



City of South Pasadena, CA



**Comprehensive Annual
Financial Report
Fiscal Year Ended June 30, 2016**

CITY OF SOUTH PASADENA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY: FINANCE DEPARTMENT

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CITY OF SOUTH PASADENA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INTRODUCTORY SECTION

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CITY OF SOUTH PASADENA

FINANCE DEPARTMENT
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December 31, 2016

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, 2016, 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, 2016, 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 26,028. 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 2015/16, the City of South Pasadena, the greater Los Angeles region and the State of California, have shown increasing revenues over the last several years as the region has recovered 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 5.5% for the 2015/16 tax roll, while Los Angeles County experienced an increase in assessed values of 6.5% over the prior year due to a strong rebound in residential real estate values. In the City of South Pasadena, assessed values increased by \$211 million over FY 2015/16. 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 show 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 \$3.5 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 \$28.4 million upgrading the water system, and \$4.1 million upgrading the sewer system. The City expects to spend an additional \$11 million over the next two years on these projects. For the last four 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, 2015. 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 29 consecutive years (fiscal years ended 1987 through 2015). 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, 2015

Executive Director/CEO

CITY OF SOUTH PASADENA, CALIFORNIA

OFFICIALS OF THE CITY OF SOUTH PASADENA

CITY COUNCIL

Diana Mahmud
Mayor

Michael A. Cacciotti
Mayor Pro Tempore

Robert S. Joe
Councilmember

Marina Khubesrian, M.D.
Councilmember

Richard D. Schneider, M.D.
Councilmember

ADMINISTRATION AND DEPARTMENT HEADS

City Manager

Sergio Gonzalez

City Clerk

Evelyn G. Zneimer

City Treasurer

Gary E. Pia

City Attorney

Teresa L. Highsmith

Director of Finance

David Batt

Director of Library, Arts, and Culture

Steve Fjeldsted

Police Chief

Arthur Miller

Director of Community Services

Sheila Pautsch

Fire Chief

Mario Rueda

Director of Public Works

Paul Toor

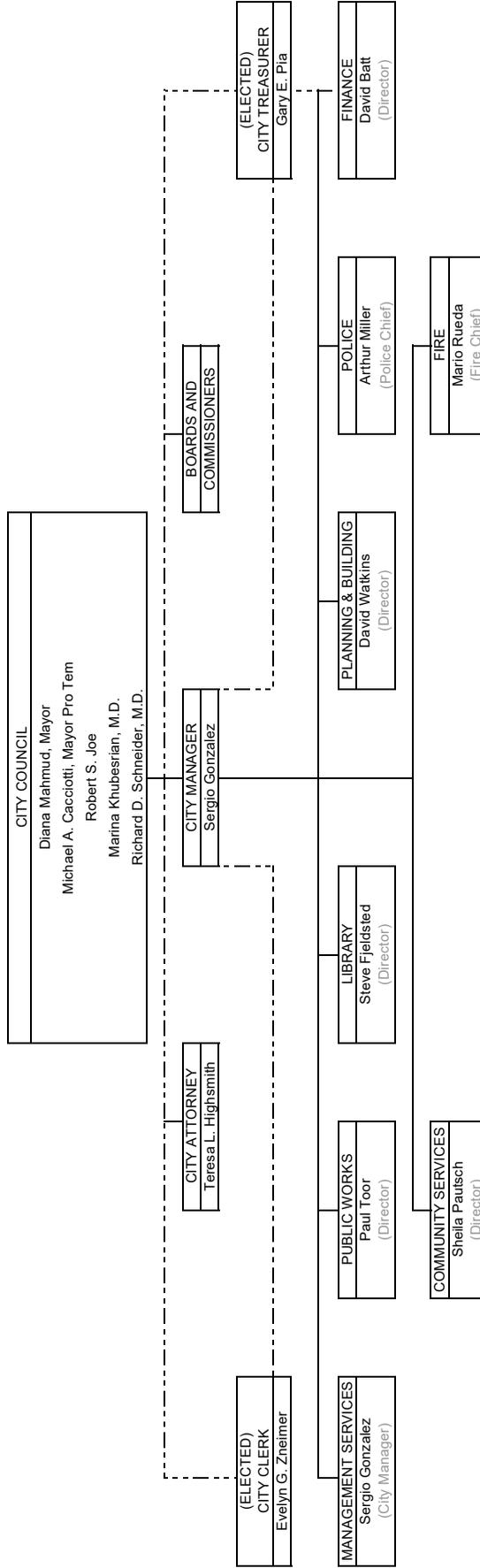
Director of Planning and Building

David Watkins

CITY OF SOUTH PASADENA

ORGANIZATIONAL CHART

2015 - 2016



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FINANCIAL SECTION

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, 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, 2016, 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, 2016, 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 for periods beginning after June 15, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. 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 64 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 27, 2016, 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 27, 2016

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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, 2016. 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 \$76,345,496. Unrestricted net position in an amount of (\$8,461,000) is primarily due to the City recording the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, and information about the fiduciary net position of the City's CalPERS plans per GASB Statements No. 68 and 71.
- The City's total net position increased by \$6,884,412.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$24,214,918 an increase of \$2,499,512. Of this amount, \$11,952,919 or approximately 49% 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 \$12,724,205, or 53% of the total General Fund Expenditures.
- The City's net capital assets increased \$10,118,571 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 30 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 29 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 in 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 notes to the financial statements.

(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 \$76,345,496 at the close of the most recent fiscal year. This represents an increase of \$3,661,363 or 5% from the prior year, primarily due to an increase in construction-in-progress relating to the Garfield Reservoir Capital Project and Sewer Project, offset by an increase in net pension liability and 2012 State Loan Payable. The proceeds from the 2012 State Loan Payable are used by the City for its rehabilitation and replacement of the City's sewer infrastructure. The City must expend its own funds prior to drawing on the accessible loan. Capital Assets are by far the largest portion of the City's net position; \$77,031,437 or 101% reflects its 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$27,222,824	\$24,186,235	\$24,391,087	\$32,758,361	\$51,613,911	\$56,944,596
Capital assets	57,152,793	63,669,718	59,333,134	42,697,638	116,485,927	106,367,356
Total assets	\$84,375,617	\$87,855,953	\$83,724,221	\$75,455,999	\$168,099,838	\$163,311,952
Deferred outflow of resources	2,343,097	1,944,874	222,566	168,479	2,565,663	2,113,353
Long-term liabilities outstanding	\$30,677,909	\$28,220,246	\$52,866,398	\$52,085,102	\$83,544,307	\$80,305,348
Other liabilities	2,413,585	2,288,108	3,869,432	3,637,574	6,283,017	5,925,682
Total liabilities	\$33,091,494	\$30,508,354	\$56,735,830	\$55,722,676	\$89,827,324	\$86,231,030
Deferred inflow of resources	4,200,326	6,008,408	292,355	501,734	4,492,681	6,510,142
Net position:						
Net investment in capital assets	\$57,152,793	\$63,611,268	\$19,878,644	\$11,727,300	\$77,031,437	\$75,338,568
Restricted	4,894,822	4,179,297	2,880,237	2,982,160	7,775,059	7,161,457
Unrestricted	(12,620,721)	(14,506,500)	4,159,721	4,690,608	(8,461,000)	(9,815,892)
Total Net position	\$49,426,894	\$53,284,065	\$26,918,602	\$19,400,068	\$76,345,496	\$72,684,133

The second portion of the City net position of \$7,775,059 represents special revenue resources that are subject to external restrictions on how they may be used. Unrestricted net position shows a negative balance of \$(8,461,000).

The City's governmental current assets increased by \$3,036,589, and capital assets decreased by \$6,516,925. Current assets increased due to an increase in property taxes and sales taxes revenues, parking citation revenues, park impact fees, general liability insurance reimbursements, and more grants funding received by the City. Capital assets decreased due to the restatement of the beginning balance of prior infrastructure costs

recorded incorrectly as Governmental Activities; the City moved the prior years' infrastructure costs to Business-Type Activities.

The City's business-type current assets decreased by \$8,367,274, due to debt service payments and capital spending on the Garfield Reservoir Construction project. The City reported a net increase of \$16,635,496 in capital assets due to an increase in construction-in-progress relating to the Garfield Reservoir Capital Project and Sewer Project. Upon completion, the City will transfer the construction-in-progress costs to infrastructure.

The City's governmental restricted assets increased by \$715,525 primarily due to an increase in park impact fees, more funding received for Prop A, Measure R, and State Gas Tax, and a transfer from the General Fund to replenish the Facilities and Equipment Replacement Fund.

**City of South Pasadena Changes in Net position
As of June 30, 2016 and 2015**

	Gov Activities	Gov Activities	Bus-Type Activities	Bus-Type Activities	Total	Total
	2016	2015	2016	2015	2016	2015
Program revenues:						
Charges for services	\$5,111,299	\$5,817,672	\$10,768,202	\$11,181,675	\$15,879,501	\$16,999,347
Operating contributions and grants	1,328,325	934,186	-	-	1,328,325	934,186
Capital contributions and grants	734,935	1,220,504	-	-	734,935	1,220,504
General revenues:						
Property taxes	12,632,984	11,779,438	-	-	12,632,984	11,779,438
Other taxes	9,000,372	8,781,198	-	-	9,000,372	8,781,198
Intergovernmental	10,561	-	-	-	10,561	-
Use of money and property	739,761	542,196	137,524	32,205	877,285	574,401
Other	745,315	70,188	230,156	184,786	975,471	254,974
Total revenues	\$30,303,552	\$29,145,382	\$11,135,882	\$11,398,666	\$41,439,434	\$40,544,048
Expenses:						
General government	\$3,847,476	\$4,354,683	\$ -	\$ -	\$3,847,476	\$4,354,683
Public safety	13,218,063	12,363,366	-	-	13,218,063	12,363,366
Public works	5,578,853	5,578,457	-	-	5,578,853	5,578,457
Community services	3,153,329	3,336,626	-	-	3,153,329	3,336,626
Community development	953,471	1,116,084	-	-	953,471	1,116,084
Interest on long-term debt	-	4,335	-	-	-	4,335
Water	-	-	5,886,309	4,772,647	5,886,309	4,772,647
Sewer	-	-	962,623	968,996	962,623	968,996
Golf Course	-	-	954,898	923,660	954,898	923,660
Total expenses	\$26,751,192	\$26,753,551	\$7,803,830	\$6,665,303	\$34,555,022	\$33,418,854
Income before transfers	\$3,552,360	\$2,391,831	\$3,332,052	\$4,733,363	\$6,884,412	\$7,125,194
Transfers	13,919	87,000	(13,919)	(87,000)	-	-
Increase in net position	\$3,566,279	\$2,478,831	\$3,318,133	\$4,646,363	\$6,884,412	\$7,125,194
Net position - July 1, 2015	53,284,065	74,670,319	19,400,068	17,799,164	72,684,133	92,469,483
Restatement of Net position	(7,423,450)	(23,865,085)	4,200,401	(3,045,459)	(3,223,049)	(26,910,544)
Net position - June 30, 2016	\$49,426,894	\$53,284,065	\$26,918,602	\$19,400,068	\$76,345,496	\$72,684,133

Governmental Activities

Governmental activities net position decreased by \$(3,857,171) due to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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 fund at the end of the fiscal year shows \$4,159,721. Total net position for these funds was \$26,918,602, an increase of \$7,518,534 (39%) over the prior year, due to increases in the water and sewer charges and construction expenses for the Garfield Reservoir Construction project.

(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 \$24,214,918 an increase of \$2,499,512 from the prior fiscal year. Approximately 49% 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 (20%), committed by City Council action for specific purposes (27%), or represents net position that are nonspendable resources (4%).

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 \$12,724,205, while the total fund balance reached \$19,394,429. 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 53% of General Fund expenditures, while the total fund balance represents 81% of that same amount.

The fund balance of the City's General Fund increased by \$1,747,169 in the current fiscal year. This represents an increase of 10% in fund balance from FY 2015. Key factors in this increase are as follows:

- Tax revenues increased \$831,014 or 4%. 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 \$617,000 and sales taxes increased by approximately \$221,000.
- Miscellaneous revenues increased \$642,587 primarily due to general liability insurance reimbursements of \$120,740 and attorney fees reimbursement of \$569,846 from the Slater case.
- Use of money and property revenues increased \$96,971 due to the reallocation of investments and increase in yields.
- Expenditures increased by \$716,248 or 3% over the prior year due to salaries and benefits increases for employees and expenses.

General Fund Budgetary Highlights

The City adopts annual appropriated operating budgets for its governmental funds (General Fund, 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 year, the City Council amended the originally adopted budget for various additional programs.

The General Fund reflected a net total favorable budget variance of \$3,635,754 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$1,760,139 and a favorable variance in total expenditures of \$1,911,536. 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, 2016, amounts to \$57,152,793 and \$59,333,134 (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 \$30,763,053.

City of South Pasadena Long-Term Debt

	Governmental Activities	
	2016	2015
Employee compensated absences	\$ 851,441	\$ 788,795
Capital Leases	-	58,450
Net OPEB Liability	7,660,272	7,118,554
Net Pension Liability	22,251,340	20,391,777
Total	\$30,763,053	\$28,357,576

The City's long-term debt increased during the current fiscal year primarily due to an increase in the OPEB and Pension Liability.

Proprietary Fund Long-Term Debt

	Business-Type Activities	
	2016	2015
2009 Water Revenue Bonds	\$41,185,000	\$41,950,000
2013 Water Revenue Bonds	6,060,000	6,390,000
Compensated Absences	31,202	35,619
2012 State Loan Payable	4,147,892	2,475,913
Net OPEB Liability	1,185,728	1,035,446
Net Pension Liability	1,872,237	1,797,693
Unamortized Bond Discount (2009)	(858,964)	(895,910)
Unamortized Bond Premium (2013)	367,190	394,903
Total	\$53,990,285	\$53,183,664

Proprietary fund long-term debt increased \$806,621 during the current fiscal year due to increases in the 2012 State Loan Payable and OPEB and Pension Liability, offset by debt service payments on the 2009 and 2013 Water Revenue Bonds. Further details on long-term debt can be found in Notes 5 through 7 in the Notes to Financial Statements section of this report.

Economic Factors and Next 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.

During the 2016 fiscal year, unassigned fund balance in the General Fund remained substantial at \$12,724,205. The fiscal year 2017 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, 626.403.7252, or by U.S. mail: Finance Department, 1414 Mission Street, South Pasadena, CA, 91030.

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CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 24,120,699	\$ 9,418,598	\$ 33,539,297
Receivables:			
Accounts	271,870	1,130,142	1,402,012
Taxes	1,286,429		1,286,429
Notes and loans	250,000		250,000
Accrued interest	24,370	7,710	32,080
Internal balances	750,000	(750,000)	
Due from other governments	484,232		484,232
Inventories	35,224	257,772	292,996
Restricted assets:			
Cash and investments with fiscal agent		14,326,865	14,326,865
Capital assets:			
Capital assets not being depreciated	2,917,937	34,996,390	37,914,327
Capital assets, net of accumulated depreciation	54,234,856	24,336,744	78,571,600
Total Assets	\$ 84,375,617	\$ 83,724,221	\$ 168,099,838
Deferred Outflow of Resources:			
City's pension contributions subsequent to the measurement date	2,223,459	222,434	2,445,893
Deferred outflows related to net pension liability	119,638	132	119,770
Total Deferred Outflow of Resources	2,343,097	222,566	2,565,663
Liabilities:			
Accounts payable	1,148,044	1,975,693	3,123,737
Accrued liabilities	575,379	19,834	595,213
Accrued interest		558,358	558,358
Deposits payable	605,018	191,660	796,678
Noncurrent liabilities			
Due within one year	85,144	1,123,887	1,209,031
Due in more than one year	30,677,909	52,866,398	83,544,307
Total Liabilities	33,091,494	56,735,830	89,827,324
Deferred Inflows of Resources:			
Deferred inflows related to net pension liability	4,200,326	292,355	4,492,681
Total Deferred Inflows of Resources	4,200,326	292,355	4,492,681
Net Position:			
Net investment in capital assets	57,152,793	19,878,644	77,031,437
Restricted for:			
Community development projects	130,618		130,618
Public safety	121,933		121,933
Community services	1,138,099		1,138,099
Public works	2,921,255		2,921,255
Capital projects	582,917		582,917
Debt service		2,880,237	2,880,237
Unrestricted	(12,620,721)	4,159,721	(8,461,000)
Total Net Position	\$ 49,426,894	\$ 26,918,602	\$ 76,345,496

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental Activities:				
General government	\$ 3,847,476	\$ 1,126,241	\$ 164,625	\$ -
Public safety	13,218,063	1,154,628	116,029	
Community development	953,471	804,309	627,488	
Community services	3,153,329	853,949	20,527	
Public works	5,578,853	1,172,172	399,656	734,935
Total Governmental Activities	26,751,192	5,111,299	1,328,325	734,935
Business-type Activities:				
Water	5,886,309	8,094,350		
Sewer	962,623	1,543,925		
Arroyo Seco Golf Course	954,898	1,129,927		
Total Business-type Activities	7,803,830	10,768,202		
	\$ 34,555,022	\$ 15,879,501	\$ 1,328,325	\$ 734,935

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

Governmental Activities	Business-type Activities	Total
\$ (2,556,610)	\$ -	\$ (2,556,610)
(11,947,406)		(11,947,406)
478,326		478,326
(2,278,853)		(2,278,853)
(3,272,090)		(3,272,090)
<u>(19,576,633)</u>		<u>(19,576,633)</u>
	2,208,041	2,208,041
	581,302	581,302
	175,029	175,029
	<u>2,964,372</u>	<u>2,964,372</u>
<u>(19,576,633)</u>	<u>2,964,372</u>	<u>(16,612,261)</u>
12,632,984		12,632,984
3,786,423		3,786,423
875,304		875,304
397,762		397,762
3,414,828		3,414,828
526,055		526,055
10,561		10,561
739,761	137,524	877,285
745,315	230,156	975,471
13,919	(13,919)	
<u>23,142,912</u>	<u>353,761</u>	<u>23,496,673</u>
<u>3,566,279</u>	<u>3,318,133</u>	<u>6,884,412</u>
53,284,065	19,400,068	72,684,133
(7,423,450)	4,200,401	(3,223,049)
<u>45,860,615</u>	<u>23,600,469</u>	<u>69,461,084</u>
<u>\$ 49,426,894</u>	<u>\$ 26,918,602</u>	<u>\$ 76,345,496</u>

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CITY OF SOUTH PASADENA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 18,056,077	\$ 5,774,622	\$ 23,830,699
Receivables:			
Accounts	239,501	32,369	271,870
Taxes	1,286,429		1,286,429
Notes and loans	250,000		250,000
Accrued interest	21,458	2,912	24,370
Due from other governments	60,227	424,005	484,232
Due from other funds	633,273		633,273
Advances to other funds	750,000		750,000
Inventories	35,224		35,224
Total Assets	<u>\$ 21,332,189</u>	<u>\$ 6,233,908</u>	<u>\$ 27,566,097</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 767,533	\$ 380,511	\$ 1,148,044
Accrued liabilities	565,938	9,441	575,379
Deposits payable	604,289	729	605,018
Due to other funds		633,273	633,273
Total Liabilities	<u>1,937,760</u>	<u>1,023,954</u>	<u>2,961,714</u>
Deferred inflow of resources:			
Unavailable revenues		389,465	389,465
Total Deferred Inflow of Resources		<u>389,465</u>	<u>389,465</u>
Fund balances:			
Nonspendable:			
Inventories	35,224		35,224
Notes and loans	250,000		250,000
Advances to other funds	750,000		750,000
Restricted for:			
Community development projects		130,618	130,618
Public safety - police		121,933	121,933
Community services		1,138,099	1,138,099
Public works - Streets and roads		2,820,637	2,820,637
Capital Projects		582,917	582,917
Public works - Street lighting		100,618	100,618
Committed to:			
Capital Projects		696,953	696,953
Arroyo Golf Course Facility	1,100,000		1,100,000
Emergency Operations Center	200,000		200,000
Renewable Energy Sources	300,000		300,000
Library Expansion	150,000		150,000
Legal Services Reserve	500,000		500,000
Monterey Road Improvements	500,000		500,000
Retiree Pension Benefits	500,000		500,000
Sidewalk Improvements	180,000		180,000
Retiree Medical Benefits	500,000		500,000
Tree Replacement	150,000		150,000
Community Center Reserve	600,000		600,000
CalTrans Vacant Lot Purchases	750,000		750,000
General Plan Reserve	205,000		205,000
Unassigned	12,724,205	(771,286)	11,952,919
Total Fund Balances	<u>19,394,429</u>	<u>4,820,489</u>	<u>24,214,918</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 21,332,189</u>	<u>\$ 6,233,908</u>	<u>\$ 27,566,097</u>

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, 2016

Fund balances of governmental funds	\$ 24,214,918
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:	57,152,793
Long term debt and compensated absences that have not been included in the governmental fund activity:	
Compensated absences	(851,441)
Net pension liability	(22,251,340)
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.	(7,660,272)
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.	
City's contributions subsequent to the measurement date	2,223,459
Deferred outflow of resources related to net pension liability	119,638
Deferred inflow of resources related to net pension liability	(4,200,326)
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.	389,465
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>290,000</u>
Net position of governmental activities	<u>\$ 49,426,894</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, 2016**

	General	Other Governmental Funds	Total
Revenues:			
Taxes	\$ 19,916,088	\$ 1,319,506	\$ 21,235,594
Assessments		876,972	876,972
Licenses and permits	1,030,497	38,526	1,069,023
Intergovernmental	136,329	968,069	1,104,398
Charges for services	3,286,951	152,216	3,439,167
Use of money and property	681,074	58,687	739,761
Fines and forfeitures	444,556		444,556
Contributions		9,691	9,691
Miscellaneous	994,561	33,840	1,028,401
Total Revenues	26,490,056	3,457,507	29,947,563
Expenditures:			
Current:			
General government	3,693,891	236,463	3,930,354
Public safety	12,099,467	307	12,099,774
Community development	1,002,541	500	1,003,041
Community services	2,658,409	516,614	3,175,023
Public works	1,721,376	1,917,468	3,638,844
Capital outlay	2,829,435	677,794	3,507,229
Debt service:			
Principal payments	58,450		58,450
Interest and fiscal charges	2,858		2,858
Total Expenditures	24,066,427	3,349,146	27,415,573
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,423,629	108,361	2,531,990
Other Financing Sources (Uses):			
Transfers in		648,622	648,622
Transfers out	(676,460)	(4,640)	(681,100)
Total Other Financing Sources (Uses)	(676,460)	643,982	(32,478)
Net Change in Fund Balances	1,747,169	752,343	2,499,512
Fund Balances at Beginning of Fiscal Year	17,647,260	4,068,146	21,715,406
Fund Balances at End of Fiscal year	\$ 19,394,429	\$ 4,820,489	\$ 24,214,918

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, 2016**

Net changes in fund balances - total governmental funds \$ 2,499,512

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	3,315,169
Depreciation expense	(2,408,644)

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	58,450
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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.

	355,989
--	---------

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

	2,858
--	-------

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.

	(62,646)
--	----------

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.

	(541,718)
--	-----------

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:

	346,742
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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.

	567
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Change in net position of governmental activities

	<u>\$ 3,566,279</u>
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See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-Type Activities-Enterprise Funds			Governmental
	Water	Sewer	Other Enterprise Fund	Activities - Internal Service Fund Insurance Fund
Assets:				
Current:				
Cash and investments	\$ 6,441,598	\$ 2,467,406	\$ 509,594	\$ 9,418,598
Receivables:				
Accounts	1,061,075	64,089	4,978	1,130,142
Accrued interest	5,773	1,793	144	7,710
Inventories	249,130		8,642	257,772
Restricted				
Cash and investments with fiscal agent	14,326,865			14,326,865
Total Current Assets	22,084,441	2,533,288	523,358	25,141,087
Noncurrent:				
Capital assets - not being depreciated	31,590,805	3,388,677	16,908	34,996,390
Capital assets - net of accumulated depreciation	21,425,151	2,248,653	662,940	24,336,744
Total Noncurrent Assets	53,015,956	5,637,330	679,848	59,333,134
Total Assets	75,100,397	8,170,618	1,203,206	84,474,221
Deferred Outflow of Resources:				
City's pension contributions subsequent to the measurement date	176,114	46,320		222,434
Deferred outflows related to net pension liability	106	26		132
Total Deferred Outflow of Resources	176,220	46,346		222,566
Liabilities and Deferred Inflow of Resources:				
Liabilities:				
Current:				
Accounts payable	1,708,861	151,553	115,279	1,975,693
Accrued liabilities	15,696	4,138		19,834
Accrued interest	548,997	9,361		558,358
Deposits payable	191,660			191,660
Accrued compensated absences	2,676	444		3,120
Bonds payable	1,120,767			1,120,767
Total Current Liabilities	3,588,657	165,496	115,279	3,869,432
Non-current:				
Advances from other funds		750,000		750,000
Accrued compensated absences	24,082	4,000		28,082
OPEB liability	988,208	197,520		1,185,728
Net pension liability	1,482,362	389,875		1,872,237
Loans payable		4,147,892		4,147,892
Bonds payable	45,632,459			45,632,459
Total Noncurrent Liabilities	48,127,111	5,489,287		53,616,398
Total Liabilities	51,715,768	5,654,783	115,279	57,485,830
Deferred Inflow of Resources:				
Deferred inflows related to net pension liability	231,477	60,878		292,355
Total Deferred Inflow of Resources	231,477	60,878		292,355
Net position:				
Net investment in capital assets	17,709,358	1,489,438	679,848	19,878,644
Restricted for debt service	2,880,237			2,880,237
Unrestricted	2,739,777	1,011,865	408,079	4,159,721
Total Net Position	\$ 23,329,372	\$ 2,501,303	\$ 1,087,927	\$ 26,918,602
				\$ 290,000

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, 2016

	Business-Type Activities-Enterprise Funds				Governmental
	Water	Sewer	Other Enterprise Fund	Totals	Activities - Internal Service Fund Insurance Fund
Operating Revenues:					
Sales and service charges	\$ 8,094,350	\$ 1,543,925	\$ 1,129,927	\$ 10,768,202	\$ -
Miscellaneous	230,156			230,156	
Total Operating Revenues	<u>8,324,506</u>	<u>1,543,925</u>	<u>1,129,927</u>	<u>10,998,358</u>	
Operating Expenses:					
Administration and general	942,868	441,668	948,823	2,333,359	
Pumping	1,020,432			1,020,432	
Transmission/collection	2,598,431			2,598,431	
Treatment		440,296		440,296	
Insurance costs and claims					45,830
Depreciation expense	1,072,881	77,415	6,075	1,156,371	
Total Operating Expenses	<u>5,634,612</u>	<u>959,379</u>	<u>954,898</u>	<u>7,548,889</u>	<u>45,830</u>
Operating Income (Loss)	<u>2,689,894</u>	<u>584,546</u>	<u>175,029</u>	<u>3,449,469</u>	<u>(45,830)</u>
Non-operating Revenues (expenses):					
Interest revenue	106,392	26,376	4,756	137,524	
Interest expense	(251,697)	(3,244)		(254,941)	
Total Nonoperating Revenues (Expenses)	<u>(145,305)</u>	<u>23,132</u>	<u>4,756</u>	<u>(117,417)</u>	
Income (loss) before transfers	<u>2,544,589</u>	<u>607,678</u>	<u>179,785</u>	<u>3,332,052</u>	<u>(45,830)</u>
Transfers:					
Transfers in					46,397
Transfers out	(11,599)	(2,320)		(13,919)	
Total transfers	<u>(11,599)</u>	<u>(2,320)</u>		<u>(13,919)</u>	<u>46,397</u>
Change in net position	<u>2,532,990</u>	<u>605,358</u>	<u>179,785</u>	<u>3,318,133</u>	<u>567</u>
Net Position at Beginning of Fiscal Year	16,595,981	1,895,945	908,142	19,400,068	289,433
Restatements	4,200,401			4,200,401	
Net Position at Beginning of Fiscal Year, Restated	<u>20,796,382</u>	<u>1,895,945</u>	<u>908,142</u>	<u>23,600,469</u>	<u>289,433</u>
Net Position at End of Fiscal Year	<u>\$ 23,329,372</u>	<u>\$ 2,501,303</u>	<u>\$ 1,087,927</u>	<u>\$ 26,918,602</u>	<u>\$ 290,000</u>

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, 2016

	Business-Type Activities-Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Other Enterprise Fund	Totals	Insurance Fund
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 7,814,095	\$ 1,565,268	\$ 1,124,949	\$ 10,504,312	\$ -
Cash paid to suppliers for goods and services	(3,215,771)	(729,479)	(833,544)	(4,778,794)	
Cash paid to employees for services	(993,550)	(434,043)		(1,427,593)	(46,397)
Cash received from (payments to) others	230,156			230,156	
Net Cash Provided by (Used for) Operating Activities:	<u>3,834,930</u>	<u>401,746</u>	<u>291,405</u>	<u>4,528,081</u>	<u>(46,397)</u>
Cash flows from noncapital Financing Activities:					
Due to/from other funds		(360,000)	(50,000)	(410,000)	
Transfers in					46,397
Transfers out	(11,599)	(2,320)		(13,919)	
Net cash provided by (used for) noncapital Financing Activities	<u>(11,599)</u>	<u>(362,320)</u>	<u>(50,000)</u>	<u>(423,919)</u>	<u>46,397</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from capital debt		1,671,979		1,671,979	
Acquisition and construction of capital assets	(12,651,982)	(267,277)	(672,207)	(13,591,466)	
Principal paid on capital debt	(1,095,000)			(1,095,000)	
Interest paid on capital debt	(307,349)			(307,349)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(14,054,331)</u>	<u>1,404,702</u>	<u>(672,207)</u>	<u>(13,321,836)</u>	
Cash Flows from Investing Activities:					
Interest received	103,979	25,225	4,740	133,944	
Net Cash Provided by (Used for) Investing Activities	<u>103,979</u>	<u>25,225</u>	<u>4,740</u>	<u>133,944</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(10,127,021)</u>	<u>1,469,353</u>	<u>(426,062)</u>	<u>(9,083,730)</u>	
Cash and cash equivalents at beginning of fiscal year	30,895,484	998,053	935,656	32,829,193	290,000
Cash and cash equivalents at end of fiscal year	<u>\$ 20,768,463</u>	<u>\$ 2,467,406</u>	<u>\$ 509,594</u>	<u>\$ 23,745,463</u>	<u>\$ 290,000</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments	\$ 6,441,598	\$ 2,467,406	\$ 509,594	\$ 9,418,598	\$ 290,000
Cash and investments with fiscal agent	14,326,865			14,326,865	
	<u>\$ 20,768,463</u>	<u>\$ 2,467,406</u>	<u>\$ 509,594</u>	<u>\$ 23,745,463</u>	<u>\$ 290,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ 2,689,894	\$ 584,546	\$ 175,029	\$ 3,449,469	\$ (45,830)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	1,072,881	77,415	6,075	1,156,371	
(Increase) decrease in accounts receivable	(280,255)	21,343	(4,978)	(263,890)	
(Increase) decrease in inventories	(38,986)			(38,986)	
Increase (decrease) in accounts payable	452,174	(278,788)	115,279	288,665	(567)
Increase (decrease) in accrued liabilities	(47,519)	(10,395)		(57,914)	
Increase (decrease) in deposits payable	37,423			37,423	
Increase (decrease) in compensated absences	(1,025)	(3,392)		(4,417)	
Increase (decrease) in OPEB liability	122,544	27,738		150,282	
Increase (decrease) in net pension liability	39,938	34,606		74,544	
Increase (decrease) in deferred outflow of resources	(41,037)	(13,050)		(54,087)	
Increase (decrease) in deferred inflow of resources	(171,102)	(38,277)		(209,379)	
Total Adjustments	<u>1,145,036</u>	<u>(182,800)</u>	<u>116,376</u>	<u>1,078,612</u>	<u>(567)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 3,834,930</u>	<u>\$ 401,746</u>	<u>\$ 291,405</u>	<u>\$ 4,528,081</u>	<u>\$ (46,397)</u>

See accompanying notes to the basic financial statements

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2016

	Private -Purpose Trust Funds <u>Successor Agency of the Former CRA</u>
Assets:	
Pooled cash and investments	\$ 43,422
Receivables:	
Accrued interest	1,245
Restricted assets:	
Cash and investments	901,436
Cash and investments with fiscal agents	<u>198,047</u>
Total Assets	<u>1,144,150</u>
Liabilities	
Accounts payable	423
Accrued liabilities	527
Accrued interest	13,284
Deposits payable	1,500
Long-term liabilities:	
Due in one year	115,000
Due in more than one year	<u>1,220,000</u>
Total Liabilities	<u>1,350,734</u>
Net Position (Deficit):	
Held in trust for other purposes	<u>\$ (206,584)</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, 2016

	Private-Purpose Trust Funds <hr/> Successor Agency of the Former CRA <hr/>
Additions:	
Taxes	\$ 315,886
Interest and change in fair value of investments	16,047
	<hr/>
Total Additions	331,933
	<hr/>
Deductions:	
Benefits	34,393
Administrative expenses	117,093
Contractual services	7,391
Interest expense	85,018
	<hr/>
Total Deductions:	243,895
	<hr/>
Change in Net Position	88,038
	<hr/>
Net Position (Deficit), Beginning of Fiscal Year	(304,861)
Prior period adjustments	10,239
Net Position (Deficit), beginning of fiscal year, as restated	<hr/> (294,622) <hr/>
	<hr/>
Net Position (Deficit), at End of Fiscal Year	<hr/> \$ (206,584) <hr/>

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 and internal service fund 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 when 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.

Capital Outlay includes those activities that account for the acquisition of capital assets.

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 and statement of net position 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:

<u>Assets</u>	<u>Years</u>
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

Governmental Accounting Standards Board Statement No. 72

For the fiscal year ended June 30, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Applications. This Statement is effective for periods beginning after June 15, 2015. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Implementation of GASB Statement No. 72 did have an impact on the City's financial statements for the fiscal year ended June 30, 2016, see Note 2 – Cash and Investments for further detail.

Future Accounting Pronouncements

GASB Statements Nos. 74-75 and 77-82 listed below will be implemented in future financial statements:

Statement No. 74	"Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans"	The provision of this statement is effective for fiscal years beginning after June 15, 2016.
Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 77	"Tax Abatement Disclosures"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 78	"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 79	"Certain External Investment Pools and Pool Participants"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 80	"Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provision of this statement is effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provision of this statement is effective for fiscal years beginning after December 15, 2017.

II. DETAILED NOTES ON ALL FUNDS

Note 2: Cash and Investments

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	
Cash and investments	\$ 24,120,699
Business-type activities	
Cash and investments	9,418,598
Cash and investments with fiscal agent	14,326,865
Fiduciary activities	
Cash and investments	944,858
Cash and investments with fiscal agent	<u>198,047</u>
Totals	<u>\$ 49,009,067</u>

Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	\$ 13,735
Deposits with financial institutions	5,991,660
Investments	<u>43,003,672</u>
Total cash and investments	<u>\$ 49,009,067</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, 2016, the carrying amount of the City's deposits was \$5,991,660 and the bank balance was \$7,666,399. The \$1,674,739 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, 2016**

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 AgencyBonds	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, 2016**

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, 2016

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, 2016, 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, 2016, 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							Not Rated	
				AAA	AA+	AA	AA-	A+	A	A-		
Local Agency Investment fund	\$ 12,989,475	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,989,475
Money Market Mutual Funds	1,888,950	N/A		1,888,950								
U.S. Treasury Bills	494,995	N/A	494,995									
U.S. Treasury Notes	3,868,857	N/A	3,868,857									
Government Agency Securities	5,581,848	A			5,581,848							
Medium-Term Notes	4,654,635	A		82,745	411,310	359,733	661,137	410,478	1,674,741	1,054,491		
Investments with Fiscal Agent:												
Money Market Mutual Funds	7,149,912	N/A		2,490,745								4,659,167
Certificates of Deposit	6,375,000	N/A										6,375,000
Totals	\$ 43,003,672		\$ 4,363,852	\$ 4,462,440	\$ 5,993,158	\$ 359,733	\$ 661,137	\$ 410,478	\$ 1,674,741	\$ 1,054,491		\$ 24,023,642

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, 2016, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follow:

Issuer	Investment Type	Reported Amount
FNMA	Federal Agency Securities	\$ 3,760,661

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, 2016

Note 2: Cash and Investments (Continued)

As of June 30, 2016, 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	\$ 12,989,475	\$ -	\$ -	\$ -	\$ 12,989,475
Money Market Mutual Funds	1,888,950				1,888,950
U.S. Treasury Bills	494,995				494,995
U.S. Treasury Notes		1,401,337	825,277	1,642,243	3,868,857
Government Agency Securities		1,813,972		3,767,876	5,581,848
Medium-Term Notes	163,782	2,072,950	328,519	2,089,384	4,654,635
Investments with Fiscal Agent:					
Money Market Mutual Funds	7,149,912				7,149,912
Certificates of Deposit	2,239,000	495,000	1,489,000	2,152,000	6,375,000
Totals	\$ 24,926,114	\$ 5,783,259	\$ 2,642,796	\$ 9,651,503	\$ 43,003,672

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The City pool investment has the following recurring fair value measurements as of June 30, 2016:

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
Money Market Mutual Funds	\$ 1,888,950	\$ 1,888,950	\$ -	\$ -
U.S. Treasury Bills	494,995	494,995		
U.S. Treasury Notes	3,868,857	3,868,857		
Government Agency Securities	5,581,848	5,581,848		
Medium-Term Notes	4,654,635	4,654,635		
Held by Fiscal Agent:				
Money Market Mutual Funds	7,149,912	7,149,912		
Certificates of Deposit	6,375,000	6,375,000		
Total Investments Measured at Fair Value	30,014,197	\$ 30,014,197	\$ -	\$ -
Investments Measured at Amortized Cost LAIF	12,989,475			
Total Pooled Investments	\$ 43,003,672			

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 3: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance at July 1, 2015	Restatements	Additions	Deletions	Transfers	Balance at June 30, 2016
Governmental Activities:						
Capital assets, not being depreciated						
Land	\$ 2,116,515	\$ -	\$ -	\$ -	\$ -	\$ 2,116,515
Construction in progress	4,444,694	(3,795,991)	152,719			801,422
Total Capital Assets, not Depreciated	<u>6,561,209</u>	<u>(3,795,991)</u>	<u>152,719</u>			<u>2,917,937</u>
Capital assets, being depreciated						
Buildings	10,468,647		557,325		163,869	11,189,841
Improvements other than buildings	2,290,250		7,484		(163,869)	2,133,865
Machinery, equipment, and vehicles	8,838,465		345,395	(38,143)		9,145,717
Infrastructure	90,430,633	(6,154,895)	2,252,246	(205,648)		86,322,336
Total Capital Assets, Being Depreciated	<u>112,027,995</u>	<u>(6,154,895)</u>	<u>3,162,450</u>	<u>(243,791)</u>		<u>108,791,759</u>
Less accumulated depreciation						
Buildings	6,190,026		205,384			6,395,410
Improvements other than buildings	979,145		23,700			1,002,845
Machinery, equipment, and vehicles	6,346,673		332,852	(38,143)		6,641,382
Infrastructure	41,403,642	(2,527,436)	1,846,708	(205,648)		40,517,266
Total Accumulated Depreciation	<u>54,919,486</u>	<u>(2,527,436)</u>	<u>2,408,644</u>	<u>(243,791)</u>		<u>54,556,903</u>
Total Capital Assets, Being Depreciated, Net	<u>57,108,509</u>	<u>(3,627,459)</u>	<u>753,806</u>			<u>54,234,856</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,669,718</u>	<u>\$ (7,423,450)</u>	<u>\$ 906,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,152,793</u>

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

Government Activities:	
General government	\$ 37,251
Public safety	299,861
Community service	151,642
Public works	1,919,890
Total Governmental Activities	<u>\$ 2,408,644</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 3: Capital Assets (Continued)

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance at July 1, 2015	Restatement	Additions	Deletions	Transfers	Balance at June 30, 2016
Business-Type Activities:						
Capital assets, not being depreciated:						
Land	\$ 84,685	\$ -	\$ -	\$ -	\$ -	\$ 84,685
Construction in progress	25,955,828	(2,683,862)	11,825,228		(185,489)	34,911,705
Total Capital Assets, Not Being Depreciated	26,040,513	(2,683,862)	11,825,228		(185,489)	34,996,390
Capital Assets being Depreciated						
Buildings	4,105,150	28,960	37,443			4,171,553
Improvements other than buildings	3,963,511	(19,810)				3,943,701
Infrastructure	14,711,362	7,426,904	1,711,975		185,489	24,035,730
Machinery, equipment, and vehicles	1,310,166	(9,150)	16,820			1,317,836
Total Capital Assets, Being Depreciated	24,090,189	7,426,904	1,766,238		185,489	33,468,820
Less Accumulated Depreciation						
Buildings	830,543	274	72,083			902,900
Improvements other than buildings	3,181,445		32,209			3,213,654
Infrastructure	2,588,186	542,641	1,006,447			4,137,274
Machinery, equipment, and vehicles	832,890	(274)	45,632			878,248
Total Accumulated Depreciation	7,433,064	542,641	1,156,371			9,132,076
Total Capital Assets, Being Depreciated, Net	16,657,125	6,884,263	609,867		185,489	24,336,744
Business-Type Activities, Capital Assets, Net	\$ 42,697,638	\$ 4,200,401	\$ 12,435,095	\$ -	\$ -	\$ 59,333,134

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

Business-Type Activities:	
Water	\$ 1,072,881
Sewer	77,415
Arroyo Seco Golf Course	6,075
Total Business-Type Activities:	<u>\$ 1,156,371</u>

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 4: Interfund Receivable, Payable, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due To/From Other Funds

	Due To Other Funds	
	Nonmajor Funds	Total
<u>Due From Other Funds</u>		
General Fund	<u>\$ 633,273</u>	<u>\$ 633,273</u>

The due from General Fund of \$633,273 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	\$ 630,063	\$ -	\$ -	\$ -	\$ 630,063
Insurance Internal Service Fund	46,397	4,640	11,599	2,320	64,956
Total	<u>\$ 676,460</u>	<u>\$ 4,640</u>	<u>\$ 11,599</u>	<u>\$ 2,320</u>	<u>\$ 695,019</u>

Transfers from General Fund into the Nonmajor Funds Fund were made to fund the Facilities and Equipment Replacement fund, 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, 2016

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, 2016:

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 788,795	\$ 762,656	\$ (700,010)	\$ 851,441	\$ 85,144
Capital Leases	58,450		(58,450)		
Net OPEB Liability	7,118,554	1,162,611	(620,893)	7,660,272	
Net Pension Liability	20,391,777	2,463,412	(603,849)	22,251,340	
Total Governmental Activities	\$ 28,357,576	\$ 4,388,679	\$ (1,983,202)	\$ 30,763,053	\$ 85,144
Business-Type Activities:					
2012 State Loan Payable	\$ 2,475,913	\$ 1,671,979	\$ -	\$ 4,147,892	\$ -
Compensated Absences	35,619	44,431	(48,848)	31,202	3,120
2009 Water Revenue Bonds	41,950,000		(765,000)	41,185,000	790,000
2013 Water Revenue Bonds	6,390,000		(330,000)	6,060,000	340,000
Net OPEB Liability	1,035,446	246,389	(96,107)	1,185,728	
Net Pension Liability	1,797,693	147,503	(72,959)	1,872,237	
Total Business-type Activities	\$ 53,684,671	\$ 2,110,302	\$ (1,312,914)	\$ 54,482,059	\$ 1,133,120
Add: Unamortized bond premium (discount)				(491,774)	(9,233)
Net Business-type Funds				\$ 53,990,285	\$ 1,123,887

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, 2016, the outstanding balance was \$0.

Note 5: Long-Term Debt (Continued)

d. Revenue Bonds

A description of individual issues of bonds (excluding defeased bonds) outstanding as of June 30, 2016 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, 2016, \$41,185,000 was outstanding.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 5: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
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	910,000	1,844,312	2,754,312
2022-2026	5,220,000	8,570,918	13,790,918
2027-2031	7,290,000	7,117,750	14,407,750
2032-2036	12,215,000	4,644,126	16,859,126
2037-2040	12,225,000	1,260,875	13,485,875
	<u>\$ 41,185,000</u>	<u>\$ 31,132,435</u>	<u>\$ 72,317,435</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 serial 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, 2016, \$6,060,000 was outstanding.

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 5: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
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	390,000	158,988	548,988
2022-2026	2,180,000	559,040	2,739,040
2027-2030	2,065,000	133,152	2,198,152
	<u>\$ 6,060,000</u>	<u>\$ 1,627,682</u>	<u>\$ 7,687,682</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 \$80,005,117 (\$47,245,000 principal, \$32,760,117 interest). For the current fiscal year, principal and interest paid and system net revenue received were \$3,305,694 and \$3,624,398, 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, Water, and Sewer Funds as it becomes due.

f. 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, 2016, the total amount withdrawn by the City equaled the amount payable to the California State Water Resources Control Board, \$4,147,892.

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 City 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 <https://www.calpers.ca.gov/docs/forms-publications/cafr-2016.pdf>.

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, 2016, 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%	6.70%
Required employer contribution rates	17.718%	6.73%
	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	29.884%	11.923%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

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, 2016, 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, 2016, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 8,714,939
Safety	15,408,638
Total Net Pension Liability	\$ 24,123,577

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, 2015, 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, 2014 rolled forward to June 30, 2015 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, 2014 and 2015 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2014	0.33596%	0.37218%
Proportion - June 30, 2015	0.31766%	0.37396%
Change - Increase (Decrease)	-0.01830%	0.00178%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

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, 2016, the City recognized pension expense of \$1,910,204. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 77,444
Changes of assumptions		1,166,257
Net differences between projected and actual earnings on pension plan investments		588,071
Changes in employer's proportion	119,770	1,678,268
Differences between the employer's contributions and the employer's proportionate share of contributions		982,641
Pension contributions subsequent to measurement date	<u>2,445,893</u>	
Total	<u>\$ 2,565,663</u>	<u>\$ 4,492,681</u>

\$2,445,893 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, 2017. 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	
<u>June 30,</u>	<u>Amount</u>
2017	\$ (1,769,236)
2018	(1,782,544)
2019	(1,556,874)
2020	<u>735,743</u>
Total	<u>\$ (4,372,911)</u>

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

	<u>Miscellaneous/Safety/PEPRA</u>
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

¹The 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, 2014 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.

Change of Assumptions

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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)

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 (Public Employees' Retirement 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. 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 long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

Amortization of Deferred Outflows and Deferred Inflows of Resources Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

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

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)

The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments at the measurement date is to be amortized over the remaining four-year period. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement period on a net basis.

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience, Changes of Assumptions and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan. The EARSL for PERF C for the June 30, 2015 measurement date is 3.8 years, which was obtained by dividing the total service years of 467,023 (the sum of remaining service lifetimes of all active employees) by 122,410 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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 7.65%, 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 (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 14,541,492	\$ 25,910,231
Current Discount Rate	7.65%	7.65%
Net Pension Liability	8,714,939	15,408,638
1% Increase	8.65%	8.65%
Net Pension Liability	3,904,443	6,797,525

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, 2016

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 \$604,000 was made during the 2015-2016 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)	\$ 1,537,000
Interest on net OPEB liability	326,000
Adjustment to ARC	<u>(454,000)</u>
Annual OPEB cost	1,409,000
Contributions made	(604,000)
Implied subsidy payments	<u>(113,000)</u>
Increase (decrease) in net OPEB obligation	692,000
Net OPEB obligation - June 30, 2015	<u>8,154,000</u>
Net OPEB obligation - June 30, 2016	<u>\$ 8,846,000</u>

The ARC of \$1,537,000 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 2015-16 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)
6/30/2014	\$ 978,719	\$ 565,404	58%	\$ 7,424,199
6/30/2015	1,385,000	655,199	47%	8,154,000
6/30/2016	1,409,000	717,000	51%	8,846,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

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, 2016

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, 2016, the City had the following construction commitments:

Project Names	Contract Amount	Expenditures to date as of June 30, 2016	Remaining Commitments
Sewer Rehabilitation & Repair Project Phase II	\$ 4,782,317	\$ 418,499	\$ 4,363,818
Garfield Reservoir Replacement Project	19,724,046	11,688,189	8,035,857

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, 2016

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	\$ 944,858
Cash and investments with fiscal agent	198,047
	<u>\$ 1,142,905</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, 2016:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Fiduciary Funds:					
2000 Tax Allocation Bond	<u>\$ 1,445,000</u>	<u>\$ -</u>	<u>\$ (110,000)</u>	<u>\$ 1,335,000</u>	<u>\$ 115,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

**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, 2016, 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, 2016, \$1,335,000 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 \$1,765,618 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 \$315,886 and the debt service obligation on the bonds was \$196,082.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2016, including interest are as follows:

Fiscal Years Ending June 30,	2000 Tax Allocation Bonds		
	Principal	Interest	Total
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	145,000	49,500	194,500
2022-2025	680,000	105,000	785,000
	<u>\$ 1,335,000</u>	<u>\$ 430,618</u>	<u>\$ 1,765,618</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

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 (\$7,423,450) is due to the overstatement of prior years capital assets and accumulated depreciation.

Proprietary fund statements and business type activities:

Water Fund – The restatement of (\$4,200,401) is due to the understatement of prior years capital assets and accumulated depreciation.

Note 12: Deficit Fund Balance

The following funds contained deficit fund balances at June 30, 2016:

Fund	Amount
Nonmajor governmental funds:	
MTA Pedestrian Improvement	\$ 29,951
CTC Traffic Improvement Grant	35
Mission Meridian Public Garage	304,893
County Park Bond	64,307
Homeland Security Grant	16,230
BTA Grant	187
Golden Streets Grant	351,194
HSIP Grant	4,489

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

CITY OF SOUTH PASADENA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 13: Supplementary Budgetary information

The City did not adopt a budget for the following funds: MTA Pedestrian Improvement, CTC Traffic Improvement Grant, Gold Line Mitigation, C.D.B.G, Homeland Security Grant, BTA Grant, Golden Street Grant, and HSIP Grant. 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	\$ 138,001	\$ 138,000	\$ 1
County Park Bond	41,178	20,800	20,378
Capital Growth Requirements	28,297	17,342	10,955
State Police Grant	112,702	17,822	94,880
Housing Authority	500	-	500

Note 14: Subsequent Event

2016 Water Revenue Refunding Bonds

On November 10, 2016, the City issued 2016 Water Revenue Refunding Bonds in an amount of \$37,845,000 to advance refund all of the outstanding balance of 2009 Water Revenue Bonds.

Successor Agency

On March 31, 2016, the Exclusive Negotiating Agreement between the City and Genton Properties Group expired due to the inability of the developer to reach agreements with certain property owners in the former Downtown Redevelopment Project Area which would have enabled a development project to proceed. On June 15, 2016, the Successor Agency approved a Bond Expenditure Agreement with the City of South Pasadena, authorizing the transfer of the remaining 2000 Tax Allocation Bond proceeds to the City, so that development in the former Project Area could proceed under the direct charge of the City. This Bond Expenditure Agreement was approved by the Oversight Board on June 28, 2016, and the Oversight Board's action was approved by the State Department of Finance on August 8, 2016. At that point, the bond proceeds in the amount of \$901,436 were transferred from the Successor Agency to the City.

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, 2016**

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 19,765,748	\$ 19,765,748	\$ 19,916,088	\$ 150,340
Licenses and permits	987,520	987,520	1,030,497	42,977
Intergovernmental	17,000	17,000	136,329	119,329
Charges for services	2,902,265	2,902,265	3,286,951	384,686
Use of money and property	488,384	488,384	681,074	192,690
Fines and forfeitures	332,000	332,000	444,556	112,556
Miscellaneous	237,000	237,000	994,561	757,561
Total revenues	24,729,917	24,729,917	26,490,056	1,760,139
Expenditures:				
General government:				
City council	63,143	63,143	53,997	9,146
City clerk	424,950	455,030	390,812	64,218
Elections	124,550	94,470	64,149	30,321
City manager	809,637	809,637	743,918	65,719
Personnel	171,275	171,275	113,229	58,046
Transportation planning	187,300	190,088	205,598	(15,510)
Legal services	255,000	255,000	261,455	(6,455)
Finance	653,370	656,836	619,109	37,727
City treasurer	9,290	9,290	9,296	(6)
Information services	410,597	410,597	407,108	3,489
Non-departmental	762,648	782,203	825,220	(43,017)
Public safety:				
Police	7,773,286	7,818,834	7,520,286	298,548
Fire	4,466,570	4,493,998	4,579,181	(85,183)
Community development:				
Community development	956,927	1,013,527	1,002,541	10,986
Community services:				
Library	1,574,832	1,574,832	1,473,446	101,386
Senior center	254,357	254,357	244,462	9,895
Recreation	290,177	290,177	280,051	10,126
After-school day care	617,903	617,903	660,450	(42,547)
Public works:				
Public works administration	482,680	521,645	485,049	36,596
Environmental services	279,853	295,509	176,958	118,551
Park maintenance	462,654	462,654	409,998	52,656
Facilities maintenance	629,495	630,920	649,371	(18,451)
Capital outlay	2,301,793	4,044,730	2,829,435	1,215,295
Debt service:				
Principal retirement	61,308	61,308	58,450	2,858
Interest and fiscal charges			2,858	(2,858)
Total expenditures	24,023,595	25,977,963	24,066,427	1,911,536
Excess (deficiency) of revenues over (under) expenditures	706,322	(1,248,046)	2,423,629	3,671,675
Other financing sources (uses):				
Transfers out	(640,539)	(640,539)	(676,460)	(35,921)
Total other financing sources (uses)	(640,539)	(640,539)	(676,460)	(35,921)
Net change in fund balances	65,783	(1,888,585)	1,747,169	3,635,754
Fund balance at beginning of fiscal year	17,647,260	17,647,260	17,647,260	
Fund balance at end of fiscal year	\$ 17,713,043	\$ 15,758,675	\$ 19,394,429	\$ 3,635,754

See Notes to the Required Supplemental Information

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 2016 were not significant.

CITY OF SOUTH PASADENA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

Fiscal Year End		6/30/2016		6/30/2015
Measurement Date		6/30/2015		6/30/2014
Proportion of the net pension liability		0.351455%		0.356603%
Proportionate share of the net pension liability	\$	24,123,577	\$	22,189,470
Covered employee payroll		10,601,417		10,554,828
Proportionate Share of the net pension liability as a percentage of covered employee payroll		227.55%		210.23%
Plan fiduciary net position as a percentage of total pension liability		78.40%		79.82%

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, 2014 valuation date. 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: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

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

CITY OF SOUTH PASADENA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Note 3: Schedules of Pension Contributions

Employer Fiscal Year End	2016	2015
Actuarially Determined Contribution	\$ 2,445,893	\$ 1,926,460
Contributions in Relation to the Actuarially Determined Contribution	<u>(2,445,893)</u>	<u>(1,926,460)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered Employee Payroll	 \$ 10,683,089	 \$ 10,601,417
 Contributions as a Percentage of Covered Employee Payroll	 22.89%	 18.17%

¹Historical information is required only for measurement periods for which GASB 68 is applicable.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Assets Valuation Method	Market Value
Actuarial Assumptions	
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
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. There is no margin for future mortality improvement beyond the valuation date.

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

OTHER SUPPLEMENTARY INFORMATION SECTION

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CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds			
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"	CTC Traffic Improvement Grant
Assets:				
Pooled cash and investments	\$ -	\$ 690,373	\$ 466,128	\$ -
Receivables:				
Accounts			3,545	
Accrued interest		528	325	
Due from other governments	28,436	14,122		54
Total Assets	\$ 28,436	\$ 705,023	\$ 469,998	\$ 54
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ 4,250	\$ -	\$ -
Accrued liabilities		2,369	1,527	
Deposits payable				
Due to other funds	29,951			89
Total Liabilities	29,951	6,619	1,527	89
Deferred Inflow of Resources:				
Unavailable revenues	28,436			
Total Deferred Inflow of Resources	28,436			
Fund Balances:				
Restricted for:				
Community development projects				
Public safety - Police				
Community services		698,404		
Public works - Streets and roads			468,471	
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned	(29,951)			(35)
Total Fund Balances (Deficit)	(29,951)	698,404	468,471	(35)
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 28,436	\$ 705,023	\$ 469,998	\$ 54

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
Assets:				
Pooled cash and investments	\$ 173,761	\$ 139,972	\$ 147,030	\$ 60,381
Receivables:				
Accounts	22,686			
Accrued interest		95		
Due from other governments		8,955		
Total Assets	\$ 196,447	\$ 149,022	\$ 147,030	\$ 60,381
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 94,001	\$ -	\$ -	\$ -
Accrued liabilities	1,828			
Deposits payable				
Due to other funds				
Total Liabilities	95,829			
Deferred Inflow of Resources:				
Unavailable revenues				
Total Deferred Inflow of Resources				
Fund Balances:				
Restricted for:				
Community development projects				
Public safety - Police				
Community services				
Public works - Streets and roads				
Capital projects		149,022	147,030	60,381
Public works - Street lighting	100,618			
Committed to:				
Capital projects				
Unassigned				
Total Fund Balances (Deficit)	100,618	149,022	147,030	60,381
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 196,447	\$ 149,022	\$ 147,030	\$ 60,381

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	Mission Meridian Public Garage	State Gas Tax	County Park Bond	Capital Growth Requirements
Assets:				
Pooled cash and investments	\$ -	\$ 1,041,527	\$ -	\$ 230,323
Receivables:				
Accounts	660			
Accrued interest		713		161
Due from other governments			11,409	
Total Assets	\$ 660	\$ 1,042,240	\$ 11,409	\$ 230,484
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 1,513	\$ 34,025	\$ 5,576	\$ 4,000
Accrued liabilities		3,717		
Deposits payable				
Due to other funds	304,040		70,140	
Total Liabilities	305,553	37,742	75,716	4,000
Deferred Inflow of Resources:				
Unavailable revenues				
Total Deferred Inflow of Resources				
Fund Balances:				
Restricted for:				
Community development projects				
Public safety - Police				
Community services				
Public works - Streets and roads		1,004,498		
Capital projects				226,484
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned	(304,893)		(64,307)	
Total Fund Balances (Deficit)	(304,893)	1,004,498	(64,307)	226,484
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 660	\$ 1,042,240	\$ 11,409	\$ 230,484

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	C.D.B.G.	Asset Forfeiture	CLEEP	Public Library Grant
Assets:				
Pooled cash and investments	\$ -	\$ 16,968	\$ 5,242	\$ -
Receivables:				
Accounts				
Accrued interest		12	4	
Due from other governments				
Total Assets	\$ -	\$ 16,980	\$ 5,246	\$ -
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Deposits payable				
Due to other funds				
Total Liabilities				
Deferred Inflow of Resources:				
Unavailable revenues				
Total Deferred Inflow of Resources				
Fund Balances:				
Restricted for:				
Community development projects				
Public safety - Police		16,980	5,246	
Community services				
Public works - Streets and roads				
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned				
Total Fund Balances (Deficit)		16,980	5,246	
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ -	\$ 16,980	\$ 5,246	\$ -

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	State Police Grant	Homeland Security Grant	Park Impact Fees	Measure R
Assets:				
Pooled cash and investments	\$ 171,911	\$ -	\$ 443,095	\$ 967,611
Receivables:				
Accounts				
Accrued interest	122			666
Due from other governments		5,347		
Total Assets	\$ 172,033	\$ 5,347	\$ 443,095	\$ 968,277
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 72,326	\$ -	\$ 3,400	\$ -
Accrued liabilities				
Deposits payable				
Due to other funds		16,230		
Total Liabilities	72,326	16,230	3,400	
Deferred Inflow of Resources:				
Unavailable revenues		5,347		
Total Deferred Inflow of Resources		5,347		
Fund Balances:				
Restricted for:				
Community development projects				
Public safety - Police	99,707			
Community services			439,695	
Public works - Streets and roads				968,277
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned		(16,230)		
Total Fund Balances (Deficit)	99,707	(16,230)	439,695	968,277
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 172,033	\$ 5,347	\$ 443,095	\$ 968,277

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	TDA/Metro Grant Fund	Public Education	MSRC Grant Fund	BTA Grant Fund
Assets:				
Pooled cash and investments	\$ 379,124	\$ 98,295	\$ -	\$ -
Receivables:				
Accounts		5,478		
Accrued interest	267			
Due from other governments				
Total Assets	\$ 379,391	\$ 103,773	\$ -	\$ -
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Deposits payable				
Due to other funds				187
Total Liabilities				187
Deferred Inflow of Resources:				
Unavailable revenues				
Total Deferred Inflow of Resources				
Fund Balances:				
Restricted for:				
Community development projects		103,773		
Public safety - Police				
Community services				
Public works - Streets and roads	379,391			
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				
Unassigned				(187)
Total Fund Balances (Deficit)	379,391	103,773		(187)
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 379,391	\$ 103,773	\$ -	\$ -

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(Continued)

	Special Revenue Funds			Capital Project Fund
	Housing Authority Fund	Golden Streets Grant Fund	HSIP Grant Fund	Facilities & Equip. Capital Project
Assets:				
Pooled cash and investments	\$ 27,555	\$ -	\$ -	\$ 715,326
Receivables:				
Accounts				
Accrued interest	19			
Due from other governments		351,193	4,489	
Total Assets	\$ 27,574	\$ 351,193	\$ 4,489	\$ 715,326
<u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ 143,047	\$ -	\$ 18,373
Accrued liabilities				
Deposits payable	729			
Due to other funds		208,147	4,489	
Total Liabilities	729	351,194	4,489	18,373
Deferred Inflow of Resources:				
Unavailable revenues		351,193	4,489	
Total Deferred Inflow of Resources		351,193	4,489	
Fund Balances:				
Restricted for:				
Community development projects	26,845			
Public safety - Police				
Community services				
Public works - Streets and roads				
Capital projects				
Public works - Street lighting				
Committed to:				
Capital projects				696,953
Unassigned		(351,194)	(4,489)	
Total Fund Balances (Deficit)	26,845	(351,194)	(4,489)	696,953
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 27,574	\$ 351,193	\$ 4,489	\$ 715,326

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>Total Governmental Funds</u>
Assets:	
Pooled cash and investments	\$ 5,774,622
Receivables:	
Accounts	32,369
Accrued interest	2,912
Due from other governments	<u>424,005</u>
Total Assets	<u>\$ 6,233,908</u>
 <u>Liabilities, Deferred Inflow of Resources, and Fund Balances</u>	
Liabilities:	
Accounts payable	\$ 380,511
Accrued liabilities	9,441
Deposits payable	729
Due to other funds	<u>633,273</u>
Total Liabilities	<u>1,023,954</u>
 Deferred Inflow of Resources:	
Unavailable revenues	<u>389,465</u>
Total Deferred Inflow of Resources	<u>389,465</u>
 Fund Balances:	
Restricted for:	
Community development projects	130,618
Public safety - Police	121,933
Community services	1,138,099
Public works - Streets and roads	2,820,637
Capital projects	582,917
Public works - Street lighting	100,618
Committed to:	
Capital projects	696,953
Unassigned	<u>(771,286)</u>
Total Fund Balances (Deficit)	<u>4,820,489</u>
 Total Liabilities, Deferred Inflow of Resources, and Fund Balances	 <u>\$ 6,233,908</u>

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CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds			CTC Traffic Improvement Grant
	MTA Pedestrian Improvement	Proposition "A"	Proposition "C"	
Revenues:				
Taxes	\$ -	\$ 469,505	\$ 388,693	\$ -
Assessments				
Licenses and permits			38,526	
Intergovernmental				54
Charges for services		4,984		
Use of money and property		8,401	5,458	
Contributions				
Miscellaneous		15,085		
Total Revenues		497,975	432,677	54
Expenditures:				
Current:				
General government		33,033	46,491	
Public safety				
Community development				
Community services		213,672	213,681	
Public works			2,536	
Capital outlay		116,957	42,827	
Total Expenditures		363,662	305,535	
Excess (Deficiency) of Revenues Over (Under) Expenditures		134,313	127,142	54
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances		134,313	127,142	54
Fund Balances (Deficit), Beginning of Fiscal Year	(29,951)	564,091	341,329	(89)
Fund Balances (Deficit), End of Fiscal Year	\$ (29,951)	\$ 698,404	\$ 468,471	\$ (35)

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	Street Lighting	Clean Air Act	Parking and Business Improvement	Gold Line Mitigation
Revenues:				
Taxes	\$ -	\$ -	\$ 169,050	\$ -
Assessments	876,972			
Licenses and permits				
Intergovernmental		33,213		
Charges for services				
Use of money and property		1,556		
Contributions	9,691			
Miscellaneous				
Total Revenues	<u>886,663</u>	<u>34,769</u>	<u>169,050</u>	
Expenditures:				
Current:				
General government			138,001	
Public safety				
Community development				
Community services				
Public works	951,480			
Capital outlay	11,309			
Total Expenditures	<u>962,789</u>		<u>138,001</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(76,126)</u>	<u>34,769</u>	<u>31,049</u>	
Other Financing Sources (Uses):				
Transfers in				
Transfers out	(4,640)			
Total Other Financing Sources (Uses)	<u>(4,640)</u>			
Net Change in Fund Balances	(80,766)	34,769	31,049	
Fund Balances (Deficit), Beginning of Fiscal Year	<u>181,384</u>	<u>114,253</u>	<u>115,981</u>	<u>60,381</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 100,618</u>	<u>\$ 149,022</u>	<u>\$ 147,030</u>	<u>\$ 60,381</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, 2016

(Continued)

	Special Revenue Funds			
	Mission Meridian Public Garage	State Gas Tax	County Park Bond	Capital Growth Requirements
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental		569,744	125,882	
Charges for services				49,331
Use of money and property	1,155	12,161		2,692
Contributions				
Miscellaneous				
Total Revenues	<u>1,155</u>	<u>581,905</u>	<u>125,882</u>	<u>52,023</u>
Expenditures:				
Current:				
General government	18,938			
Public safety				
Community development				
Community services				
Public works		549,728	39,518	
Capital outlay			1,660	28,297
Total Expenditures	<u>18,938</u>	<u>549,728</u>	<u>41,178</u>	<u>28,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,783)</u>	<u>32,177</u>	<u>84,704</u>	<u>23,726</u>
Other Financing Sources (Uses):				
Transfers in		58,083		
Transfers out				
Total Other Financing Sources (Uses)		<u>58,083</u>		
Net Change in Fund Balances	(17,783)	90,260	84,704	23,726
Fund Balances (Deficit), Beginning of Fiscal Year	<u>(287,110)</u>	<u>914,238</u>	<u>(149,011)</u>	<u>202,758</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ (304,893)</u>	<u>\$ 1,004,498</u>	<u>\$ (64,307)</u>	<u>\$ 226,484</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, 2016

(Continued)

	Special Revenue Funds			
	C.D.B.G.	Asset Forfeiture	CLEEP	Public Library Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental	82,750			
Charges for services				
Use of money and property		207	64	
Contributions				
Miscellaneous	18,755			
Total Revenues	101,505	207	64	
Expenditures:				
Current:				
General government				
Public safety				
Community development				
Community services	37,339			6,445
Public works				
Capital outlay	64,528			
Total Expenditures	101,867			6,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362)	207	64	(6,445)
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(362)	207	64	(6,445)
Fund Balances (Deficit), Beginning of Fiscal Year	362	16,773	5,182	6,445
Fund Balances (Deficit), End of Fiscal Year	\$ -	\$ 16,980	\$ 5,246	\$ -

CITY OF SOUTH PASADENA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

	Special Revenue Funds			
	State Police Grant	Homeland Security Grant	Park Impact Fees	Measure R
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 292,258
Assessments				
Licenses and permits				
Intergovernmental	114,618			
Charges for services			97,901	
Use of money and property	1,911			10,799
Contributions				
Miscellaneous				
Total Revenues	<u>116,529</u>		<u>97,901</u>	<u>303,057</u>
Expenditures:				
Current:				
General government				
Public safety		307		
Community development				
Community services			45,477	
Public works				
Capital outlay	112,702		6,005	28,990
Total Expenditures	<u>112,702</u>	<u>307</u>	<u>51,482</u>	<u>28,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,827</u>	<u>(307)</u>	<u>46,419</u>	<u>274,067</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	3,827	(307)	46,419	274,067
Fund Balances (Deficit), Beginning of Fiscal Year	<u>95,880</u>	<u>(15,923)</u>	<u>393,276</u>	<u>694,210</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 99,707</u>	<u>\$ (16,230)</u>	<u>\$ 439,695</u>	<u>\$ 968,277</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, 2016

(Continued)

	Special Revenue Funds			
	TDA/Metro Grant Fund	Public Education	MSRC Grant Fund	BTA Grant Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental		23,472		
Charges for services				
Use of money and property	5,236			
Contributions				
Miscellaneous				
Total Revenues	<u>5,236</u>	<u>23,472</u>		
Expenditures:				
Current:				
General government				
Public safety				
Community development				
Community services				
Public works				187
Capital outlay				
Total Expenditures				<u>187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,236</u>	<u>23,472</u>		<u>(187)</u>
Other Financing Sources (Uses):				
Transfers in			90,539	
Transfers out				
Total Other Financing Sources (Uses)			<u>90,539</u>	
Net Change in Fund Balances	5,236	23,472	90,539	(187)
Fund Balances (Deficit), Beginning of Fiscal Year	<u>374,155</u>	<u>80,301</u>	<u>(90,539)</u>	
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 379,391</u>	<u>\$ 103,773</u>	<u>\$ -</u>	<u>\$ (187)</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, 2016

(Continued)

	Special Revenue Funds			Capital
	Housing Authority Fund	Golden Streets Grant Fund	HSIP Grant Fund	Projects Fund Facilities & Equip. Capital Project
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments				
Licenses and permits				
Intergovernmental			18,336	
Charges for services				
Use of money and property	9,047			
Contributions				
Miscellaneous				
Total Revenues	<u>9,047</u>		<u>18,336</u>	
Expenditures:				
Current:				
General government				
Public safety				
Community development	500			
Community services				
Public works		351,194	22,825	
Capital outlay				264,519
Total Expenditures	<u>500</u>	<u>351,194</u>	<u>22,825</u>	<u>264,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,547</u>	<u>(351,194)</u>	<u>(4,489)</u>	<u>(264,519)</u>
Other Financing Sources (Uses):				
Transfers in				500,000
Transfers out				
Total Other Financing Sources (Uses)				<u>500,000</u>
Net Change in Fund Balances	8,547	(351,194)	(4,489)	235,481
Fund Balances (Deficit), Beginning of Fiscal Year	<u>18,298</u>			<u>461,472</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 26,845</u>	<u>\$ (351,194)</u>	<u>\$ (4,489)</u>	<u>\$ 696,953</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, 2016

	Total Governmental Funds
	<u> </u>
Revenues:	
Taxes	\$ 1,319,506
Assessments	876,972
Licenses and permits	38,526
Intergovernmental	968,069
Charges for services	152,216
Use of money and property	58,687
Contributions	9,691
Miscellaneous	<u>33,840</u>
Total Revenues	<u>3,457,507</u>
Expenditures:	
Current:	
General government	236,463
Public safety	307
Community development	500
Community services	516,614
Public works	1,917,468
Capital outlay	<u>677,794</u>
Total Expenditures	<u>3,349,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>108,361</u>
Other Financing Sources (Uses):	
Transfers in	648,622
Transfers out	<u>(4,640)</u>
Total Other Financing Sources (Uses)	<u>643,982</u>
Net Change in Fund Balances	752,343
Fund Balances (Deficit), Beginning of Fiscal Year	<u>4,068,146</u>
Fund Balances (Deficit), End of Fiscal Year	<u><u>\$ 4,820,489</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 469,698	\$ 469,698	\$ 469,505	\$ (193)
Charges for services	5,000	5,000	4,984	(16)
Use of money and property	1,200	1,200	8,401	7,201
Miscellaneous	16,000	16,000	15,085	(915)
Total Revenues	<u>491,898</u>	<u>491,898</u>	<u>497,975</u>	<u>6,077</u>
Expenditures:				
Current:				
General government	25,543	25,543	33,033	(7,490)
Community services	310,835	310,835	213,672	97,163
Capital outlay	130,000	133,800	116,957	16,843
Total expenditures	<u>466,378</u>	<u>470,178</u>	<u>363,662</u>	<u>106,516</u>
Net Changes in Fund Balance	25,520	21,720	134,313	112,593
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>564,091</u>	<u>564,091</u>	<u>564,091</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 589,611</u>	<u>\$ 585,811</u>	<u>\$ 698,404</u>	<u>\$ 112,593</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 389,602	\$ 389,602	\$ 388,693	\$ (909)
Licenses and permits	20,000	20,000	38,526	18,526
Use of money and property	800	800	5,458	4,658
Total Revenues	<u>410,402</u>	<u>410,402</u>	<u>432,677</u>	<u>22,275</u>
Expenditures:				
Current:				
General government	52,326	52,326	46,491	5,835
Community services	264,127	264,127	213,681	50,446
Public works			2,536	(2,536)
Capital outlay	90,000	123,985	42,827	81,158
Total expenditures	<u>406,453</u>	<u>440,438</u>	<u>305,535</u>	<u>134,903</u>
Net Changes in Fund Balance	3,949	(30,036)	127,142	157,178
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>341,329</u>	<u>341,329</u>	<u>341,329</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 345,278</u>	<u>\$ 311,293</u>	<u>\$ 468,471</u>	<u>\$ 157,178</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Assessments	\$ 885,000	\$ 885,000	\$ 876,972	\$ (8,028)
Contributions	10,000	10,000	9,691	(309)
Total Revenues	<u>895,000</u>	<u>895,000</u>	<u>886,663</u>	<u>(8,337)</u>
Expenditures:				
Current:				
Public works	1,027,606	1,030,806	951,480	79,326
Capital outlay	50,000	50,000	11,309	38,691
Total expenditures	<u>1,077,606</u>	<u>1,080,806</u>	<u>962,789</u>	<u>118,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(182,606)</u>	<u>(185,806)</u>	<u>(76,126)</u>	<u>109,680</u>
Other financing sources (uses):				
Transfers out			(4,640)	(4,640)
Total other financing sources and (uses)			<u>(4,640)</u>	<u>(4,640)</u>
Net Changes in Fund Balance	<u>(182,606)</u>	<u>(185,806)</u>	<u>(80,766)</u>	<u>105,040</u>
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>181,384</u>	<u>181,384</u>	<u>181,384</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u><u>\$ (1,222)</u></u>	<u><u>\$ (4,422)</u></u>	<u><u>\$ 100,618</u></u>	<u><u>\$ 105,040</u></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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 33,213	\$ 3,213
Use of money and property	600	600	1,556	956
Total Revenues	<u>30,600</u>	<u>30,600</u>	<u>34,769</u>	<u>4,169</u>
Expenditures:				
Current:				
General government	2,000	2,000		2,000
Capital outlay	40,000	78,504		78,504
Total expenditures	<u>42,000</u>	<u>80,504</u>		<u>80,504</u>
Net Changes in Fund Balance	(11,400)	(49,904)	34,769	84,673
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>114,253</u>	<u>114,253</u>	<u>114,253</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 102,853</u>	<u>\$ 64,349</u>	<u>\$ 149,022</u>	<u>\$ 84,673</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, 2016**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 140,000	\$ 140,000	\$ 169,050	\$ 29,050
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>169,050</u>	<u>29,050</u>
Expenditures:				
Current:				
General government	<u>137,500</u>	<u>138,000</u>	<u>138,001</u>	<u>(1)</u>
Total expenditures	<u>137,500</u>	<u>138,000</u>	<u>138,001</u>	<u>(1)</u>
Net Changes in Fund Balance	2,500	2,000	31,049	29,049
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>115,981</u>	<u>115,981</u>	<u>115,981</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 118,481</u>	<u>\$ 117,981</u>	<u>\$ 147,030</u>	<u>\$ 29,049</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 1,155	\$ 1,155
Total Revenues			1,155	1,155
Expenditures:				
Current:				
General government	26,000	26,000	18,938	7,062
Total expenditures	26,000	26,000	18,938	7,062
Net Changes in Fund Balance	(26,000)	(26,000)	(17,783)	8,217
Fund Balance (Deficit) at Beginning of Fiscal Year	(287,110)	(287,110)	(287,110)	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ (313,110)</u>	<u>\$ (313,110)</u>	<u>\$ (304,893)</u>	<u>\$ 8,217</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 557,015	\$ 557,015	\$ 569,744	\$ 12,729
Use of money and property	3,000	3,000	12,161	9,161
Total Revenues	<u>560,015</u>	<u>560,015</u>	<u>581,905</u>	<u>21,890</u>
Expenditures:				
Current:				
Public works	585,612	591,843	549,728	42,115
Capital outlay	<u>160,000</u>	<u>160,000</u>		<u>160,000</u>
Total expenditures	<u>745,612</u>	<u>751,843</u>	<u>549,728</u>	<u>202,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,597)</u>	<u>(191,828)</u>	<u>32,177</u>	<u>224,005</u>
Other financing sources (uses):				
Transfers in			<u>58,083</u>	<u>58,083</u>
Total other financing sources and (uses)			<u>58,083</u>	<u>58,083</u>
Net Changes in Fund Balance	<u>(185,597)</u>	<u>(191,828)</u>	<u>90,260</u>	<u>282,088</u>
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>914,238</u>	<u>914,238</u>	<u>914,238</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 728,641</u>	<u>\$ 722,410</u>	<u>\$ 1,004,498</u>	<u>\$ 282,088</u>

CITY OF SOUTH PASADENA

COUNTY PARK BOND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 125,882	\$ 125,882
Total Revenues			125,882	125,882
Expenditures:				
Current:				
Public works		20,800	39,518	(18,718)
Capital outlay			1,660	(1,660)
Total expenditures		20,800	41,178	(20,378)
Net Changes in Fund Balance		(20,800)	84,704	105,504
Fund Balance (Deficit) at Beginning of Fiscal Year	(149,011)	(149,011)	(149,011)	
Fund Balance (Deficit) at End of Fiscal Year	(149,011)	(169,811)	\$ (64,307)	\$ 105,504

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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 16,586	\$ 16,586	\$ -	\$ (16,586)
Total Revenues	16,586	16,586		(16,586)
Net Changes in Fund Balance	16,586	16,586		(16,586)
Fund Balance (Deficit) at Beginning of Fiscal Year				
Fund Balance (Deficit) at End of Fiscal Year	\$ 16,586	\$ 16,586	\$ -	\$ (16,586)

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, 2016**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 32,000	\$ 32,000	\$ 49,331	\$ 17,331
Use of money and property	300	300	2,692	2,392
Total Revenues	<u>32,300</u>	<u>32,300</u>	<u>52,023</u>	<u>19,723</u>
Expenditures:				
Capital outlay		17,342	28,297	(10,955)
Total expenditures		<u>17,342</u>	<u>28,297</u>	<u>(10,955)</u>
Net Changes in Fund Balance	32,300	14,958	23,726	8,768
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>202,758</u>	<u>202,758</u>	<u>202,758</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 235,058</u>	<u>\$ 217,716</u>	<u>\$ 226,484</u>	<u>\$ 8,768</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 40	\$ 40	\$ 207	\$ 167
Total Revenues	40	40	207	167
Net Changes in Fund Balance	40	40	207	167
Fund Balance (Deficit) at Beginning of Fiscal Year	16,773	16,773	16,773	
Fund Balance (Deficit) at End of Fiscal Year	\$ 16,813	\$ 16,813	\$ 16,980	\$ 167

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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 15	\$ 15	\$ 64	\$ 49
Total Revenues	<u>15</u>	<u>15</u>	<u>64</u>	<u>49</u>
Net Changes in Fund Balance	15	15	64	49
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>5,182</u>	<u>5,182</u>	<u>5,182</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 5,197</u>	<u>\$ 5,197</u>	<u>\$ 5,246</u>	<u>\$ 49</u>

CITY OF SOUTH PASADENA

**PUBLIC LIBRARY GRANT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Total Revenues				
Expenditures:				
Current:				
Community services	6,445	6,445	6,445	
Total expenditures	6,445	6,445	6,445	
Net Changes in Fund Balance	(6,445)	(6,445)	(6,445)	
Fund Balance (Deficit) at Beginning of Fiscal Year	6,445	6,445	6,445	
Fund Balance (Deficit) at End of Fiscal Year	\$ -	\$ -	\$ -	\$ -

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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 114,618	\$ 14,618
Use of money and property	500	500	1,911	1,411
Total Revenues	<u>100,500</u>	<u>100,500</u>	<u>116,529</u>	<u>16,029</u>
Expenditures:				
Capital outlay		17,822	112,702	(94,880)
Total expenditures		<u>17,822</u>	<u>112,702</u>	<u>(94,880)</u>
Net Changes in Fund Balance	100,500	82,678	3,827	(78,851)
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>95,880</u>	<u>95,880</u>	<u>95,880</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 196,380</u>	<u>\$ 178,558</u>	<u>\$ 99,707</u>	<u>\$ (78,851)</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ 97,901	\$ 67,901
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>97,901</u>	<u>67,901</u>
Expenditures:				
Current:				
Community services		24,335	45,477	(21,142)
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>6,005</u>	<u>193,995</u>
Total expenditures	<u>200,000</u>	<u>224,335</u>	<u>51,482</u>	<u>172,853</u>
Net Changes in Fund Balance	(170,000)	(194,335)	46,419	240,754
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>393,276</u>	<u>393,276</u>	<u>393,276</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 223,276</u>	<u>\$ 198,941</u>	<u>\$ 439,695</u>	<u>\$ 240,754</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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 292,205	\$ 292,205	\$ 292,258	\$ 53
Use of money and property	2,500	2,500	10,799	8,299
Total Revenues	<u>294,705</u>	<u>294,705</u>	<u>303,057</u>	<u>8,352</u>
Expenditures:				
Capital outlay	788,000	788,000	28,990	759,010
Total expenditures	<u>788,000</u>	<u>788,000</u>	<u>28,990</u>	<u>759,010</u>
Net Changes in Fund Balance	(493,295)	(493,295)	274,067	767,362
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>694,210</u>	<u>694,210</u>	<u>694,210</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 200,915</u>	<u>\$ 200,915</u>	<u>\$ 968,277</u>	<u>\$ 767,362</u>

CITY OF SOUTH PASADENA

**TDA/METRO GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 5,236	\$ 4,236
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>5,236</u>	<u>4,236</u>
Net Changes in Fund Balance	1,000	1,000	5,236	4,236
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>374,155</u>	<u>374,155</u>	<u>374,155</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 375,155</u>	<u>\$ 375,155</u>	<u>\$ 379,391</u>	<u>\$ 4,236</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, 2016**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 23,472	\$ 3,472
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>23,472</u>	<u>3,472</u>
Net Changes in Fund Balance	20,000	20,000	23,472	3,472
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>80,301</u>	<u>80,301</u>	<u>80,301</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 100,301</u>	<u>\$ 100,301</u>	<u>\$ 103,773</u>	<u>\$ 3,472</u>

CITY OF SOUTH PASADENA

MSRC GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Total Revenues				
Other financing sources (uses):				
Transfers in	90,539	90,539	90,539	
Total other financing sources and (uses)	90,539	90,539	90,539	
Net Changes in Fund Balance	90,539	90,539	90,539	
Fund Balance (Deficit) at Beginning of Fiscal Year	(90,539)	(90,539)	(90,539)	
Fund Balance (Deficit) at End of Fiscal Year	\$ -	\$ -	\$ -	\$ -

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, 2016

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 8,828	\$ 8,828	\$ 9,047	\$ 219
Total Revenues	<u>8,828</u>	<u>8,828</u>	<u>9,047</u>	<u>219</u>
Expenditures:				
Current:				
Community development			500	(500)
Total expenditures			<u>500</u>	<u>(500)</u>
Net Changes in Fund Balance	8,828	8,828	8,547	(281)
Fund Balance (Deficit) at Beginning of Fiscal Year	<u>18,298</u>	<u>18,298</u>	<u>18,298</u>	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 27,126</u>	<u>\$ 27,126</u>	<u>\$ 26,845</u>	<u>\$ (281)</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, 2016**

	Budget Amounts		Actual Amounts	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Total Revenues				
Expenditures:				
Capital outlay	545,729	545,729	\$ 264,519	\$ 281,210
Total expenditures	545,729	545,729	264,519	281,210
Excess (deficiency) of revenues over (under) expenditures	(545,729)	(545,729)	(264,519)	281,210
Other financing sources (uses):				
Transfers in	500,000	500,000	500,000	
Total other financing sources and (uses)	500,000	500,000	500,000	
Net Changes in Fund Balance	(45,729)	(45,729)	235,481	281,210
Fund Balance (Deficit) at Beginning of Fiscal Year	461,472	461,472	461,472	
Fund Balance (Deficit) at End of Fiscal Year	<u>\$ 415,743</u>	<u>\$ 415,743</u>	<u>\$ 696,953</u>	<u>\$ 281,210</u>

CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUND
 June 30, 2016

	Business-Type Activities- Enterprise Fund
	Arroyo Seco Golf Course
Assets:	
Current:	
Cash and investments	\$ 509,594
Receivables:	
Accounts	4,978
Accrued interest	144
Inventories	8,642
	<u>523,358</u>
Total Current Assets	
Noncurrent:	
Capital assets - not being depreciated	16,908
Capital assets - net of accumulated depreciation	662,940
	<u>679,848</u>
Total Noncurrent Assets	
	<u>1,203,206</u>
Total Assets	
Liabilities and Net Position:	
Liabilities:	
Current:	
Accounts payable	115,279
	<u>115,279</u>
Total Current Liabilities	
Net position:	
Net investment in capital assets	679,848
Unrestricted	408,079
	<u>1,087,927</u>
Total Net Position	
Total Liabilities and Net Position	
	<u>\$ 1,203,206</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, 2016

	Business-Type Activities- Enterprise Fund
	Arroyo Seco Golf Course
Operating Revenues:	
Sales and service charges	\$ 1,129,927
Total Operating Revenues	<u>1,129,927</u>
Operating Expenses:	
Administration and general	948,823
Depreciation expense	<u>6,075</u>
Total Operating Expenses	<u>954,898</u>
Operating Income (Loss)	<u>175,029</u>
Non-operating Revenues (expenses):	
Interest revenue	<u>4,756</u>
Total Nonoperating Revenues (Expenses)	<u>4,756</u>
Change in net position	179,785
Net Position at Beginning of Fiscal Year	<u>908,142</u>
Net Position at End of Fiscal Year	<u><u>\$ 1,087,927</u></u>

CITY OF SOUTH PASADENA

STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities-Enterprise Fund
	Arroyo Seco Golf Course
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 1,124,949
Cash paid to suppliers for goods and services	(833,544)
Net Cash Provided by Operating Activities:	<u>291,405</u>
Cash flows from noncapital financing activities:	
Due to/from other funds	(50,000)
Net cash provided by (used for) noncapital financing activities	<u>(50,000)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(672,207)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(672,207)</u>
Cash Flows from Investing Activities:	
Interest received	4,740
Net Cash Provided by (Used for) Investing Activities	<u>4,740</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(426,062)
Cash and Cash Equivalents at Beginning of Fiscal Year	<u>935,656</u>
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 509,594</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:	
Operating income	\$ 175,029
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities	
Depreciation	6,075
(Increase) decrease in accounts receivable	(4,978)
Increase (decrease) in accounts payable	115,279
Total Adjustments	<u>116,376</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 291,405</u>

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STATISTICAL SECTION

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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)

	2007	2008	2009	2010
Government Activities				
Net investment in capital assets	\$ 57,875,243	\$ 59,638,269	\$ 56,086,968	\$ 57,541,752
Restricted	4,454,617	3,725,863	6,609,467	4,069,279
Unrestricted	6,396,133	8,392,273	8,979,878	6,937,924
Total governmental activities Net Position	<u>\$ 68,725,993</u>	<u>\$ 71,756,405</u>	<u>\$ 71,676,313</u>	<u>\$ 68,548,955</u>
Business-type activities				
Net investment in capital assets	\$ 3,263,489	\$ 2,791,280	\$ 1,890,240	\$ 1,276,626
Restricted	2,136,719	2,878,966	36,642,005	36,135,935
Unrestricted	2,831,187	3,542,152	(29,053,954)	(28,488,758)
Total business-type activities Net Position	<u>\$ 8,231,395</u>	<u>\$ 9,212,398</u>	<u>\$ 9,478,291</u>	<u>\$ 8,923,803</u>
Primary government				
Net investment in capital assets	\$ 61,138,732	\$ 62,429,549	\$ 57,977,208	\$ 58,818,378
Restricted	6,591,336	6,604,829	43,251,472	40,205,214
Unrestricted	9,227,320	11,934,425	(20,074,076)	(21,550,834)
Total primary government activities Net Position	<u>\$ 76,957,388</u>	<u>\$ 80,968,803</u>	<u>\$ 81,154,604</u>	<u>\$ 77,472,758</u>

2011	2012	2013	2014	2015	2016
\$ 60,741,741	\$ 62,226,846	\$ 61,969,593	\$ 62,764,726	\$ 63,611,268	\$ 57,152,793
4,438,340	2,722,783	2,328,184	3,184,841	4,179,297	4,894,822
6,562,890	5,143,951	7,314,507	8,720,752	(14,506,500)	(12,620,721)
\$ 71,742,971	\$ 70,093,580	\$ 71,612,284	\$ 74,670,319	\$ 53,284,065	\$ 49,426,894
\$ 4,550,204	\$ 4,808,013	\$ 7,448,158	\$ 10,855,319	\$ 11,727,300	\$ 19,878,644
32,451,626	29,973,386	-	-	2,982,160	2,880,237
(26,740,899)	(22,097,380)	6,381,147	6,943,845	4,690,608	4,159,721
\$ 10,260,931	\$ 12,684,019	\$ 13,829,305	\$ 17,799,164	\$ 19,400,068	\$ 26,918,602
\$ 65,291,945	\$ 67,034,859	\$ 69,417,751	\$ 73,620,045	\$ 75,338,568	\$ 77,031,437
36,889,966	32,696,169	2,328,184	3,184,841	7,161,457	7,775,059
(20,178,009)	(16,953,429)	13,695,654	15,664,597	(9,815,892)	(8,461,000)
\$ 82,003,902	\$ 82,777,599	\$ 85,441,589	\$ 92,469,483	\$ 72,684,133	\$ 76,345,496

City of South Pasadena

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

	2007	2008	2009	2010	2011
Expenses					
Governmental Activities:					
General government	\$ 4,401,369	\$ 3,911,227	\$ 5,513,124	\$ 5,816,414	\$ 5,935,671
Public safety	9,779,691	9,875,234	11,525,403	11,589,395	10,939,183
Community development	883,972	997,287	839,568	920,339	911,718
Community services	2,523,119	2,806,026	2,914,235	3,033,614	3,175,891
Public works	4,876,678	4,655,996	5,482,505	5,484,601	4,863,335
Interest on long-term debt	149,359	143,423	136,769	131,539	125,032
Total Governmental Activities Expenses	\$ 22,614,188	\$ 22,389,193	\$ 26,411,604	\$ 26,975,902	\$ 25,950,830
Business-Type Activities:					
Water utility	3,908,439	3,949,800	4,451,292	7,144,268	5,105,517
Sewer utility	-	-	-	861,207	715,395
Arroyo Seco Golf Course	-	-	-	-	-
Total Business-Type Activities Expenses	3,908,439	3,949,800	4,451,292	8,005,475	5,820,912
Total Primary Government Expenses	\$ 26,522,627	\$ 26,338,993	\$ 30,862,896	\$ 34,981,377	\$ 31,771,742
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 1,358,711	\$ 1,457,911	\$ 1,409,846	\$ 1,319,410	\$ 1,472,338
Public safety	569,946	1,306,513	1,349,175	840,207	860,609
Community development	598,718	801,200	405,086	446,050	530,395
Community services	690,544	514,523	627,296	672,765	805,608
Public works	1,079,883	1,244,935	1,118,262	1,096,487	1,121,657
Total Charges for Services	4,297,802	5,325,082	4,909,665	4,374,919	4,790,607
Operating Contributions and Grants:					
General government	500,002	150,998	214,373	71,059	51,115
Public safety	2,422,944	175,552	108,406	478,495	437,544
Community development	-	-	-	457,670	505,547
Community services	63,472	127,136	24,322	29,449	46,012
Public works	122,292	539,572	447,962	209,762	2,600,475
Total Operating Contributions and Grants	3,108,710	993,258	795,063	1,246,435	3,640,693
Capital Contributions and Grants:					
Public works	2,712,135	513,368	1,868,187	820,447	1,305,657
Total Capital Contributions and Grants	2,712,135	560,884	1,868,187	820,447	1,305,657
Total Governmental Activities Program Revenue	10,118,647	6,879,224	7,572,915	6,441,801	9,736,957
Business-Type Activities:					
Charges for services:					
Water utility	4,687,499	4,543,192	4,549,062	4,270,244	4,943,874
Sewer utility	-	-	-	657,045	759,680
Arroyo Seco Golf Course	-	-	-	-	-
Total Business-Type Activities Program Revenues	4,687,499	4,543,192	4,549,062	4,927,289	5,703,554
Total Primary Government Program Revenues	14,806,146	11,422,416	12,121,977	11,369,090	15,440,511
Net (Expense)/Revenue					
Governmental Activities	\$ (12,495,541)	\$ (15,509,969)	\$ (18,838,689)	\$ (20,534,101)	\$ (16,213,873)
Business-Type Activities	779,060	593,392	97,770	(3,078,186)	(117,358)
Total Primary Government Net Expense	\$ (11,716,481)	\$ (14,916,577)	\$ (18,740,919)	\$ (23,612,287)	\$ (16,331,231)

2012	2013	2014	2015	2016
\$ 7,449,632	\$ 4,152,804	\$ 5,039,084	\$ 4,354,683	\$ 3,847,476
11,596,854	11,217,279	11,012,625	12,363,366	13,218,063
948,777	902,945	918,665	1,116,084	953,471
3,052,840	3,101,910	3,132,433	3,336,626	3,153,329
5,306,742	4,758,677	4,990,390	5,578,457	5,578,853
47,185	8,288	4,465	4,335	-
<u>\$ 28,402,030</u>	<u>\$ 24,141,903</u>	<u>\$ 25,097,662</u>	<u>\$ 26,753,551</u>	<u>\$ 26,751,192</u>
4,598,754	6,135,803	5,804,509	4,772,647	5,886,309
1,104,098	838,800	998,603	968,996	962,623
985,611	888,930	930,255	923,660	954,898
<u>6,688,463</u>	<u>7,863,533</u>	<u>7,733,367</u>	<u>6,665,303</u>	<u>7,803,830</u>
<u>\$ 35,090,493</u>	<u>\$ 32,005,436</u>	<u>\$ 32,831,029</u>	<u>\$ 33,418,854</u>	<u>\$ 34,555,022</u>
\$ 1,489,846	\$ 1,005,393	\$ 1,173,376	\$ 1,372,549	\$ 1,126,241
899,536	868,577	983,181	1,189,968	1,154,628
548,532	576,063	761,632	963,987	804,309
772,898	805,635	864,271	1,064,439	853,949
1,102,936	1,103,664	1,159,519	1,226,729	1,172,172
<u>4,813,748</u>	<u>4,359,332</u>	<u>4,941,979</u>	<u>5,817,672</u>	<u>5,111,299</u>
43,838	32,872	53,999	21,413	164,625
779,399	775,610	328,654	185,067	116,029
618,435	610,355	504,312	476,886	627,488
30,937	31,854	24,876	38,348	20,527
184,948	255,526	348,797	212,472	399,656
<u>1,657,557</u>	<u>1,706,217</u>	<u>1,260,638</u>	<u>934,186</u>	<u>1,328,325</u>
1,415,306	93,947	1,300,814	1,220,504	734,935
<u>1,415,306</u>	<u>93,947</u>	<u>1,300,814</u>	<u>1,220,504</u>	<u>734,935</u>
<u>7,886,611</u>	<u>6,159,496</u>	<u>7,503,431</u>	<u>7,972,362</u>	<u>7,174,559</u>
6,903,816	8,022,705	9,210,982	8,694,880	8,094,350
955,204	1,127,843	1,256,682	1,353,233	1,543,925
1,195,978	1,082,826	1,197,047	1,133,562	1,129,927
<u>9,054,998</u>	<u>10,233,374</u>	<u>11,664,711</u>	<u>11,181,675</u>	<u>10,768,202</u>
<u>16,941,609</u>	<u>16,392,870</u>	<u>19,168,142</u>	<u>19,154,037</u>	<u>17,942,761</u>
\$ (20,515,419)	\$ (17,982,407)	\$ (17,594,231)	\$ (18,781,189)	\$ (19,576,633)
2,366,535	2,369,841	3,931,344	4,516,372	2,964,372
<u>\$ (18,148,884)</u>	<u>\$ (15,612,566)</u>	<u>\$ (13,662,887)</u>	<u>\$ (14,264,817)</u>	<u>\$ (16,612,261)</u>

City of South Pasadena

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes In Net Position			
Governmental Activities:			
Taxes:			
Property taxes, levied for general purpose	\$ 9,116,431	\$ 9,986,309	\$ 10,404,273
Sales taxes	2,911,037	3,078,717	2,399,744
Franchise taxes	769,549	777,675	821,144
Business licenses taxes	334,840	344,497	352,528
Other taxes	2,379,845	3,158,469	3,942,594
Motor Vehicle In Lieu - Unrestricted	171,499	110,144	74,215
Use of money and property	839,529	921,232	658,997
Gain on sale of assets	-	1,100,000	-
Other	127,106	69,013	73,594
Transfers	-	-	-
Extraordinary gain/loss on dissolution of RDA	-	-	-
Total Governmental Activities	<u>16,649,836</u>	<u>19,546,056</u>	<u>18,727,089</u>
Business-Type Activities:			
Use of money and property	401,925	370,557	227,528
Gain on sale of assets	-	11,075	-
Other	54,042	14,695	13,814
Transfers	-	-	-
Total Business-Type Activities	<u>455,967</u>	<u>396,327</u>	<u>241,342</u>
Total Primary Government	<u>\$ 17,105,803</u>	<u>\$ 19,942,383</u>	<u>\$ 18,968,431</u>
Changes in Net Position			
Governmental Activities	\$ 4,154,295	\$ 4,036,087	\$ (111,600)
Business-Type Activities	<u>1,235,027</u>	<u>989,719</u>	<u>339,112</u>
Total Primary Government	<u>\$ 5,389,322</u>	<u>\$ 5,025,806</u>	<u>\$ 227,512</u>

2010	2011	2012	2013	2014	2015	2016
\$ 10,426,753	\$ 10,667,838	\$ 10,557,651	\$ 11,074,604	\$ 11,462,585	\$ 11,779,438	\$ 12,632,984
2,797,621	2,714,102	2,956,964	2,481,560	3,447,593	3,535,113	3,786,423
777,843	803,969	814,766	810,642	804,995	878,332	875,304
323,307	347,665	347,096	363,437	373,935	385,691	397,762
4,109,696	4,143,183	4,133,582	4,092,063	4,004,746	3,965,217	3,940,883
76,294	150,390	13,267	10,980	-	16,845	10,561
517,079	415,280	381,165	446,167	498,208	542,196	739,761
-	-	-	-	-	-	-
207,937	165,462	104,245	221,658	32,823	70,188	745,315
(1,829,787)	-	-	-	-	87,000	13,919
-	-	(442,708)	-	-	-	-
<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>	<u>23,142,912</u>
681,532	77,378	45,652	38,006	28,372	32,205	137,524
-	-	-	-	-	-	-
12,379	13,103	10,901	5,972	10,143	184,786	230,156
<u>1,829,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,000)</u>	<u>(13,919)</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>353,761</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>	<u>\$ 23,496,673</u>
\$ (3,127,358)	\$ 3,194,016	\$ (1,649,391)	\$ 1,518,704	\$ 3,030,654	\$ 2,478,831	\$ 3,566,279
<u>(554,488)</u>	<u>(26,877)</u>	<u>2,423,088</u>	<u>2,413,819</u>	<u>3,969,859</u>	<u>4,646,363</u>	<u>3,318,133</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>	<u>\$ 6,884,412</u>

City of South Pasadena

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved	\$ 397,742	\$ 292,562	\$ 1,550,920	\$ 947,588
Unreserved	6,351,164	9,559,379	9,491,709	10,251,769
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<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	\$ 1,537,309	\$ 254,778	\$ 1,194,959	\$ 420,227
Unreserved:				
Unreserved, reported in nonmajor,				
Special revenue funds	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	488,506	530,096	-	-
Debt service	197,110	200,497	-	-
Undesignated	1,260,671	1,480,465	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other Governmental Funds	<u>\$ 3,867,948</u>	<u>\$ 5,522,227</u>	<u>\$ 6,844,233</u>	<u>\$ 3,509,801</u>

GASB No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" was effective for periods beginning after June 15, 2010.

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
426,430	433,637	1,199,091	1,207,961	1,022,841	1,035,224
-	-	-	-	-	-
2,564,280	2,563,481	2,141,481	2,650,000	3,500,000	5,635,000
10,541,790	11,757,341	11,727,832	12,788,280	13,124,419	12,724,205
<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>	<u>\$ 19,394,429</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,438,340	2,722,783	2,328,184	3,184,841	4,179,297	4,894,822
-	-	579,447	611,447	461,472	696,953
-	-	-	-	-	-
(2,355,949)	(4,015,530)	(1,049,935)	(791,469)	(572,623)	(771,286)
<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>	<u>\$ 4,820,489</u>

Balance sheet

City of South Pasadena

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

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

2011	2012	2013	2014	2015	2016
\$ 18,317,689	\$ 18,393,272	\$ 19,166,312	\$ 19,697,011	\$ 20,205,691	\$ 21,235,594
885,387	888,619	905,459	896,465	895,798	876,972
1,000,988	944,680	1,012,753	985,186	1,047,540	1,069,023
2,572,819	2,909,377	4,290,262	2,303,094	1,989,281	1,104,398
2,144,589	2,222,151	2,270,737	2,682,074	3,880,357	3,439,167
415,280	381,165	446,167	498,208	542,194	739,761
552,093	533,035	523,629	412,748	347,585	444,556
15,637	11,285	17,970	12,455	12,365	9,691
733,700	701,995	313,612	594,210	480,206	1,028,401
<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>	<u>29,947,563</u>
4,099,345	4,207,231	5,651,008	4,297,373	3,988,989	3,930,354
10,608,012	11,217,259	10,968,211	10,636,711	11,651,620	12,099,774
913,862	955,648	898,709	911,871	1,121,098	1,003,041
3,024,889	2,915,639	2,953,811	2,970,037	3,209,105	3,175,023
2,806,005	3,024,746	2,921,136	2,970,322	3,107,053	3,638,844
5,978,832	2,467,712	2,028,330	3,536,250	3,739,660	3,507,229
131,037	48,289	50,650	53,130	55,725	58,450
127,929	67,064	10,658	8,178	5,583	2,858
<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>	<u>27,415,573</u>
(1,051,729)	2,081,991	3,464,388	2,697,579	2,522,184	2,531,990
146,179	46,729	1,176,376	421,511	408,497	648,622
(146,179)	(46,729)	(1,176,376)	(421,511)	(625,137)	(681,100)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(216,640)	(32,478)
-	(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>	<u>\$ 2,499,512</u>
1.2%	0.5%	0.3%	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)

Fiscal Year	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value^a	Taxable Assessed Value as a Percentage of Actual Taxable Value
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
2016	3,693,247	277,873	173,801	(31,338)	4,113,583	0.240%	N/A	N/A

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

Note: ^aEstimated 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 Fun	Los Angeles County Fire FFW	Los Angeles County Flood Control	Community College
	2004	0.2412	0.2412	0.2860	0.2536	0.0060	0.0096
2005	0.2412	0.2412	0.2860	0.2536	0.0060	0.0096	0.0320
2006	0.2412	0.2412	0.2860	0.2536	0.0060	0.0096	0.0320
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
2016	0.2400	0.2400	0.2857	0.2551	0.0060	0.0096	0.0320

Fiscal Year	Overlapping Rates							
	School District	Upper San Gabriel Valley Municipal Water District	South Pasadena Unified School District	Voter Approved				Total
				Los Angeles County Flood Control	Upper San Gabriel Valley Municipal Water District	Detention Facilities	Pasadena Community College District	
2004	0.1712	0.0005	0.1105	0.0005	0.0061	0.0010	0.0068	1.1248
2005	0.1712	0.0005	0.1041	0.0002	0.0058	0.0009	0.0088	1.1199
2006	0.1712	0.0005	0.0957	0.0001	0.0052	0.0008	0.0041	1.1058
2007	0.1712	0.0005	0.0897	0.0001	0.0047	0.0007	0.0208	1.1160
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	1.1341
2012	0.1712	0.0005	0.1058	-	0.0037	-	0.0196	1.1291
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
2016	0.1712	0.0005	0.0981	-	0.0035	-	0.0087	1.1104

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

(1) - The following were included in Los Angeles County; Childrens 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	2016			2007		
	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	\$ 20,000,000	1	0.49%			
Casa De General LLC	11,313,804	2	0.28%			
99 Pasadena Avenue LLC	11,189,891	3	0.27%			
820 Mission Development LLC	10,671,008	4	0.26%			
Golden Oaks Investment LP	9,812,701	5	0.24%	8,624,588	3	0.31%
NNC Terraces at South Pasadena LLC	9,670,478	6	0.24%	8,511,799	4	0.31%
California Empire LP	9,418,038	7	0.23%	8,259,745	5	0.30%
Richard Wagner Trust	8,716,353	8	0.21%	7,665,656	7	0.27%
CCCC Growth Fund LLC	8,659,587	9	0.21%	7,615,726	8	0.27%
H P III Limited	8,203,397	10	0.20%	7,208,186	9	0.26%
Jerry B and Roberta L Furrey Trust	-		-			
H and O Fair Oaks Partners	-		-	15,356,932	1	0.55%
MT Olive Sepulveda LP	-		-	9,950,650	2	0.36%
Time Warner Communications	-		-	8,113,864	6	0.29%
Ralphs Grocery Co	-		-	7,191,737	10	0.26%
Total	<u>\$ 107,655,257</u>		<u>2.63%</u>	<u>\$ 88,498,883</u>		<u>3.18%</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
2005	5,241,559	4,807,080	91.7%	157,836	4,964,916	94.7%
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%
2016	9,607,577	9,281,790	96.6%	(19,676)	9,262,115	96.4%

Sources: Los Angeles County Tax Collector and City of South Pasadena, Finance Division
LA County Rollforward Schedule

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 ^a	Per Capita ^a
	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
2016	-	-	-	46,753,226	4,147,892	50,901,118	4.21%	1,956

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

^a 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, 2016**

Fiscal Year 2015-16 Assessed Valuation : \$3,629,717,059 After Deducting \$442,553,059 Redevelopment increment.

	Debt Outstanding	% Applicable (1)	City's Share of Debt 6/30/2016
Overlapping Debt:			
Metropolitan Water District	\$ 44,916,916	0.353%	158,506
Pasadena Area Community College District 2002 Ser E	25,295,000	5.432%	1,374,001
Pasadena Area Community College District 2002 Ser D	6,870,000	5.432%	373,172
Pasadena Area Community College District 2006 Ser B	1,740,000	5.432%	94,515
Pasadena Area Community College District 2014 Ser A	50,725,000	5.432%	2,755,334
South Pasadena Unified 96 Ser A	1,905,000	100.000%	1,905,000
South Pasadena Unified DS 95 Ser B	1,731,483	100.000%	1,731,483
South Pasadena Unified SD DS 95 S-C	5,146,260	100.000%	5,146,260
South Pasadena USD SD DS 95 Ser D	1,489,559	100.000%	1,489,559
South Pasadena USD DS 2002 Ser B	7,724,680	100.000%	7,724,680
South Pasadena USD DS 2010 Ref Bond	17,965,000	100.000%	17,965,000
Total Overlapping Tax and Assessment Debt			40,717,510
<u>Direct Debt:</u>			
South Pasadena Capital Lease	-	100.000%	-
Total Direct and Overlapping General Fund Obligation Debt			-
COMBINED TOTAL DEBT			\$ 40,717,510 (2)

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	0.00%
Overlapping Debt	1.12%
Total Debt	1.12%

City of South Pasadena

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

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$	3,629,717
Debt limit (15% of assessed value)		544,458
Debt applicable to limit:		
General obligation bonds		-
Less: Amount set aside for repayment of general obligation debt		-
		<hr/>
Total net debt applicable to limit		-
		<hr/>
Legal debt margin	\$	<u>544,458</u>

Fiscal Year	Debt Limit	Total net debt Applicable to Limit	Legal Debt Limit	Total net debt Applicable to the Limit as a Percentage of Debt limit
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%
2016	544,458	-	544,458	0.00%

City of South Pasadena

Pledged-Revenue Coverage

Last Ten Fiscal Years

(in thousands)

Water Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2016	8,094	4,562	3,532	1,095	2,211	1.07

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

Calendar Year	Population (1)	Personal Income* (2) <i>(thousands of dollars)</i>	Per Capita* Personal Income (2)	Unemployment Rate (3)
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%
2015	26,028	1,208,853	46,444	4.7%

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

CITY OF SOUTH PASADENA

**Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2015-2016</u>			<u>2005-2006 *</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ralph's Grocery Co. #21	91	1	2.41%			
The Vons Companies Inc. Pavillions #2228	88	2	2.33%			
Trader Joe No. 18	82	3	2.17%			
Bristol Farms	81	4	2.14%			
W N C Insurance Services, Inc.	74	5	1.96%			
T L C Veterinary Centers Inc.	71	6	1.88%			
Stargate Films Inc.	65	7	1.72%			
Collins, Collins, Muir & Stewart, L L P	65	8	1.72%			
Orchard Supply Company, LLC	63	9	1.67%			
The Vons Companies Inc. #3075	62	10	1.64%			
	<u>742</u>		<u>19.64%</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**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Function/Program</u>										
General government										
Legislative	7	7	8	8	8	8	8	8	5	5
City Manager	7	7	8	8	10	10	10	10	12	12
Finance	9	8	8	8	8	8	8	9	9	9
Public Safety	81	81	81	81	81	81	81	79	81	80
Community Development	7	7	6	6	7	6	6	6	6	6
Public Works	24	30	30	30	27	28	28	20	21	21
Community Services	16	22	22	22	18	19	20	20	19	20
Water Utility	14	9	9	9	12	11	11	11	10	10
Total	179	180	181	181	171	171	172	162	163	163

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	381	318	282	326	380	342	476	354	349	433
Building inspections conducted	2,154	2,230	2,152	2,113	2,158	2,376	2,380	2,568	2,087	1,860
Refuse collection										
Refuse collected (tons per day)	79.3	79.3	89.0	92.0	90.0	90.0	85.0	83.0	69.0	74.0
Recyclables collected (tons per day)	32.6	36.0	40.0	38.0	38.0	38.0	29.0	28.0	25.0	29.0
Other public works										
Street resurfacing (miles)	0.7	0.0	0.2	0.8	2.5	2.0	1.0	1.3	1.8	1.5
Potholes repaired *	450	340	480	520	580	1,600	1,450	1,500	1,450	1,400
Water										
New connections	20	16	18	18	10	9	6	11	7	8
Water main breaks	10	13	12	4	9	5	9	10	9	6
Average daily consumption (million gallons)	4.85	4.52	4.47	4.20	3.80	3.95	4.25	4.60	3.40	2.97
Peak daily consumption (million gallons)	6.96	6.96	6.10	6.09	5.50	5.50	5.71	5.50	5.09	4.12
Fire Department										
Total number of emergency calls responded to	1,807	1,785	1,850	1,780	1,760	1,664	1,594	1,695	1,775	60
Total number of fire inspections	480	480	470	254	229	544	296	563	521	87
Police Department										
Arrest stats	1,392	1,540	1,546	2,056	1,096	1,159	1,080	1,003	855	699
Traffic citations	1,858	6,669	7,641	8,216	4,734	3,468	3,753	3,717	2,847	2,288
Parking citations	11,387	14,806	12,800	10,967	9,314	9,629	10,936	11,388	8,843	10,811
Community Services										
Facility rentals	34	40	45	58	54	60	69	89	86	95
Recreation classes	246	248	181	180	237	419	441	432	399	416

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>Fiscal Year</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>	<u>2016</u>
Other public works										
Streets (miles)	55	55	55	55	55	55	55	55	55	55
Traffic signals	30	30	30	31	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	6	6	6	6	6	6	6	6	6
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Community centers	4	5	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.