	(211,497)	94,821	(31,947)	1,751		68,609
(154,537)	1,459,031	(645,742)	221,134	(12,121)		(417,249)
<u>(131,529)</u>	<u>1,247,534</u>	<u>(550,921)</u>	<u>189,187</u>	<u>(10,370)</u>		<u>(348,640)</u>
1,003,515	-	2,671,809	(1,992,489)	80,471		1,595,984
2,890,278	-	9,902,318	1,992,489	216,953		40,220,265
<u>\$ 3,893,793</u>	<u>\$ -</u>	<u>\$ 12,574,127</u>	<u>\$ -</u>	<u>\$ 297,424</u>		<u>\$ 41,816,249</u>
3,893,793	-	12,574,127	-	297,424		41,816,249
<u>\$ 3,893,793</u>	<u>\$ -</u>	<u>\$ 12,574,127</u>	<u>\$ -</u>	<u>\$ 297,424</u>		<u>\$ 41,816,249</u>

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Replacement</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 1,108,703	\$ 1,283,974	\$ 1,513,583
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,196,057	208	1,345,894
(Increase) decrease in accounts receivable	(618)	16,188	(1,696)
(Increase) decrease in due from component units	-	(525)	-
Increase (decrease) in due to other funds	-	-	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaids and other assets	(217,703)	-	(333,500)
Increase (decrease) in Accounts payable and accrued liabilities	(382,366)	218,962	44,550
Increase (decrease) in insurance claims payable	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deferred inflows - non-lease related	5,666,060	2,410,774	91,606
(Increase) decrease in deferred outflows	573,234	295,289	7,607
Increase (decrease) in net OPEB liability	(572,381)	(776,053)	(11,906)
Increase (decrease) in net pension liability	(7,329,990)	(3,048,377)	(120,332)
Total adjustments	<u>(1,067,707)</u>	<u>(883,534)</u>	<u>1,022,223</u>
Net cash provided by (used for) operating activities	<u>\$ 40,996</u>	<u>\$ 400,440</u>	<u>\$ 2,535,806</u>
Non-Cash Investing, Capital and Financing Activities			
Appreciation (depreciation) in fair value of investments	96,214	418,906	769,894

<u>Fleet Repair and Maintenance</u>	<u>Benefits</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>311 Call Center</u>	<u>Total</u>
\$ 811,383	\$ (3,474,969)	\$ (5,683,350)	\$ (35,836,378)	\$ 145,692	\$ (40,131,362)
8,318	-	-	-	-	2,550,477
217,107	(25,116)	-	50,491	(45)	256,311
(6,506)	-	-	(14,534)	-	(21,565)
-	12,277,005	-	5,616,537	-	17,893,542
(67,370)	-	-	-	-	(67,370)
-	(8,818)	(9,019)	(938)	-	(569,978)
533,601	(1,316,443)	(41,468)	(44,092)	10,304	(976,952)
-	-	9,503,010	24,605,430	-	34,108,440
-	(789,036)	-	-	-	(789,036)
1,305,782	23,603,349	2,023,545	163,624	317,739	35,582,479
84,898	1,156,288	1,153,695	11,248	31,104	3,313,363
(119,511)	(59,529)	(71,434)	(23,811)	(26,901)	(1,661,526)
<u>(1,540,623)</u>	<u>(32,610,265)</u>	<u>(3,652,249)</u>	<u>(209,253)</u>	<u>(387,052)</u>	<u>(48,898,141)</u>
<u>415,696</u>	<u>2,227,435</u>	<u>8,906,080</u>	<u>30,154,702</u>	<u>(54,851)</u>	<u>40,720,044</u>
<u>\$ 1,227,079</u>	<u>\$ (1,247,534)</u>	<u>\$ 3,222,730</u>	<u>\$ (5,681,676)</u>	<u>\$ 90,841</u>	<u>\$ 588,682</u>
154,537	(1,459,031)	645,742	(221,134)	12,121	417,249

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FIDUCIARY FUNDS



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FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee or custodial 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.

Custodial 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: The 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 (PCAC). See the next tab for the combining statements related to the Successor Agency.

**Combining Statement of Net Position
Employee Benefit Trust Funds
June 30, 2022**

	Deferred Compensation	Fire and Police Retirement System	Total
Assets:			
Cash and cash equivalents	\$ 325,092,326	2,769,310	\$ 327,861,636
Short-term investments	-	608,561	608,561
Receivables:			
Pending trade sales	-	2,634,599	2,634,599
Interest	-	283,993	283,993
Total receivables	-	2,918,592	2,918,592
Investments, at fair value:			
Government and agencies	-	19,255,353	19,255,353
Fixed income mutual funds	-	15,676,777	15,676,777
Domestic corporate obligations	-	21,541,729	21,541,729
International corporate obligations	-	1,428,993	1,428,993
Real estate	-	15,029,667	15,029,667
Domestic corporate stocks	-	20,377,674	20,377,674
International corporate stocks	-	20,346,394	20,346,394
Total investments	-	113,656,587	113,656,587
Total assets	325,092,326	119,953,050	445,045,376
Liabilities:			
Accounts payable and accrued liabilities	-	60,343	60,343
Pending purchases	-	8,230,969	8,230,969
Total liabilities	-	8,291,312	8,291,312
Net position reserved in trust:			
Held in trust for pensions	325,092,326	111,661,738	436,754,064
Total net position reserved in trust	\$ 325,092,326	111,661,738	\$ 436,754,064

**Combining Statement of Changes in Net Position
Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2022**

	Deferred Compensation	Fire and Police Retirement System	Total
Additions:			
Contributions:			
Plan members	\$ 16,645,496	\$ -	\$ 16,645,496
Total contributions	<u>16,645,496</u>	<u>-</u>	<u>16,645,496</u>
Net investment income (loss):			
Investment earnings (loss)	(41,299,282)	654,560	(40,644,722)
Net change in fair value of investments	-	(12,759,021)	(12,759,021)
Dividends	-	1,786,426	1,786,426
Gross investment income	<u>(41,299,282)</u>	<u>(10,318,035)</u>	<u>(51,617,317)</u>
Less investment expenses	-	(337,741)	(337,741)
Total net investment income	<u>(41,299,282)</u>	<u>(10,655,776)</u>	<u>(51,955,058)</u>
Total additions	<u>(24,653,786)</u>	<u>(10,655,776)</u>	<u>(35,309,562)</u>
Deductions:			
Benefits paid to participants	23,589,759	12,072,173	35,661,932
Administrative expenses	233,578	342,899	576,477
Total deductions	<u>23,823,337</u>	<u>12,415,072</u>	<u>36,238,409</u>
Change in net position	<u>(48,477,123)</u>	<u>(23,070,848)</u>	<u>(71,547,971)</u>
Net position held in trust for employees:			
Beginning of year	373,569,449	134,732,586	508,302,035
End of year	<u>\$ 325,092,326</u>	<u>\$ 111,661,738</u>	<u>\$ 436,754,064</u>

**Combining Statement of Net Position
Custodial Funds
June 30, 2022**

	Lake/ Washington Special Assessment District	Library Equipment Replacement	Workforce Innovation and Opportunity Act (WIOA)	Open Space Assessment District	Total
Assets:					
Cash and investments	\$ -	\$ 299,515	\$ 14,971	\$ 144,025	\$ 458,511
Accounts receivable	2,305	5,315	2,305,577	3,911	2,317,108
Other assets	-	-	4,414	-	4,414
Total assets	2,305	304,830	2,324,962	147,936	2,780,033
Liabilities:					
Accounts payable and accrued liabilities	-	-	1,491,961	750	1,492,711
Due to other governments	3,960	-	-	-	3,960
Due to bondholders	-	-	-	944,635	944,635
Total liabilities	3,960	-	1,491,961	945,385	2,441,306
Net position (deficit) held in custody:					
Restricted for special assessments	(1,655)	-	-	-	(1,655)
Restricted for library equipment	-	304,830	-	-	304,830
Restricted for WIOA	-	-	833,001	-	833,001
Restricted for bondholders	-	-	-	(797,449)	(797,449)
End of year	\$ (1,655)	\$ 304,830	\$ 833,001	\$ (797,449)	\$ 338,727



**Combining Statement of Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2022**

	Lake/ Washington Special Assessment District	Library Equipment Replacement	Workforce Innovation and Opportunity Act (WIOA)	Open Space Assessment District	Total
Additions:					
Investment earnings (loss)	\$ 46	\$ (5,800)	\$ -	\$ (5,243)	\$ (10,997)
Assessment revenue	30,822	-	-	83,233	114,055
Intergovernmental revenue	-	-	3,719,300	-	3,719,300
Total additions	<u>30,868</u>	<u>(5,800)</u>	<u>3,719,300</u>	<u>77,990</u>	<u>3,822,358</u>
Deductions:					
Contributions to City	27,620	-	-	-	27,620
Program expense	-	-	3,009,604	970,686	3,980,290
Administrative expense	-	-	-	2,999	2,999
Interest expense	-	-	-	56,632	56,632
Total deductions	<u>27,620</u>	<u>-</u>	<u>3,009,604</u>	<u>1,030,317</u>	<u>4,067,541</u>
Change in net position	3,248	(5,800)	709,696	(952,327)	(245,183)
Net position (deficit) held in custody:					
Beginning of year	(4,903)	310,630	123,305	154,878	583,910
End of year	<u>\$ (1,655)</u>	<u>\$ 304,830</u>	<u>\$ 833,001</u>	<u>\$ (797,449)</u>	<u>\$ 338,727</u>

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SUCCESSOR AGENCY COMBINED



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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 (PCAC) - 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 (ROPS) by California Department of Finance, are paid in full and all assets have been liquidated. It includes the following funds:

- Administration Fund - to account for administrative costs of the Successor Agency as approved on the ROPS.
- Redevelopment Obligation Retirement Fund - to account for receipts and disbursements of incremental property tax.
- Debt Funds - to account for enforceable obligations of the former redevelopment agency. They include Old Pasadena, Lincoln, Downtown, Fair Oaks, Orange Grove, Villa Parke, Lake/Washington project areas, and the Affordable Housing debt function. The Affordable Housing debt fund is used 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, 2022**

	Successor Agency					
	Administration	Redevelopment Obligation		Old Pasadena	Lincoln	Downtown
		Retirement Fund				
Assets						
Current assets:						
Cash and investments	\$ -	\$ 5,000	\$ -	\$ -	\$ -	
Cash with fiscal agent	-	7,943	-	-	-	
Notes receivable	-	-	-	-	-	
Allowance for uncollectible long-term receivable	-	-	-	-	-	
Total current assets	-	12,943	-	-	-	
Noncurrent assets:						
Land and land rights	-	214,261	-	-	-	
Total noncurrent assets	-	214,261	-	-	-	
Total assets	-	227,204	-	-	-	
Net Position						
Net position held in trust	\$ -	\$ 227,204	\$ -	\$ -	\$ -	



Successor Agency

Fair Oaks	Orange Grove	Villa Parke	Lake Washington	Affordable Housing	Total
\$ 43,348	\$ 48,588	\$ 9,278	\$ 86,440	\$ 80	\$ 192,734
-	-	-	-	-	7,943
515,000	-	-	-	-	515,000
(515,000)	-	-	-	-	(515,000)
<u>43,348</u>	<u>48,588</u>	<u>9,278</u>	<u>86,440</u>	<u>80</u>	<u>200,677</u>
-	-	-	-	-	214,261
-	-	-	-	-	214,261
<u>43,348</u>	<u>48,588</u>	<u>9,278</u>	<u>86,440</u>	<u>80</u>	<u>414,938</u>
<u>\$ 43,348</u>	<u>\$ 48,588</u>	<u>\$ 9,278</u>	<u>\$ 86,440</u>	<u>\$ 80</u>	<u>\$ 414,938</u>

**Combining Statement of Changes in Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2022**

	Successor Agency				
	Administration	Redevelopment Obligation	Old Pasadena	Lincoln	Downtown
		Retirement Fund			
Additions:					
Property taxes	\$ -	\$ 8,572,235	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total additions	-	8,572,235	-	-	-
Deductions:					
Fiscal agency expenses	-	-	-	-	-
Interest expense	-	-	-	-	-
Statutory pass-through expenses	-	-	6,292,979	52,688	-
Administrative expenses:					
County administrative expenses	-	-	147,580	7,300	679,981
Successor agency administrative cost allowance	36,142	-	-	-	-
Total deductions	36,142	-	6,440,559	59,988	679,981
Transfers:					
Transfers in	24,899	(8,572,235)	6,440,559	59,988	679,981
Transfers out	-	-	-	-	-
Total transfers	24,899	(8,572,235)	6,440,559	59,988	679,981
Change in amount held in trust	(11,243)	-	-	-	-
Amount held in trust at beginning of year	11,243	227,204	-	-	-
Amount held in trust at end of year	\$ -	\$ 227,204	\$ -	\$ -	\$ -

Successor Agency

Fair Oaks	Orange Grove	Villa Parke	Lake Washington	Affordable Housing	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,572,235
5	-	-	2	-	7
-	7,745	-	-	-	7,745
5	7,745	-	2	-	8,579,987
1,902	-	-	-	-	1,902
-	-	-	-	-	-
333,910	57,873	553,637	347,604	-	7,638,691
29,001	14,417	45,223	10,042	-	933,544
-	-	-	-	-	36,142
364,813	72,290	598,860	357,646	-	8,610,279
362,911	72,290	598,860	357,646	-	24,899
(24,899)	-	-	-	-	(24,899)
338,012	72,290	598,860	357,646	-	-
(26,796)	7,745	-	2	-	(30,292)
70,144	40,843	9,278	86,438	80	445,230
\$ 43,348	\$ 48,588	\$ 9,278	\$ 86,440	\$ 80	\$ 414,938

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COMPONENT UNITS



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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 Unit
Rose Bowl Operating Company
June 30, 2022**

	Rose Bowl	Golf Course	Total
Assets			
Current assets:			
Cash and investments	\$ 20,155,549	\$ 15,956,749	\$ 36,112,298
Accounts receivable, net	5,612,763	348,589	5,961,352
Inventory	519	122,378	122,897
Prepays and other assets	344,913	2,660	347,573
Total current assets	25,714,036	17,055,873	42,769,909
Noncurrent assets:			
Due from City of Pasadena	438,830	-	438,830
Restricted assets - cash and investments	11,188,835	-	11,188,835
Lease receivable	479,042	-	479,042
Capital assets:			
Not being depreciated/amortized	-	970	970
Being depreciated/amortized, net	149,320,201	6,130,782	155,450,983
Total noncurrent assets	161,426,908	6,131,752	167,558,660
Total assets	187,140,944	23,187,625	210,328,569
Deferred outflow of resources			
Deferred refunding charge	1,776,732	-	1,776,732
Pension related	847,666	40,593	888,259
Total deferred outflow of resources	2,624,398	40,593	2,664,991
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	3,871,311	2,132,652	6,003,963
Accrued salaries and benefits	570,005	70,583	640,588
Accrued interest payable	3,110,530	-	3,110,530
Due to City of Pasadena	1,182,341	350,313	1,532,654
Deposits	377,285	-	377,285
Unearned revenues	4,232,612	65,707	4,298,319
Current portion of long-term advance	100,000	-	100,000
Current portion of long-term debt	4,610,414	60,490	4,670,904
Total current liabilities	18,054,498	2,679,745	20,734,243
Noncurrent liabilities:			
Long-term advance	500,000	-	500,000
Long-term debt, net of current portion	199,052,866	518,813	199,571,679
Net pension liability	1,326,523	63,525	1,390,048
Total noncurrent liabilities	200,879,389	582,338	201,461,727
Total liabilities	218,933,887	3,262,083	222,195,970
Deferred inflows of resources			
Lease related	694,573	-	694,573
Pension related	1,157,985	55,454	1,213,439
Total deferred inflows of resources	1,852,558	55,454	1,908,012
Net Position			
Net investment in capital assets	(21,564,150)	5,562,297	(16,001,853)
Restricted for debt service	11,188,835	-	11,188,835
Unrestricted	(20,645,788)	14,348,384	(6,297,404)
Total net position (deficit)	\$ (31,021,103)	\$ 19,910,681	\$ (11,110,422)

**Combining Statement of Revenues, Expenditures and Changes in Net Position
Discretely Presented Component Unit
Rose Bowl Operating Company
For the Fiscal Year Ended June 30, 2022**

	Rose Bowl	Golf Course	Total
Operating revenues:			
Charges for services:			
Rose Bowl	\$ 30,225,641	\$ -	\$ 30,225,641
Golf course	-	8,624,885	8,624,885
Total operating revenues	<u>30,225,641</u>	<u>8,624,885</u>	<u>38,850,526</u>
Operating expenses:			
Rose Bowl	26,329,694	-	26,329,694
Golf course	-	5,993,624	5,993,624
Depreciation	11,658,581	795,821	12,454,402
Total operating expenses	<u>37,988,275</u>	<u>6,789,445</u>	<u>44,777,720</u>
Operating income (loss)	<u>(7,762,634)</u>	<u>1,835,440</u>	<u>(5,927,194)</u>
Nonoperating revenues (expenses):			
Investment earnings (loss)	(3,840,769)	(156,341)	(3,997,110)
Interest expense	(12,275,424)	-	(12,275,424)
Contribution from City of Pasadena	9,258,005	-	9,258,005
Grant revenues	10,000,000	-	10,000,000
Other nonoperating revenues	5,128,045	47,572	5,175,617
Total nonoperating revenues (expenses)	<u>8,269,857</u>	<u>(108,769)</u>	<u>8,161,088</u>
Changes in net position	507,223	1,726,671	2,233,894
Net position (deficit) at beginning of year	(31,528,326)	18,184,010	(13,344,316)
Net position (deficit) at end of year	<u>\$ (31,021,103)</u>	<u>\$ 19,910,681</u>	<u>\$ (11,110,422)</u>

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STATISTICAL SECTION



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STATISTICAL SECTION CONTENT DESCRIPTION

(Unaudited)

This section of the City of Pasadena’s annual comprehensive 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.

Contents

Financial Trends	224
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<ul style="list-style-type: none"> Net Position Changes in Net Position Fund Balances of Governmental Funds Changes in Fund Balances of Governmental Funds 	
Revenue Capacity	235
These schedules contain information to help the reader assess the City’s two most significant local revenue sources by type, the property and sales tax for governmental activities and electric revenue for business-type activities.	
<ul style="list-style-type: none"> Assessed Value and Estimated Actual Value of Taxable Property Direct and Overlapping Property Tax Rates Principal Property Taxpayers Property Tax Levies and Collections Taxable Sales by Category Electricity Sold by Type of Customer Electricity Rates Electricity Customers 	
Debt Capacity	246
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<ul style="list-style-type: none"> Ratio of Outstanding Debt by Type Ratio of General Bonded Debt Outstanding Direct and Overlapping Bonded Debt Legal Debt Margin Information Governmental Activity Debt Business-Type Activity Debt 	
Demographic and Economic Information	259
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<ul style="list-style-type: none"> Demographic and Economic Statistics Principal Employers 	
Operating Information	262
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.	
<ul style="list-style-type: none"> Full-time and Part-time City Employees by Program Operating Indicators by Function/Program Capital Asset Statistics by Function/Program 	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 430,453	\$ 419,328	\$ 408,195	\$ 405,858
Restricted	63,633	60,592	44,327	56,050
Unrestricted	(41,046)	(29,751)	(339,336)	(325,826)
Total governmental activities net position	<u>\$ 453,040</u>	<u>\$ 450,169</u>	<u>\$ 113,186</u>	<u>\$ 136,082</u>
Business-type activities				
Net investment in capital assets	\$ 364,493	\$ 422,610	\$ 371,526	\$ 449,141
Restricted	144,017	133,791	176,248	153,241
Unrestricted	185,593	159,948	114,512	131,037
Total business-type activities net position	<u>\$ 694,103</u>	<u>\$ 716,349</u>	<u>\$ 662,286</u>	<u>\$ 733,419</u>
Primary government				
Net investment in capital assets	\$ 794,946	\$ 841,938.00	\$ 779,721.00	\$ 854,999.00
Restricted	207,650	194,383	220,574	209,291
Unrestricted	144,547	130,197	(224,824)	(194,789)
Total primary government net position	<u>\$ 1,147,143</u>	<u>\$ 1,166,518</u>	<u>\$ 775,471</u>	<u>\$ 869,501</u>



Financial Trends

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 418,266	\$ 439,355	\$ 458,378	\$ 470,689	\$ 468,005	\$ 471,778
55,477	69,730	79,205	84,006	82,123	81,495
(310,488)	(362,358)	(362,242)	(364,572)	(390,132)	(403,721)
<u>163,254</u>	<u>146,726</u>	<u>175,341</u>	<u>190,123</u>	<u>159,996</u>	<u>\$ 149,553</u>
\$ 408,944	\$ 420,692	\$ 434,358	\$ 458,534	\$ 486,944	\$ 499,719
171,545	152,811	142,806	128,220	126,668	109,474
183,279	199,209	230,707	244,811	240,454	270,029
<u>\$ 763,768</u>	<u>\$ 772,712</u>	<u>\$ 807,871</u>	<u>\$ 831,565</u>	<u>\$ 854,066</u>	<u>\$ 879,222</u>
\$ 827,210.00	\$ 860,047.00	\$ 892,736.00	\$ 929,223.00	\$ 954,949.00	\$ 971,497
227,022	222,541	222,011	212,226	208,791	190,969
(127,209)	(163,149)	(131,535)	(119,761)	(149,678)	(133,691)
<u>\$ 927,023</u>	<u>\$ 919,439</u>	<u>\$ 983,212</u>	<u>\$ 1,021,688</u>	<u>\$ 1,014,062</u>	<u>\$ 1,028,775</u>

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 54,650	\$ 53,260	\$ 38,902	\$ 59,425
Public safety	105,541	104,708	106,327	96,484
Transportation	45,045	59,581	49,526	35,739
Utility	-	-	-	-
Sanitation	3,744	4,106	4,232	4,267
Health	14,228	14,239	13,764	10,914
Culture and leisure	29,402	31,321	30,127	32,286
Community development	35,156	31,669	35,248	72,725
Capital outlay	-	-	-	-
Interest and other fiscal charges	3,142	11,047	10,310	9,187
Total governmental activities expenses	<u>\$ 290,908</u>	<u>\$ 309,931</u>	<u>\$ 288,436</u>	<u>\$ 321,027</u>
Business-type activities:				
Electric	\$ 183,202	\$ 177,590	\$ 171,282	\$ 174,858
Water	46,484	51,054	48,462	45,240
Refuse	13,185	13,022	12,843	14,421
Parking	12,229	14,556	13,532	14,488
Telecommunication	827	849	89	141
Total business-type activities expenses	<u>255,927</u>	<u>257,071</u>	<u>246,208</u>	<u>249,148</u>
Total primary government expenses	<u>\$ 546,835</u>	<u>\$ 567,002</u>	<u>\$ 534,644</u>	<u>\$ 570,175</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 17,563	\$ 17,872	\$ 18,750	\$ 18,053
Public safety	13,370	13,050	14,674	14,841
Transportation	13,784	14,253	16,059	16,384
Sanitation	7,083	8,010	7,875	7,008
Health	741	797	1,022	644
Culture and leisure	2,975	3,382	3,566	4,504
Community development	9,085	12,935	12,630	14,193
Operating grants and contributions	38,350	35,948	41,943	40,422
Capital grants and contributions	7,116	16,504	16,197	15,383
Total governmental activities program revenues	<u>\$ 110,067</u>	<u>\$ 122,751</u>	<u>\$ 132,716</u>	<u>\$ 131,432</u>
Business-type activities:				
Charges for services:				
Electric	\$ 190,071	\$ 188,174	\$ 203,748	\$ 199,197
Water	58,536	61,233	57,440	50,835
Refuse	12,057	11,925	11,959	11,880
Parking	12,783	13,334	13,603	14,621
Telecommunication	580	816	655	609
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,933	2,828	2,905	2,790
Total business-type activities program revenues	<u>275,960</u>	<u>278,310</u>	<u>290,310</u>	<u>279,932</u>
Total primary government program revenues	<u>\$ 386,027</u>	<u>\$ 401,061</u>	<u>\$ 423,026</u>	<u>\$ 411,364</u>
Net Revenues (Expenses)				
Governmental activities	(180,841)	(187,180)	(155,720)	(189,595)
Business-type activities	20,033	21,239	44,102	30,784
Total net revenues (expenses)	<u>\$ (160,808)</u>	<u>\$ (165,941)</u>	<u>\$ (111,618)</u>	<u>\$ (158,811)</u>

Financial Trends

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 42,895	\$ 45,755	\$ 49,619	\$ 67,355	\$ 72,811	\$ 86,104	
127,760	142,495	145,937	152,889	148,287	151,005	
41,738	46,452	52,239	55,429	48,597	44,752	
-	-	-	6,134	171	124	
4,290	4,376	4,117	4,600	6,783	6,091	
10,558	11,347	13,401	15,367	17,465	17,062	
34,249	38,365	37,135	37,224	45,291	48,529	
39,787	45,114	47,304	52,019	57,362	62,727	
-	-	-	-	-	-	
8,611	8,411	7,889	6,425	6,500	6,364	
<u>\$ 309,888</u>	<u>\$ 342,315</u>	<u>\$ 357,641</u>	<u>\$ 397,442</u>	<u>\$ 403,267</u>	<u>\$ 422,757</u>	
\$ 183,522	\$ 187,872	\$ 196,874	\$ 197,138	\$ 196,389	\$ 196,718	
48,009	54,757	56,738	58,974	63,933	61,518	
14,330	15,695	16,528	19,429	20,059	18,818	
13,062	14,140	14,502	14,713	12,097	10,901	
110	144	170	164	189	163	
<u>259,033</u>	<u>272,608</u>	<u>284,812</u>	<u>290,418</u>	<u>292,667</u>	<u>288,117</u>	
<u>\$ 568,921</u>	<u>\$ 614,923</u>	<u>\$ 642,453</u>	<u>\$ 687,860</u>	<u>\$ 695,934</u>	<u>\$ 710,875</u>	
\$ 14,651	\$ 10,861	\$ 11,203	\$ 20,245	\$ 13,504	\$ 12,984	
19,244	15,708	15,297	13,656	10,322	13,736	
16,663	28,165	30,555	26,933	20,811	16,607	
7,127	7,665	8,193	7,728	7,321	7,301	
870	2,346	2,432	2,497	2,154	2,168	
5,870	3,181	2,748	1,725	674	1,096	
15,803	13,286	14,954	12,487	11,795	14,470	
41,050	47,058	59,763	56,837	60,764	80,747	
9,083	14,190	8,582	36,663	9,449	10,184	
<u>\$ 130,361</u>	<u>\$ 142,460</u>	<u>\$ 153,727</u>	<u>\$ 178,771</u>	<u>\$ 136,794</u>	<u>\$ 159,292</u>	
\$ 202,480	\$ 212,116	\$ 218,054	\$ 217,873	\$ 222,266	\$ 226,509	
58,287	62,592	60,181	62,466	71,269	69,359	
11,775	11,413	11,743	11,644	11,502	11,864	
14,595	14,560	13,977	11,229	9,198	11,066	
669	471	680	439	568	776	
-	2,355	1,462	1,784	2,777	6,188	
4,811	4,112	3,615	2,934	4,248	4,559	
<u>292,617</u>	<u>307,619</u>	<u>309,712</u>	<u>308,369</u>	<u>321,828</u>	<u>330,320</u>	
<u>\$ 422,978</u>	<u>\$ 450,079</u>	<u>\$ 463,439</u>	<u>\$ 487,140</u>	<u>\$ 458,622</u>	<u>\$ 489,613</u>	
(179,527)	(199,855)	(203,914)	(218,671)	(266,473)	(263,465)	
33,584	35,011	24,900	17,951	29,161	42,203	
<u>\$ (145,943)</u>	<u>\$ (164,844)</u>	<u>\$ (179,014)</u>	<u>\$ (200,720)</u>	<u>\$ (237,312)</u>	<u>\$ (221,262)</u>	

Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax, levied for general purpose	\$ 42,957	\$ 44,066	\$ 56,446	\$ 59,141
Sales tax	30,871	33,198	33,706	36,855
Utility users' tax	29,531	28,893	29,316	28,100
Transient occupancy tax	11,109	12,043	13,165	14,864
Construction tax	2,066	3,682	4,770	4,375
Business license tax	5,230	5,633	5,836	6,483
Franchise tax	2,063	2,361	2,903	2,542
Other taxes	6,532	7,088	7,181	7,335
Other intergovernmental	15,187	15,924	16,648	18,005
Use of money - investment earnings	2,681	4,833	4,461	4,955
Use of property - lease activity	-	-	-	-
Net change in fair value of investments	-	-	-	-
Gain on sale of assets	424	1,153	370	(60)
Miscellaneous revenues	4,023	4,655	4,863	14,621
Reinstatement of PCDC Loan	-	-	-	11,128
Transfers	22,083	16,305	14,657	15,033
Extraordinary gain	(2,197)	-	-	-
Total governmental activities	\$ 172,560	\$ 179,834	\$ 194,322	\$ 223,376
Business-type activities:				
Taxes:				
Franchise tax	\$ 3,825	\$ 3,907	\$ 4,319	\$ 4,575
Use of money - investment earnings	4,743	7,136	5,529	6,593
Use of property - lease activity	-	-	-	-
Net change in fair value of investments	-	-	-	-
Gain on sale of assets	(92)	(1,161)	-	(311)
Miscellaneous revenues	20,614	8,977	15,631	42,427
Transfers	(20,974)	(16,305)	(14,657)	(15,033)
Total business-type activities	8,116	2,554	10,822	38,252
Total primary government	\$ 180,676	\$ 182,388	\$ 205,144	\$ 261,627
Changes in Net Position				
Governmental activities	(8,281)	(7,346)	38,602	33,781
Business-type activities	28,149	23,793	54,924	69,036
Total primary government	\$ 19,868.00	\$ 16,447	\$ 93,526	\$ 102,816



Financial Trends

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 68,752	\$ 63,483	\$ 68,275	\$ 70,689	\$ 76,579	\$ 79,144	
35,708	35,076	44,616	57,513	62,308	74,366	
28,251	27,881	26,982	26,966	26,938	30,124	
15,229	15,814	16,948	13,090	6,298	14,711	
3,491	3,265	4,985	4,091	2,097	2,626	
6,347	7,196	7,302	6,900	6,351	5,890	
2,797	2,733	2,881	2,827	2,813	2,730	
7,298	7,449	7,286	1,614	5,661	16,309	
18,259	19,996	20,345	20,831	25,424	23,797	
1,857	3,008	10,922	8,231	2,518	2,239	
-	-	-	-	-	731	
-	-	-	-	-	(15,262)	
-	(299)	-	2,288	-	-	
8,224	11,372	8,270	5,493	3,091	4,664	
-	-	-	-	-	-	
18,652	18,766	13,976	14,349	16,267	10,954	
-	-	-	-	-	-	
<u>\$ 214,865</u>	<u>\$ 215,740</u>	<u>\$ 232,788</u>	<u>\$ 234,882</u>	<u>\$ 236,345</u>	<u>\$ 253,022</u>	
\$ 4,893	\$ 5,359	\$ 5,787	\$ 6,083	\$ 5,722	\$ 6,162	
2,372	2,506	16,216	10,940	1,033	2,793	
-	-	-	-	-	395	
-	-	-	-	-	(25,439)	
-	(49)	(1,114)	-	-	(167)	
8,154	2,552	3,346	3,069	2,852	10,571	
(18,652)	(18,766)	(13,976)	(14,349)	(16,266)	(11,362)	
(3,234)	(8,398)	10,259	5,743	(6,659)	(17,048)	
<u>\$ 211,631</u>	<u>\$ 207,342</u>	<u>\$ 243,047</u>	<u>\$ 240,625</u>	<u>\$ 229,686</u>	<u>\$ 235,974</u>	
35,338	15,885	28,874	16,211	(30,128)	(10,443)	
30,351	26,613	35,159	23,694	22,502	25,155	
<u>\$ 65,688</u>	<u>\$ 42,498</u>	<u>\$ 64,033</u>	<u>\$ 39,905</u>	<u>\$ (7,626)</u>	<u>\$ 14,712</u>	

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 8,351	\$ 8,352	\$ 8,620	\$ 12,236
Restricted	-	-	400	400
Committed	37,380	34,868	30,951	33,451
Assigned	4,249	5,043	11,087	17,227
Unassigned	11,965	15,015	12,140	15,139
Total General Fund	<u>61,945</u>	<u>63,278</u>	<u>63,198</u>	<u>78,453</u>
All Other Governmental Funds:				
Nonspendable	33,356	31,674	30,997	7,799
Restricted	69,676	57,300	52,516	55,650
Committed	62,629	72,479	87,144	101,338
Assigned	-	-	-	-
Unassigned	(4,265)	(7,981)	(7,482)	(8,126)
Total all other Governmental Funds	<u>161,396</u>	<u>153,472</u>	<u>163,175</u>	<u>156,661</u>
Total Governmental Funds	<u>\$ 223,341</u>	<u>\$ 216,750</u>	<u>\$ 226,373</u>	<u>\$ 235,114</u>



Financial Trends

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 11,108	\$ 4,545	\$ 1,590	\$ 14,853	\$ 13,626	\$ 13,697	
400	10,995	11,631	12,106	13,718	12,101	
47,563	46,949	50,775	55,120	51,687	57,339	
26,825	12,426	15,099	25,082	31,326	23,079	
3,832	11,957	19,605	445	(11,294)	-	
<u>89,727</u>	<u>86,872</u>	<u>98,700</u>	<u>107,606</u>	<u>99,063</u>	<u>106,216</u>	
2,482	1,574	1,478	1,554	1,550	1,582	
55,077	58,597	67,575	71,848	68,307	64,846	
106,631	108,569	121,002	115,446	111,319	102,213	
-	-	-	1,652	1,944	2,775	
<u>(10,950)</u>	<u>(2,273)</u>	<u>(3,574)</u>	<u>(5,180)</u>	<u>(6,133)</u>	<u>(9,480)</u>	
<u>153,240</u>	<u>166,467</u>	<u>186,481</u>	<u>185,320</u>	<u>176,987</u>	<u>\$ 161,937</u>	
<u>\$ 242,967</u>	<u>\$ 253,339</u>	<u>\$ 285,181</u>	<u>\$ 292,926</u>	<u>\$ 276,050</u>	<u>\$ 268,152</u>	

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(in Thousands)**

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Taxes	\$ 130,356	\$ 136,965	\$ 153,323	\$ 159,694
Licenses and permits	9,196	13,675	11,235	14,946
Intergovernmental revenues	58,988	61,505	63,785	65,299
Charges for services	42,006	43,416	49,413	46,984
Fines and forfeits	7,453	6,768	7,329	7,378
Investment earnings	11,041	5,255	4,294	4,780
Net change in fair value of investments	-	-	-	-
Lease revenues	4,355	4,064	3,822	4,212
Interest - leases (as lessor)	-	-	-	-
Miscellaneous revenues	6,172	6,081	7,133	16,341
Contributions	1,534	7,807	11,759	6,496
Total revenues	271,101	285,536	312,093	326,130
Expenditures:				
Current:				
General government	30,977	34,613	44,283	47,488
Public safety	99,680	99,871	106,469	111,012
Transportation	34,419	36,912	37,018	35,282
Utility	-	-	-	-
Sanitation	3,744	4,106	4,274	4,356
Health	13,480	13,551	13,553	11,294
Culture and leisure	28,240	30,039	30,505	32,241
Community development	32,447	29,579	31,933	60,841
Capital outlay	24,907	23,571	16,855	29,032
Debt service:				
Principal retirement	20,415	20,808	129,469	6,611
Interest	10,783	9,797	8,730	8,139
Bond issuance costs	-	-	-	-
Interest - leases (as lessee)	-	-	-	-
Lease payments	-	-	-	-
Total expenditures	299,092	302,847	423,089	346,296
Excess (deficiency) of revenues over (under) expenditures	(27,991)	(17,311)	(110,996)	(20,166)
Other financing sources (uses):				
Premium (discount) on debt issued	(459)	-	-	(2,283)
Issuance of long-term debt	51,097	841	351	119,460
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	81,635	84,444	61,085	51,606
Transfers out	(63,131)	(65,045)	(50,718)	(38,028)
Leases issued	-	-	-	-
Reinstatement of PCDC Loan	-	-	-	-
Transfers to component units	-	-	-	-
Total other financing sources (uses)	69,142	20,240	10,718	130,755
Extraordinary gain (loss):	-	-	152,582	(2,197)
Net change in fund balances	\$ 41,151	\$ 2,929	\$ 52,304	\$ 108,392
 Debt service as a percentage of noncapital expenditures	 11.4%	 11.0%	 34.0%	 4.6%

Financial Trends

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 167,874	\$ 162,898	\$ 179,275	\$ 183,689	\$ 189,044	\$ 225,899	
14,882	15,022	13,979	13,297	12,791	15,283	
62,121	74,093	75,237	78,475	87,260	106,225	
49,324	53,417	59,111	53,066	45,996	43,548	
7,802	7,262	6,377	6,520	3,491	4,190	
1,752	1,597	9,207	7,536	2,445	2,170	
-	-	-	-	-	(14,844)	
4,765	4,418	4,326	10,748	3,252	4,512	
-	-	-	-	-	9	
12,072	14,240	11,929	7,082	5,792	8,227	
5,397	5,512	12,476	8,103	3,630	3,089	
<u>325,989</u>	<u>338,459</u>	<u>371,917</u>	<u>368,516</u>	<u>353,701</u>	<u>398,306</u>	
42,054	38,611	40,655	73,958	65,554	63,810	
116,577	126,827	133,461	138,942	138,803	147,560	
40,196	45,078	49,621	50,298	44,110	40,795	
-	-	-	6,134	171	124	
4,324	4,352	4,300	4,493	6,669	6,037	
10,309	10,977	12,522	14,250	16,265	16,505	
32,663	37,111	34,529	34,266	41,355	45,876	
34,370	39,365	40,599	45,126	47,952	55,694	
32,254	28,707	21,492	23,795	15,985	25,020	
6,345	10,520	5,996	5,572	5,117	5,416	
8,744	8,558	8,220	6,081	6,559	6,394	
-	-	-	562	-	-	
-	-	-	-	-	32	
-	-	-	-	-	1,116	
<u>327,836</u>	<u>350,106</u>	<u>351,395</u>	<u>403,477</u>	<u>388,540</u>	<u>414,379</u>	
<u>(1,847)</u>	<u>(11,647)</u>	<u>20,522</u>	<u>(34,961)</u>	<u>(34,839)</u>	<u>(16,072)</u>	
5,790	-	-	-	-	-	
60,460	-	-	138,605	-	-	
(60,762)	-	-	(131,154)	-	-	
-	-	-	31,819	-	-	
121,920	80,737	76,926	72,394	67,461	73,495	
(109,631)	(62,326)	(62,000)	(67,530)	(49,497)	(65,023)	
-	-	-	-	-	110	
11,128	-	-	-	-	-	
-	-	-	-	-	(408)	
<u>28,905</u>	<u>18,411</u>	<u>14,926</u>	<u>44,134</u>	<u>17,964</u>	<u>8,174</u>	
-	-	-	-	-	-	
<u>\$ 27,058</u>	<u>\$ 6,764</u>	<u>\$ 35,448</u>	<u>\$ 9,173</u>	<u>\$ (16,875)</u>	<u>\$ (7,898)</u>	
5.1%	5.9%	4.3%	3.1%	3.1%	1.4%	

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Revenue Capacity

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
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%
2021	34,107,320	(120,266)	33,987,055	676,673	34,663,728	0.25%
2022	35,394,651	(118,859)	35,275,793	688,899	35,964,692	0.24%

NOTE:

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: Starting with FY2021, HdL Coren & Cone.

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of assessed value)**

	Fiscal Year				
	2013	2014	2015	2016	2017
City Direct Rates:					
City basic rate	0.1970	0.1918	0.2329	0.2290	0.2537
PCDC Successor Agency	0.0437	0.0282	0.0219	0.0331	0.0479
Total City Direct Rate	0.2407	0.2200	0.2548	0.2621	0.3016
Overlapping Rates:					
Los Angeles County General	0.4266	0.4483	0.4118	0.4060	0.3647
La Canada Unified School District					
Pasadena School District	0.4389	0.4379	0.4389	0.4375	0.4386
Pasadena Community College District	0.1248	0.1247	0.1254	0.1254	0.1260
Metropolitan Water District	0.0035	0.0035	0.0035	0.0035	0.0035
Total Direct Rate	1.2345	1.2345	1.2344	1.2345	1.2345

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 value for the payment of the various intergovernmental overlapping debts.

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.

FY2021 data was corrected in FY2022.

Source: Starting with FY2021, HdL Coren & Cone and Los Angeles County Assessor 2012/2013 - 2021/2022 Combined Tax



Revenue Capacity

Fiscal Year				
2018	2019	2020	2021	2022
0.2178	0.2208	0.2161	0.2209	0.2201
0.0356	0.0096	0.0301	0.0335	0.0238
0.2534	0.2304	0.2462	0.2544	0.2439
0.4169	0.4396	0.4238	0.4166	0.4267
	0.0579	0.0552	0.0562	0.0552
0.4359	0.4363	0.4365	0.4362	0.4370
0.1248	0.1247	0.1245	0.1238	0.1234
0.0035	0.0035	0.0035	0.0035	0.0035
1.2345	1.2924	1.2897	1.2907	1.2897

Revenue Capacity

Principal Property Taxpayers
Current Year and Ten Years Ago

Property Owner	2022		2013	
	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation*	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation
CSCDA Community Improvement Authority	\$ 443,932,387	1.23%	\$ -	0.00%
Kaiser Foundation Health Plan	321,107,460	0.89%	219,785,890	1.01%
CPUS Pasadena LP	279,973,406	0.78%	-	0.00%
CVFI S Lake Ave LP	267,026,342	0.74%	-	0.00%
BPP East Union LLC	221,054,238	0.61%	-	0.00%
Capref Paseo LLC Lessor	195,236,074	0.54%	-	0.00%
Pacific Huntington Hotel Corp	186,185,523	0.52%	155,447,726	0.71%
PPF Off 100 W Walnut St LP	186,797,645	0.52%	170,300,000	0.78%
PPF Off 74 N Psdna Ave	173,593,670	0.48%	149,600,000	0.69%
177 Colorado Owner LLC	169,765,333	0.47%	-	0.00%
Western Asset Plaza LLC	-	0.00%	-	0.00%
Paseo Colorado Holdings LLC	-	0.00%	196,526,525	0.90%
Leonard M Marangi Et Al Trust	-	0.00%	126,600,422	0.58%
Equity Office Properties Trust	-	0.00%	122,837,391	0.56%
Tishman Speyer Archstone Smith	-	0.00%	119,399,303	0.55%
SSR Paseo Colorado LLC	-	0.00%	112,596,646	0.52%
TC Trio Apartment LLC	-	0.00%	111,871,000	0.51%
Total principal property taxpayers gross assessed value	\$ 2,444,672,078	6.78%	\$ 1,484,964,903	6.81%

NOTE:

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.

Exempt values are not included in Total City Taxable Assessed Valuation.

Source: Starting with FY2021, HdL Coren & Cone.

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)
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%
2021	62,968,533	73,748,044	117.12%	*	73,748,044	117.12%
2022	65,066,384	76,309,149	117.28%	*	76,309,149	117.28%

NOTE:

(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

Taxable Sales by Category
Last Ten Calendar Years

Category	Fiscal Year			
	2012	2013	2014	2015
Apparel Stores	\$ 184,547	\$ 196,947	\$ 189,018	\$ 191,081
General Merchandise	241,605	232,768	225,356	221,751
Food Stores	110,924	114,250	115,530	117,323
Eating and Drinking Places	434,310	456,914	483,920	527,076
Building Materials	112,297	128,723	139,840	151,467
Auto Dealers and Supplies	450,661	471,992	519,264	567,144
Service Stations	188,688	176,911	170,434	150,270
Other Retail Stores	604,517	619,370	613,975	631,771
All Other Outlets	844,631	844,871	882,102	849,801
Total	\$ 3,172,180	\$ 3,242,746	\$ 3,339,439	\$ 3,407,684

NOTE:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Sources: HdL Coren & Cone, State Board of Equalization, California Department of Taxes and Fees Administration, State



Revenue Capacity

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 185,448	\$ 176,900	\$ 181,483	\$ 171,713	\$ 97,596	\$ 144,167
217,422	213,578	210,979	200,988	143,307	167,800
119,790	118,456	128,230	135,374	133,677	134,884
557,770	579,785	598,588	626,002	423,176	588,986
153,597	166,872	169,973	156,131	166,503	223,421
603,205	625,531	718,865	712,315	747,540	809,366
131,929	144,807	161,461	155,631	94,230	139,654
627,425	616,583	635,196	607,011	471,489	627,046
915,955	849,883	918,816	913,612	930,531	1,015,231
<u>\$ 3,512,541</u>	<u>\$ 3,492,395</u>	<u>\$ 3,723,591</u>	<u>\$ 3,678,777</u>	<u>\$ 3,208,049</u>	<u>\$ 3,850,555</u>

Electricity Sold by Type of Customer
Last Ten Fiscal Years
(in Megawatt-Hours)

	Fiscal Year			
	2013	2014	2015	2016
Type of Customer:				
Residential	334,179	316,631	324,657	326,023
Commercial and Industrial	776,816	783,878	768,735	755,510
Street Lights and Traffic Signals	15,683	13,678	13,423	13,384
Wholesales to Other Utilities	185,361	36,811	30,969	310
Other	574	-	-	-
Total	<u>1,312,613</u>	<u>1,150,998</u>	<u>1,137,784</u>	<u>1,095,227</u>
	139.95	162.46	163.43	173.54

NOTE:

Total direct rate per megawatt hour.

Rate represents average cost per megawatt hour with respect to total revenue sales from electricity.

Source: Pasadena Water and Power



Revenue Capacity

Fiscal Year					
2017	2018	2019	2020	2021	2022
320,280	320,878	325,487	319,437	344,009	333,881
720,678	709,597	686,614	657,633	586,683	626,935
13,368	13,372	13,371	12,273	11,573	11,428
-	20,719	26,868	68,714	32,496	145
-	-	-	-	-	1,297
1,054,326	1,064,566	1,052,340	1,058,057	974,761	973,686
178.48	179.07	174.22	173.28	191.00	195.55

Electricity Rates
Last Ten Fiscal Years
(Average Rate in Dollar per Kilowatt-Hour)

Fiscal Year Ended June 30*	Residential	Commercial & Industrial	Street Lights & Traffic Signals
2013	\$ 0.1613	\$ 0.1443	\$ 0.1313
2014	0.1612	0.1442	0.1427
2015	0.1784	0.1556	0.1514
2016	0.1827	0.1582	0.1505
2017	0.1826	0.1597	0.1467
2018	0.1927	0.1684	0.1495
2019	0.1940	0.1677	0.1495
2020	0.2092	0.1867	0.1793
2021	0.2106	0.1903	0.1813
2022	0.2100	0.1880	0.1882

* FY 2013 - FY 2022 include Public Benefit Charge (PBC)

Source: Pasadena Water and Power



Revenue Capacity

Electricity Customers
Current Year

Electricity Customer	2022	
	Electricity Charges	Percent of Operating Electric Revenues
Pasadena Hospital Association	\$ 5,469,845	2.41%
Water Department	2,647,840	1.17%
California Institute of Technology	2,592,720	1.14%
Street Lights	2,378,233	1.05%
Pasadena Unified School District	2,189,101	0.97%
Pasadena City College	2,173,750	0.96%
Public Works	1,609,089	0.71%
Kaiser Permanente	1,487,972	0.66%
Metropolitan Transit Authority	1,300,726	0.57%
Art Center College of Design	1,243,286	0.55%
	\$ 23,092,563	10.19%

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	Tax Allocation Bonds
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	-
2021	-	-	134,885,718	53,219,542	-
2022	-	-	132,832,487	50,866,353	-

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 9). The amount of outstanding debt by type reported above is net of the related premiums and discounts.

*See Statistical Section - Demographic and Economic Information schedule for personal income.

**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.

***See Statistical Section - Demographic and Economic Information schedule for population data. Per Capita calculation corrected in FY2022.



Debt Capacity

Governmental Activities				Total
Loans Payable	Notes Payable	Other **	Governmental Activities	
\$ 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	
5,876,051	4,955,325	-	198,936,636	
4,936,710	4,638,830	-	193,274,380	
			(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	
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
2021	306,453,348	-	2,384,123	-	-	308,837,471
2022	301,282,264	-	1,932,251	-	-	303,214,515

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 9). The amount of outstanding debt by type reported above is net of the related premiums and discounts.

*See Statistical Section - Demographic and Economic Information schedule for personal income.

**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.

***See Statistical Section - Demographic and Economic Information schedule for population data. Per Capita calculation corrected in FY2022.



Debt Capacity

	Total Primary Government	Private Purpose Long-Term Liabilities	Percentage of Personal Income *	Debt Per Capita ***
\$	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%	4,118
	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
	507,774,107	225,000	7.51%	3,495
	496,488,895	-	6.96%	3,590

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Outstanding General Bonded Debt					
	General Obligation Bonds	Revenue Bonds	Pension Bonds	Certificates of Participation	Tax Allocation Bonds	Total
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
2021	-	-	134,885,718	53,219,542	-	188,105,260
2022	-	-	132,832,487	50,866,353	-	183,698,840

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 9). The amount of outstanding debt by type reported above is net of the related premiums and discounts.

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds, of which, the City has none.

*See Statistical Section - Revenue Capacity - Assessed Value and Estimated Actual Value of Taxable Property schedule for assessed values of taxable property.

**See Statistical Section - Demographic and Economic Information schedule for population data. Per Capita calculation corrected in FY2022.



Debt Capacity

	<u>Restricted Net Assets for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Percent of Total City Taxable Assessed Valuation*</u>	<u>Per Capita**</u>
\$	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%	1,321
	12,036,110	183,681,141	0.76%	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
	8,209,125	179,896,135	0.54%	1,238
	7,084,563	176,614,277	0.51%	1,277

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Debt Capacity

Direct and Overlapping Debt
June 30, 2022

City Assessed Valuation	\$ 30,449,216,093
Redevelopment Agency Incremental Valuation	<u>5,515,475,407</u>
Total Assessed Valuation	<u><u>\$ 35,964,691,500</u></u>

	Percentage Applicable ¹	Outstanding Debt at 6/30/2022	Estimated Share of Overlapping Debt
Direct & Overlapping Debt:			
Metropolitan Water District	2.083%	\$ 9,835,780	\$ 204,914
Pasadena Area Community College District	35.332%	58,665,000	20,727,474
La Canada Unified School District	0.209%	72,215,000	150,609
Pasadena Unified School District	73.763%	<u>329,590,000</u>	<u>243,114,779</u>
Total overlapping tax and assessment debt		<u>\$ 489,431,783</u>	<u>264,197,776</u>
City direct debt			<u>193,274,380</u>
Total direct and overlapping debt			¹ <u><u>\$ 457,472,156</u></u>

Notes:

1. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The City Direct Debt amount does not include business-type activities debt.

Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2021/22 Lien Date Tax Rolls

Legal Debt Margin Information
Last Ten Fiscal Years
(in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Assessed valuation	\$ 571,614	575,006	24,233,251	25,826,921
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	<u>142,904</u>	<u>143,752</u>	<u>6,058,313</u>	<u>6,456,730</u>
Debt limit percentage	15%	15%	15%	15%
Debt limit	<u>21,436</u>	<u>21,563</u>	<u>908,747</u>	<u>968,510</u>
Total net debt applicable to limit:	\$ -	-	-	-
Legal debt margin	\$ 21,436	21,563	908,747	968,510
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

NOTE:

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 and Los Angeles County Tax Assessor



Debt Capacity

Fiscal Year					
2017	2018	2019	2020	2021	2022
27,095,911	29,144,272	30,926,320	32,706,801	34,663,728	35,964,692
25%	25%	25%	25%	25%	25%
6,773,978	7,286,068	7,731,580	8,176,700	8,665,932	8,991,173
15%	15%	15%	15%	15%	15%
1,016,097	1,092,910	1,159,737	1,226,505	1,299,890	1,348,676
-	-	-	-	-	\$ -
1,016,097	1,092,910	1,159,737	1,226,505	1,299,890	1,348,676
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Pledged-Revenue Coverage
Governmental Activity Debt
Last Ten Fiscal Years
(in Thousands)**

Fiscal Year Ended June 30	General Obligation Bonds			
	Property Taxes	Debt Service		Coverage
		Principal	Interest	
2013	44,066	-	-	-
2014	44,066	-	-	-
2015	56,446	-	-	-
2016	59,141	-	-	-
2017	68,752	-	-	-
2018	63,484	-	-	-
2019	68,276	-	-	-
2020	70,689	-	-	-
2021	76,579	-	-	-
2022	79,144	-	-	-

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).



Debt Capacity

Tax Allocation Bonds								
Primary Government*				Private Purpose Trust Fund**				
Tax Increment	Debt Service		Coverage	Tax Increment **	Debt Service		Coverage	
	Principal	Interest			Principal	Interest		
-	-	-	-	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	
-	-	-	-	8	210	16	0.04	
-	-	-	-	-	-	-	-	

Debt Capacity

**Pledged-Revenue Coverage
Business-Type Activity Debt
Last Ten Fiscal Years
(in Thousands)**

Fiscal Year Ended June 30	Light & Power Revenue Bonds					
	Light & Power Revenue ¹	Less Operating Expenses ²	Net Available Revenue	Principal	Debt Service ³ Interest	Coverage
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%
2021	222,862	155,468	67,394	13,930	9,679	285.46%
2022	\$ 207,563	155,040	52,522	7,225	9,147	320.81%

Fiscal Year Ended June 30	Water Revenue Bonds					
	Water Revenue ¹	Less Operating Expenses ²	Net Available Revenue	Principal	Debt Service ³ Interest	Coverage
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%
2021	71,441	52,287	19,154	2,720	2,858	343.38%
2022	\$ 66,879	49,098	17,781	2,725	2,927	314.60%

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.

¹ Total operating revenues including investment earnings

² Total operating expenses exclusive of depreciation

³ Requirements are reported on a cash basis, excluding premiums

* Amount restated

Demographic and Economic Information

Demographic Statistics
Last Ten Calendar Years

Calendar Year	Population ⁽¹⁾	Personal Income (in thousands)	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2012	140,020	5,448,318	38,911	7.0%
2013	140,879	5,607,829	39,806	5.8%
2014	140,949	5,679,117	40,292	7.4%
2015	141,023	5,738,875	40,694	6.0%
2016	143,333	5,968,550	41,641	4.7%
2017	144,388	6,045,196	41,867	3.7%
2018	146,312	6,251,241	42,725	4.0%
2019	144,842	6,399,297	44,181	3.9%
2020	145,306	6,761,032	46,529	10.4%
2021	138,310	7,130,017	51,550	7.3%

NOTE:

Beginning FY2022, schedule updated from fiscal year to calendar year.

Source: HdL, Coren & Cone (Source: 2019-2021)
Avenue Insights & Analytics (2018 and prior)

¹ California State Department of Finance

² U.S. Census Bureau, most recent American Community Survey

³ State of California Employment Development Department, Bureau of Labor Statistics Dep

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Demographic and Economic Information

Principal Employers
Current Year and Nine Years Ago

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
California Institute of Technology- Jet Propulsion Laboratory	6,426	6.09%	4,800	14.27%
Kaiser Permanente	5,279	5.00%	4,707	13.99%
California Institute of Technology - Campus	3,761	3.56%	3,600	10.70%
Huntington Memorial Hospital	3,400	3.22%	3,273	9.73%
Pasadena City College	2,708	2.57%	1,760	5.23%
Pasadena Unified School District	2,148	2.03%	3,000	8.92%
The City of Pasadena	2,238	2.12%	1,952	5.80%
Art Center College of Design	825	0.78%	756	2.25%
East West Bank	757	0.72%	342	1.02%
Hathaway-Sycamores	565	0.54%	665	1.98%

NOTE:

1. For City of Pasadena, the number includes seasonal employees. The information was provided by the City of Pasadena Human Resources department.
2. In FY2022, the percentage of total employment is calculated using a baseline of 105,575 jobs in Pasadena, data provided by Pasadena Chamber of Commerce.
3. While every effort has been made to ensure the accuracy of the material included in this schedule, the City of Pasadena relies at times on third party sources when compiling data. For FY2022, City of Pasadena contacted the top employers and obtained total employee count for their business.

Source: Pasadena Chamber of Commerce and City of Pasadena Business License department

**Full-time and Part-time City Employees by Function
Last Ten Fiscal Years**

Function	Fiscal Year				
	2013	2014	2015	2016	2017
General government	348.50	338.00	365.00	382.00	405.00
Public safety	562.90	540.00	548.00	550.00	563.00
Public works	306.60	293.00	315.00	317.00	320.00
Transportation	45.00	51.00	50.00	51.00	51.00
Health	103.90	124.00	125.00	85.00	80.00
Culture and leisure	192.20	281.00	94.00	97.00	103.00
Water & power	422.00	355.00	426.00	433.00	443.00
Information services	104.90	140.00	107.00	108.00	108.00
Seasonal	288.00	267.00	192.00	265.00	262.00
Total	2,374.00	2,389.00	2,222.00	2,288.00	2,335.00

Source: City of Pasadena's Budget Book-FY2022



Operating Information

Fiscal Year				
2018	2019	2020	2021	2022
394.00	392.46	466.88	387.22	492.20
561.00	556.75	564.75	564.75	564.75
320.00	319.96	318.96	271.96	267.48
50.00	50.00	50.00	51.00	51.00
84.00	89.10	105.60	98.38	130.00
107.00	104.74	106.77	230.23	153.23
406.00	418.00	417.00	419.00	419.00
105.00	103.56	103.56	99.98	77.00
260.00	242.00	41.00	84.00	83.00
<u>2,287.00</u>	<u>2,276.57</u>	<u>2,174.52</u>	<u>2,206.52</u>	<u>2,237.66</u>

**Operating Indicators by Function
Last Ten Fiscal Years**

	Fiscal Year			
	2013	2014	2015	2016
Police:				
Arrests	4,906	3,852	3,966	4,210
Transportation:				
Parking citations/warnings issued*	172,154	168,896	185,832	166,481
Fire:				
Number of emergency calls**	16,570	17,368	18,237	19,488
Inspections	7,123	7,445	7,500	8,296
Water:				
New connections	55	57	31	35
Average daily consumption (thousands of gallons)	26,982	28,368	25,436	21,144

NOTE:

* Parking citations were originally reported under Police department. This category moved to the Transportation department in FY2010 because a majority of parking tickets are issued by the Transportation department.

**FY2015 initially reported as 14,349; corrected in FY2016 to 18,237

Source: City of Pasadena, various departments



Operating Information

Fiscal Year					
2017	2018	2019	2020	2021	2022
4,078	5,701	6,018	5,444	2,429	3,365
175,430	150,945	129,108	125,715	68,620	97,869
19,458	19,483	19,016	19,223	16,947	18,710
9,251	9,096	8,959	8,253	6,006	2,573
98	100	88	65	63	35
22,535	24,757	23,519	23,083	25,331	24,357

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

	Fiscal Year			
	2013	2014	2015	2016
Police:				
Stations	1	1	1	1
Substations	5	5	3	3
Fire:				
Fire stations	8	8	8	8
Transportation:				
Streets (miles)	322	357	357	357
Streetlights	17,207	17,452	17,584	17,597
Traffic signals	329	329	330	330
Parking facilities	9	9	9	9
Culture and leisure:				
Park sites	20	20	20	20
Community centers	4	4	4	4
Libraries	10	10	10	10
Electric Utility:				
Power plants	1	1	1	1
Customers	64,931	65,039	65,564	65,318
Miles of service	673	680	680	687
Maximum capacity (megawatts)	174	175	174	174
Water:				
Water mains (miles)	516	520	520	520
Customers	37,911	37,974	37,972	37,959
Average daily consumption (mgd)	27	28	25	21

Source: City of Pasadena, various departments



Operating Information

	Fiscal Year				
	2017	2018	2019	2020	2022
	1	1	1	1	1
	3	2	2	2	2
	8	8	8	8	8
	338	338	338	338	347
	17,597	17,708	17,731	17,753	17,738
	330	330	313	332	352
	9	9	9	9	9
	20	23	24	24	26
	4	4	4	4	4
	10	10	10	10	10
	1	1	1	1	1
	65,979	66,505	66,712	67,103	67,905
	687	662	664	665	666
	174	174	174	174	175
	520	520	520	520	520
	38,067	38,046	38,114	38,193	38,364
	23	25	24	23	24

