

# Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015

City of South Pasadena, CA



CITY OF SOUTH PASADENA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY: FINANCE DEPARTMENT

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CITY OF SOUTH PASADENA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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## CITY OF SOUTH PASADENA

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December 31, 2015

Honorable Mayor and Members of the City Council,

We proudly present to you the City of South Pasadena's Comprehensive Annual Financial Report (CAFR). This report consists of management's representations concerning the finances of the City of South Pasadena. It was prepared by the Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the data presented is complete and reliable in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary to enable the reader to gain a good understanding of the City's financial activity have been included.

The City's financial statements have been audited by Moss, Levy & Hartzheim, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting 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 that the City of South Pasadena's financial statements for the fiscal year ended June 30, 2015, 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.

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

## **Profile of the City of South Pasadena**

South Pasadena is located approximately six miles northeast of downtown Los Angeles, on the west side of the San Gabriel Valley between the cities of Pasadena, San Marino, Los Angeles and Alhambra and has a population of 26,174. Founded in 1874 by the Indiana Colony, the City encompasses 3.44 square miles and was incorporated as a General Law city of the State of California on March 2, 1888. South Pasadena is noted for its beautiful, historically significant homes on tree-lined streets, for its excellent public schools and for a small-town atmosphere in the midst of greater Los Angeles.

The City is a full-service general law city that operates under the Council-Manager form of government. The City Council consists of five members elected to four-year staggered terms of office. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected officials are the City Treasurer and City Clerk, each of whom serves a four-year term of office.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; sewer services; water utility; refuse collection; public improvements; planning and zoning; recreational activities and cultural events; library operations; and general administrative and support services.

The annual budget serves as the foundation of the City's financial planning and control. The City Council holds public hearings and adopts an annual budget resolution by July 1 of each fiscal year for all funds and account groups. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

Changes in budget appropriations at the fund level during the year must be approved by the City Council. The legal level of expenditures is controlled at the fund level, and appropriations lapse at the end of each fiscal year unless encumbered for re-appropriation by the City Council in the following fiscal year. Department heads may, without Council approval, amend individual line items within their departments, within the same fund and only within the maintenance and operations portions of the budget, without increasing total appropriations. The City Manager may, without Council approval, amend individual line items within any fund, and between divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund.

## **Factors Affecting Financial Condition**

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

**Local Economy.** For FY 2014/15, the City of South Pasadena, the greater Los Angeles region and the State of California, have shown increasing revenues compared to the last several years as the region recovers from the 2008 recession.

Property taxes are the City's largest tax source and make up approximately half of the General Fund revenues. The City of South Pasadena experienced a net taxable value increase of 4.6% for the 2014/15 tax roll, while Los Angeles County experienced an increase in assessed values of 6.1% over the prior year due to a strong rebound in residential real estate values. In the City of South Pasadena, assessed values increased by \$170 million over FY 2013/14. Property taxes have demonstrated consistent strong increases in growth in assessed values and in corresponding tax collections, partially because the City's extremely high quality of life makes it a desirable place to live and work. Moreover, the City's proximity to commercial and cultural developments in greater Pasadena offers our residents distinct lifestyle advantages. South Pasadena's assessed values and property taxes are expected to continue performing strongly as the general economy improves. Data also shows that South Pasadena retains \$0.24 for every dollar of property tax collected within the City, while new cities receive only \$0.05 for every dollar of property tax collected within their city boundaries.

The Utility Users Tax (UUT) is the second largest revenue source for the General Fund, at \$3.4 million. At the November 2011 local elections, the South Pasadena community voted to extend the UUT for ten years, while reducing the amount from 8% down to 7.5%.

Overall, South Pasadena continues to remain in satisfactory financial condition thanks to a relatively diverse and stable revenue base. Our core services, in spite of steady and progressive revenue losses to the State of California, have remained consistent. However, with the dissolution of redevelopment agencies and the shifting of the former property tax increment back to affected taxing agencies, the City has been recovering some of this lost revenue.

**Long-Term Financial Planning for Infrastructure.** In 2009, the City established a long-range vision for its sewer and water enterprises by issuing bonds and adjusting charges for service to finance many critically needed improvements. Since then, the water and sewer rates needed for the restoration and rehabilitation of the aging water and sewer infrastructure have increased by over 100%. Since 2009, the City has spent \$17.3 million upgrading the water system, and \$3 million upgrading the sewer system. The City expects to spend an additional \$24 million over the next two years on these projects. For the last three fiscal years, the City Council has also voted to commit at least \$2 million annually towards the rehabilitation of city streets.

**Internal Controls.** The management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate account data is compiled for the preparation of financial statements, in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and sound judgments by management.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Pasadena for its comprehensive annual financial report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of South Pasadena has received a Certificate of Achievement for the last 28 consecutive years (fiscal years ended 1987 through 2014). We believe our current report continues to conform to the Certificate of Achievement program requirements, and will again submit it to GFOA for award consideration.

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff, and especially from Pearl Lieu, Assistant Finance Director. This report would also not have been possible without the leadership of the City Manager, Sergio Gonzalez, and continued commitment from the City Council in conducting the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner. Finally, thanks are extended to the firm of Moss, Levy & Hartzheim for their contributions towards improving our financial reporting.

Respectfully submitted,



David Batt  
Finance Director



Government Finance Officers Association

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

Presented to

**City of South Pasadena  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**CITY OF SOUTH PASADENA, CALIFORNIA**

**OFFICIALS OF THE CITY OF SOUTH PASADENA**

**CITY COUNCIL**

Robert S. Joe  
Mayor

Diana Mahmud  
Mayor Pro Tempore

Michael A. Cacciotti  
Councilmember

Marina Khubesrian, M.D.  
Councilmember

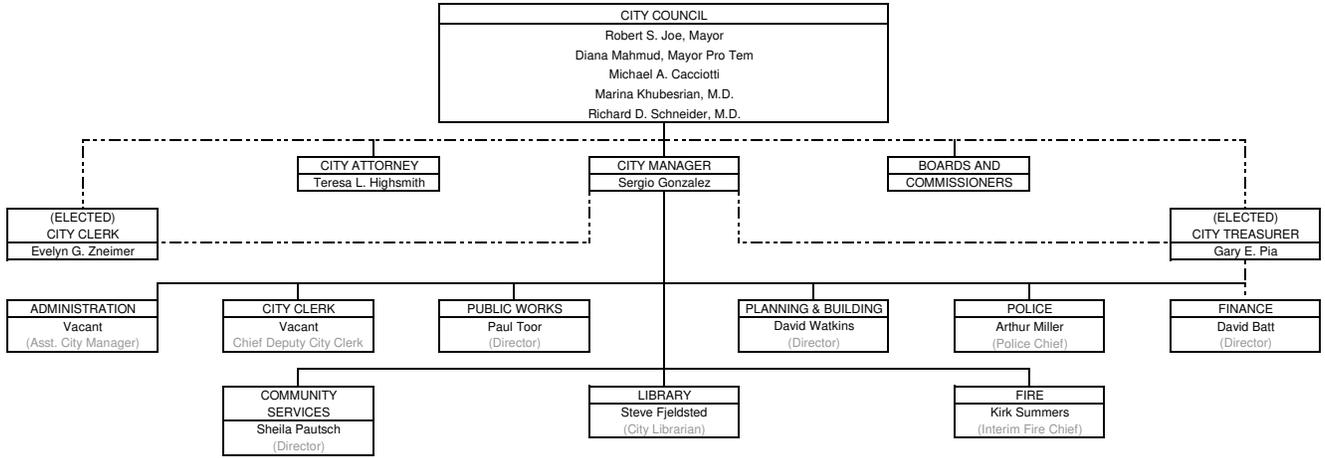
Richard D. Schneider, M.D.  
Councilmember

**ADMINISTRATION AND DEPARTMENT HEADS**

City Manager	Sergio Gonzalez
Assistant City Manager	Vacant
City Clerk	Evelyn G. Zheimer
City Treasurer	Gary E. Pia
Director of Finance	David Batt
Director of Public Works	Paul Toor
Director of Planning and Building	David Watkins
Chief Deputy City Clerk	Vacant
Director of Library, Arts, and Culture	Steve Fjeldsted
Police Chief	Arthur Miller
Fire Chief	Kirk Summers
Director of Community Services	Sheila Pautsch
City Attorney	Teresa L. Highsmith

**CITY OF SOUTH PASADENA  
ORGANIZATIONAL CHART**

2014 - 2015



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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
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## INDEPENDENT AUDITOR'S REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information for the City of South Pasadena, California (the "City") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### *Changes in Accounting Principles*

As discussed in note 1 to the basic financial statements effective July 1, 2014, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in the Net Pension Liability and Related Ratios, and Schedule of Pension Contributions on pages 5 through 12 and 61 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Fund Nonmajor Financial Statements, Budgetary Comparison Schedules – Nonmajor Funds, and Statistical Section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules – Nonmajor Funds, listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 22, 2015

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## Management's Discussion and Analysis

As management of the City of South Pasadena, we offer readers of the City of South Pasadena's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

### (A) Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$72,684,133. Unrestricted net position in an amount of (\$9,815,892) is due to implementation of GASB Statement No. 68 during the fiscal year.
- The City's total net position increased by \$7,125,194, prior to any restatement of the financial statements. The City's net position decreased by \$19,785,350 as result of the restatement of \$26,910,544 due to the City implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, the City understated the Golf Course's capital assets, related depreciation, and inventory, and overstated the City's General Fund accounts receivable and inventory.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$21,715,406 an increase of \$2,064,346. Of this amount, \$12,551,796 or approximately 58% of total fund balances are available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$13,124,419, or 56.2% of the total General Fund Expenditures.
- The City's net capital assets increased \$9,540,969 from the prior fiscal year.

### (B) Overview of the Financial Statements

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

**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, deferred outflows/inflows of resources, and liabilities, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Pasadena is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. 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, with the use of the accrual basis of accounting, 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 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, public works, planning, building and safety, recreation, and debt service. The business-type activities of the City are its water, sewer, and golf course enterprises.

**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 objectives. The City of South Pasadena, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of South Pasadena maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund for the purposes of this report. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of South Pasadena adopts an annual appropriated budget for its General Fund and each of its special revenue funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget. The budgetary comparison statement for the General Fund is located in the basic financial statements; the budgetary comparison statements for the nonmajor governmental funds are presented in the Additional Financial Information section of this report.

**Proprietary funds.** The City of South Pasadena maintains two types of proprietary funds: enterprise fund and internal service fund. The enterprise fund is 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 the operations for its water and sewer utilities, and the municipal golf course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is used to accumulate and allocate costs internally among the City's functions for general liability and workers' compensation insurance. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements. Individual fund data for the internal service fund is provided in the form of combining statements in this report.

**Fiduciary funds.** The City of South Pasadena maintains one type of fiduciary fund, a private purpose trust fund. *Fiduciary funds* are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City uses one type of fiduciary

fund, a private purpose trust fund, to account for the assets and liabilities of the former Community Redevelopment Agency.

**Notes to the 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.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds together with information are presented immediately following the required supplementary information.

**(C) Government-wide Financial Analysis.**

Net position may serve as a useful indicator of a government's financial position. In the case of the City of South Pasadena, assets exceeded liabilities by \$72,684,133 at the close of the most recent fiscal year. This represents a decrease of \$19,785,350 or 21.4% from the prior fiscal year, primarily due to the City implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Capital Assets are by far the largest portion of the City's net position; \$75,338,568 or 103.65% reflects its net investment in non-liquid capital assets (e.g. land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**City of South Pasadena Net Position  
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 24,186,235	\$ 22,142,894	\$ 32,758,361	\$ 36,780,939	\$ 56,944,596	\$ 58,923,833
Capital assets	63,669,718	62,878,901	42,697,638	33,947,486	106,367,356	96,826,387
Total assets	\$ 87,855,953	\$ 85,021,795	\$ 75,455,999	\$ 70,728,425	\$163,311,952	\$155,750,220
Deferred outflow of resources	\$ 1,944,874	\$ -	\$ 168,479	\$ -	\$ 2,113,353	\$ -
Total deferred outflow of resources	\$ 1,944,874	\$ -	\$ 168,479	\$ -	\$ 2,113,353	\$ -
Long-term liabilities outstanding	\$ 28,220,246	\$ 7,598,596	\$ 52,085,102	\$ 48,378,867	\$ 80,305,348	\$ 55,977,463
Other liabilities	2,288,108	2,752,880	3,637,574	4,550,394	5,925,682	7,303,274
Total liabilities	\$ 30,508,354	\$ 10,351,476	\$ 55,722,676	\$ 52,929,261	\$ 86,231,030	\$ 63,280,737
Deferred inflow of resources	\$ 6,008,408	\$ -	\$ 501,734	\$ -	\$ 6,510,142	\$ -
Total deferred inflow of resources	\$ 6,008,408	\$ -	\$ 501,734	\$ -	\$ 6,510,142	\$ -
Net position:						
Net investment in capital assets	\$ 63,611,268	\$ 62,764,726	\$ 11,727,300	\$ 7,851,494	\$ 75,338,568	\$ 70,616,220
Restricted	4,179,297	3,184,841	2,982,160	3,003,825	7,161,457	6,188,666
Unrestricted	(14,506,500)	8,720,752	4,690,608	6,943,845	(9,815,892)	15,664,597
Total Net position	\$ 53,284,065	\$ 74,670,319	\$ 19,400,068	\$ 17,799,164	\$ 72,684,133	\$ 92,469,483

The second portion of the City net position of \$7,161,457 represents special revenue resources that are subject to external restrictions on how they may be used and for debt service payment. Unrestricted net position shows a negative balance of (\$9,815,892).

The City's governmental current assets increased by \$2,043,341, and capital assets increased by \$790,817. Current assets increased due to an increase in property tax revenues, grant revenues, and workers compensation reimbursements. Improvements other than building increased due to renovations to the IT room, Garfield Park, Arroyo Park, War Memorial, Fire Department locker room, and Senior Center kitchen. Infrastructure also increased due to the completion of major street projects and sidewalk repairs. Major street projects included the following: Foothill St., San Pasqual Ave., Hawthorne St., Orange Grove Ave, and Mission St. The City's business-type current assets decreased by \$4,022,578, due to debt service payments and capital spending to complete the Wilson Reservoir Construction project. The City reported a net increase of \$8,750,152 in capital assets as a result of completing the Wilson Reservoir Construction project. Upon completion, the City transferred the construction-in-progress costs to infrastructure.

The City's governmental-activities restricted assets increased by \$994,456 primarily due to an increase in park impact fees, more funding received for Prop A and TDA Metro grants, and a transfer from the General Fund to replenish the Facilities and Equipment Replacement Fund.

**City of South Pasadena Changes in Net position  
For the Fiscal Year Ended June 30, 2015 and 2014**

	Gov Activities 2015	Gov Activities 2014	Bus-Type Activities 2015	Bus-Type Activities 2014	Total 2015	Total 2014
Program revenues:						
Charges for services	\$ 5,817,672	\$ 4,941,979	\$ 11,181,675	\$ 11,664,711	\$ 16,999,347	\$ 16,606,690
Operating contributions and grants	934,186	1,260,638	-	-	934,186	1,260,638
Capital contributions and grants	1,220,504	1,300,814	-	-	1,220,504	1,300,814
General revenues:						
Property taxes	11,779,438	11,462,585	-	-	11,779,438	11,462,585
Other taxes	8,781,198	8,631,269	-	-	8,781,198	8,631,269
Intergovernmental	-	-	-	-	-	-
Use of Money & Property	542,196	498,208	32,205	28,372	574,401	526,580
Other	70,188	32,823	184,786	10,143	254,974	42,966
Transfers	87,000	-	(87,000)	-	-	-
<b>Total revenues</b>	<b>\$ 29,232,382</b>	<b>\$ 28,128,316</b>	<b>\$ 11,311,666</b>	<b>\$ 11,703,226</b>	<b>\$ 40,544,048</b>	<b>\$ 39,831,542</b>
Expenses:						
General government	\$ 4,354,683	\$ 5,039,084	\$ -	\$ -	\$ 4,354,683	\$ 5,039,084
Public safety	12,363,366	11,012,625	-	-	12,363,366	11,012,625
Public works	5,578,457	4,990,390	-	-	5,578,457	4,990,390
Community Services	3,336,626	3,132,433	-	-	3,336,626	3,132,433
Community Development	1,116,084	918,665	-	-	1,116,084	918,665
Interest on long-term debt	4,335	4,465	-	-	4,335	4,465
Water	-	-	4,772,647	5,804,509	4,772,647	5,804,509
Sewer	-	-	968,996	998,603	968,996	998,603
Golf Course	-	-	923,660	930,255	923,660	930,255
<b>Total expenses</b>	<b>\$ 26,753,551</b>	<b>\$ 25,097,662</b>	<b>\$ 6,665,303</b>	<b>\$ 7,733,367</b>	<b>\$ 33,418,854</b>	<b>\$ 32,831,029</b>
Increase in net position	\$ 2,478,831	\$ 3,030,654	\$ 4,646,363	\$ 3,969,859	\$ 7,125,194	\$ 7,000,513
Net position - July 1, 2014	74,670,319	71,612,284	17,799,164	13,829,305	92,469,483	85,441,589
Restatement of Net position	(23,865,085)	27,381	(3,045,459)	-	(26,910,544)	27,381
<b>Net position - June 30, 2015</b>	<b>\$ 53,284,065</b>	<b>\$ 74,670,319</b>	<b>\$ 19,400,068</b>	<b>\$ 17,799,164</b>	<b>\$ 72,684,133</b>	<b>\$ 92,469,483</b>

**Governmental Activities**

Governmental activities net position decreased by \$21,386,254 as result of the restatement due to the City implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Other key elements to consider without the restatement due to implementing GASB No. 68 and 71:

- Total taxes from governmental activities, increased by \$466,782 (2%) from the prior fiscal year due primarily to an increase in property taxes collected. Property taxes are levied based on assessed values, although increases in the assessed values of properties with no change in ownership are generally limited to 2% annually. Property taxes increased by \$316,853.
- Charges for services increased by \$875,693 primarily due to an increase in building permits fees, growth management fees, and park impact fees collected in FY 2014/15, \$230,449, \$107,042 and \$307,786 respectively. The City also entered into a Tri-City alliance agreement with the Cities of San Gabriel and San Marino to share the fire command costs; the reimbursement collected was \$230,267 in FY 2014/15.
- Investment earnings increased by \$43,988 (8.8%) during the fiscal year. This was primarily a result of reallocation of investments and increase in yields.
- Governmental activities expense increased by \$1,655,889 (6.6%) during FY 2015 due mainly to an increase in capital outlays.

### **Business-type Activities**

The City's proprietary funds (enterprise and internal service funds) provide the same type of information found in the government-wide financial statements, but offers more detail in the form of a statement of cash flows. Unrestricted net position of the funds at the end of the fiscal year shows \$4,690,608. Total net position for these funds was \$19,400,068, an increase of \$1,600,904 (9%) over the prior fiscal year, due to increases in the water and sewer charges and construction expenses for the Wilson Reservoir Construction project, which was completed in the current fiscal year.

### **(D) Financial Analysis of the City's Funds**

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

### **Governmental Funds**

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,715,406 an increase of \$2,064,346 from the prior fiscal year. Approximately 58% of fund balances constitute the unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either restricted for projects undertaken in the Special Revenue Funds (19%), committed by City Council action for specific purposes (18%), or represents net position that are nonspendable resources (5%).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$13,124,419, while the total fund balance reached \$17,647,260. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 56% of General Fund expenditures, while the total fund balance represents 74% of that same amount.

The fund balance of the City's General Fund increased by \$1,242,217 in the current fiscal year. This represents an increase of 7.6% in fund balance from FY 2014. Key factors in this increase are as follows:

- Tax revenues increased \$620,525 or 3.4%. The majority of tax revenues is reported in and benefits General Fund activities. The nature of the taxes and the reasons for the change in these revenue sources is the same as described earlier for governmental activities.
- Charges for services increased \$344,867 primarily due to an increase in building permits fees collected and the City receiving the Tri-City reimbursements from the Cities of San Gabriel and San Marino.
- Expenditures increased by \$988,855 or 4.4% over the prior fiscal year due to salaries and benefits increases for employees and expenses from the Tri-City alliance, which are offset by revenues received from the cities of San Gabriel and San Marino.

### **General Fund Budgetary Highlights**

The City adopts annual appropriated operating budgets for its governmental funds (General, special revenue and capital projects funds) and reports the results of operations on a budgetary comparison basis. The City also uses annual financial plans as a management tool for its enterprise funds, although the City does not report the results of these funds on a budgetary comparison basis.

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the fiscal year, the City Council amended the originally adopted budget for various additional programs.

The General Fund reflected a net total favorable budget variance of \$2,436,510 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$1,063,755 and a favorable variance in total expenditures of \$1,627,593. The only significant budgetary variance between the final amended budget and actual results was for capital outlay.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2015, amounts to \$63,669,718 and \$42,697,638 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, park improvements, roadways, vehicles, computer equipment, furniture, other equipment, and construction in progress.

Additional information on the City's capital assets can be found in Note 3 in the Notes to Financial Statements section of this report.

**Long-term debt.** At the end of the current fiscal year, the City of South Pasadena had total debt outstanding related to governmental activities of \$28,357,576.

### City of South Pasadena Long-Term Debt

	Governmental Activities	
	2015	2014
Employee compensated absences	\$ 788,795	\$ 755,511
Capital Leases	58,450	114,175
Gen. Liability Deposit Payable	-	44,470
Net OPEB Liability	7,118,554	7,424,199
Net Pension Liability	20,391,777	-
<b>Total</b>	<b>\$28,357,576</b>	<b>\$8,338,355</b>

The City's long-term debt increased during the current fiscal year primarily due to an increase in the Pension Liability. In the current fiscal year, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which caused a restatement to the City's long-term debt. The City's policies relating to the Pension Plans and GASB Statement No. 68 and 71 are described in Notes 6 and 11 of the Notes to Financial Statements.

### Proprietary Fund Long-Term Debt

	Business-Type Activities	
	2015	2014
2009 Water Revenue Bonds	\$41,950,000	\$42,690,000
2013 Water Revenue Bonds	6,390,000	6,715,000
Compensated Absences	35,619	41,836
2012 State Loan Payable	2,475,913	527,283
Net OPEB Liability	1,035,446	
Net Pension Liability	1,797,693	-
Unamortized Bond Discount (2009)	(895,910)	(932,853)
Unamortized Bond Premium (2013)	394,903	422,615
<b>Total</b>	<b>\$53,183,664</b>	<b>\$49,463,881</b>

Proprietary fund long-term debt increased \$3,719,783 during the current fiscal year due to increases in the 2012 State Loan Payable, and pension liability, offset by debt service payments on the 2009 and 2013 Water Revenue Bonds and also a reallocation of OPEB liability to the enterprise funds. Further details on long-term debt can be found in Note 5 and 7 in the Notes to Financial Statements section of this report.

## **Economic Factors and Next Fiscal Year's Budget**

- Increases in the contributions toward employee pensions through the California Public Employees Retirement System (PERS) as well as the increasing unfunded liability for Other Post-Employment Benefits remain serious concerns. In order to begin addressing these issues, the South Pasadena City Council has already committed \$1,000,000 of the General Fund balance towards funding retiree benefits and has prepaid the annual unfunded liability for both classic miscellaneous and safety employees
- Sales taxes generally are a direct reflection of the general economy. The City has a mature tax base, with no big box stores or car dealerships, etc. Sales taxes have been increasing. The City has emerged from recession and receipts have moved back to pre-recession levels. The City anticipates receiving a one-time triple flip reimbursement from the State Department of Finance due to the triple flip unwind process.

During the 2015 fiscal year, unassigned fund balance in the General Fund remained substantial at \$13,124,419. The fiscal year 2016 Budget includes funding for much-needed capital improvements to the City's streets, sewer and water systems, the latter being funded with proceeds from the 2009 Water Revenue Bond issue. It remains the intention of City management not to use fund balance reserves for purposes of meeting costs of operations.

## **Requests for Information**

This financial report is designed to provide a general overview of the financial position of the City of South Pasadena 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 directed to David Batt, Finance Director, [dbatt@southpasadenaca.gov](mailto:dbatt@southpasadenaca.gov), 626.403.7252, or by U.S. mail: Finance Department, 1414 Mission Street, South Pasadena, CA, 91030.

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 21,436,715	\$ 10,502,465	\$ 31,939,180
Receivables:			
Accounts	313,738	866,252	1,179,990
Taxes	840,932		840,932
Notes and loans	250,000		250,000
Accrued interest	8,424	4,130	12,554
Internal balances	1,160,000	(1,160,000)	
Due from other governments	153,585		153,585
Inventories	22,841	218,786	241,627
Restricted assets:			
Cash and investments with fiscal agent		22,326,728	22,326,728
Capital assets:			
Capital assets not being depreciated	6,561,209	26,040,513	32,601,722
Capital assets, net of accumulated depreciation	57,108,509	16,657,125	73,765,634
<b>Total Assets</b>	<b>\$ 87,855,953</b>	<b>\$ 75,455,999</b>	<b>\$ 163,311,952</b>
<b>Deferred Outflow of Resources:</b>			
City's pension contributions subsequent to the measurement date	1,758,313	168,147	1,926,460
Adjustment due to differences in proportions	186,561	332	186,893
<b>Total Deferred Outflow of Resources</b>	<b>1,944,874</b>	<b>168,479</b>	<b>2,113,353</b>
<b>Liabilities:</b>			
Accounts payable	1,180,859	1,687,028	2,867,887
Accrued liabilities	421,983	77,748	499,731
Accrued interest	2,858	619,999	622,857
Deposits payable	545,078	154,237	699,315
Noncurrent liabilities			
Due within one year	137,330	1,098,562	1,235,892
Due in more than one year	28,220,246	52,085,102	80,305,348
<b>Total Liabilities</b>	<b>30,508,354</b>	<b>55,722,676</b>	<b>86,231,030</b>
<b>Deferred Inflows of Resources:</b>			
Differences between projected and actual earnings on pension plan investments	6,007,950	501,608	6,509,558
Adjustment due to differences in proportions	458	126	584
<b>Total Deferred Inflows of Resources</b>	<b>6,008,408</b>	<b>501,734</b>	<b>6,510,142</b>
<b>Net Position:</b>			
Net investment in capital assets	63,611,268	11,727,300	75,338,568
Restricted for:			
Community development projects	98,961		98,961
Public safety	117,835		117,835
Community services	963,812		963,812
Public works	2,505,316		2,505,316
Capital projects	493,373		493,373
Debt service		2,982,160	2,982,160
Unrestricted	(14,506,500)	4,690,608	(9,815,892)
<b>Total Net Position</b>	<b>\$ 53,284,065</b>	<b>\$ 19,400,068</b>	<b>\$ 72,684,133</b>

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Governmental Activities:</b>				
General government	\$ 4,354,683	\$ 1,372,549	\$ 21,413	\$ -
Public safety	12,363,366	1,189,968	185,067	
Community development	1,116,084	963,987	476,886	
Community services	3,336,626	1,064,439	38,348	
Public works	5,578,457	1,226,729	212,472	1,220,504
Interest on long-term debt	4,335			
<b>Total Governmental Activities</b>	<b>26,753,551</b>	<b>5,817,672</b>	<b>934,186</b>	<b>1,220,504</b>
<b>Business-type Activities:</b>				
Water	4,772,647	8,694,880		
Sewer	968,996	1,353,233		
Arroyo Seco Golf Course	923,660	1,133,562		
<b>Total Business-type Activities</b>	<b>6,665,303</b>	<b>11,181,675</b>		
	<b>\$ 33,418,854</b>	<b>\$ 16,999,347</b>	<b>\$ 934,186</b>	<b>\$ 1,220,504</b>

**General Revenues and Transfers:**

- Taxes
  - Property taxes, levied for general purpose
  - Sales taxes
  - Franchise taxes
  - Business licenses taxes
  - Utility users tax
  - Other taxes
- Motor vehicle in lieu, unrestricted
- Use of money and property
- Other
- Transfers

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Fiscal Year

Restatements

Net Position at Beginning of Fiscal Year, Restated

**Net Position at End of Fiscal Year**

See accompanying notes to the basic financial statements

Net (Expenses) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,960,721)	\$ -	\$ (2,960,721)
(10,988,331)		(10,988,331)
324,789		324,789
(2,233,839)		(2,233,839)
(2,918,752)		(2,918,752)
(4,335)		(4,335)
<u>(18,781,189)</u>		<u>(18,781,189)</u>
	3,922,233	3,922,233
	384,237	384,237
	209,902	209,902
	<u>4,516,372</u>	<u>4,516,372</u>
<u>(18,781,189)</u>	<u>4,516,372</u>	<u>(14,264,817)</u>
11,779,438		11,779,438
3,535,113		3,535,113
878,332		878,332
385,691		385,691
3,423,217		3,423,217
542,000		542,000
16,845		16,845
542,196	32,205	574,401
70,188	184,786	254,974
87,000	(87,000)	
<u>21,260,020</u>	<u>129,991</u>	<u>21,390,011</u>
<u>2,478,831</u>	<u>4,646,363</u>	<u>7,125,194</u>
74,670,319	17,799,164	92,469,483
(23,865,085)	(3,045,459)	(26,910,544)
<u>50,805,234</u>	<u>14,753,705</u>	<u>65,558,939</u>
<u>\$ 53,284,065</u>	<u>\$ 19,400,068</u>	<u>\$ 72,684,133</u>

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CITY OF SOUTH PASADENA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled cash and investments	\$ 16,259,782	\$ 4,886,933	\$ 21,146,715
Receivables:			
Accounts	259,702	54,036	313,738
Taxes	840,932		840,932
Notes and loans	250,000		250,000
Accrued interest	7,157	1,267	8,424
Due from other governments	110,885	42,700	153,585
Due from other funds	978,857		978,857
Advances to other funds	750,000		750,000
Inventories	22,841		22,841
<b>Total Assets</b>	<b>\$ 19,480,156</b>	<b>\$ 4,984,936</b>	<b>\$ 24,465,092</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 909,463	\$ 270,829	\$ 1,180,292
Accrued liabilities	379,084	42,899	421,983
Deposits payable	544,349	729	545,078
Due to other funds		568,857	568,857
<b>Total Liabilities</b>	<b>1,832,896</b>	<b>883,314</b>	<b>2,716,210</b>
<b>Deferred inflow of resources:</b>			
Unavailable revenues		33,476	33,476
<b>Total Deferred Inflow of Resources</b>		<b>33,476</b>	<b>33,476</b>
<b>Fund balances:</b>			
Nonspendable:			
Inventories	22,841		22,841
Notes and loans	250,000		250,000
Advances to other funds	750,000		750,000
Restricted for:			
Community development projects		98,961	98,961
Public safety - police		117,835	117,835
Community services		963,812	963,812
Public works - Streets and roads		2,323,932	2,323,932
Capital Projects		493,373	493,373
Public works - Street lighting		181,384	181,384
Committed to:			
Capital Projects		461,472	461,472
Arroyo Golf Course Facility	1,100,000		1,100,000
Legal Reserve	500,000		500,000
Renewable Energy Sources	300,000		300,000
Retiree Medical Benefits	500,000		500,000
Retiree Pension Benefits	500,000		500,000
Community Center Reserve	600,000		600,000
Unassigned	13,124,419	(572,623)	12,551,796
<b>Total Fund Balances</b>	<b>17,647,260</b>	<b>4,068,146</b>	<b>21,715,406</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 19,480,156</b>	<b>\$ 4,984,936</b>	<b>\$ 24,465,092</b>

See accompanying notes to the basic financial statements

**CITY OF SOUTH PASADENA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

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Fund balances of governmental funds	\$ 21,715,406
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity:	63,669,718
Long term debt and compensated absences that have not been included in the governmental fund activity:	
Capital lease payable	(58,450)
Compensated absences	(788,795)
Net pension liability	(20,391,777)
Governmental funds report all OPEB contributions as expenditures however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.	(7,118,554)
Deferred outflows and inflows of resources relating to pensions:	
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.	
Deferred outflow of resources:	
City's contributions subsequent to the measurement date	1,758,313
Adjustment due to differences in proportions	186,561
Deferred inflow of resources:	
Differences between projected and actual earnings on pension plan investments	(6,007,950)
Adjustment due to differences in proportions	(458)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(2,858)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	33,476
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position	<u>289,433</u>
Net position of governmental activities	<u>\$ 53,284,065</u>

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General	Other Governmental Funds	Total
<b>Revenues:</b>			
Taxes	\$ 19,085,074	\$ 1,283,662	\$ 20,368,736
Assessments		895,798	895,798
Licenses and permits	1,012,625	34,915	1,047,540
Intergovernmental	439,733	1,469,592	1,909,325
Charges for services	3,430,665	449,692	3,880,357
Use of money and property	520,877	21,317	542,194
Fines and forfeitures	347,585		347,585
Contributions		12,365	12,365
Miscellaneous	351,974	45,143	397,117
<b>Total Revenues</b>	<b>25,188,533</b>	<b>4,212,484</b>	<b>29,401,017</b>
<b>Expenditures:</b>			
Current:			
General government	3,731,453	257,455	3,988,908
Public safety	11,628,373	23,247	11,651,620
Community development	1,093,717	27,381	1,121,098
Community services	2,723,930	485,175	3,209,105
Public works	1,587,706	1,519,347	3,107,053
Capital outlay	2,523,692	1,216,049	3,739,741
Debt service:			
Principal payments	55,725		55,725
Interest and fiscal charges	5,583		5,583
<b>Total Expenditures</b>	<b>23,350,179</b>	<b>3,528,654</b>	<b>26,878,833</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,838,354	683,830	2,522,184
<b>Other Financing Sources (Uses):</b>			
Transfers in		408,497	408,497
Transfers out	(596,137)	(29,000)	(625,137)
<b>Total Other Financing Sources (Uses)</b>	<b>(596,137)</b>	<b>379,497</b>	<b>(216,640)</b>
Net Change in Fund Balances	1,242,217	1,063,327	2,305,544
Fund Balances at Beginning of Fiscal Year	16,646,241	3,004,819	19,651,060
Restatements	(241,198)		(241,198)
Fund Balances at Beginning of Fiscal Year, as Restated	16,405,043	3,004,819	19,409,862
<b>Fund Balances at End of Fiscal year</b>	<b>\$ 17,647,260</b>	<b>\$ 4,068,146</b>	<b>\$ 21,715,406</b>

See accompanying notes to the basic financial statements

**CITY OF SOUTH PASADENA**

**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, 2015**

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Net changes in fund balances - total governmental funds \$ 2,305,544

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

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

Capital outlay	3,248,682
Depreciation expense	(2,457,865)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Lease payments	55,725
General liability retrospective deposit payable	44,470

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

(255,635)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

1,248

Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(33,284)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense.

(637,127)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:

(82,360)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.

289,433

**Change in net position of governmental activities**

\$ 2,478,831

See accompanying notes to the basic financial statements

## CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2015

	Business-Type Activities-Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Other Enterprise Funds	Totals	Insurance Fund
<b>Assets:</b>					
Current:					
Cash and investments	\$ 8,568,756	\$ 998,053	\$ 935,656	\$ 10,502,465	\$ 290,000
Receivables:					
Accounts	780,820	85,432		866,252	
Accrued interest	3,360	642	128	4,130	
Inventories	210,144		8,642	218,786	
Restricted					
Cash and investments with fiscal agent	22,326,728			22,326,728	
<b>Total Current Assets</b>	<b>31,889,808</b>	<b>1,084,127</b>	<b>944,426</b>	<b>33,918,361</b>	<b>290,000</b>
Noncurrent:					
Capital assets - not being depreciated	22,813,912	3,226,601		26,040,513	
Capital assets - net of accumulated depreciation	14,422,542	2,220,867	13,716	16,657,125	
<b>Total Noncurrent Assets</b>	<b>37,236,454</b>	<b>5,447,468</b>	<b>13,716</b>	<b>42,697,638</b>	
<b>Total Assets</b>	<b>69,126,262</b>	<b>6,531,595</b>	<b>958,142</b>	<b>76,615,999</b>	<b>290,000</b>
<b>Deferred Outflow of Resources:</b>					
City's pension contributions subsequent to the measurement date	134,917	33,230		168,147	
Changes of assumptions	266	66		332	
<b>Total Deferred Outflow of Resources</b>	<b>135,183</b>	<b>33,296</b>		<b>168,479</b>	
<b>Liabilities and Deferred Inflow of Resources:</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	1,256,687	430,341		1,687,028	567
Accrued liabilities	63,215	14,533		77,748	
Accrued interest	613,882	6,117		619,999	
Deposits payable	154,237			154,237	
Due to other funds		360,000	50,000	410,000	
Accrued compensated absences	2,778	784		3,562	
Bonds payable	1,095,000			1,095,000	
<b>Total Current Liabilities</b>	<b>3,185,799</b>	<b>811,775</b>	<b>50,000</b>	<b>4,047,574</b>	<b>567</b>
Non-current:					
Advances from other funds		750,000		750,000	
Accrued compensated absences	25,005	7,052		32,057	
OPEB liability	865,664	169,782		1,035,446	
Net pension liability	1,442,424	355,269		1,797,693	
Loans payable		2,475,913		2,475,913	
Bonds payable	46,743,993			46,743,993	
<b>Total Noncurrent Liabilities</b>	<b>49,077,086</b>	<b>3,758,016</b>		<b>52,835,102</b>	
<b>Total Liabilities</b>	<b>52,262,885</b>	<b>4,569,791</b>	<b>50,000</b>	<b>56,882,676</b>	<b>567</b>
<b>Deferred Inflow of Resources:</b>					
Differences between projected and actual earnings on pension plan investments	402,478	99,130		501,608	
Adjustment due to differences in proportions	101	25		126	
<b>Total Deferred Inflow of Resources</b>	<b>402,579</b>	<b>99,155</b>		<b>501,734</b>	
<b>Net position:</b>					
Net investment in capital assets	8,742,029	2,971,555	13,716	11,727,300	
Restricted for debt service	2,982,160			2,982,160	
Unrestricted	4,871,792	(1,075,610)	894,426	4,690,608	289,433
<b>Total Net Position</b>	<b>16,595,981</b>	<b>1,895,945</b>	<b>908,142</b>	<b>19,400,068</b>	<b>289,433</b>

See accompanying notes to the basic financial statements

## CITY OF SOUTH PASADENA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities-Enterprise Funds				Governmental Activities - Internal Service Fund Insurance Fund
	Water	Sewer	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>					
Sales and service charges	\$ 8,694,880	\$ 1,353,233	\$ 1,133,562	\$ 11,181,675	\$ -
Miscellaneous	184,726	60		184,786	
<b>Total Operating Revenues</b>	<b>8,879,606</b>	<b>1,353,293</b>	<b>1,133,562</b>	<b>11,366,461</b>	
<b>Operating Expenses:</b>					
Administration and general	885,946	334,097	918,763	2,138,806	
Pumping	1,052,657			1,052,657	
Transmission/collection	2,492,259			2,492,259	
Treatment		544,862		544,862	
Insurance costs and claims					14,207
Depreciation expense	336,785	88,026	4,897	429,708	
<b>Total Operating Expenses</b>	<b>4,767,647</b>	<b>966,985</b>	<b>923,660</b>	<b>6,658,292</b>	<b>14,207</b>
Operating Income (Loss)	4,111,959	386,308	209,902	4,708,169	(14,207)
<b>Non-operating Revenues (expenses):</b>					
Interest revenue	26,024	6,251	(70)	32,205	
Interest expense	(5,000)	(2,011)		(7,011)	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>21,024</b>	<b>4,240</b>	<b>(70)</b>	<b>25,194</b>	
Income (loss) before transfers	4,132,983	390,548	209,832	4,733,363	(14,207)
<b>Transfers:</b>					
Transfers in					303,640
Transfers out	(72,500)	(14,500)		(87,000)	
<b>Total transfers</b>	<b>(72,500)</b>	<b>(14,500)</b>		<b>(87,000)</b>	<b>303,640</b>
Change in net position	4,060,483	376,048	209,832	4,646,363	289,433
Net Position at Beginning of Fiscal Year	15,032,697	2,095,412	671,055	17,799,164	
Restatements	(2,497,199)	(575,515)	27,255	(3,045,459)	
Net Position at Beginning of Fiscal Year, Restated	12,535,498	1,519,897	698,310	14,753,705	
<b>Net Position at End of Fiscal Year</b>	<b>\$ 16,595,981</b>	<b>\$ 1,895,945</b>	<b>\$ 908,142</b>	<b>\$ 19,400,068</b>	<b>\$ 289,433</b>

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities-Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise Funds	Totals	Activities - Internal Service Fund Insurance Fund
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 9,103,983	\$ 1,308,272	\$ 1,133,562	\$ 11,545,817	\$ -
Cash paid to suppliers for goods and services	(4,860,218)	(188,660)	(918,763)	(5,967,641)	
Cash paid to employees for services	(813,274)	(319,306)		(1,132,580)	(13,640)
Cash received from (payments to) others	184,726			184,726	
<b>Net Cash Provided by (Used for) Operating Activities:</b>	<b>3,615,217</b>	<b>800,306</b>	<b>214,799</b>	<b>4,630,322</b>	<b>(13,640)</b>
<b>Cash flows from noncapital</b>					
<b>Financing Activities:</b>					
Transfers in					303,640
Transfers out	(72,500)	(14,500)		(87,000)	
<b>Net cash provided by (used for) noncapital Financing Activities</b>	<b>(72,500)</b>	<b>(14,500)</b>		<b>(87,000)</b>	<b>303,640</b>
<b>Cash Flows from Capital and Related</b>					
<b>Financing Activities:</b>					
Proceeds from capital debt		1,948,630		1,948,630	
Acquisition and construction of capital assets	(6,034,744)	(3,126,503)		(9,161,247)	
Principal paid on capital debt	(1,065,000)			(1,065,000)	
Interest paid on capital debt	54,553			54,553	
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(7,045,191)</b>	<b>(1,177,873)</b>		<b>(8,223,064)</b>	
<b>Cash Flows from Investing Activities:</b>					
Interest received	25,095	5,966	(198)	30,863	
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>25,095</b>	<b>5,966</b>	<b>(198)</b>	<b>30,863</b>	
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,477,379)</b>	<b>(386,101)</b>	<b>214,601</b>	<b>(3,648,879)</b>	<b>290,000</b>
Cash and cash equivalents at beginning of fiscal year	34,372,863	1,384,154	721,055	36,478,072	
Cash and cash equivalents at end of fiscal year	\$ 30,895,484	\$ 998,053	\$ 935,656	\$ 32,829,193	\$ 290,000
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>					
Cash and investments	\$ 8,568,756	\$ 998,053	\$ 935,656	\$ 10,502,465	\$ 290,000
Cash and investments with fiscal agent	22,326,728			22,326,728	
	\$ 30,895,484	\$ 998,053	\$ 935,656	\$ 32,829,193	\$ 290,000
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating income (loss)	\$ 4,111,959	\$ 386,308	\$ 209,902	\$ 4,708,169	\$ (14,207)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Depreciation	336,785	88,026	4,897	429,708	
(Increase) decrease in accounts receivable	409,103	(45,021)		364,082	
(Increase) decrease in inventories	19,601			19,601	
Increase (decrease) in accounts payable	(1,383,326)	354,233		(1,029,093)	567
Increase (decrease) in accrued liabilities	14,248	1,969		16,217	
Increase (decrease) in deposits payable	34,175			34,175	
Increase (decrease) in compensated absences	(5,613)	(604)		(6,217)	
Increase (decrease) in OPEB liability	77,478	15,196		92,674	
Increase (decrease) in net pension liability	(425,038)	(104,686)		(529,724)	
Increase (decrease) in deferred outflow of resources	23,266	5,730		28,996	
Increase (decrease) in deferred inflow of resources	402,579	99,155		501,734	
<b>Total Adjustments</b>	<b>(496,742)</b>	<b>413,998</b>	<b>4,897</b>	<b>(77,847)</b>	<b>567</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 3,615,217</b>	<b>\$ 800,306</b>	<b>\$ 214,799</b>	<b>\$ 4,630,322</b>	<b>\$ (13,640)</b>

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2015

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	Private -Purpose Trust Funds <u>Successor Agency of the Former CRA</u>
<b>Assets:</b>	
Pooled cash and investments	\$ 63,653
Receivables:	
Accrued interest	645
Restricted assets:	
Cash and investments	901,436
Cash and investments with fiscal agents	<u>197,950</u>
<b>Total Assets</b>	<u>1,163,684</u>
<b>Liabilities</b>	
Accounts payable	105
Accrued liabilities	7,593
Accrued interest	14,347
Deposits payable	1,500
Long-term liabilities:	
Due in one year	110,000
Due in more than one year	<u>1,335,000</u>
<b>Total Liabilities</b>	<u>1,468,545</u>
<b>Net Position (Deficit):</b>	
Held in trust for other purposes	<u>\$ (304,861)</u>

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	Private-Purpose Trust Funds
	<u>Successor Agency of the Former CRA</u>
<b>Additions:</b>	
Taxes	\$ 350,398
Transfers from City	27,381
Interest and change in fair value of investments	<u>14,474</u>
<b>Total Additions</b>	<u>392,253</u>
<b>Deductions:</b>	
Benefits	45,587
Administrative expenses	166,883
Contractual services	13,064
Interest expense	<u>91,446</u>
<b>Total Deductions:</b>	<u>316,980</u>
<b>Change in Net Position</b>	75,273
Net Position (Deficit), Beginning of Fiscal Year	<u>(380,134)</u>
Net Position (Deficit), at End of Fiscal Year	<u><u>\$ (304,861)</u></u>

See accompanying notes to the basic financial statements

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of the Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of South Pasadena, California (the City) and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Government's operation, so data from these units are combined herein. The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement No. 14 as amended by Statement 39 and 61 and were as follows:

1. The members of the City Council also act as the governing body of the City of South Pasadena Housing Authority (the Authority).
2. The Authority is managed by employees of the City.
3. The Authority is financially interdependent with the City.

The City of South Pasadena was incorporated on March 2, 1888, under the general laws of the State of California. The City provides a full range of municipal services, including public safety (police and fire), streets, sanitation, refuse collection, sewer, water, parks and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

Blended Component Units

City of South Pasadena Housing Authority - The Authority was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on April 6, 2011. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for South Pasadena residents. The primary government has operational responsibility for the Housing Authority. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority. Separate financial statements of the Housing Authority are not prepared. Additionally, the Housing Authority took over the housing activities from the former Community Redevelopment Agency due to its dissolution on January 31, 2012.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, or privileges

**Note 1: Summary of Significant Accounting Policies (Continued)**

provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The City reports the following major governmental funds

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

**Note 1: Summary of Significant Accounting Policies (Continued)**

The City reports the following major proprietary funds

The Water Fund is used to account for the construction, operation, and maintenance of the City-owned water system.

The Sewer Fund is used to account for the provision of sewer construction, maintenance, and operation services to residents of the City.

Additionally, the City reports the following fund types:

The Private Purpose Trust Fund accounts for the assets and liabilities of the former community redevelopment agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former community redevelopment agency are paid in full and assets have been liquidated. Please refer to Note 10 for more information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Governmental and Proprietary Funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.

Public Safety includes those activities which involve the protection of people and property.

Community Development includes those activities which involve the enhancing of the general quality of life.

Community Services includes activities such as administering the Senior Center, recreation classes, and special events committees.

Public Works includes those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.

Debt Service includes those activities that account for the payment of long-term debt principal, interest, and fiscal charges.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Inventories

Inventory consisting primarily of materials and supplies is held by the Water Enterprise Fund. Such goods are valued using the average-cost method applied on a first-in, first-out (FIFO) basis. Inventories reported in the City's General Fund are charged to inventories when purchased and treated as an expenditure when issued.

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for non-infrastructure assets and \$25,000 for infrastructure assets (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported current and prior year's infrastructure assets.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements other than buildings	10 - 25
Machinery and equipment	3 - 30
Vehicles	8

**Note 1: Summary of Significant Accounting Policies (Continued)**

Infrastructure	Years
Sewer collection system	60
Storm drain system	60
Bridges	60
Hardscape	40
Parkways and medians	40
Pavement, curb and gutter and sidewalks	35
Streetlights	20
Electronic traffic control devices	20

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and balance sheet of governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position and balance sheet of governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and reimbursable grants billed but not yet available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to

**Note 1: Summary of Significant Accounting Policies (Continued)**

be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Compensated Absences**

It is the policy of the City to record the cost of annual vacation as accrued. Employees are 100% vested in accrued vacation after six months of employment. The entire compensated absence liability for the Enterprise Fund is accrued as earned in the Enterprise Fund. All accumulated compensated absence liability of governmental funds is accrued when incurred in the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

It is the policy of the City to pay sick leave as used; accordingly, the expenditures are recorded when paid. Sick leave does not vest with employees. Accordingly, employees do not receive a payout for unused sick leave upon termination, although employees do receive credit for unused sick leave upon retirement.

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of South Pasadena's California Public Employees' Retirement System (CalPERS) Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**Fund Equity**

In the fund financial statements, government funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either  
(a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution of the City Council.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, with Resolution No. 7152, authorized the Finance Director to assign fund balance amounts for specific purposes.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that can report a positive unassigned fund balance.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, and then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The City Council adopts and amends committed and assigned fund balance amounts for specific purposes through a resolution. When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned, and then unassigned.

**Net Position**

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of Statement No. 50, "Pension Disclosures". This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Implementation of the GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 6- Pension Plan and Note 13 – Restatements.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 6- Pension Plan and Note 13 – Restatements.

II. DETAILED NOTES ON ALL FUNDS

**Note 2: Cash and Investments**

As of June 30, 2015, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	
Cash and investments	21,436,715
Business-type activities	
Cash and investments	10,502,465
Cash and investments with fiscal agent	22,326,728
Fiduciary activities	
Cash and investments	965,089
Cash and investments with fiscal agent	197,950
Totals	<u>\$ 55,428,947</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 13,735
Deposits with financial institutions	2,604,671
Investments	<u>52,810,541</u>
Total cash and investments	<u>\$ 55,428,947</u>

The City of South Pasadena maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Deposits

At June 30, 2015, the carrying amount of the City's deposits was \$2,604,671 and the bank balance was \$4,490,835. The \$1,886,164 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors.

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 2: Cash and Investments (Continued)**

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an “Agent of Depository” has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under provision of the City’s investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations- CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Bankers’ Acceptances	180 days	40% - No more than 30% in any one commercial bank	None
Commercial Paper – Select Agencies	270 days	25% of the City’s money – No more than 10% in any one issuer	“A-1” if the issuer has issued longterm debt it must be rated “A” without regard to modifiers
Commercial Paper – Other Agencies	270 days	40% of the agency’s money	“A-1” if the issuer has issued longterm debt it must be rated “A” without regard to modifiers
Negotiable Certificates of Deposit	5 years	30%	None
CD Placement Service	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	“A” Rating
Mutual Funds and Money Market Mutual Funds	N/A	20% - No more than 10% in any one issuer	Multiple
Collateralized Bank Deposits	5 years	None	None

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

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**Note 2: Cash and Investments (Continued)**

Mortgage Pass-Through Securities	5 years	20%	“AA” Rating
Bank/Time Deposits	5 Years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its trustees or fiscal agents may make.

**Investments in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer’s Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

**GASB Statement No. 31**

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 2: Cash and Investments (Continued)**

Credit Risk

The City’s investment policy limits investments in medium-term notes (MTN’s) to those rated “A” or better by a nationally recognized statistical rating organization. At June 30, 2015, the City’s investments with money market mutual funds were rated “AAA” by S&P. Investments in U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

As of June 30, 2015, none of the City’s deposits or investments were exposed to custodial credit risk.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End				
				AAA	AA+	AA	A	Not Rated
Local Agency Investment fund	\$ 18,035,672	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,035,672
Money Market Mutual Funds	82,218	N/A		82,218				
Treasury Bills	2,912,941	N/A		2,912,941				
Certificate of Deposits	1,051,627	N/A						1,051,627
Medium-Term Notes	3,177,501	A		112,750		1,096,013	1,968,738	
Government Agency Securities	5,023,829	N/A			5,023,829			
Investments with Fiscal Agent:								
Money Market Mutual Funds	13,897,893	A		13,897,893				
Government Agency Securities	1,999,860	N/A				1,999,860		
Certificates of Deposit	6,629,000	N/A						6,629,000
<b>Totals</b>	<b>\$ 52,810,541</b>		<b>\$ -</b>	<b>\$ 17,005,802</b>	<b>\$ 5,023,829</b>	<b>\$ 3,095,873</b>	<b>\$ 1,968,738</b>	<b>\$ 25,716,299</b>

Concentration of Credit Risk

The City’s investment policy imposes restrictions on the percentage that the City can invest in a single type of investment in accordance with CA Government Code. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2015, the City has not invested more than 5% of its total investments in any one issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City’s investment policy limits investment maturities, in accordance with CA Government Code, as a means of managing its exposure to fair value losses arising from increasing interest rates. The certificates of deposit in cash with fiscal agent below with a maturity of three to five years are governed by the debt agreements, rather than the City’s investment policy. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 2: Cash and Investments (Continued)**

As of June 30, 2015, the City had the following investments and original maturities:

Investment Type	Remaining maturity (in Months)				Fair Value
	6 Months or less	6 Months to 1 Year	1 to 3 Years	3 to 5 Years	
Local Agency Investment fund	\$ 18,035,672	\$ -	\$ -	\$ -	\$ 18,035,672
Money Market Mutual Funds	82,218				82,218
Treasury Bills	2,912,941				2,912,941
Certificate of Deposits	1,051,627				1,051,627
Medium-Term Notes		102,045	2,082,644	992,812	3,177,501
Government Agency Securities			2,926,857	2,096,972	5,023,829
Investments with Fiscal Agent:					
Money Market Mutual Funds	13,897,893				13,897,893
Government Agency Securities		1,999,860			1,999,860
Certificates of Deposit	1,992,000	496,000	3,230,000	911,000	6,629,000
<b>Totals</b>	<b>\$ 37,972,351</b>	<b>\$ 2,597,905</b>	<b>\$ 8,239,501</b>	<b>\$ 4,000,784</b>	<b>\$ 52,810,541</b>

**Note 3: Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance at July 1, 2014	Additions	Deletions	Transfers	Balance at June 30, 2015
Governmental Activities:					
Capital assets, not being depreciated					
Land	\$ 2,116,515	\$ -	\$ -	\$ -	\$ 2,116,515
Construction in progress	4,608,884	79,501		(243,691)	4,444,694
Total Capital Assets, not Depreciated	6,725,399	79,501		(243,691)	6,561,209
Capital assets, being depreciated					
Buildings	10,465,414	3,233			10,468,647
Improvements other than buildings	1,979,401	310,849			2,290,250
Machinery, equipment, and vehicles	8,526,756	399,102	(87,393)		8,838,465
Infrastructure	87,730,945	2,455,997		243,691	90,430,633
Total Capital Assets, Being Depreciated	108,702,516	3,169,181	(87,393)	243,691	112,027,995
Less accumulated depreciation					
Buildings	5,984,886	205,140			6,190,026
Improvements	955,913	23,232			979,145
Machinery, equipment, and vehicles	6,121,667	312,399	(87,393)		6,346,673
Infrastructure	39,486,548	1,917,094			41,403,642
Total Accumulated Depreciation	52,549,014	2,457,865	(87,393)		54,919,486
Total Capital Assets, Being Depreciated, Net	56,153,502	711,316		243,691	57,108,509
Governmental Activities Capital Assets, Net	\$ 62,878,901	\$ 790,817	\$ -	\$ -	\$ 63,669,718

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 3: Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Government Activities:	\$ 65,382
General government	289,906
Community service	111,264
Public works	1,991,313
Total Governmental Activities	<u>\$ 2,457,865</u>

	Balance at July 1, 2014	Restatement	Additions	Deletions	Transfers	Reclassification	Balance at June 30, 2015
Business-Type Activities:							
Capital assets, not being depreciated:							
Land	\$ 84,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,685
Construction in progress	27,031,007		5,356,177		(6,431,356)		25,955,828
Total Capital Assets, Not Being Depreciated	<u>27,115,692</u>		<u>5,356,177</u>		<u>(6,431,356)</u>		<u>26,040,513</u>
Capital Assets being Depreciated							
Buildings	4,105,150						4,105,150
Improvements other than buildings	3,943,700		3,711,310		6,431,356	(10,122,855)	3,963,511
Infrastructure	4,588,507					10,122,855	14,711,362
Machinery, equipment, and vehicles	1,183,691	32,715	93,760				1,310,166
Total Capital Assets, Being Depreciated	<u>13,821,048</u>	<u>32,715</u>	<u>3,805,070</u>		<u>6,431,356</u>		<u>24,090,189</u>
Less Accumulated Depreciation							
Buildings	759,067		71,476				830,543
Improvements other than buildings	3,149,236		32,209				3,181,445
Infrastructure	2,313,937		274,249				2,588,186
Machinery, equipment, and vehicles	767,014	14,102	51,774				832,890
Total Accumulated Depreciation	<u>6,989,254</u>	<u>14,102</u>	<u>429,708</u>				<u>7,433,064</u>
Total Capital Assets, Being Depreciated, Net	<u>6,831,794</u>	<u>18,613</u>	<u>3,375,362</u>		<u>6,431,356</u>		<u>16,657,125</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 33,947,486</u>	<u>\$ 18,613</u>	<u>\$ 8,731,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,697,638</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-Type Activities:	
Water	\$ 336,785
Sewer	88,026
Arroyo Seco Golf Course	4,897
Total Business-Type Activities:	<u>\$ 429,708</u>

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 4: Interfund Receivable, Payable, and Transfers**

The composition of interfund balances as of June 30, 2015, is as follows:

**Due To/From Other Funds**

	Due To Other Funds				Total
	Nonmajor Funds	Sewer Enterprise Fund	Water Enterprise Funds	Other Enterprise Funds	
<u>Due From Other Funds</u>					
General Fund	\$ 568,857	\$ 360,000	\$ 50,000		\$ 978,857

The due from General Fund of \$978,857 to the various nonmajor governmental funds was a result of temporary cash deficit balances in those funds.

**Transfers In/Out**

	Transfers Out				Total
	General	Nonmajor Funds	Water Enterprise Fund	Sewer Enterprise Fund	
<u>Transfers In</u>					
Nonmajor Funds	\$ 408,497	\$ -	\$ -	\$ -	\$ 408,497
Insurance Internal Service Fund	187,640	29,000	72,500	14,500	303,640
Total	\$ 596,137	\$ 29,000	\$ 72,500	\$ 14,500	\$ 712,137

Transfers from Nonmajor funds into the General Fund were made to fund the Facilities and Equipment Replacement fund, to match the General Fund for the MSRC Grant, and to match the General Fund for the Rogan Projects. Transfers from General Fund, Sewer Fund, Water Fund, and Nonmajor funds into the Insurance Internal Service Fund were to provide initial funding for the Insurance Fund.

**Advances To/From**

The General fund advanced \$750,000 to the Sewer fund on July 11, 2012, in order to fund the construction of the Arroyo Drive, Marengo Ave, Meridian Ave, and Huntington Drive Sewer Improvement Project. The advance bears interest at the City's portfolio rate of return, with payments due within ten years.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 5: Long-Term Debt**

**a. Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2015:

	Balance at July 1, 2014	Restatements	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
<b>Governmental Activities:</b>						
Compensated Absences	\$ 755,511	\$ -	\$ 778,414	\$ (745,130)	\$ 788,795	\$ 78,880
Capital Leases	114,175			(55,725)	58,450	58,450
General Liability Retrospective						
Deposits Payable	44,470			(44,470)		
Net OPEB Liability	7,424,199	(942,772)	1,209,124	(571,997)	7,118,554	
Net Pension Liability		26,810,200	9,880,123	(16,298,546)	20,391,777	
<b>Total Governmental Activities</b>	<b>\$ 8,338,355</b>	<b>\$ 25,867,428</b>	<b>\$ 11,867,661</b>	<b>\$ (17,715,868)</b>	<b>\$ 28,357,576</b>	<b>\$ 137,330</b>
<b>Business-Type Activities:</b>						
2012 State Loan Payable	\$ 527,283	\$ -	\$ 1,948,630	\$ -	\$ 2,475,913	\$ -
Compensated Absences	41,836		44,204	(50,421)	35,619	3,562
2009 Water Revenue Bonds	42,690,000			(740,000)	41,950,000	765,000
2013 Water Revenue Bonds	6,715,000			(325,000)	6,390,000	330,000
Net OPEB Liability		942,772	175,876	(83,202)	1,035,446	
Net Pension Liability		2,327,417	849,240	(1,378,964)	1,797,693	
<b>Total Business-type Activities</b>	<b>\$ 49,974,119</b>	<b>\$ 3,270,189</b>	<b>\$ 3,017,950</b>	<b>\$ (2,577,587)</b>	<b>\$ 53,684,671</b>	<b>\$ 1,098,562</b>
Add: Unamortized bond premium (discount)					(501,007)	
<b>Net Business-type Funds</b>					<b>\$ 53,183,664</b>	

**b. Compensated Absences**

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. The liability will be paid in future years as it becomes due by the General Fund and Enterprise Funds.

**c. Capital Lease**

During fiscal year 2004–2005, the City entered into a \$495,173, ten-year equipment lease purchase agreement with Oshkosh Capital, for the purchase of a fire truck. The lease bears interest at a rate of 4.89%. The related asset has been capitalized in the government-wide financial statements in the equipment asset category. Amortization of the leased assets is included as part of depreciation expense. At June 30, 2015, the outstanding balance was \$58,450.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

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**Note 5: Long-Term Debt (Continued)**

The annual requirements to amortize the capital lease as of June 30, 2015, including interest are as follows:

<u>Fiscal Year</u>	<u>Total</u>
2015-2106	\$ 61,308
Net Minimum Lease Payments	61,308
Less Amount Representing Interest	<u>2,858</u>
Present Value of Net Minimum Lease Payments	<u>\$ 58,450</u>

**d. Revenue Bonds**

A description of individual issues of bonds (excluding defeased bonds) outstanding as of June 30, 2015 are as follows:

2009 Water Revenue Bonds

In May 2009, the South Pasadena Public Financing Authority issued \$43,405,000 Water and Wastewater Revenue Bonds. The bonds were issued to finance certain capital improvements to the City's water system and to construct two water storage reservoirs. The bonds are secured by pledges of system net revenue as described in the official statement.

Bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

The bonds consisted of \$10,530,000 of serial bonds and \$32,875,000 of term bonds due October 1, 2039.

The serial bonds mature annually from October 1, 2013 to October 1, 2024, in increasing amounts from \$715,000 to \$1,090,000. The bonds bear interest at rates ranging from 3.000% to 4.625%. The term bonds mature on October 1, 2039, and carry interest rates ranging from 5.100% to 5.270%. Interest is payable semi-annually on April and October, commencing on October 1, 2013 and October 1, 2029, respectively.

The bonds are subject to optional redemption in whole or in part on or after October 1, 2019. On October 1, 2029, the bonds are subject to mandatory redemption. At June 30, 2015, \$41,950,000 was outstanding.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 5: Long-Term Debt (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2016	\$ 765,000	\$ 1,990,576	\$ 2,755,576
2017	790,000	1,966,262	2,756,262
2018	815,000	1,939,162	2,754,162
2019	845,000	1,910,112	2,755,112
2020	875,000	1,878,918	2,753,918
2021-2025	4,985,000	8,800,106	13,785,106
2026-2030	6,335,000	7,458,378	13,793,378
2031-2035	11,620,000	5,240,002	16,860,002
2036-2040	14,920,000	1,939,502	16,859,502
	<u>\$ 41,950,000</u>	<u>\$ 33,123,018</u>	<u>\$ 75,073,018</u>

2013 Water Revenue Bonds

In March, 2013, the South Pasadena Public Financing Authority issued \$6,995,000 Water and Wastewater Revenue Bonds, 2013 Series A. The bonds were issued to refund of a portion of the outstanding California Statewide Communities Development Authority Water and Wastewater Revenue Bonds, Series 2004A that were issued on behalf of the City of South Pasadena, to purchase a surety for a reserve fund for the Bonds, and to pay costs of issuance of the bonds. The bonds are secured by a pledge of system net revenues of the City's watersystem.

Bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

The bonds mature annually from October 1, 2014 to October 1, 2029, in increasing amounts from \$325,000 to \$545,000. The bonds bear interest at rates ranging from .35% to 3.4%. The term bonds mature on October 1, 2029, and carry an interest rate of 5.0%. Interest is payable semi-annually on April 1 and October 1, commencing on October 1, 2014 and October 1, 2029, respectively.

The bonds are subject to optional redemption in whole or in part on or after October 1, 2013. On October 1, 2029, the bonds are subject to mandatory. At June 30, 2015, \$6,390,000 was outstanding.

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 5: Long-Term Debt (Continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2016	\$ 330,000	\$ 220,188	\$ 550,188
2017	340,000	211,788	551,788
2018	350,000	201,438	551,438
2019	360,000	188,988	548,988
2020	375,000	174,288	549,288
2021-2025	2,100,000	640,440	2,740,440
2026-2030	2,535,000	210,740	2,745,740
	<u>\$ 6,390,000</u>	<u>\$ 1,847,870</u>	<u>\$ 8,237,870</u>

**Pledged Revenue**

The City has committed to appropriate each fiscal year from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$83,310,888 (\$48,340,000 principal, \$34,970,888 interest). For the current fiscal year, principal and interest paid and system net revenue received were \$3,310,638 and \$4,623,116, respectively.

**e. Net OPEB Liability**

The City's policies relating to OPEB are described in Note 7 of the Notes to Financial Statements. The liability will be paid in future years by the General Fund as it becomes due.

**f. CJPIA Retrospective Deposit Liability**

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extended until July 1, 2013 for the Liability program and extends until July 1, 2015 for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2011, annual retrospective adjustment is included in these balances. The City at June 30, 2015, had paid off its retrospective deposit payable.

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 5: Long-Term Debt (Continued)**

**g. Loans**

2012 State Loan Payable

California State Water Resources Control Board loaned the City an assessable amount of \$11,000,000 over the term agreement starting December 1, 2013 through May 30, 2037. The proceeds from the loan are to be used by the City for its rehabilitation and replacement of the City's sewer infrastructure. The loan acts as an installment sale agreement, in which, the City must expend its own funds prior to drawing on the accessible loan amount for reimbursement. Repayment of project funds, together with all interest accrued thereon, by the City shall be repaid in annual installments commencing 1 year after the completion of the project. For the period ended June 30, 2015, the total amount withdrawn by the City equaled the amount payable to the California State Water Resources Control Board, \$2,475,913.

III. OTHER INFORMATION

**Note 6: City Employees Retirement Plan (Defined Benefit Pension Plan)**

**a. General Information about the Pension Plans**

Plan Description

All qualified employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available report 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 provides 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 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 Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.00% - 2.50%
Required employee contribution rates	7.0%	6.7%
Required employer contribution rates	15.661%	6.5%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 50	2.70% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.00%-2.70%	2.00% - 2.70%
Required employee contribution rates	9.0%	12.25%
Required employer contribution rates	22.302%	12.25%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 6: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**a. General Information About the Pension Plans (Continued)**

Contributions

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees 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. Funding contributions for the Plans are determined annually on an actuarial basis of June 30 by CalPERS. 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were as follow:

Contributions - employer                      \$ 1,926,460

**b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 8,302,609
Miscellaneous PEPRA	474
Safety	13,885,453
Safety PEPRA	934
Total Net Pension Liability	\$ 22,189,470

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous	Miscellaneous PEPRA	Safety	Safety PEPRA
Proportion - June 30, 2013	0.32805%	0.00002%	0.38431%	0.00003%
Proportion - June 30, 2014	0.33594%	0.00002%	0.37018%	0.00002%
Change - Increase (Decrease)	0.00789%	0.00000%	-0.01413%	-0.00001%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 6: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$2,009,827. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,926,460	\$ -
Net differences between projected and actual earnings on pension plan investments		(6,509,558)
Adjustment due to differences in proportions	186,893	(584)
Total	<u>\$ 2,113,353</u>	<u>\$ (6,510,142)</u>

\$1,926,460 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2016	\$ (1,560,852)
2017	(1,560,852)
2018	(1,574,157)
2019	(1,627,388)
Total	<u>\$ (6,323,249)</u>

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increases	3.30% to 14.20% (1)	3.30% to 14.20% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	Data for all Funds (3)	Data for all Funds (3)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 6: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions (Continued)

	Miscellaneous PEPRA	Safety PEPRA
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increases	3.30% to 14.20% (1)	3.30% to 14.20% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	Data for all Funds (3)	Data for all Funds (3)

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

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table used was developed based CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The experience study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 6: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.50% used for this period.

(b) An expected inflation of 3.00% used for this period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

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**Note 6: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
1% Decrease	6.50%	6.50%	6.50%	6.50%
Net Pension Liability	\$ 13,878,334	\$ 844	\$ 23,895,067	\$ 1,607
Current Discount Rate	7.50%	7.50%	7.50%	7.50%
Net Pension Liability	8,302,609	474	13,885,453	934
1% Increase	8.50%	8.50%	8.50%	8.50%
Net Pension Liability	3,675,288	167	5,637,963	379

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 7: Other Post-Employment Benefits**

The City provides certain other post-employment benefits (OPEB) through a single-employer defined benefit healthcare plan which provides health insurance for its retired employees according to the Personnel Rules and Regulations for each of the five employee groups. Benefit provisions are included annually in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action. Separate financial statements for the plan are not available.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. A contribution of \$552,000 was made during the 2014-2015 fiscal year for current premiums.

As a result, the City calculated and recorded a Net OPEB Liability, representing the difference between the Annual OPEB Cost and actual contributions, as presented below:

Annual required contribution (ARC)	\$ 1,501,000
Interest on net OPEB liability	297,000
Adjustment to ARC	<u>(413,000)</u>
Annual OPEB cost	1,385,000
Contributions made	(552,000)
Implied subsidy payments	<u>(103,199)</u>
Increase (decrease) in net OPEB obligation	729,801
Net OPEB obligation - June 30, 2014	7,424,199
Net OPEB obligation - June 30, 2015	<u>\$ 8,154,000</u>

The ARC of \$1,501,000 an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a twenty year period.

Annual OPEB Costs and Net OPEB Obligation (Asset)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014-15 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$ 1,006,981	\$ 577,410	57%	\$ 7,010,884
6/30/2014	978,719	565,404	58%	7,424,199
6/30/2015	1,385,000	655,199	47%	8,154,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 7: Other Post-Employment Benefits (Continued)**

Funded Status and Funding Progress

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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The plan was implemented in fiscal year 2008-2009 and an actuarial valuation was performed during that fiscal year. A subsequent actuarial valuation was performed for fiscal years 2010-2011, 2012-2013, and 2014-2015.

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
1/1/2009	\$ -	\$ 18,580,256	0.0%	\$ 9,393,343	198%
1/1/2011	-	22,197,057	0.0%	10,565,270	210%
1/1/2013	-	12,701,182	0.0%	10,810,983	117%
1/1/2015	-	16,677,000	0.0%	11,292,000	148%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 4.5%. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2015, was 20 years. At January 1, 2015, the number of active participants was 151 and the number of retirees receiving benefits was 119.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 8: Risk Management**

The City is partially self-insured for general liability insurance. The City is responsible for claims up to \$100,000 per occurrence. Coverage in excess of the City’s self-insured retention is purchased through CSAC Excess Insurance Authority (CSAC-EIA) up to the statutory limits. The City participates in a risk pool for general liability insurance through CSAC-EIA above the City’s self-insured retention of \$100,000 up to \$4,900,000 per occurrence. Reinsurance coverage in excess of the pool layer up to \$25,000,000 is purchased through CSAC-EIA. CSAC-EIA retains responsibility for claims in excess of each member’s self-insured retention.

For workers’ compensation insurance, the City is covered from the first dollar. Coverage between \$1 and \$5,000,000 is provided by CSAC-EIA. CSAC-EIA participates in an excess pool which provides coverage from \$5,000,000 to \$50,000,000 and purchases excess insurance above \$50,000,000 to the statutory limit.

Workers’ compensation and general liability claims incurred prior to July 1, 2014 were covered through the City’s participation in the California Joint Powers Insurance Authority.

**Note 9: Commitments and Contingencies**

As of June 30, 2015, the City had the following construction commitments:

Project Names	Contract Amount	Expenditures to date as of June 30, 2015	Remaining Commitments
Sewer Rehabilitation & Repair Project Phase I	\$ 3,546,579	\$ 3,126,503	\$ 420,076
Garfield Reservoir Replacement Project	19,724,046	2,088,470	17,635,576

Due to the occurrence of several spills from the City’s sanitary sewer system, the City entered into a settlement on November 16, 2011, with the Regional Water Quality Control Board, Los Angeles Region and the state Attorney General for violations of the state’s general waste discharge requirements. The settlement required the City to cover fines and attorney fees in the amount of \$275,000, complete repairs to its sanitary sewer system over a 10 year period, and implement specified system maintenance programs. The total estimated cost of repairs is \$11.4 million. These requirements will be monitored through an open court proceeding and, if not met; the City could be subjected to further monetary penalties capped at \$900,000. That cap will be reduced periodically when stages of compliance are reached. The City’s settlement amount of \$275,000 less the costs of the asset management system was incurred in the Sewer fund. The cost of repairs that is estimated to be \$11.4 million over a ten year period will be capitalized as infrastructure costs.

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes that based upon consultation with the City Attorney, that these cases in the aggregate are not expected to result in a material adverse financial impact on the City beyond that already accrued for in the basic financial statements. Additionally, City management believes that sufficient resources are available to the City to cover any potential losses, should an unfavorable outcome materialize.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 10: Successor Agency Trust for Assets of Former Community Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of South Pasadena that previously had reported a community redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a community redevelopment agency, a “successor agency” is to be established to hold the assets until they are distributed to other units of state and local government. On January 4, 2012, the City Council elected to become the Successor Agency for the former community redevelopment agency in accordance with the Bill as part of City resolution number 7205.

After enactment of the law, which occurred on June 28, 2011, community redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former community redevelopment agency until all enforceable obligations of the prior community redevelopment agency have been paid in full and all assets have been liquidated.

**a. Cash and Investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 965,089
Cash and investments with fiscal agent	197,950
	<u>\$ 1,163,039</u>

**b. Long-Term Debt**

The following debt was transferred from the Community Redevelopment Agency to the Successor Agency as of February 1, 2012, as a result of the dissolution.

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
<b>Fiduciary Funds:</b>					
2000 Tax Allocation Bond	<u>\$ 1,550,000</u>	<u>\$ -</u>	<u>\$ (105,000)</u>	<u>\$ 1,445,000</u>	<u>\$ 110,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 10: Successor Agency Trust for Assets of Former Community Redevelopment Agency  
 (Continued)**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2015, follows:

2000 Tax Allocation Bonds

In July 2000, the Agency issued \$2,600,000 in tax allocation bonds for the Downtown Revitalization Project No. 1, which mature annually from May 1, 2001 to May 1, 2025, in increasing amounts from \$55,000 to \$195,000, plus interest at 4.4% to 6.0%, payable semiannually on May 1 and November 1, commencing on November 1, 2000. Bonds are subject to redemption at the option of the Agency beginning May 1, 2010, at a price ranging from 102% to 100% of principal value. Debt service on the bonds is provided by incremental property tax revenues generated within the Downtown Redevelopment Project Area. At June 30, 2015, \$1,445,000 was outstanding.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the community redevelopment agency, property taxes allocated to community redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved community redevelopment agency. Total principal and interest remaining on the debt is \$1,961,700 with annual debt service requirements as indicated above. For the current fiscal year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved Community Redevelopment Agency was \$350,398 and the debt service obligation on the bonds was \$197,118.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2015, including interest are as follows:

Fiscal Years Ending June 30,	2000 Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 110,000	\$ 86,082	\$ 196,082
2017	115,000	79,702	194,702
2018	125,000	72,946	197,946
2019	130,000	65,570	195,570
2020	140,000	57,900	197,900
2021-2025	825,000	154,500	979,500
	<u>\$ 1,445,000</u>	<u>\$ 516,700</u>	<u>\$ 1,961,700</u>

**Note 10: Successor Agency Trust for Assets of Former Community Redevelopment Agency (Continued)**

**c. Insurance**

The Successor Agency is covered under the City of South Pasadena's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 8.

**Note 11: Restatements**

Beginning fund balance/net position have been restated as follows:

Government-wide statement:

Governmental activities – The restatement of (\$23,865,085) is due to the City implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during fiscal year 2014-2015 in an amount of (\$24,372,951), an overstatement of Other Post-employment Benefits \$942,772, an understatement of unearned revenue (\$193,708), an overstatement of accounts receivable in the amount of (\$38,161) and an overstatement of inventory in the amount of (\$203,037).

Proprietary fund statements and business type activities:

Water Fund – The restatement of (\$2,497,199) is due to the City implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during fiscal year 2014-2015 in an amount of (\$1,709,013) and an understatement of Other Post-employment Benefits in an amount of (\$788,186).

Sewer Fund – The restatement of (\$575,515) is due to the City implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during fiscal year 2014-2015 in an amount of (\$420,919) and an understatement of Other Post-employment Benefits in an amount of (\$154,586).

Arroyo Seco Golf Course Fund – The restatement of \$27,255 is due to an understatement of inventory in the amount of \$8,642 and an understatement of capital assets and related accumulated depreciation in the net amount of \$18,613.

Governmental fund statements:

General Fund – The restatement of (\$241,198) is due to an overstatement of accounts receivable in the amount of (\$38,161) and an overstatement of inventory in the amount of (\$203,037).

**CITY OF SOUTH PASADENA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 12: Deficit Fund Balance**

The following funds contained deficit fund balances at June 30, 2015:

Fund	Amount
Nonmajor governmental funds:	
MTA Pedestrian Improvement	\$ 29,951
CTC Traffic Improvement Grant	89
Mission Meridian Public Garage	287,110
County Park Bond	149,011
Homeland Security Grant	15,923
MSRC Grant	90,539

The City intends to fund these deficits with future revenues, transfers, and reduction of expenditures/expenses in future years.

**Note 13: Supplementary Budgetary information**

The City did not adopt a budget for the following funds: CTC Traffic Improvement Grant, Gold Line Mitigation, County Park Bond, Public Library Grant, TEA/Metro Grant, MSRC Grant, and Historic Presentation Grant Fund. Accordingly, such budgetary information is not included as supplementary information.

Excess of expenditures over appropriations at the fund level were as follows:

Fund	Expenditures	Appropriations	Excess
Special Revenue Funds:			
Parking and Business Improvement	\$ 163,500	\$ 151,000	\$ 12,500
Mission Meridian Public Garage	30,381	27,798	2,583
Bike and Pedestrian Paths	89,519	68,000	21,519
CDBG	146,078	139,902	6,176
Asset Forfeiture	4,639	-	4,639
State Police Grant	108,378	13,455	94,923
Homeland Security Grant	51,702	1,693	50,009
Housing Authority	27,381	-	27,381

**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

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CITY OF SOUTH PASADENA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 19,025,110	\$ 19,025,110	\$ 19,085,074	\$ 59,964
Licenses and permits	987,520	987,520	1,012,625	25,105
Intergovernmental	34,000	34,000	439,733	405,733
Charges for services	2,924,078	2,924,078	3,430,665	506,587
Use of money and property	386,070	386,070	520,877	134,807
Fines and forfeitures	530,000	530,000	347,585	(182,415)
Miscellaneous	238,000	238,000	351,974	113,974
Total revenues	<u>24,124,778</u>	<u>24,124,778</u>	<u>25,188,533</u>	<u>1,063,755</u>
Expenditures:				
General government:				
City council	61,103	61,103	51,733	9,370
City clerk	370,990	390,744	366,336	24,408
Elections	750	750	1,287	(537)
City manager	930,330	930,330	830,416	99,914
Personnel	221,275	230,279	247,364	(17,085)
Transportation planning	187,800	187,800	222,373	(34,573)
Legal services	255,000	255,000	255,007	(7)
Finance	538,039	562,039	653,960	(91,921)
City treasurer	9,348	9,348	9,291	57
Information services	300,100	300,100	302,435	(2,335)
Non-departmental	940,089	940,089	791,251	148,838
Public safety:				
Police	7,003,982	7,006,326	7,197,794	(191,468)
Fire	4,055,747	4,057,967	4,430,579	(372,612)
Community development:				
Community development	948,211	968,922	1,093,717	(124,795)
Community services:				
Library	1,537,831	1,537,831	1,533,840	3,991
Senior center	277,305	277,305	297,272	(19,967)
Recreation	272,326	282,326	279,225	3,101
After-school day care	537,202	537,202	613,593	(76,391)
Public works:				
Public works administration	514,958	525,698	423,981	101,717
Environmental services	237,173	238,536	148,512	90,024
Park maintenance	455,091	466,189	367,340	98,849
Facilities maintenance	613,554	613,554	647,873	(34,319)
Capital outlay	2,868,600	4,537,026	2,523,692	2,013,334
Debt service:				
Principal retirement	61,308	61,308	55,725	5,583
Interest and fiscal charges			5,583	(5,583)
Total expenditures	<u>23,198,112</u>	<u>24,977,772</u>	<u>23,350,179</u>	<u>1,627,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>926,666</u>	<u>(852,994)</u>	<u>1,838,354</u>	<u>2,691,348</u>
Other financing sources (uses):				
Transfers out	<u>(582,497)</u>	<u>(582,497)</u>	<u>(596,137)</u>	<u>(13,640)</u>
Total other financing sources (uses)	<u>(582,497)</u>	<u>(582,497)</u>	<u>(596,137)</u>	<u>(13,640)</u>
Net change in fund balances	<u>344,169</u>	<u>(1,435,491)</u>	<u>1,242,217</u>	<u>2,677,708</u>
Fund balance at beginning of fiscal year	16,646,241	16,646,241	16,646,241	
Restatements			(241,198)	(241,198)
Fund balances at beginning of fiscal year, as restated	<u>16,646,241</u>	<u>16,646,241</u>	<u>16,405,043</u>	<u>(241,198)</u>
Fund balance at end of fiscal year	<u>\$ 16,990,410</u>	<u>\$ 15,210,750</u>	<u>\$ 17,647,260</u>	<u>\$ 2,436,510</u>

See Notes to the Required Supplemental Information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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**Note 1: Budgetary Information**

**a. Appropriations and Budgetary Control**

Budgetary control is an essential element in governmental financial reporting. The City, a general law city in the State of California, does not legally require a budget. However, the City Council annually reviews and adopts a budget for the General, Special Revenue, Capital Projects and Enterprise Fund types. To facilitate a greater understanding of the City's operations, budget information for the General, Special Revenue and Capital Projects Funds is included in the accompanying basic financial statements. This detailed budget document is published and is a matter of public record. Each year, the City Manager submits his proposed budget to the City Council. The City Council holds public hearings and may modify the appropriations by majority approval. The legal level of expenditures is controlled at the fund level and operating appropriations lapse at the end of each fiscal year. All budgeted amounts are reported on the same basis as the fund types and adopted on a basis consistent with accounting principles generally accepted in the United States of America. Changes in appropriations at the fund level during the year must be submitted by the City's departments for City Council review and approval. The City Manager may, without Council approval, amend individual line items within any fund and between divisions and programs, in personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund. Department heads may, without Council approval, amend individual line items within any fund in the maintenance and operation portions of the budget without increasing total appropriations for that division. Budget revisions made during fiscal year 2015 were not significant.

CITY OF SOUTH PASADENA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\*

Note 2: Schedules of the City's Proportionate Share of the Net Pension Liability

	Miscellaneous Fiscal Year 2014-15
Proportion of the net pension liability	0.13343%
Proportionate share of the net pension liability	\$ 8,302,609
Covered employee payroll	5,722,421
Proportionate Share of the net pension liability as a percentage of covered employee payroll	145.09%
Plan's fiduciary net position	33,726,710
Plan's total pension liability	42,029,319
Plan fiduciary net position as a percentage of total pension liability	80.25%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only one year is shown.

CITY OF SOUTH PASADENA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\*

Note 2: Schedules of the City's Proportionate Share of the Net Pension Liability (Continued)

	Miscellaneous PEPRA Fiscal Year 2014-15
Proportion of the net pension liability	0.00001%
Proportionate share of the net pension liability	\$ 474
Covered employee payroll	112,020
Proportionate Share of the net pension liability as a percentage of covered employee payroll	0.42%
Plan's fiduciary net position	2,315
Plan's total pension liability	2,789
Plan fiduciary net position as a percentage of total pension liability	83.00%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

\*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF SOUTH PASADENA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\*

Note 2: Schedules of the City's Proportionate Share of the Net Pension Liability (Continued)

	<b>Safety</b>
	Fiscal Year 2014-15
Proportion of the net pension liability	0.22315%
Proportionate share of the net pension liability	\$ 13,885,453
Covered employee payroll	4,679,610
Proportionate Share of the net pension liability as a percentage of covered employee payroll	296.72%
Plan's fiduciary net position	60,842,423
Plan's total pension liability	74,727,876
Plan fiduciary net position as a percentage of total pension liability	81.42%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

\*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF SOUTH PASADENA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\*

Note 2: Schedules of the City's Proportionate Share of the Net Pension Liability (Continued)

	Safety PEPRA Fiscal Year 2014-15
Proportion of the net pension liability	0.00002%
Proportionate share of the net pension liability	\$ 934
Covered employee payroll	40,777
Proportionate Share of the net pension liability as a percentage of covered employee payroll	2.29%
Plan's fiduciary net position	4,092
Plan's total pension liability	5,026
Plan fiduciary net position as a percentage of total pension liability	81.42%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

\*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\*

Note 3: Schedules of Pension Contributions

	<b>Miscellaneous</b>
	Fiscal Year 2014-15
Actuarially Determined Contribution <sup>2</sup>	\$ 845,837
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(845,837)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll <sup>3</sup>	\$ 5,367,742
Contributions as a Percentage of Covered Employee Payroll <sup>3</sup>	15.76%

<sup>1</sup>Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup>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.

<sup>3</sup>Covered Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered employee payroll as the total payroll of employees pension plan. Accordingly, if pensionable earnings are different than total earnings for covered employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining amortization period	19 years
Assets Valuation Method	15 year smoothed market
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service and type of employment
Payroll Growth	3.00%
Investment Rate of Return	7.50% net of administrative expenses
Retirement Age	50-56 years
Mortality	The mortality assumptions are based on mortality rates resulting from the CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\***

**Note 3: Schedules of Pension Contributions (Continued)**

	<b>Miscellaneous PEPRA</b>	
	Fiscal Year 2014-15	
Actuarially Determined Contribution <sup>2</sup>	\$	51,607
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>		(51,607)
Contribution Deficiency (Excess)	\$	<u>-</u>
Covered Employee Payroll <sup>3</sup>	\$	762,824
Contributions as a Percentage of Covered Employee Payroll <sup>3</sup>		6.77%

<sup>1</sup>Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup>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.

<sup>3</sup>Covered Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered employee payroll as the total payroll of employees pension plan. Accordingly, if pensionable earnings are different than total earnings for covered employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining amortization period	19 years
Assets Valuation Method	15 year smoothed market
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service and type of employment
Payroll Growth	3.00%
Investment Rate of Return	7.50% net of administrative expenses
Retirement Age	50-56 years
Mortality	The mortality assumptions are based on mortality rates resulting from the CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\***

**Note 3: Schedules of Pension Contributions (Continued)**

	<b>Safety</b>
	Fiscal Year 2014-15
Actuarially Determined Contribution <sup>2</sup>	\$ 982,132
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(982,132)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll <sup>3</sup>	\$ 4,089,749
Contributions as a Percentage of Covered Employee Payroll <sup>3</sup>	24.01%

<sup>1</sup>Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup>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.

<sup>3</sup>Covered Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered employee payroll as the total payroll of employees pension plan. Accordingly, if pensionable earnings are different than total earnings for covered employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining amortization period	13 years
Assets Valuation Method	15 year smoothed market
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service and type of employment
Payroll Growth	3.00%
Investment Rate of Return	7.50% net of administrative expenses
Retirement Age	50-55 years
Mortality	The mortality assumptions are based on mortality rates resulting from the CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years\***

**Note 3: Schedule of Pension Contributions (Continued)**

	<b>Safety PEPRA</b>	
	Fiscal Year 2014-15	
Actuarially Determined Contribution <sup>2</sup>	\$	46,884
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>		(46,884)
Contribution Deficiency (Excess)	\$	<u>-</u>
Covered Employee Payroll <sup>3</sup>	\$	373,303
Contributions as a Percentage of Covered Employee Payroll <sup>3</sup>		12.56%

<sup>1</sup>Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup>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.

<sup>3</sup>Covered Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered employee payroll as the total payroll of employees pension plan. Accordingly, if pensionable earnings are different than total earnings for covered employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining amortization period	13 years
Assets Valuation Method	15 year smoothed market
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service and type of employment
Payroll Growth	3.00%
Investment Rate of Return	7.50% net of administrative expenses
Retirement Age	50-55 years
Mortality	The mortality assumptions are based on mortality rates resulting from the CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**OTHER SUPPLEMENTARY INFORMATION SECTION**

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CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds			
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"	CTC Traffic Improvement Grant
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 561,191	\$ 349,907	\$ 18
Receivables:				
Accounts		17,078	2,768	
Accrued interest		207	131	
Due from other governments	28,436			61
<b>Total Assets</b>	<b>\$ 28,436</b>	<b>\$ 578,476</b>	<b>\$ 352,806</b>	<b>\$ 79</b>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 8,808	\$ 5,439	\$ -
Accrued liabilities		5,577	6,038	168
Deposits payable				
Due to other funds	29,951			
<b>Total Liabilities</b>	<b>29,951</b>	<b>14,385</b>	<b>11,477</b>	<b>168</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	28,436			
<b>Total Deferred Inflow of Resources</b>	<b>28,436</b>			
<b>Fund Balances:</b>				
Restricted for:				
Community development projects				
Public safety - Police				
Community services		564,091		
Public works - Streets and roads			341,329	
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned	(29,951)			(89)
<b>Total Fund Balances (Deficit)</b>	<b>(29,951)</b>	<b>564,091</b>	<b>341,329</b>	<b>(89)</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 28,436</b>	<b>\$ 578,476</b>	<b>\$ 352,806</b>	<b>\$ 79</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
<b>Assets:</b>				
Pooled cash and investments	\$ 206,722	\$ 105,760	\$ 115,981	\$ 60,381
Receivables:				
Accounts	27,672			
Accrued interest		40		
Due from other governments		8,468		
<b>Total Assets</b>	<b>\$ 234,394</b>	<b>\$ 114,268</b>	<b>\$ 115,981</b>	<b>\$ 60,381</b>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 41,502	\$ -	\$ -	\$ -
Accrued liabilities	11,508	15		
Deposits payable				
Due to other funds				
<b>Total Liabilities</b>	<b>53,010</b>	<b>15</b>		
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues				
<b>Total Deferred Inflow of Resources</b>				
<b>Fund Balances:</b>				
Restricted for:				
Community development projects				
Public safety - Police				
Community services				
Public works - Streets and roads				
Capital projects		114,253	115,981	60,381
Public works - Street lighting	181,384			
Committed to:				
Capital projects				
Unassigned				
<b>Total Fund Balances (Deficit)</b>	<b>181,384</b>	<b>114,253</b>	<b>115,981</b>	<b>60,381</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 234,394</b>	<b>\$ 114,268</b>	<b>\$ 115,981</b>	<b>\$ 60,381</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Mission Meridian Public Garage	State Gas Tax	County Park Bond	Bike and Pedestrian Paths
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 962,872	\$ -	\$ -
Receivables:				
Accounts		29		
Accrued interest		351		
Due from other governments				
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 963,252</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,275	\$ 29,421	\$ 1,735	\$ -
Accrued liabilities		19,593		
Deposits payable				
Due to other funds	284,835		147,276	
<b>Total Liabilities</b>	<b>287,110</b>	<b>49,014</b>	<b>149,011</b>	
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues				
<b>Total Deferred Inflow of Resources</b>				
<b>Fund Balances:</b>				
Restricted for:				
Community development projects				
Public safety - Police				
Community services				
Public works - Streets and roads		914,238		
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned	(287,110)		(149,011)	
<b>Total Fund Balances (Deficit)</b>	<b>(287,110)</b>	<b>914,238</b>	<b>(149,011)</b>	
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 963,252</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Capital Growth Requirements	C.D.B.G.	Asset Forfeiture	CLEEP
<b>Assets:</b>				
Pooled cash and investments	\$ 220,369	\$ -	\$ 16,766	\$ 5,180
Receivables:				
Accounts				
Accrued interest	82		7	2
Due from other governments		695		
<b>Total Assets</b>	<b>\$ 220,451</b>	<b>\$ 695</b>	<b>\$ 16,773</b>	<b>\$ 5,182</b>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 17,693	\$ -	\$ -	\$ -
Accrued liabilities				
Deposits payable				
Due to other funds		333		
<b>Total Liabilities</b>	<b>17,693</b>	<b>333</b>		
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues				
<b>Total Deferred Inflow of Resources</b>				
<b>Fund Balances:</b>				
Restricted for:				
Community development projects		362		
Public safety - Police			16,773	5,182
Community services				
Public works - Streets and roads				
Capital projects	202,758			
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned				
<b>Total Fund Balances (Deficit)</b>	<b>202,758</b>	<b>362</b>	<b>16,773</b>	<b>5,182</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 220,451</b>	<b>\$ 695</b>	<b>\$ 16,773</b>	<b>\$ 5,182</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Public Library Grant	State Police Grant	Homeland Security Grant	Park Impact Fees
<b>Assets:</b>				
Pooled cash and investments	\$ 6,445	\$ 95,842	\$ -	\$ 398,353
Receivables:				
Accounts				
Accrued interest		38		
Due from other governments			5,040	
<b>Total Assets</b>	<u>\$ 6,445</u>	<u>\$ 95,880</u>	<u>\$ 5,040</u>	<u>\$ 398,353</u>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,077
Accrued liabilities				
Deposits payable				
Due to other funds			15,923	
<b>Total Liabilities</b>			<u>15,923</u>	<u>5,077</u>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues			5,040	
<b>Total Deferred Inflow of Resources</b>			<u>5,040</u>	
<b>Fund Balances:</b>				
Restricted for:				
Community development projects				
Public safety - Police		95,880		
Community services	6,445			393,276
Public works - Streets and roads				
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned			(15,923)	
<b>Total Fund Balances (Deficit)</b>	<u>6,445</u>	<u>95,880</u>	<u>(15,923)</u>	<u>393,276</u>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<u>\$ 6,445</u>	<u>\$ 95,880</u>	<u>\$ 5,040</u>	<u>\$ 398,353</u>

CITY OF SOUTH PASADENA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Measure R	TEA/Metro Grant Fund	Public Education	MSRC Grant Fund
<b>Assets:</b>				
Pooled cash and investments	\$ 693,952	\$ 374,011	\$ 73,812	\$ -
Receivables:				
Accounts			6,489	
Accrued interest	258	144		
Due from other governments				
<b>Total Assets</b>	<b>\$ 694,210</b>	<b>\$ 374,155</b>	<b>\$ 80,301</b>	<b>\$ -</b>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Deposits payable				
Due to other funds				90,539
<b>Total Liabilities</b>				<b>90,539</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues				
<b>Total Deferred Inflow of Resources</b>				
<b>Fund Balances:</b>				
Restricted for:				
Community development projects			80,301	
Public safety - Police				
Community services				
Public works - Streets and roads	694,210	374,155		
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned				(90,539)
<b>Total Fund Balances (Deficit)</b>	<b>694,210</b>	<b>374,155</b>	<b>80,301</b>	<b>(90,539)</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 694,210</b>	<b>\$ 374,155</b>	<b>\$ 80,301</b>	<b>\$ -</b>

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds		Capital Project Fund	Total Governmental Funds
	Historic Presentation Grant Fund	Housing Authority Fund	Facilities & Equip. Capital Project	
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 19,020	\$ 620,351	\$ 4,886,933
Receivables:				
Accounts				54,036
Accrued interest		7		1,267
Due from other governments				42,700
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 19,027</b>	<b>\$ 620,351</b>	<b>\$ 4,984,936</b>
<b><u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 158,879	\$ 270,829
Accrued liabilities				42,899
Deposits payable		729		729
Due to other funds				568,857
<b>Total Liabilities</b>		<b>729</b>	<b>158,879</b>	<b>883,314</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues				33,476
<b>Total Deferred Inflow of Resources</b>				<b>33,476</b>
<b>Fund Balances:</b>				
Restricted for:				
Community development projects		18,298		98,961
Public safety - Police				117,835
Community services				963,812
Public works - Streets and roads				2,323,932
Capital projects				493,373
Public works - Street lighting				181,384
Committed to:				
Capital projects			461,472	461,472
Unassigned				(572,623)
<b>Total Fund Balances (Deficit)</b>		<b>18,298</b>	<b>461,472</b>	<b>4,068,146</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 19,027</b>	<b>\$ 620,351</b>	<b>\$ 4,984,936</b>

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			CTC Traffic Improvement Grant
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"	
<b>Revenues:</b>				
Taxes	\$ -	\$ 457,288	\$ 378,782	\$ -
Assessments				
Licenses and permits			34,915	
Intergovernmental				61
Charges for services		4,922		
Use of money and property		1,795	1,252	
Contributions				
Miscellaneous		21,587		
<b>Total Revenues</b>		<b>485,592</b>	<b>414,949</b>	<b>61</b>
<b>Expenditures:</b>				
Current:				
General government		27,721	35,160	266
Public safety				
Community development				
Community services		200,904	177,779	
Public works				
Capital outlay		59,100	81,089	
<b>Total Expenditures</b>		<b>287,725</b>	<b>294,028</b>	<b>266</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<b>197,867</b>	<b>120,921</b>	<b>(205)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	172,497			
Transfers out				
<b>Total Other Financing Sources (Uses)</b>	<b>172,497</b>			
Net Change in Fund Balances	172,497	197,867	120,921	(205)
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<b>(202,448)</b>	<b>366,224</b>	<b>220,408</b>	<b>116</b>
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<b>\$ (29,951)</b>	<b>\$ 564,091</b>	<b>\$ 341,329</b>	<b>\$ (89)</b>

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(Continued)

	Special Revenue Funds			
	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 163,045	\$ -
Assessments	895,798			
Licenses and permits				
Intergovernmental		32,272		
Charges for services				
Use of money and property		362		
Contributions	12,365			
Miscellaneous	1,943			
<b>Total Revenues</b>	<b>910,106</b>	<b>32,634</b>	<b>163,045</b>	
<b>Expenditures:</b>				
Current:				
General government		427	163,500	
Public safety				
Community development				
Community services				
Public works	877,658			
Capital outlay	18,490			
<b>Total Expenditures</b>	<b>896,148</b>	<b>427</b>	<b>163,500</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,958	32,207	(455)	
<b>Other Financing Sources (Uses):</b>				
Transfers in				
Transfers out	(29,000)			
<b>Total Other Financing Sources (Uses)</b>	<b>(29,000)</b>			
Net Change in Fund Balances	(15,042)	32,207	(455)	
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<b>196,426</b>	<b>82,046</b>	<b>116,436</b>	<b>60,381</b>
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<b>\$ 181,384</b>	<b>\$ 114,253</b>	<b>\$ 115,981</b>	<b>\$ 60,381</b>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Mission Meridian Public Garage	State Gas Tax	County Park Bond	Bike and Pedestrian Paths
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental		655,708		89,519
Charges for services				
Use of money and property		3,740		
Contributions				
Miscellaneous				
<b>Total Revenues</b>		<b>659,448</b>		<b>89,519</b>
<b>Expenditures:</b>				
Current:				
General government	30,381			
Public safety				
Community development				
Community services				
Public works		617,710	23,979	
Capital outlay		95,741		89,519
<b>Total Expenditures</b>	<b>30,381</b>	<b>713,451</b>	<b>23,979</b>	<b>89,519</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,381)</u>	<u>(54,003)</u>	<u>(23,979)</u>	
<b>Other Financing Sources (Uses):</b>				
Transfers in				
Transfers out				
<b>Total Other Financing Sources (Uses)</b>				
Net Change in Fund Balances	(30,381)	(54,003)	(23,979)	
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<u>(256,729)</u>	<u>968,241</u>	<u>(125,032)</u>	
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<u>\$ (287,110)</u>	<u>\$ 914,238</u>	<u>\$ (149,011)</u>	<u>\$ -</u>

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Capital Growth Requirements	C.D.B.G.	Asset Forfeiture	CLEEP
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental		124,827		
Charges for services	136,984			
Use of money and property	683		86	21
Contributions				
Miscellaneous		21,613		
<b>Total Revenues</b>	<b>137,667</b>	<b>146,440</b>	<b>86</b>	<b>21</b>
<b>Expenditures:</b>				
Current:				
General government				
Public safety				
Community development				
Community services		39,314		
Public works				
Capital outlay	31,931	106,764	4,639	
<b>Total Expenditures</b>	<b>31,931</b>	<b>146,078</b>	<b>4,639</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	105,736	362	(4,553)	21
<b>Other Financing Sources (Uses):</b>				
Transfers in				
Transfers out				
<b>Total Other Financing Sources (Uses)</b>				
Net Change in Fund Balances	105,736	362	(4,553)	21
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<b>97,022</b>		<b>21,326</b>	<b>5,161</b>
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<b>\$ 202,758</b>	<b>\$ 362</b>	<b>\$ 16,773</b>	<b>\$ 5,182</b>

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(Continued)

	Special Revenue Funds			
	Public Library Grant	State Police Grant	Homeland Security Grant	Park Impact Fees
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental		106,230	47,500	
Charges for services				307,786
Use of money and property		449		
Contributions				
Miscellaneous				
<b>Total Revenues</b>		<b>106,679</b>	<b>47,500</b>	<b>307,786</b>
<b>Expenditures:</b>				
Current:				
General government				
Public safety		19,045	4,202	
Community development				
Community services				67,178
Public works				
Capital outlay		89,333	47,500	
<b>Total Expenditures</b>		<b>108,378</b>	<b>51,702</b>	<b>67,178</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<b>(1,699)</b>	<b>(4,202)</b>	<b>240,608</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in				
Transfers out				
<b>Total Other Financing Sources (Uses)</b>				
Net Change in Fund Balances		(1,699)	(4,202)	240,608
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<b>6,445</b>	<b>97,579</b>	<b>(11,721)</b>	<b>152,668</b>
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<b>\$ 6,445</b>	<b>\$ 95,880</b>	<b>\$ (15,923)</b>	<b>\$ 393,276</b>

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(Continued)

	Special Revenue Funds			
	Measure R	TEA/Metro Grant Fund	Public Education	MSRC Grant Fund
<b>Revenues:</b>				
Taxes	\$ 284,547	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental		373,302	25,173	
Charges for services				
Use of money and property	2,541	853		
Contributions				
Miscellaneous				
<b>Total Revenues</b>	<u>287,088</u>	<u>374,155</u>	<u>25,173</u>	
<b>Expenditures:</b>				
Current:				
General government				
Public safety				
Community development				
Community services				
Public works				
Capital outlay	295,968			
<b>Total Expenditures</b>	<u>295,968</u>			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,880)</u>	<u>374,155</u>	<u>25,173</u>	
<b>Other Financing Sources (Uses):</b>				
Transfers in				90,000
Transfers out				
<b>Total Other Financing Sources (Uses)</b>				<u>90,000</u>
Net Change in Fund Balances	(8,880)	374,155	25,173	90,000
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<u>703,090</u>		<u>55,128</u>	<u>(180,539)</u>
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<u>\$ 694,210</u>	<u>\$ 374,155</u>	<u>\$ 80,301</u>	<u>\$ (90,539)</u>

CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		Capital Projects Fund	Total Governmental Funds
	Historic Presentation Grant Fund	Housing Authority Fund	Facilities & Equip. Capital Project	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,283,662
Assessments				895,798
Licenses and permits				34,915
Intergovernmental	15,000			1,469,592
Charges for services				449,692
Use of money and property		9,535		21,317
Contributions				12,365
Miscellaneous				45,143
<b>Total Revenues</b>	<u>15,000</u>	<u>9,535</u>		<u>4,212,484</u>
<b>Expenditures:</b>				
Current:				
General government				257,455
Public safety				23,247
Community development		27,381		27,381
Community services				485,175
Public works				1,519,347
Capital outlay			295,975	1,216,049
<b>Total Expenditures</b>		<u>27,381</u>	<u>295,975</u>	<u>3,528,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,000</u>	<u>(17,846)</u>	<u>(295,975)</u>	<u>683,830</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in			146,000	408,497
Transfers out				(29,000)
<b>Total Other Financing Sources (Uses)</b>			<u>146,000</u>	<u>379,497</u>
Net Change in Fund Balances	15,000	(17,846)	(149,975)	1,063,327
<b>Fund Balances (Deficit), Beginning of Fiscal Year</b>	<u>(15,000)</u>	<u>36,144</u>	<u>611,447</u>	<u>3,004,819</u>
<b>Fund Balances (Deficit), End of Fiscal Year</b>	<u>\$ -</u>	<u>\$ 18,298</u>	<u>\$ 461,472</u>	<u>\$ 4,068,146</u>

CITY OF SOUTH PASADENA

MTA PEDESTRIAN IMPROVEMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ 172,497	\$ 172,497	\$ 172,497	\$ -
Total other financing sources and (uses)	172,497	172,497	172,497	
<b>Net Changes in Fund Balance</b>	172,497	172,497	172,497	
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	(202,448)	(202,448)	(202,448)	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ (29,951)</u>	<u>\$ (29,951)</u>	<u>\$ (29,951)</u>	<u>\$ -</u>

CITY OF SOUTH PASADENA

PROPOSITION "A"  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 452,772	\$ 452,772	\$ 457,288	\$ 4,516
Charges for services	5,000	5,000	4,922	(78)
Use of money and property	700	700	1,795	1,095
Miscellaneous	21,050	21,050	21,587	537
<b>Total Revenues</b>	<u>479,522</u>	<u>479,522</u>	<u>485,592</u>	<u>6,070</u>
<b>Expenditures:</b>				
Current:				
General government	26,294	26,294	27,721	(1,427)
Community services	274,088	304,638	200,904	103,734
Capital outlay		59,100	59,100	
<b>Total expenditures</b>	<u>300,382</u>	<u>390,032</u>	<u>287,725</u>	<u>102,307</u>
<b>Net Changes in Fund Balance</b>	179,140	89,490	197,867	108,377
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>366,224</u>	<u>366,224</u>	<u>366,224</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 545,364</u>	<u>\$ 455,714</u>	<u>\$ 564,091</u>	<u>\$ 108,377</u>

CITY OF SOUTH PASADENA

**PROPOSITION "C"**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 375,563	\$ 375,563	\$ 378,782	\$ 3,219
Licenses and permits	20,000	20,000	34,915	14,915
Use of money and property	500	500	1,252	752
<b>Total Revenues</b>	<u>396,063</u>	<u>396,063</u>	<u>414,949</u>	<u>18,886</u>
<b>Expenditures:</b>				
Current:				
General government	41,482	41,482	35,160	6,322
Community services	188,865	188,865	177,779	11,086
Capital outlay	110,352	216,329	81,089	135,240
Total expenditures	<u>340,699</u>	<u>446,676</u>	<u>294,028</u>	<u>152,648</u>
<b>Net Changes in Fund Balance</b>	55,364	(50,613)	120,921	171,534
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>220,408</u>	<u>220,408</u>	<u>220,408</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 275,772</u>	<u>\$ 169,795</u>	<u>\$ 341,329</u>	<u>\$ 171,534</u>

CITY OF SOUTH PASADENA

STREET LIGHTING  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Assessments	\$ 885,000	\$ 885,000	\$ 895,798	\$ 10,798
Contributions	10,000	10,000	12,365	2,365
Miscellaneous			1,943	1,943
<b>Total Revenues</b>	<u>895,000</u>	<u>895,000</u>	<u>910,106</u>	<u>15,106</u>
<b>Expenditures:</b>				
Current:				
Public works	1,047,057	1,047,057	877,658	169,399
Capital outlay	20,000	20,000	18,490	1,510
<b>Total expenditures</b>	<u>1,067,057</u>	<u>1,067,057</u>	<u>896,148</u>	<u>170,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(172,057)</u>	<u>(172,057)</u>	<u>13,958</u>	<u>186,015</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(29,000)</u>	<u>(29,000)</u>	<u>(29,000)</u>	
<b>Total other financing sources and (uses)</b>	<u>(29,000)</u>	<u>(29,000)</u>	<u>(29,000)</u>	
<b>Net Changes in Fund Balance</b>	<u>(201,057)</u>	<u>(201,057)</u>	<u>(15,042)</u>	<u>186,015</u>
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>196,426</u>	<u>196,426</u>	<u>196,426</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ (4,631)</u>	<u>\$ (4,631)</u>	<u>\$ 181,384</u>	<u>\$ 186,015</u>

CITY OF SOUTH PASADENA

CLEAN AIR ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 32,272	\$ 2,272
Use of money and property	400	400	362	(38)
<b>Total Revenues</b>	<u>30,400</u>	<u>30,400</u>	<u>32,634</u>	<u>2,234</u>
<b>Expenditures:</b>				
Current:				
General government	3,000	3,000	427	2,573
Capital outlay		38,504		38,504
Total expenditures	<u>3,000</u>	<u>41,504</u>	<u>427</u>	<u>41,077</u>
<b>Net Changes in Fund Balance</b>	27,400	(11,104)	32,207	43,311
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>82,046</u>	<u>82,046</u>	<u>82,046</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 109,446</u>	<u>\$ 70,942</u>	<u>\$ 114,253</u>	<u>\$ 43,311</u>

CITY OF SOUTH PASADENA

**PARKING AND BUSINESS IMPROVEMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 140,000	\$ 140,000	\$ 163,045	\$ 23,045
<b>Total Revenues</b>	<u>140,000</u>	<u>140,000</u>	<u>163,045</u>	<u>23,045</u>
<b>Expenditures:</b>				
Current:				
General government	<u>123,000</u>	<u>151,000</u>	<u>163,500</u>	<u>(12,500)</u>
Total expenditures	<u>123,000</u>	<u>151,000</u>	<u>163,500</u>	<u>(12,500)</u>
<b>Net Changes in Fund Balance</b>	17,000	(11,000)	(455)	10,545
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>116,436</u>	<u>116,436</u>	<u>116,436</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 133,436</u>	<u>\$ 105,436</u>	<u>\$ 115,981</u>	<u>\$ 10,545</u>

CITY OF SOUTH PASADENA

MISSION MERIDIAN PUBLIC GARAGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government	\$ 27,798	\$ 27,798	\$ 30,381	\$ (2,583)
Total expenditures	27,798	27,798	30,381	(2,583)
<b>Net Changes in Fund Balance</b>	(27,798)	(27,798)	(30,381)	(2,583)
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	(256,729)	(256,729)	(256,729)	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ (284,527)</u>	<u>\$ (284,527)</u>	<u>\$ (287,110)</u>	<u>\$ (2,583)</u>

CITY OF SOUTH PASADENA

STATE GAS TAX  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 671,970	\$ 671,970	\$ 655,708	\$ (16,262)
Use of money and property	2,000	2,000	3,740	1,740
<b>Total Revenues</b>	<u>673,970</u>	<u>673,970</u>	<u>659,448</u>	<u>(14,522)</u>
<b>Expenditures:</b>				
Current:				
Public works	609,561	609,561	617,710	(8,149)
Capital outlay	70,000	127,206	95,741	31,465
Total expenditures	<u>679,561</u>	<u>736,767</u>	<u>713,451</u>	<u>23,316</u>
<b>Net Changes in Fund Balance</b>	(5,591)	(62,797)	(54,003)	8,794
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>968,241</u>	<u>968,241</u>	<u>968,241</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 962,650</u>	<u>\$ 905,444</u>	<u>\$ 914,238</u>	<u>\$ 8,794</u>

CITY OF SOUTH PASADENA

BIKE AND PEDESTRIAN PATHS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 17,076	\$ 17,076	\$ 89,519	\$ 72,443
<b>Total Revenues</b>	17,076	17,076	89,519	72,443
<b>Expenditures:</b>				
Capital outlay		68,000	89,519	(21,519)
Total expenditures		68,000	89,519	(21,519)
<b>Net Changes in Fund Balance</b>	17,076	(50,924)		50,924
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>				
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	\$ 17,076	\$ (50,924)	\$ -	\$ 50,924

CITY OF SOUTH PASADENA

**CAPITAL GROWTH REQUIREMENTS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 32,000	\$ 32,000	\$ 136,984	\$ 104,984
Use of money and property	170	170	683	513
<b>Total Revenues</b>	<u>32,170</u>	<u>32,170</u>	<u>137,667</u>	<u>105,497</u>
<b>Expenditures:</b>				
Capital outlay	50,000	50,000	31,931	18,069
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>31,931</u>	<u>18,069</u>
<b>Net Changes in Fund Balance</b>	(17,830)	(17,830)	105,736	123,566
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>97,022</u>	<u>97,022</u>	<u>97,022</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 79,192</u>	<u>\$ 79,192</u>	<u>\$ 202,758</u>	<u>\$ 123,566</u>

CITY OF SOUTH PASADENA

C.D.B.G

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 124,724	\$ 124,724	\$ 124,827	\$ 103
Miscellaneous	12,498	12,498	21,613	9,115
<b>Total Revenues</b>	<u>137,222</u>	<u>137,222</u>	<u>146,440</u>	<u>9,218</u>
<b>Expenditures:</b>				
Current:				
Community services	31,000	31,000	39,314	(8,314)
Capital outlay	106,222	108,902	106,764	2,138
<b>Total expenditures</b>	<u>137,222</u>	<u>139,902</u>	<u>146,078</u>	<u>(6,176)</u>
<b>Net Changes in Fund Balance</b>		(2,680)	362	3,042
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>				
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ -</u>	<u>\$ (2,680)</u>	<u>\$ 362</u>	<u>\$ 3,042</u>

CITY OF SOUTH PASADENA

**ASSET FORFEITURE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 60	\$ 60	\$ 86	\$ 26
<b>Total Revenues</b>	<u>60</u>	<u>60</u>	<u>86</u>	<u>26</u>
<b>Expenditures:</b>				
Capital outlay			4,639	(4,639)
Total expenditures			<u>4,639</u>	<u>(4,639)</u>
<b>Net Changes in Fund Balance</b>	60	60	(4,553)	(4,613)
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>21,326</u>	<u>21,326</u>	<u>21,326</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 21,386</u>	<u>\$ 21,386</u>	<u>\$ 16,773</u>	<u>\$ (4,613)</u>

CITY OF SOUTH PASADENA

CLEEP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 10	\$ 10	\$ 21	\$ 11
<b>Total Revenues</b>	10	10	21	11
<b>Net Changes in Fund Balance</b>	10	10	21	11
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	5,161	5,161	5,161	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	\$ 5,171	\$ 5,171	\$ 5,182	\$ 11

CITY OF SOUTH PASADENA

STATE POLICE GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 106,230	\$ 6,230
Use of money and property	300	300	449	149
<b>Total Revenues</b>	<u>100,300</u>	<u>100,300</u>	<u>106,679</u>	<u>6,379</u>
<b>Expenditures:</b>				
Current:				
Public safety		12,464	19,045	(6,581)
Capital outlay		991	89,333	(88,342)
<b>Total expenditures</b>		<u>13,455</u>	<u>108,378</u>	<u>(94,923)</u>
<b>Net Changes in Fund Balance</b>	100,300	86,845	(1,699)	(88,544)
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>97,579</u>	<u>97,579</u>	<u>97,579</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 197,879</u>	<u>\$ 184,424</u>	<u>\$ 95,880</u>	<u>\$ (88,544)</u>

CITY OF SOUTH PASADENA

HOMELAND SECURITY GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 47,500	\$ 47,500
<b>Total Revenues</b>			47,500	47,500
<b>Expenditures:</b>				
Current:				
Public safety			4,202	(4,202)
Capital outlay		1,693	47,500	(45,807)
<b>Total expenditures</b>		1,693	51,702	(50,009)
<b>Net Changes in Fund Balance</b>		(1,693)	(4,202)	(2,509)
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	(11,721)	(11,721)	(11,721)	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ (11,721)</u>	<u>\$ (13,414)</u>	<u>\$ (15,923)</u>	<u>\$ (2,509)</u>

CITY OF SOUTH PASADENA

PARK IMPACT FEES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 30,000	\$ 30,000	\$ 307,786	\$ 277,786
<b>Total Revenues</b>	<u>30,000</u>	<u>30,000</u>	<u>307,786</u>	<u>277,786</u>
<b>Expenditures:</b>				
Current:				
Community services	30,000	73,289	67,178	6,111
Total expenditures	<u>30,000</u>	<u>73,289</u>	<u>67,178</u>	<u>6,111</u>
<b>Net Changes in Fund Balance</b>		(43,289)	240,608	283,897
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>152,668</u>	<u>152,668</u>	<u>152,668</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 152,668</u>	<u>\$ 109,379</u>	<u>\$ 393,276</u>	<u>\$ 283,897</u>

CITY OF SOUTH PASADENA

MEASURE R

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 281,676	\$ 281,676	\$ 284,547	\$ 2,871
Use of money and property	1,500	1,500	2,541	1,041
<b>Total Revenues</b>	<u>283,176</u>	<u>283,176</u>	<u>287,088</u>	<u>3,912</u>
<b>Expenditures:</b>				
Capital outlay		342,574	295,968	46,606
Total expenditures		<u>342,574</u>	<u>295,968</u>	<u>46,606</u>
<b>Net Changes in Fund Balance</b>	283,176	(59,398)	(8,880)	50,518
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>703,090</u>	<u>703,090</u>	<u>703,090</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 986,266</u>	<u>\$ 643,692</u>	<u>\$ 694,210</u>	<u>\$ 50,518</u>

CITY OF SOUTH PASADENA

PUBLIC EDUCATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 25,173	\$ 5,173
<b>Total Revenues</b>	20,000	20,000	25,173	5,173
<b>Net Changes in Fund Balance</b>	20,000	20,000	25,173	5,173
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	55,128	55,128	55,128	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	\$ 75,128	\$ 75,128	\$ 80,301	\$ 5,173

CITY OF SOUTH PASADENA

HOUSING AUTHORITY  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 8,758	\$ 8,758	\$ 9,535	\$ 777
<b>Total Revenues</b>	<u>8,758</u>	<u>8,758</u>	<u>9,535</u>	<u>777</u>
<b>Expenditures:</b>				
Current:				
Community development			27,381	(27,381)
Total expenditures			<u>27,381</u>	<u>(27,381)</u>
<b>Net Changes in Fund Balance</b>	8,758	8,758	(17,846)	(26,604)
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	<u>36,144</u>	<u>36,144</u>	<u>36,144</u>	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 44,902</u>	<u>\$ 44,902</u>	<u>\$ 18,298</u>	<u>\$ (26,604)</u>

CITY OF SOUTH PASADENA

FACILITIES & EQUIP. CAPITAL PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay	\$ 308,000	\$ 308,000	\$ 295,975	\$ 12,025
Total expenditures	308,000	308,000	295,975	12,025
Excess (deficiency) of revenues over (under) expenditures	(308,000)	(308,000)	(295,975)	12,025
Other financing sources (uses):				
Transfers in	146,000	146,000	146,000	
Total other financing sources and (uses)	146,000	146,000	146,000	
<b>Net Changes in Fund Balance</b>	(162,000)	(162,000)	(149,975)	12,025
<b>Fund Balance (Deficit) at Beginning of Fiscal Year</b>	611,447	611,447	611,447	
<b>Fund Balance (Deficit) at End of Fiscal Year</b>	<u>\$ 449,447</u>	<u>\$ 449,447</u>	<u>\$ 461,472</u>	<u>\$ 12,025</u>

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUND  
 June 30, 2015

	<u>Business-Type Activities- Enterprise Fund</u>
	<u>Arroyo Seco Golf Course</u>
<b>Assets:</b>	
Current:	
Cash and investments	\$ 935,656
Receivables:	
Accrued interest	128
Inventories	<u>8,642</u>
<b>Total Current Assets</b>	<u>944,426</u>
Noncurrent:	
Capital assets - not being depreciated	<u>13,716</u>
<b>Total Noncurrent Assets</b>	<u>13,716</u>
<b>Total Assets</b>	<u>958,142</u>
<b>Liabilities and Net Position:</b>	
<b>Liabilities:</b>	
Current:	
Due to other funds	<u>50,000</u>
<b>Total Current Liabilities</b>	<u>50,000</u>
Net position:	
Net investment in capital assets	13,716
Unrestricted	<u>894,426</u>
<b>Total Net Position</b>	<u>908,142</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 958,142</u>

CITY OF SOUTH PASADENA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 NON-MAJOR PROPRIETARY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	<u>Business-Type Activities- Enterprise Fund</u>
	<u>Arroyo Seco Golf Course</u>
<b>Operating Revenues:</b>	
Sales and service charges	\$ 1,133,562
Total Operating Revenues	<u>1,133,562</u>
<b>Operating Expenses:</b>	
Administration and general	918,763
Depreciation expense	<u>4,897</u>
<b>Total Operating Expenses</b>	<u>923,660</u>
Operating Income (Loss)	<u>209,902</u>
<b>Non-operating Revenues (expenses):</b>	
Interest revenue	<u>(70)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(70)</u>
Change in net position	<u>209,832</u>
Net Position at Beginning of Fiscal Year	671,055
Restatements	<u>27,255</u>
Net Position at Beginning of Fiscal Year, Restated	<u>698,310</u>
<b>Net Position at End of Fiscal Year</b>	<u>\$ 908,142</u>

CITY OF SOUTH PASADENA

STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities-Enterprise Fund
	Arroyo Seco Golf Course
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 1,133,562
Cash paid to suppliers for goods and services	(918,763)
	<u>214,799</u>
<b>Net Cash Provided by Operating Activities:</b>	<u>214,799</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received	(198)
	<u>(198)</u>
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>(198)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	214,601
Cash and Cash Equivalents at Beginning of Fiscal Year	<u>721,055</u>
Cash and Cash Equivalents at End of Fiscal Year	<u><u>\$ 935,656</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>	
Operating income	<u>\$ 209,902</u>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities</b>	
Depreciation	<u>4,897</u>
<b>Total Adjustments</b>	<u>4,897</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ 214,799</u></u>

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# Statistical Section

*This part of the City of South Pasadena's Statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the city's overall financial health.*

## **Contents**

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain trend information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.*

### **Debt Capacity**

*These schedules contain trend information to help the reader assess the affordability of the city's current levels of understanding debt and the city's ability to issue additional debt in the future.*

### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within the city's financial activities take place and to help make comparison over time and with other governments.*

### **Operating Information**

*These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.*

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

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## ***Financial Trends***

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City of South Pasadena

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

	2006	2007	2008	2009
<b>Government Activities</b>				
Net investment in capital assets	\$ 53,938,246	\$ 57,875,243	\$ 59,638,269	\$ 56,086,968
Restricted	3,700,356	4,454,617	3,725,863	6,609,467
Unrestricted	3,351,709	6,396,133	8,392,273	8,979,878
<b>Total governmental activities Net Position</b>	<b>\$ 60,990,311</b>	<b>\$ 68,725,993</b>	<b>\$ 71,756,405</b>	<b>\$ 71,676,313</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 3,042,921	\$ 3,263,489	\$ 2,791,280	\$ 1,890,240
Restricted	1,391,957	2,136,719	2,878,966	36,642,005
Unrestricted	3,319,590	2,831,187	3,542,152	(29,053,954)
<b>Total business-type activities Net Position</b>	<b>\$ 7,754,468</b>	<b>\$ 8,231,395</b>	<b>\$ 9,212,398</b>	<b>\$ 9,478,291</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 56,981,167	\$ 61,138,732	\$ 62,429,549	\$ 57,977,208
Restricted	5,092,313	6,591,336	6,604,829	43,251,472
Unrestricted	6,671,299	9,227,320	11,934,425	(20,074,076)
<b>Total primary government activities Net Position</b>	<b>\$ 68,744,779</b>	<b>\$ 76,957,388</b>	<b>\$ 80,968,803</b>	<b>\$ 81,154,604</b>

2010	2011	2012	2013	2014	2015
\$ 57,541,752	\$ 60,741,741	\$ 62,226,846	\$ 61,969,593	\$ 62,764,726	\$ 63,611,268
4,069,279	4,438,340	2,722,783	2,328,184	3,184,841	4,179,297
6,937,924	6,562,890	5,143,951	7,314,507	8,720,752	(14,506,500)
<b>\$ 68,548,955</b>	<b>\$ 71,742,971</b>	<b>\$ 70,093,580</b>	<b>\$ 71,612,284</b>	<b>\$ 74,670,319</b>	<b>\$ 53,284,065</b>
\$ 1,276,626	\$ 4,550,204	\$ 4,808,013	\$ 7,448,158	\$ 10,855,319	\$ 11,727,300
36,135,935	32,451,626	29,973,386	-	-	2,982,160
(28,488,758)	(26,740,899)	(22,097,380)	6,381,147	6,943,845	4,690,608
<b>\$ 8,923,803</b>	<b>\$ 10,260,931</b>	<b>\$ 12,684,019</b>	<b>\$ 13,829,305</b>	<b>\$ 17,799,164</b>	<b>\$ 19,400,068</b>
\$ 58,818,378	\$ 65,291,945	\$ 67,034,859	\$ 69,417,751	\$ 73,620,045	\$ 75,338,568
40,205,214	36,889,966	32,696,169	2,328,184	3,184,841	7,161,457
(21,550,834)	(20,178,009)	(16,953,429)	13,695,654	15,664,597	(9,815,892)
<b>\$ 77,472,758</b>	<b>\$ 82,003,902</b>	<b>\$ 82,777,599</b>	<b>\$ 85,441,589</b>	<b>\$ 92,469,483</b>	<b>\$ 72,684,133</b>

City of South Pasadena

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 4,623,433	\$ 4,401,369	\$ 3,911,227	\$ 5,513,124
Public safety	9,823,747	9,779,691	9,875,234	11,525,403
Community development	770,006	883,972	997,287	839,568
Community services	2,446,291	2,523,119	2,806,026	2,914,235
Public works	4,804,715	4,876,678	4,655,996	5,482,505
Interest on long-term debt	172,698	149,359	143,423	136,769
<b>Total Governmental Activities Expenses</b>	<b>\$ 22,640,890</b>	<b>\$ 22,614,188</b>	<b>\$ 22,389,193</b>	<b>\$ 26,411,604</b>
Business-Type Activities:				
Water utility	4,160,990	3,908,439	3,949,800	4,451,292
Sewer utility	-	-	-	-
Arroyo Seco Golf Course	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	<b>4,160,990</b>	<b>3,908,439</b>	<b>3,949,800</b>	<b>4,451,292</b>
<b>Total Primary Government Expenses</b>	<b>\$ 26,801,880</b>	<b>\$ 26,522,627</b>	<b>\$ 26,338,993</b>	<b>\$ 30,862,896</b>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General government	\$ 1,238,045	\$ 1,358,711	\$ 1,457,911	\$ 1,409,846
Public safety	589,211	569,946	1,306,513	1,349,175
Community development	715,970	598,718	801,200	405,086
Community services	686,560	690,544	514,523	627,296
Public works	1,119,950	1,079,883	1,244,935	1,118,262
<b>Total Charges for Services</b>	<b>4,349,736</b>	<b>4,297,802</b>	<b>5,325,082</b>	<b>4,909,665</b>
Operating Contributions and Grants:				
General government	1,397,311	500,002	150,998	214,373
Public safety	987,107	2,422,944	175,552	108,406
Community development	-	-	-	-
Community services	53,013	63,472	127,136	24,322
Public works	131,107	122,292	539,572	447,962
<b>Total Operating Contributions and Grants</b>	<b>2,568,538</b>	<b>3,108,710</b>	<b>993,258</b>	<b>795,063</b>
Capital Contributions and Grants:				
Community services	-	-	47,516	-
Public works	2,536,724	2,712,135	513,368	1,868,187
<b>Total Capital Contributions and Grants</b>	<b>2,536,724</b>	<b>2,712,135</b>	<b>560,884</b>	<b>1,868,187</b>
<b>Total Governmental Activities Program Revenue</b>	<b>9,454,998</b>	<b>10,118,647</b>	<b>6,879,224</b>	<b>7,572,915</b>
Business-Type Activities:				
Charges for services:				
Water utility	4,442,966	4,687,499	4,543,192	4,549,062
Sewer utility	-	-	-	-
Arroyo Seco Golf Course	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>4,442,966</b>	<b>4,687,499</b>	<b>4,543,192</b>	<b>4,549,062</b>
<b>Total Primary Government Program Revenues</b>	<b>13,897,964</b>	<b>14,806,146</b>	<b>11,422,416</b>	<b>12,121,977</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (13,185,892)	\$ (12,495,541)	\$ (15,509,969)	\$ (18,838,689)
Business-Type Activities	281,976	779,060	593,392	97,770
<b>Total Primary Government Net Expense</b>	<b>\$ (12,903,916)</b>	<b>\$ (11,716,481)</b>	<b>\$ (14,916,577)</b>	<b>\$ (18,740,919)</b>

2010	2011	2012	2013	2014	2015
\$ 5,816,414	\$ 5,935,671	\$ 7,449,632	\$ 4,152,804	\$ 5,039,084	\$ 4,354,683
11,589,395	10,939,183	11,596,854	11,217,279	11,012,625	12,363,366
920,339	911,718	948,777	902,945	918,665	1,116,084
3,033,614	3,175,891	3,052,840	3,101,910	3,132,433	3,336,626
5,484,601	4,863,335	5,306,742	4,758,677	4,990,390	5,578,457
131,539	125,032	47,185	8,288	4,465	4,335
<u>\$ 26,975,902</u>	<u>\$ 25,950,830</u>	<u>\$ 28,402,030</u>	<u>\$ 24,141,903</u>	<u>\$ 25,097,662</u>	<u>\$ 26,753,551</u>
7,144,268	5,105,517	4,598,754	6,135,803	5,804,509	4,772,647
861,207	715,395	1,104,098	838,800	998,603	968,996
-	-	985,611	888,930	930,255	923,660
<u>8,005,475</u>	<u>5,820,912</u>	<u>6,688,463</u>	<u>7,863,533</u>	<u>7,733,367</u>	<u>6,665,303</u>
<u>\$ 34,981,377</u>	<u>\$ 31,771,742</u>	<u>\$ 35,090,493</u>	<u>\$ 32,005,436</u>	<u>\$ 32,831,029</u>	<u>\$ 33,418,854</u>
\$ 1,319,410	\$ 1,472,338	\$ 1,489,846	\$ 1,005,393	\$ 1,173,376	\$ 1,372,549
840,207	860,609	899,536	868,577	983,181	1,189,968
446,050	530,395	548,532	576,063	761,632	963,987
672,765	805,608	772,898	805,635	864,271	1,064,439
1,096,487	1,121,657	1,102,936	1,103,664	1,159,519	1,226,729
<u>4,374,919</u>	<u>4,790,607</u>	<u>4,813,748</u>	<u>4,359,332</u>	<u>4,941,979</u>	<u>5,817,672</u>
71,059	51,115	43,838	32,872	53,999	21,413
478,495	437,544	779,399	775,610	328,654	185,067
457,670	505,547	618,435	610,355	504,312	476,886
29,449	46,012	30,937	31,854	24,876	38,348
209,762	2,600,475	184,948	255,526	348,797	212,472
<u>1,246,435</u>	<u>3,640,693</u>	<u>1,657,557</u>	<u>1,706,217</u>	<u>1,260,638</u>	<u>934,186</u>
-	-	-	-	-	-
820,447	1,305,657	1,415,306	93,947	1,300,814	1,220,504
<u>820,447</u>	<u>1,305,657</u>	<u>1,415,306</u>	<u>93,947</u>	<u>1,300,814</u>	<u>1,220,504</u>
<u>6,441,801</u>	<u>9,736,957</u>	<u>7,886,611</u>	<u>6,159,496</u>	<u>7,503,431</u>	<u>7,972,362</u>
4,270,244	4,943,874	6,903,816	8,022,705	9,210,982	8,694,880
657,045	759,680	955,204	1,127,843	1,256,682	1,353,233
-	-	1,195,978	1,082,826	1,197,047	1,133,562
<u>4,927,289</u>	<u>5,703,554</u>	<u>9,054,998</u>	<u>10,233,374</u>	<u>11,664,711</u>	<u>11,181,675</u>
<u>11,369,090</u>	<u>15,440,511</u>	<u>16,941,609</u>	<u>16,392,870</u>	<u>19,168,142</u>	<u>19,154,037</u>
\$ (20,534,101)	\$ (16,213,873)	\$ (20,515,419)	\$ (17,982,407)	\$ (17,594,231)	\$ (18,781,189)
(3,078,186)	(117,358)	2,366,535	2,369,841	3,931,344	4,516,372
<u>\$ (23,612,287)</u>	<u>\$ (16,331,231)</u>	<u>\$ (18,148,884)</u>	<u>\$ (15,612,566)</u>	<u>\$ (13,662,887)</u>	<u>\$ (14,264,817)</u>

**City of South Pasadena**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Revenues and Other Changes In Net Position</b>			
Governmental Activities:			
Taxes:			
Property taxes, levied for general purpose	\$ 8,367,587	\$ 9,116,431	\$ 9,986,309
Sales taxes	2,890,126	2,911,037	3,078,717
Franchise taxes	717,624	769,549	777,675
Business licenses taxes	323,055	334,840	344,497
Other taxes	2,104,870	2,379,845	3,158,469
Motor Vehicle In Lieu - Unrestricted	88,757	171,499	110,144
Use of money and property	619,237	839,529	921,232
Gain on sale of assets	-	-	1,100,000
Other	646,065	127,106	69,013
Transfers	-	-	-
Extraordinary gain/loss on dissolution of RDA	-	-	-
<b>Total Governmental Activities</b>	<u>15,757,321</u>	<u>16,649,836</u>	<u>19,546,056</u>
Business-Type Activities:			
Use of money and property	369,399	401,925	370,557
Gain on sale of assets	-	-	11,075
Other	90,764	54,042	14,695
Transfers	-	-	-
<b>Total Business-Type Activities</b>	<u>460,163</u>	<u>455,967</u>	<u>396,327</u>
<b>Total Primary Government</b>	<u>\$ 16,217,484</u>	<u>\$ 17,105,803</u>	<u>\$ 19,942,383</u>
<b>Changes in Net Position</b>			
Governmental Activities	\$ 2,571,429	\$ 4,154,295	\$ 4,036,087
Business-Type Activities	742,139	1,235,027	989,719
<b>Total Primary Government</b>	<u>\$ 3,313,568</u>	<u>\$ 5,389,322</u>	<u>\$ 5,025,806</u>

2009	2010	2011	2012	2013	2014	2015
\$ 10,404,273	\$ 10,426,753	\$ 10,667,838	\$ 10,557,651	\$ 11,074,604	\$ 11,462,585	\$ 11,779,438
2,399,744	2,797,621	2,714,102	2,956,964	2,481,560	3,447,593	3,535,113
821,144	777,843	803,969	814,766	810,642	804,995	878,332
352,528	323,307	347,665	347,096	363,437	373,935	385,691
3,942,594	4,109,696	4,143,183	4,133,582	4,092,063	4,004,746	3,965,217
74,215	76,294	150,390	13,267	10,980	-	16,845
658,997	517,079	415,280	381,165	446,167	498,208	542,196
-	-	-	-	-	-	-
73,594	207,937	165,462	104,245	221,658	32,823	70,188
-	(1,829,787)	-	-	-	-	87,000
-	-	-	(442,708)	-	-	-
<u>18,727,089</u>	<u>17,406,743</u>	<u>19,407,889</u>	<u>18,866,028</u>	<u>19,501,111</u>	<u>20,624,885</u>	<u>21,260,020</u>
227,528	681,532	77,378	45,652	38,006	28,372	32,205
-	-	-	-	-	-	-
13,814	12,379	13,103	10,901	5,972	10,143	184,786
-	1,829,787	-	-	-	-	(87,000)
<u>241,342</u>	<u>2,523,698</u>	<u>90,481</u>	<u>56,553</u>	<u>43,978</u>	<u>38,515</u>	<u>129,991</u>
<u>\$ 18,968,431</u>	<u>\$ 19,930,441</u>	<u>\$ 19,498,370</u>	<u>\$ 18,922,581</u>	<u>\$ 19,545,089</u>	<u>\$ 20,663,400</u>	<u>\$ 21,390,011</u>
\$ (111,600)	\$ (3,127,358)	\$ 3,194,016	\$ (1,649,391)	\$ 1,518,704	\$ 3,030,654	\$ 2,478,831
339,112	(554,488)	(26,877)	2,423,088	2,413,819	3,969,859	4,646,363
<u>\$ 227,512</u>	<u>\$ (3,681,846)</u>	<u>\$ 3,167,139</u>	<u>\$ 773,697</u>	<u>\$ 3,932,523</u>	<u>\$ 7,000,513</u>	<u>\$ 7,125,194</u>

**City of South Pasadena**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 645,341	\$ 397,742	\$ 292,562	\$ 1,550,920	\$ 947,588
Unreserved	4,489,626	6,351,164	9,559,379	9,491,709	10,251,769
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 5,134,967</u>	<u>\$ 6,748,906</u>	<u>\$ 9,851,941</u>	<u>\$ 11,042,629</u>	<u>\$ 11,199,357</u>
All Other Governmental Funds					
Reserved	\$ 2,456,501	\$ 1,537,309	\$ 254,778	\$ 1,194,959	\$ 420,227
Unreserved:					
Unreserved, reported in nonmajor,					
Special revenue funds	205,647	384,352	3,056,391	2,584,720	1,112,446
Capital Projects funds	-	-	-	3,064,554	1,977,128
Designated for:					
Low & moderate housing	463,776	488,506	530,096	-	-
Debt service	202,044	197,110	200,497	-	-
Undesignated	941,127	1,260,671	1,480,465	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other Governmental Funds	<u>\$ 4,269,095</u>	<u>\$ 3,867,948</u>	<u>\$ 5,522,227</u>	<u>\$ 6,844,233</u>	<u>\$ 3,509,801</u>

2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
426,430	433,637	1,199,091	1,207,961	1,022,841
-	-	-	-	-
2,564,280	2,563,481	2,141,481	2,650,000	3,500,000
10,541,790	11,757,341	11,727,832	12,788,280	13,124,419
<u>\$ 13,532,500</u>	<u>\$ 14,754,459</u>	<u>\$ 15,068,404</u>	<u>\$ 16,646,241</u>	<u>\$ 17,647,260</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,438,340	2,722,783	2,328,184	3,184,841	4,179,297
-	-	579,447	611,447	461,472
-	-	-	-	-
(2,355,949)	(4,015,530)	(1,049,935)	(791,469)	(572,623)
<u>\$ 2,082,391</u>	<u>\$ (1,292,747)</u>	<u>\$ 1,857,696</u>	<u>\$ 3,004,819</u>	<u>\$ 4,068,146</u>

City of South Pasadena

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

	2006	2007	2008	2009	2010
<b>Revenues:</b>					
Taxes	\$ 13,972,117	\$ 15,166,586	\$ 16,850,652	\$ 17,689,431	\$ 18,037,383
Assessments	1,068,561	1,133,914	895,773	885,515	883,681
Licenses and permits	842,947	876,297	893,237	1,004,933	934,708
Intergovernmental	3,584,136	5,089,034	2,288,858	2,635,222	1,942,882
Charges for services	2,683,695	2,398,566	2,822,380	2,449,932	1,982,863
Use of money and property	642,950	868,349	921,232	658,997	517,079
Fines and forfeitures	603,086	643,055	636,668	701,894	629,280
Contributions	14,053	20,114	19,005	11,050	10,050
Miscellaneous	1,231,214	543,280	579,812	419,952	508,025
<b>Total revenues</b>	<b>24,642,759</b>	<b>26,739,195</b>	<b>25,907,617</b>	<b>26,456,926</b>	<b>25,445,951</b>
<b>Expenditures:</b>					
Current:					
General government	4,467,746	4,188,718	3,855,522	3,893,079	4,220,337
Public safety	9,703,634	9,727,416	10,670,808	11,134,224	11,147,779
Community development	766,775	880,902	1,005,406	831,613	919,697
Community services	2,299,564	2,507,378	2,679,273	2,764,489	2,887,103
Public works	2,721,530	2,777,051	2,852,322	3,217,465	3,297,647
Capital outlay	3,790,870	5,609,950	1,169,533	1,812,804	5,540,889
Debt service:					
Principal retirement	112,359	127,262	114,894	181,845	123,891
Interest and fiscal charges	177,557	128,516	145,997	140,221	134,275
<b>Total expenses</b>	<b>24,040,035</b>	<b>25,947,193</b>	<b>22,493,755</b>	<b>23,975,740</b>	<b>28,271,618</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>602,724</b>	<b>792,002</b>	<b>3,413,862</b>	<b>2,481,186</b>	<b>(2,825,667)</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	18,000	42,573	25,758	24,136
Transfers out	-	(18,000)	(42,573)	(25,758)	(376,173)
Proceed from sale of capital assets	-	-	1,100,000	-	-
Capital leases	-	495,173	-	-	-
Notes and loans issued	-	65,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>560,173</b>	<b>1,100,000</b>	<b>-</b>	<b>(352,037)</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-
<b>Net change in fund balances/ net position</b>	<b>\$ 602,724</b>	<b>\$ 1,352,175</b>	<b>\$ 4,513,862</b>	<b>\$ 2,481,186</b>	<b>\$ (3,177,704)</b>
Debt service as a percentage of noncapital expenditures	1.4%	1.3%	1.3%	1.4%	1.1%

2011	2012	2013	2014	2015
\$ 18,317,689	\$ 18,393,272	\$ 19,166,312	\$ 19,697,011	\$ 20,205,691
885,387	888,619	905,459	896,465	895,798
1,000,988	944,680	1,012,753	985,186	1,047,540
2,572,819	2,909,377	4,290,262	2,303,094	1,989,281
2,144,589	2,222,151	2,270,737	2,682,074	3,880,357
415,280	381,165	446,167	498,208	542,194
552,093	533,035	523,629	412,748	347,585
15,637	11,285	17,970	12,455	12,365
733,700	701,995	313,612	594,210	480,206
<u>26,638,182</u>	<u>26,985,579</u>	<u>28,946,901</u>	<u>28,081,451</u>	<u>29,401,017</u>
4,099,345	4,207,231	5,651,008	4,297,373	3,988,989
10,608,012	11,217,259	10,968,211	10,636,711	11,651,620
913,862	955,648	898,709	911,871	1,121,098
3,024,889	2,915,639	2,953,811	2,970,037	3,209,105
2,806,005	3,024,746	2,921,136	2,970,322	3,107,053
5,978,832	2,467,712	2,028,330	3,536,250	3,739,660
131,037	48,289	50,650	53,130	55,725
127,929	67,064	10,658	8,178	5,583
<u>27,689,911</u>	<u>24,903,588</u>	<u>25,482,513</u>	<u>25,383,872</u>	<u>26,878,833</u>
(1,051,729)	2,081,991	3,464,388	2,697,579	2,522,184
146,179	46,729	1,176,376	421,511	408,497
(146,179)	(46,729)	(1,176,376)	(421,511)	(625,137)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(216,640)
-	(2,277,708)	-	-	-
<u>\$ (1,051,729)</u>	<u>\$ (195,717)</u>	<u>\$ 3,464,388</u>	<u>\$ 2,697,579</u>	<u>\$ 2,305,544</u>
1.2%	0.5%	0.3%	0.3%	0.3%

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## ***Revenue Capacity***

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City of South Pasadena

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**  
*(in thousands of dollars)*

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value<sup>a</sup></b>	<b>Taxable Assesed Value as a Percentage of Actual Taxable Value</b>
2006	\$ 2,262,942	\$ 189,286	\$ 132,004	\$ (28,647)	\$ 2,555,585	0.241%	N/A	N/A
2007	2,478,782	207,724	130,527	(27,756)	2,789,277	0.241%	N/A	N/A
2008	2,690,867	211,373	133,651	(30,013)	3,005,878	0.241%	N/A	N/A
2009	2,850,768	217,653	141,106	(29,101)	3,180,426	0.240%	N/A	N/A
2010	2,899,484	224,824	142,474	(30,931)	3,235,851	0.240%	N/A	N/A
2011	2,972,102	228,851	125,651	(32,678)	3,293,926	0.240%	N/A	N/A
2012	3,049,558	236,648	143,771	(32,852)	3,397,125	0.240%	N/A	N/A
2013	3,175,548	246,971	137,830	(33,508)	3,526,841	0.240%	N/A	N/A
2014	3,329,419	260,726	135,712	(34,820)	3,691,037	0.240%	N/A	N/A
2015	3,501,716	267,657	124,487	(32,836)	3,861,024	0.240%	N/A	N/A

**Source:** County of Los Angeles Auditor-Controller and HDL Coren & Cone.

**Note:** <sup>a</sup>Estimated Actual Taxable Value is not available.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum of 2%).

City of South Pasadena

Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates				
	General Basic Tax Levy	Total Direct Rate	Los Angeles County (1)	Educational Revenue Augmentation Fund	Los Angeles County Fire FFW	Los Angeles County Flood Control	Community College
	2006	0.2412	0.2412	0.2860	0.2536	0.0060	0.0096
2007	0.2412	0.2412	0.2860	0.2536	0.0060	0.0096	0.0320
2008	0.2412	0.2412	0.2860	0.2536	0.0060	0.0096	0.0320
2009	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2010	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2011	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2012	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2013	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2014	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320
2015	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320

Fiscal Year	Overlapping Rates							Total
	School District	Upper San Gabriel Valley Municipal Water District	South Pasadena Unified School District	Voter Approved			Pasadena Community College District	
				Los Angeles County Flood Control	Upper San Gabriel Valley Municipal Water District	Detention Facilities		
2006	0.1712	0.0005	0.0957	0.0001	0.0052	0.0008	0.0041	1.1060
2007	0.1712	0.0005	0.0897	0.0001	0.0047	0.0007	0.0208	1.1161
2008	0.1712	0.0005	0.0860	-	0.0045	-	0.0197	1.1103
2009	0.1712	0.0005	0.0860	-	0.0043	-	0.0174	1.1078
2010	0.1712	0.0005	0.0884	-	0.0043	-	0.0230	1.1158
2011	0.1712	0.0005	0.1105	-	0.0037	-	0.0199	1.1342
2012	0.1712	0.0005	0.1058	-	0.0037	-	0.0196	1.1292
2013	0.1712	0.0005	0.1011	-	0.0035	-	0.0206	1.1252
2014	0.1712	0.0005	0.1014	-	0.0035	-	0.0190	1.1240
2015	0.1712	0.0005	0.1006	-	0.0035	-	0.0103	1.1144

Source: County of Los Angeles Auditor-Controller and HDL Coren and Cone.

(1) - The following were included in Los Angeles County; Children's Institutional Tuition Fund, County Sanitation District No. 16, County School Services, Development Center, and LA County General

City of South Pasadena

Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Combined Taxable Value (1)	Rank	Percentage of Total City Taxable Assessed Value	Combined Taxable Value (1)	Rank	Percentage of Total City Taxable Assessed Value
625 Fair Oaks Investors LLC	\$ 17,119,845	1	0.45%			
Casa De General LLC	11,092,294	2	0.29%			
99 Pasadena Avenue LLC	10,970,701	3	0.29%			
Golden Oaks Investment LP	9,612,289	4	0.25%	8,455,880	3	0.33%
NNC Terraces at South Pasadena LLC	9,482,194	5	0.25%	8,346,050	4	0.33%
California Empire LP	9,233,552	6	0.24%	8,097,791	5	0.32%
Richard Wagner Trust	8,545,614	7	0.22%	7,079,441	9	0.28%
CCCC Growth Fund LLC	8,489,960	8	0.22%	7,466,400	7	0.29%
H P III Limited	8,026,943	9	0.21%	7,067,825	10	0.28%
Jerry B and Roberta L Furrey Trust	7,961,695	10	0.21%			
H and O Fair Oaks Partners	-		-	15,055,816	1	0.59%
MT Olive Sepulveda LP	-		-	9,755,650	2	0.38%
Time Warner Communications	-		-	7,893,840	6	0.31%
Ralphs Grocery Co	-		-	7,144,760	8	0.28%
Total	<u>\$ 100,535,087</u>		<u>2.63%</u>	<u>\$ 86,363,453</u>		<u>3.39%</u>

Source: (1) HDL Coren & Cone and Los Angeles County Assessor.

**City of South Pasadena**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 5,700,244	\$ 5,288,176	92.8%	\$ 117,615	\$ 5,405,791	94.8%
2007	6,257,208	5,882,613	94.0%	99,287	5,981,900	95.6%
2008	6,756,257	6,561,803	97.1%	4,193	6,565,996	97.2%
2009	7,153,748	7,054,454	98.6%	5,987	7,060,441	98.7%
2010	7,261,945	7,237,513	99.7%	(12,883)	7,224,631	99.5%
2011	7,422,229	7,375,394	99.4%	(6,476)	7,368,918	99.3%
2012	7,669,207	7,570,264	98.7%	(17,918)	7,552,346	98.5%
2013	8,244,644	8,211,281	99.6%	(12,718)	8,198,563	99.4%
2014	8,569,818	8,389,757	97.9%	(16,427)	8,373,331	97.7%
2015	9,063,962	8,791,225	97.0%	(16,959)	8,774,266	96.8%

**Sources: Los Angeles County Tax Collector and City of South Pasadena, Finance Division.**

# **Debt Capacity**

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City of South Pasadena

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Government Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Tax Allocation Bonds	Capital Leases	Loans	Water Revenue Bonds	State Loan			
2006	\$ 2,220,000	\$ -	\$ -	\$ 8,685,000	\$ -	\$ 10,905,000	1.13%	426
2007	2,150,000	437,911	65,000	8,400,000	-	11,052,911	1.07%	432
2008	2,075,000	398,017	65,000	8,190,000	-	10,728,017	0.99%	419
2009	2,000,000	356,172	-	51,375,000	-	53,731,172	4.93%	2,099
2010	1,920,000	312,281	-	51,150,000	-	53,382,281	5.02%	2,074
2011	1,835,000	266,243	-	50,915,000	-	53,016,243	4.60%	2,048
2012	-	217,955	-	50,670,000	-	50,887,955	4.17%	1,978
2013	-	167,305	-	49,887,458	-	50,054,763	3.92%	1,936
2014	-	114,175	-	48,854,762	527,283	49,496,220	4.11%	1,903
2015	-	58,450	-	47,838,993	2,475,913	50,373,356	4.16%	1,936

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**City of South Pasadena**

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2015**

Fiscal Year 2014-15 Assessed Valuation : \$3,443,383,132 After Deducting \$417,640,325 Redevelopment increment.

	<b>Debt Outstanding</b>	<b>% Applicable (1)</b>	<b>City's Share of Debt 6/30/2015</b>
Overlapping Debt:			
Metropolitan Water District	\$ 53,296,395	0.354%	188,716
Pasadena Area Community College District 2002 Ser E	25,295,000	5.491%	1,388,908
Pasadena Area Community College District 2002 Ser D	24,160,000	5.491%	1,326,586
Pasadena Area Community College District 2006 Ser B	25,385,000	5.491%	1,393,849
Pasadena Area Community College District 2014 Ser A	16,780,000	5.491%	921,363
South Pasadena Unified 96 Ser A	2,230,000	100.000%	2,230,000
South Pasadena Unified DS 95 Ser B	2,037,873	100.000%	2,037,873
South Pasadena Unified SD DS 95 S-C	5,643,243	100.000%	5,643,243
South Pasadena USD SD DS 95 Ser D	1,516,256	100.000%	1,516,256
South Pasadena USD DS 2002 Ser B	7,949,680	100.000%	7,949,680
South Pasadena USD DS 2010 Ref Bond	18,460,000	100.000%	18,460,000
Total Overlapping Tax and Assessment Debt			<u>43,056,474</u>
<u>Direct Debt:</u>			
South Pasadena Capital Lease	58,450	100.000%	58,450
Total Direct and Overlapping General Fund Obligation Debt			<u>58,450</u>
COMBINED TOTAL DEBT			<u>\$ 43,114,924 (2)</u>

**Source:** (1) HDL Coren & Cone and Los Angeles County Assessor.

**Note:**

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds.

Debt to Assessed Valuation Ratios:

Direct Debt	1.10%
Overlapping Debt	0.15%
Total Debt	1.25%

**City of South Pasadena**

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
*(dollars in thousands)*

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**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed value	\$	3,443,383
Debt limit (15% of assessed value)		516,507
Debt applicable to limit:		
General obligation bonds		-
Less: Amount set aside for repayment of general obligation debt		-
Total net debt applicable to limit		-
Legal debt margin	\$	<u>516,507</u>

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total net debt Applicable to Limit</b>	<b>Legal Debt Limit</b>	<b>Total net debt Applicable to the Limit as a Percentage of Debt limit</b>
2006	\$ 383,338	\$ -	\$ 383,338	0.00%
2007	418,392	-	418,392	0.00%
2008	450,882	-	450,882	0.00%
2009	477,064	-	477,064	0.00%
2010	485,378	-	485,378	0.00%
2011	494,089	-	494,089	0.00%
2012	509,569	-	509,569	0.00%
2013	471,822	-	471,822	0.00%
2014	494,193	-	494,193	0.00%
2015	516,507	-	516,507	0.00%

**City of South Pasadena**

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
*(in thousands)*

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 4,443	\$ 3,727	\$ 716	\$ 195	\$ 434	1.14
2007	4,687	3,379	1,308	205	433	2.05
2008	4,543	3,446	1,097	210	414	1.76
2009	4,563	3,683	880	220	635	1.03
2010	4,283	4,490	(207)	225	2,158	(0.09)
2011	4,956	2,581	2,375	235	2,439	0.89
2012	6,911	4,086	2,825	245	2,423	1.06
2013	8,029	5,563	2,466	255	2,046	1.07
2014	9,221	5,674	3,547	995	2,271	1.09
2015	8,695	4,430	4,265	1,065	2,240	1.29

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

The Water Revenue bonds were issued in 2009 and 2013.

**Source:** City of South Pasadena Finance Department.

***Demographic and Economic  
Information***

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City of South Pasadena

Demographic and Economic Statistics  
Last Ten Calendar Years

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<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income* (2) <i>(thousands of dollars)</i></b>	<b>Per Capita* Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
2005	\$ 25,606	\$ 966,725	\$ 37,754	2.6%
2006	25,578	1,033,688	40,413	2.3%
2007	25,576	1,078,809	42,181	2.4%
2008	25,604	1,090,450	42,589	3.6%
2009	25,737	1,063,171	41,309	5.8%
2010	25,881	1,152,274	44,522	6.3%
2011	25,725	1,220,780	47,455	6.1%
2012	25,857	1,277,956	49,424	4.6%
2013	26,011	1,203,347	46,263	3.7%
2014	26,022	1,211,194	46,545	5.9%

Source: County of Los Angeles Auditor-Controller and HDL Coren and Cone.

City of South Pasadena

Principal Employers  
Current Year and Ten Years Ago

Employer	2014-2015			2004-2005 *		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission Grove Healthcare & Wellness Centre	183	1	4.84%			
Bristol Farms	90	2	2.38%			
The Vons Companies Inc. Pavillions	90	3	2.38%			
Ralph's Grocery Co.	80	4	2.12%			
Trader Joe's	80	5	2.12%			
WNC Insurance Services, Inc.	78	6	2.06%			
Orchard Supply Hardware	78	7	2.06%			
Stargate Films Inc.	70	8	1.85%			
Collins, Collins, Muir & Stewart, LLP	62	9	1.64%			
The Vons Companies Inc.	58	10	1.54%			
	<u>869</u>		<u>23.00%</u>	<u>0</u>		<u>0.00%</u>

\* Information not available.

Source: South Pasadena Finance Department/Business License

**City of South Pasadena**

**Full-time-Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Function/Program</u></b>										
General government										
Legislative	7	7	7	8	8	8	8	8	8	5
City Manager	7	7	7	8	8	10	10	10	10	12
Finance	8	9	8	8	8	8	8	8	9	9
Public Safety	81	81	81	81	81	88	81	81	79	81
Community Development	6	7	7	6	6	7	6	6	6	6
Community Services	36	38	39	39	39	59	39	39	31	21
Public Works	16	16	22	22	22	18	19	20	20	19
Water Utility	14	14	9	9	9	12	11	11	11	10
<b>Total</b>	<b>175</b>	<b>179</b>	<b>180</b>	<b>181</b>	<b>181</b>	<b>210</b>	<b>182</b>	<b>183</b>	<b>173</b>	<b>163</b>

**Source:** South Pasadena Finance Department/Adopted budget book

**Notes:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

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## ***Operating Information***

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City of South Pasadena

Operating Indicators by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
Building permits issued	381	381	318	282	326	380	342	476	354	349
Building inspections conducted	2,154	2,154	2,230	2,152	2,113	2,158	2,376	2,380	2,568	2,087
Refuse collection										
Refuse collected (tons per day)	79	79.3	79.3	89.0	92.0	90.0	90.0	85.0	83.0	69.0
Recyclables collected (tons per day)	33	32.6	36.0	40.0	38.0	38.0	38.0	29.0	28.0	25.0
Other public works										
Street resurfacing (miles)	1	0.7	0.0	0.2	0.8	2.5	2.0	1.0	1.3	1.8
Potholes repaired *	545	450	340	480	520	580	1,600	1,450	1,500	1,450
Water										
New connections	18	20	16	18	18	10	9	6	11	7
Water main breaks	9	10	13	12	4	9	5	9	10	9
Average daily consumption (million gallons)	5	4.85	4.52	4.47	4.20	3.80	3.95	4.25	4.60	3.40
Peak daily consumption (million gallons)	7	6.96	6.96	6.10	6.09	5.50	5.50	5.71	5.50	5.09
Fire Department										
Total number of emergency calls responded to	1,620	1,807	1,785	1,850	1,780	1,760	1,664	1,594	1,695	1,775
Total number of fire inspections	480	480	480	470	254	229	544	296	563	521
Police Department										
Arrest stats	1,392	1,392	1,540	1,546	2,056	1,096	1,159	1,080	1,003	855
Traffic citations	5,762	1,858	6,669	7,641	8,216	4,734	3,468	3,753	3,717	2,847
Parking citations	13,308	11,387	14,806	12,800	10,967	9,314	9,629	10,936	11,388	8,843
Community Services										
Facility rentals	36	34	40	45	58	54	60	69	89	86
Recreation classes	207	246	248	181	180	237	419	441	432	399

NOTE:

\* Based on average sized potholes and cold patch purchased.

Sources: Various city departments.

City of South Pasadena

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Other public works										
Streets (miles)	59	55	55	55	55	55	55	55	55	55
Traffic signals	30	30	30	30	31	31	31	31	31	31
Parks and recreation										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	89	89	89	89	89	89	89	89	89	89
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	5	5	6	6	6	6	6	6	6	6
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Community centers	4	4	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	68	68	68	68	68	68	68	68	68	68
Fire hydrants	165	165	165	165	165	165	165	165	165	165
Storage capacity (million gallons)	13	13	13	13	13	13	13	13	13	13
Sewage System										
Sanitary sewers (miles)	55	55	55	55	55	55	55	55	55	55
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2

**Notes:** No capital asset indicators are available for the general government.

**Sources:** Various city departments.