



PASADENA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



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CITY OF PASADENA, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2023



Victor M. Gordo
Mayor



Felicia Williams
Vice-Mayor
District 2



Tyron Hampton
Councilmember
District 1



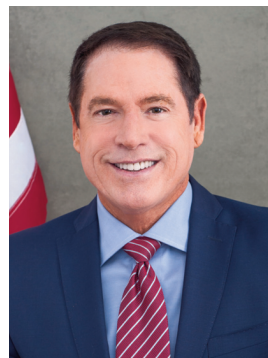
Justin Jones
Councilmember
District 3



Gene Masuda
Councilmember
District 4



Jessica C.
Rivas
Councilmember
District 5



Steve Madison
Councilmember
District 6



Jason Lyon
Councilmember
District 7

MIGUEL MÁRQUEZ, CITY MANAGER
MATTHEW E. HAWKESWORTH, DIRECTOR OF FINANCE

PREPARED BY THE DEPARTMENT OF FINANCE, CITY OF PASADENA

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INTRODUCTORY SECTION



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DEPARTMENT OF FINANCE

December 28, 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, 2023 (FY 2023) 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 Lance, Soll & Lunghard, 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 2023 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 2023 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 2023 population of 136,988, according to the California State Department of Finance. The City is bounded on the west by the cities of Los Angeles, Glendale, and La Cañada Flintridge; on the south by South Pasadena and San Marino; on the east by Arcadia and Sierra Madre; and on the north by the unincorporated community of Altadena.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City, as well as all 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, and the Pasadena Fire and Police Retirement System 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. The Pasadena Rental Housing Board (PRHB) is shown as a Custodial Fund reported in the Fiduciary Funds Section as well. 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, the Pasadena Center Operating Company, and the Pasadena Community Access Corporation 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 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 shifts in the global economy including rising interest rates and inflationary pressures.

THE CURRENT ECONOMIC CLIMATE

The national and global economies continue to face inflationary pressures, initially caused by ongoing supply chain shortages, and the war in Ukraine. Upward price pressures on energy, raw materials, and finished goods translate to inflation and increase to the Consumer Price Index (CPI) across all sectors of the economy. The year-over-year CPI rose 5.0% in March of 2023, which is lower than one-year ago and continues to trend downward. This, however, is well above the 2.1% three-year average before the pandemic and the 2.0% goal for the Federal Reserve Board (Fed).

In an effort to control inflation, the Fed continued to raise interest rates, including a 0.25% increase in May 2023 that brought the overall Fed Funds rate to the 5.00-5.25% target range. 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 2023, as property tax, sales tax, utility users' tax, and transient occupancy tax continue to show resilience and recovery.

The City received \$52.2 million in direct support through the American Rescue Plan Act (ARPA). The City used approximately \$21.7 million in FY 2022 for revenue loss replacement and fund previously postponed capital improvement projects. The remainder of the ARPA funds were transferred to the General Fund in the revenue loss category in FY 2023 to be utilized to support public safety, housing, and public health.

Looking Forward

The rebound in our local, state, and national economies from COVID-19 has largely subsided and most revenue growth is normalizing to more traditional levels. Inflation will continue to have a growth impact on some tax revenues, such as sales tax growth due to higher prices being taxed. It is important to recognize that while some revenues may increase, the cost of doing business has also increased. Tourism and travel related to business meetings and conferences have continued to recover.

Fortunately, the City benefited from having a diverse economy that is not over-reliant on one industry or tax base. A solid mix of automotive dealers, general and consumer goods businesses, restaurants, and hotels provide a relatively stable tax base. When combined with growing technology and health/life sciences sectors, the overall economic blend provides more stability. Additionally, interest in the City by businesses in many of these key sectors continues to grow. As shown by the recent additions of Lucid Motors, Build Your Dreams, Xencor, General Motors Design Studio, Doheny Eye Institute, and the renewed lease through 2035 of Western Asset.

General Fund Five-Year Forecast

	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Final	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
Beginning Amount Available for Appropriations	\$ -	\$ 2,862,525	\$ 3,599,811	\$ 4,705,630	\$ 3,631,302	\$ 6,345,136	\$ 8,481,257	\$ 10,193,342
Revenues								
Tax Revenues	235,450,392	233,807,300	239,647,529	250,860,100	259,554,112	267,716,588	275,373,622	283,296,920
Other Revenues	38,773,949	43,419,712	43,804,810	51,094,667	52,327,280	53,591,231	54,887,333	56,216,421
Contributions/Svs. From Other Funds	30,734,245	20,715,438	41,080,568	16,840,438	26,840,438	21,840,438	21,840,438	21,840,438
Total Revenues	304,958,586	297,942,450	324,532,907	318,795,205	338,721,830	343,148,257	352,101,394	361,353,779
Expenses								
Personnel	172,168,785	186,860,271	185,451,679	203,776,326	209,586,945	216,488,579	223,014,867	228,410,771
Debt Service	20,646,499	11,597,702	11,597,702	11,702,452	12,322,553	12,323,966	12,317,139	11,290,184
Contributions To Other Funds	20,774,735	14,629,784	16,189,784	13,567,521	12,308,871	12,555,049	12,806,150	13,062,273
Other Expenses	79,473,305	82,852,050	88,557,436	94,643,234	96,789,627	99,644,542	102,251,152	104,934,444
Total Expenses	293,063,323	295,939,806	301,796,601	323,689,533	331,007,997	341,012,135	350,389,308	357,697,672
Operating Income/(Loss)	11,895,262	2,002,644	22,736,307	(4,894,328)	7,713,834	2,136,121	1,712,086	3,656,108
Ending Amount Available for Appropriations	11,895,262	4,865,169	26,336,118	(188,698)	11,345,136	8,481,257	10,193,342	13,849,449
Contributions to Capital Projects	-	-	-	(19,180,000)	-	-	-	-
Reserve for Capital & Other Funds	(5,616,537)	-	(20,365,130)	18,000,000	-	-	-	-
Reduction/(Contribution) to Policy Reserve	(3,416,200)	(1,265,358)	(1,265,358)	5,000,000	(5,000,000)	-	-	-
Net Income/(Loss) with Reserve Contribution	\$ 2,862,525	\$ 3,599,811	\$ 4,705,630	\$ 3,631,302	\$ 6,345,136	\$ 8,481,257	\$ 10,193,342	\$ 13,849,449

The rapid rise in energy and fuel prices put tremendous pressure on the power utility during FY 2023. These increases negatively impacted the regional wholesale price of electricity, since natural gas is a cost factor in the production of electric power across the region, which effects wholesale prices in the California Independent System Operations area. While the power utility did implement a Power Cost Adjustment of 2.5¢/kWh on March 1, 2023, and an additional 0.5¢/kWh on April 1, 2023, these cost adjustments were forecasted to be insufficient to generate sufficient net income in the FY 2023 to make the original forecasted \$18 million General Fund Transfer for FY 2024 as required by the City's Charter.

FISCAL YEAR 2023 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 2023 accomplishments include:

- Adoption of a balanced budget for the eleventh consecutive year; maintained an IRS Section 115 trust for future pension obligations and other postemployment benefits; and maintained the City's AAA issuer credit rating with Standard & Poor's and AA+ with Fitch rating agency, consistent with the City Council's goal to maintain fiscal responsibility and stability;
- Received \$31.2 million in local sales tax revenue from Measure I, and provided \$10.3 million to the Pasadena Unified School District to protect and strengthen our public schools;
- Completed recruitment of a new City Manager;
- 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;
- Successfully completed relinquishment of the 710 freeway right-of-way, including \$5 million for required maintenance from Caltrans and secured \$230.5 million in Metro Measure R funding for mobility improvements along the corridor;

- Began the process for reconnecting the 710 corridor area into the greater Pasadena fabric by initiating meetings by the City Council-appointed Citizen Committee, charged with visioning and overseeing this process;
- After the appointment of the PRHB, established as a result of the November 2022 passage of Measure H, provided support and guidance for the initiation of the Board's work;
- Developed and executed the "Authentically Yours, Pasadena" holiday shopping campaign in support of Pasadena's local business community. The Convention and Visitors Bureau partnered with the City on the campaign. The campaign was shared on social media, generating over 30,000 impressions and nearly 1,800 shopping totes were given to local shoppers. Small businesses reported strong sales during the holiday season and the addition of new customers;
- Innovation and technology cluster in Pasadena continued to thrive and demonstrate strength as a tech hub in Southern California. New leases and existing expansions include Miso Robotics, Motive Space Systems, Xencor, and Innova Medical Group;
- The Pasadena Outreach Response Team (PORT) comprised of a case manager (social worker), a public health nurse, a firefighter, and an outreach worker from the Union Station Homeless Services utilizes a street-based approach that engages, assesses, and provides links to housing opportunities for those experiencing chronic homelessness, severe mental illness, substance use disorders, physical disabilities, and complex chronic health conditions. The Port Team linked people experiencing homelessness to 110 total clinical appointments and made 153 average monthly points of contact and outreach;
- The Homeless Outreach Psychiatric Evaluation (H.O.P.E). Team has addressed homelessness and mental health issues within our community over the past year through prevention, intervention, and enforcement strategies, while working with Municipal Assistance, Solutions and Hiring (MASH), Housing Coordinators, the Pasadena Public Health Department, PORT1 & PORT2, Union Station, the LA County Department of Mental Health, and Caltrans, specifically working with their Unified Homelessness Response Center. The people who occupy area encampments are transitory, have many barriers, and tend to temporarily cooperate by vacating the area, but will later return or move into nearby land. The H.O.P.E. Team, PORT Teams, MASH, and Caltrans are collaboratively moving forward with further outreach and removal efforts along freeway embankments and other locations around Pasadena where people are taking shelter. The H.O.P.E. Team handled 4,604 incidents in 2022 to include 2,455 Foot Patrols;
- Continued pursuit of both major and minor public works improvements to preserve and expand the City's infrastructure and resources;
- Made substantial progress on affordable housing projects to address the widespread housing crisis;
- Continued implementation of multi-year Enterprise Resource Planning system project that delivers real-time information to City management, integrates financial transactions, provides enhanced internal controls, and improves audit functions;
- Continued pursuit of Central Library's assessment, mitigation plan, and seismic retrofit with infrastructure and programming improvements to ensure public safety, without disruption of library services to the community;
- Maintained American Public Power Association's prestigious Reliable Public Power Provider ("RP3") "Platinum" designation for providing highest degree of reliable and safe electric services the RP3 designation recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development and system improvement; and
- Demonstrated ongoing support to Pasadena Water and Power's commitment to invest in renewable energy and sustainable water resources in an operationally and fiscally responsible manner, approved a new Power Purchase Agreement for the purchase of renewable energy and capacity, and supported rate actions to recover the water and electric systems' increased operating and capital costs.

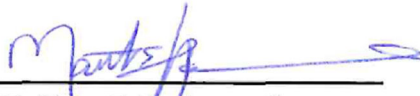
- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pasadena for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 24th consecutive 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.

These noted accomplishments are just a sample of the hundreds of FY 2023 accomplishments, which are listed by department in the FY 2024 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 has faced in the past, with no reduction in the quality and level of services provided to the community. The City has thrived in many areas coming out of the pandemic. The FY 2023 Annual Comprehensive Financial Report illustrates the City's mission to deliver exemplary municipal service and responsiveness to our entire community, consistent with our history, culture, and unique character.

Respectfully submitted,



Matthew E. Hawkesworth
Director of Finance



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CITY OF PASADENA City Officials

CITY COUNCIL

Mayor	Victor M. Gordo
Vice Mayor (District 2)	Felicia Williams
Councilmember (District 1)	Tyron A. L. Hampton
Councilmember (District 3)	Justin Jones
Councilmember (District 4)	Gene Masuda
Councilmember (District 5)	Jessica C. Rivas
Councilmember (District 6)	Steve Madison
Councilmember (District 7)	Jason Lyon

APPOINTED OFFICIALS

City Manager	Miguel Marquez
City Attorney	Michele Beal Bagneris
City Clerk	Mark Jomsky

EXECUTIVE LEADERSHIP TEAM

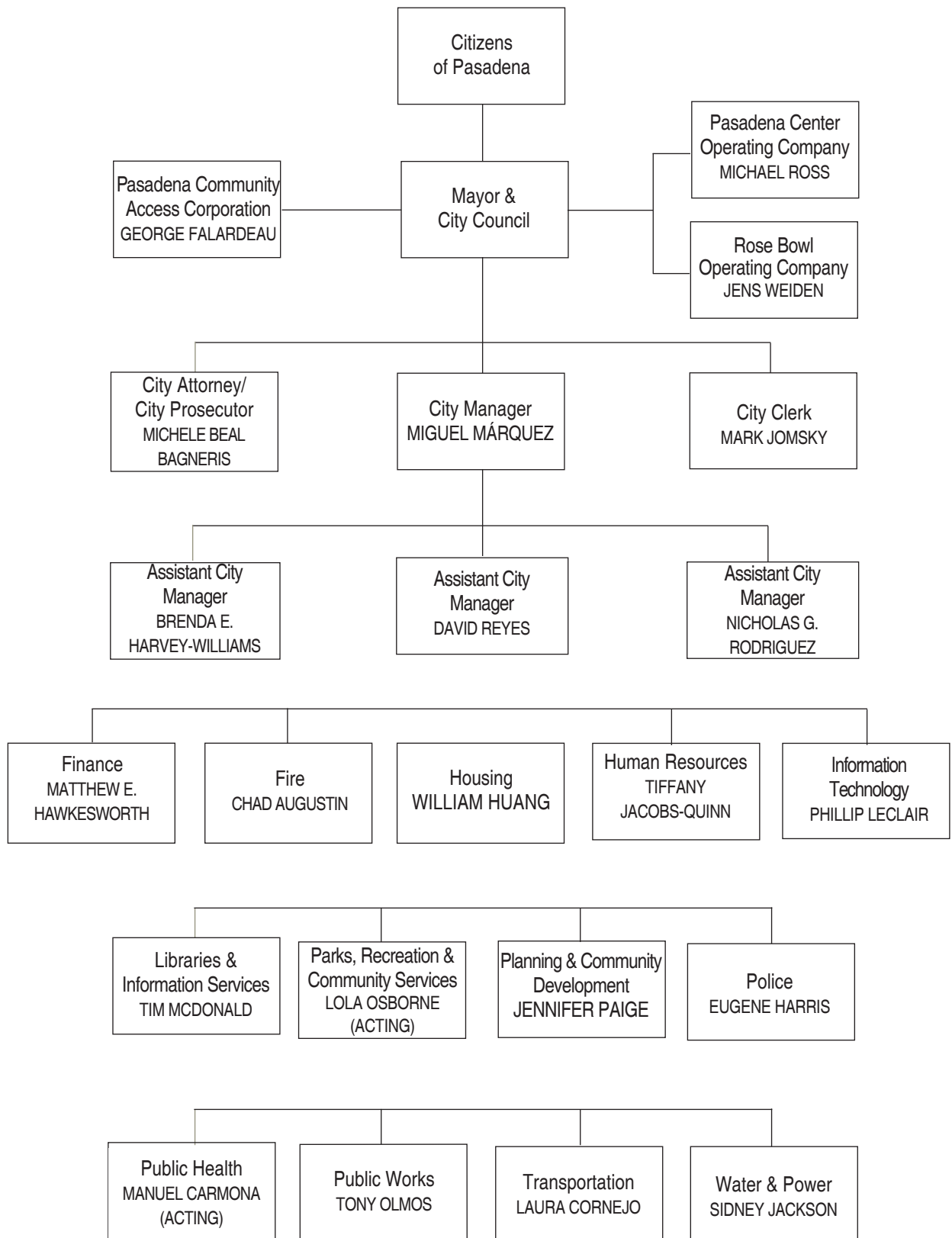
Assistant City Manager	Nicholas Rodriguez
Assistant City Manager	David Reyes
Assistant City Manager	Brenda E. Harvey-Williams
Director of Finance	Matthew E. Hawkesworth
Director of Housing	William K. Huang
Director of Human Resources and Career Services	Tiffany Jacobs-Quinn
Director of Parks, Recreation & Community Services (Acting)	Lola Osborne
Director of Libraries & Information Services	Tim McDonald
Chief Information Officer	Phillip Leclair
Director of Planning and Community Development	Jennifer Paige
Chief of Police	Arthur Chute
Director of Public Health (Acting)	Manual Carmona
Director of Public Works	Tony Olmos
Director of Transportation	Laura Cornejo
General Manager of Water and Power	Sidney Jackson
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	Jen Weiden
Executive Director/Chief Executive Officer, Pasadena Community Access Corporation	George Falardeau



CITY OF PASADENA ORGANIZATION CHART June 30, 2023





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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of 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 City of Pasadena, California (the "City"), as of and for the year ended June 30, 2023, 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, 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, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective 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 represents 14.94%, 20.71%, and 1.47%, respectively, of the assets, fund balance/net position, and revenues of the aggregate remaining fund information as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion(s), 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.



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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





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

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Solt & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 28, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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, 2023 (FY 2023). 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 vi-xii 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 16-19 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 nonmajor 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 20-23 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 nonmajor 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 24-31 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 reported with the City's fiduciary funds as a private-purpose trust fund. The activities of the Pasadena Rental Housing Board are reported with the City's fiduciary funds as a custodial 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 32-33 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 37-117 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning budgetary practices and budget-to-actual comparisons for the general fund and the major special revenue funds. Additional RSI includes pension and Other Postemployment Benefits (OPEB) information on net pension and OPEB liabilities and plan contributions. RSI can be found on pages 121-139 of this report.

The combining statements referred to earlier in connection with nonmajor 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 142-213 of this report. Combining statements of the discretely presented component units can be found on pages 218-221 of this report.

FINANCIAL HIGHLIGHTS

New Significant Accounting Standard Implemented

In FY 2023, the City adopted one new statement of financial accounting standards issued by the Government Accounting Standards Board (GASB), Statement No. 96, *Subscription Based Information Technology Agreements (SBITA)* (GASB 96).

GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

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 \$1,127.1 million at the close of the most recent fiscal year.

\$1,015.1 million of the City's net position reflect its net 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

City of Pasadena's Net Position
(in millions)

	Governmental		Business-type		Total Primary Government			
	Activities		Activities		2023	2022	\$ Change	% Change
	2023	2022	2023	2022	2023	2022		
Other assets	\$ 390.4	\$ 372.6	\$ 588.3	\$ 602.1	\$ 978.7	\$ 974.7	\$ 3.9	0.4%
Capital assets	543.4	519.5	736.0	716.4	1,279.4	1,235.9	43.5	3.5%
Total assets	933.8	892.2	1,324.3	1,318.5	2,258.1	2,210.7	47.4	2.1%
Deferred outflows	192.8	96.9	34.3	14.8	227.1	111.8	115.3	103.2%
Current liabilities	107.6	133.6	60.2	48.1	167.8	181.8	(14.0)	-7.7%
Long-term debt*	187.2	193.3	290.1	303.2	477.3	496.5	(19.2)	-3.9%
Net pension liability	480.1	252.0	95.2	50.3	575.3	302.3	273.0	90.3%
Other noncurrent liabilities	89.7	103.7	8.8	14.9	98.5	118.6	(20.1)	-16.9%
Total liabilities	864.6	682.6	454.2	416.5	1,318.9	1,099.2	233.7	21.3%
Deferred inflows	28.6	156.9	10.5	37.5	39.1	194.5	(155.4)	-79.9%
Net Position:								
Net investment in capital assets	493.1	476.7	522.0	499.7	1,015.1	976.4	38.7	4.0%
Restricted	86.1	81.5	93.3	109.5	179.5	191.0	(11.5)	-6.0%
Unrestricted	(345.9)	(408.6)	278.5	270.0	(67.4)	(138.6)	71.2	-51.4%
Total net position	\$ 233.4	\$ 149.6	\$ 893.8	\$ 879.2	\$ 1,127.1	\$ 1,028.8	\$ 98.4	9.6%

* For both current and noncurrent portions

The restricted portion of the City's net position, \$179.5 million or 15.9% 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 \$67.4 million, or 6.0% 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 net pension liability, implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, i.e., \$188.0 million, and GASB 75, *Other Postretirement Employment Benefits (OPEB)*, i.e., \$16.3 million, upon the recognition of actuarial estimated future costs related to pension retirement and post-employment medical benefits.

During FY 2023, the primary government's net position increased by \$98.4 million, where approximately \$83.8 million relates to the increase in governmental activities, and \$14.6 million to the increase in the City's business-type activities. The increase in the governmental activities reflects decrease in spending, in comparison to an increase in revenues. The increase in business-type activities is the continuance of strong trend in revenues in addition to a smaller increase in expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities				Business-type Activities				Total Primary Government			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
Revenues:												
Program Revenues:												
Charges for services	\$ 75.0	\$ 68.4	\$ 6.7	9.8%	\$ 347.1	\$ 319.6	\$ 27.5	8.6%	\$ 422.1	\$ 387.9	\$ 34.2	8.8%
Operating grants and contributions	108.9	80.7	28.1	34.8%	2.2	6.2	(4.0)	-65.1%	111.0	86.9	24.1	27.7%
Capital grants and contributions	22.2	10.2	12.0	118.2%	5.9	4.6	1.3	29.4%	28.1	14.7	13.4	90.7%
General revenues:												
Taxes:												
Property taxes, levied for general purpose	84.3	79.1	5.2	6.5%	-	-	-	-	84.3	79.1	5.2	6.5%
Sales taxes	76.9	74.4	2.5	3.4%	-	-	-	-	76.9	74.4	2.5	3.4%
Utility users' tax	32.8	30.1	2.7	8.9%	-	-	-	-	32.8	30.1	2.7	8.9%
Transient occupancy tax	18.7	14.7	4.0	26.9%	-	-	-	-	18.7	14.7	4.0	26.9%
Other taxes	32.6	27.6	5.1	18.3%	6.7	6.2	0.6	8.9%	39.3	33.7	5.6	16.6%
Other revenues	30.2	11.5	18.7	162.5%	2.6	(22.3)	24.8	-111.5%	32.8	(10.7)	43.5	-404.9%
Miscellaneous revenues	3.4	4.7	(1.3)	-27.9%	2.9	10.6	(7.6)	-72.2%	6.3	15.2	(8.9)	-58.6%
Total revenues	485.0	401.4	83.6	20.8%	367.3	324.8	42.5	13.1%	852.3	726.2	126.2	17.4%
Expenses:												
General government	68.5	86.1	(17.6)	-20.4%	-	-	-	-	-	86.1	(86.1)	-100.0%
Public safety	157.9	151.0	6.9	4.6%	-	-	-	-	-	151.0	(151.0)	-100.0%
Transportation	49.5	44.8	4.8	10.7%	-	-	-	-	-	44.8	(44.8)	-100.0%
Culture and leisure	50.4	48.5	1.9	3.9%	-	-	-	-	-	48.5	(48.5)	-100.0%
Community development	59.4	62.7	(3.3)	-5.3%	-	-	-	-	-	62.7	(62.7)	-100.0%
Interest and other fiscal charges	6.3	6.4	(0.1)	-0.8%	-	-	-	-	6.3	6.4	(0.1)	-0.8%
Electric	-	-	-	-	239.4	196.7	42.7	21.7%	239.4	196.7	42.7	21.7%
Water	-	-	-	-	61.7	61.5	0.2	0.3%	61.7	61.5	0.2	0.3%
Other expenses	24.9	23.3	1.7	7.1%	34.9	29.9	5.0	16.9%	59.9	53.2	6.7	12.6%
Total expenses	417.1	422.8	(5.7)	-1.3%	336.0	288.1	47.9	16.6%	753.1	710.9	42.2	5.9%
Increase (decrease) in net position, before transfers	67.9	(21.4)	89.3	-417.5%	31.3	36.7	(5.4)	-14.7%	99.2	15.3	83.9	549.1%
Transfers	15.9	11.0	4.9	44.8%	(15.9)	(11.4)	(4.6)	40.2%	(0.1)	(0.4)	0.3	-83.3%
Increase (decrease) in net position	83.8	(10.4)	94.2	-902.5%	15.4	25.2	(9.8)	-39.0%	99.2	14.7	84.4	574.0%
Net position at beginning of year	149.6	160.0	(10.4)	-6.5%	878.4	854.1	24.4	2.9%	1,028.0	1,014.1	13.9	1.4%
Net position at end of year	\$ 233.4	\$ 149.6	\$ 83.8	56.0%	\$ 893.8	\$ 879.2	\$ 14.6	1.7%	\$ 1,127.1	\$ 1,028.8	\$ 98.4	9.6%

Governmental Activities

Governmental activities net position increased by \$83.8 million or 56.0%. Key elements of this increased are a combination of factors as follows:

The revenue components of governmental activities increased by \$83.6 million or 20.8% from prior year revenues. The following categories illustrate the changes: charges for services increased by \$6.7 million, operating grants and contributions increased by \$28.1 million, capital grant and contributions increased by \$12.0 million, property taxes increased by \$5.2 million, sales taxes increased by \$2.5 million, utility users’ tax increased by \$2.7 million, transient occupancy tax increased by \$4.0 million, other taxes increased by \$5.1 million and other revenues by \$18.7 million. Miscellaneous revenues decreased by \$1.3 million.

- Charges for services increase of \$6.7 million includes changes in the following categories:
 - \$1.5 million increase in public safety charges due to police outside event revenues related to increased business activities and increased emergency medical services;
 - \$2.2 million increase in transportation charges; and
 - Smaller increases in community development, culture leisure, health and sanitation charges.
- Operating grants and contributions increased by \$28.1 million, primarily due to the recognition of American Rescue Plan Act (ARPA) revenue during the current fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

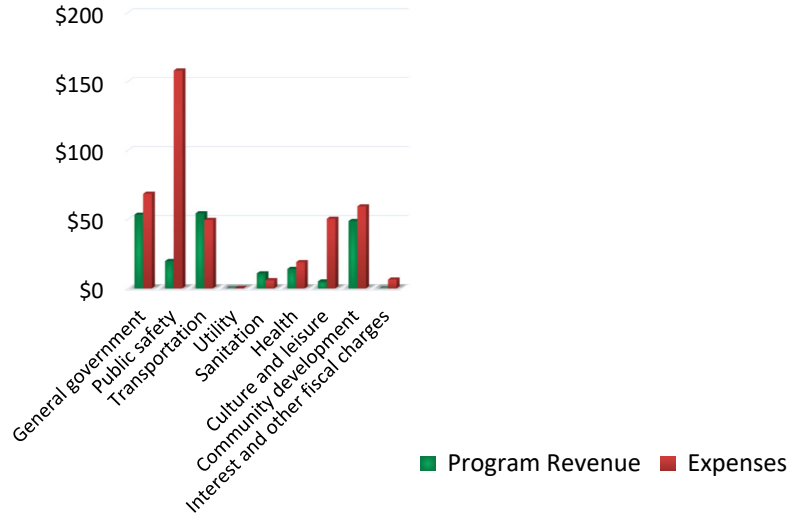
- Capital grants and contributions increased by \$12.0 million, primarily due to the recognition of ARPA revenue and other reimbursement type grant funds for Public Works and Transportation during the current fiscal year. The increase of capital grant monies is related to the increase in capital grant-type expenses.
- Property taxes increased by \$5.2 million due to appreciation of property value in Pasadena.
- Sales taxes increased by \$2.5 million. Regular sales tax increased by approximately \$0.7 million, and Measure I sales tax increased by \$1.7 million due to increased spending activity within City jurisdiction during the current fiscal year.
- Transient occupancy taxes increased by \$4.0 million, as the hospitality industry rebounded.
- Other taxes increased by \$5.1 million mainly due to the following categories:
 - \$1.3 million increase in construction taxes, as the city experienced increase in construction;
 - \$2.0 million increase in business license taxes; and
 - \$1.0 million increase in franchise taxes.
- Other revenues increased by \$18.7 million, primarily due to more favorable investment performance during the current fiscal year. The breakdown is as follows:
 - \$13.6 million increase in net change in investment fair value; and
 - \$2.6 million increase in investment earnings.
- Miscellaneous revenues decreased by \$1.3 million. The decrease was related to reduced interest revenue, where in FY 2022, large collections of interest penalty inflated the FY 2022 balance. Other factors include a large reduction in the inclusionary housing fund and a reduction in filming permits and rental fees.

The expense components of governmental activities decreased by \$5.7 million or 1.3%. The changes in expenses were: general government decreased by \$17.6 million, public safety increased by \$6.9 million, transportation increased by \$4.8 million, culture and leisure increased by \$1.9 million, and community development decreased by \$3.3 million. The other categories have a net increase of \$1.6 million.

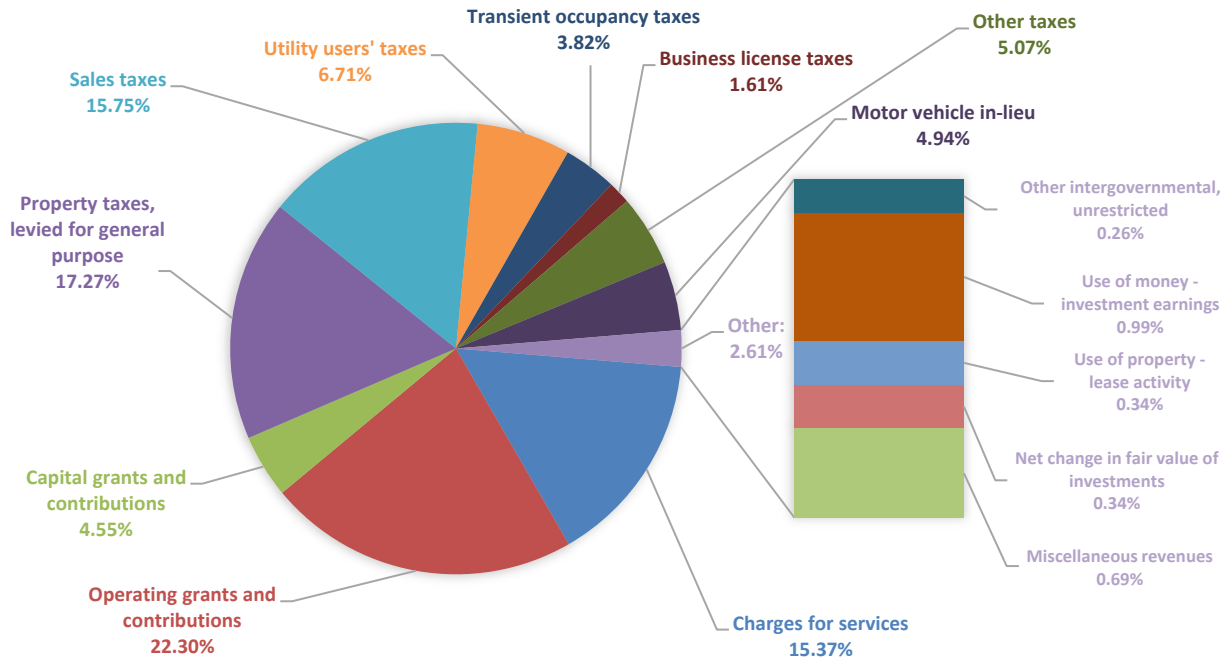
- General government expense decrease is primarily due to the decrease of \$9.2 million in City contribution to the Rose Bowl Operating Company for debt service obligations. The City made Rose Bowl's debt service payments in FY 2021 and FY 2022 because of revenue losses due to COVID-19. Additionally, there was a \$18.4 million decrease in general liability expenses. These decreases were offset by other expense increases.
- Public safety expense increase is mainly due to increases of \$6.2 million in personnel.
- Transportation expense increase is mainly due to increases in capital project activity, causing an increase of \$3.0 million in personnel and \$2.1 million in services and supplies. These increases were offset by other expense decreases.
- Community development expense decrease is primarily due to the \$3.1 million decrease in affordable housing program expenses.
- Other expenses increase is mainly due to increases of \$1.0 million in personnel and \$1.5 million in services and supplies. These increases were offset by other expense decreases.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Program Revenues and Expenses - Governmental Activities
(in millions)



Revenues by Source - Governmental Activities



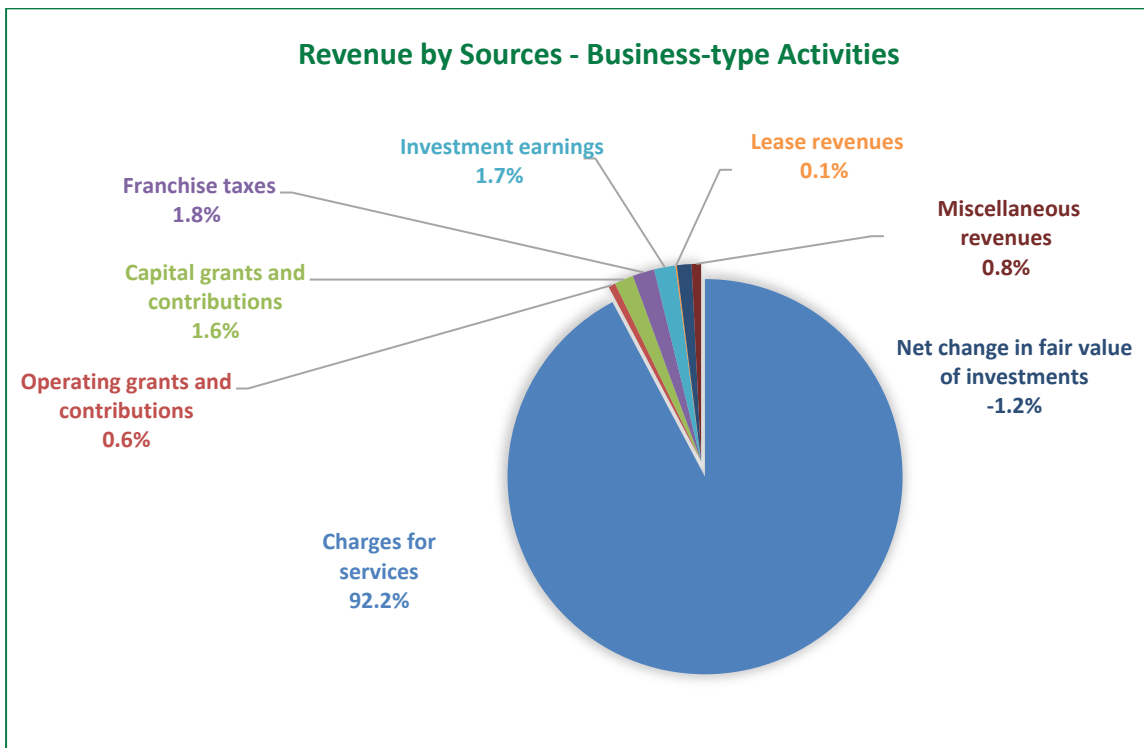
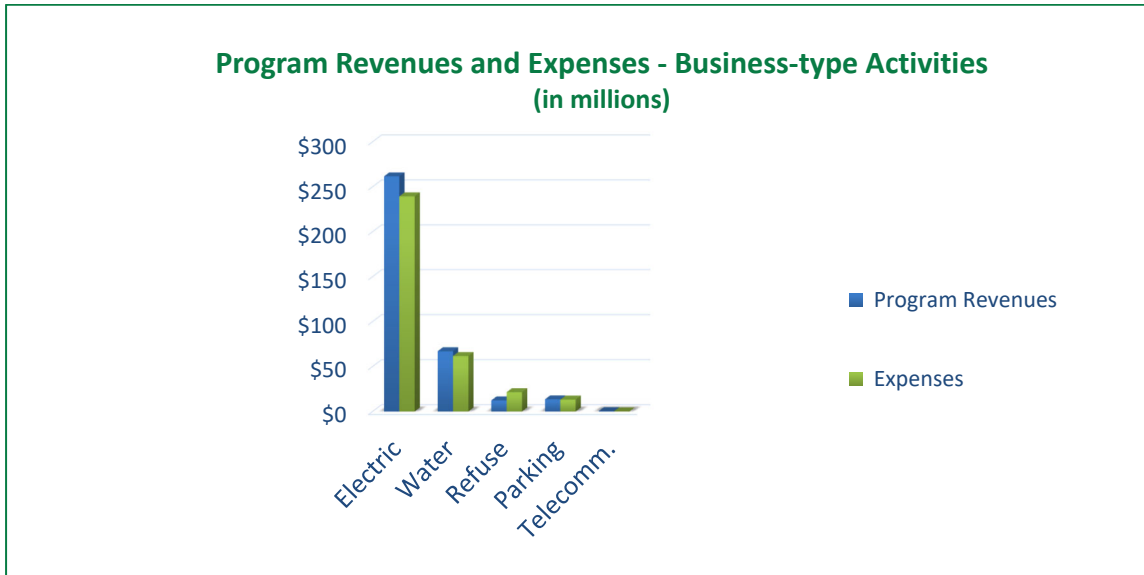
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Business-type Activities**

Business-type activities increased the City's net position by \$14.6 million. Key elements of this year's increase are as follows:

- Net income of the Light and Power, Water, Off-Street Parking, and nonmajor enterprise funds were \$12.0 million, \$5.8 million, \$0.6 million, and \$3.1 million losses, respectively.
- Electric charges for services increased \$27.0 million or 11.5% from the prior fiscal year. Majority of the increase was due to an increase in retail revenue.
- Electric expenses increased by \$42.7 million or 21.7% from the prior year. The increase in expense was primarily due to increase in power purchased to support to high energy demand.
- Water charges for services decreased by \$4.7 million or 6.5% over the prior year mainly due to a decrease in water sales because of water conservation.
- Water expenses decreased by \$0.2 million or 0.3% from the prior year mostly due to decrease in water demand, led to decrease in water purchased.
- Off-Street Parking operating revenues increased by \$2.5 million or 22.4%, and expenses increased \$2.3 million or 21.3% mostly due to resuming administering parking enforcement post suspension of enforcement due to the pandemic.
- Off-Street Parking net gain of \$0.6 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.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)



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>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Taxes	\$ 245.3	\$ 225.9	\$ 19.4	8.6%
Licenses and permits	17.1	15.3	1.8	11.6%
Intergovernmental	158.7	106.2	52.5	49.5%
Charges for services	47.8	43.5	4.3	9.8%
Fines and forfeitures	5.4	4.2	1.2	27.9%
Investment earnings	4.7	2.2	2.5	111.5%
Net change in fair value of investments	(1.6)	(14.8)	13.2	-88.9%
Lease revenues	5.2	4.5	0.7	15.4%
Miscellaneous revenues	6.6	8.2	(1.6)	-19.3%
Contributions	<u>1.5</u>	<u>3.1</u>	<u>(1.6)</u>	<u>-50.7%</u>
Total revenues	<u>490.6</u>	<u>398.3</u>	<u>92.3</u>	<u>23.2%</u>
Expenditures:				
Current:				
General government	58.6	63.8	(5.2)	-8.1%
Public safety	159.3	147.6	11.7	8.0%
Transportation	47.5	40.8	6.7	16.4%
Utility	0.1	0.1	0.0	35.0%
Sanitation	5.9	6.0	(0.1)	-1.9%
Health	18.9	16.5	2.4	14.8%
Culture and leisure	48.3	45.9	2.4	5.2%
Community development	53.1	55.7	(2.6)	-4.6%
Capital outlay	40.3	25.0	15.3	61.2%
Debt service:				
Principal retirement	5.8	5.4	0.4	7.8%
Interest	6.2	6.4	(0.2)	-2.8%
Lease payments	1.2	1.1	0.1	12.2%
Subscription payments	0.7	-	0.7	-
Interest - leases and subscriptions	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>-</u>
Total expenditures	<u>446.1</u>	<u>414.3</u>	<u>31.8</u>	<u>7.7%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>44.5</u>	<u>(16.0)</u>	<u>60.5</u>	<u>-377.8%</u>
Other financing sources (uses):				
Transfers in	77.5	73.5	4.0	5.4%
Transfers out	(60.9)	(65.0)	4.1	-6.3%
Transfer to component unit	(0.1)	(0.4)	0.3	-83.3%
Leases issued	0.8	0.1	0.7	738.0%
Subscriptions issued	<u>0.9</u>	<u>-</u>	<u>0.9</u>	<u>-</u>
Total other financing sources (uses)	<u>18.2</u>	<u>8.2</u>	<u>10.0</u>	<u>122.1%</u>
Net change in fund balances	62.7	(7.8)	70.5	-903.4%
Fund balances at beginning of year	<u>268.2</u>	<u>276.1</u>	<u>(7.9)</u>	<u>-2.9%</u>
Fund balances at end of year	<u>\$ 330.8</u>	<u>\$ 268.2</u>	<u>\$ 62.6</u>	<u>23.3%</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.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

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 11, 2023, the City Council committed the full 15% or \$43.9 million for the FY 2023 Emergency Contingency Reserve and up to 5% or \$14.6 million for Operating Reserve.

At the end of FY 2023, the City's governmental funds reported combined ending fund balances of \$330.8 million, an increase of \$62.6 million in comparison with the prior year. The nonspendable fund balance of \$15.9 million represents assets generated by prepayments, permanent trust fund balances and receivables in funds, net of allowances. The restricted fund balance of \$81.0 million represents resources that are subject to externally enforceable legal restrictions, such as the restrictions on the use of special revenue funding and capital improvement contracts. The committed fund balance of \$173.7 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 \$58.8 million designates the portion of fund balance that reflects the City's intended use of resources. The unassigned fund balance of \$1.4 million represents the residual amount after the nonspendable, restricted, committed, and assigned balances have been identified of total fund balance.

Total expenditures increased by \$31.8 million or 7.7%. These expenditure categories increased: public safety \$11.7 million, transportation \$6.7 million, culture and leisure \$2.4 million, health \$2.4 million, and capital outlay \$15.3 million. These expenditure categories decreased: general government by \$5.2 million and community development by \$2.6 million. The other categories have a net increase of \$1.0 million. In addition, due to the implementation of GASB 87 and 96, lease and subscription payments, as well as the corresponding interest expenditures are presented under debt service. Prior to FY 2022, these expenditures were presented within the governmental funds' function.

- General government expenditure decrease is mainly due to the \$9.3 million decrease in City operating expenses related to the contribution to the Rose Bowl's debt service. The decrease is offset by the \$2.6 million increase in personnel costs, \$1.0 million increase in service and supplies, and \$0.4 million increase in internal service fund costs.
- Public safety expenditure increase is 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 2023 in comparison to 2022. An overall increase in personnel and benefit, services and supplies costs contributed to the overall increase for FY 2023.
- Transportation expenditure increase is mainly due to the increase in general liability, personnel, and benefit costs.
- Culture and leisure expenditure increase is due to the increase of \$1.0 million in personnel costs. Additionally, there was an increase of \$1.6 million in other contract services, payable to Pasadena Center Operating Company, for their portion of the transient occupancy taxes in FY 2023.

In FY 2023, the net governmental fund transfers in increased by \$8.1 million mainly due to an increase of \$4.9 million in transfers from the General Fund to the Project Management Fund, and an increase of \$0.5 million in transfers from the General Fund to nonmajor governmental funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

The General Fund is the chief operating fund of the City. At the end of FY 2023, total fund balance equaled \$164.6 million, versus \$106.2 million in the prior year. The fund balance increased by \$58.4 million or 55.0%, during FY 2023. Key factors for this change are as follows:

General Fund total revenues increased by \$64.1 million or 21.9% mainly due to increases in four categories of revenue and decrease in one category, as explained below:

- Taxes increased by \$19.5 million primarily due to an increase of \$5 million in property taxes. Sales tax increased by \$2.4 million, utility users' tax increased by \$2.7 million, and transient occupancy tax revenue increased by \$4 million. Streetlight & traffic signal tax increased by \$1.4 million. Business license tax increased by \$2.0 million. The other taxes had a net increase of \$2.0 million.
- Intergovernmental revenues increased by \$35.3 million, primarily due to an increase of \$26.7 million received in ARPA funding and an increase of \$1.1 million in motor vehicle in-lieu tax. There was also an increase of \$5.0 million in Caltrans highway construction, and an increase of \$1.6 million from the California Arts Council grant revenue. Other intergovernmental revenue increased by \$0.9 million.
- Charges for services increased by \$2.9 million, primarily due to a \$1.0 million increase in police and fire assignments for Rose Bowl Stadium events, an increase of \$0.8 million in paramedic emergency medical aid response, an increase of \$0.6 million in Department of Transportation-related services, and an increase of \$0.6 million in city-wide internal service charges in cost allocation and services to the Power and Fleet Maintenance funds.
- Net change in fair value of investments increased by \$4.9 million due to a more favorable investment activity during the fiscal year.
- Miscellaneous revenues decreased by \$1.1 million, primarily due to a decrease of \$0.4 million in Collections-Interest charges, a \$0.3 million decrease in Fire and Rescue services, a \$0.2 million decrease in Filming Permits & Rentals, and a \$0.2 million decrease in Claim Settlements.

General Fund total expenditures increased by \$13.5 million or 5.0% primarily due to:

- Public safety increased by \$12.1 million in personnel and internal service charges in fleet and equipment.
- Capital outlay increased by \$2.5 million for a property purchase and for new lease and subscription assets.
- Transportation increased by \$2.3 million due to the same causes mentioned above in overall governmental funds on the increased internal costs for general liability, workers' compensation, and benefits.
- The overall expenditure increase is offset by a \$5.1 million decrease in general government expenditures.

The Housing Successor Fund has a fund balance of \$1.0 million, which is a decrease of \$0.9 million from the prior year. The key factors contributing to this decrease are as follows:

- Total revenue increased by \$0.4 million mainly from loan repayments.
- Total expenditures decreased by \$1.3 million, primarily due to the Bridge Housing affordable housing project.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**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 \$223.4 million and those for the Water, Off-Street Parking Fund, and nonmajor enterprise funds amounted to \$44.4 million, \$2.8 million, and \$7.8 million respectively. The total operating net income/(loss) before transfers and contributions for each fund was \$20.9 million, \$5.6 million, \$0.8 million, and (\$1.9) million, respectively.

Light and Power operating revenues increased by \$29.3 million or 12.9% from prior year. The increase was primarily due to an increase of 25.7 million in retail revenue due to a combination of increase in retail sales and the implementation of the Power Cost Adjustment ("PCA") to manage the increase in energy costs. Total operating expenses increased by \$41.7 million, the majority of increase was due to higher energy costs and stronger energy demand. \$23.0 million increase in power purchase expenses, \$7.0 million increase in gas expenses, \$6.0 million in customer and commercial expenses and \$4.0 million in depreciation and amortization expenses, and \$2.0 million in other production costs.

Water Fund operating revenues decreased by \$4.4 million or 6.3% from prior year mainly driven by the lower retail water sales. The decrease resulted from the continued Voluntary Level 2 Water Supply Shortage Plan and the ongoing water conservation effort, partially offset by the second of two water rate increases approved and implemented in FY 2023. Water Fund operating expenses decreased by \$0.4 million or 0.6% from the prior year due to the lower purchased water costs as a result of lower water demand.

The Off-Street Parking Fund had a net gain of \$0.6 million in FY 2023, as compared to \$1.4 million net gain in FY 2022. This is primarily due to the increase of parking revenues from all parking structures and resuming parking enforcement and citations.

Implementation of GASB 68 resulted in showing a *Net Pension Liability* in the Proprietary Funds. At June 30, 2023, the net pension liability is \$63.6 million, \$21.8 million, \$1.3 million, and \$8.5 million for Light and Power, Water, Off-Street Parking, and nonmajor enterprise funds, respectively.

Implementation of GASB 75 resulted in showing a *Net OPEB Liability* in the Proprietary Funds. At June 30, 2023, the net OPEB liability is \$8.9 million, \$4.3 million, \$0.06 million, and \$2.2 million for Light and Power, Water, Off-Street Parking, and nonmajor 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, 2023 amounts to \$1,368.6 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 \$24.4 million, a \$18.0 million increase for governmental activities and \$6.4 million increase for business-type activities. There is a restatement for the FY 2022 ending balance/FY 2023 beginning balance of subscription assets due to the retrospective application required for prior years under GASB 96 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 87.5	\$ 87.3	\$ 14.7	\$ 14.7	\$ 102.2	\$ 102.0
Construction in progress	54.1	31.4	74.6	82.0	128.7	113.4
Buildings and improvements	148.0	153.7	68.7	71.6	216.7	225.2
Lease asset - buildings	2.9	3.4	2.2	1.3	5.1	4.7
Machinery and equipment	36.2	34.7	659.9	643.5	696.1	678.2
Lease asset - equipment	0.6	0.5	-	-	0.6	0.5
Subscription assets	7.6	7.5 *	5.2	5.8 *	12.8	13.4 *
Infrastructure	206.4	206.8	-	-	206.4	206.8
Total	\$ 543.3	\$ 525.3	\$ 825.3	\$ 818.9	\$ 1,368.6	\$ 1,344.2

* June 30, 2022 ending balance was restated to reflect the addition of subscription assets due to the implementation of GASB 96.

Major capital asset-related events during FY 2023 included the following:

- A variety of street maintenance and construction, technology, traffic control, parks and landscape projects continue city-wide. The city spent \$43.0 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, 2023 is \$54.1 million and \$74.6 million for business-type activities.
- In the area of technology upgrade projects, the city spent \$1.9 million. Of this amount, \$0.7 million is for building security management, \$0.4 million toward replacement of communication equipment, \$0.7 million for Police CAD and RMS replacement, and \$0.1 million for City fiber network expansion.
- Public Works acquired eight (8) cranes for Solid Waste for \$3.2 million, Police acquired a mobile comment center van for \$1.8 million, Fire spent \$1.0 million on fire apparatus, and the City purchased 47 EVs for various departments for \$1.2 million.
- Improvement of city-owned facilities continues. Nearly \$7.3 million was spent in city buildings for preventive maintenance and repair, \$8.8 million in parks and landscape projects, and \$8.3 million for street improvements.
- Major capital improvements for Transportation includes: \$7.4 million to construct Union Street cycle track and \$1.4 million for the Cordova Street project.
- As of June 30, 2023, the business-type activities net assets amounted to \$825.3 million, an increase of \$6.4 million over the prior year.



CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

- Pasadena Water and Power (PWP) utility plant net assets amounted to \$778.0 million, an increase of \$6.0 million. During the fiscal year, the City spent \$53.0 million on various water and power projects and moved \$60.4 million into completed projects.
- Some of the major water projects that completed are: \$3.4 million on installation of new and replacement water distribution mains at various locations throughout the City; \$3.1 million on the installation or replacement of new or worn-out water meters, services, mains, fire hydrants and \$0.5 million on enhancement and upgrade costs for the new Customer Information and Utility Billing System (CIS).
- Some of the major power projects that completed are: \$19.9 million on GT-1 & GT-2 Upgrades and Replacement; \$3.5 million to install a new 34.5KV sub transmission system circuit from PWP’s Oak Knoll Substation to PWP’s Santa Anita Receiving Station and \$3.2 million to replace of 34-20 sub transmission Circuit between Santa Anita and Chester substations.

Additional information on the City’s capital assets can be found in Note 6 on pages 60-63 of this report.

Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These include \$130.5 million of taxable pension bonds, \$288.6 million of revenue bonds, \$48.4 million of certificates of participation, \$5.0 million in loan payable and \$4.3 million of notes payable. Long-term debt decreased by a net amount of \$19.2 million as a result of normal scheduled principal maturities and refunding of debt. 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 Debt
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Long-term debt:						
Notes payable	\$ 4.3	\$ 4.6	\$ -	\$ -	\$ 4.3	\$ 4.6
Bonds payable	130	133	289	301	419	434
Certificates of participation	48	51	-	-	48	51
Loan payable	4	5	1	2	5	7
Total long-term debt	<u>\$ 187</u>	<u>\$ 193</u>	<u>\$ 290</u>	<u>\$ 303</u>	<u>\$ 477</u>	<u>\$ 496</u>

Additional information on the City’s long-term debt can be found in Note 10 on pages 72-84 of this report.

The City reports one item of significant economic importance in its subsequent event Note 24 on page 117.

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.

Statement of Net Position
June 30, 2023

	Primary Government			Aggregate Component Units
	Governmental Activities	Business-type Activities	Total Primary Government	
Assets:				
Current assets:				
Cash and investments	\$ 295,547	\$ 350,388	\$ 645,935	\$ 53,163
Accounts receivable, net	53,583	44,294	97,877	6,141
Notes receivable, net	13,505	74	13,579	-
Inventories	410	29,279	29,689	316
Lease receivable	760	433	1,193	18
Prepays and other assets	1,995	944	2,939	356
Due from component units	1,977	11	1,988	-
Due from City	-	-	-	911
Due from other governments	6	-	6	-
Deposits	-	-	-	12
Restricted - cash and cash investments	-	-	-	8,468
Total current assets	367,783	425,423	793,206	69,385
Noncurrent assets:				
Restricted - cash and investments	21,671	65,841	87,512	10,633
Due from City	-	-	-	422
Lease receivable	959	750	1,709	272
Long-term prepaid and other assets	-	6,989	6,989	-
Capital assets:				
Not being depreciated/amortized, net	141,634	89,251	230,885	2,426
Being depreciated/amortized, net	401,750	736,008	1,137,758	265,604
Total capital assets	543,384	825,259	1,368,643	268,030
Total noncurrent assets	566,014	898,839	1,464,853	279,357
Total assets	933,797	1,324,262	2,258,059	348,742
Deferred outflow of resources				
Accumulated decrease in fair value of hedging derivatives	-	-	-	4,432
Debt refunding related	20,059	749	20,808	2,230
Pension related	166,676	31,997	198,673	1,780
OPEB related	6,032	1,555	7,587	-
Total deferred outflow of resources	192,767	34,301	227,068	8,442

(Continued)

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

(AMOUNTS EXPRESSED IN THOUSANDS)

Statement of Net Position (Continued)
June 30, 2023

	Primary Government		Total Primary Government	Aggregate Component Units
	Governmental Activities	Business-type Activities		
Liabilities:				
Current liabilities				
Accounts payable and other accrued liabilities	37,947	27,650	65,597	10,895
Deposits	4,656	8,300	12,956	3,989
Due to component units	9	-	9	-
Due to primary government	-	-	-	1,529
Due to other governments	-	-	-	-
Advances	-	-	-	100
Unearned revenues	7,691	10,387	18,078	5,191
Compensated absences	12,033	-	12,033	212
Insurance claims payable	36,038	-	36,038	-
Long-term debt due within one year	6,008	11,656	17,664	12,013
Lease liability	992	848	1,840	90
Subscription liability	2,233	1,341	3,574	89
Total current liabilities	107,607	60,182	167,789	34,108
Noncurrent liabilities:				
Derivative instrument liability	-	-	-	4,432
Long-term advances from primary government	-	-	-	400
Net pension liability	480,103	95,214	575,317	3,526
Net OPEB liability	59,852	15,437	75,289	-
Compensated absences	820	-	820	98
Insurance claims payable	28,825	-	28,825	-
Long-term debt	181,198	278,394	459,592	324,701
Lease liability	2,649	1,578	4,227	11
Subscription liability	3,584	3,429	7,013	137
Total noncurrent liabilities	757,031	394,052	1,151,083	333,305
Total liabilities	864,638	454,234	1,318,872	367,413
Deferred inflow of resources				
Debt refunding related	-	1,697	1,697	3,699
Service concession agreement	-	-	-	117
Lease related	1,641	1,174	2,815	509
Pension related	7,944	2,776	10,720	88
OPEB related	18,983	4,896	23,879	-
Total deferred inflow of resources	28,568	10,543	39,111	4,413
Net Position:				
Net investment in capital assets	493,108	521,998	1,015,106	(12,391)
Restricted:				
Nonexpendable	1,433	-	1,433	-
Expendable:				
Community development	12,318	-	12,318	-
Public safety	5,049	-	5,049	-
Capital projects	2,372	-	2,372	-
Debt service	6,759	25,574	32,333	11,189
Stranded investments	-	40,341	40,341	-
Transportation	41,852	-	41,852	-
Contribution to General Fund	-	14,544	14,544	-
Culture and literacy	3,322	-	3,322	-
Other purposes	139	12,876	13,015	2,199
Air quality improvement	303	-	303	-
Trust and loans	12,596	-	12,596	-
Unrestricted	(345,893)	278,453	(67,440)	(15,639)
Total net position	\$ 233,358	\$ 893,786	\$ 1,127,144	\$ (14,642)

Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 68,549	\$ 13,551	\$ 39,812	\$ -
Public safety	157,931	15,285	4,423	-
Transportation	49,533	18,761	19,315	16,302
Utility	135	-	-	-
Sanitation	5,831	7,721	-	3,100
Health	18,967	2,610	11,481	-
Culture and leisure	50,399	840	1,331	2,821
Community development	59,411	16,276	32,514	-
Interest and other fiscal charges	6,311	-	-	-
Total governmental activities	417,067	75,044	108,876	22,223
Business-type activities:				
Electric	239,414	255,825	1,961	3,826
Water	61,705	64,961	93	2,071
Refuse	21,509	12,309	107	-
Parking	13,222	13,545	-	-
Telecommunications	188	415	-	-
Total business-type activities	336,038	347,055	2,161	5,897
Total primary government	753,105	422,099	111,037	28,120
Aggregate Component Units	\$ 88,675	\$ 66,251	\$ 67	\$ 76

General revenues:

Taxes:

- Property, levied for general purpose
- Sales
- Utility users'
- Transient occupancy
- Construction
- Business license
- Franchise
- Other
- Grants and contributions, unrestricted
- Motor vehicle in-lieu, unrestricted
- Use of money - investment earnings
- Use of property - lease activity
- Net change in fair value of investments
- Miscellaneous revenues

Total general revenues

Transfers

Total general revenues and transfers

Changes in net position

Net position (deficit) at beginning of year, as restated

Net position at end of year

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



Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total Primary Government	Aggregate Component Units
\$ (15,186)	\$ -	\$ (15,186)	\$ -
(138,223)	-	(138,223)	-
4,845	-	4,845	-
(135)	-	(135)	-
4,990	-	4,990	-
(4,876)	-	(4,876)	-
(45,407)	-	(45,407)	-
(10,621)	-	(10,621)	-
(6,311)	-	(6,311)	-
<u>(210,924)</u>	<u>-</u>	<u>(210,924)</u>	<u>-</u>
-	22,198	22,198	-
-	5,420	5,420	-
-	(9,093)	(9,093)	-
-	323	323	-
-	227	227	-
<u>-</u>	<u>19,075</u>	<u>19,075</u>	<u>-</u>
<u>(210,924)</u>	<u>19,075</u>	<u>(191,849)</u>	<u>-</u>
			<u>(22,281)</u>
84,327	-	84,327	-
76,899	-	76,899	-
32,790	-	32,790	-
18,675	-	18,675	11,300
3,969	-	3,969	-
7,841	-	7,841	-
3,749	6,713	10,462	-
17,048	-	17,048	4,029
1,276	-	1,276	137
24,111	-	24,111	-
4,817	6,568	11,385	1,004
1,652	441	2,093	16
(1,651)	(4,449)	(6,100)	-
3,361	2,940	6,301	4,776
<u>278,864</u>	<u>12,213</u>	<u>291,077</u>	<u>21,262</u>
<u>15,865</u>	<u>(15,933)</u>	<u>(68)</u>	<u>-</u>
<u>294,729</u>	<u>(3,720)</u>	<u>291,009</u>	<u>21,262</u>
83,805	15,355	99,160	(1,019)
<u>149,553</u>	<u>878,431</u>	<u>1,027,984</u>	<u>(13,623)</u>
<u>\$ 233,358</u>	<u>\$ 893,786</u>	<u>\$ 1,127,144</u>	<u>\$ (14,642)</u>

**Balance Sheet
Governmental Funds
June 30, 2023**

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Debt Service</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Housing Successor</u>	<u>Project Management</u>	<u>General Debt Service</u>				
Assets:								
Pooled cash and investments	\$ 81,217	\$ 1,012	\$ 8,367	\$ -	\$ 159,640	\$ 250,236		
Accounts receivable, net	31,471	9	4,779	-	17,085	53,344		
Lease receivable	375	-	-	-	716	1,091		
Notes receivable	18,350	27,217	-	-	61,269	106,836		
Allowance for uncollectible notes receivable	(4,845)	(27,217)	-	-	(61,269)	(93,331)		
Due from other funds	45,834	-	-	-	-	45,834		
Due from component units	1,965	-	-	-	-	1,965		
Due from other governments	6	-	-	-	-	6		
Prepays and other assets	811	-	-	-	149	960		
Restricted assets:								
Cash and investments	12,194	-	-	-	2,645	14,839		
Cash with fiscal agent	-	-	-	5	6,827	6,832		
Total assets	187,378	1,021	13,146	5	187,062	388,612		
Liabilities:								
Accounts payable and accrued liabilities	16,786	-	6,163	-	6,369	29,318		
Deposits	3,300	-	-	-	1,356	4,656		
Due to other funds	-	-	-	-	8,826	8,826		
Unearned revenue	2,014	-	2,879	-	2,798	7,691		
Total liabilities	22,100	-	9,042	-	19,349	50,491		
Deferred inflow of resources:								
Unavailable revenues	313	-	1,651	-	4,292	6,256		
Lease related	354	-	-	-	693	1,047		
Total deferred inflow of resources	667	-	1,651	-	4,985	7,303		
Fund balances:								
Nonspendable	14,316	-	-	-	1,582	15,898		
Restricted	12,596	1,021	521	5	66,887	81,030		
Committed	71,985	-	571	-	101,164	173,720		
Assigned	57,407	-	1,361	-	-	58,768		
Unassigned	8,307	-	-	-	(6,905)	1,402		
Total fund balances	164,611	1,021	2,453	5	162,728	330,818		
Total liabilities, deferred inflow of resources and fund balances	\$ 187,378	\$ 1,021	\$ 13,146	\$ 5	\$ 187,062	\$ 388,612		

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
June 30, 2023**

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

Total fund balances - governmental funds \$ 330,818

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

Capital assets	843,212	
Accumulated depreciation	(327,812)	
Lease assets	5,517	
Subscription assets	5,643	
Accumulated amortization	<u>(2,687)</u>	523,873

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Deferred outflows - pension related	123,312	
Deferred outflows - OPEB related	5,491	
Deferred inflows - pension related	(5,350)	
Deferred inflows - OPEB related	<u>(17,278)</u>	106,175

Unavailable revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds. 6,256

The substance of an advanced refunding is reported as deferring the difference and amortizing it over future periods. 20,059

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

Notes payable	(4,322)	
Pension bonds payable	(130,525)	
Certificates of participation	(44,570)	
Unamortized premium (discount)	(3,807)	
Accrued interest payable on long-term debt, leases, and SBITA	(1,592)	
Loan payable	(3,982)	
Lease liability	(3,628)	
Subscription liability	(3,414)	
Net OPEB liability	(54,474)	
Net pension liability	<u>(363,730)</u>	(614,044)

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. (139,779)

Net position of governmental activities \$ 233,358

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Debt Service</u>		Nonmajor Governmental Funds	Total Governmental Funds
	General	Housing Successor	Project Management	General Debt Service			
Revenues:							
Taxes	\$ 234,258	\$ -	\$ -	\$ -	\$ 11,040	\$ 245,298	
Licenses and permits	3,731	-	-	-	13,337	17,068	
Intergovernmental	71,161	-	10,504	-	77,053	158,718	
Charges for services	35,822	7	34	-	11,896	47,759	
Fines and forfeitures	5,372	-	-	-	-	5,372	
Investment earnings	2,127	92	-	6	2,429	4,654	
Net change in fair value of investments	(640)	-	-	-	(998)	(1,638)	
Lease revenues	1,349	-	423	-	3,419	5,191	
Interest - leases (as lessor)	2	-	-	-	4	6	
Miscellaneous revenues	3,226	289	56	-	3,048	6,619	
Contributions	33	-	677	-	817	1,527	
Total revenues	356,441	388	11,694	6	122,045	490,574	
Expenditures:							
Current:							
General government	58,369	-	225	7	10	58,611	
Public safety	156,122	-	-	-	3,217	159,339	
Transportation	24,290	-	5,716	-	17,465	47,471	
Utility	-	-	-	-	135	135	
Sanitation	-	-	-	-	5,886	5,886	
Health	-	-	-	-	18,944	18,944	
Culture and leisure	33,419	-	-	-	14,851	48,270	
Community development	8,683	1,260	-	-	43,169	53,112	
Capital outlay	2,556	-	36,321	-	1,419	40,296	
Debt service:							
Principal retirement	-	-	-	3,327	2,495	5,822	
Interest	3	-	-	3,992	2,225	6,220	
Lease payments	644	-	42	-	548	1,234	
Subscription payments	447	-	79	-	199	725	
Interest - leases and subscriptions	33	-	-	-	21	54	
Total expenditures	284,566	1,260	42,383	7,326	110,584	446,119	
Excess (deficiency) of revenues over (under) expenditures	71,875	(872)	(30,689)	(7,320)	11,461	44,455	
Other financing sources (uses):							
Transfers in	20,667	-	30,083	7,324	19,388	77,462	
Transfers out	(35,203)	-	(437)	-	(25,270)	(60,910)	
Transfer to component unit	(67)	-	-	-	-	(67)	
Leases issued	506	-	11	-	321	838	
Subscriptions issued	617	-	98	-	172	887	
Total other financing sources (uses)	(13,480)	-	29,755	7,324	(5,389)	18,210	
Net change in fund balances	58,395	(872)	(934)	4	6,072	62,665	
Fund balances at beginning of year	106,216	1,893	3,387	1	156,656	268,153	
Fund balances at end of year	\$ 164,611	\$ 1,021	\$ 2,453	\$ 5	\$ 162,728	\$ 330,818	

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, 2023**

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

Net change in fund balances - total governmental funds	\$	62,665
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 outlay	\$	36,417
Depreciation/amortization expense	<u>(19,159)</u>	17,258
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		(1,046)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(6,029)
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	317	
Principal paid on pension bonds	2,355	
Principal paid on certificates of participation	2,195	
Principal paid on leases	1,234	
Principal paid on subscriptions	725	
Principal paid on loan	<u>955</u>	7,781
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)
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.		
		10,175
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, leases, and SBITA	29	
Amortization of bond premiums and discounts and deferred amounts of refunding	247	
Net change in deferred (inflows) and outflows of resources - pension related	(4,132)	
Net change in deferred (inflows) and outflows of resources - OPEB related	<u>(2,030)</u>	<u>(5,886)</u>
Change in net position of governmental activities	\$	<u>83,805</u>

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

**Statement of Net Position
Proprietary Funds
June 30, 2023**

	<u>Light and Power</u>	<u>Water</u>	<u>Off-Street Parking</u>
Assets:			
Current assets:			
Cash and investments	\$ 269,684	\$ 54,035	\$ 4,538
Accounts receivable, net	30,184	10,681	573
Notes receivable, restricted	74	-	-
Due from component units	-	-	-
Inventories	19,547	9,732	-
Lease receivable	-	1	377
Prepays and other assets	205	492	247
Total current assets	<u>319,694</u>	<u>74,941</u>	<u>5,735</u>
Noncurrent restricted assets:			
Cash and investments	14,451	5,068	-
Cash and investments - stranded investments reserve	40,267	-	-
Cash with fiscal agent	38	4,200	1,817
Total noncurrent restricted assets	<u>54,756</u>	<u>9,268</u>	<u>1,817</u>
Other noncurrent assets:			
Deposit with Independent System Operator (ISO)	200	-	-
Prepaid long-term assets	6,789	-	-
Lease receivable	-	11	739
Capital assets, net of accumulated depreciation/amortization	537,612	240,504	39,846
Total other noncurrent assets	<u>544,601</u>	<u>240,515</u>	<u>40,585</u>
Total noncurrent assets	<u>599,357</u>	<u>249,783</u>	<u>42,402</u>
Total assets	<u>919,051</u>	<u>324,724</u>	<u>48,137</u>
Deferred outflow of resources:			
Bond refunding related	749	-	-
Pension related	20,635	7,661	550
OPEB related	888	441	6
Total deferred outflow of resources	<u>22,272</u>	<u>8,102</u>	<u>556</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	13,731	10,714	1,471
Deposits	1,608	434	209
Insurance claims payable	-	-	-
Due to other funds	-	-	-
Due to component units	-	-	-
Unearned revenues	7,195	2,123	2
Compensated absences	-	-	-
Revenue bonds	7,485	2,795	900
Loan payable	-	-	476
Lease liability	662	182	1
Subscription liability	997	327	-
Total current liabilities	<u>31,678</u>	<u>16,575</u>	<u>3,059</u>
Noncurrent liabilities:			
Insurance claims payable	-	-	-
Compensated absences	-	-	-
Net pension liability	63,591	21,832	1,282
Net OPEB liability	8,868	4,323	63
Revenue bonds	185,945	72,857	18,600
Loan payable	-	-	992
Lease liability	1,577	1	-
Subscription liability	2,498	875	-
Total noncurrent liabilities	<u>262,479</u>	<u>99,888</u>	<u>20,937</u>
Total liabilities	<u>294,157</u>	<u>116,463</u>	<u>23,996</u>
Deferred inflows of resources:			
Bond refunding related	217	1,480	-
Lease related	-	12	1,086
Pension related	1,790	665	48
OPEB related	2,806	1,378	20
Total deferred inflows of resources	<u>4,813</u>	<u>3,535</u>	<u>1,154</u>
Net position:			
Net investment in capital assets	338,235	157,665	18,877
Restricted:			
Debt service	14,489	9,268	1,817
Contribution/reimbursement to General Fund	13,000	1,544	-
Stranded investments	40,341	-	-
Other purposes	12,876	-	-
Unrestricted	223,412	44,351	2,849
Total net position (deficit)	<u>\$ 642,353</u>	<u>\$ 212,828</u>	<u>\$ 23,543</u>

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



(AMOUNTS EXPRESSED IN THOUSANDS)

Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 22,131	\$ 350,388	\$ 45,311
2,856	44,294	239
-	74	-
11	11	12
55	29,279	410
-	433	307
-	944	1,035
<u>25,053</u>	<u>425,423</u>	<u>47,314</u>
-	19,519	-
-	40,267	-
-	6,055	-
-	<u>65,841</u>	-
-	200	-
-	6,789	-
-	750	321
<u>7,297</u>	<u>825,259</u>	<u>19,512</u>
<u>7,297</u>	<u>832,998</u>	<u>19,833</u>
<u>7,297</u>	<u>898,839</u>	<u>19,833</u>
<u>32,350</u>	<u>1,324,262</u>	<u>67,147</u>
-	749	-
3,151	31,997	43,364
220	1,555	541
<u>3,371</u>	<u>34,301</u>	<u>43,905</u>
1,734	27,650	7,037
6,049	8,300	-
-	-	36,038
-	-	37,009
-	-	9
1,067	10,387	-
-	-	12,033
-	11,180	-
-	476	1,194
3	848	13
17	1,341	-
<u>8,870</u>	<u>60,182</u>	<u>93,333</u>
-	-	28,825
-	-	820
8,509	95,214	116,373
2,183	15,437	5,378
-	277,402	-
-	992	-
-	1,578	-
56	3,429	1,209
<u>10,748</u>	<u>394,052</u>	<u>152,605</u>
<u>19,618</u>	<u>454,234</u>	<u>245,938</u>
-	1,697	-
76	1,174	594
273	2,776	2,594
692	4,896	1,705
<u>1,041</u>	<u>10,543</u>	<u>4,893</u>
7,221	521,998	17,096
-	25,574	-
-	14,544	-
-	40,341	-
-	12,876	-
<u>7,841</u>	<u>278,453</u>	<u>(156,875)</u>
<u>\$ 15,062</u>	<u>\$ 893,786</u>	<u>\$ (139,779)</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	<u>Light and Power</u>	<u>Water</u>	<u>Off-Street Parking</u>
Operating revenues:			
Utilities	\$ 255,825	\$ 64,961	\$ -
Off-street parking	-	-	13,545
Refuse collection	-	-	-
Telecommunication	-	-	-
Computing and communication services	-	-	-
Building maintenance	-	-	-
Fleet maintenance	-	-	-
Employee benefits	-	-	-
Insurance	-	-	-
311 Call Center	-	-	-
Total operating revenues	<u>255,825</u>	<u>64,961</u>	<u>13,545</u>
Operating expenses:			
Utility production	142,482	29,148	-
Utility transmission and distribution	20,725	7,709	-
Utility commercial and general	29,709	11,408	-
Off-street parking	-	-	10,386
Refuse collection	-	-	-
Telecommunications	-	-	-
Computing and communication services	-	-	-
Building maintenance	-	-	-
Fleet maintenance	-	-	-
Benefits	-	-	-
Insurance	-	-	-
311 Call Center	-	-	-
Depreciation/amortization	37,850	10,326	1,886
Total operating expenses	<u>230,766</u>	<u>58,591</u>	<u>12,272</u>
Operating income (loss)	<u>25,059</u>	<u>6,370</u>	<u>1,273</u>
Nonoperating revenues (expenses):			
Taxes	-	-	-
Intergovernmental	1,961	93	-
Investment earnings	4,954	1,126	125
Net change in fair value of investments	(3,873)	(378)	4
Lease revenues	-	-	391
Interest - leases (as lessor)	-	-	7
Noncompliance forfeitures	-	-	-
Other	1,454	1,485	-
Interest expense	(7,278)	(2,427)	(969)
Gain (loss) on sale of assets	(1,370)	(687)	-
Total nonoperating revenues (expenses)	<u>(4,152)</u>	<u>(788)</u>	<u>(442)</u>
Income (loss) before transfers and contributions	<u>20,907</u>	<u>5,582</u>	<u>831</u>
Capital contributions	3,826	2,071	-
Transfers in	5,311	-	-
Transfers out	(18,000)	(1,894)	(196)
Changes in net position	12,044	5,759	635
Net position (deficit) at beginning of year, as restated	630,309	207,069	22,908
Net position (deficit) at end of year	<u>\$ 642,353</u>	<u>\$ 212,828</u>	<u>\$ 23,543</u>

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

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 320,786	\$ -
-	13,545	-
12,309	12,309	-
415	415	-
-	-	20,073
-	-	14,530
-	-	15,728
-	-	40,559
-	-	36,673
-	-	981
<u>12,724</u>	<u>347,055</u>	<u>128,544</u>
-	171,630	-
-	28,434	-
-	41,117	-
-	10,386	-
20,144	20,144	-
10	10	-
-	-	17,372
-	-	13,972
-	-	10,717
-	-	46,481
-	-	25,516
-	-	759
<u>1,113</u>	<u>51,175</u>	<u>3,330</u>
<u>21,267</u>	<u>322,896</u>	<u>118,147</u>
<u>(8,543)</u>	<u>24,159</u>	<u>10,397</u>
6,713	6,713	-
107	2,161	-
368	6,573	165
(202)	(4,449)	(13)
41	432	297
-	7	3
(430)	(430)	-
-	2,939	-
(2)	(10,676)	(66)
19	(2,038)	11
<u>6,614</u>	<u>1,232</u>	<u>397</u>
<u>(1,929)</u>	<u>25,391</u>	<u>10,794</u>
-	5,897	-
123	5,434	1,095
<u>(1,277)</u>	<u>(21,367)</u>	<u>(1,715)</u>
(3,083)	15,355	10,174
<u>18,145</u>	<u>878,431</u>	<u>(149,953)</u>
<u>\$ 15,062</u>	<u>\$ 893,786</u>	<u>\$ (139,779)</u>

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Light and Power	Water	Off-Street Parking
Cash Flows from Operating Activities:			
Cash received from customers	\$ 253,875	\$ 65,941	\$ 13,880
Cash payments to suppliers for goods and services	(150,014)	(32,630)	(8,788)
Cash payments to employees for services	(34,832)	(12,948)	(1,147)
Cash payments to other funds for services	(7,354)	(4,153)	-
Miscellaneous revenue	1,454	1,485	-
Other payments	-	-	-
Net cash provided by (used for) operating activities	63,129	17,695	3,945
Cash Flows from Noncapital Financing Activities:			
Cash transfers in	6,774	-	-
Cash transfers out	(18,000)	(1,894)	(196)
Advances from other funds	110	-	-
Taxes received	-	-	-
Intergovernmental revenues	1,961	93	-
Net cash provided by (used for) noncapital financing activities	(9,155)	(1,801)	(196)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(37,395)	(17,030)	-
Proceeds from sale of capital assets	41	17	-
Proceeds from lease activities	-	1	390
Payments on leases and subscriptions	(1,840)	(750)	(9)
Capital contributions	4,097	1,449	-
Principal paid on debt	(7,225)	(2,725)	(1,364)
Interest paid on debt	(8,487)	(3,133)	(969)
Net cash used for capital and related financing activities	(50,809)	(22,171)	(1,952)
Cash Flows from Investing Activities:			
Proceeds from sale of investments	2,598	-	-
Purchase of investments	-	(729)	-
Investment earnings	4,554	1,028	4
Net change in fair value of investments	(3,873)	(378)	123
Payments received from loans made to suppliers	1,366	-	-
Net cash provided by (used for) investing activities	4,645	(79)	127
Net increase (decrease) in cash and cash equivalents	7,810	(6,356)	1,924
Cash and cash equivalents at beginning of year	271,730	66,362	4,431
Cash and cash equivalents at end of year	279,540	60,006	6,355
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:			
Cash and investments	269,684	54,035	4,538
Restricted:			
Cash and stranded investments reserve	40,267	-	-
Cash and investments	14,451	5,068	-
Cash with fiscal agent	38	4,200	1,817
Less non-cash equivalents	(44,900)	(3,297)	-
Cash and cash equivalents at end of year	\$ 279,540	\$ 60,006	\$ 6,355

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

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 14,187	\$ 347,883	\$ 117,172
(11,996)	(203,428)	(39,631)
(7,515)	(56,442)	(68,385)
-	(11,507)	-
-	2,939	-
(1,223)	(1,223)	-
<u>(6,547)</u>	<u>78,222</u>	<u>9,156</u>
123	6,897	1,095
(1,277)	(21,367)	(1,715)
-	110	-
6,713	6,713	-
107	2,161	-
<u>5,666</u>	<u>(5,486)</u>	<u>(620)</u>
(3,288)	(57,713)	(5,481)
19	77	11
53	444	277
-	(2,599)	-
-	5,546	-
-	(11,314)	-
-	(12,589)	-
<u>(3,216)</u>	<u>(78,148)</u>	<u>(5,193)</u>
-	2,598	-
-	(729)	-
368	5,954	165
(202)	(4,330)	(13)
-	1,366	-
<u>166</u>	<u>4,859</u>	<u>152</u>
(3,931)	(553)	3,495
<u>26,062</u>	<u>368,585</u>	<u>41,815</u>
<u>22,131</u>	<u>368,032</u>	<u>45,310</u>
22,131	350,388	45,311
-	40,267	-
-	19,519	-
-	6,055	-
-	(48,197)	-
<u>\$ 22,131</u>	<u>\$ 368,032</u>	<u>\$ 45,311</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	<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)	\$ 25,059	\$ 6,370	\$ 1,273
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	37,850	10,326	1,886
Miscellaneous and other revenue (loss)	1,454	1,485	-
(Increase) decrease in accounts receivable	(2,351)	485	335
Increase (decrease) in allowance for uncollectible accounts	1,580	495	-
Increase (decrease) in due to other funds	-	-	-
(Increase) decrease in inventories	(659)	(1,559)	-
(Increase) decrease in prepaids and other assets	2,456	20	(12)
Increase (decrease) in accounts payable and other accrued liabilities	(1,161)	45	528
Increase (decrease) in unearned revenue	(1,193)	-	2
Increase (decrease) in insurance claims payable	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deposits payable	354	56	(40)
Increase (decrease) in deferred inflows - non-lease related	(12,429)	(4,582)	(461)
(Increase) decrease in deferred outflows	(9,820)	(3,550)	(344)
Increase (decrease) in net OPEB liability	385	199	(2)
Increase (decrease) in net pension liability	21,604	7,905	780
Total adjustments	<u>38,070</u>	<u>11,325</u>	<u>2,672</u>
Net cash provided by (used for) operating activities	<u>\$ 63,129</u>	<u>\$ 17,695</u>	<u>\$ 3,945</u>
Non-Cash Investing, Capital and Financing Activities			
Gain (loss) on disposition of capital assets	\$ (1,411)	\$ (703)	\$ -
Amortization of deferred charges	(38)	83	-
Amortization of premiums (discounts)	532	644	-

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

(AMOUNTS EXPRESSED IN THOUSANDS)

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (8,543)	\$ 24,159	\$ 10,397
1,113	51,175	3,330
(1,223)	1,716	-
(297)	(1,828)	60
-	2,075	18
-	-	6,822
-	(2,218)	98
24	2,488	527
744	156	(740)
(130)	(1,321)	-
-	-	(11,291)
-	-	666
1,761	2,131	-
(2,510)	(19,982)	(33,046)
(1,961)	(15,675)	(27,586)
127	709	92
4,348	34,637	59,810
1,996	54,063	(1,240)
<u>\$ (6,547)</u>	<u>\$ 78,222</u>	<u>\$ 9,157</u>
\$ -	\$ (2,114)	\$ -
-	45	-
-	1,176	-

**Statement of Net Position
Fiduciary Funds
June 30, 2023**

	Pension (and Other Employee Benefit) Trust Funds	Custodial Funds	Private-Purpose Trust Funds
Assets:			
Cash and cash equivalents	\$ 353,315	\$ 461	\$ 213
Cash with fiscal agent	-	-	80
Short-term investments	4,877	-	-
Receivables:			
Accounts	2	705	-
Pending trade sales	1,854	-	-
Interest	173	-	-
Notes receivable	-	-	515
Allowance for uncollectible notes receivable	-	-	(515)
Total receivables	<u>2,029</u>	<u>705</u>	<u>-</u>
Investments, at fair value:			
Government and agencies	15,344	-	-
Corporate obligations	20,865	-	-
Fixed income mutual fund	13,798	-	-
Real estate	12,722	-	-
Corporate stocks	39,934	-	-
Total investments	<u>102,663</u>	<u>-</u>	<u>-</u>
Capital assets, net	<u>-</u>	<u>-</u>	<u>214</u>
Total assets	<u>462,884</u>	<u>1,166</u>	<u>507</u>
Liabilities:			
Accounts payable and accrued liabilities	59	855	-
Due to other governments	-	10	-
Due to bondholders	-	916	-
Pending purchases	7,761	-	-
Total liabilities	<u>7,820</u>	<u>1,781</u>	<u>-</u>
Net position/(deficit):			
Restricted for pensions	455,064	-	-
Restricted for library equipment	-	309	-
Held in trust for other purposes	-	(924)	507
Total net position	<u>\$ 455,064</u>	<u>\$ (615)</u>	<u>\$ 507</u>

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, 2023**

	Pension (and Other Employee Benefit) Trust Funds	Custodial Funds	Private Purpose Trust Funds
Additions:			
Contributions:			
Plan members	\$ 15,570	\$ -	\$ -
Property taxes	-	-	6,250
Intergovernmental	-	1,920	-
Assessment revenue	-	112	-
Total contributions	<u>15,570</u>	<u>2,032</u>	<u>6,250</u>
Net investment income:			
Investment earnings	34,291	5	-
Interest	2,950	-	-
Dividends	1,617	-	-
Gross investment income	<u>38,858</u>	<u>5</u>	<u>-</u>
Less investment expenses	(581)	-	-
Total net investment income	<u>38,277</u>	<u>5</u>	<u>-</u>
Miscellaneous revenues	-	-	669
Total additions	<u>53,847</u>	<u>2,037</u>	<u>6,919</u>
Deductions:			
Benefits paid to participants	34,977	-	-
Contributions to City	-	33	-
Program expense	-	2,895	-
Interest expense	-	55	-
Statutory pass-through expenses	-	-	5,275
Administrative expenses	560	8	-
County administrative expenses	-	-	903
Successor agency administrative cost allowance	-	-	648
Total deductions	<u>35,537</u>	<u>2,991</u>	<u>6,826</u>
Change in net position	18,310	(954)	93
Net position held in trust at beginning of year	<u>436,754</u>	<u>339</u>	<u>414</u>
Net position (deficit) held in trust at end of year	<u>\$ 455,064</u>	<u>\$ (615)</u>	<u>\$ 507</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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(1) Summary of Significant Accounting Policies

The basic financial statements of the City of Pasadena, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below. All amounts, unless otherwise indicated, are expressed in thousands of dollars; and some of the totals may not foot or cross foot due to rounding.

(A) Reporting Entity

The City was incorporated on June 19, 1886 as a Charter City, which operates under a Council-City Manager form of government. The City is a municipal corporation governed by an elected mayor and seven (7) council members.

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

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

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

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

Blended Component Units

Pasadena Parking Authority (The Authority)

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

(1) Summary of Significant Accounting Policies (Continued)**(A) Reporting Entity (Continued)****Blended Component Units (Continued)***Pasadena Civic Improvement Corporation (PCIC)*

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

Pasadena Housing Authority (Housing Authority)

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

Pasadena Public Financing Authority (PPFA)

The Pasadena Public Financing Authority was created through the joint exercise of powers agreement between the City and the Pasadena Community Development Commission (PCDC) dated April 24, 2000. The purpose of creating the PPFA is to accomplish the purposes of the law and the Bond Pooling Act, including the financing of public capital improvements and the purchase of certain local obligations issued or incurred by the City, PCDC, or other public agencies or the sale of such local obligations or the issuance of bonds of the PPFA secured in whole or in part by such local obligations, or by any other designated source of revenues, all permitted by the law or the Bond Pooling Act. The Bond Pooling Act authorizes and empowers the PPFA to, among other things, (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.

(1) Summary of Significant Accounting Policies (Continued)**(A) Reporting Entity (Continued)****Blended Component Units (Continued)***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 in the fiduciary funds section.

Pasadena Rental Housing Board (PRHB)

The Pasadena Rental Housing Board (PRHB) was established as part of the adoption of a voter-initiated City Charter Amendment (Measure H), which was approved by Pasadena voters at the November 2022 General Municipal Election. Codified as City Charter Article XVIII, Section 1811 of the Charter establishes the PRHB, its composition, duties, authority, and oversight of the Pasadena Fair and Equitable Housing Charter Amendment. The accompanying statements include PRHB as a custodial fund in the fiduciary funds section. Additional information is available at <https://www.cityofpasadena.net/commissions/pasadena-rental-housing-board>.

Discretely Presented Component Units

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

Rose Bowl Operating Company (RBOC)

RBOC was incorporated on January 18, 1994, as a legally separate entity with the primary purpose of returning economic and civic value to the City by managing a world class stadium and a professional quality golf course complex in a residential open-space environment. RBOC is governed by a thirteen-member board. Eleven members are appointed by the City Council, while the University of California, Los Angeles (UCLA) and the Tournament of Roses appoint one each.

RBOC operations are discretely presented in the accompanying financial statements since neither of the two criteria for blended component units, as described above, have been met. RBOC's budget is reviewed and approved by the City Council. 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/>.

(1) Summary of Significant Accounting Policies (Continued)**(A) Reporting Entity (Continued)****Discretely Presented Component Units (Continued)**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)****Jointly Governed Organizations (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).

Verdugo Communities Joint Powers Authority (AVCJPA)

The City is a party to, and administrator for, the AVCJPA. This separate entity is a vehicle for the six-member agencies: cities of Burbank, Glendale, La Cañada Flintridge, Pasadena, South Pasadena, and County of Los Angeles 5th District (La Crescenta-Montrose) to coordinate regional and cooperative planning, primarily in transportation and determine how to prioritize regional transportation projects and the allocation of Measure M funds. The JPA is financially accountable to the member agencies and is governed by a Board of Directors. The JPA has its own audit of financial statements and is available at <https://avcjpa.org/>.

(1) Summary of Significant Accounting Policies (Continued)

(B) Basis of Accounting and Measurement Focus

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

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

Government-wide Financial Statements

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

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

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 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 nonmajor 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.

(1) Summary of Significant Accounting Policies (Continued)**(B) Basis of Accounting and Measurement Focus (Continued)**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 the following revenue availability periods:

- Reimbursement-type grants 90 days
- All other governmental fund revenues 60 days

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.

Noncurrent 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 noncurrent receivables are deferred until they become current receivables. Noncurrent 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 noncurrent 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.

(1) Summary of Significant Accounting Policies (Continued)

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

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 noncurrent) associated with their activity are included on their balance sheets. Proprietary funds 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 the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise 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 nonoperating 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 account for resources required to be held in trust for the members and beneficiaries of benefit and contribution plans. Private-purpose trust funds account for receipt of incremental property tax and payment of enforceable obligations (debts) of the former redevelopment agency.

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

The City reports the following major governmental funds:

General Fund – The primary fund of the City; 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.

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

(C) Major Funds, Internal Service Funds and Fiduciary Fund Types (Continued)

The City reports the following major proprietary funds:

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

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

Off-Street Parking Fund – In fiscal year ended 2014, the City combined all the parking funds into the Off-Street Parking Fund. This fund accounts for 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 3-1-1 call center to other departments or agencies of the City.

The City reports the following fiduciary fund types:

Pension (and Other 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) Workforce Innovation and Opportunity Act (WIOA), (4) Open Space Assessment District, and (5) Pasadena Rental Housing Board.

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.

(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 deposits, 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.

(1) Summary of Significant Accounting Policies (Continued)**(E) Cash and Investments (Continued)**

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 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 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.

(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.

(1) Summary of Significant Accounting Policies (Continued)

(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 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:

<u>Light and Power Fund</u>		<u>Water Fund</u>	
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
Lease assets	Shorter of the useful life of the underlying asset or the lease term	Equipment	4 to 10 years
		Lease assets	Shorter of the useful life of the underlying asset or the lease term
Subscription assets	Shorter of the useful life of the underlying asset or the subscription term	Subscription assets	Shorter of the useful life of the underlying asset or the subscription term
<u>All Other Funds</u>			
Buildings and improvements	20 to 50 years		
Machinery and equipment	2 to 20 years		
Infrastructure	8 to 200 years		
Lease assets	Shorter of the useful life of the underlying asset or the lease term		
Subscription assets	Shorter of the useful life of the underlying asset or the subscription term		

(L) Leases

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.



(1) Summary of Significant Accounting Policies (Continued)**(M) Subscription-Based Information Technology Agreements (SBITA) (GASB 96, new in fiscal year 2023)**

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Agreements (SBITA)*, a government should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government’s incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

(N) Insurance Claims Payable

Insurance claims payable are claims and judgments recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated, net of insurance coverage. Such claims, including an estimate for claims incurred but not reported at year end, are recorded as liabilities in the workers’ compensation and general liability internal service funds. The City records a liability for material litigation, judgments, and claims on a case-by-case basis when it is probable a material liability has been incurred on or before June 30, and the probable amount of loss can be reasonably estimated. Detailed notes discuss excess liability insurance covers claims greater than the self-insurance thresholds.

(O) 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.

(1) Summary of Significant Accounting Policies (Continued)**(P) 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.

(Q) Other Postemployment Benefits (OPEB)

OPEB are benefits (other than pensions) the City provides to retired employees. 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.

(R) 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.

(S) 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. The City has four items that qualify for reporting in this category: deferred amounts for bond refunding, pensions, OPEB, and leases.

(T) 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.

(1) Summary of Significant Accounting Policies (Continued)

(T) Fund Balance (Continued)

- Assigned fund balance is the portion of fund balance that is constrained by the City’s intent to utilize fund balance for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the Finance Director through the Fund Balance Policy.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In a governmental fund other than the General Fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result.

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

In June 2017, 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.

(U) 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 February 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 February 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.

(1) Summary of Significant Accounting Policies (Continued)

(V) 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.

(W) 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.

(X) 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.

(Y) New and Future Accounting Pronouncements

In fiscal year ended June 30, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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
99	Omnibus 2022	2023 and 2024
100	Accounting Changes and Error Corrections— an amendment of GASB Statement No. 62	2024
101	Compensated Absences	2025



(2) Cash and Investments**Primary Government**

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 645,935
Restricted cash and investments	87,512
Fiduciary funds:	
Cash and cash equivalents	<u>353,988</u>
Total cash and investments	<u>\$ 1,087,435</u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 57
Deposits with financial institutions	(2,774)
Investments	<u>1,090,152</u>
Total cash and investments	<u>\$ 1,087,435</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 term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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	\$ 76,560	\$ 23,378	\$ 13,706	\$ 39,476	\$ -
Supnationals	27,819	4,732	13,854	9,233	-
Federal Agency Securities	420,614	92,758	117,397	183,316	27,143
Municipal Bonds	30,396	9,481	12,548	7,609	758
Certificate of Deposit	1,224	-	1,224	-	-
California Asset Management Program	81,074	81,074	-	-	-
Money Market Funds	1	1	-	-	-
Commercial Paper Disc	14,541	14,541	-	-	-
State Investment Pool	6,243	6,243	-	-	-
US Treasury	55,988	24,119	27,801	4,068	-
Held by Bond Trustee:					
Federal Agency Securities	11,694	-	-	5,099	6,595
Money Market Funds	1,119	1,119	-	-	-
Held by Pension Section 115 Trustee:					
Mutual Fund	12,192	12,192	-	-	-
Deferred Compensation Plan:					
Mutual Funds	350,687	350,687	-	-	-
Total	\$ 1,090,152	\$ 620,326	\$ 186,530	\$ 248,801	\$ 34,496

(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	Balance at June 30, 2023	Minimum Legal Rating	Rating as of Year-End			Not Rated	Exempt
			AAA	Aa	A		
Corporate Bonds	\$ 76,560	A	\$ 13,590	\$ 4,379	\$ 58,591	\$ -	\$ -
Supernationals	27,819	A	27,819	-	-	-	-
Federal Agency Securities	420,614	N/A	-	-	-	-	420,614
Municipal Bond	30,396	N/A	2,019	27,296	1,081	-	-
Certificate of Deposit	1,224	A	-	-	-	1,224	-
California Asset Management Program	81,074	N/A	-	-	-	81,074	-
Money Market Funds	1	N/A	-	-	-	1	-
Commercial Paper Disc	14,541	AA	-	-	14,541	-	-
State Investment Pool	6,243	N/A	-	-	-	6,243	-
US Treasury	55,988	N/A	-	-	-	-	55,988
Held by Bond Trustee:							
Federal Agency Securities	11,694	A	-	-	-	-	11,694
Money Market Funds	1,119	A	1,119	-	-	-	-
Held by Pension Section 115 Trustee:							
Mutual Fund	12,192	N/A	-	12,192	-	-	-
Deferred Compensation Plan:							
Mutual Fund	350,687	N/A	-	350,687	-	-	-
Total	\$ 1,090,152		\$ 44,547	\$ 394,554	\$ 74,213	\$ 88,542	\$ 488,296

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	\$ 221,600
Federal Home Loan Mortgage Bank	Federal Agency Securities	114,621
Federal Farm Credit Bank	Federal Agency Securities	81,580
U.S. Treasury	U.S. Treasury	55,989

Custodial Credit Risk

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

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

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.

The City has no uncollateralized cash at June 30, 2023. As of June 30, 2023, the City's deposits with financial institutions in excess of federal depository insurance limits were \$59,900 held in accounts collateralized in accordance with California law described above.

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

CAMP is a program 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 total amount invested by all public agencies in CAMP was \$15,900,000 (\$15.9 billion) as of June 30, 2023, respectively. Of the amount invested in CAMP, 29.1 percent were invested in medium-term and short-term notes and asset-backed securities at June 30, 2023. The average maturity of CAMP investments was 28 days to 52 days as of such dates.

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 is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and establish under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. CAMP's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. 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 Statement No. 79, *Certain External Investment Pools and Pool Participants*, requirements. On June 30, 2023, the CAMP pool had an average maturity of 26 days and it exempt from the fair value hierarchy.

(2) Cash and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2023:

Measured by Fair Value	Not Subject to Fair Value Hierarchy	Level			Total
		1	2	3	
Corporate Bonds	\$ -	\$ -	\$ 76,560	\$ -	\$ 76,560
Supnationals	-	-	27,819	-	27,819
Federal Agency Securities	-	-	420,614	-	420,614
Municipal Bond	-	-	30,396	-	30,396
Certificate of Deposit	1,224	-	-	-	1,224
California Asset Management Program	81,074	-	-	-	81,074
Money Market Funds	1	-	-	-	1
Commercial Paper Disc	-	-	14,541	-	14,541
State Investment Pool	6,243	-	-	-	6,243
US Treasury	-	-	55,988	-	55,988
Held by Bond Trustee:					
Federal Agency Securities	-	-	11,694	-	11,694
Money Market Funds	1,119	-	-	-	1,119
Held by OPEB Trustee:					
Mutual Fund	-	-	-	-	-
Held by Pension Section 115 Trustee:					
Mutual Fund	-	-	12,192	-	12,192
Deferred Compensation Plan:					
Mutual Fund	-	-	350,687	-	350,687
Total	\$ 89,661	\$ -	\$ 1,000,491	\$ -	\$ 1,090,152

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(3) Accounts Receivable

As of June 30, 2023, accounts receivable is categorized as follows:

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
	<u>General</u>	<u>Housing Successor</u>	<u>Project Management</u>				
Governmental Activities:							
Accounts receivable	\$ 3,892	\$ -	\$ 4,775	\$ 9,619	\$ 104	\$ 18,390	
Accrued revenue receivable	22,723	-	4	6,149	15	28,891	
Interest receivable	390	9	-	589	120	1,108	
Paramedics receivable	5,477	-	-	-	-	5,477	
Utility receivable	2,512	-	-	949	-	3,461	
	<u>34,994</u>	<u>9</u>	<u>4,779</u>	<u>17,306</u>	<u>239</u>	<u>57,328</u>	
Less: allowance for uncollectible amounts	<u>(3,523)</u>	<u>-</u>	<u>-</u>	<u>(221)</u>	<u>-</u>	<u>(3,744)</u>	
Total	<u>31,471</u>	<u>9</u>	<u>4,779</u>	<u>17,085</u>	<u>239</u>	<u>53,583</u>	
	<u>Light and Power</u>	<u>Water</u>	<u>Off-Street Parking</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>		
Business-type Activities:							
Accounts receivable	\$ 1	\$ 330	\$ 333	\$ 92	\$ 756		
Accrued revenue receivable	15,533	5,666	198	1,582	22,979		
Interest receivable	868	281	42	63	1,254		
Paramedics receivable	-	-	-	-	-		
Utility receivable	20,025	6,362	-	1,786	28,173		
	<u>36,427</u>	<u>12,639</u>	<u>573</u>	<u>3,523</u>	<u>53,162</u>		
Less: allowance for uncollectible amounts	<u>(6,243)</u>	<u>(1,958)</u>	<u>-</u>	<u>(667)</u>	<u>(8,868)</u>		
Total	<u>\$ 30,184</u>	<u>\$ 10,681</u>	<u>\$ 573</u>	<u>\$ 2,856</u>	<u>\$ 44,294</u>		

(4) Notes Receivable – Primary Government

The notes receivable in the governmental activities amounted to \$106,836 at June 30, 2023. Due to the uncertainty of their collectability at June 30, 2023, the City has recorded an allowance for uncollectible long-term receivables of \$93,331, resulting in a net balance of \$13,505. \$61,269 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. \$27,217 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%.

In January 2009, Light and Power utilized \$80,000 of Reserves for Stranded Investment and in return received Subordinated Notes totaled \$70,000 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, 2023 is \$74.

(5) Due to and from Other Funds

Current interfund receivable and payable balances at June 30, 2023 are as follows:

<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	
	General Fund	
Nonmajor Governmental Funds	\$	8,826
Internal Service Funds		<u>37,008</u>
Total	\$	<u>45,834</u>

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

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(6) Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2023 is as follows:

Governmental Activities:	Balance at				Balance at
	June 30, 2022				
	<u>Restated (1)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	
Capital assets, not being depreciated/amortized:					
Land	\$ 87,321	\$ 204	\$ -	\$ -	\$ 87,525
Construction in progress	<u>31,409</u>	<u>33,134</u>	<u>(1,144)</u>	<u>(9,290)</u>	<u>54,109</u>
Total capital assets, not being depreciated/amortized	<u>118,730</u>	<u>33,338</u>	<u>(1,144)</u>	<u>(9,290)</u>	<u>141,634</u>
Capital assets being depreciated/amortized:					
Lease asset - land	54	-	(54)	-	-
Buildings and improvements	307,723	-	-	-	307,723
Lease asset - buildings	4,371	420	(407)	-	4,384
Machinery and equipment	88,033	5,875	(1,691)	2,605	94,822
Lease asset - equipment	715	431	-	-	1,146
Subscription assets	7,537	1,753	-	-	9,290
Infrastructure	<u>333,327</u>	<u>-</u>	<u>-</u>	<u>6,716</u>	<u>340,043</u>
Total capital assets, being depreciated/amortized	<u>741,760</u>	<u>8,479</u>	<u>(2,152)</u>	<u>9,321</u>	<u>757,408</u>
Less accumulated depreciation/amortization:					
Lease asset - land	(12)	(42)	54	-	-
Buildings and improvements	(154,064)	(5,660)	-	-	(159,724)
Lease asset - buildings	(925)	(962)	407	-	(1,480)
Machinery and equipment	(53,367)	(6,756)	1,546	(31)	(58,608)
Lease asset - equipment	(245)	(298)	-	-	(543)
Subscription assets	-	(1,692)	-	-	(1,692)
Infrastructure	<u>(126,533)</u>	<u>(7,078)</u>	<u>-</u>	<u>-</u>	<u>(133,611)</u>
Total accumulated depreciation/amortization	<u>(335,146)</u>	<u>(22,488)</u>	<u>2,007</u>	<u>(31)</u>	<u>(355,658)</u>
Total capital assets, being depreciated/amortized, net	<u>406,614</u>	<u>(14,009)</u>	<u>(145)</u>	<u>9,290</u>	<u>401,750</u>
Governmental activities capital assets, net	<u>\$ 525,344</u>	<u>\$ 19,329</u>	<u>\$ (1,289)</u>	<u>\$ -</u>	<u>\$ 543,384</u>

(1) The beginning balance was restated to add the right-to-use subscription assets due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96).

(6) Capital Assets (Continued)

Primary Government (Continued)

During the year, governmental activities received proceeds of \$69 from the disposal of capital assets and incurred a net loss on disposal of \$175.

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

General Government	\$ 6,481
Public Safety	1,941
Transportation	2,023
Health	206
Culture and Leisure	1,944
Community Development	6,563
Computing and Communication	1,663
Building Maintenance	10
Fleet Maintenance	1,488
Fleet Repair and Maintenance	76
Workers' Compensation	2
General Liability	79
311 Call Center - Citizen Service Center	12
Total	<u>\$ 22,488</u>

During the year, governmental activities recognized \$9,290 in subscription assets and \$1,693 in accumulated amortization, or \$7,597 in net subscription assets as a result of the implementation of GASB 96.

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

Business-type Activities:	Balance at	Adjustments				Balance at
	June 30, 2022					June 30, 2023
	Restated (1)	(2)	Additions	Deletions	Transfers	
Capital assets not being depreciated/amortized:						
Land	\$ 14,685	\$ -	\$ -	\$ -	\$ 1	\$ 14,686
Construction in progress	81,996	-	52,991	-	(60,422)	74,565
Total capital assets, not being depreciated/amortized	96,681	-	52,991	-	(60,421)	89,251
Capital assets being depreciated/amortized:						
Buildings and improvements	142,289	-	-	(3,498)	1,028	139,819
Lease asset - buildings	2,239	564	2,149	-	-	4,952
Utility lines, machinery and equipment	1,253,608	-	3,409	(23,030)	59,393	1,293,380
Lease asset - equipment	32	-	12	(9)	-	35
Subscription assets	5,814	-	1,010	-	-	6,824
Total capital assets, being depreciated/amortized	1,403,982	564	6,580	(26,537)	60,421	1,445,010
Less accumulated depreciation/amortization:						
Buildings and improvements	(70,693)	-	(3,810)	3,346	-	(71,157)
Lease asset - buildings	(958)	(423)	(1,386)	-	-	(2,767)
Utility lines, machinery and equipment	(610,113)	-	(44,381)	21,019	-	(633,475)
Lease asset - equipment	(7)	-	(12)	2	-	(17)
Subscription assets	-	-	(1,586)	-	-	(1,586)
Total accumulated depreciation/amortization	(681,771)	(423)	(51,175)	24,367	-	(709,002)
Total capital assets, being depreciated/amortized, net	722,211	141	(44,595)	(2,170)	60,421	736,008
Business-type activities capital assets, net	\$ 818,892	\$ 141	\$ 8,396	\$ (2,170)	\$ -	\$ 825,259

(1) The beginning balance was restated to add the subscription assets due to the implementation of GASB 96.

(2) Lease asset - buildings was adjusted due to reevaluation for the year ended June 30, 2023.

(6) Capital Assets (Continued)

Primary Government (Continued)

During the year, business-type activities received proceeds of \$77 from the disposal of capital assets and incurred a loss on disposal of \$2,038.

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

Electric	\$	37,850
Water		10,326
Refuse		935
Parking		1,886
Telecommunication		<u>178</u>
Total	\$	<u>51,175</u>

During the year, business-type activities recognized \$6,825 in subscription assets and \$1,586 in accumulated amortization or \$5,239 in net subscription assets as a result of the implementation of GASB 96.

Fiduciary Funds – Private-Purpose Trust Fund

Fiduciary Funds	Balance at <u>June 30, 2022</u>	Additions	Deletions	Balance at <u>June 30, 2023</u>
Capital assets not depreciated:				
Land	\$ 214	\$ -	\$ -	\$ 214
Total cost of nondepreciable assets	<u>214</u>	<u>-</u>	<u>-</u>	<u>214</u>
Capital assets, net	<u>\$ 214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214</u>

(7) 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.

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 has thirteen (13) applicable leases that qualify for reporting as of June 30, 2023. The lease terms range from 24 to 120 months for the intangible right-to-use land, land improvements, buildings, and infrastructure, respectively. Most of these leases include periodic adjustments to the lease amounts at determined intervals. The fixed monthly lease payment ranges from \$1 to \$39, respectively, with the incremental borrowing rate ranging from 0.19% to 1.04%. For the year ended June 30, 2023, 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 leases 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, 2023, are as follows:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Governmental Activities:				
Lease receivable	\$ 2,437	\$ 82	\$ (800)	\$ 1,719
Deferred inflow of resources	2,383	80	(822)	1,641
Business-type Activities:				
Lease receivable	1,300	327	(444)	1,183
Deferred inflow of resources	1,288	327	(441)	1,174



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

During the year ended June 30, 2023, the City recognized the lease revenues and interest revenues as follows:

	Governmental Activities	Business-type Activities
Amortization of deferred inflow of resources	\$ 822	\$ 433
Short-term rental revenues	4,666	-
Total lease revenues	<u>\$ 5,488</u>	<u>\$ 433</u>
Lease interest revenues	\$ 10	\$ 11

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 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 lease 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 has seventeen (17) applicable leases that qualify for reporting as of June 30, 2023. During the fiscal year, the City entered into nine (9) lease agreements. The lease terms range from 9 to 108 months for the intangible 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 \$0.4 to \$77 with the incremental borrowing rate ranging from 0.17% to 3.31%. For the year ended June 30, 2023, 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 leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets (see Note 6).

(7) Leases (Continued)**City as Lessee (Continued)**

Changes in lease asset and lease liability for the year ended June 30, 2023 are as follows:

	Balance at June 30, 2022	Adjustments (1)	Additions	Deletions	Balance at June 30, 2023
Governmental Activities:					
Lease assets					
Land	\$ 54	\$ -	\$ -	\$ (54)	\$ -
Buildings	4,371	-	420	(407)	4,384
Equipment	715	-	431	-	1,146
Total lease assets	5,140	-	851	(461)	5,530
Accumulated amortization	(1,183)	-	(1,301)	461	(2,023)
Total lease assets, net	<u>\$ 3,957</u>	<u>\$ -</u>	<u>\$ (450)</u>	<u>\$ -</u>	<u>\$ 3,507</u>
Lease liability	<u>\$ 4,024</u>	<u>\$ -</u>	<u>\$ 851</u>	<u>\$ (1,234)</u>	<u>\$ 3,641</u>
Business-type Activities:					
Lease assets					
Buildings	\$ 2,239	\$ 564	\$ 2,149	\$ -	\$ 4,952
Equipment	32	-	11	(8)	35
Total lease assets	2,271	564	2,160	(8)	4,987
Accumulated amortization	(965)	(423)	(1,398)	2	(2,784)
Total lease assets, net	<u>\$ 1,306</u>	<u>\$ 141</u>	<u>\$ 762</u>	<u>\$ (6)</u>	<u>\$ 2,203</u>
Lease liability	<u>\$ 1,376</u>	<u>\$ 141</u>	<u>\$ 2,160</u>	<u>\$ (1,251)</u>	<u>\$ 2,426</u>

(1) Lease asset – buildings was adjusted due to reevaluation for the fiscal year ended June 30, 2023.

During the year ended June 30, 2023, the City recognized the lease expenses and interest expenses as follows:

	Governmental Activities	Business-type Activities
Amortization of lease assets	\$ 1,301	\$ 1,398
Other lease (non-GASB 87) expenses	955	464
Total lease expenses	<u>\$ 2,256</u>	<u>\$ 1,862</u>
Lease interest expenses	\$ 40	\$ 12
Other lease (non-GASB 87) interest expenses	78	49
Total lease interest expenses	<u>\$ 118</u>	<u>\$ 61</u>

(7) Leases (Continued)

City as Lessee (Continued)

As of June 30, 2023, the City had minimum principal and interest payment requirements for its leasing activities with a remaining term in excess of one year, as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2024	\$ 992	\$ 96	\$ 1,088
2025	595	71	666
2026	534	49	583
2027	484	27	511
2028	367	8	375
2029 - 2030	669	7	676
Total	<u>\$ 3,641</u>	<u>\$ 258</u>	<u>\$ 3,899</u>

Fiscal Year	Business-type Activities		
	Principal	Interest	Total Payments
2024	\$ 848	\$ 49	\$ 897
2025	456	33	489
2026	470	16	486
2027	487	3	490
2028	165	-	165
Total	<u>\$ 2,426</u>	<u>\$ 101</u>	<u>\$ 2,527</u>

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(8) Subscription-Based Information Technology Arrangements (SBITA)

A Subscription-Based Information Technology Arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of greater than one year in an exchange or exchange-like transaction.

In May 2020, Governmental Accounting Standard Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* (GASB 96). GASB 96 provides guidance on the accounting and financial reporting for SBITA for government end users. The requirements GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. City of Pasadena adopted GASB 96 on the Annual Comprehensive Financial Report for the period of July 1, 2022, to June 30, 2023.

The City recognizes a SBITA liability and an intangible right-to-use asset in the government-wide financial statements. The City recognizes SBITA liabilities with an initial, individual value of \$10 or more.

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

Key estimate and judgements related to SBITA include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The SBITA term includes the noncancellable period and periods covered by an option to extend if it is reasonably certain that the government or SBITA vendor will exercise that option.

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

SBITA assets are reported with the other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

All SBITAs were recognized as having an inception date as of July 1, 2022, or after. On June 30, 2023, the City has forty-eight (48) qualifying SBITAs under GASB 96.

- The SBITAs include a range of options to extend the SBITA term for a period of one to eight years with the final extension period ending June 30, 2030.
- The City is required to make annual principal and interest payments between \$9 and \$691. The City is utilizing a range of incremental borrowing rates between 1.70%-3.30%.

(8) Subscription-Based Information Technology Arrangements (SBITA) (Continued)

The subscription assets and subscription liability for the year ended June 30, 2023, are as follows:

	Balance at June 30, 2022				Balance at June 30, 2023
Governmental Activities:	<u>Restated (1)</u>	<u>Additions</u>	<u>Deletions</u>		
Subscription assets	\$ 7,537	\$ 1,753	\$ -		\$ 9,290
Accumulated amortization	<u>-</u>	<u>(1,692)</u>	<u>-</u>		<u>(1,692)</u>
Total subscription assets, net	<u>\$ 7,537</u>	<u>\$ 61</u>	<u>\$ -</u>		<u>\$ 7,598</u>
Subscription liability	<u>\$ 6,052</u>	<u>\$ 1,733</u>	<u>\$ (1,968)</u>		<u>\$ 5,817</u>
Business-type Activities:					
Subscription assets	\$ 5,814	\$ 1,010	\$ -		\$ 6,824
Accumulated amortization	<u>-</u>	<u>(1,586)</u>	<u>-</u>		<u>(1,586)</u>
Total subscription assets, net	<u>\$ 5,814</u>	<u>\$ (576)</u>	<u>\$ -</u>		<u>\$ 5,238</u>
Subscription liability	<u>\$ 5,086</u>	<u>\$ 1,011</u>	<u>\$ (1,327)</u>		<u>\$ 4,770</u>

(1) The beginning balance was restated due to the implementation of GASB 96.

SBITA principal and interest payments to maturity are as follows:

Fiscal Year	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 2,233	\$ 158	\$ 2,391
2025	1,352	101	1,453
2026	1,191	61	1,252
2027	743	25	768
2028	267	6	273
2029 - 2030	<u>31</u>	<u>-</u>	<u>31</u>
Total	<u>\$ 5,817</u>	<u>\$ 351</u>	<u>\$ 6,168</u>
Fiscal Year	Business-type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 1,341	\$ 116	\$ 1,457
2025	853	86	939
2026	821	64	885
2027	796	44	840
2028	516	25	541
2029 - 2030	<u>442</u>	<u>16</u>	<u>458</u>
Total	<u>\$ 4,770</u>	<u>\$ 351</u>	<u>\$ 5,120</u>

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

Deferred outflows on the government-wide statement of net position consist of the following at June 30, 2023:

Governmental Activities	Balance at			Balance at June 30, 2023
	June 30, 2022	Increase	Decrease	
2015A Refunding COP Deferred Charges	\$ 3,844	\$ -	\$ (246)	\$ 3,598
2020A Refunding POB Deferred Charges	11,759	-	(515)	11,244
2020B Refunding POB Deferred Charges	5,569	-	(352)	5,217
GASB68 Contribution Subsequent to Measurement Date	54,426	58,726	(54,426)	58,726
GASB68 Net Difference on Pension Plan Investments	-	64,621	-	64,621
GASB68 Change of Assumptions	2,069	36,010	(2,069)	36,010
GASB68 Difference in Experience	3,795	1,725	(3,795)	1,725
GASB75 Net Difference on Pension Plan Investments	173	147	(173)	147
GASB75 Change of Assumptions	8,321	5,330	(8,322)	5,329
GASB75 Difference in Experience	629	556	(629)	556
FPRS Net Difference on Pension Plan Investments	6,359	5,594	(6,359)	5,594
	<u>\$ 96,944</u>	<u>\$ 172,709</u>	<u>\$ (76,886)</u>	<u>\$ 192,767</u>

Business-type Activities	Balance at			Balance at June 30, 2023
	June 30, 2022	Increase	Decrease	
1998 Electric Bonds Deferred Charges	\$ 108	\$ -	\$ (108)	\$ -
2008 Electric Bonds Deferred Charges	802	-	(53)	749
2003 Water Bonds Deferred Charges	66	-	(66)	-
GASB68 Contribution Subsequent to Measurement Date	11,376	11,843	(11,376)	11,843
GASB68 Net Difference on Pension Plan Investments	-	13,342	-	13,342
GASB68 Change of Assumptions	-	6,812	-	6,812
GASB68 Difference in Experience	182	-	(182)	-
GASB75 Net Difference on Pension Plan Investments	43	38	(43)	38
GASB75 Change of Assumptions	2,086	1,375	(2,086)	1,375
GASB75 Difference in Experience	158	142	(158)	142
	<u>\$ 14,821</u>	<u>\$ 33,552</u>	<u>\$ (14,072)</u>	<u>\$ 34,301</u>

Deferred inflows on the government-wide statement of net position consist of the following at June 30, 2023:

Governmental Activities	Balance at			Balance at June 30, 2023
	June 30, 2022	Increase	Decrease	
GASB68 Change of Assumptions	\$ 244	\$ 57	\$ (244)	\$ 57
GASB68 Difference in Experience	2,808	7,887	(2,808)	7,887
GASB68 Net Difference on Pension Plan Investments	129,607	-	(129,607)	-
GASB75 Change of Assumptions	19,124	17,201	(19,124)	17,201
GASB75 Difference in Experience	2,767	1,782	(2,767)	1,782
GASB87 Lease Related	2,383	80	(822)	1,641
	<u>\$ 156,933</u>	<u>\$ 27,007</u>	<u>\$ (155,372)</u>	<u>\$ 28,568</u>

(9) Deferred Inflows and Outflows (Continued)

Primary Government (Continued)

Business-type Activities	Balance at		Decrease	Balance at	
	June 30, 2022	Increase		June 30, 2023	
2019 Electric Bonds Deferred Gain	\$ 417	\$ -	\$ (200)	\$ 217	
2021 Water Bonds Deferred Gain	1,629	-	(149)	1,480	
GASB68 Change of Assumptions	-	-	-	-	
GASB68 Difference in Experience	942	2,776	(942)	2,776	
GASB68 Net Difference on Pension Plan Investments	27,781	-	(27,781)	-	
GASB75 Change of Assumptions	4,794	4,437	(4,794)	4,437	
GASB75 Difference in Experience	694	459	(694)	459	
GASB87 Lease Related	1,288	327	(441)	1,174	
	<u>\$ 37,545</u>	<u>\$ 7,999</u>	<u>\$ (35,001)</u>	<u>\$ 10,543</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	\$ 313
Public Safety	197
Health	970
Building Services	4
Transportation	62
Parking	1
Housing and Community Development	3,058
Project Management	1,651
Total unavailable revenues	<u>\$ 6,256</u>

(10) Long-term Debt

Primary Government

Changes in long-term debt for the year ended June 30, 2023 are as follows:

Governmental Activities:	Restated (1)			Balance at June 30, 2023	Due within One Year	Due in More than One Year
	Balance at June 30, 2022	Additions	Reductions			
Notes payable:						
Notes from Direct						
Borrowings (Rose Bowl)	\$ 439	\$ -	\$ (17)	\$ 422	\$ 17	\$ 405
Section 108	4,200	-	(300)	3,900	300	3,600
Total Notes payable	4,639	-	(317)	4,322	317	4,005
Pension bonds:						
2015 Taxable Pension Obligation Bonds	4,880	-	(1,340)	3,540	1,380	2,160
Bond Premiums/(Discount)	(48)	-	17	(31)	-	(31)
2020 Taxable Pension Obligation Bonds	128,000	-	(1,015)	126,985	1,030	125,955
Total pension bonds	132,832	-	(2,338)	130,494	2,410	128,084
Certificates of participation:						
2015 COP Series A Refunding 2008 COP	46,765	-	(2,195)	44,570	2,310	42,260
Bond Premiums/(Discount)	4,101	-	(263)	3,838	-	3,838
Total certificates of participation	50,866	-	(2,458)	48,408	2,310	46,098
Loan payable	4,937	-	(955)	3,982	971	3,011
Total governmental activities long-term debt	\$ 193,274	\$ -	\$ (6,068)	\$ 187,206	\$ 6,008	\$ 181,198

(1) The beginning balance was restated to add existing subscription assets due to the implementation of GASB 96.

(10) Long-term Debt (Continued)**Primary Government (Continued)**

Business-type Activities:	Restated (1)				
	Balance at June 30, 2022	Reductions	Balance at June 30, 2023	Due within One Year	Due in More than One Year
Revenue bonds:					
2013A Electric Revenue Refunding Bonds	\$ 67,460	\$ (2,015)	\$ 65,445	\$ 2,015	\$ 63,430
2016A Electric Revenue Refunding Bonds	105,735	(3,170)	102,565	3,325	99,240
2017A Water Revenue Refunding Bonds	11,960	(610)	11,350	645	10,705
2019A Electric Revenue Refunding Bonds	6,430	(2,040)	4,390	2,145	2,245
2020A Water Revenue Refunding Bonds	28,380	(965)	27,415	1,000	26,415
2021A Water Revenue Refunding Bonds	22,325	(1,150)	21,175	1,150	20,025
Total Water and Power	242,290	(9,950)	232,340	10,280	222,060
2008 Paseo Colorado Taxable Revenue Bonds	20,400	(900)	19,500	900	18,600
Bond Premiums/(Discounts)	38,592	(1,850)	36,742	-	36,742
Total revenue bonds	301,282	(12,700)	288,582	11,180	277,402
Loan payable	1,932	(464)	1,468	476	992
Total business-type activities long-term debt	\$ 303,214	\$ (13,164)	\$ 290,050	\$ 11,656	\$ 278,394

(1) The beginning balance was restated to add existing subscription assets due to the implementation of GASB 96.

(10) Long-term Debt (Continued)**Discretely Presented Component Units**

Changes in discretely presented component units' long-term debt for the year ended June 30, 2023 are as follows:

Discretely Presented Component Units	Restated (1) Balance at June 30, 2022	Additions Including Accretion	Reductions	Balance at June 30, 2023	Due within One Year	Due in More than One Year
Certificates of participation:						
2006 COP (Conference Center Project)	\$ 5,578	\$ 272	\$ (5,850)	\$ -	\$ -	\$ -
2008 Refunding COP Series 2008A (Conference Center Project)	134,720	-	-	134,720	6,775	127,945
Total certificates of participation	<u>140,298</u>	<u>272</u>	<u>(5,850)</u>	<u>134,720</u>	<u>6,775</u>	<u>127,945</u>
Revenue bonds:						
2010A Revenue Bonds-Tax Exempt	24,866	1,691	-	26,557	-	26,557
2010B Revenue Bonds-Taxable Build America Bonds	106,660	-	-	106,660	-	106,660
2010D Revenue Bonds-Taxable Recovery	7,400	-	-	7,400	-	7,400
2016A Revenue Bonds-Partial Refunding 2010A Bonds	19,885	-	(2,255)	17,630	4,310	13,320
2016A Bond Premium (Discount)	2,613	-	(550)	2,063	-	2,063
2018A Revenue Bonds-Refunding / Tax Exempt Fixed Rate	30,585	-	-	30,585	-	30,585
2018B Revenue Bonds-Taxable	7,540	-	(2,155)	5,385	665	4,720
2018AB Bond Premium/(Discount)	3,843	-	(178)	3,665	-	3,665
Total revenue bonds (Rose Bowl renovation)	<u>203,392</u>	<u>1,691</u>	<u>(5,138)</u>	<u>199,945</u>	<u>4,975</u>	<u>194,970</u>
Total discretely presented component units long-term debt	<u>\$ 343,690</u>	<u>\$ 1,963</u>	<u>\$ (10,988)</u>	<u>\$ 334,665</u>	<u>\$ 11,750</u>	<u>\$ 322,915</u>

(10) Long-term Debt (Continued)**Governmental Activities:**

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2023
Detail of Long-Term Debt						
Governmental Activities:						
Notes payable:						
Notes Payable-RBOC	1/15/2013	a	\$ 576	2.10%	1/7/2043	\$ 422
Notes Payable-Section 108	10/29/2015	c	6,000	variable	8/1/2035	3,900
Total Notes Payable						<u>\$ 4,322</u>
Pension bonds:						
2015 Unrefunded Taxable Pension Obligation Bonds	5/5/2015	b	\$ 119,460	2.82% to 3.47%	5/1/2025	\$ 3,540
2020 Taxable Pension Obligation Bonds	2/26/2020	b	131,805	1.60% to 3.10%	5/1/2045	126,985
Bond Premium (Discount)						(31)
Total Pension Bonds						<u>\$ 130,494</u>
Certificates of Participation:						
2015 COP Series A Refunding 2008 COP	12/2/2015	d	\$ 55,350	3.00% to 5.00%	2/1/2038	\$ 44,570
Bond Premium (Discount)						3,838
Total Certificates of Participation						<u>\$ 48,408</u>
Loan Payable:						
2020 Equipment Lease-Radio Equipment	1/15/2020	e	\$ 6,800	1.66%	1/15/2027	\$ 3,982
Total Loan Payable						<u>\$ 3,982</u>

Business-type Activities:

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2023
Detail of Long-Term Debt						
Business-type Activities:						
Revenue bonds:						
2008 Paseo Colorado Taxable Revenue Bonds	9/17/2008	f	28,800	variable	6/1/2038	\$ 19,500
2013A Electric Revenue Refunding Bonds	12/3/2013	i, j	80,485	4.25% to 5.00%	6/1/2043	65,445
2016A Electric Revenue Refunding Bonds	11/7/2016	k	119,440	4.00% to 5.00%	6/1/2046	102,565
2017A Water Revenue Refunding Bonds	3/13/2017	l	15,395	5.00%	6/1/2036	11,350
2019A Electric Revenue/ Refunding Bonds	8/1/2019	m	11,575	5.00%	8/1/2024	4,390
2020A Water Revenue Refunding Bonds	12/1/2020	g	30,130	5.00%	6/1/2050	27,415
2021A Water Revenue Refunding Bonds	12/1/2021	h	22,480	5.00%	6/1/2051	21,175
Bond Premium (Discount)						36,742
Total Revenue Bonds						<u>\$ 288,582</u>
Loan Payable:						
2019 Equipment Lease-Parking System	4/1/2019	e	3,252,694	2.67%	4/1/2026	\$ 1,468
Total Loan Payable						<u>\$ 1,468</u>

(10) Long-term Debt (Continued)

Component Unit Activities:

	Issue Date	Purpose	Original Amount	Coupon Interest Rate	Final Principal Payment Date	Outstanding at June 30, 2023
<u>Detail of Long-Term Debt</u>						
<u>Discretely Presented Component Units</u>						
Certificates of Participation:						
2008 Refunding COP, Series 2008A (Conference Center Project)	4/15/2008	CC2	134,720	variable	2/1/2035	\$ 134,720
Total Certificates of Participation (PCOC)						<u>\$ 134,720</u>
Revenue Bonds:						
2010A Revenue Bonds-Tax Exempt Capital Appreciation	11/18/2010	RB1	11,588	6.43% to 6.52%	3/1/2033	\$ 26,557
2010B Revenue Bonds-Taxable Build America Bonds	11/18/2010	RB1	106,660	7.00% to 7.15%	3/1/2043	106,660
2010D Revenue Bonds-Taxable Recovery Zone Economic Development	11/18/2010	RB1	7,400	7.150%	3/1/2043	7,400
2016A Revenue Bonds-Partial Refunding 2010A Bonds	10/5/2016	RB3	21,865	5.00%	4/1/2027	17,630
2016A Bond Premium (Discount)						2,063
2018A Revenue Bonds-(Refunding 2013A Tax Exempt)	12/6/2018	RB2	30,585	5.00%	12/1/2042	30,585
2018B Revenue Bonds-(Refunding 2013B Taxable)	12/6/2018	RB2	12,515	2.60% to 3.58%	12/1/2027	5,385
2018 AB Bond Premium (Discount)						3,665
Total Revenue Bonds (RBOC)						<u>\$ 199,945</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 2010A Water Revenue Bonds
 - h Refund 2011A Water Revenue Bonds and Capital Improvements to Water System
 - i GTS Improvements
 - j Refund 2002 Electric Bonds and Capital Improvements to the Electric System
 - k Refund 2008 Electric Bonds, repay Line of Credits and Capital Improvement to the Electric System
 - l Refund 2007 Water Bonds
 - m 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

(10) Long-term Debt (Continued)

The annual requirements to amortize as of June 30, 2023, are as follows:

Governmental Activities:

Year Ending June 30	Notes Payable		Pension Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 317	\$ 125	\$ 2,410	\$ 3,845	\$ 2,310	\$ 1,991
2025	318	117	3,210	3,780	2,420	1,875
2026	318	108	3,305	3,686	2,545	1,754
2027	318	100	3,370	3,620	2,670	1,627
2028	319	91	3,445	3,548	2,800	1,494
2029-2033	1,599	308	18,460	16,495	16,225	5,250
2034-2038	1,010	67	25,255	13,445	15,600	2,214
2039-2043	122	8	49,135	8,381	-	-
2044-2047	-	-	21,935	1,071	-	-
Bond Premium (Discount)	-	-	(31)	-	3,838	-
Total Payment	\$ 4,322	\$ 923	\$ 130,494	\$ 57,871	\$ 48,408	\$ 16,206

Year Ending June 30	Loan Payable	
	Principal	Interest
2024	\$ 971	\$ 62
2025	987	46
2026	1,004	29
2027	1,020	13
Total Payment	\$ 3,982	\$ 150

Business-type Activities:

Year Ending June 30	Revenue Bonds		Loan Payable	
	Principal	Interest	Principal	Interest
2024	\$ 11,180	\$ 11,169	\$ 476	\$ 36
2025	11,705	10,650	489	23
2026	9,810	10,168	502	10
2027	10,175	9,725	-	-
2028	10,655	9,264	-	-
2029-2033	60,955	38,681	-	-
2034-2038	64,945	24,472	-	-
2039-2043	48,925	11,827	-	-
2044-2048	19,955	2,933	-	-
2049-2052	3,535	324	-	-
Bond Premium (Discount)	36,742	-	-	-
Total Payment	\$ 288,582	\$ 129,212	\$ 1,468	\$ 69

(10) Long-term Debt (Continued)**Disclosure Related to Long-term Debt under GASB 88**

The City's outstanding notes from direct borrowings related to government activities of \$422 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.

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(10) Long-term Debt (Continued)**Disclosure Related to Long-term Debt under GASB 88 (Continued)**

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.
- (2) Without terminating the Sublease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision of the Sublease to be kept or performed by the City and/or (ii) to exercise any and all rights to retake possession of the Lease Property. In the event the corporation or its assignee does not elect to terminate the Sublease in the manner described in subparagraph (1) above, the City will remain liable and agrees to keep or perform all covenants and conditions contained in the Sublease to be kept or performed by the City and, to pay the rent to the end of the term of the Sublease or, in the event that the Lease Property is re-let, to pay any deficiency in the rent that results therefrom; and further agrees to pay said rent and/or the payment of rent under the Sublease (without acceleration), notwithstanding the fact that the Authority or its assignee may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Sublease and notwithstanding any retaking of possession of the Leased Property by the Authority 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 or 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

(10) Long-term Debt (Continued)**Disclosure Related to Long-term Debt under GASB 88 (Continued)**

its assignee as compensation to the Authority or its assignee for its services in re-letting the Lease Property or any items thereof. The City further agrees to pay the Authority or its assignee the cost of any alterations or repairs to the Lease Property or any items thereof necessary to place the Leased Property or any items thereof in conditions for re-letting immediately upon notice of the City of the completion and installation of such alterations or repairs.

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

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

In addition to any default resulting from breach by the City of any agreement, condition, covenant or term of the Sublease, if (1) the City's interest in the Sublease or any part thereof be assigned, sublet or transferred without the written consent of the Authority (except as otherwise permitted by the Sublease), either voluntarily or by operation of law; or (2) the City or any assignee will file any petition or institute any proceeding under any act or acts, state 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:

- (a) Terminate the Lease in the manner provided in the Lease on account of default by the City, notwithstanding any re-entry or re-letting of the Lease Premises and remove all persons in possession thereof and all personal property whosoever 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

(10) Long-term Debt (Continued)**Disclosure Related to Long-term Debt under GASB 88 (Continued)**

accordance with the provisions contained in the Lease. Neither notice to pay rent or to deliver up possession of the Lease Premises given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Leased Premises nor the appointment of a receiver upon initiative of the Authority to protect the Authority interest under the Lease, will of itself operate to terminate the Lease, and no termination of the Lease on account of default by the City will be or become effective by operation of law or acts of the parties to the Lease, or otherwise, unless and until the Authority gives written notice to the City and the Commission of the election on the part of the Authority to terminate the Lease. The City agrees that no surrender of the Lease Premises or of the remainder of the term of the Lease or any termination of the Lease will be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

- (b) Without terminating the Lease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision of the Lease to be kept or performed by the City or (ii) to exercise any and all rights of entry and re-entry upon the Leased Premises as provided. In the event the Authority does not elect to terminate the Lease in the manner provided for in the Lease, the City remains liable and agrees to keep or perform all covenants and conditions in the Lease contained to be kept or performed by the City and, if the Leased Premises are not re-let, to pay the full amount of the rent annually to the end of the term of the Lease or, in the event that the Leased Premises are re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as provided in the Lease for the payment of rent under the Lease (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Lease and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Lease Premises. Should the Authority elect to re-enter as provided in the Lease, the City irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Leased Premises, or any part thereof, from time to time, either in the Authority's name or otherwise, for use as public off-street vehicular parking facility upon such terms and conditions and for such period as the authority may deem advisable and, subject to the provisions of the Development Agreement, to remove all persons in possession thereof and all personal property whosoever situated in and upon the Leased Premises and to place such personal property in storage in any warehouse or other suitable place in the County of Los Angeles, State of California, for the account of and at the expense of the City, and the City exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever 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 (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 (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 Accreted 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 (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, the City entered into an interest rate swap agreement with DEPFA Bank related to the \$135,500 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 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, 2023, along with the credit rating of the associated counterparty:

<u>Cash Flow Hedge</u>	<u>Objective</u>	<u>Notional 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	4/1/2011	2/1/2034	Pays 3.536%; receive 64% of LIBOR index	Aa1/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)

On April 15, 2008, the City issued the 2008 Refunding Certificates of Participation, Series 2008A in the amount of \$134,720. 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. 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 \$8,936. As of June 30, 2023, the balance was \$3,699.

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

The Company has the following recurring fair value measurements as of June 30, 2023:

June 30	Beginning Balance	Accrued Interest	Payment	Ending Balance
2024	\$ 3,699	\$ 157	\$ (635)	\$ 3,221
2025	3,221	136	(601)	2,756
2026	2,756	115	(564)	2,307
2027	2,307	95	(522)	1,880
2028	1,880	77	(477)	1,480
2029	1,480	59	(428)	1,111
2030	1,111	44	(374)	781
2031	781	30	(315)	496
2032	496	17	(251)	262
2033	262	8	(182)	88
2034	88	1	(89)	-

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

The Company has the following recurring fair value measurements as of June 30, 2023:

Measurements by Fair Value Level	Level		
	1	2	3
Derivative instrument liability	\$ 4,432	\$ -	\$ 4,432

(11) Derivative Instruments (Continued)**Pasadena Center Operating Company (PCOC) (Continued)**Derivative Instrument Liability

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2023, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

Cash Flow Hedge	Changes in Fair Value		Fair Value at June 30, 2023		Notional
	Classification	Amount	Classification	Amount	
Pay-fixed interest rate swaps	Deferred Outflow	\$ (6,332)	Liability	\$ 4,432	\$ 133,000

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, 2023, 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 seven (7) days. As of June 30, 2023, the weighted-average interest rate on the PCOC's hedged variable-rate debt is 2.818%, while 64 percent of LIBOR is 3.306%.

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, 2023, the maximum exposure/loss would have been \$8,338.

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

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, 2023, are as follows:

	<u>General Fund</u>	<u>Housing Successor</u>	<u>Project Management</u>	<u>General Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances						
Nonspendable:						
Prepaid and other assets	\$ 811	\$ -	\$ -	\$ -	\$ 149	\$ 960
Permanent fund principal	-	-	-	-	1,433	1,433
Notes receivable	13,505	-	-	-	-	13,505
Total Nonspendable	<u>14,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,582</u>	<u>15,898</u>
Restricted for:						
Air Quality Improvement	-	-	-	-	303	303
Notes receivable	-	-	-	-	61,269	61,269
Allowance for uncollectible long-term receivables	-	-	-	-	(61,269)	(61,269)
City Charter/Capital projects	-	-	521	-	6,754	7,275
Debt service	-	-	-	5	1,852	1,857
Culture and literacy	-	-	-	-	3,322	3,322
Housing and Community Development						
Housing funds	-	1,021	-	-	3,625	4,646
CDBG	-	-	-	-	16	16
Inclusionary Housing Trust	-	-	-	-	3,499	3,499
Rental Assistance programs	-	-	-	-	2,120	2,120
Other purposes	-	-	-	-	551	551
Public Safety						
Asset Forfeiture	-	-	-	-	2,922	2,922
Public Safety Augmentation	-	-	-	-	1,663	1,663
Other Public Safety Programs	-	-	-	-	266	266
Section 108 HUD Loan Security for Robinson Park Recreation Center Rehabilitation	400	-	-	-	-	400
Section 115 Trust - Pension	12,196	-	-	-	-	12,196
Transportation	-	-	-	-	40,139	40,139
Total Restricted	<u>\$ 12,596</u>	<u>\$ 1,021</u>	<u>\$ 521</u>	<u>\$ 5</u>	<u>\$ 67,032</u>	<u>\$ 81,175</u>

(Continued)

(12) Fund Balance (Continued)

Fund Balances, Governmental Funds (Continued)

	<u>General Fund</u>	<u>Housing Successor</u>	<u>Project Management</u>	<u>General Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances, continued						
Total from previous page	\$ 26,912	\$ 1,021	\$ 521	\$ 5	\$ 68,614	\$ 97,073
Committed to:						
Public Safety	624	-	-	-	-	624
Building Plan Check and Permit Services	-	-	-	-	11,747	11,747
Building Services - General Plan Maintenance Fee and Technology Fee	613	-	-	-	8,349	8,962
Capital Projects	12,000	-	571	-	8,849	21,420
Emergency Contingency	43,953	-	-	-	-	43,953
Operating Reserve	14,651	-	-	-	-	14,651
Libraries	-	-	-	-	13,742	13,742
Pasadena Center Capital Improvement Trust	-	-	-	-	58	58
Transportation	144	-	-	-	4,342	4,486
Sewer Construction and Maintenance	-	-	-	-	16,106	16,106
Underground Utilities	-	-	-	-	37,971	37,971
Total Committed	<u>71,985</u>	<u>-</u>	<u>571</u>	<u>-</u>	<u>101,164</u>	<u>173,720</u>
Assigned to:						
General Government	45,267	-	-	-	-	45,267
Capital Projects	12,140	-	1,361	-	-	13,501
Total Assigned	<u>57,407</u>	<u>-</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>58,768</u>
Unassigned	<u>8,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,050)</u>	<u>1,257</u>
Total Fund Balance	<u>\$ 164,611</u>	<u>\$ 1,021</u>	<u>\$ 2,453</u>	<u>\$ 5</u>	<u>\$ 162,728</u>	<u>\$ 330,818</u>



(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 \$80,000 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 \$70,000 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, 2023, the Stranded Investment Reserve balance was \$40,341. The details of the additions and subtractions, in the Reserve, that occurred during fiscal year 2023 are shown below:

Restricted Cash and Investment

Beginning balance	\$	41,666
Interest earnings		983
Market gain (loss)		<u>(2,382)</u>
Restricted cash and investment ending balance	\$	<u>40,267</u>

IPA Subordinated Notes

	Balance at June 30, 2022	Reduction	Balance at June 30, 2023
Notes receivable	\$ 1,440	\$ (1,366)	\$ 74
Premium	<u>674</u>	<u>(674)</u>	<u>-</u>
Total IPA subordinated notes	<u>\$ 2,114</u>	<u>\$ (2,040)</u>	<u>\$ 74</u>
Restricted for Stranded Investments at June 30, 2023			<u>\$ 40,341</u>

(14) Accumulated Fund Deficits

The following funds reported accumulated deficits in their respective fund balances/net position at June 30, 2023:

	Due to Operations	Due to GASB 68 Implementation	Due to GASB 75 Implementation	Due to GASB 96 Implementation	Total Accumulated Deficit
Governmental Activities:					
Special Revenue Funds:					
Health	\$ (6,901)	\$ -	\$ -	\$ -	\$ (6,901)
Internal Service Funds:					
Computing and Communications	12,167	(15,659)	(2,499)	(888)	(6,879)
Benefits	(21,464)	(77,770)	(190)	-	(99,424)
Workers' Compensation	(24,839)	(10,470)	(222)	-	(35,531)
General Liability	(13,855)	(551)	(127)	(82)	(14,615)
311 Call Center	619	(627)	(158)	(38)	(204)

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

Health

The Health Fund was established to account for grants for the provision of public 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 and services that ensure public safety and improve public health outcomes while maintaining systems and controls for a financially sustainable operation. In fiscal year 2023, the Department ended the year with a shortfall largely attributable to COVID-19 pandemic response; however, the City requested FEMA reimbursement for pandemic-related expenses and is awaiting FEMA response. To address continued fiscal challenges, the Department will continue to expedite processing of grant reimbursement requests, maintain monitoring of program and financial performance.

Computing and Communications

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 2023, the deficit decreased compared to fiscal year 2022 primarily attributable to a positive increase from operations of over \$3,500. On average, there remained a significant number of personnel vacancies due to resignations and internal promotions that kept personnel costs lower than expected, but revenues increased as well due to an increase of over 11% to the fixed rates charged to departments. However, this was offset in part by an increase in GASB 68 costs and the debut of GASB 96 costs, which combined increased by almost \$2,700. 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. To that end, for fiscal year 2024, fixed rates were increased by over 7% compared to fiscal year 2023 in an effort to keep pace with both personnel and inflationary cost increases to services and supplies. The continuing 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 the fund’s ability to absorb these increases.

(14) Accumulated Fund Deficits (Continued)Benefits

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 the 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 2023 fund balance deficit increased by \$6,100. This is primarily attributable to revenue of \$40,300 exceeded by expenses of \$46,400. 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 \$10,500 into a Section 115 pension trust and \$2,000 into a Section 115 OPEB trust in fiscal year 2018.

Workers' Compensation

The City has established a Workers' Compensation Fund to provide benefits for potential claim and cost expenditures for workers' compensation claims against the City. In addition to any monies held in this Fund, the City makes an annual appropriation based upon its estimate of claim and expense payments during the fiscal year. Management has reviewed the deficit, and is working to correct the situation through a combination of injury prevention programs, training programs, reduction of claim severity and claim frequency, return-to-work procedures, medical management and minimizing delays in all aspects of claims handling. An increase in rates charged to the Departments remains a part of the annual budget process. 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

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 \$1,200 from Departments. Additionally, in fiscal year 2020 the General Fund transferred \$5,000 into this fund to help address increased claims and improve the deficit. In fiscal year 2023 a new allocation methodology was put in place to collect an additional \$5,000 annually to cover increased settlements and self-insured retention amounts, as a result it reduced the deficit.

311 Call Center

The 311 Call Center Fund will continue to report a deficiency in fiscal years 2024 and 2025 due to the inclusion of GASB 68 and GASB 75. The 311 Call Center Fund receives direct revenue transfers from city departments to support the cost of service provided by the 311 Call Center operations. The fund is not structured, at this time, to collect additional revenue to cover the deficit caused by the inclusion of the GASB pronouncements. The Department is actively seeking a solution-based alternative with the City's Department of Finance to address the deficit and restructure the 311 Call Center Fund by fiscal year 2026.

(15) Excess of Expenditures over Appropriations

The following funds reported an excess of expenditures over appropriations at June 30, 2023:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Fund:			
General Government			
Attorney	\$ 11,628	\$ 11,949	\$ (321)
Public Safety			
Fire	60,073	61,231	(1,158)
Capital Outlay	219	2,556	(2,337)
Debt Service			
Lease payments	-	644	(644)
Subscription payments	-	447	(447)
Interest - leases and subscriptions	-	33	(33)
Project Management Fund:			
General Government	-	225	(225)
Debt Service			
Lease payments	-	42	(42)
Subscription payments	-	79	(79)
Health Fund:			
Capital Outlay	5	193	(188)
Debt Service			
Lease payments	-	26	(26)
Subscription payments	-	48	(48)
Interest - leases and subscriptions	-	2	(2)
Building Services Fund:			
Debt Service			
Subscription payments	-	3	(3)
Sewer Construction and Maintenance Fund:			
Debt Service			
Subscription payments	-	2	(2)
Transportation Fund:			
Capital Outlay	-	169	(169)
Debt Service			
Lease payments	-	49	(49)
Subscription payments	-	27	(27)
Interest - leases and subscriptions	-	1	(1)
Library Services Fund:			
Capital Outlay	-	148	(148)
Debt Service			
Lease payments	-	149	(149)
Subscription payments	-	50	(50)
Interest - leases and subscriptions	-	3	(3)
Parking Fund:			
Debt Service			
Lease payments	-	9	(9)
Housing and Community Development Fund:			
Debt Service			
Lease payments	-	315	(315)
Subscription payments	-	69	(69)
Interest - leases and subscriptions	-	15	(15)
Donated Funds:			
Culture and Leisure	370	373	(3)

(15) Excess of Expenditures over Appropriations (Continued)

General Fund:

General Government – Attorney

The City Attorney Department incurred more litigation and outside legal service expense than the budgeted amount due to establishment of the Pasadena Rental Housing Board, complex employment and police litigation, and other matters.

Public Safety – Fire

The Fire Department’s incurred approximately \$1,150 in personnel costs from an unbudgeted Recruitment Academy.

Capital Outlay

Capital Outlay expenditures in excess of appropriations related to implementation of unbudgeted GASB implementations: GASB Statement No. 87, *Leases* for \$506 and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* for \$624. GASB Statement implementations are further discussed in the detailed notes. Additionally, the City made additional unbudgeted capital outlays including \$1,000 for land and \$206 for vehicle and equipment.

(16) Pledged Revenue

Pasadena Water and Power has a number of outstanding debt issuances that are collateralized by pledged electric and water revenues. The amount and term of the remainder of these outstanding debts are presented in Note 9. The purpose of the debt issuances was for the financing of certain Light and Power and Water projects. For the current year, debt service payments as a percentage of the pledged gross revenue (net of certain expenses) 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 these debts:

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (net of expenses)</u>	<u>Annual Debt Service Payments</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Light and Power revenues	\$ 67,863	\$ 15,712	23%
Water revenues	17,822	5,858	33%

(17) Transfers

Primary Government

The following is a summary of transfers in and out for the year ended June 30, 2023:

	Transfers In		
	General Fund	Project Management Fund	General Debt Service Fund
Transfers Out			
General Fund	\$ -	\$ 8,299 A	\$ 7,324 B
Project Management Fund	-	-	-
Nonmajor Governmental Funds	-	19,945 D	-
Light and Power Fund	18,000 F	-	-
Water Fund	1,894	-	-
Off-Street Parking Fund	-	55	-
Nonmajor Enterprise Funds	773	69	-
Internal Service Funds	-	1,715	-
Total	\$ 20,667	\$ 30,083	\$ 7,324

Primary Government

(A) Transfers of \$8,299 from General Fund to Project Management Fund mainly consist of:

- \$4,363 for the improvement of Municipal buildings including \$3,002 for fire station renovations;
- \$2,296 for various street improvements including \$1,780 for sidewalk improvements;
- \$674 for the technology upgrade projects, including \$642 for the police computer-aided dispatch; and records management system replacement project; and
- \$600 for various transportation projects.

(B) Transfer of \$7,324 from General Fund to General Debt Service Fund mainly consist of:

- \$4,758 to pay pension obligation for Bonds Series 2020AB;
- \$1,506 to pay taxable pension obligation for Bonds Series 2015; and
- \$1,033 to pay for equipment purchase note payable.

(C) Transfers of \$19,361 from General Fund to Nonmajor Governmental Funds mainly consist of:

- \$12,213 to support the Library Services Fund;
- \$4,101 to pay for 2015A Refunding COPs; and
- \$1,227 to other housing funds.



(17) Transfers (Continued)

Transfers In				
Nonmajor Governmental Funds	Light and Power Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
\$ 19,361 C	\$ -	\$ -	\$ 219	\$ 35,203
27	-	71	339	437
-	5,311 E	-	13	25,270
-	-	-	-	18,000
-	-	-	-	1,894
-	-	53	88	196
-	-	-	435	1,277
-	-	-	-	1,715
<u>\$ 19,388</u>	<u>\$ 5,311</u>	<u>\$ 123</u>	<u>\$ 1,095</u>	<u>\$ 83,992</u>

(D) Transfers of \$19,945 from Nonmajor Governmental Funds to Project Management Fund mainly consist of:

- \$7,255 from Residential Development Impact Fund;
- \$2,929 from Road Maintenance and Rehabilitation Account;
- \$2,780 from Community Development Block Grant Fund;
- \$2,259 from Sewer Facility Charge Fund and Sewer Construction Management Fund;
- \$1,907 from Traffic Reduction Transportation Fund; and
- \$782 from Gas Tax Fund.

(E) Transfers of \$5,311 from Nonmajor Governmental Funds to Light and Power Fund to pay for the underground utilities program expenses.

(F) Light and Power Fund contributed \$18,000 to the General Fund; the amount transferred may be expended for any municipal purpose.

(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, 2022 to June 30, 2023, excess liability insurance was purchased with limits of \$25,000 in excess of \$5,000 per occurrence SIR. Excess workers' compensation insurance is at \$4,000. Workers' compensation claims for all City workers, including public safety, i.e., 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 July 1, 2012.

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

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

No workers' compensation injury incurred since the SIR has been \$3,000. City has received \$3,185 in workers' compensation excess recovery. The City is requesting \$176 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 2023, the City paid \$7,892 in claims and settlement payments. For new claims with alleged dates of loss within fiscal year 2023, the overall total incurred was \$1,431. Liability against a public entity is mitigated by existing laws/statutes/codes, which provide certain immunities. The City currently has approximately seven (7) active litigation cases, each with reserves estimated in excess of \$2,000.



(18) Self-insurance (Continued)

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 and the Workers' Compensation Claims Supervisors, 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 for Aircraft Hull and Liability, with an aggregate of \$50,000. 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 per occurrence limit. 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 \$1,150,000. 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 with a deductible of \$25 for earthquake sprinkler leakage, \$100 for flood, and \$25 for any other covered loss. Exclusions include earthquake, collapse of buildings and nuclear hazard. During February and March 2023, various City properties incurred storm damages due to unprecedented rainfall. Claims were filed against the fiscal year 2023 policy in the process and pursuit of FEMA reimbursement. Coverage details for those claims are still being assessed.

The City's property: power plant boiler and machinery policy, with total insured value of \$422,317. 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 with deductibles of \$750 per occurrence for all other property damage, and \$1,500 per occurrence for machinery breakdown of GT1, GT3, and GT5. The City did not receive new claims under this policy for fiscal year 2023.

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, including a policy purchased for and by the Fire and Police Retirement System; and crime policies.

(18) Self-insurance (Continued)

Pasadena Center Operating Company (PCOC) is entitled to indemnity from the City; however, PCOC purchases a Commercial General Liability Policy 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, Anschutz Entertainment Group, 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, 2023, General Liability claims payable amounted to \$12,731 of which \$10,622 is estimated to be paid within one year. Workers’ Compensation claims payable amounted to \$41,132 of which \$17,881 is estimated to be paid within one year.

Fiscal Year	Beginning Liability	Fiscal Year in Estimates	Claim Payments	Ending Liability
2021-22	\$ 42,044	\$ 64,785	\$ (30,677)	\$ 76,153
2022-23	76,153	5,646	(16,936)	64,863

(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, 2023 the market value of the City’s deferred compensation plan assets amounted to \$350,687.



(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)	\$ 18,573	\$ 4,709	\$ 5,594	\$ -
CalPERS - Safety Plan	216,070	29,561	76,047	566
CalPERS - Miscellaneous Plan	340,674	37,805	117,031	10,154
Total Plans	<u>\$ 575,317</u>	<u>\$ 72,075</u>	<u>\$ 198,672</u>	<u>\$ 10,720</u>

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	\$ 1,123
Designated pooled cash	1,250
Cash with master custodian	255
Cash and cash equivalents	<u>2,628</u>
Short-term investments	4,877
Investments	<u>102,663</u>
Total investments	<u>107,540</u>
Total cash and investments	<u>\$ 110,168</u>

(20) Pension Plans (Continued)

Pasadena Fire and Police Retirement System (FPRS) (Continued)

Funding Policy

Section 1509.9 of the City Charter provides that the normal member contribution rates will provide an average annuity, at age 50, equal to 1/100 of the final compensation of members for each year of service according to tables adopted by the Board. The basic benefits otherwise funded by these contributions have now been fully funded by Contribution Agreement 16,900. Pursuant to the agreement, the City contributed \$100,000 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 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 in a year, the City will pay \$3,000 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, 2023, the funded percentage of the System, calculated in accordance with Agreement No. 20,823 and Agreement No. 16,900, was 84.1%. As provided by Contribution Agreement No. 16,900, if the funded percentage is below the minimum funding percentage of 80% for fiscal year 2023, the City will reimburse the System in the following fiscal year subject to certain reimbursement limits. Based on the June 30, 2023 actuarial valuation, there was no funding deficiency below the funding requirement of 80% as of June 30, 2023. Thus, no required supplemental contribution is owed to the System by the City during fiscal year ended June 30, 2023.

The components of the net pension liability of the System as of June 30, 2023 are as follows:

FPRS		
Total Pension Liability	\$	122,950
Beginning Fiduciary Net Position (FNP)	\$	111,662
Net Investment Income		5,013
Benefit Payments		(11,954)
Administrative Expenses		(344)
Plan Fiduciary Net Position		104,377
Net Pension Liability/(Asset)		18,573
Plan Fiduciary Net Position as a		
Percentage of Total Pension Liability		84.9%



(20) Pension Plans (Continued)

Pasadena Fire and Police Retirement System (FPRS) (Continued)

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, 2023.

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-2021	
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, 2023)	
	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**	183
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total participants	<u>183</u>

** Alternative payee data for 23 Domestic Relations Order (DRO) agreements provided separately from employee-retiree for first time in 6/30/23 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)**Pasadena Fire and Police Retirement System (FPRS) (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, 2023 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, 2023 is the same as the discount rate of 5.25% used as of June 30, 2022.

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, 2022	\$ 126,291	\$ 111,662	\$ (14,629)
Changes Recognized for the Measurement Period:			
Service Cost	-	-	-
Interest on the Total Pension Liability	6,316	-	(6,316)
Differences between Expected and Actual Experience	482	-	(482)
Contribution from Employer	-	-	-
Contribution from Employees	-	-	-
Net Investment Income	-	5,013	5,013
Benefit Payments	(11,954)	(11,954)	-
Administrative Expense	-	(344)	(344)
Change of Assumptions	1,815	-	(1,815)
Net Change during 2022-23	(3,341)	(7,285)	(3,944)
Balance at June 30, 2023	\$ 122,950	\$ 104,377	\$ (18,573)
Ending Fiduciary Net Position as a Percentage of the Total Pension Liability			84.9%
Pension Expense			\$ 4,709

(20) Pension Plans (Continued)

Pasadena Fire and Police Retirement System (FPRS) (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 \$9,521 to a total NPL of \$28,094. Conversely, increasing the discount rate by 1%, from 5.25% to 6.25%, revealed a corresponding decrease in the NPL of \$8,347 to total NPL of \$10,226 as of June 30, 2023.

FPRS			
	Discount Rate -1% (4.25%)	Current Discount Rate (5.25%)	Discount Rate +1% (6.25%)
Net Pension Liability (NPL)	28,094	18,573	10,226
NPL Funded Percentage	78.8%	84.9%	91.1%

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	\$ 5,594	\$ -	\$ 5,594
Total	\$ 5,594	\$ -	\$ 5,594

FPRS	
Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,181
2025	603
2026	3,704
2027	106

(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, 2023, 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	7.680%	Required employee contribution rates	9.850%
Required employer contribution rates*	35.450%	Required employer contribution rates	55.070%

*As a percentage of projected payroll

Employees Covered

At the measurement date June 30, 2022, 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	1,779	429
Inactive employees entitled to but not yet receiving benefits	1,132	157
Active employees	1,399	355
Total	<u>4,310</u>	<u>941</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, 2023 of \$43,316 and \$27,252, 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre- retirement and Post-retirement mortality rates include using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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)**CalPERS Miscellaneous and Safety 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 expectation. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

<u>Asset Class ⁽¹⁾</u>	<u>Assumed Asset Allocation</u>	<u>Real Return ^(1,2)</u>
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Non-Cap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

⁽¹⁾ An expected inflation of 2.30% used for this period.

⁽²⁾ Figures are based on the 2021 Asset Liability Management Study.

Source: CalPERS Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2022
PERF B & PERF C – Long-Term Expected Real Rates of Return by Asset Class

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

	Increase/(Decrease)		
	A	B	C = B - A
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset/(Liability)
Balance at June 30, 2021, Measurement Date (MD)	\$ 1,244,126	\$ 1,066,101	\$ (178,025)
Changes Recognized for the Measurement Period 2021-22:			
Service Cost	22,198	-	(22,198)
Interest on the Total Pension Liability	85,888	-	(85,888)
Differences between Expected and Actual Experience	(12,307)	-	12,307
Changes of Assumption	35,296	-	(35,296)
Plan to Plan Resource Movement	-	-	-
Contribution from Employers	-	40,242	40,242
Contribution from Employees	-	9,288	9,288
Net Investment Income	-	(80,440)	(80,440)
Benefit Payments, including Refunds of Employee Contribution	(66,929)	(66,929)	-
Administrative Expense	-	(664)	(664)
Net Changes	64,146	(98,503)	(162,649)
Balance at June 30, 2022, MD	\$ 1,308,272	\$ 967,598	\$ (340,674)
Pension Expense			\$ 37,805

Safety

	Increase/(Decrease)		
	A	B	C = B - A
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset/(Liability)
Balance at June 30, 2021, Measurement Date (MD)	\$ 741,784	\$ 632,114	\$ (109,670)
Changes Recognized for the Measurement Period 2021-22:			
Service Cost	14,423	-	(14,423)
Interest on the Total Pension Liability	51,956	-	(51,956)
Differences between Expected and Actual Experience	(643)	-	643
Changes of Assumption	22,619	-	(22,619)
Net Plan to Plan Resource Movement	-	-	-
Contribution from Employers	-	25,199	25,199
Contribution from Employees	-	5,015	5,015
Net Investment Income	-	(47,866)	(47,866)
Benefit Payments, including Refunds of Employee Contribution	(35,966)	(35,966)	-
Administrative Expense	-	(393)	(393)
Net Changes	52,389	(54,011)	(106,400)
Balance at June 30, 2022, MD	\$ 794,173	\$ 578,103	\$ (216,070)
Pension Expense			\$ 29,561

(20) Pension Plans (Continued)**CalPERS Miscellaneous and Safety 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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

Miscellaneous				
	Discount Rate -1%	Current Discount	Discount Rate +1%	
	(5.90%)	Rate (6.90%)	(7.90%)	
Plan Net Pension Liability	\$ 506,856	\$ 340,674	\$ 202,750	

Safety				
	Discount Rate -1%	Current Discount	Discount Rate +1%	
	(5.90%)	Rate (6.90%)	(7.90%)	
Plan Net Pension Liability	\$ 329,222	\$ 216,070	\$ 123,709	

Subsequent Events (as measurement period is from July 1, 2021 through June 30, 2022)

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)

CalPERS Miscellaneous and Safety 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, 2022 is 3.4 years, which was obtained by dividing the total service years of 14,755 (the sum of remaining service lifetimes of the active employees) by 4,330 (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, 2022 is 4.8 years, which was obtained by dividing the total service years of 4,486 (the sum of remaining service lifetimes of the active employees) by 941 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to zero. 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)

CalPERS Miscellaneous and Safety Plans (Continued)

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

As of June 30, 2023, 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	\$ 24,916	\$ -	\$ 17,907	\$ (56)	\$ 42,823	\$ (56)
Differences between Expected and Actual Experience	-	(10,154)	1,725	(510)	1,725	(10,664)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	48,800	-	29,163	-	77,963	-
Contributions Subsequent to the Measurement Date	43,316	-	27,252	-	70,568	-
Total	\$ 117,032	\$ (10,154)	\$ 76,047	\$ (566)	\$ 193,079	\$ (10,720)

The amounts above are net of outflows and inflows recognized in the fiscal year 2022-23 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	Deferred Outflows/(Inflows) of Resources	Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 13,491	2023	\$ 10,485
2024	13,437	2024	9,119
2025	5,971	2025	6,710
2026	30,663	2026	21,915
Thereafter	-	Thereafter	-

Defined Contribution Plan (PARS)

The City provides pension benefits for employees not covered by CalPERS or FPRS through the PARS. This is a defined contribution plan created in accordance with Internal Revenue Code Sections 401(a) and 501. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website, at www.calpers.ca.gov.

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, 2023 was \$4,854. The covered employees made the total required 7.5% contributions of \$364.

(21) Other Postemployment Benefits (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 \$151 or \$149 per month depending on the bargaining unit or the unrepresented group the employee was a member.

At the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	721
Active plan members	<u>1,582</u>
	<u>2,303</u>

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 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 through PEHMCA. For the calendar year 2023, this monthly amount is \$151.00 for certain classes of employees and \$128.35 for remaining employees.

(21) Other Postemployment Benefits (OPEB) (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 2023 and 2022 were \$151.00 or \$149.00, 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 \$2,000 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, 2023. As of June 30, 2023, the fair value of the OPEB Section 115 trust account was \$2,310.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2022, based on the following actuarial methods and assumptions:

Actuarial Cost Method Entry Age Normal – level percentage of Salary method

Actuarial Assumptions:

Discount Rate	4.13% as of July 1, 2023 and 4.09% as of July 1, 2022
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	The current health care trend rate starts at an initial rate of 6.25%, decreasing to an ultimate rate of 4.50%.
Investment Rate of Return	5.0% per annum
Disability	According to the disability rates under the 2022 CalPERS experience study.
Turnover Rate	According to the termination rates under the 2022 experience study for the CalPERS pension plan
Retirement Age	According to the retirement rates under the 2022 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-2022 released by the Society of Actuaries (SOA) for future mortality improvements.

(21) Other Postemployment Benefits (OPEB) (Continued)

Net OPEB Liability (Continued)

Pre-retirement Turnover	According to the rates under the 2022 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.

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, 2023 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%.

(21) Other Postemployment Benefits (OPEB) (Continued)**Changes in the OPEB Liability**

	<u>A</u>	<u>Increase (Decrease)</u> <u>B</u>	<u>C = A - B</u>
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net</u> <u>Position</u>	<u>Net OPEB</u> <u>(Asset)/Liability</u>
Balance at June 30, 2022	\$ 74,648	\$ 2,215	\$ 72,433
Changes recognized for the Measurement Period:			
Service Cost	3,623	-	3,623
Interest	3,141	-	3,141
Difference between expected and actual experience	(397)	-	(397)
Changes of Assumptions	(419)	-	(419)
Contribution - Employer	-	2,997	(2,997)
Net Investment Income	-	101	(101)
Benefit Payments, Net	(2,997)	(2,997)	-
Administrative Expenses	-	(6)	6
Net Changes	2,951	95	2,856
Balance at June 30, 2023	<u>\$ 77,599</u>	<u>\$ 2,310</u>	<u>\$ 75,289</u>

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(21) Other Postemployment Benefits (OPEB) (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 4.13%, 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, 2023:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Net OPEB Liability	\$ 86,986	\$ 75,289	\$ 65,881

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, 2023:

	1% Decrease (5.25% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (6.25% decreasing to 4.50%)	1% Increase (7.25% decreasing to 5.50%)
Net OPEB Liability	\$ 63,596	\$ 75,289	\$ 90,334

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$6,175. As of fiscal year ended June 30, 2023, 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	\$ 699	\$ (2,241)
Difference between expected and actual experience	6,705	(21,638)
Net difference between projected and actual earning on OPEB plan investments	184	-
Total	\$ 7,588	\$ (23,879)

The \$7,587 reported as deferred outflows of resources and \$23,879 reported as deferred inflows related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ (1,211)
2025	(1,919)
2026	(1,879)
2027	(1,964)
2028	(1,966)
Thereafter	(7,352)
Total	\$ (16,291)

(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, 2023 is \$104,309.

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 \$40,341 in 2023. 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) Restatement of Beginning Net Position

A prior period adjustment of \$791 was made to reduce the net position of the Refuse fund due to a reinstatement of deposits payable related to residential and commercial bins erroneously recognized as revenue in the prior fiscal year.

	<u>Government-wide Statements</u>	<u>Fund Statements Enterprise Funds</u>
	<u>Business-type Activities</u>	<u>Nonmajor Enterprise Funds</u>
Net position at beginning of year, as previously reported	\$ 879,222	\$ 18,936
Restatement:		
Resource, recovery and recycling reinstatement of deposit balance	(791)	(791)
Net position at beginning of year, as restated	<u>\$ 878,431</u>	<u>\$ 18,145</u>

(24) Subsequent Events

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

Acquisition of Property in Partnership with Los Angeles County

On April 24, 2023, Council authorized City Manager to enter into an agreement on behalf of City of Pasadena with Kaiser Foundation Health Plan, Inc., to purchase a property located at 450 N. Lake Ave, Pasadena. On November 6, 2023, the City of Pasadena took formal ownership of the 2.5-acre site. The cost of this acquisition was \$12,000. This project will be in partnership with Los Angeles County, with the County contributing \$6,000 to the purchase price. The property will be transformed into a community services site, offering affordable housing, mental health care services, and outpatient services.

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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, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes:				
Property	\$ 76,276	\$ 76,276	\$ 81,292	\$ 5,016
Sales	70,645	75,681	75,733	52
Utility users'	27,200	27,200	32,790	5,590
Transient occupancy	17,037	18,637	18,675	38
Other	20,823	14,187	25,768	11,581
Licenses and permits	3,475	3,475	3,731	256
Intergovernmental	22,651	30,040	71,161	41,121
Charges for services	34,953	33,813	35,822	2,009
Fines and forfeitures	5,121	5,121	5,372	251
Investment earnings	681	681	2,127	1,446
Net change in fair value of investments	-	-	(640)	(640)
Lease revenues	995	995	1,349	354
Interest - leases (as lessor)	-	-	2	2
Miscellaneous revenues	2,817	2,848	3,226	378
Contributions	33	33	33	-
Total revenues	282,707	288,987	356,441	67,454
Expenditures:				
General government:				
Attorney	10,461	11,628	11,949	(321)
Clerk	3,332	3,332	3,131	201
Council	3,136	3,136	2,763	373
Manager	6,122	6,422	5,895	527
Finance	13,883	13,883	13,733	150
Human Resources	4,817	4,817	4,728	89
Nondepartmental	15,574	16,503	16,170	333
Public safety:				
Fire	58,046	60,073	61,231	(1,158)
Police	94,898	95,335	94,891	444
Transportation:				
Transportation	23,098	24,329	24,290	39
Public Works	-	-	-	-
Culture and leisure:				
Parks, Recreation & Community	23,148	22,794	21,860	934
Nondepartmental	11,244	13,844	11,559	2,285
Community development:				
Planning & Permitting	9,701	9,518	8,683	835
Capital outlay	61	219	2,556	(2,337)
Debt Service:				
Interest	10	10	3	7
Lease payments	-	-	644	(644)
Subscription payments	-	-	447	(447)
Interest - leases and subscriptions	-	-	33	(33)
	277,531	285,843	284,566	1,277
Excess (deficiency) of revenues over (under) expenditures	5,176	3,144	71,875	68,731
Other financing sources (uses):				
Transfers in	20,715	20,715	20,667	(48)
Transfers out	(30,443)	(35,203)	(35,203)	-
Transfers to component unit	-	-	(67)	(67)
Leases issued	-	-	506	506
Subscriptions issued	-	-	617	617
Total other financing sources (uses)	(9,728)	(14,488)	(13,480)	1,008
Net change in fund balances	(4,552)	(11,344)	58,395	69,739
Fund balances at beginning of year	106,216	106,216	106,216	-
Fund balances at end of year	\$ 101,664	\$ 94,872	\$ 164,611	\$ 69,739

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Housing Successor Fund
For the Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 7	\$ 7
Investment earnings	-	-	92	92
Miscellaneous revenues	118	118	289	171
Total revenues	118	118	388	270
Expenditures:				
Current:				
Community development	282	1,338	1,260	78
Total expenditures	282	1,338	1,260	78
Net change in fund balances	(164)	(1,220)	(872)	348
Fund balance at beginning of year	1,893	1,893	1,893	-
Fund balance at end of year	\$ 1,729	\$ 673	\$ 1,021	\$ 348



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

Project Management Fund

For the Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ -	\$ 15,356	\$ 10,504	\$ (4,852)
Charges for services	-	100	34	(66)
Lease revenues	-	(138)	423	561
Miscellaneous revenues	-	-	56	56
Contributions	-	481	677	196
Total revenues	-	15,799	11,694	(4,105)
Expenditures:				
Current:				
General government	-	-	225	(225)
Transportation	6,441	6,441	5,716	725
Capital outlay	1,151	50,653	36,321	14,332
Debt service:				
Lease payments	-	-	42	(42)
Subscription payments	-	-	79	(79)
Total expenditures	7,592	57,094	42,383	14,711
Excess (deficiency) of revenues over (under) expenditures	(7,592)	(41,295)	(30,689)	10,606
Other financing sources (uses):				
Transfers in	-	29,645	30,083	438
Transfers out	-	30	(437)	(467)
Leases issued	-	-	11	11
Subscriptions issued	-	-	98	98
Total other financing sources	-	29,675	29,755	80
Net change in fund balances	(7,592)	(11,620)	(934)	10,686
Fund balance at beginning of year	3,387	3,387	3,387	-
Fund balance (deficit) at end of year	\$ (4,205)	\$ (8,233)	\$ 2,453	\$ 10,686

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City of Pasadena

Notes to the Required Supplementary Information
Year Ended June 30, 2023**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, 2023	June 30, 2022	June 30, 2021
Measurement period ended	June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability:			
Service cost	\$ 22,198	\$ 19,876	\$ 19,566
Interest on total pension liability	85,888	84,480	81,859
Changes of benefits	-	-	-
Changes of assumptions	35,296	-	-
Difference between expected and actual experience	(12,307)	(2,425)	(3,982)
Benefit payments, including refunds of employee contributions	(66,929)	(63,657)	(61,336)
Net Change in Total Pension Liability	64,146	38,274	36,107
Total Pension Liability - Beginning of Year	1,244,126	1,205,852	1,169,745
Total Pension Liability - End of Year (a)	\$ 1,308,272	\$ 1,244,126	\$ 1,205,852
Plan Fiduciary Net Position:			
Contributions - employer	\$ 40,242	\$ 38,235	\$ 35,786
Contributions - employee	9,288	9,265	8,895
Net investment income	(80,440)	199,471	42,242
Benefit payments, including refunds of employee contributions	(66,929)	(63,657)	(61,336)
Net plan to plan resource movement	-	-	-
Administrative expense	(664)	(883)	(1,211)
Other miscellaneous income/(expense)	-	-	-
Net Change in Plan Fiduciary Net Position	(98,503)	182,431	24,376
Plan Fiduciary Net Position - Beginning of Year	1,066,101	883,670	859,294
Plan Fiduciary Net Position - End of Year (b)	\$ 967,598	\$ 1,066,101	\$ 883,670
Net Pension Liability - Ending (a)-(b)	\$ 340,674	\$ 178,025	\$ 322,182
Plan fiduciary net position as a percentage of the total pension liability	73.96%	85.69%	73.28%
Covered payroll	\$ 119,630	\$ 119,505	\$ 116,645
Net pension liability as percentage of covered payroll	284.77%	148.97%	276.21%

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.

For fiscal year ended 2023:

The discount rate was reduced from 7.15% to 6.90%.

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, 2020</u>	<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, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 19,270	\$ 19,070	\$ 18,793	\$ 16,452	\$ 16,519	\$ 17,349
79,379	76,249	74,168	72,632	70,708	68,656
-	-	-	-	-	-
-	(7,443)	59,447	-	(16,682)	-
5,492	(3,023)	(11,333)	(13,975)	(14,488)	-
<u>(58,915)</u>	<u>(55,364)</u>	<u>(51,700)</u>	<u>(49,269)</u>	<u>(46,871)</u>	<u>(44,239)</u>
45,226	29,489	89,375	25,840	9,186	41,766
<u>1,124,519</u>	<u>1,095,030</u>	<u>1,005,655</u>	<u>979,815</u>	<u>970,629</u>	<u>928,863</u>
<u>\$ 1,169,745</u>	<u>\$ 1,124,519</u>	<u>\$ 1,095,030</u>	<u>\$ 1,005,655</u>	<u>\$ 979,815</u>	<u>\$ 970,629</u>
\$ 31,375	\$ 27,112	\$ 24,681	\$ 22,252	\$ 19,683	\$ 18,058
8,841	8,824	8,904	8,659	8,503	10,977
53,458	66,083	80,076	3,807	16,554	111,123
(58,915)	(55,364)	(51,700)	(49,269)	(46,871)	(44,239)
-	(2)	-	-	1	-
(589)	(1,219)	(1,065)	(449)	(829)	-
<u>2</u>	<u>(2,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
34,172	43,120	60,896	(15,000)	(2,959)	95,919
<u>825,122</u>	<u>782,002</u>	<u>721,106</u>	<u>736,106</u>	<u>739,065</u>	<u>643,146</u>
<u>\$ 859,294</u>	<u>\$ 825,122</u>	<u>\$ 782,002</u>	<u>\$ 721,106</u>	<u>\$ 736,106</u>	<u>\$ 739,065</u>
<u>\$ 310,451</u>	<u>\$ 299,397</u>	<u>\$ 313,028</u>	<u>\$ 284,549</u>	<u>\$ 243,709</u>	<u>\$ 231,564</u>
73.46%	73.38%	71.41%	71.71%	75.13%	76.14%
\$ 112,848	\$ 111,573	\$ 107,546	\$ 105,292	\$ 102,406	\$ 103,617
275.11%	268.34%	291.06%	270.25%	237.98%	223.48%

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

Fiscal year ended	2023	2022	2021
Actuarially determined contribution ²	\$ 40,242	\$ 38,235	\$ 35,786
Contributions in relation to the actuarially determined contribution	(43,316)	(38,235)	(35,786)
Contribution deficiency (excess)	\$ (3,074)	\$ -	\$ -
Covered payroll	\$ 126,652	\$ 119,630	\$ 119,505
Contributions as a percentage of covered payroll	34.20%	31.96%	29.95%

Notes to Schedule:

Valuation date	6/30/2020	6/30/2019	6/30/2018
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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	2.50%	2.50%	2.625%
Amortization method ³			
Salary increases ⁴			
Investment rate of return ⁵	7.00%	7.00%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 31,375	\$ 27,112	\$ 24,681	\$ 22,252	\$ 19,683	\$ 18,058
<u>(31,375)</u>	<u>(27,112)</u>	<u>(24,681)</u>	<u>(22,252)</u>	<u>(19,683)</u>	<u>(18,058)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 116,645	\$ 112,848	\$ 111,573	\$ 107,546	\$ 105,292	\$ 102,406
26.90%	24.03%	22.12%	20.69%	18.69%	17.63%
6/30/2017	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 Fair value	Entry age 15 Year Smoothed Market Method	Entry age 15 Year Smoothed Market Method
2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
7.25%	7.38%	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, 2023 June 30, 2022	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020
Total Pension Liability:			
Service cost	\$ 14,423	\$ 13,227	\$ 13,264
Interest on total pension liability	51,956	50,130	47,906
Changes of benefit terms	-	-	-
Changes of assumptions	22,619	-	-
Difference between expected and actual experience	(643)	777	1,038
Benefit payments, including refunds of employee contributions	(35,966)	(32,147)	(29,518)
Net Change in Total Pension Liability	52,389	31,986	32,690
Total Pension Liability - Beginning of Year	741,784	709,798	677,108
Total Pension Liability - End of Year (a)	\$ 794,173	\$ 741,784	\$ 709,798
Plan Fiduciary Net Position:			
Contributions - employer	\$ 25,199	\$ 23,384	\$ 21,823
Contributions - employee	5,015	4,734	4,617
Net investment income	(47,866)	118,090	24,676
Benefit payments, including refunds of employee contributions	(35,966)	(32,147)	(29,518)
Net plan to plan resource movement	-	-	-
Administrative expense	(393)	(518)	(702)
Other miscellaneous income/(expense)	-	-	-
Net Change in Plan Fiduciary Net Position	(54,011)	113,543	20,896
Plan Fiduciary Net Position - Beginning of Year	632,114	518,571	497,675
Plan Fiduciary Net Position - End of Year (b)	\$ 578,103	\$ 632,114	\$ 518,571
Net Pension Liability - Ending (a)-(b)	\$ 216,070	\$ 109,670	\$ 191,227
Plan fiduciary net position as a percentage of the total pension liability	72.79%	85.22%	73.06%
Covered payroll	\$ 48,883	\$ 47,997	\$ 47,457
Net pension liability as percentage of covered payroll	442.01%	228.49%	402.95%

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.

For fiscal year ended 2023:

The discount rate was reduced from 7.15% to 6.90%.

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, 2020</u>	<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, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 12,764	\$ 12,757	\$ 12,324	\$ 10,509	\$ 10,702	\$ 11,182
45,654	43,215	41,004	39,394	37,307	35,798
-	-	-	-	-	-
-	(995)	36,547	-	(9,888)	-
4,034	2,172	(7,057)	(634)	(8,455)	-
<u>(26,877)</u>	<u>(24,941)</u>	<u>(22,654)</u>	<u>(20,871)</u>	<u>(19,143)</u>	<u>(16,924)</u>
35,575	32,208	60,164	28,398	10,523	30,056
<u>641,533</u>	<u>609,325</u>	<u>549,161</u>	<u>520,763</u>	<u>510,240</u>	<u>480,184</u>
<u>\$ 677,108</u>	<u>\$ 641,533</u>	<u>\$ 609,325</u>	<u>\$ 549,161</u>	<u>\$ 520,763</u>	<u>\$ 510,240</u>
\$ 19,187	\$ 16,542	\$ 15,279	\$ 13,026	\$ 12,027	\$ 10,533
4,383	4,197	4,056	3,804	3,764	4,226
30,716	37,156	44,323	2,093	8,834	59,052
(26,877)	(24,941)	(22,654)	(20,871)	(19,143)	(16,924)
-	(1)	-	-	-	-
(336)	(685)	(589)	(245)	(452)	-
<u>1</u>	<u>(1,301)</u>	<u>-</u>	<u>-</u>	<u>684</u>	<u>-</u>
27,074	30,967	40,415	(2,193)	5,714	56,887
<u>470,601</u>	<u>439,634</u>	<u>399,219</u>	<u>401,410</u>	<u>395,696</u>	<u>338,809</u>
<u>\$ 497,675</u>	<u>\$ 470,601</u>	<u>\$ 439,634</u>	<u>\$ 399,219</u>	<u>\$ 401,410</u>	<u>\$ 395,696</u>
<u>\$ 179,433</u>	<u>\$ 170,932</u>	<u>\$ 169,691</u>	<u>\$ 149,942</u>	<u>\$ 119,353</u>	<u>\$ 114,544</u>
73.50%	73.36%	72.15%	72.70%	77.08%	77.55%
\$ 46,444	\$ 44,887	\$ 41,528	\$ 41,142	\$ 41,013	\$ 34,243
386.34%	380.81%	408.62%	364.45%	291.01%	334.50%

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

Fiscal year ended	2023	2022	2021
Actuarially determined contribution ²	\$ 25,199	\$ 23,384	\$ 21,823
Contributions in relation to the actuarially determined contribution	(27,252)	(23,384)	(21,823)
Contribution deficiency (excess)	\$ (2,053)	\$ -	\$ -
Covered payroll	\$ 51,234	\$ 48,883	\$ 47,997
Contributions as a percentage of covered payroll	53.19%	47.84%	45.47%

Notes to Schedule:

Valuation date	6/30/2020	6/30/2019	6/30/2018
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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	2.50%	2.50%	2.625%
Amortization method ³			
Salary increases ⁴			
Investment rate of return ⁵	7.00%	7.00%	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.



2020	2019	2018	2017	2016	2015
\$ 19,187	\$ 16,542	\$ 15,279	\$ 13,026	\$ 12,027	\$ 10,533
(19,187)	(16,542)	(15,279)	(13,026)	(12,027)	(10,533)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 47,457	\$ 46,444	\$ 44,887	\$ 41,528	\$ 41,142	\$ 41,013
40.43%	35.62%	34.04%	31.37%	29.23%	25.68%

6/30/2017 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	Entry age 15 Year Smoothed Market Method
2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
7.25%	7.38%	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, 2023</u> June 30, 2023	<u>June 30, 2022</u> June 30, 2022	<u>June 30, 2021</u> June 30, 2021
Total Pension Liability:			
Interest on total pension liability	\$ 6,316	\$ 6,947	\$ 7,335
Differences between expected and actual experience	482	164	(1,798)
Changes of assumptions	1,815	4,400	-
Changes of benefits	-	-	-
Benefit payments, including refunds of employee contributions	<u>(11,954)</u>	<u>(12,072)</u>	<u>(12,506)</u>
Net Change in Total Pension Liability	(3,341)	(561)	(6,969)
Total Pension Liability - Beginning of Year	<u>126,291</u>	<u>126,852</u>	<u>133,821</u>
Total Pension Liability - End of Year (a)	<u>\$ 122,950</u>	<u>\$ 126,291</u>	<u>\$ 126,852</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - employee	-	-	-
Net investment income	5,013	(10,656)	22,355
Benefit payments, including refunds of employee contributions	(11,954)	(12,072)	(12,506)
Administrative expense	<u>(344)</u>	<u>(343)</u>	<u>(327)</u>
Net Change in Plan Fiduciary Net Position	(7,285)	(23,071)	9,522
Plan Fiduciary Net Position - Beginning of Year	<u>111,662</u>	<u>134,733</u>	<u>125,211</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 104,377</u>	<u>\$ 111,662</u>	<u>\$ 134,733</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 18,573</u>	<u>\$ 14,629</u> ²	<u>\$ (7,881)</u>
Plan fiduciary net position as a percentage of the total pension liability	84.89%	88.42%	106.21%

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.

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 As adjusted after the fiscal year 2022 GASB 68 report was performed.

(AMOUNTS EXPRESSED IN THOUSANDS)

<u>June 30, 2020</u>	<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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 7,600	\$ 7,781	\$ 8,832	\$ 9,272	\$ 9,644	\$ 9,162
438	1,862	1,261	(3,081)	(2,098)	(3,075)
-	-	2,189	-	-	3,141
-	-	-	-	-	-
<u>(12,773)</u>	<u>(12,824)</u>	<u>(12,815)</u>	<u>(13,118)</u>	<u>(13,448)</u>	<u>(13,645)</u>
(4,735)	(3,181)	(533)	(6,927)	(5,902)	(4,417)
<u>138,556</u>	<u>141,737</u>	<u>142,270</u>	<u>149,197</u>	<u>155,099</u>	<u>159,516</u>
<u>\$ 133,821</u>	<u>\$ 138,556</u>	<u>\$ 141,737</u>	<u>\$ 142,270</u>	<u>\$ 149,197</u>	<u>\$ 155,099</u>
\$ 23,137	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,394	5,923	6,656	12,512	50	5,683
(12,773)	(12,824)	(12,815)	(13,118)	(13,448)	(13,645)
<u>(321)</u>	<u>(257)</u>	<u>(272)</u>	<u>(300)</u>	<u>(302)</u>	<u>(273)</u>
13,437	(7,158)	(6,431)	(906)	(13,700)	(8,235)
<u>111,774</u>	<u>118,932</u>	<u>125,363</u>	<u>126,269</u>	<u>139,969</u>	<u>148,204</u>
<u>\$ 125,211</u>	<u>\$ 111,774</u>	<u>\$ 118,932</u>	<u>\$ 125,363</u>	<u>\$ 126,269</u>	<u>\$ 139,969</u>
<u>\$ 8,610</u>	<u>\$ 26,782</u>	<u>\$ 22,805</u>	<u>\$ 16,907</u>	<u>\$ 22,928</u>	<u>\$ 15,130</u>
93.57%	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	Contractually Required Contribution*	Actual Fiscal Year Contribution	Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Payroll
2023	\$ -	\$ -	\$ -	n/a	n/a
2022	-	-	-	n/a	n/a
2021	-	-	-	n/a	n/a
2020	3,478	3,478	-	n/a	n/a
2019	-	-	-	n/a	n/a
2018	-	-	-	n/a	n/a
2017	-	-	-	n/a	n/a
2016	-	-	-	n/a	n/a
2015	-	-	-	n/a	n/a
2014	1,164	1,164	-	n/a	n/a

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.

* Contractually required contributions are based on Board-adopted assumptions for use in preparing the valuation, and as required by applicable Contribution Agreements with the City.



Fire and Police Retirement System
Schedule of Plan Investment Returns
As of June 30, for the Last Ten Fiscal Years¹

Fiscal year ended	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	5.00%	-8.60%	19.00%	2.80%	5.50%	5.60%	10.70%	0.40%	3.70%

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.

Source is the June 30, 2023 GASB 67 plan actuarial information prepared by System Actuary, Foster & Foster, Inc.

Schedule of Changes in the Net OPEB Liability and Related Ratios

As of June 30, for the Last Ten Fiscal Years¹

Fiscal year ended	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 3,623	\$ 4,917	\$ 4,254	\$ 3,567	\$ 3,217	\$ 3,178
Interest on the total OPEB liability	3,141	2,181	2,365	2,561	2,596	2,448
Differences between expected and actual experience	(397)	874	(553)	(7,576)	-	-
Changes in assumptions	(419)	(26,576) ²	6,723	11,111	3,664	(988)
Changes in benefit terms	-	-	-	-	-	-
Benefit payments	(2,997)	(2,833)	(2,678)	(2,815)	(2,612)	(2,391)
Net change in Total OPEB Liability	2,951	(21,437)	10,111	6,848	6,865	2,247
Total OPEB liability - beginning	74,649	96,086	85,975	79,127	72,262	70,015
Total OPEB liability - ending (a)	\$ 77,600	\$ 74,649	\$ 96,086	\$ 85,975	\$ 79,127	\$ 72,262
Plan Fiduciary Net Position						
Contribution - employer	\$ 2,997	\$ 2,833	\$ 2,678	\$ 2,815	\$ 2,612	\$ 4,391
Net investment income	101	(301)	312	101	133	2
Benefit payments	(2,997)	(2,833)	(2,678)	(2,815)	(2,612)	(2,391)
Administrative expense	(6)	(5)	(6)	(11)	(9)	-
Net change in plan fiduciary net position	95	(306)	306	90	124	2,002
Plan fiduciary net position - beginning	2,216	2,522	2,216	2,126	2,002	-
Plan fiduciary net position - ending (b)	\$ 2,311	\$ 2,216	\$ 2,522	\$ 2,216	\$ 2,126	\$ 2,002
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 75,289	\$ 72,433	\$ 93,564	\$ 83,759	\$ 77,001	\$ 70,260
Plan fiduciary net position as a percentage of the total OPEB liability	2.98%	2.97%	2.62%	2.58%	2.69%	2.77%
Covered - employee payroll	\$ 177,866	\$ 160,024	\$ 167,502	\$ 164,102	\$ 134,734	\$ 130,809
Net OPEB Liability as percentage of covered-employee payroll	42.3%	45.3%	55.9%	51.0%	57.2%	53.7%

NOTES 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.

² Adjusted FY 2022 'Changes of assumptions'.

Schedule of OPEB Plan Contributions

As of June 30, for the Last Ten Fiscal Years¹

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 2,997	\$ 2,833	\$ 2,678	\$ 2,815	\$ 2,612	\$ 4,391 ²
Contribution in relation to the contractually determined contributions	<u>(2,997)</u>	<u>(2,833)</u>	<u>(2,678)</u>	<u>(2,815)</u>	<u>(2,612)</u>	<u>(4,391)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 177,866	\$ 160,024	\$ 167,502	\$ 164,102	\$ 134,734	\$ 130,809
Contributions as a percentage of covered employee payroll	1.68%	1.77%	1.60%	1.72%	1.94%	3.36%

NOTES 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.

² Updated Fiscal Year 2018 amounts

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SUPPLEMENTARY INFORMATION



**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund 2015 Series A	Permanent Funds	Total
Assets:					
Pooled cash and investments	\$ 147,008	\$ 10,599	\$ -	\$ 2,033	\$ 159,640
Accounts receivable	16,975	101	-	9	17,085
Lease receivable	716	-	-	-	716
Prepays and other assets	149	-	-	-	149
Notes receivable	61,269	-	-	-	61,269
Allowance for doubtful accounts	(61,269)	-	-	-	(61,269)
Restricted assets:					
Cash and investments	2,645	-	-	-	2,645
Cash with fiscal agent	73	-	6,754	-	6,827
Total assets	<u>167,566</u>	<u>10,700</u>	<u>6,754</u>	<u>2,042</u>	<u>187,062</u>
Liabilities, deferred inflow of resources and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	6,369	-	-	-	6,369
Deposits	1,356	-	-	-	1,356
Due to other funds	8,826	-	-	-	8,826
Unearned revenue	2,798	-	-	-	2,798
Total liabilities	<u>19,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,349</u>
Deferred inflows of resources:					
Unavailable revenues	4,292	-	-	-	4,292
Lease related	693	-	-	-	693
Total deferred inflow of resources	<u>4,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,985</u>
Fund balances/(deficit):					
Nonspendable	149	-	-	1,433	1,582
Restricted	57,731	1,851	6,754	551	66,887
Committed	92,257	8,849	-	58	101,164
Unassigned	(6,905)	-	-	-	(6,905)
Total fund balances	<u>143,232</u>	<u>10,700</u>	<u>6,754</u>	<u>2,042</u>	<u>162,728</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 167,566</u>	<u>\$ 10,700</u>	<u>\$ 6,754</u>	<u>\$ 2,042</u>	<u>\$ 187,062</u>



(AMOUNTS EXPRESSED IN THOUSANDS)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund 2015 Series A	Permanent Funds	Total
Revenues:					
Taxes	\$ 11,040	\$ -	\$ -	\$ -	\$ 11,040
Licenses and permits	13,337	-	-	-	13,337
Intergovernmental	77,053	-	-	-	77,053
Charges for services	11,837	59	-	-	11,896
Investment earnings	2,142	257	-	30	2,429
Net change in fair value of investments	(672)	(183)	(131)	(12)	(998)
Lease revenues	3,419	-	-	-	3,419
Interest - leases (as lessor)	4	-	-	-	4
Miscellaneous revenues	3,033	15	-	-	3,048
Contributions	817	-	-	-	817
Total revenues	122,010	148	(131)	18	122,045
Expenditures:					
Current:					
General government	-	6	4	-	10
Public safety	3,217	-	-	-	3,217
Transportation	17,324	141	-	-	17,465
Utility	135	-	-	-	135
Sanitation	5,886	-	-	-	5,886
Health	18,944	-	-	-	18,944
Culture and leisure	14,851	-	-	-	14,851
Community development	43,151	18	-	-	43,169
Capital outlay	1,419	-	-	-	1,419
Debt service:					
Principal retirement	300	-	2,195	-	2,495
Interest	124	-	2,101	-	2,225
Lease payments	548	-	-	-	548
Subscription payments	199	-	-	-	199
Interest - leases and subscriptions	21	-	-	-	21
Total expenditures	106,119	165	4,300	-	110,584
Excess (deficiency) of revenues over (under) expenditures	15,891	(17)	(4,431)	18	11,461
Other financing sources (uses):					
Transfers in	15,287	-	4,101	-	19,388
Transfers out	(16,099)	(9,171)	-	-	(25,270)
Leases issued	321	-	-	-	321
Subscriptions issued	172	-	-	-	172
Total other financing sources (uses)	(319)	(9,171)	4,101	-	(5,389)
Net change in fund balances	15,572	(9,188)	(330)	18	6,072
Fund balances at beginning of year	127,660	19,888	7,084	2,024	156,656
Fund balances at end of year	\$ 143,232	\$ 10,700	\$ 6,754	\$ 2,042	\$ 162,728

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SPECIAL REVENUE FUNDS



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NONMAJOR 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
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2023

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
Assets:					
Cash and investments	\$ 4,262	\$ -	\$ 21,683	\$ 15,616	\$ 36,897
Accounts receivable	815	4,649	89	657	1,141
Lease receivable	-	716	-	-	-
Prepays and other assets	-	4	-	-	-
Notes receivable	-	-	-	-	-
Allowance for uncollectible long-term receivables	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Cash with fiscal agent	-	73	-	-	-
Total assets	<u>5,077</u>	<u>5,442</u>	<u>21,772</u>	<u>16,273</u>	<u>38,038</u>
Liabilities, deferred inflow of resources and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	28	1,035	811	167	67
Deposits	-	2	728	-	-
Due to other funds	-	8,826	-	-	-
Unearned revenue	-	817	133	-	-
Total liabilities	<u>28</u>	<u>10,680</u>	<u>1,672</u>	<u>167</u>	<u>67</u>
Deferred inflows of resources:					
Unavailable revenues	197	970	4	-	-
Lease related	-	693	-	-	-
Total deferred inflows of resources	<u>197</u>	<u>1,663</u>	<u>4</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	4	-	-	-
Restricted	4,852	-	-	-	-
Committed	-	-	20,096	16,106	37,971
Unassigned	-	(6,905)	-	-	-
Total fund balances (deficit)	<u>4,852</u>	<u>(6,901)</u>	<u>20,096</u>	<u>16,106</u>	<u>37,971</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 5,077</u>	<u>\$ 5,442</u>	<u>\$ 21,772</u>	<u>\$ 16,273</u>	<u>\$ 38,038</u>

Transportation	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Total
\$ 38,406	\$ 14,037	\$ 4,226	\$ 260	\$ 7,533	\$ 4,088	\$ 147,008
3,300	100	141	46	6,027	10	16,975
-	-	-	-	-	-	716
-	-	-	-	145	-	149
-	-	-	-	61,269	-	61,269
-	-	-	-	(61,269)	-	(61,269)
-	-	-	-	2,645	-	2,645
-	-	-	-	-	-	73
<u>41,706</u>	<u>14,137</u>	<u>4,367</u>	<u>306</u>	<u>16,350</u>	<u>4,098</u>	<u>167,566</u>
1,505	368	24	3	2,204	157	6,369
-	1	-	-	6	619	1,356
-	-	-	-	-	-	8,826
-	26	-	-	1,822	-	2,798
<u>1,505</u>	<u>395</u>	<u>24</u>	<u>3</u>	<u>4,032</u>	<u>776</u>	<u>19,349</u>
62	-	1	-	3,058	-	4,292
-	-	-	-	-	-	693
<u>62</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>3,058</u>	<u>-</u>	<u>4,985</u>
-	-	-	-	145	-	149
40,139	-	-	303	9,115	3,322	57,731
-	13,742	4,342	-	-	-	92,257
-	-	-	-	-	-	(6,905)
<u>40,139</u>	<u>13,742</u>	<u>4,342</u>	<u>303</u>	<u>9,260</u>	<u>3,322</u>	<u>143,232</u>
\$ 41,706	\$ 14,137	\$ 4,367	\$ 306	\$ 16,350	\$ 4,098	\$ 167,566

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

	Public Safety	Health	Building Services	Sewer Construction and Maintenance	Underground Utilities
Revenues:					
Taxes	\$ -	\$ 1,166	\$ -	\$ -	\$ 6,831
Licenses and permits	-	1,804	11,533	-	-
Intergovernmental	3,839	14,513	25	3,100	-
Charges for services	-	541	2,423	7,721	-
Investment earnings	58	-	311	177	587
Net change in fair value of investments	(14)	-	(91)	(67)	(190)
Lease revenues	-	265	-	-	-
Interest - leases (as lessor)	-	4	-	-	-
Miscellaneous revenues	-	99	74	-	-
Contributions	-	-	-	-	-
Total revenues	3,883	18,392	14,275	10,931	7,228
Expenditures:					
Current:					
Public safety	3,217	-	-	-	-
Transportation	-	-	-	-	-
Utility	-	-	-	-	135
Sanitation	-	-	-	5,886	-
Health	-	18,944	-	-	-
Culture and leisure	-	-	-	-	-
Community development	-	-	9,983	-	-
Capital outlay	537	193	372	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Lease payments	-	26	-	-	-
Subscription payments	-	48	3	2	-
Interest - leases and subscriptions	-	2	-	-	-
Total expenditures	3,754	19,213	10,358	5,888	135
Excess (deficiency) of revenues over (under) expenditures	129	(821)	3,917	5,043	7,093
Other financing sources (uses):					
Transfers in	-	973	-	-	-
Transfers out	(164)	(25)	(339)	(3,185)	(5,403)
Leases issued	-	115	-	-	-
Subscriptions issued	-	73	-	-	-
Total other financing sources (uses)	(164)	1,136	(339)	(3,185)	(5,403)
Net change in fund balances	(35)	315	3,578	1,858	1,690
Fund balances (deficit) at beginning of year	4,887	(7,216)	16,518	14,248	36,281
Fund balances (deficit) at end of year	\$ 4,852	\$ (6,901)	\$ 20,096	\$ 16,106	\$ 37,971

Transportation	Library	Parking	Air Quality Improvement	Housing and Community Development	Donated Funds	Total
\$ -	\$ 3,034	\$ 9	\$ -	\$ -	\$ -	\$ 11,040
-	-	-	-	-	-	13,337
21,880	83	-	230	33,383	-	77,053
1,035	4	112	-	1	-	11,837
561	195	62	3	128	60	2,142
(153)	(69)	(24)	-	(46)	(18)	(672)
-	18	3,126	-	10	-	3,419
-	-	-	-	-	-	4
1,028	-	2	-	1,830	-	3,033
-	185	-	-	-	632	817
<u>24,351</u>	<u>3,450</u>	<u>3,287</u>	<u>233</u>	<u>35,306</u>	<u>674</u>	<u>122,010</u>
-	-	-	-	-	-	3,217
14,263	-	3,019	42	-	-	17,324
-	-	-	-	-	-	135
-	-	-	-	-	-	5,886
-	-	-	-	-	-	18,944
-	14,478	-	-	-	373	14,851
-	-	-	-	33,168	-	43,151
169	148	-	-	-	-	1,419
-	-	-	-	300	-	300
-	-	-	-	124	-	124
49	149	9	-	315	-	548
27	50	-	-	69	-	199
1	3	-	-	15	-	21
<u>14,509</u>	<u>14,828</u>	<u>3,028</u>	<u>42</u>	<u>33,991</u>	<u>373</u>	<u>106,119</u>
9,842	(11,378)	259	191	1,315	301	15,891
379	12,213	27	-	1,695	-	15,287
(3,917)	(279)	(7)	-	(2,780)	-	(16,099)
58	148	-	-	-	-	321
99	-	-	-	-	-	172
<u>(3,381)</u>	<u>12,082</u>	<u>20</u>	<u>-</u>	<u>(1,085)</u>	<u>-</u>	<u>(319)</u>
6,461	704	279	191	230	301	15,572
<u>33,678</u>	<u>13,038</u>	<u>4,063</u>	<u>112</u>	<u>9,030</u>	<u>3,021</u>	<u>127,660</u>
\$ 40,139	\$ 13,742	\$ 4,342	\$ 303	\$ 9,260	\$ 3,322	\$ 143,232

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Public Safety Fund
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ 2,640	\$ 3,523	\$ 3,839	\$ 316
Investment earnings	29	29	58	29
Net change in fair value of investments	-	-	(14)	(14)
Total revenues	2,669	3,552	3,883	331
Expenditures:				
Current:				
Public safety	3,159	3,224	3,217	7
Capital outlay	157	1,085	537	548
Total expenditures	3,316	4,309	3,754	555
Excess (deficiency) of revenues over (under) expenditures	(647)	(757)	129	886
Other financing sources (uses):				
Transfers out	-	(300)	(164)	136
Total other financing sources (uses)	-	(300)	(164)	136
Net change in fund balances	(647)	(1,057)	(35)	1,022
Fund balance at beginning of year	4,887	4,887	4,887	-
Fund balance at end of year	\$ 4,240	\$ 3,830	\$ 4,852	\$ 1,022

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Health Fund
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes	\$ 880	\$ 880	\$ 1,166	\$ 286
Licenses and permits	1,912	1,912	1,803	(109)
Intergovernmental	15,886	18,411	14,514	(3,897)
Charges for services	460	460	541	81
Lease revenues	232	232	265	33
Interest - leases (as lessor)	-	-	4	4
Miscellaneous revenues	-	154	99	(55)
Total revenues	19,370	22,049	18,392	(3,657)
Expenditures:				
Current:				
Health	19,636	22,656	18,944	3,712
Capital outlay	4	5	193	(188)
Debt service:				
Lease payments	-	-	26	(26)
Subscription payments	-	-	48	(48)
Interest - leases and subscriptions	-	-	2	(2)
Total expenditures	19,640	22,661	19,213	3,448
Excess (deficiency) of revenues over (under) expenditures	(270)	(612)	(821)	(209)
Other financing sources (uses):				
Transfers in	525	824	973	149
Transfers out	-	(25)	(25)	-
Leases issued	-	-	115	115
Subscriptions issued	-	-	73	73
Total other financing sources	525	799	1,136	337
Net change in fund balances	255	187	315	128
Fund balance (deficit) at beginning of year	(7,216)	(7,216)	(7,216)	-
Fund balance (deficit) at end of year	\$ (6,961)	\$ (7,029)	\$ (6,901)	\$ 128

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Building Services Fund
For the Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Licenses and permits	\$ 6,624	\$ 6,624	\$ 11,533	\$ 4,909
Intergovernmental	919	919	25	(894)
Charges for services	1,710	1,710	2,423	713
Investment earnings	166	166	311	145
Net change in fair value of investments	-	-	(91)	(91)
Miscellaneous revenues	54	54	74	20
Total revenues	9,473	9,473	14,275	4,802
Expenditures:				
Current:				
Community development	12,038	11,666	9,983	1,683
Capital outlay	-	372	372	-
Debt service:				
Subscription payments	-	-	3	(3)
Total expenditures	12,038	12,038	10,358	1,680
Excess (deficiency) of revenues over (under) expenditures	(2,565)	(2,565)	3,917	6,482
Other financing sources (uses):				
Transfers out	-	-	(339)	(339)
Total other financing sources (uses)	-	-	(339)	(339)
Net change in fund balances	(2,565)	(2,565)	3,578	6,143
Fund balance at beginning of year	16,518	16,518	16,518	-
Fund balance at end of year	\$ 13,953	\$ 13,953	\$ 20,096	\$ 6,143

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Sewer Construction and Maintenance Fund
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 3,100	\$ 3,100
Charges for services	7,474	7,474	7,721	247
Investment earnings	128	128	177	49
Net change in fair value of investments	-	-	(67)	(67)
Total revenues	7,602	7,602	10,931	3,329
Expenditures:				
Current:				
Sanitation	5,708	6,338	5,886	452
Debt service:				
Subscription payments	-	-	2	(2)
Total expenditures	5,708	6,338	5,888	450
Excess (deficiency) of revenues over (under) expenditures	1,894	1,264	5,043	3,779
Other financing sources (uses):				
Transfers out	-	(6,500)	(3,185)	3,315
Total other financing sources (uses)	-	(6,500)	(3,185)	3,315
Net change in fund balances	1,894	(5,236)	1,858	7,094
Fund balance at beginning of year	14,248	14,248	14,248	-
Fund balance at end of year	\$ 16,142	\$ 9,012	\$ 16,106	\$ 7,094

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Underground Utilities Fund
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes	\$ 5,800	\$ 5,800	\$ 6,831	\$ 1,031
Investment earnings	454	454	587	133
Net change in fair value of investments	-	-	(190)	(190)
Total revenues	6,254	6,254	7,228	974
Expenditures:				
Current:				
Utility	135	135	135	-
Total expenditures	135	135	135	-
Excess (deficiency) of revenues over (under) expenditures	6,119	6,119	7,093	974
Other financing sources (uses):				
Transfers out	(4,218)	(4,338)	(5,403)	(1,065)
Total other financing sources (uses)	(4,218)	(4,338)	(5,403)	(1,065)
Net change in fund balances	1,901	1,781	1,690	(91)
Fund balance at beginning of year	36,281	36,281	36,281	-
Fund balance at end of year	\$ 38,182	\$ 38,062	\$ 37,971	\$ (91)



**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Transportation Fund
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ 19,846	\$ 19,846	\$ 21,880	\$ 2,034
Charges for services	1,042	1,042	1,035	(7)
Investment earnings	283	283	561	278
Net change in fair value of investments	-	-	(153)	(153)
Miscellaneous revenues	1,023	1,023	1,028	5
Total revenues	<u>22,194</u>	<u>22,194</u>	<u>24,351</u>	<u>2,157</u>
Expenditures:				
Current:				
Transportation	14,983	15,808	14,263	1,545
Capital outlay	-	-	169	(169)
Debt service:				
Lease payments	-	-	49	(49)
Subscription payments	-	-	27	(27)
Interest - leases and subscriptions	-	-	1	(1)
Total expenditures	<u>14,983</u>	<u>15,808</u>	<u>14,509</u>	<u>1,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,211</u>	<u>6,386</u>	<u>9,842</u>	<u>3,456</u>
Other financing sources (uses):				
Transfers in	379	379	379	-
Transfers out	(97)	(7,865)	(3,917)	3,948
Leases issued	-	-	58	58
Subscriptions issued	-	-	99	99
Total other financing sources (uses)	<u>282</u>	<u>(7,486)</u>	<u>(3,381)</u>	<u>4,105</u>
Net change in fund balances	7,493	(1,100)	6,461	7,561
Fund balance at beginning of year	33,678	33,678	33,678	-
Fund balance at end of year	<u>\$ 41,171</u>	<u>\$ 32,578</u>	<u>\$ 40,139</u>	<u>\$ 7,561</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Library Services Fund
For the Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes	\$ 3,053	\$ 3,053	\$ 3,034	\$ (19)
Intergovernmental	-	93	83	(10)
Charges for services	10	10	4	(6)
Investment earnings	97	97	195	98
Net change in fair value of investments	-	-	(69)	(69)
Lease revenues	-	-	18	18
Miscellaneous revenues	4	4	-	(4)
Contributions	60	128	185	57
Total revenues	<u>3,224</u>	<u>3,385</u>	<u>3,450</u>	<u>65</u>
Expenditures:				
Current:				
Culture and leisure	15,771	15,910	14,478	1,432
Capital outlay	-	-	148	(148)
Debt service:				
Lease payments	-	-	149	(149)
Subscription payments	-	-	50	(50)
Interest - leases (as lessee)	-	-	3	(3)
Total expenditures	<u>15,771</u>	<u>15,910</u>	<u>14,828</u>	<u>1,082</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,547)</u>	<u>(12,525)</u>	<u>(11,378)</u>	<u>1,147</u>
Other financing sources (uses):				
Transfers in	12,213	12,213	12,213	-
Transfers out	-	-	(279)	(279)
Leases issued	-	-	148	148
Total other financing sources (uses)	<u>12,213</u>	<u>12,213</u>	<u>12,082</u>	<u>(131)</u>
Net change in fund balances	(334)	(312)	704	1,016
Fund balance at beginning of year	13,038	13,038	13,038	-
Fund balance at end of year	<u>\$ 12,704</u>	<u>\$ 12,726</u>	<u>\$ 13,742</u>	<u>\$ 1,016</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Parking Fund
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Taxes	\$ 10	\$ 10	\$ 9	\$ (1)
Charges for services	60	60	112	52
Investment earnings	22	22	62	40
Net change in fair value of investments	-	-	(24)	(24)
Lease revenues	2,911	2,911	3,126	215
Miscellaneous revenues	-	-	2	2
Total revenues	3,003	3,003	3,287	284
Expenditures:				
Current:				
Transportation	2,904	3,150	3,019	131
Debt service:				
Lease payments	-	-	9	(9)
Total expenditures	2,904	3,150	3,028	122
Excess (deficiency) of revenues over (under) expenditures	99	(147)	259	406
Other financing sources (uses):				
Transfers in	-	-	27	27
Transfers out	(7)	(37)	(7)	30
Total other financing sources (uses)	(7)	(37)	20	57
Net change in fund balances	92	(184)	279	463
Fund balance at beginning of year	4,063	4,063	4,063	-
Fund balance at end of year	\$ 4,155	\$ 3,879	\$ 4,342	\$ 463

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Air Quality Improvement Fund
For the Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ 170	\$ 170	\$ 230	\$ 60
Investment earnings	(2)	(2)	3	5
Total revenues	<u>168</u>	<u>168</u>	<u>233</u>	<u>65</u>
Expenditures:				
Current:				
Transportation	172	172	42	130
Total expenditures	<u>172</u>	<u>172</u>	<u>42</u>	<u>130</u>
Net change in fund balances	(4)	(4)	191	195
Fund balance at beginning of year	112	112	112	-
Fund balance at end of year	<u>\$ 108</u>	<u>\$ 108</u>	<u>\$ 303</u>	<u>\$ 195</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, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Intergovernmental	\$ 27,875	\$ 27,875	\$ 33,383	\$ 5,508
Charges for services	1	1	1	-
Investment earnings	96	96	128	32
Net change in fair value of investments	-	-	(46)	(46)
Lease revenues	91	91	10	(81)
Miscellaneous revenues	3,496	4,823	1,830	(2,993)
Total revenues	31,559	32,886	35,306	2,420
Expenditures:				
Current:				
Community development	38,269	42,238	33,168	9,070
Debt service:				
Principal retirement	300	300	300	-
Interest	140	140	124	16
Lease payments	-	-	315	(315)
Subscription payments	-	-	69	(69)
Interest - leases and subscriptions	-	-	15	(15)
Total expenditures	38,709	42,678	33,991	8,687
Excess (deficiency) of revenues over (under) expenditures	(7,150)	(9,792)	1,315	11,107
Other financing sources (uses):				
Transfers in	1,545	1,695	1,695	-
Transfers out	-	-	(2,780)	(2,780)
Total other financing sources (uses)	1,545	1,695	(1,085)	(2,780)
Net change in fund balances	(5,605)	(8,097)	230	8,327
Fund balances at beginning of year	9,030	9,030	9,030	-
Fund balance at end of year	\$ 3,425	\$ 933	\$ 9,260	\$ 8,327

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Donated Funds
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Investment earnings	\$ 33	\$ 33	\$ 60	\$ 27
Net change in fair value of investments	-	-	(18)	(18)
Contributions	405	405	632	227
Total revenues	438	438	674	236
Expenditures:				
Current:				
Culture and leisure	370	370	373	(3)
Total expenditures	370	370	373	(3)
Net change in fund balances	68	68	301	233
Fund balance at beginning of year	3,021	3,021	3,021	-
Fund balance at end of year	\$ 3,089	\$ 3,089	\$ 3,322	\$ 233





CAPITAL PROJECT FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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**NONMAJOR 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
Nonmajor Governmental Funds
Capital Project Funds
June 30, 2023**

	Charter Capital Projects	New Development Impact	Residential Development Impact	10% Green Fee Capital Projects
Assets:				
Cash and investments	\$ 1,849	\$ 260	\$ 5,384	\$ 72
Accounts receivable	2	2	81	1
Total assets	1,851	262	5,465	73
Fund balances:				
Restricted	1,851	-	-	-
Committed	-	262	5,465	73
Total fund balances	1,851	262	5,465	73
Total liabilities and fund balances	\$ 1,851	\$ 262	\$ 5,465	\$ 73



Capital Public Art	Traffic Reduction Transportation Improvement	Total
\$ 1,028	\$ 2,006	\$ 10,599
4	11	101
<u>1,032</u>	<u>2,017</u>	<u>10,700</u>
-	-	1,851
<u>1,032</u>	<u>2,017</u>	<u>8,849</u>
<u>1,032</u>	<u>2,017</u>	<u>10,700</u>
<u>\$ 1,032</u>	<u>\$ 2,017</u>	<u>\$ 10,700</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Project Funds
For the Fiscal Year Ended June 30, 2023

	Charter Capital Projects	New Development Impact	Residential Development Impact	10% Green Fee Capital Projects
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	17	4	166	2
Net change in fair value of investments	(38)	(2)	(106)	(1)
Miscellaneous revenues	-	-	-	-
Total revenues	(21)	2	60	1
Expenditures:				
Current:				
General government	6	-	-	-
Transportation	-	-	141	-
Community development	-	-	-	-
Total expenditures	6	-	141	-
Excess (deficiency) of revenues over (under) expenditures	(27)	2	(81)	1
Other financing sources (uses):				
Transfers out	-	-	(7,255)	(9)
Total other financing sources (uses)	-	-	(7,255)	(9)
Net change in fund balances	(27)	2	(7,336)	(8)
Fund balances at beginning of year	1,878	260	12,801	81
Fund balances at end of year	\$ 1,851	\$ 262	\$ 5,465	\$ 73

Capital Public Art	Traffic Reduction Transportation Improvement	Total
\$ -	\$ 59	\$ 59
16	52	257
(6)	(30)	(183)
15	-	15
<u>25</u>	<u>81</u>	<u>148</u>
-	-	6
-	-	141
18	-	18
<u>18</u>	<u>-</u>	<u>165</u>
7	81	(17)
-	(1,907)	(9,171)
-	(1,907)	(9,171)
7	(1,826)	(9,188)
1,025	3,843	19,888
<u>\$ 1,032</u>	<u>\$ 2,017</u>	<u>\$ 10,700</u>

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PERMANENT FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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**NONMAJOR 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.

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
Nonmajor Governmental Funds
Permanent Funds
June 30, 2023

	<u>Vroman Art Bequest</u>	<u>Singer Trust</u>	<u>Noble Award</u>	<u>Pasadena Center Capital Improvement Trust</u>
Assets:				
Cash and investments	\$ 6	\$ 47	\$ 6	\$ 456
Accounts receivable	-	-	-	2
Total assets	<u>6</u>	<u>47</u>	<u>6</u>	<u>458</u>
Fund balances:				
Nonspendable	5	23	1	400
Restricted	1	24	5	-
Committed	-	-	-	58
Total fund balances	<u>\$ 6</u>	<u>\$ 47</u>	<u>\$ 6</u>	<u>\$ 458</u>

<u>Cox Trust</u>	<u>Jankos Trust</u>	<u>Hudson Family Trust</u>	<u>M. A. Berger Trust</u>	<u>Total</u>
\$ 5	\$ 28	\$ 110	\$ 1,375	\$ 2,033
-	-	1	6	9
<u>5</u>	<u>28</u>	<u>111</u>	<u>1,381</u>	<u>2,042</u>
4	25	100	875	1,433
1	3	11	506	551
-	-	-	-	58
<u>\$ 5</u>	<u>\$ 28</u>	<u>\$ 111</u>	<u>\$ 1,381</u>	<u>\$ 2,042</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Permanent Funds
For the Fiscal Year Ended June 30, 2023

	<u>Vroman Art Bequest</u>	<u>Singer Trust</u>	<u>Noble Award</u>	<u>Pasadena Center Capital Improvement Trust</u>
Revenues:				
Investment earnings	\$ -	\$ 1	\$ -	\$ 7
Net change in fair value of investments	-	-	-	(3)
Total revenues	<u>-</u>	<u>1</u>	<u>-</u>	<u>4</u>
Net change in fund balances	-	1	-	4
Fund balances at beginning of year	<u>6</u>	<u>46</u>	<u>6</u>	<u>454</u>
Fund balances at end of year	<u>\$ 6</u>	<u>\$ 47</u>	<u>\$ 6</u>	<u>\$ 458</u>



<u>Cox Trust</u>	<u>Jankos Trust</u>	<u>Hudson Family Trust</u>	<u>M. A. Berger Trust</u>	<u>Total</u>
\$ -	\$ -	\$ 2	\$ 20	\$ 30
-	-	(1)	(8)	(12)
-	-	1	12	18
-	-	1	12	18
5	28	110	1,369	2,024
<u>\$ 5</u>	<u>\$ 28</u>	<u>\$ 111</u>	<u>\$ 1,381</u>	<u>\$ 2,042</u>

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NONMAJOR ENTERPRISE FUNDS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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NONMAJOR 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
Nonmajor Enterprise Funds
June 30, 2023

	Refuse Collection	Tele- communications	Total
Assets:			
Current assets:			
Cash and investments	\$ 19,769	\$ 2,362	\$ 22,131
Accounts receivable, net	2,759	97	2,856
Due from component units	2	9	11
Lease receivable	-	55	55
Total current assets	22,530	2,523	25,053
Noncurrent assets:			
Capital assets	14,017	2,420	16,437
Less: accumulated depreciation/amortization	(8,011)	(1,129)	(9,140)
Capital assets, net	6,006	1,291	7,297
Total noncurrent assets	6,006	1,291	7,297
Total assets	28,536	3,814	32,350
Deferred outflow of resources:			
Pension related	3,151	-	3,151
OPEB related	220	-	220
Total deferred outflow of resources	3,371	-	3,371
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	1,734	-	1,734
Deposits	6,049	-	6,049
Unearned revenues	-	1,067	1,067
Lease liability	3	-	3
Subscription liability	17	-	17
Total current liabilities	7,803	1,067	8,870
Noncurrent liabilities:			
Net pension liability	8,509	-	8,509
Net OPEB liability	2,183	-	2,183
Subscription liability	56	-	56
Total noncurrent liabilities	10,748	-	10,748
Total liabilities	18,551	1,067	19,618
Deferred inflow of resources:			
Lease related	-	76	76
Pension related	273	-	273
OPEB related	692	-	692
Total deferred inflow of resources	965	76	1,041
Net position:			
Net investment in capital assets	5,930	1,291	7,221
Unrestricted	6,461	1,380	7,841
Total net position	\$ 12,391	\$ 2,671	\$ 15,062

Combining Statement of Revenues, Expenditures and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2023

	Refuse Collection	Tele- communications	Total
Operating revenues:			
Charges for services:			
Refuse collection	\$ 12,309	\$ -	\$ 12,309
Telecommunication	-	415	415
Total operating revenues	<u>12,309</u>	<u>415</u>	<u>12,724</u>
Operating expenses:			
Refuse collection	20,144	-	20,144
Telecommunications	-	10	10
Depreciation/amortization	935	178	1,113
Total operating expenses	<u>21,079</u>	<u>188</u>	<u>21,267</u>
Operating income (loss)	<u>(8,770)</u>	<u>227</u>	<u>(8,543)</u>
Nonoperating revenues (expenses):			
Taxes	6,713	-	6,713
Intergovernmental	107	-	107
Noncompliance forfeitures	(430)	-	(430)
Investment earnings	331	37	368
Net change in fair value of investments	(185)	(17)	(202)
Gain (loss) on disposal of assets	19	-	19
Lease revenues	-	41	41
Interest expense	(2)	-	(2)
Total nonoperating revenues (expenses)	<u>6,553</u>	<u>61</u>	<u>6,614</u>
Income (loss) before transfers	<u>(2,217)</u>	<u>288</u>	<u>(1,929)</u>
Transfers:			
Transfers in	-	123	123
Transfers out	(773)	(504)	(1,277)
Changes in net position	<u>(2,990)</u>	<u>(93)</u>	<u>(3,083)</u>
Net position at beginning of year, as restated	15,381	2,764	18,145
Net position at end of year	<u>\$ 12,391</u>	<u>\$ 2,671</u>	<u>\$ 15,062</u>

Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2023

	Refuse Collection	Tele- communications	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 13,602	\$ 585	\$ 14,187
Cash payments to suppliers for goods and services	(11,854)	(142)	(11,996)
Cash payments to employees for services	(7,515)	-	(7,515)
Other payments	(1,223)	-	(1,223)
Net cash provided by (used for) operating activities	(6,990)	443	(6,547)
Cash Flows from Noncapital Financing Activities:			
Cash transfers in	-	123	123
Cash transfers out	(773)	(504)	(1,277)
Taxes received	6,713	-	6,713
Intergovernmental revenues	107	-	107
Net cash provided by (used for) noncapital financing activities	6,047	(381)	5,666
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(3,217)	(71)	(3,288)
Proceeds from sale of capital assets	19	-	19
Proceeds from lease activities	-	53	53
Net cash used for capital and related financing activities	(3,198)	(18)	(3,216)
Cash Flows from Investing Activities:			
Investment earnings	331	37	368
Net change in fair value of investments	(185)	(17)	(202)
Net cash provided by (used for) investing activities	146	20	166
Net increase (decrease) in cash and cash equivalents	(3,995)	64	(3,931)
Cash and cash equivalents at beginning of year	23,764	2,298	26,062
Cash and cash equivalents at end of year	19,769	2,362	22,131
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:			
Cash and investments	19,769	2,362	22,131
Cash and cash equivalents at end of year	\$ 19,769	\$ 2,362	\$ 22,131

Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2023

	Refuse Collection	Tele- communications	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (8,770)	\$ 227	\$ (8,543)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	935	178	1,113
Other revenue (expense)	(1,223)	-	(1,223)
(Increase) decrease in accounts receivable	(467)	170	(297)
(Increase) decrease in prepaids and other assets	24	-	24
Increase (decrease) in accounts payable and accrued liabilities	746	(2)	744
Increase (decrease) in unearned revenue	-	(130)	(130)
Increase (decrease) in deposits payable	1,761	-	1,761
Increase (decrease) in deferred inflows - non-lease related	(2,510)	-	(2,510)
(Increase) decrease in deferred outflows	(1,961)	-	(1,961)
Increase (decrease) in net OPEB liability	127	-	127
Increase (decrease) in net pension liability	4,348	-	4,348
Total adjustments	1,780	216	1,996
Net cash provided by (used for) operating activities	\$ (6,990)	\$ 443	\$ (6,547)
Non-Cash Investing, Capital and Financing Activities			
Changes in fair value of investments	(185)	(17)	(202)

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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, 2023

	Computing and Communication Services	Building Maintenance	Fleet Replacement
Assets:			
Current assets:			
Cash and investments	\$ 3,762	\$ 8,761	\$ 16,380
Accounts receivable	15	71	25
Due from component units	-	-	-
Inventories	-	-	-
Prepays and other assets	978	-	-
Lease receivable	-	307	-
Total current assets	4,755	9,139	16,405
Noncurrent assets:			
Lease receivable	-	321	-
Capital assets	11,058	87	28,912
Less: accumulated depreciation/amortization	(6,918)	(34)	(18,021)
Capital assets, net	4,140	53	10,891
Total noncurrent assets	4,140	374	10,891
Total assets	8,895	9,513	27,296
Deferred outflow of resources:			
Pension related	6,197	2,452	90
OPEB related	252	140	3
Total deferred outflow of resources	6,449	2,592	93
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	798	1,658	6
Due to other funds	-	-	-
Due to component units	-	-	-
Insurance claims payable	-	-	-
Compensated absences	-	-	-
Lease liability	-	13	-
Subscription liability	1,048	9	-
Total current liabilities	1,846	1,680	6
Noncurrent liabilities:			
Insurance claims payable	-	-	-
Compensated absences	-	-	-
Net pension liability	15,659	7,222	3,061
Net OPEB liability	2,499	1,392	32
Subscription liability	888	31	-
Total noncurrent liabilities	19,046	8,645	3,093
Total liabilities	20,892	10,325	3,099
Deferred inflows of resources:			
Lease related	-	594	-
Pension related	538	213	8
OPEB related	793	441	10
Total deferred inflows of resources	1,331	1,248	18
Net position:			
Net investment in capital assets	2,204	-	10,891
Unrestricted	(9,083)	532	13,381
Total net position (deficit)	\$ (6,879)	\$ 532	\$ 24,272

Fleet Repair and Maintenance	Benefits	Workers' Compensation	General Liability	311 Call Center	Total
\$ 3,904	\$ -	\$ 12,166	\$ -	\$ 338	\$ 45,311
26	55	-	46	1	239
4	-	-	8	-	12
410	-	-	-	-	410
-	20	37	-	-	1,035
-	-	-	-	-	307
<u>4,344</u>	<u>75</u>	<u>12,203</u>	<u>54</u>	<u>339</u>	<u>47,314</u>
-	-	-	-	-	321
576	-	26	3,950	62	44,671
(93)	-	(2)	(79)	(12)	(25,159)
<u>483</u>	<u>-</u>	<u>24</u>	<u>3,871</u>	<u>50</u>	<u>19,512</u>
<u>483</u>	<u>-</u>	<u>24</u>	<u>3,871</u>	<u>50</u>	<u>19,833</u>
<u>4,827</u>	<u>75</u>	<u>12,227</u>	<u>3,925</u>	<u>389</u>	<u>67,147</u>
1,376	28,406	4,287	226	330	43,364
76	19	22	13	16	541
<u>1,452</u>	<u>28,425</u>	<u>4,309</u>	<u>239</u>	<u>346</u>	<u>43,905</u>
856	3,564	98	31	26	7,037
-	31,896	-	5,113	-	37,009
-	-	-	9	-	9
-	-	17,881	18,157	-	36,038
-	12,033	-	-	-	12,033
-	-	-	-	-	13
50	-	-	75	12	1,194
<u>906</u>	<u>47,493</u>	<u>17,979</u>	<u>23,385</u>	<u>38</u>	<u>93,333</u>
-	-	23,251	5,574	-	28,825
-	820	-	-	-	820
1,013	77,770	10,470	551	627	116,373
759	190	221	127	158	5,378
171	-	-	82	37	1,209
<u>1,943</u>	<u>78,780</u>	<u>33,942</u>	<u>6,334</u>	<u>822</u>	<u>152,605</u>
<u>2,849</u>	<u>126,273</u>	<u>51,921</u>	<u>29,719</u>	<u>860</u>	<u>245,938</u>
-	-	-	-	-	594
119	1,591	76	20	29	2,594
241	60	70	40	50	1,705
<u>360</u>	<u>1,651</u>	<u>146</u>	<u>60</u>	<u>79</u>	<u>4,893</u>
262	-	24	3,714	1	17,096
2,808	(99,424)	(35,555)	(29,329)	(205)	(156,875)
<u>\$ 3,070</u>	<u>\$ (99,424)</u>	<u>\$ (35,531)</u>	<u>\$ (25,615)</u>	<u>\$ (204)</u>	<u>\$ (139,779)</u>

Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Replacement</u>
Operating revenues:			
Charges for services:			
Computing and communication services	\$ 20,073	\$ -	\$ -
Building maintenance	-	14,530	-
Fleet replacement and maintenance	-	-	3,221
Employee benefits	-	-	-
Insurance	-	-	-
Other revenues	-	-	-
Total operating revenues	<u>20,073</u>	<u>14,530</u>	<u>3,221</u>
Operating expenses:			
Computing and communication services	17,372	-	-
Building maintenance	-	13,972	-
Fleet replacement and maintenance	-	-	214
Employee benefits	-	-	-
Insurance	-	-	-
311 Call Center	-	-	-
Depreciation/amortization	1,663	10	1,488
Total operating expenses	<u>19,035</u>	<u>13,982</u>	<u>1,702</u>
Operating income (loss)	<u>1,038</u>	<u>548</u>	<u>1,519</u>
Nonoperating revenues (expenses):			
Investment earnings (loss)	42	130	229
Net change in fair value of investments	8	(37)	(87)
Lease revenues	-	297	-
Gain (loss) on disposal of assets	-	-	11
Interest - leases (as lessor)	-	3	-
Interest expense	(55)	(1)	-
Total nonoperating revenues (expenses)	<u>(5)</u>	<u>392</u>	<u>153</u>
Income (loss) before transfers	1,033	940	1,672
Transfers from (to) other funds:			
Transfers in	930	165	1,554
Transfers out	(408)	(1,307)	-
Net income (loss)	<u>1,555</u>	<u>(202)</u>	<u>3,226</u>
Net position (deficit) at beginning of year	(8,434)	734	21,046
Net position (deficit) at end of year	<u>\$ (6,879)</u>	<u>\$ 532</u>	<u>\$ 24,272</u>

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,073
-	-	-	-	-	14,530
12,507	-	-	-	-	15,728
-	40,559	-	-	-	40,559
-	-	15,803	20,870	-	36,673
-	109	-	-	872	981
<u>12,507</u>	<u>40,668</u>	<u>15,803</u>	<u>20,870</u>	<u>872</u>	<u>128,544</u>
-	-	-	-	-	17,372
-	-	-	-	-	13,972
10,503	-	-	-	-	10,717
-	46,481	-	-	-	46,481
-	-	16,564	8,952	-	25,516
-	-	-	-	759	759
76	-	2	79	12	3,330
<u>10,579</u>	<u>46,481</u>	<u>16,566</u>	<u>9,031</u>	<u>771</u>	<u>118,147</u>
<u>1,928</u>	<u>(5,813)</u>	<u>(763)</u>	<u>11,839</u>	<u>101</u>	<u>10,397</u>
65	(387)	181	(98)	3	165
(12)	58	(85)	143	(1)	(13)
-	-	-	-	-	297
-	-	-	-	-	11
-	-	-	-	-	3
(6)	-	-	(3)	(1)	(66)
<u>47</u>	<u>(329)</u>	<u>96</u>	<u>42</u>	<u>1</u>	<u>397</u>
1,975	(6,142)	(667)	11,881	102	10,794
(1,554)	-	-	-	-	1,095
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,715)</u>
<u>421</u>	<u>(6,142)</u>	<u>(667)</u>	<u>11,881</u>	<u>102</u>	<u>10,174</u>
2,649	(93,282)	(34,864)	(37,496)	(306)	(149,953)
<u>\$ 3,070</u>	<u>\$ (99,424)</u>	<u>\$ (35,531)</u>	<u>\$ (25,615)</u>	<u>\$ (204)</u>	<u>\$ (139,779)</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	<u>Computing and Communication Services</u>	<u>Building Maintenance</u>	<u>Fleet Replacement</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 20,069	\$ 14,494	\$ 3,365
Cash payments to suppliers for goods and services	(5,270)	(7,765)	(84)
Cash payments to employees for services	(12,208)	(5,235)	(184)
Miscellaneous revenue	-	-	168
Net cash provided by (used for) operating activities	<u>2,591</u>	<u>1,494</u>	<u>3,265</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	930	165	1,554
Transfers to other funds	(408)	(1,307)	-
Net cash provided by (used for) noncapital financing activities	<u>522</u>	<u>(1,142)</u>	<u>1,554</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,480)	-	(3,524)
Proceeds from sale of capital assets	-	-	11
Proceeds from lease activities	-	277	-
Net cash used for capital and related financing activities	<u>(1,480)</u>	<u>277</u>	<u>(3,513)</u>
Cash Flows from Investing Activities:			
Investment earnings (loss)	42	130	229
Net change in fair value of investments	8	(37)	(87)
Net cash provided by (used for) investing activities	<u>50</u>	<u>93</u>	<u>142</u>
Net increase (decrease) in cash and cash equivalents	1,683	722	1,448
Cash and cash equivalents at beginning of year	<u>2,079</u>	<u>8,039</u>	<u>14,932</u>
Cash and cash equivalents at end of year	<u>\$ 3,762</u>	<u>\$ 8,761</u>	<u>\$ 16,380</u>
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Position:			
Cash and investments	3,762	8,761	16,380
Cash and cash equivalents at end of year	<u>\$ 3,762</u>	<u>\$ 8,761</u>	<u>\$ 16,380</u>

<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>
\$ 12,533	\$ 40,815	\$ 15,786	\$ 9,239	\$ 871	\$ 117,172
(7,833)	(3,913)	(6,619)	(8,192)	(122)	(39,798)
(2,915)	(36,573)	(9,645)	(938)	(687)	(68,385)
-	-	-	-	-	168
<u>1,785</u>	<u>329</u>	<u>(478)</u>	<u>109</u>	<u>62</u>	<u>9,157</u>
(1,554)	-	-	-	-	1,095
-	-	-	-	-	(1,715)
<u>(1,554)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(620)</u>
(274)	-	(26)	(154)	(23)	(5,481)
-	-	-	-	-	11
-	-	-	-	-	277
<u>(274)</u>	<u>-</u>	<u>(26)</u>	<u>(154)</u>	<u>(23)</u>	<u>(5,193)</u>
65	(387)	181	(98)	3	165
(12)	58	(85)	143	(1)	(13)
<u>53</u>	<u>(329)</u>	<u>96</u>	<u>45</u>	<u>2</u>	<u>152</u>
10	-	(408)	-	41	3,496
<u>3,894</u>	<u>-</u>	<u>12,574</u>	<u>-</u>	<u>297</u>	<u>41,815</u>
<u>\$ 3,904</u>	<u>\$ -</u>	<u>\$ 12,166</u>	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 45,311</u>
3,904	-	12,166	-	338	45,311
<u>\$ 3,904</u>	<u>\$ -</u>	<u>\$ 12,166</u>	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 45,311</u>

Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	<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)	\$ 1,038	\$ 548	\$ 1,519
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,663	10	1,488
(Increase) decrease in accounts receivable	(5)	(36)	(22)
(Increase) decrease in due from component units	-	-	-
Increase (decrease) in due to other funds	-	-	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaids and other assets	192	-	334
Increase (decrease) in accounts payable and accrued liabilities	49	943	(48)
Increase (decrease) in insurance claims payable	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deferred inflows - non-lease related	(4,743)	(1,968)	(80)
(Increase) decrease in deferred outflows	(3,991)	(1,530)	(54)
Increase (decrease) in net OPEB liability	(46)	119	(1)
Increase (decrease) in net pension liability	8,434	3,408	129
Total adjustments	<u>1,553</u>	<u>946</u>	<u>1,746</u>
Net cash provided by (used for) operating activities	<u>\$ 2,591</u>	<u>\$ 1,494</u>	<u>\$ 3,265</u>
Non-cash Investing, Capital and Financing Activities			
Appreciation (depreciation) in fair value of investments	(8)	37	87

<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>
\$ 1,928	\$ (5,813)	\$ (763)	\$ 11,839	\$ 101	\$ 10,397
76	-	2	79	12	3,330
22	146	(17)	(28)	-	60
3	-	-	15	-	18
-	7,326	-	(504)	-	6,822
98	-	-	-	-	98
-	-	-	-	-	526
(209)	(1,596)	20	89	13	(739)
-	-	154	(11,445)	-	(11,291)
-	666	-	-	-	666
(1,045)	(22,814)	(2,015)	(115)	(266)	(33,046)
(882)	(17,511)	(3,243)	(168)	(207)	(27,586)
(56)	27	26	61	(38)	92
<u>1,850</u>	<u>39,898</u>	<u>5,358</u>	<u>286</u>	<u>447</u>	<u>59,810</u>
<u>(143)</u>	<u>6,142</u>	<u>285</u>	<u>(11,730)</u>	<u>(39)</u>	<u>(1,240)</u>
<u>\$ 1,785</u>	<u>\$ 329</u>	<u>\$ (478)</u>	<u>\$ 109</u>	<u>\$ 62</u>	<u>\$ 9,157</u>
12	(58)	85	(143)	1	13

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FIDUCIARY FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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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.

Pension (and Other 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.

Pasadena Rental Housing Board Fund – to account for resources to provide affordable housing and community development opportunities for low- and moderate-income persons to enhance and strengthen the City.

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
Pension (and Other Employee Benefit) Trust Funds
June 30, 2023**

	<u>Deferred Compensation</u>	<u>Fire & Police Retirement System</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 350,687	\$ 2,628	\$ 353,315
Short-term investments	-	4,877	4,877
Total current assets	<u>350,687</u>	<u>7,505</u>	<u>358,192</u>
Receivables:			
Accounts	-	2	2
Interest	-	173	173
Pending trade sales	-	1,854	1,854
Total receivables	<u>-</u>	<u>2,029</u>	<u>2,029</u>
Investments, at fair value:			
Government and agencies	-	15,344	15,344
Fixed income mutual funds	-	13,798	13,798
Domestic corporate obligations	-	19,599	19,599
International corporate obligations	-	1,266	1,266
Real estate	-	12,722	12,722
Equity - domestic	-	19,982	19,982
Equity - international	-	19,952	19,952
Total investments	<u>-</u>	<u>102,663</u>	<u>102,663</u>
Total assets	<u>350,687</u>	<u>112,197</u>	<u>462,884</u>
Liabilities:			
Accounts payable and accrued liabilities	-	59	59
Pending trade purchases	-	7,761	7,761
Total liabilities	<u>-</u>	<u>7,820</u>	<u>7,820</u>
Net position reserved in trust:			
Held in trust for pensions	<u>350,687</u>	<u>104,377</u>	<u>455,064</u>
Total net position reserved in trust	<u>\$ 350,687</u>	<u>\$ 104,377</u>	<u>\$ 455,064</u>

**Combining Statement of Changes in Net Position
Pension (and Other Employee Benefit) Trust Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Deferred Compensation</u>	<u>Fire & Police Retirement System</u>	<u>Total</u>
Additions:			
Contributions:			
Plan members	\$ 15,570	\$ -	\$ 15,570
Total contributions	<u>15,570</u>	<u>-</u>	<u>15,570</u>
Net investment income:			
Investment earnings	33,264	1,027	34,291
Net change in fair value of investments	-	2,950	2,950
Dividends	-	1,617	1,617
Gross investment income	<u>33,264</u>	<u>5,594</u>	<u>38,858</u>
Less investment expenses	-	(581)	(581)
Total net investment income	<u>33,264</u>	<u>5,013</u>	<u>38,277</u>
Total additions	<u>48,834</u>	<u>5,013</u>	<u>53,847</u>
Deductions:			
Benefits paid to participants	23,023	11,954	34,977
Administrative expenses	216	344	560
Total deductions	<u>23,239</u>	<u>12,298</u>	<u>35,537</u>
Change in net position	<u>25,595</u>	<u>(7,285)</u>	<u>18,310</u>
Net position held in trust for employees:			
Beginning of year	325,092	111,662	436,754
End of year	<u>\$ 350,687</u>	<u>\$ 104,377</u>	<u>\$ 455,064</u>

Combining Statement of Net Position
Custodial Funds
June 30, 2023

	Lake/ Washington Special Assessment District	Library Equipment Replacement	Workforce Innovation and Opportunity Act (WIOA)	Open Space Assessment District	Pasadena Rental Housing Board	Total
Assets:						
Cash and investments	\$ -	\$ 303	\$ 15	\$ 143	\$ -	\$ 461
Accounts receivable	4	6	692	3	-	705
Total assets	4	309	707	146	-	1,166
Liabilities:						
Accounts payable and accrued liabilities	-	-	849	1	5	855
Due to other governments	10	-	-	-	-	10
Due to bondholders	-	-	-	916	-	916
Total liabilities	10	-	849	917	5	1,781
Net position (deficit) held in custody:						
Restricted for special assessments	(6)	-	-	-	-	(6)
Restricted for library equipment	-	309	-	-	-	309
Restricted for WIOA	-	-	(142)	-	-	(142)
Restricted for bondholders	-	-	-	(771)	-	(771)
Restricted for rental housing	-	-	-	-	(5)	(5)
End of year	\$ (6)	\$ 309	\$ (142)	\$ (771)	\$ (5)	\$ (615)



**Combining Statement of Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2023**

	Lake/ Washington Special Assessment District	Library Equipment Replacement	Workforce Innovation and Opportunity Act (WIOA)	Open Space Assessment District	Pasadena Rental Housing Board	Total
Additions:						
Investment earnings (loss)	\$ -	\$ 4	\$ -	\$ 1	\$ -	\$ 5
Assessment revenue	29	-	-	83	-	112
Intergovernmental	-	-	1,920	-	-	1,920
Total additions	<u>29</u>	<u>4</u>	<u>1,920</u>	<u>84</u>	<u>-</u>	<u>2,037</u>
Deductions:						
Contributions to City	33	-	-	-	-	33
Program expense	-	-	2,895	-	-	2,895
Administrative expense	-	-	-	3	5	8
Interest expense	-	-	-	55	-	55
Total deductions	<u>33</u>	<u>-</u>	<u>2,895</u>	<u>58</u>	<u>5</u>	<u>2,991</u>
Change in net position	(4)	4	(975)	26	(5)	(954)
Net position (deficit) held in custody:						
Beginning of year	(2)	305	833	(797)	-	339
End of year	<u>\$ (6)</u>	<u>\$ 309</u>	<u>\$ (142)</u>	<u>\$ (771)</u>	<u>\$ (5)</u>	<u>\$ (615)</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, 2023**

	<u>Successor Agency</u>			
	Redevelopment Obligation	Old Pasadena	Lincoln	Downtown
	Retirement			
Assets				
Current assets:				
Cash and investments	\$ 5	\$ -	\$ -	\$ -
Cash with fiscal agent	80	-	-	-
Notes receivable	-	-	-	-
Allowance for uncollectible long-term receivable	-	-	-	-
Total current assets	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent assets:				
Land and land rights	214	-	-	-
Total noncurrent assets	<u>214</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>299</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Net position held in trust	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



<u>Successor Agency</u>				
<u>Fair Oaks</u>	<u>Orange Grove</u>	<u>Villa Parke</u>	<u>Lake Washington</u>	<u>Total</u>
\$ 43	\$ 70	\$ 9	\$ 86	\$ 213
-	-	-	-	80
515	-	-	-	515
<u>(515)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(515)</u>
<u>43</u>	<u>70</u>	<u>9</u>	<u>86</u>	<u>293</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>
<u>43</u>	<u>70</u>	<u>9</u>	<u>86</u>	<u>507</u>
<u>\$ 43</u>	<u>\$ 70</u>	<u>\$ 9</u>	<u>\$ 86</u>	<u>\$ 507</u>

**Combining Statement of Changes in Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Successor Agency</u>			
	Redevelopment Obligation Retirement	Old Pasadena	Lincoln	Downtown
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Additions:				
Property taxes	\$ 6,250	\$ -	\$ -	\$ -
Gain/(loss) on disposition of property	648	-	-	-
Miscellaneous revenues	-	-	-	-
Total additions	<u>6,898</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:				
Statutory pass-through expenses	-	3,755	55	-
Administrative expenses:				
County administrative expenses	-	129	7	649
Successor agency administrative cost allowance	648	-	-	-
Total deductions	<u>648</u>	<u>3,884</u>	<u>62</u>	<u>649</u>
Transfers:				
Transfers in	-	3,884	62	649
Transfers out	(6,178)	-	-	-
Total transfers	<u>(6,178)</u>	<u>3,884</u>	<u>62</u>	<u>649</u>
Change in amount held in trust	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount held in trust at beginning of year	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount held in trust at end of year	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Successor Agency				
Fair Oaks	Orange Grove	Villa Parke	Lake Washington	Total
\$ -	\$ -	\$ -	\$ -	\$ 6,250
-	-	-	-	648
-	21	-	-	21
-	21	-	-	6,919
531	57	534	343	5,275
40	22	46	10	903
-	-	-	-	648
571	79	580	353	6,826
571	79	580	353	6,178
-	-	-	-	(6,178)
571	79	580	353	-
-	21	-	-	93
43	49	9	86	414
\$ 43	\$ 70	\$ 9	\$ 86	\$ 507

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COMPONENT UNITS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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DISCRETELY PRESENTED COMPONENT UNITS

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 (RBOC) – 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.

Pasadena Center Operating Company (PCOC) – 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.

Pasadena Community Access Corporation Board (PCAC) – established on December 9, 1983, by Articles of Incorporation, to provide a means for individuals or groups to use cable telecommunications to communicate and share information.

Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2023

	Rose Bowl Operating Company	Pasadena Center Operating Company	Pasadena Community Access Corp.	Total
Assets:				
Current assets:				
Cash and investments	\$ 35,352	\$ 17,403	\$ 408	\$ 53,163
Accounts receivable, net	5,285	852	4	6,141
Inventory	316	-	-	316
Due from City of Pasadena	235	676	-	911
Prepays and other assets	224	121	11	356
Lease receivable	-	18	-	18
Deposits	-	-	12	12
Restricted cash and cash investments	-	7,912	556	8,468
Total current assets	41,412	26,982	991	69,385
Noncurrent assets:				
Restricted assets - cash and investments	10,633	-	-	10,633
Due from City of Pasadena	422	-	-	422
Lease receivable	244	28	-	272
Capital assets:				
Not being depreciated/amortized	-	2,426	-	2,426
Being depreciated/amortized, net	148,967	116,558	79	265,604
Total noncurrent assets	160,266	119,012	79	279,357
Total assets	201,678	145,994	1,070	348,742
Deferred outflow of resources:				
Accumulated decrease in fair value of hedging derivatives	-	4,432	-	4,432
Deferred refunding charges	1,396	834	-	2,230
Pension related	1,780	-	-	1,780
Total deferred outflow of resources	3,176	5,266	-	8,442
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	4,977	1,053	9	6,039
Accrued salaries and benefits	542	731	24	1,297
Accrued interest	3,076	483	-	3,559
Due to City of Pasadena	1,529	-	-	1,529
Deposits payable	2,417	1,572	-	3,989
Long-term advance due within one year	100	-	-	100
Compensated absences due within one year	173	-	39	212
Lease liability	-	62	28	90
Subscription liability	-	89	-	89
Long-term debt due within one year	5,238	6,775	-	12,013
Unearned revenue	5,191	-	-	5,191
Total current liabilities	23,243	10,765	100	34,108
Noncurrent liabilities:				
Accrued salaries and benefits	98	-	-	98
Lease liability	-	11	-	11
Subscription liability	-	137	-	137
Long-term advance	400	-	-	400
Derivative instrument liability	-	4,432	-	4,432
Long-term debt, net of current portion	196,756	127,945	-	324,701
Net pension liability	3,526	-	-	3,526
Total noncurrent liabilities	200,780	132,525	-	333,305
Total liabilities	224,023	143,290	100	367,413
Deferred inflow of resources:				
Deferred refunding charge	-	3,699	-	3,699
Service concession agreement	-	117	-	117
Lease related	463	46	-	509
Pension related	88	-	-	88
Total deferred inflow of resources	551	3,862	-	4,413
Net position/(deficit):				
Net investment in capital assets	(24,145)	11,703	51	(12,391)
Restricted	10,633	2,199	556	13,388
Unrestricted	(6,208)	(9,794)	363	(15,639)
Total net position/(deficit)	\$ (19,720)	\$ 4,108	\$ 970	\$ (14,642)

**Combining Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2023**

	<u>Rose Bowl Operating Company</u>	<u>Pasadena Center Operating Company</u>	<u>Pasadena Community Access Corp.</u>	<u>Total</u>
Operating revenues:				
Charges for services:				
Rose Bowl	\$ 41,941	\$ -	\$ -	\$ 41,941
Golf course	10,471	-	-	10,471
Pasadena Center Operating Company	-	12,746	-	12,746
Pasadena Community Access Corporation	-	-	1,093	1,093
Total operating revenues	<u>52,412</u>	<u>12,746</u>	<u>1,093</u>	<u>66,251</u>
Operating expenses:				
Rose Bowl	34,072	-	-	34,072
Golf course	8,047	-	-	8,047
Pasadena Center Operating Company	-	11,837	-	11,837
Pasadena Community Access Corporation	-	-	909	909
Depreciation/amortization	11,888	3,990	194	16,072
Total operating expenses	<u>54,007</u>	<u>15,827</u>	<u>1,103</u>	<u>70,937</u>
Operating loss	<u>(1,595)</u>	<u>(3,081)</u>	<u>(10)</u>	<u>(4,686)</u>
Nonoperating revenues (expenses):				
Contributions from City of Pasadena	-	-	-	-
Grant revenues	-	67	-	67
Transient occupancy taxes	-	11,300	-	11,300
Tourism business improvement district tax	-	4,029	-	4,029
Facility restoration fee	-	137	-	137
Investment income	636	368	-	1,004
Interest income	-	-	-	-
Interest expense	(12,236)	(5,412)	-	(17,648)
Lease revenues	-	16	-	16
Public, education, and government (PEG) revenue	-	-	191	191
PEG expense	-	-	(90)	(90)
Other nonoperating revenues	4,585	-	-	4,585
Total nonoperating revenues	<u>(7,015)</u>	<u>10,505</u>	<u>101</u>	<u>3,591</u>
Income before capital contributions	<u>(8,610)</u>	<u>7,424</u>	<u>91</u>	<u>(1,095)</u>
Capital contributions	-	76	-	76
Changes in net position	<u>(8,610)</u>	<u>7,500</u>	<u>91</u>	<u>(1,019)</u>
Net position at beginning of year	(11,110)	(3,392)	879	(13,623)
Net position at end of year	<u>\$ (19,720)</u>	<u>\$ 4,108</u>	<u>\$ 970</u>	<u>\$ (14,642)</u>

**Combining Statement of Net Position
Discretely Presented Component Unit
Rose Bowl Operating Company
June 30, 2023**

	Rose Bowl	Golf Course	Total
Assets			
Current assets:			
Cash and investments	\$ 17,986	\$ 17,366	\$ 35,352
Accounts receivable, net	5,141	144	5,285
Lease receivable	235	-	235
Inventory	57	259	316
Prepays and other assets	224	-	224
Total current assets	<u>23,289</u>	<u>18,123</u>	<u>41,412</u>
Noncurrent assets:			
Due from City of Pasadena	422	-	422
Restricted assets - cash and investments	10,633	-	10,633
Lease receivable	244	-	244
Capital assets:			
Being depreciated/amortized, net	143,372	5,595	148,967
Total noncurrent assets	<u>154,671</u>	<u>5,595</u>	<u>160,266</u>
Total assets	<u>177,960</u>	<u>23,718</u>	<u>201,678</u>
Deferred outflow of resources			
Deferred refunding charge	1,396	-	1,396
Pension related	1,719	61	1,780
Total deferred outflow of resources	<u>3,115</u>	<u>61</u>	<u>3,176</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	3,783	1,194	4,977
Accrued salaries and benefits	491	51	542
Accrued interest payable	3,076	-	3,076
Due to City of Pasadena	1,529	-	1,529
Deposits	2,417	-	2,417
Unearned revenues	5,005	186	5,191
Current portion of long-term advance	100	-	100
Current portion of compensated absences	167	6	173
Current portion of long-term debt	5,186	52	5,238
Total current liabilities	<u>21,754</u>	<u>1,489</u>	<u>23,243</u>
Noncurrent liabilities:			
Long-term advance	400	-	400
Compensated absences	88	10	98
Long-term debt, net of current portion	196,290	466	196,756
Net pension liability	3,406	120	3,526
Total noncurrent liabilities	<u>200,184</u>	<u>596</u>	<u>200,780</u>
Total liabilities	<u>221,938</u>	<u>2,085</u>	<u>224,023</u>
Deferred inflows of resources			
Lease related	463	-	463
Pension related	62	26	88
Total deferred inflows of resources	<u>525</u>	<u>26</u>	<u>551</u>
Net Position			
Net investment in capital assets	(29,223)	5,078	(24,145)
Restricted for debt service	10,633	-	10,633
Unrestricted	(22,798)	16,590	(6,208)
Total net position (deficit)	<u>\$ (41,388)</u>	<u>\$ 21,668</u>	<u>\$ (19,720)</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Unit
Rose Bowl Operating Company
For the Fiscal Year Ended June 30, 2023**

	<u>Rose Bowl</u>	<u>Golf Course</u>	<u>Total</u>
Operating revenues:			
Charges for services:			
Rose Bowl	\$ 41,941	\$ -	\$ 41,941
Golf course	-	10,471	10,471
Total operating revenues	<u>41,941</u>	<u>10,471</u>	<u>52,412</u>
Operating expenses:			
Rose Bowl	34,072	-	34,072
Golf course	-	8,047	8,047
Depreciation/amortization	11,202	686	11,888
Total operating expenses	<u>45,274</u>	<u>8,733</u>	<u>54,007</u>
Operating income (loss)	<u>(3,333)</u>	<u>1,738</u>	<u>(1,595)</u>
Nonoperating revenues (expenses):			
Investment earnings (loss)	620	16	636
Interest expense	(12,236)	-	(12,236)
Other nonoperating revenues	4,582	3	4,585
Total nonoperating revenues (expenses)	<u>(7,034)</u>	<u>19</u>	<u>(7,015)</u>
Changes in net position	(10,367)	1,757	(8,610)
Net position (deficit) at beginning of year	<u>(31,021)</u>	<u>19,911</u>	<u>(11,110)</u>
Net position (deficit) at end of year	<u>\$ (41,388)</u>	<u>\$ 21,668</u>	<u>\$ (19,720)</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	226
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	237
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	248
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	260
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.

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 419,328	\$ 408,195	\$ 405,858	\$ 418,266
Restricted	60,592	44,327	56,050	55,477
Unrestricted	<u>(29,751)</u>	<u>(339,336)</u>	<u>(325,826)</u>	<u>(310,488)</u>
Total governmental activities net position	<u>450,169</u>	<u>113,186</u>	<u>136,082</u>	<u>163,254</u>
Business-type activities				
Net investment in capital assets	\$ 422,610	\$ 371,526	\$ 449,141	\$ 408,944
Restricted	133,791	176,248	153,241	171,545
Unrestricted	<u>159,948</u>	<u>114,512</u>	<u>131,037</u>	<u>183,279</u>
Total business-type activities net position	<u>\$ 716,349</u>	<u>\$ 662,286</u>	<u>\$ 733,419</u>	<u>\$ 763,768</u>
Primary government				
Net investment in capital assets	\$ 841,938	\$ 779,721	\$ 854,999	\$ 827,210
Restricted	194,383	220,574	209,291	227,022
Unrestricted	<u>130,197</u>	<u>(224,824)</u>	<u>(194,789)</u>	<u>(127,209)</u>
Total primary government net position	<u>\$ 1,166,518</u>	<u>\$ 775,471</u>	<u>\$ 869,501</u>	<u>\$ 927,023</u>



Financial Trends

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 439,355	\$ 458,378	\$ 470,689	\$ 468,005	\$ 471,778	\$ 493,108
69,730	79,205	84,006	82,123	81,495	86,143
(362,358)	(362,242)	(364,572)	(390,132)	(403,721)	(345,893)
<u>146,726</u>	<u>175,341</u>	<u>190,123</u>	<u>159,996</u>	<u>\$ 149,553</u>	<u>\$ 233,358</u>
\$ 420,692	\$ 434,358	\$ 458,534	\$ 486,944	\$ 499,719	\$ 521,998
152,811	142,806	128,220	126,668	109,474	93,335
199,209	230,707	244,811	240,454	270,029	278,453
<u>\$ 772,712</u>	<u>\$ 807,871</u>	<u>\$ 831,565</u>	<u>\$ 854,066</u>	<u>\$ 879,222</u>	<u>\$ 893,786</u>
\$ 860,047	\$ 892,736	\$ 929,223	\$ 954,949	\$ 971,497	\$ 1,015,106
222,541	222,011	212,226	208,791	190,969	179,478
(163,149)	(131,535)	(119,761)	(149,678)	(133,691)	(67,440)
<u>\$ 919,439</u>	<u>\$ 983,212</u>	<u>\$ 1,021,688</u>	<u>\$ 1,014,062</u>	<u>\$ 1,028,775</u>	<u>\$ 1,127,144</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 53,260	\$ 38,902	\$ 59,425	\$ 42,895
Public safety	104,708	106,327	96,484	127,760
Transportation	59,581	49,526	35,739	41,738
Utility	-	-	-	-
Sanitation	4,106	4,232	4,267	4,290
Health	14,239	13,764	10,914	10,558
Culture and leisure	31,321	30,127	32,286	34,249
Community development	31,669	35,248	72,725	39,787
Interest and other fiscal charges	11,047	10,310	9,187	8,611
Total governmental activities expenses	<u>\$ 309,931</u>	<u>\$ 288,436</u>	<u>\$ 321,027</u>	<u>\$ 309,888</u>
Business-type activities:				
Electric	\$ 177,590	\$ 171,282	\$ 174,858	\$ 183,522
Water	51,054	48,462	45,240	48,009
Refuse	13,022	12,843	14,421	14,330
Parking	14,556	13,532	14,488	13,062
Telecommunication	849	89	141	110
Total business-type activities expenses	<u>257,071</u>	<u>246,208</u>	<u>249,148</u>	<u>259,033</u>
Total primary government expenses	<u>\$ 567,002</u>	<u>\$ 534,644</u>	<u>\$ 570,175</u>	<u>\$ 568,921</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 17,872	\$ 18,750	\$ 18,053	\$ 14,651
Public safety	13,050	14,674	14,841	19,244
Transportation	14,253	16,059	16,384	16,663
Sanitation	8,010	7,875	7,008	7,127
Health	797	1,022	644	870
Culture and leisure	3,382	3,566	4,504	5,870
Community development	12,935	12,630	14,193	15,803
Operating grants and contributions	35,948	41,943	40,422	41,050
Capital grants and contributions	16,504	16,197	15,383	9,083
Total governmental activities program revenues	<u>\$ 122,751</u>	<u>\$ 132,716</u>	<u>\$ 131,432</u>	<u>\$ 130,361</u>
Business-type activities:				
Charges for services:				
Electric	\$ 188,174	\$ 203,748	\$ 199,197	\$ 202,480
Water	61,233	57,440	50,835	58,287
Refuse	11,925	11,959	11,880	11,775
Parking	13,334	13,603	14,621	14,595
Telecommunication	816	655	609	669
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,828	2,905	2,790	4,811
Total business-type activities program revenues	<u>278,310</u>	<u>290,310</u>	<u>279,932</u>	<u>292,617</u>
Total primary government program revenues	<u>\$ 401,061</u>	<u>\$ 423,026</u>	<u>\$ 411,364</u>	<u>\$ 422,978</u>
Net Revenues (Expenses)				
Governmental activities	(187,180)	(155,720)	(189,595)	(179,527)
Business-type activities	21,239	44,102	30,784	33,584
Total net revenues (expenses)	<u>\$ (165,941)</u>	<u>\$ (111,618)</u>	<u>\$ (158,811)</u>	<u>\$ (145,943)</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

Financial Trends

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 45,755	\$ 49,619	\$ 67,355	\$ 72,811	\$ 86,104	\$ 68,549
142,495	145,937	152,889	148,287	151,005	157,931
46,452	52,239	55,429	48,597	44,752	49,533
-	-	6,134	171	124	135
4,376	4,117	4,600	6,783	6,091	5,831
11,347	13,401	15,367	17,465	17,062	18,967
38,365	37,135	37,224	45,291	48,529	50,399
45,114	47,304	52,019	57,362	62,727	59,411
8,411	7,889	6,425	6,500	6,364	6,311
<u>\$ 342,315</u>	<u>\$ 357,641</u>	<u>\$ 397,442</u>	<u>\$ 403,267</u>	<u>\$ 422,757</u>	<u>\$ 417,067</u>
\$ 187,872	\$ 196,874	\$ 197,138	\$ 196,389	\$ 196,718	\$ 239,414
54,757	56,738	58,974	63,933	61,518	61,705
15,695	16,528	19,429	20,059	18,818	21,509
14,140	14,502	14,713	12,097	10,901	13,222
144	170	164	189	163	188
<u>272,608</u>	<u>284,812</u>	<u>290,418</u>	<u>292,667</u>	<u>288,117</u>	<u>336,038</u>
<u>\$ 614,923</u>	<u>\$ 642,453</u>	<u>\$ 687,860</u>	<u>\$ 695,934</u>	<u>\$ 710,875</u>	<u>\$ 753,105</u>
\$ 10,861	\$ 11,203	\$ 20,245	\$ 13,504	\$ 12,984	\$ 13,551
15,708	15,297	13,656	10,322	13,736	15,285
28,165	30,555	26,933	20,811	16,607	18,761
7,665	8,193	7,728	7,321	7,301	7,721
2,346	2,432	2,497	2,154	2,168	2,610
3,181	2,748	1,725	674	1,096	840
13,286	14,954	12,487	11,795	14,470	16,276
47,058	59,763	56,837	60,764	80,747	108,876
14,190	8,582	36,663	9,449	10,184	22,223
<u>\$ 142,460</u>	<u>\$ 153,727</u>	<u>\$ 178,771</u>	<u>\$ 136,794</u>	<u>\$ 159,292</u>	<u>\$ 206,143</u>
\$ 212,116	\$ 218,054	\$ 217,873	\$ 222,266	\$ 226,509	\$ 255,825
62,592	60,181	62,466	71,269	69,359	64,961
11,413	11,743	11,644	11,502	11,864	12,309
14,560	13,977	11,229	9,198	11,066	13,545
471	680	439	568	776	415
2,355	1,462	1,784	2,777	6,188	2,161
4,112	3,615	2,934	4,248	4,559	5,897
<u>307,619</u>	<u>309,712</u>	<u>308,369</u>	<u>321,828</u>	<u>330,320</u>	<u>355,113</u>
<u>\$ 450,079</u>	<u>\$ 463,439</u>	<u>\$ 487,140</u>	<u>\$ 458,622</u>	<u>\$ 489,613</u>	<u>\$ 561,256</u>
(199,855)	(203,914)	(218,671)	(266,473)	(263,465)	(210,924)
35,011	24,900	17,951	29,161	42,203	19,075
<u>\$ (164,844)</u>	<u>\$ (179,014)</u>	<u>\$ (200,720)</u>	<u>\$ (237,312)</u>	<u>\$ (221,262)</u>	<u>\$ (191,849)</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property, levied for general purpose	\$ 44,066	\$ 56,446	\$ 59,141	\$ 68,752
Sales	33,198	33,706	36,855	35,708
Utility users'	28,893	29,316	28,100	28,251
Transient occupancy	12,043	13,165	14,864	15,229
Construction	3,682	4,770	4,375	3,491
Business license	5,633	5,836	6,483	6,347
Franchise	2,361	2,903	2,542	2,797
Other taxes	7,088	7,181	7,335	7,298
Other intergovernmental	15,924	16,648	18,005	18,259
Use of money - investment earnings	4,833	4,461	4,955	1,857
Use of property - lease activity	-	-	-	-
Net change in fair value of investments	-	-	-	-
Gain on sale of assets	1,153	370	(60)	-
Miscellaneous revenues	4,655	4,863	14,621	8,224
Reinstatement of PCDC Loan	-	-	11,128	-
Transfers	16,305	14,657	15,033	18,652
Total governmental activities	<u>\$ 179,834</u>	<u>\$ 194,322</u>	<u>\$ 223,376</u>	<u>\$ 214,865</u>
Business-type activities:				
Taxes:				
Franchise tax	\$ 3,907	\$ 4,319	\$ 4,575	\$ 4,893
Use of money - investment earnings	7,136	5,529	6,593	2,372
Use of property - lease activity	-	-	-	-
Net change in fair value of investments	-	-	-	-
Gain on sale of assets	(1,161)	-	(311)	-
Miscellaneous revenues	8,977	15,631	42,427	8,154
Transfers	(16,305)	(14,657)	(15,033)	(18,652)
Total business-type activities	<u>2,554</u>	<u>10,822</u>	<u>38,252</u>	<u>(3,234)</u>
Total primary government	<u>\$ 182,388</u>	<u>\$ 205,144</u>	<u>\$ 261,627</u>	<u>\$ 211,631</u>
Changes in Net Position				
Governmental activities	(7,346)	38,602	33,781	35,338
Business-type activities	23,793	54,924	69,036	30,351
Total primary government	<u>\$ 16,447</u>	<u>\$ 93,526</u>	<u>\$ 102,816</u>	<u>\$ 65,688</u>

Financial Trends

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 63,483	\$ 68,275	\$ 70,689	\$ 76,579	\$ 79,144	\$ 84,327
35,076	44,616	57,513	62,308	74,366	76,899
27,881	26,982	26,966	26,938	30,124	32,790
15,814	16,948	13,090	6,298	14,711	18,675
3,265	4,985	4,091	2,097	2,626	3,969
7,196	7,302	6,900	6,351	5,890	7,841
2,733	2,881	2,827	2,813	2,730	3,749
7,449	7,286	1,614	5,661	16,309	17,048
19,996	20,345	20,831	25,424	23,797	25,387
3,008	10,922	8,231	2,518	2,239	4,817
-	-	-	-	731	1,652
-	-	-	-	(15,262)	(1,651)
(299)	-	2,288	-	-	-
11,372	8,270	5,493	3,091	4,664	3,361
-	-	-	-	-	-
18,766	13,976	14,349	16,267	10,954	15,865
<u>\$ 215,740</u>	<u>\$ 232,788</u>	<u>\$ 234,882</u>	<u>\$ 236,345</u>	<u>\$ 253,022</u>	<u>\$ 294,729</u>
\$ 5,359	\$ 5,787	\$ 6,083	\$ 5,722	\$ 6,162	\$ 6,713
2,506	16,216	10,940	1,033	2,793	6,568
-	-	-	-	395	441
-	-	-	-	(25,439)	(4,449)
(49)	(1,114)	-	-	(167)	-
2,552	3,346	3,069	2,852	10,571	2,940
<u>(18,766)</u>	<u>(13,976)</u>	<u>(14,349)</u>	<u>(16,266)</u>	<u>(11,362)</u>	<u>(15,933)</u>
<u>(8,398)</u>	<u>10,259</u>	<u>5,743</u>	<u>(6,659)</u>	<u>(17,048)</u>	<u>(3,720)</u>
<u>\$ 207,342</u>	<u>\$ 243,047</u>	<u>\$ 240,625</u>	<u>\$ 229,686</u>	<u>\$ 235,974</u>	<u>\$ 291,009</u>
15,885	28,874	16,211	(30,128)	(10,443)	83,805
26,613	35,159	23,694	22,502	25,155	15,355
<u>\$ 42,498</u>	<u>\$ 64,033</u>	<u>\$ 39,905</u>	<u>\$ (7,626)</u>	<u>\$ 14,712</u>	<u>\$ 99,160</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 8,352	\$ 8,620	\$ 12,236	\$ 11,108
Restricted	-	400	400	400
Committed	34,868	30,951	33,451	47,563
Assigned	5,043	11,087	17,227	26,825
Unassigned	<u>15,015</u>	<u>12,140</u>	<u>15,139</u>	<u>3,832</u>
Total General Fund	<u>63,278</u>	<u>63,198</u>	<u>78,453</u>	<u>89,727</u>
All Other Governmental Funds:				
Nonspendable	31,674	30,997	7,799	2,482
Restricted	57,300	52,516	55,650	55,077
Committed	72,479	87,144	101,338	106,631
Assigned	-	-	-	-
Unassigned	<u>(7,981)</u>	<u>(7,482)</u>	<u>(8,126)</u>	<u>(10,950)</u>
Total all other Governmental Funds	<u>153,472</u>	<u>163,175</u>	<u>156,661</u>	<u>153,240</u>
Total Governmental Funds	<u>\$ 216,750</u>	<u>\$ 226,373</u>	<u>\$ 235,114</u>	<u>\$ 242,967</u>



(AMOUNTS EXPRESSED IN THOUSANDS)

Financial Trends

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 4,545	\$ 1,590	\$ 14,853	\$ 13,626	\$ 13,697	\$ 14,316
10,995	11,631	12,106	13,718	12,101	12,596
46,949	50,775	55,120	51,687	57,339	71,985
12,426	15,099	25,082	31,326	23,079	57,407
<u>11,957</u>	<u>19,605</u>	<u>445</u>	<u>(11,294)</u>	<u>-</u>	<u>8,307</u>
<u>86,872</u>	<u>98,700</u>	<u>107,606</u>	<u>99,063</u>	<u>106,216</u>	<u>164,611</u>
1,574	1,478	1,554	1,550	1,582	1,582
58,597	67,575	71,848	68,307	64,846	68,434
108,569	121,002	115,446	111,319	102,213	101,735
-	-	1,652	1,944	2,775	1,361
<u>(2,273)</u>	<u>(3,574)</u>	<u>(5,180)</u>	<u>(6,133)</u>	<u>(9,480)</u>	<u>(6,905)</u>
<u>166,467</u>	<u>186,481</u>	<u>185,320</u>	<u>176,987</u>	<u>\$ 161,937</u>	<u>\$ 166,207</u>
<u>\$ 253,339</u>	<u>\$ 285,181</u>	<u>\$ 292,926</u>	<u>\$ 276,050</u>	<u>\$ 268,152</u>	<u>\$ 330,818</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Taxes	\$ 136,965	\$ 153,323	\$ 159,694	\$ 167,874
Licenses and permits	13,675	11,235	14,946	14,882
Intergovernmental	61,505	63,785	65,299	62,121
Charges for services	43,416	49,413	46,984	49,324
Fines and forfeitures	6,768	7,329	7,378	7,802
Investment earnings	5,255	4,294	4,780	1,752
Net change in fair value of investments	-	-	-	-
Lease revenues	4,064	3,822	4,212	4,765
Interest - leases (as lessor)	-	-	-	-
Miscellaneous revenues	6,081	7,133	16,341	12,072
Contributions	7,807	11,759	6,496	5,397
Total revenues	<u>285,536</u>	<u>312,093</u>	<u>326,130</u>	<u>325,989</u>
Expenditures:				
Current:				
General government	34,613	44,283	47,488	42,054
Public safety	99,871	106,469	111,012	116,577
Transportation	36,912	37,018	35,282	40,196
Utility	-	-	-	-
Sanitation	4,106	4,274	4,356	4,324
Health	13,551	13,553	11,294	10,309
Culture and leisure	30,039	30,505	32,241	32,663
Community development	29,579	31,933	60,841	34,370
Capital outlay	23,571	16,855	29,032	32,254
Debt service:				
Principal retirement	20,808	129,469	6,611	6,345
Interest	9,797	8,730	8,139	8,744
Bond issuance costs	-	-	-	-
Lease payments	-	-	-	-
Subscription payments	-	-	-	-
Interest - leases and subscriptions	-	-	-	-
Total expenditures	<u>302,847</u>	<u>423,089</u>	<u>346,296</u>	<u>327,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,311)</u>	<u>(110,996)</u>	<u>(20,166)</u>	<u>(1,847)</u>
Other financing sources (uses):				
Transfers in	84,444	61,085	51,606	121,920
Transfers out	(65,045)	(50,718)	(38,028)	(109,631)
Transfers to component unit(s)	-	-	-	-
Leases issued	-	-	-	-
Subscriptions issued	-	-	-	-
Premium (discount) on debt issued	-	-	(2,283)	5,790
Issuance of long-term debt	841	351	119,460	60,460
Payment to refunded bond escrow agent	-	-	-	(60,762)
Proceeds from sale of capital assets	-	-	-	-
Reinstatement of PCDC Loan	-	-	-	11,128
Total other financing sources (uses)	<u>20,240</u>	<u>10,718</u>	<u>130,755</u>	<u>28,905</u>
Extraordinary gain (loss):	<u>-</u>	<u>152,582</u>	<u>(2,197)</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,929</u>	<u>\$ 52,304</u>	<u>\$ 108,392</u>	<u>\$ 27,058</u>
Debt service as a percentage of noncapital expenditures	10.96%	34.02%	4.65%	5.10%

(AMOUNTS EXPRESSED IN THOUSANDS)

Financial Trends

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 162,898	\$ 179,275	\$ 183,689	\$ 189,044	\$ 225,899	\$ 245,298	
15,022	13,979	13,297	12,791	15,283	17,068	
74,093	75,237	78,475	87,260	106,225	158,718	
53,417	59,111	53,066	45,996	43,548	47,759	
7,262	6,377	6,520	3,491	4,190	5,372	
1,597	9,207	7,536	2,445	2,170	4,654	
-	-	-	-	(14,844)	(1,638)	
4,418	4,326	10,748	3,252	4,512	5,191	
-	-	-	-	9	6	
14,240	11,929	7,082	5,792	8,227	6,619	
5,512	12,476	8,103	3,630	3,089	1,527	
<u>338,459</u>	<u>371,917</u>	<u>368,516</u>	<u>353,701</u>	<u>398,306</u>	<u>490,574</u>	
38,611	40,655	73,958	65,554	63,810	58,611	
126,827	133,461	138,942	138,803	147,560	159,339	
45,078	49,621	50,298	44,110	40,795	47,471	
-	-	6,134	171	124	135	
4,352	4,300	4,493	6,669	6,037	5,886	
10,977	12,522	14,250	16,265	16,505	18,944	
37,111	34,529	34,266	41,355	45,876	48,270	
39,365	40,599	45,126	47,952	55,694	53,112	
28,707	21,492	23,795	15,985	25,020	40,296	
10,520	5,996	5,572	5,117	5,416	5,822	
8,558	8,220	6,081	6,559	6,394	6,220	
-	-	562	-	-	-	
-	-	-	-	1,116	1,234	
-	-	-	-	-	725	
-	-	-	-	32	54	
<u>350,106</u>	<u>351,395</u>	<u>403,477</u>	<u>388,540</u>	<u>414,379</u>	<u>446,119</u>	
(11,647)	20,522	(34,961)	(34,839)	(16,072)	44,455	
80,737	76,926	72,394	67,461	73,495	77,462	
(62,326)	(62,000)	(67,530)	(49,497)	(65,023)	(60,910)	
-	-	-	-	(408)	(67)	
-	-	-	-	110	838	
-	-	-	-	-	887	
-	-	-	-	-	-	
-	-	138,605	-	-	-	
-	-	(131,154)	-	-	-	
-	-	31,819	-	-	-	
-	-	-	-	-	-	
<u>18,411</u>	<u>14,926</u>	<u>44,134</u>	<u>17,964</u>	<u>8,174</u>	<u>18,210</u>	
-	-	-	-	-	-	
<u>\$ 6,764</u>	<u>\$ 35,448</u>	<u>\$ 9,173</u>	<u>\$ (16,875)</u>	<u>\$ (7,898)</u>	<u>\$ 62,665</u>	
5.94%	4.31%	3.22%	3.13%	3.33%	3.46%	

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(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured Valuations	Homeowners Exemption	Net Secured Valuations	Unsecured Valuations	Total Assessed Valuation	Total Direct Tax Rate
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%
2023	37,215,187	(117,845)	37,097,342	717,826	37,815,168	0.24%

NOTES:

Amounts pertaining to the Pasadena Community Development Commission and the City have been combined.

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

SOURCE: Starting with FY2021, HdL Coren & Cone.

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year				
	2014	2015	2016	2017	2018
City Direct Rates:					
City basic rate	0.1918	0.2329	0.2290	0.2537	0.2178
PCDC Successor Agency	0.0282	0.0219	0.0331	0.0479	0.0356
Total City Direct Rate	<u>0.2200</u>	<u>0.2548</u>	<u>0.2621</u>	<u>0.3016</u>	<u>0.2534</u>
Overlapping Rates:					
Los Angeles County General	0.4483	0.4118	0.4060	0.3647	0.4169
La Canada Unified School District	0.0672	0.0648	0.0617	0.0611	0.0591
Pasadena School District	0.4379	0.4389	0.4375	0.4386	0.4359
Pasadena Community College District	0.1247	0.1254	0.1254	0.1260	0.1248
Metropolitan Water District	0.0035	0.0035	0.0035	0.0035	0.0035
Total Direct Rate	<u>1.3017</u>	<u>1.2992</u>	<u>1.2963</u>	<u>1.2955</u>	<u>1.2936</u>

NOTES:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various intergovernmental overlapping debt.

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.

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



Revenue Capacity

Fiscal Year				
2019	2020	2021	2022	2023
0.2208	0.2161	0.2209	0.2201	0.2230
0.0096	0.0301	0.0335	0.0238	0.0165
<u>0.2304</u>	<u>0.2462</u>	<u>0.2544</u>	<u>0.2439</u>	<u>0.2395</u>
0.4396	0.4238	0.4166	0.4267	0.4295
0.0579	0.0552	0.0562	0.0552	0.0534
0.4363	0.4365	0.4362	0.4370	0.4389
0.1247	0.1245	0.1238	0.1234	0.1238
0.0035	0.0035	0.0035	0.0035	0.0035
<u>1.2924</u>	<u>1.2897</u>	<u>1.2907</u>	<u>1.2897</u>	<u>1.2887</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

Principal Property Taxpayers
Current Year and Nine Years Ago

Property Owner	2023		2014	
	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation*	Total Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Kaiser Foundation Health Plan	\$ 317,349	0.84%	\$ 228,054	1.05%
CPUS Pasadena LP	285,573	0.76%	-	0.00%
CVFI S Lake Ave LP	272,373	0.72%	-	0.00%
CSCDA Community Improvement Authority	226,809	0.60%	-	0.00%
BPP East Union LLC	225,475	0.60%	-	0.00%
PPF Off 100 W Walnut St LP	190,534	0.50%	173,706	0.80%
Pacific Huntington Hotel Corp	188,480	0.50%	158,420	0.73%
PPF Off 74 N Pasadena Ave	177,066	0.47%	152,592	0.70%
Western Asset Plaza LLC	174,962	0.46%	154,133	0.71%
177 Colorado Owner LLC	173,161	0.46%	-	0.00%
Paseo Colorado Holdings LLC	-	0.00%	200,375	0.92%
Tishman Speyer Archstone Smith	-	0.00%	135,665	0.62%
SSR Paseo Colorado LLC	-	0.00%	114,894	0.53%
TC Trio Apartment LLC	-	0.00%	114,108	0.52%
Capref Paseo LLC Lessor	-	0.00%	-	0.00%
Leonard M Marangi Et Al Trust	-	0.00%	-	0.00%
Equity Office Properties Trust	-	0.00%	-	0.00%
BCSP PASADENA TOWERS PROPERTY LLC	-	0.00%	123,216	0.57%
Total principal property taxpayers gross assessed value	\$ 2,231,781	5.91%	\$ 1,555,163	7.15%

NOTES:

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.

(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

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)
2014	\$ 41,214	\$ 41,489	100.67%	\$ 627	\$ 41,489	100.67%
2015	43,785	53,951	123.22%	*	53,951	123.22%
2016	46,437 (3)	56,654	122.63%	*	56,654	122.63%
2017	48,735 (3)	66,159	134.82%	*	66,159	134.82%
2018	52,462 (3)	58,934	112.34%	608	58,934	112.34%
2019	55,562	65,535	117.95%	*	65,535	117.95%
2020	59,511	67,890	114.08%	*	67,890	114.08%
2021	62,969	73,748	117.12%	*	73,748	117.12%
2022	65,066	76,309	117.28%	*	76,309	117.28%
2023	68,595	81,292	118.51%	*	81,292	118.51%

NOTES:

- 1. Excludes collections from Police Building General Obligation Bond Assessment.
- 2. This percentage may exceed 100% because information provided by Tax Assessor may not clearly identify the year collected.
- 3. Taxes Levied for the Fiscal Years 2016, 2017 and 2018 restated on Fiscal Year 2019 table.

* Collection in subsequent year information not available.

SOURCE: County of Los Angeles, Department of Auditor-Controller, Information for Reconciliation of Taxes.

(AMOUNTS EXPRESSED IN THOUSANDS)

**Taxable Sales by Category
Last Ten Calendar Years**

<u>Category</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 196,947	\$ 189,018	\$ 191,081	\$ 185,448
General Merchandise	232,768	225,356	221,751	217,422
Food Stores	114,250	115,530	117,323	119,790
Eating and Drinking Places	456,938	484,038	527,297	557,934
Building Materials	128,753	139,856	151,476	153,656
Auto Dealers and Supplies	471,969	519,264	567,122	603,078
Service Stations	176,911	170,434	150,270	131,929
Other Retail Stores	619,370	614,529	631,814	627,434
All Other Outlets	495,571	500,132	456,195	486,096
Total	<u>\$ 2,893,477</u>	<u>\$ 2,958,157</u>	<u>\$ 3,014,329</u>	<u>\$ 3,082,787</u>

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:

State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies



(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

2017	2018	2019	2020	2021	2022
\$ 177,113	\$ 181,483	\$ 171,766	\$ 97,758	\$144,279	\$149,330
213,578	212,075	200,988	143,434	167,795	175,020
118,456	128,230	135,371	133,677	134,886	146,687
579,785	598,669	627,754	424,914	591,247	681,595
167,924	171,639	158,517	170,873	231,793	295,489
625,426	718,738	712,411	747,555	809,741	905,090
144,807	161,406	155,631	94,232	139,951	178,443
616,644	635,411	608,066	471,997	628,960	668,500
414,785	450,178	376,319	226,118	1,008,879	1,105,835
<u>\$ 3,058,518</u>	<u>\$ 3,257,829</u>	<u>\$ 3,146,823</u>	<u>\$ 2,510,558</u>	<u>\$ 3,857,531</u>	<u>\$ 4,305,989</u>

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Type of Customer:					
Residential	317	325	326	320	321
Commercial and Industrial	784	769	756	721	710
Street Lights and Traffic Signals	14	13	13	13	13
Wholesales to Other Utilities	37	31	-	-	21
Other	-	-	-	-	-
Total	1,152	1,138	1,095	1,054	1,065
Total direct rate per megawatt hour ¹	162.46	163.43	173.54	178.48	179.07

NOTES:

¹ Rate represents average cost per megawatt hour with respect to total revenue sales from electricity

² Other represents net change in unbilled revenue per megawatt hour

SOURCE: Pasadena Water and Power



(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

Fiscal Year				
2019	2020	2021	2022	2023
325	319	344	334	352
687	658	587	627	710
13	12	12	11	11
27	69	32	-	-
-	-	-	1	(5)
<u>1,052</u>	<u>1,058</u>	<u>975</u>	<u>973</u>	<u>1,068</u>
174.22	173.28	191.00	195.55	201.80

(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

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
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
2023	0.2188	0.1894	0.2015

* FY 2014 - FY 2023 include Public Benefit Charge (PBC)

SOURCE: Pasadena Water and Power



(AMOUNTS EXPRESSED IN THOUSANDS)

Revenue Capacity

Electricity Customers
Current Year

Electricity Customer	2023	
	Electricity Charges	Percent of Operating Electric Revenues
Caltech	\$ 14,849	5.80%
Pasadena Hospital Association	6,731	2.63%
Pasadena Unified School District	2,815	1.10%
Tesla Inc	2,832	1.11%
Pasadena City College	2,342	0.92%
Dept of Transportation	2,251	0.88%
Kaiser Permanente	1,607	0.63%
Art Center College Of Design	1,473	0.58%
Public Works Dept	1,554	0.61%
Pasadena Center	1,472	0.58%
	\$ 37,926	14.83%

SOURCE: Pasadena Water and Power

(AMOUNTS EXPRESSED IN THOUSANDS)

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities		
	Revenue Bonds	Pension Bonds	Certificates of Participation
2013	\$ 6,700	\$ 133,905	\$ 85,773
2014	6,180	123,890	76,590
2015	5,618	117,185	73,165
2016	5,060	117,260	73,398
2017	4,501	117,336	68,276
2018	-	117,412	62,967
2019	-	117,488	57,636
2020	-	136,739	55,478
2021	-	134,886	53,220
2022	-	132,832	50,866
2023	-	130,494	48,408

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 10). The amount of outstanding debt by type reported above is net of the related premiums and discounts.

* Beginning with fiscal year 2015, the City implemented GASB 68, so pension liability amount was removed from the long-term debt section.

Beginning with fiscal year 2018, the City implemented GASB 75, so other post employment benefits liability amount was removed from the long-term section.

Beginning with fiscal year 2019, the City implemented GASB 88, so other compensated absences and insurance claim liability amount were removed from the long-term section.

Beginning with fiscal year 2022, the City implemented GASB 87, so lease liabilities information was added.

Beginning with fiscal year 2023, the City implemented GASB 96, so the subscription-based information technology arrangements was added.

**See Demographic Statistics Table for personal income.

***See Demographic Statistics Table for population data. Per capita calculation corrected in FY2022.



(AMOUNTS EXPRESSED IN THOUSANDS)

Debt Capacity

	Loan Payable	Notes Payable	Other *	Total Governmental Activities
\$	8,533	\$ 926	\$ 75,838	\$ 311,675
	7,542	562	89,295	304,059
	6,153	547	67,173	269,841
	4,838	6,533	69,775	276,863
	3,361	6,218	87,229	286,921
	1,844	5,903	59,669	247,795
	833	5,587	-	181,544
	6,812	5,271	-	204,300
	5,876	4,955	-	198,937
	4,937	4,639	110	193,384
	3,982	4,322	9,460	196,666

(AMOUNTS EXPRESSED IN THOUSANDS)

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	Loan Payable	Notes Payable	Other*	
2013	\$ 239,665	\$ 9,837	\$ 45	\$ 1,139	\$ 3,347	\$ 254,033
2014	304,245	8,125	9	987	(3,040)	310,326
2015	303,424	6,301	-	827	-	310,552
2016	289,292	4,358	-	659	-	294,309
2017	366,890	2,291	-	482	-	369,663
2018	348,915	106	-	296	-	349,317
2019	330,296	-	3,253	101	-	333,650
2020	311,558	-	2,824	-	-	314,382
2021	306,453	-	2,384	-	-	308,837
2022	301,282	-	1,932	-	51	303,265
2023	288,582	-	1,468	-	7,197	297,247

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 10). The amount of outstanding debt by type reported above is net of the related premiums and

*Beginning with fiscal year 2015, the City implemented GASB 68, so pension liability amount was removed from the long-term debt section.

Beginning with fiscal year 2018, the City implemented GASB 75, so other post employment benefits liability amount was removed from the long-term section.

Beginning with fiscal year 2019, the City implemented GASB 88, so other compensated absences and

Beginning with fiscal year 2022, the City implemented GASB 87, so lease liabilities information was

Beginning with fiscal year 2023, the City implemented GASB 96, so the subscription-based information

**See Demographic Statistics Table for personal income.

***See Demographic Statistics Table for population data. Per capita calculation corrected in FY2022.



(AMOUNTS EXPRESSED IN THOUSANDS)

Debt Capacity

	Total Primary Government	Private Purpose Long-Term Liabilities	Percentage of Personal Income **	Debt Per Capita ***
\$	565,708	\$ 51,257	10.86%	\$ 4,041
	614,385	48,553	10.34%	4,357
	580,393	7,525	9.73%	4,116
	571,172	16,553	9.67%	4,051
	656,584	10,484	10.44%	4,591
	597,112	3,501	8.86%	4,147
	515,194	635	8.24%	3,529
	518,682	435	8.11%	3,577
	507,774	225	7.51%	3,502
	496,649	-	6.97%	3,599
	493,913	-	6.75%	3,605

(AMOUNTS EXPRESSED IN THOUSANDS)

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

Fiscal Year Ended June 30	Outstanding General Bonded Debt					Total
	General Obligation Bonds	Revenue Bonds	Pension Bonds	Certificates of Participation	Tax Allocation Bonds	
2013	-	6,700	133,905	85,773	-	226,378
2014	-	6,180	123,890	76,590	-	206,660
2015	-	5,618	117,185	73,165	-	195,968
2016	-	5,060	117,260	73,398	-	195,718
2017	-	4,501	117,336	68,276	-	190,113
2018	-	-	117,412	62,967	-	180,379
2019	-	-	117,488	57,636	-	175,124
2020	-	-	136,739	55,478	-	192,217
2021	-	-	134,886	53,220	-	188,106
2022	-	-	132,832	50,866	-	183,698
2023	-	-	130,494	48,408	-	178,902

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 10). 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 Assessed Value and Actual Value of Taxable Property Table for assessed values of taxable property.



Debt Capacity

Restricted Net Assets for Debt Service	Net Bonded Debt	Percent of Total City Taxable Assessed Valuation*	Per Capita**
31,126	195,252	1.04%	1,617
24,755	181,905	0.90%	1,466
9,723	186,245	0.81%	1,321
12,036	183,682	0.76%	1,303
11,519	178,594	0.70%	1,249
11,528	168,851	0.62%	1,173
11,932	163,192	0.57%	1,118
11,883	180,334	0.59%	1,244
8,209	179,897	0.54%	1,241
7,085	176,613	0.51%	1,280
6,758	172,144	0.47%	1,257

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(AMOUNTS EXPRESSED IN THOUSANDS)

Debt Capacity

Direct and Overlapping Debt
June 30, 2023

City Assessed Valuation			<u>\$ 37,815,168</u>
Total Assessed Valuation*			<u>\$ 37,815,168</u>
	Percentage	Outstanding	Estimated
	Applicable ¹	Debt at 6/30/2023	Share of
			Overlapping
Direct & Overlapping Debt:			Debt
Metropolitan Water District	1.05%	\$ 19,215	\$ 201
Pasadena Area Community College District	35.24%	51,995	18,321
La Canada Unified School District	0.20%	98,950	195
Pasadena Unified School District	73.38%	313,070	229,714
		<u>\$ 483,230</u>	<u>248,431</u>
Total overlapping tax and assessment debt			
City direct debt			<u>187,206</u>
Total direct and overlapping debt			¹ <u>\$ 435,637</u>

NOTES:

1. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using values.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

*For fiscal year 2023 the Redevelopment Agency Incremental Valuation has been included in the City's Total

SOURCE: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2022/23 Lien Date Tax Rolls

(AMOUNTS EXPRESSED IN THOUSANDS)

**Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year			
	2014	2015	2016	2017
Assessed valuation	\$ 575,006	\$ 24,233,251	\$ 25,826,921	\$ 27,095,911
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	143,752	6,058,313	6,456,730	6,773,978
Debt limit percentage	15%	15%	15%	15%
Debt limit	21,563	908,747	968,510	1,016,097
Total net debt applicable to limit:	\$ -	\$ -	\$ -	\$ -
Legal debt margin	21,563	908,747	968,510	1,016,097
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



(AMOUNTS EXPRESSED IN THOUSANDS)

Debt Capacity

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 29,144,272	\$ 30,926,320	\$ 32,706,801	\$ 34,663,728	\$ 35,964,692	\$ 37,815,168	
25%	25%	25%	25%	25%	25%	
<u>7,286,068</u>	<u>7,731,580</u>	<u>8,176,700</u>	<u>8,665,932</u>	<u>8,991,173</u>	<u>9,453,792</u>	
15%	15%	15%	15%	15%	15%	
<u>1,092,910</u>	<u>1,159,737</u>	<u>1,226,505</u>	<u>1,299,890</u>	<u>1,348,676</u>	<u>1,418,069</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
1,092,910	1,159,737	1,226,505	1,299,890	1,348,676	1,418,069	
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Debt Capacity

**Pledged-Revenue Coverage
Governmental Activity Debt
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Property Taxes	Tax Allocation Bonds				Coverage
		Private Purpose Trust Fund**				
		Tax Increment **	Debt Service			
		Principal	Interest			
2014	44,066	6,486	2,704	725	1.89	
2015	56,446	1,925	2,245	409	0.73	
2016	59,141	4,965	2,100	284	2.08	
2017	68,752	9,327	2,235	234	3.78	
2018	63,484	4,586	2,360	177	1.81	
2019	68,276	143	195	35	0.62	
2020	70,689	65	200	26	0.29	
2021	76,579	8	210	16	0.04	
2022	79,144	-	-	-	-	
2023	84,327	-	-	-	-	

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).



(AMOUNTS EXPRESSED IN THOUSANDS)

Debt Capacity

**Pledged-Revenue Coverage
Business-Type Activity Debt
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Light & Power Revenue Bonds						Coverage
	Light & Power Revenue ¹	Less Operating Expenses ²	Net Available Revenue	Principal	Debt Service ³ Interest		
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	13,380	9,679	292.27%	
2022	207,563	155,040	52,522	13,930	9,147	227.60%	
2023	260,779	192,916	67,863	7,225	8,487	431.92%	

Fiscal Year Ended June 30	Water Revenue Bonds						Coverage
	Water Revenue ¹	Less Operating Expenses ²	Net Available Revenue	Principal	Debt Service ³ Interest		
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	2,540	2,858	354.84%	
2022	66,879	49,098	17,781	2,720	2,927	314.88%	
2023	66,087	48,265	17,822	2,725	3,133	304.23%	

NOTES:

¹ Total operating revenues including investment earnings² Total operating expenses exclusive of depreciation³ Requirements are reported on a cash basis, excluding premiums

Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

* Amount restated

Demographic & Economic Information

Demographic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income ⁽²⁾</u>	<u>Unemployment Rate ⁽³⁾</u>
2013	140,879	\$ 5,607,829	\$ 39,806	5.80%
2014	140,949	5,679,117	40,292	7.40%
2015	141,023	5,738,875	40,694	6.00%
2016	143,333	5,968,550	41,641	4.70%
2017	144,388	6,045,196	41,867	3.70%
2018	146,312	6,251,241	42,725	4.00%
2019	144,842	6,399,297	44,181	3.90%
2020	145,306	6,761,032	46,529	10.40%
2021	138,310	7,130,017	51,550	7.30%
2022	136,988	7,313,150	53,385	4.20%

NOTES:

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 Department

SOURCES: HdL, Coren & Cone, Avenue Insights & Analytics



(AMOUNTS EXPRESSED IN THOUSANDS)

Demographic & Economic Information

Principal Employers
Current Year and Nine Years Ago

Employer	2023		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
California Institute of Technology - Jet Propulsion Laboratory	6,709	6.35%	5,201	4.90%
Kaiser Permanente	6,525	6.18%	4,813	4.53%
California Institute of Technology - Campus	3,815	3.61%	3,900	3.67%
Huntington Memorial Hospital	3,620	3.43%	3,238	3.05%
Pasadena City College	2,821	2.67%	1,866	1.76%
Pasadena Unified School District	2,148 *	2.03%	2,043	1.92%
The City of Pasadena	2,335	2.21%	2,389	2.25%
Art Center College of Design	1,060	1.00%	833	0.78%
Hathaway-Sycamores	600	0.57%	665	0.63%
Pacific Clinics Administration	272	0.26%	274	0.26%

NOTES:

1. For City of Pasadena, the number includes seasonal employees. The information was provided by the City of Pasadena Human Resources department
2. In FY2023, 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 FY2023, City of Pasadena contacted the top employers and obtained total employee count for each business.

SOURCE: Pasadena Chamber of Commerce unless noted below:

* Data taken from FY2022

(AMOUNTS EXPRESSED IN THOUSANDS)

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

Function	Fiscal Year				
	2014	2015	2016	2017	2018
General government	338.0	365.0	382.0	405.0	394.0
Public safety	540.0	548.0	550.0	563.0	561.0
Public works	293.0	315.0	317.0	320.0	320.0
Transportation	51.0	50.0	51.0	51.0	50.0
Health	124.0	125.0	85.0	80.0	84.0
Culture and leisure	281.0	94.0	97.0	103.0	107.0
Water & power	355.0	426.0	433.0	443.0	406.0
Information services	140.0	107.0	108.0	108.0	105.0
Seasonal	267.0	192.0	265.0	262.0	260.0
Total	2,389.0	2,222.0	2,288.0	2,335.0	2,287.0

SOURCE: Budget Brief-FY2023



Operating Information

Fiscal Year				
2019	2020	2021	2022	2023
392.5	466.9	387.2	492.2	504.7
556.8	564.8	564.8	564.8	569.8
320.0	319.0	272.0	267.5	267.6
50.0	50.0	51.0	51.0	51.0
89.1	105.6	98.4	130.0	130.1
104.7	106.8	230.2	153.2	155.2
418.0	417.0	419.0	419.0	419.0
103.6	103.6	100.0	77.0	77.0
242.0	41.0	84.0	83.0	161.0
2,276.6	2,174.5	2,206.5	2,237.7	2,335.4

(AMOUNTS EXPRESSED IN THOUSANDS)

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

Function	2014	2015	2016	2017
Police:				
Arrests	3,852	3,966	4,210	4,078
Transportation:				
Parking citations/warnings issued**	168,896	185,832	166,481	175,430
Fire:				
Number of emergency calls***	17,368	18,237	19,488	19,458
Inspections	7,445	7,500	8,296	9,251
Water:				
New connections	57	31	35	98
Average daily consumption (thousands of gallons)	28,368	25,436	21,144	22,535

* Information was not available.

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

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



(AMOUNTS EXPRESSED IN THOUSANDS)

Operating Information

Fiscal Year					
2018	2019	2020	2021	2022	2023
5,701	6,018	5,444	2,429	3,365	3,407
150,945	129,108	125,715	68,620	97,869	119,038
19,483	19,016	19,223	16,947	18,710	21,383
9,096	8,959	8,253	6,006	2,573	5,994
100	88	65	63	35	81
24,757	23,519	23,083	25,331	24,357	20,989

(AMOUNTS EXPRESSED IN THOUSANDS)

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

	Fiscal Year			
	2014	2015	2016	2017
Police:				
Stations	1	1	1	1
Substations	5	5	5	3
Fire:				
Fire stations	7	8	8	8
Transportation:				
Streets (miles)	322	322	357	357
Streetlights	17,100	17,207	17,452	17,584
Traffic signals	329	329	329	330
Parking facilities	12	9	9	9
Culture and leisure:				
Park sites	24	20	20	20
Community/recreation centers	4	4	4	4
Libraries	10	10	10	10
Electric Utility:				
Power plants	1	1	1	1
Customers	64,163	64,931	65,039	65,564
Miles of service	525	673	680	680
Maximum capacity (megawatts)	175	174	175	174
Water:				
Water mains (miles)	508	516	520	520
Customers	38,069	37,911	37,974	37,972
Average daily consumption (million gallons per day)	25.17	26.98	28.37	25.43

SOURCE: City of Pasadena



Operating Information

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
3	3	2	2	2	2
8	8	8	8	8	8
357	338	338	338	338	347
17,597	17,597	17,708	17,731	17,753	17,738
330	330	330	313	332	352
9	9	9	9	9	8
20	20	23	24	24	26
4	4	4	4	4	4
10	10	10	10	10	10
1	1	1	1	1	1
65,318	65,979	66,505	66,712	67,103	66,349
687	687	662	664	665	671
174	174	174	174	174	175
520	520	520	520	520	520
37,959	38,067	38,046	38,114	38,193	38,338
21.14	22.54	24.76	23.52	23.08	20.05

