CITY OF SOUTH PASADENA, FLORIDA

Annual Comprehensive
Financial Report

For The Year Ended September 30, 2023



CITY OF SOUTH PASADENA, FLORIDA

Annual Comprehensive
Financial Report

For The Year Ended September 30, 2023

CITY OF SOUTH PASADENA,
FLORIDA

Commission Form of Government

CITY COMMISSION
(As of September 30, 2023)

ARTHUR PENNY, MAYOR

THOMAS REID
VICE-MAYOR

BEN THOMAS

GAIL NEIDINGER

LYNDA THOMPSON

CITY OFFICIALS
(As of September 30, 2023)

CITY CLERK / ADMINISTRATOR
CARLEY LEWIS

CITY ATTORNEY
JULIA MANDELL

FINANCE DIRECTOR
JAMES GRAHAM

FIRE CHIEF, PUBLIC
SAFETY DIRECTOR
DAVID MIXSON

DIRECTOR OF PUBLIC WORKS
SHAWN SHIMKO

DIRECTOR OF COMMUNITY
IMPROVEMENT
TERRI SULLIVAN

Introductory Section

CITY OF SOUTH PASADENA, FLORIDA

SEPTEMBER 30, 2023

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Letter of Transmittal

City of South Pasadena
7047 SUNSET DRIVE SOUTH
SOUTH PASADENA, FLORIDA 33707
PH: (727) 347-4171 FAX: (727) 345-0518
WWW.MYSOUTHPASADENA.COM

August 6, 2024

The Honorable Mayor, City Commission and Citizens
City of South Pasadena
South Pasadena, Florida 33707

The Annual Comprehensive Financial Report of the City of South Pasadena, Florida, for the fiscal year ended September 30, 2023, is submitted herewith pursuant to Florida State Statutes Chapter 218.39 and Chapter 10.550 of the rules of the Auditor General of the State of Florida. This Annual Report was prepared by the Finance Department and represents the official report of the City's financial condition and results of operations to the citizens, City Commission, City administrative personnel, investment firms, rating agencies, and other interested persons.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the City. We believe the data presented is accurate in all material aspects and are reported in a manner that presents fairly the financial position and results of operations of the City on a Government-Wide and on a Fund-Level basis. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The State of Florida requires an annual audit of all the books of account, financial records, and transactions of any municipality chartered in the state, by independent certified public accountants. This requirement has been fulfilled and the auditor's report from the certified public accounting firm of Wells, Houser & Schatzel, P.A. has been included in this report.

Generally Accepted Accounting Principles require 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 compliment the MD&A and should be read in conjunction with it. The City of South Pasadena's MD&A can be found immediately following the Independent Auditor's Report.

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial and Statistical.

The Introductory section includes the table of contents, this transmittal letter and the City's organizational chart. The Financial section includes the Independent Auditor's opinion, Management Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Budgetary Comparison Schedules and Other Supplementary Schedules. The Statistical section includes selected financial and general information presented on a multi-year comparative basis.

THE REPORTING ENTITY

The funds and entities related to the City of South Pasadena are included in our Annual Comprehensive Financial Report. The criteria used in determining the reporting entity are consistent with the principles of Section 2100, "Defining the Reporting Entity" of the GASB "Codification of Governmental Accounting and Financial Reporting Standards". Based on these criteria, all of the funds of the City shown in the Table of Contents are included in this report.

PROFILE OF THE GOVERNMENT

The City was chartered in 1955. The City operates under the Commission form of government.

The City Commission is comprised of a mayor and four commission members and as a group is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards, the City Attorney and the City Clerk / Administrator. The Commissioner of each department shall have the right to appoint or dismiss the head of the department, subject to the approval of a majority of the entire commission.

The individual department heads are responsible for the enforcement of law and ordinances relating to their respective departments.

Services Provided

The City provides the full range of municipal services normally associated with a municipality, including fire protection, street construction and maintenance, planning and zoning, recreation and parks, library, as well as general administrative services. Police protection is provided through an annual contract with the Pinellas County Sheriff's Department. In addition, sewer services and reclaimed water are provided under an enterprise fund concept with user charges set by the City Commission to ensure adequate coverage of operating expenses and payments of any outstanding debt.

Accounting Systems and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities, which are Enterprise Funds, are maintained on the accrual basis.

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

The safeguarding of assets against loss from unauthorized use or disposition; and

The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be derived; and

The evaluation of costs and benefits requires estimates and judgments of management.

All internal control evaluations occur within this framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the department level. By authorization, the departmental commissioner and department head may authorize the transfer of funds within their respective department. The budget is adopted and passed at a fund level, so any increase or decrease of any fund's total budget has to be approved by the City Commission.

ECONOMIC OUTLOOK, LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City of South Pasadena covers approximately 0.6 of a square mile, most of which is developed. The City's population of 5,288 consists primarily of retirees, most of whom live in multi-unit condominiums and/or assisted living communities. The City has approximately 300 single-family residences located primarily on Pasadena Isle. The City also has a 220-unit mobile home community. The City's commercial district extends primarily along Pasadena Avenue (SR693), which connects mainland St. Petersburg with St. Pete Beach and along Gulfport Boulevard near the intersection of Pasadena Avenue.

Businesses within the City are primarily restaurants, banks, medical offices, and retail grocery, gas, and merchandising outlets that serve the immediate residents of the City or traffic that is passing through to the Gulf Beaches. The City is also the home of HCA Florida Pasadena Hospital. Business development exploded in fiscal 2023 with the addition of many new businesses in the city including: OneHealth Primary Care, Psalms Gourmet Brittle, ENT & Allergy Associates of Florida, RE/MAX Experts, Green Dragon, Rejuvenate with Joy, WN Body Sculpting, Moonstone Myo + Medicupping, Kelly's Roast Beef, and Scooter's Coffee. Take 5 Oil Change is in Site Plan Review for 1198 Pasadena Ave and should begin construction in fiscal year 2024. The City began construction on a new fire station in February 2023 with completion anticipated in fiscal year 2024.

After a five-year period of dramatic reduction in property values, the City is in the tenth year of upward-trending property values. Beginning in 2014 there has been positive growth in the commercial and secondary home market that had been particularly hard hit by the real estate downturn. Property values within the City for fiscal year 2023 have increased approximately 11.7%, or $85.8 million, compared to the taxable values in 2022. More people are seeking to relocate to Florida due to positive economic factors. This has resulted in a booming real estate market which has driven up housing prices as inventory is not able to meet demand. Due to new development and increased building activity, taxable values have continued to rise subsequent to fiscal year 2023. The fiscal year 2024 values increased 13.4%, or about $109.5 million, and projections for fiscal year 2025 are showing about a 7.4%, or $67 million, increase in taxable values. Undoubtedly, current inflationary pressures have added to increased values due to increased construction labor and material costs necessary for renovations and replacement values.

State lawmakers established property tax reduction as a major goal in years 2007 through 2009. State lawmakers passed legislation that required cities and counties to lower the property tax to less than the prior year. These rules are still in effect and had a tax stabilization effect from 2010 through 2014. Under the current rules, millage can be raised up to the State-mandated 10 mill cap with a unanimous vote from the City Commission. In 2016, the City's millage was raised to 3.25 mills where it remained through fiscal year 2018. The millage rate was increased to 3.5 mills for 2019 and 2020. In 2021, the millage rate increased to 3.7806, to 4.2474 in 2022, to 4.9650 in 2023, to 5.0638 in 2024 and to 5.1750 in 2025. This rate is the millage rate that is required to maintain the City's General Fund reserves at approximately one half of a year's operating expenses.

The amendment passed by the legislature in 2008, referred to as Amendment 1, increases the current $25,000 homestead exemption by another $25,000 (for property values between $50,000 and $75,000), except for school district taxes. Amendment 1 also allows a transfer of up to $500,000 of the "Save Our Homes" benefit to a resident's next homestead upon moving into a new home. Save Our Homes became effective in 1995 and caps the annual increase in assessed value for homestead property to three percent (3%), or the percentage change in the Consumer Price Index, whichever is less. With respect to non-homesteaded property, Amendment 1 limits the annual increase in assessed value to ten percent (10%), except for school district taxes, and provides for a $25,000 exemption for tangible personal property. Amendment 1 was effective October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property, which became effective January 1, 2009.

Florida is dependent on sales tax dollars. The "Penny for Pinellas" sales tax is a 1-percent sales tax paid by everyone who spends money in the County that has been in effect since 1990. The revenue is shared between the County and 24 cities to fund long-term capital investments such as improved roads, bridges and trails, water quality and flood prevention, public safety equipment and vehicles, fire stations, parks and environmental land acquisition. Pinellas County voters chose to renew this surtax for the years 2020 to 2030 in November 2017.

Financial Condition

As in the past, a general evaluation of the City's financial position indicates excellent fund balances and cash balances in the General and Capital Improvement Funds, adequate cash coverage of year-end operating liabilities and excellent operating and infrastructure reserves. The City continues to have sufficient annual revenue flows which, coupled with reserves, will cover expected expenditures. Capital Improvements Fund short-term cash and investment balances are adequate to cover normal anticipated expenditures for fiscal year 2024 and 2025 capital expenditures. The City is in the middle of a new Fire Station construction project which required substantial funding. The cost of the project with land purchase, architectural fees and construction costs is expected to be approximately $12.5 million. A Revenue Bond in the amount of $9,900,000 was approved by the City Commission in April of 2023 to help finance the project. Additionally, the City received ARPA funding of $2,531,599 in fiscal year 2022 which has been used to fund a portion of the new Fire Station. The expected completion date is in fiscal year 2024.

Cash Management Policies and Practices

The City's cash and investment management program involves a theory of keeping principal and interest earnings free from risk and maintaining reasonable liquidity to meet obligations. The cash investments are held at Truist Bank, Florida Municipal Investment Trust, Florida Surplus Asset Trust Fund (Florida

SAFE), State Board of Administration Local Government Surplus Trust Fund (Florida PRIME), Fifth Third Securities and Wells Fargo Securities.

The city's cash, pooled cash and cash equivalents balance on September 30, 2023 totaled $21,828,256.

Long Term Financial Planning

As part of the regular budgeting process, the City of South Pasadena prepares a five-year Capital Improvement Plan (CIP), which is updated on an annual basis. The CIP is an important component of the City's financial management process and should be considered when formulating the annual operating budget.

Annually, City Department Heads review any infrastructure and capital asset requirements to determine which items need to be replaced due to obsolescence or if any new additions are necessary. During the process, the Department Heads consider Commission initiatives and goals, both formal and informal, which are established throughout the year in both the budget and non-budgetary workshop process. Consideration is given to local economic trends as well as other outside influences on the City's operations and financial condition.

The five-year plan schedules potential acquisitions with emphasis on monitoring fund balance and cash reserves and is an important planning tool in determining the proper timing of asset purchases.

The CIP is presented to the City Commission during the regular budget process. Once adopted, the initial year in the plan becomes the current appropriation for the Capital Improvement Funds and any capital assets in the City's Enterprise Funds. The latest CIP adopted by the City Commission covers fiscal year 2024 through fiscal year 2028. A summary of anticipated expenditures is as follows:

Expenditures	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Capital Improvement Fund	$9,249,640	$3,676,925	$1,840,230	$2,153,640	$1,307,905
Sewer Fund	305,000	150,000	150,000	150,000	250,000
Reclaimed Water Fund	-	-	-	-	-

The five-year plan makes provision for design and construction of a new Fire Station in fiscal years 2023 and 2024. The City also purchased land on January 6, 2023 near HCA Florida Pasadena Hospital for the new Fire Station in the amount of $711,110. The Fire Station cumulative construction costs through May 14, 2024 were $10,853,386. The debt service for the Fire Station will be about $906,000 per year through fiscal year 2028 and thereafter over a fifteen-year term. Also budgeted in fiscal year 2025 are two emergency generators totaling $687,725 which will be offset by 75% in grant funding ($515,794). The City has also budgeted a new Pavilion in fiscal year 2025 for $900,000 to be offset by a $250,000 grant. The Pavilion is tentatively expected to be completed in fiscal year 2025.

Major Initiatives

City beautification and creating a more pedestrian-friendly community are high on the City Commission's priority list for future initiatives, as well as the replacement of the City's current Fire Station, which will occur in fiscal years 2023 and 2024.

CERTIFICATE OF ACHIEVEMENT

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 annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the staff of the Finance Department. I would like to express appreciation to city administrative staff, whose efforts throughout the year contributed to its preparation. The City would especially like to thank the accounting firm of Wells, Houser & Schatzel, PA for their continued professional assistance.

Respectfully submitted,



James A. Graham, C.P.A.
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Pasadena
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

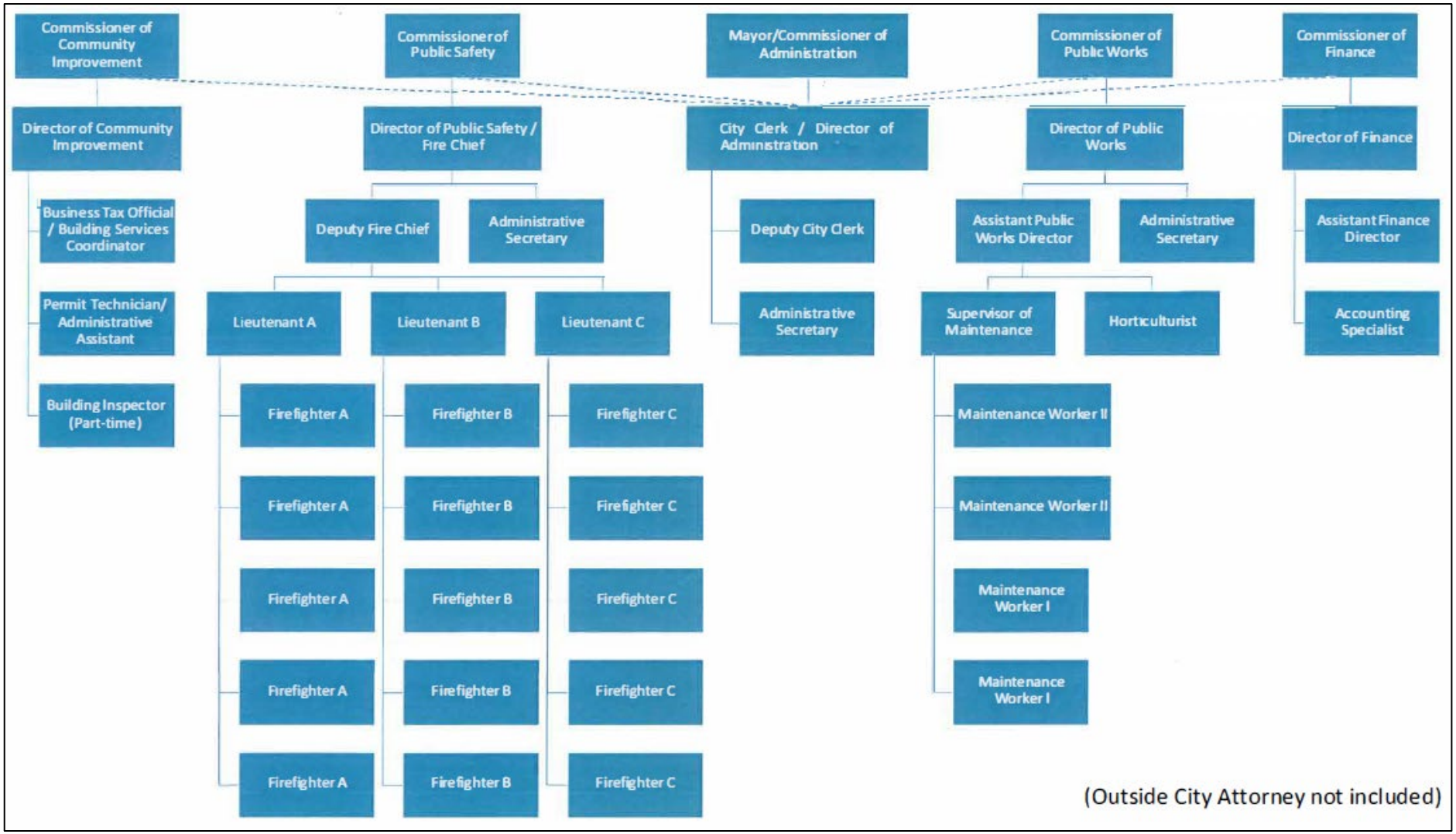
Christopher P. Morrill

Executive Director/CEO

The City of South Pasadena, Florida has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022 by the Government Finance Officers Association of the United States and Canada.

CITY OF SOUTH PASADENA, FLORIDA

ORGANIZATIONAL CHART



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Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Budgetary Comparison Schedules

Other Supplementary Schedules

Independent Auditor's Report

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
Peter B. Wells, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Arthur Penny, Mayor
and Members of The Board of Commissioners
City of South Pasadena, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of South Pasadena, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, Florida, as of September 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note A, item 10, to the financial statements, in the current year the City of South Pasadena, Florida adopted new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

WH&S
500 94th Avenue North • St. Petersburg, Florida 33702-2406 • Phone: (727) 578-1040 • Fax: (727) 578-1041 • Online: www.whspa.com
Members: American Institute of Certified Public Accountants - Florida Institute of Certified Public Accountants

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

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

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

Required Supplementary Information – Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-17) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information and Other Required Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Pasadena, Florida's basic financial statements. The accompanying required supplementary information of the Budgetary Comparison Schedule – General Fund, and schedules of changes in net pension liability and net OPEB liability and contributions, and supplementary information of the Budgetary Comparison Schedules – Capital Improvement Fund, Sewer Fund, and Reclaimed Water Fund, the schedule of revenues and expenditures – Deepwater Horizon BP Oil Spill Settlement, and other supplementary schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – General Fund, schedules of changes in net pension liability and net OPEB liability and contributions, Budgetary Comparison Schedules – Capital Improvement Fund, Sewer Fund, and Reclaimed Water Fund, the schedule of revenues and expenditures – Deepwater Horizon BP Oil Spill Settlement, and other supplementary schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Report on Summarized Comparative Information

We have previously audited the City of South Pasadena, Florida's September 30, 2022 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived subject to certain re-stated financial information as a result of retroactively implementing GASB No. 96, Subscription-Based Information Technology Arrangements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2024, on our consideration of the City of South Pasadena, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of South Pasadena, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Pasadena, Florida's internal control over financial reporting and compliance.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida

August 6, 2024

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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of South Pasadena's (the "City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page v) and the City's financial statements (beginning on page 20).

HIGHLIGHTS

Financial Highlights

- For the fiscal year ended September 30, 2023, City-wide assets and deferred outflows of resources, totaling $40,481,755, exceeded City-wide liabilities and deferred inflows of resources, totaling $18,046,254, by $22,435,501. The excess of City-Wide assets over liabilities represents the net position (equity) of the City. The City's $22,435,501 of net position consists of $12,155,922 that is invested in capital assets (buildings, equipment, vehicles, sewer and reclaimed water systems, etc.), $12,188,205 that is restricted for future infrastructure improvements and other capital projects (Penny for Pinellas and unexpended revenue bond proceeds), and a deficit of $5,861,590 within the unrestricted for general use component of net position. The City's net position increased $2,276,507 over the increase from the prior year. (Please see pages 20-21 for more detail.)

- For the fiscal year ended September 30, 2023, City-wide program revenues and general revenues, totaling $13,738,759, exceeded expenses, totaling $10,262,443, resulting in an increase in net position of $3,476,316. This amount compares to an increase in net position of $1,199,809 for fiscal year ended September 30, 2022. (Please see pages 22-23 for more detail.)

- The increase in net position for Governmental Activities (police, fire, public works, administration, etc.) for 2023 was $3,383,251. There was an increase in net position for the Business-type activities (sewer and reclaimed water operations) of $93,065 in 2023. (Please see pages 22-23 for more detail.)

- General Fund revenues increased $1,538,554 (22.5%) in fiscal year 2023 and were $556,266 greater than the amount budgeted. The increase in revenues is primarily attributable to increases in the following: ad valorem taxes - $897,925, building permits - $199,513, and interest income - $176,238. General Fund expenditures increased by $436,598 (6.8%) in fiscal year 2023 and were $634,797 less than the amount budgeted. The 2023 expenditures increased primarily as a result of increased personal services costs in the amount of $373,107. The General Fund revenues of $8,379,926 were in excess of expenditures and transfers of $7,109,832 by $1,270,094 compared to fiscal year 2022 when revenues exceeded expenditures and transfers by $272,270. The General Fund had a balanced budget, which included a budgeted transfer of $292,215 to the Capital Improvement Fund, in 2023. The actual excess of revenues over expenditures and transfers of $1,270,094 resulted in a favorable budget to actual variance of $1,270,094. (Please see pages 65 - 68 for more detail.)

- Cash and investments totaled $21,828,256 for fiscal year 2023, which represents an increase of $5,469,156 over fiscal year 2022. When evaluating the availability of the City's cash and investments, the amount of restricted net position totaling $12,188,205 that is restricted for infrastructure and other capital improvements needs to be considered.

- The net pension liabilities for the Firefighters' Retirement Fund and the City's share of the Florida Retirement System that are reported in the government-wide Statement of Net Position as of September 30, 2023 were $3,965,922 and $2,564,566, respectively. The net pension liability for the Firefighters' Retirement Fund increased $1,858,866 in fiscal year 2023, and the City's share of the Florida Retirement System net pension liability increased $501,811 from the prior year.

City Highlights

- The governmental funds' revenue increased $3,678,474 (45.1%) from $8,156,773 in 2022 to $11,835,247 in 2023 (please see page 26 for more detail). As previously noted, this increase was due, in part, to ad valorem taxes increasing by $897,925. This increase can also be attributed to the $1,984,074 of American Rescue Plan Act funds recognized as revenue in fiscal year 2023.

- The total expenditures for the governmental funds of the City increased $7,328,864 (99.5%) from $7,364,987 in 2022 to $14,693,851 in 2023. This increase is comprised of an increase in current expenditures of $417,941 and an increase in capital outlay expenditures of $6,453,845. The significant increase in capital outlay expenditures was due primarily to expenditures totaling $4,378,875 towards the continued construction of the City's new fire station, and the purchase of a new fire truck for $1,022,585.

- In addition to the General Fund having a favorable budget-to-actual variance as discussed on the previous page, the Capital Improvements Fund had a favorable budget variance of $5,781,102, while the Sewer and Reclaimed Water Funds achieved favorable budget-to-actual results of $497,144 and $98,283, respectively. The aforementioned favorable budget variance of $5,781,102 in the Capital Improvements Fund is the result of charges to appropriations being $5,574,412 under budget, as construction of the new fire station, which was still in process as of September 30, 2023, was budgeted to have been completed in fiscal year 2023. The Sewer Fund favorable budget variance is primarily the result of capital outlay expenditures and repairs and maintenance expenses being less than anticipated in the amounts of $257,919 and $160,757, respectively. The favorable budget variance in the Reclaimed Water Fund can be attributed to interest income being $57,291 more than budgeted, and repairs and maintenance expenses being $34,151 less than budgeted. It should be noted that depreciation expense is not budgeted for in the Sewer and Reclaimed Water Funds.

USING THIS ANNUAL REPORT

The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

For the City of South Pasadena, both the General Fund and Capital Improvement Fund are considered major funds.

Government-wide Financial Statements

The government-wide financial statements (see pages 20-23) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities (see pages 22-23) is focused on both the gross and net cost of various activities (including governmental and business-type) which are provided by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflects the City's basic services, including general government, police, fire, community improvement and public works. Property, sales, and utility services taxes, along with franchise fees, fund the majority of these services. The Business-type Activities reflect private sector-type operations (Sewer and Reclaimed Water management), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than (the previous model's) fund types. However, since all of the government-type funds of the City of South Pasadena are considered major funds, the presentation will not be significantly different than that of previous years.

The Governmental Major Fund (see pages 24-27) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith (beginning on page 65).

While the Total column on the Business-type Fund Financial Statements (see pages 28-29) is the same as the Business-type column in the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 25 & 27). The flow of current financial resources will reflect capital expenditures and debt proceeds and debt repayment. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations such as accrued compensated absences, revenue bonds payable, right-to-use subscription liability, net pension liability, and net Other Post Employment obligation into the Governmental Activities column (in the Government-wide statements).

Infrastructure Assets

In accordance with the provisions of GASB Statement #34, the City includes infrastructure capital assets in the Statement of Net Position for the governmental activities. The infrastructure assets represent the City's largest group of assets – buildings, roads, bridges, traffic signals, and underground pipes unless associated with a utility. The infrastructure assets for utilities are reported in the business-type activities – enterprise funds. The infrastructure assets for both the governmental and business-type activities are depreciated over their useful lives.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position for the current year.

Table 1
Statement of Net Position
As of Fiscal Year End

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	(Restated) 2022	2023	2022	2023	(Restated) 2022
Current assets	$ 18,005,319	$ 12,628,127	$ 4,057,612	$ 4,011,023	$ 22,062,931	$ 16,639,150
Capital assets, net	13,991,381	7,396,844	1,381,231	1,351,659	15,372,612	8,748,503
Total assets	31,996,700	20,024,971	5,438,843	5,362,682	37,435,543	25,387,653
Deferred outflows of resources	3,046,212	1,931,171	-	-	3,046,212	1,931,171
Total assets and deferred outflows of resources	35,042,912	21,956,142	5,438,843	5,362,682	40,481,755	27,318,824
Current liabilities	1,570,335	697,675	104,648	121,552	1,674,983	819,227
Non-current liabilities	16,099,141	4,689,135	-	-	16,099,141	4,689,135
Total liabilities	17,669,476	5,386,810	104,648	121,552	17,774,124	5,508,362
Deferred inflows of resources	272,130	2,851,277	-	-	272,130	2,851,277
Total liabilities and deferred inflows of resources	17,941,606	8,238,087	104,648	121,552	18,046,254	8,359,639
Net Position:						
Net investments in capital assets	10,774,691	7,325,320	1,381,231	1,351,659	12,155,922	8,676,979
Restricted	12,188,205	6,407,103	-	-	12,188,205	6,407,103
Unrestricted (deficit)	(5,861,590)	(14,368)	3,952,964	3,889,471	(1,908,626)	3,875,103
Total net position	$ 17,101,306	$ 13,718,055	$ 5,334,195	$ 5,241,130	$ 22,435,501	$ 18,959,185

(For more detailed information please see the Statement of Net Position (pages 20-21).

At the end of fiscal 2023, the City-wide net position reflects an increase of $3,476,316 to $22,435,501. Net position for Governmental Activities is $17,101,306 (increase of $3,383,251) and net position from Enterprise or Business Activities is $5,334,195 (increase of $93,065). Of the total net position, $12,155,922 represents the City's net investment in capital assets and $12,188,205 represents current and other assets restricted for specific purposes.

The Statement of Net Position on page 21 shows the specific restrictions to net position. The more significant restriction under the City's Governmental Activities includes $12,188,205, comprised of infrastructure taxes ("Penny for Pinellas" funds) in the amount of $5,711,856, and unexpended revenue bond proceeds in the amount of $6,476,349. These restricted amounts must be used to fund municipal infrastructure or certain capital assets, or fund the debt service payments on the revenue bond (Capital Improvements Fund).

An analysis of all City-wide assets reveals that current cash and investments of $21,828,256 in 2023 and $16,359,100 in 2022 represent 53.9% and 59.9% of the total assets and deferred outflows, respectively. At the end of 2023, current cash and investments available for governmental activities totaled $17,923,344 (a $5,420,945, or 43.4% increase from 2022), and funds available in the business activity accounts totaled $3,904,912 (a $48,211, or 1.3% increase from 2022). The large increase in cash and investments available for governmental activities is attributable primarily to the issuance of the Capital Improvement Revenue Bonds, Series 2023, in the amount of $9,900,000, of which $3,423,651 was spent in fiscal year 2023, leaving $6,476,349 available as of September 30, 2023.

Capital assets and intangible right-to-use subscription assets, net of accumulated depreciation and amortization, totaling $15,372,612 represent 38.0% of the City-wide total assets and deferred outflows of resources at September 30, 2023.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital Assets – will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt will not change the investment in capital assets, net of debt.

Spending of Non-Borrowed Current Assets on New Capital Assets – will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase investment in capital assets, net of debt.

Principal Payment on Debt – will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase investment in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – will reduce capital assets and investment in capital assets, net of debt and increase unrestricted net position.

Current Year Impacts

The basic transactions directly/indirectly affect the unrestricted net position as indicated in the following schedule. The adjusted results of operations and current assets used for capital clearly demonstrate the change in unrestricted net position.

At the end of fiscal 2023, as reported on page 21, there was a City-wide deficit of unrestricted net position in the amount of $1,908,626, a decrease of $5,783,729 compared to the prior year. In governmental activities, unrestricted net position decreased by $5,847,222 to a larger negative balance of $5,861,590. In business-type activities, unrestricted net position increased by $63,493 to $3,952,964. Table 2, shown below, explains the significant decrease in unrestricted net position in governmental activities.

Table 2
Change in Unrestricted Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	(Restated) 2022	2023	2022	2023	(Restated) 2022
Unrestricted Net Position – Beginning of Year	$ (14,368)	$ (312,921)	$ 3,889,471	$ 3,649,615	$ 3,875,103	$ 3,336,694
Results of Operations (loss)	3,383,251	1,146,817	93,065	52,992	3,476,316	1,199,809
Adjustments- restricted assets						
Infrastructure	(5,808,577)	(524,220)	-	-	(5,808,577)	(524,220)
Impact fees	27,475	-	-	-	27,475	-
Book Value of Assets Disposed	74,485	2,116	-	-	74,485	2,116
Depreciation / Amortization	645,195	569,150	255,357	244,921	900,552	814,071
Total adjustments	(5,061,422)	47,046	255,357	244,921	(4,806,065)	291,967
Adjusted Results of Operations	$ (1,678,171)	$ 1,193,863	$ 348,422	$ 297,913	$ (1,329,749)	$ 1,491,776
Capital Expenditures	(7,314,219)	(860,374)	(284,930)	(58,057)	(7,599,149)	(918,431)
Proceeds from Revenue Bonds Expended	3,423,651	-	-	-	3,423,651	-
Principal Repayment						
Revenue Bonds	(243,000)	-	-	-	(243,000)	-
Right-to-Use Subscription Liability	(35,483)	(34,935)	-	-	(35,483)	(34,935)
Unrestricted Net Position - End of Year	$ (5,861,590)	$ (14,368)	$ 3,952,964	$ 3,889,471	$ (1,908,626)	$ 3,875,103

Statement of Activities

The Statement of Activities is presented below with a comparison of the current year and prior year revenues and expenses as reported on the Statement of Activities on pages 22-23.

Table 3
Statement of Activities
As of September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	(Restated) 2022	2023	2022	2023	(Restated) 2022
REVENUES						
Program Revenues:						
Charges for services						
Sewer Fees			$ 1,498,424	$ 1,503,184	$ 1,498,424	$ 1,503,184
Reclaimed Water Fees			251,997	247,111	251,997	247,111
Red Light Camera Fines	$ 581	$ 885			581	885
Police Fines & Forfeitures	3,380	2,833			3,380	2,833
Building Inspections / Permits	588,995	390,693			588,995	390,693
Impact Fees	15,470	-			15,470	-
Local Business Tax	118,052	98,234			118,052	98,234
Hibiscus Hall Rents	10,236	5,500			10,236	5,500
Operating Grants & Contributions						
Pinellas County EMS Contract	1,302,283	1,014,427			1,302,283	1,014,427
Grant - General Government	1,984,074	567,775			1,984,074	567,775
Grant – Environmental / Recycle	3,550	-			3,550	-
Contributions - Physical Environment	800	400			800	-
General Revenues:						
Property Taxes	3,868,420	2,970,495			3,868,420	2,970,495
Franchise Fees	586,210	563,914			586,210	563,914
Communications Service Tax	178,071	160,106			178,071	160,106
Other Utility Taxes	828,575	767,546			828,575	767,546
Sales Tax Infrastructure	764,697	737,769			764,697	737,769
State Revenue Sharing	229,843	211,715			229,843	211,715
Half-Cent Sales Tax	453,437	407,783			453,437	407,783
Local Option Gas Tax	68,723	67,968			68,723	67,968
Other Taxes	82,877	66,945			82,877	66,945
Investment income	638,930	64,862	153,091	21,068	792,021	85,930
Gain (Loss) fair value of investments	42,761	(11,158)			42,761	(11,158)
Miscellaneous	65,282	68,081			65,282	68,081
Total Revenues	$ 11,835,247	$ 8,156,773	$ 1,903,512	$ 1,771,363	$ 13,738,759	$ 9,928,136
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General Government	$ 1,295,451	$ 1,160,989			$ 1,295,451	$ 1,160,989
Public Safety- Police	924,072	885,672			924,072	885,672
Public Safety- Fire	3,791,779	3,111,920			3,791,779	3,111,920
Protective Inspections	721,895	519,097			721,895	519,097
Public Works and Parks	1,242,097	1,044,054			1,242,097	1,044,054
Culture & Recreation	74,843	70,546			74,843	70,546
Physical Environment	177,210	208,683			177,210	208,683
Human Services	9,448	7,324			9,448	7,324
Interest on Long-Term Debt	178,393	1,671			178,393	1,671
Issuance Costs on Long-Term Debt	36,808	-			36,808	
Business-Type Activities:						
Sewer & Reclaimed Water						
Sewer			1,518,990	1,453,909	1,518,990	1,453,909
Reclaimed Water			291,457	264,462	291,457	264,462
Total Expenses	$ 8,451,996	$ 7,009,956	$ 1,810,447	$ 1,718,371	$ 10,262,443	$ 8,728,327
Excess of Revenues over Expenses	$ 3,383,251	$ 1,146,817	$ 93,065	$ 52,992	$ 3,476,316	$ 1,199,809
Net Position – Beginning of Year	13,718,055	12,547,600	5,241,130	5,188,138	18,959,185	17,735,738
Prior Period Adjustment	-	23,638	-	-	-	23,638
Net Position – Beginning of Year as Restated	13,718,055	12,571,238	5,241,130	5,188,138	18,959,185	17,759,376
Net Position- End of Year	$ 17,101,306	$ 13,718,055	$ 5,334,195	$ 5,241,130	$ 22,435,501	$ 18,959,185

Normal Impacts

There are nine basic impacts on revenues and expenses as reflected below.

Revenues

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, infrastructure, gas or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption for electric or water usage for which the City collects taxes or franchise fees.

Increase/Decrease in Commission approved rates – while certain tax rates are set by statute, the City Commission has significant authority to impose and periodically increase/decrease rates (Sewer, reclaimed water, permitting, impact fee, property taxes, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) **–** certain recurring revenues, such as state revenue sharing, may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons**.**

Contribution from the Reclaimed Water and Sewer Funds – the City owns and operates certain Sewer and Reclaimed Water Utility systems. The City provides administrative support services for the utilities. The billing for each utility system is contracted with the City of St. Petersburg. Beginning in fiscal year 2012 the City started charging an administrative service charge to each utility for accounting and legal overhead.

Historically, the Sewer and Reclaimed Water Utility systems have been managed on a self-supporting basis using user fees. However, at the legislative body's discretion, any excess fees over expenses could be transferred to the City's other funds for use. As with all business-type activities, the ongoing competitiveness and vitality of the utility funds is an important factor in evaluating the City's funding policies.

Market Impacts on Investment income – due to the type of investment portfolio and the varying nature of the market in general, City investment income may fluctuate from year to year.

Expenses

Introduction of New Programs – within the functional expense categories (General Government, Law Enforcement, Fire Protection, Public Works / Transportation, Community Improvement, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Commission to increase or decrease authorized staffing. Staffing costs (salary and related benefits) in the General Fund represented 68.5% of the City's 2023 operating budget compared to 70.4% of the City's 2022 operating budget.

Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – the City is a major consumer of certain commodities and services such as chemicals, supplies, fuels and group health insurance. Some functions may experience unusual commodity specific increases. In past years, costs of fuel, general insurance, employee health benefits and pension costs have tended to have large increases. Contract services for items such as law enforcement that have these personnel costs factored in can fluctuate based on these inflationary pressures.

Current Year Impacts

Governmental Funds

The ending fund balance for the General Fund increased $1,270,094 to $4,826,054 as of September 30, 2023. The Capital Improvements Fund ending fund balance increased $5,781,102 to $12,188,205, all of which is restricted for infrastructure and other capital improvements (Penny for Pinellas funds and unexpended revenue bond proceeds).

Revenues

Table 4
Governmental Funds
Revenues

	2023	(Restated) 2022	Increase (Decrease)	Percentage
Revenues				
Taxes (Property, Franchise & Utility)	$ 5,476,746	$ 4,462,061	$ 1,014,685	22.74%
Licenses and Permits	707,047	488,927	218,120	44.61%
Intergovernmental Revenues	4,889,484	3,074,382	1,815,102	59.04%
Fines and Forfeitures	3,961	3,718	243	6.54%
Interest Income	638,930	64,862	574,068	885.06%
Change in fair value of investments	42,761	(11,158)	53,919	-483.23%
Rental Hibiscus Hall	10,236	5,500	4,736	86.11%
Contributions	800	400	400	100.00%
Miscellaneous Revenues	65,282	68,081	(2,799)	-4.11%
Total Revenues	$ 11,835,247	$ 8,156,773	$ 3,678,474	45.10%

The breakdown of the net change in revenue by fund was an increase of $1,543,259 for the General Fund and a $2,135,215 increase for the Capital Improvements Fund. (Please see page 26 for more detail.)

As previously discussed, the increase in revenues is primarily attributable to an increase in ad valorem taxes and the recognition of American Rescue Plan Act revenue. (See page 65 and page 79 for additional detail.)

For fiscal year 2023, the City had a millage rate of 4.9650, which represents and increase of 0.7176 from 2022. The total taxable value of property located within the City in fiscal year 2023 was $815,362,497 compared to the 2022 final taxable value of $729,595,472. The increase in the millage rate and property values resulted in property tax collections increasing $897,925.

Within the Capital Improvements Fund, infrastructure taxes increased $26,928 to $764,697, while interest income increased $397,830 to $438,219.

Expenditures

Table 5a
Governmental Funds
Expenditures

	2023	(Restated) 2022	Increase (Decrease)	Percentage
Expenditures				
General Government	$ 1,058,651	$ 1,015,157	$ 43,494	4.28%
Public Safety	4,778,315	4,468,212	310,103	6.94%
Transportation & Public Works	1,006,384	911,913	94,471	10.36%
Culture, Recreation, Environment	36,598	32,912	3,686	11.20%
Physical Environment	-	36,313	(36,313)	-100.00%
Human Services	6,000	3,500	2,500	71.43%
Capital Outlay	7,314,219	860,374	6,453,845	750.12%
Debt Service	493,684	36,606	457,078	1248.64%
Total Expenditures	$ 14,693,851	$ 7,364,987	$ 7,328,864	99.51%

As discussed in the City Highlights, the City had budgeted for the completion of its new fire station in fiscal year 2023. During fiscal year 2023, $4,378,875 was expended towards the construction of the fire station. Expenditures in excess of $6 million for the completion of the fire station will occur in fiscal year 2024.

Although the Capital Improvements Fund is typically used for capital asset acquisitions, the City may use a portion of those funds for repairs and other non-capital asset items which are operating in nature. Under the law, Infrastructure Taxes and any interest earned is restricted for use on capital assets. For fiscal year 2023, the Capital Improvements Fund incurred $25,906 of non-capital operating expenses, $36,808 of debt issuance costs, and $150,470 of capital outlay expenditures not eligible for the use of infrastructure taxes, impact fees, American Rescue Plan Act funds, or revenue bond proceeds. As a result of current year non-infrastructure tax and non-impact fee revenues being insufficient to cover the combined amount of expenditures of $213,184 not eligible for restricted funds use, a transfer of funds from the General Fund to the Capital Improvement Fund was made in that amount.

The following table provides a reconciliation of the expenditures reported under the governmental funds approach totaling $14,693,851 to the total expenses reported in the Statement of Activities for the same governmental activities totaling $8,451,996.

The main differences will be for adjustments to governmental activities expenses for non-cash depreciation and amortization of $645,195 and the removal of capital expenditures totaling $7,314,219 and repayment of debt principal totaling $278,483 that are not included in the Statement of Activities.

Table 5b
Reconciliation to Statement of Activities

	2023	(Restated) 2022
Expenditures Governmental Fund Approach	$ 14,693,851	$ 7,364,987
Less: Cash Outlay for Capital Asset Purchases	(7,314,219)	(860,374)
Add: Depreciation / Amortization Capital Assets	645,195	569,150
Add: Un-depreciated cost of disposed assets	74,485	2,116
Less: Proceeds from sale of Capital Assets	(9,800)	(4,705)
Less: Repayment of Debt Principal	(278,483)	(34,935)
Change in non-cash expense–		
Compensated Absences	(747)	7,524
Change in non-cash Other Post Employment Benefits	(34,350)	841
Change in non-cash pension benefits	676,063	(34,648)
Expenditures – Statement of Activities	$ 8,451,996	$ 7,009,956

Table 6
General Fund – Change in Fund Balance

	2023	2022	Increase (Decrease)
Nonspendable:			
Inventories and prepaids	$ 54,639	$ 45,337	$ 9,302
Assigned to:			
Future budgetary appropriations	-	-	-
Unassigned	4,771,415	3,510,623	1,260,792
Total General Fund Balance	$ 4,826,054	$ 3,555,960	$ 1,270,094

Table 7
Capital Improvements Fund – Change in Fund Balance

	2023	2022	Increase (Decrease)
Restricted for:			
Infrastructure	$ 12,188,205	$ 6,379,628	$ 5,808,577
Impact Fees	-	27,475	(27,475)
Assigned to:			
Capital improvement projects	-	-	-
Total Fund Balance	$ 12,188,205	$ 6,407,103	$ 5,781,102

Business Type Funds

The net position of the Sewer and Reclaimed Water enterprise funds increased $93,065 in fiscal year 2023 compared to a $52,992 increase in fiscal year 2022. The change in net position, or net income or loss, for the enterprise funds, which includes investment earnings, was income of $51,134 for the sewer operations and income of $41,931 for reclaimed water operations. The net position for the Sewer Fund increased 1.7% to $3,103,354 at September 30, 2023, and the net position for the Reclaimed Water Fund increased 1.9% to $2,230,841. (Please see page 29 for more detailed information.)

Net Income from Operations is a measure of profit before interest earnings and measures only the revenues and costs associated with the operation of the business activity. For fiscal year 2023, the Sewer Fund showed a net operating loss of $20,566, compared to operating income of $49,275 for 2022. For 2023 the Reclaimed Water fund showed a net operating loss of $39,460, compared to 2022 when the fund had a net operating loss of $17,351.

The Sewer and Reclaimed Water Funds were allocated an administrative service charge from the General Fund in the amounts of $34,465 and $16,990, respectively. This is the twelfth year in which the enterprise funds have been allocated their proportionate share of administrative costs. The administrative burden of operating the enterprise funds is now being allocated from the General Fund in order to arrive at a more accurate cost of operating these funds.

The largest operating expense for the Sewer Fund is the processing fees paid to the City of St. Petersburg for sewage processing. These processing charges for 2023 were $1,190,734, which is an increase of 6.9% from the 2022 charges of $1,114,129. The time spent by Public Works personnel in sewer and reclaimed water operations is allocated to each enterprise fund. The salary allocation to the Sewer Fund in 2023 was $69,600, an increase of 12.6% from the allocation in 2022, which was $61,815. The amount of 2023 non-cash depreciation charges in the Sewer Fund was $143,146.

The amount of salary allocations to the Reclaimed Water Fund from the General Fund was $53,830, a 11.9% increase from the $48,120 allocated in 2022. The cost of acquiring reclaimed water from Pinellas County was $106,032 in 2023 compared to $85,317 in 2022, an increase of 24.3%. The Reclaimed Water operating expenses for 2023 include non-cash depreciation charges of $112,211.

Budgetary Highlights – General Fund

The General Fund budget was not amended during fiscal year 2023. The amount of budgeted revenues (amounts available for appropriation) was $7,823,660. Actual revenues for fiscal year 2023 were $8,379,926, which resulted in a favorable variance of $556,266. The amount of budgeted expenditures (charges to appropriations) and transfers to other funds for 2023 was $7,823,660. The amount of actual expenditures and transfers to other funds was $7,109,832, which represents a favorable variance of $713,828. The overall favorable budget variance for fiscal year 2023 is $1,270,094. (Please see pages 65 - 68 for more information.)

Revenues

Revenue budgets are based on projections using historic trend analysis. Typically, only the first seven months of the previous year's actual revenues are known at the time of budget preparation. Considering the current economic conditions, these initial months are conservatively trended to estimate the upcoming year's budget. Actual amounts collected may vary significantly depending on changing economic conditions and consumer spending habits.

General Fund budget-to-actual variances include the following:

- Building permit revenues were $178,796 higher than anticipated.
- Emergency medical service revenues were $63,416 higher than anticipated.
- State revenue sharing revenues were $58,343 higher than anticipated.
- Utility tax revenues were $75,575 higher than anticipated.
- Interest earnings were $166,061 higher than anticipated.

Expenditures

The total amount of expenditures was $6,896,648 (excluding transfers of $213,184), which represents 91.5% of the amount budgeted.

The following is an overview of General Fund variances from the final budget for fiscal 2023:

- The activities of the Legislative Department utilized 81.1% of its operating budget and had a positive variance of $29,695 that is primarily attributable to other services and charges being $27,039 under budget.
- The Finance and Administration Department utilized 94.4% of its operating budget and had a positive variance of $54,882. The positive variance included other services and charges being $44,337 below the budgeted amount, and personal services (wages and benefits) being $8,613 below the budgeted amount.
- The Fire Department utilized 95.3% of its operating budget and had a positive variance of $159,198 that is primarily attributable to personal services being $123,342 under budget and other services and charges being $36,428 under budget.
- The Community Improvement Department (Protective Inspections) utilized 89.9% of its operating budget and had a positive variance of $64,397. The positive variance was due, in large part, to other services and charges being $58,293 under budget.
- Public Works / Transportation Department utilized 98.4% of its operating budget and had a positive variance of $15,256 that is primarily attributable to other services and charges being $18,125 under budget. This was partially offset by personal services being $6,369 over budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the City had $30,052,152 (total cost) invested in a variety of capital assets as compared to $23,094,612 as September 30, 2022. This represents a net increase (at cost) of $6,957,540, or 30.1%, from the end of last year. Capital additions in fiscal year 2023 purchased in the governmental funds totaled $7,314,219. Sewer Fund capital additions totaled $7,081, and Reclaimed Water Fund capital additions totaled $277,849.

Table 8
Capital Assets at September 30,
(Net of Depreciation and Amortization)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	(Restated) 2022	2023	2022	2023	(Restated) 2022
Land and land rights	$ 2,770,293	$ 2,059,183	$ -	$ -	$ 2,770,293	$ 2,059,183
Construction and projects in progress	5,294,191	909,287	-	-	5,294,191	909,287
Structures and Improvements	4,533,098	4,451,711	-	-	4,533,098	4,451,711
Infrastructure	5,215,252	4,698,158	7,636,125	7,351,195	12,851,377	12,049,353
Furniture, Fixtures and Equipment	4,278,130	3,391,187	-	-	4,278,130	3,391,187
Intangible Right-to-Use Subscription Assets	325,063	233,891			325,063	233,891
Total Cost of Assets	22,416,027	15,743,417	7,636,125	7,351,195	30,052,152	23,094,612
Less: Accumulated Depreciation / Amortization	(8,424,646)	(8,346,573)	(6,254,894)	(5,999,536)	(14,679,540)	(14,346,109)
Total	$ 13,991,381	$ 7,396,844	$ 1,381,231	$ 1,351,659	$ 15,372,612	$ 8,748,503

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the financial statement notes (See Note D to the financial statements – Capital Assets on pages 45-46.)

Table 9
Change in Capital Assets – (Net)

	Governmental Activities	Business-Type Activities	Total
Beginning balance reported last year (restated)	$ 7,396,844	$ 1,351,659	$ 8,748,503
Additions / Transfers	7,314,219	284,930	7,599,149
Retirements / Transfers	(641,609)	-	(641,609)
Depreciation / Amortization	(645,195)	(255,357)	(900,552)
Accumulated depreciation retirements	567,122	-	567,122
Ending Balance	$ 13,991,381	$ 1,381,231	$ 15,372,612

This year's major additions are:

Governmental Activities:

New Fire Station - Work in Process	$ 4,378,875
Sutphen T-20 Aerial Fire Truck	1,022,585
Paving - Oleander Way	272,772
R-20 Freightliner Fire Rescue Vehicle	224,917
	$ 5,899,149

ECONOMIC FACTORS

Fiscal year 2023 demonstrated continued economic stability as tax and certain intergovernmental revenues showed modest increases. Increased real estate values helped generate tax revenue which offset the general effects of inflation. Real estate values maintained an upward trend for the tenth year after several years of decreasing values. For the current 2023 fiscal year, taxable values increased 11.7%, or approximately $85.8 million, to $815,362,497. While the year-over-year valuation increases have generated higher property taxes, this growth will likely moderate due to the current high interest rates.

Inflation that started rising in 2021 continues to have an impact on City operations. For the Tampa Bay area, the annual CPI (Consumer Price Index) increase in September 2021 was 6.1% compared to the CPI rate of 10.5% in September of 2022 and 6.7% in September 2023. There seems to be some easing of the inflation rate as the CPI was 1.8% for the Bay area in May 2024. These increased costs have especially had an effect on capital purchase items and the City's Fire Station construction project. The high inflation rates also have an impact on cost-of-living adjustments necessary to keep City employees at competitive pay rates. Supply chain issues over the past year have added delays in receiving capital items which are placed on backorder. The City's new aerial platform fire truck and rescue vehicles, which were ordered in fiscal year 2022, did not get delivered until the beginning of fiscal year 2023.

Business development exploded in fiscal year 2023 with the addition of many new businesses in the City, including OneHealth Primary Care, Psalms Gourmet Brittle, ENT & Allergy Associates of Florida, RE/MAX Experts, Green Dragon, Rejuvenate with Joy, WN Body Sculpting, Moonstone Myo + Medicupping, Kelly's Roast Beef, and Scooter's Coffee. The City began construction on a new fire station in February 2023 with completion anticipated in fiscal year 2024.

More people have continued to relocate to Florida due to the State's favorable income tax policies. The increase in population is one of the primary reasons for the booming real estate market. The increase in demand has driven up housing prices as inventory is not able to meet demand. High interest rates have caused some reduction in demand for housing in recent months.

The City does not have a formal fund balance policy. The September 30, 2023 unassigned General Fund balance totaling $4,771,415 equates to 8.3 months of expenditure coverage.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Finance Director at City Hall at 7047 Sunset Drive South, South Pasadena, Florida 33707, telephone (727) 347-4171.

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Basic Financial Statements

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole, except for fiduciary activities. The fund financial statements present financial information about major funds individually for the governmental and enterprise funds, and fiduciary funds in the aggregate. The notes to the financial statements present information essential for a fair presentation of the financial statements that is not displayed on the face of the financial statements.

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CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF NET POSITION

September 30, 2023
With Comparative Total Amounts for September 30, 2022

	2023			2022 (Restated)
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
CURRENT ASSETS				
Cash, cash equivalents and pooled cash and investments	$ 17,923,344	$ 3,904,912	$ 21,828,256	$ 16,359,100
Receivables - other	4,134	-	4,134	-
Due from other governments	23,202	150,364	173,566	232,405
Inventory of supplies	11,403	-	11,403	14,347
Prepaid expense	43,236	2,336	45,572	33,298
Total current assets	18,005,319	4,057,612	22,062,931	16,639,150
NON-CURRENT ASSETS				
Land and land rights	2,770,293	-	2,770,293	2,059,183
Structures and improvements	4,533,098	-	4,533,098	4,451,711
Infrastructure	5,215,252	7,636,125	12,851,377	12,049,353
Furniture, fixtures and equipment	4,278,130	-	4,278,130	3,391,187
Construction and projects in process	5,294,191	-	5,294,191	909,287
Intangible right-to-use subscription assets	325,063	-	325,063	233,891
Accumulated depreciation and amortization	(8,424,646)	(6,254,894)	(14,679,540)	(14,346,109)
Total non-current assets	13,991,381	1,381,231	15,372,612	8,748,503
TOTAL ASSETS	31,996,700	5,438,843	37,435,543	25,387,653
DEFERRED OUTFLOWS OF RESOURCES				
Net Other Post Employment Benefits	7,624	-	7,624	11,031
Defined benefit pension plans				
Firefighters' Retirement Fund	2,190,197	-	2,190,197	1,104,034
Florida Retirement System	848,391	-	848,391	816,106
DEFERRED OUTFLOWS OF RESOURCES	3,046,212	-	3,046,212	1,931,171
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 35,042,912	$ 5,438,843	$ 40,481,755	$ 27,318,824

	2023			2022 (Restated)
	Governmental Activities	Business-type Activities	Total	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 544,760	$ 104,648	$ 649,408	$ 353,631
Retainage payable	170,536	-	170,536	13,139
Accrued liabilities	220,583	-	220,583	351,684
Current portion of:				
Accrued compensated absences	65,415	-	65,415	65,290
Right-to-use subscription liability	36,041	-	36,041	35,483
Revenue bonds payable	533,000	-	533,000	-
Total current liabilities	1,570,335	104,648	1,674,983	819,227
NON-CURRENT LIABILITIES				
Net Other Post Employment Benefits	198,562	-	198,562	236,319
Accrued compensated absences	246,091	-	246,091	246,964
Right-to-use subscription liability	-		-	36,041
Revenue bonds payable	9,124,000	-	9,124,000	-
Net pension liability:				
Firefighters' Retirement Fund	3,965,922	-	3,965,922	2,107,056
Florida Retirement System	2,564,566	-	2,564,566	2,062,755
Total non-current liabilities	16,099,141	-	16,099,141	4,689,135
TOTAL LIABILITIES	17,669,476	104,648	17,774,124	5,508,362
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	55,181	-	55,181	2,068,162
Defined benefit pension plans:				
Firefighters' Retirement Fund	116,715	-	116,715	651,742
Florida Retirement System	100,234	-	100,234	131,373
TOTAL DEFERRED INFLOWS OF RESOURCES	272,130	-	272,130	2,851,277
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	17,941,606	104,648	18,046,254	8,359,639
NET POSITION				
Net investment in capital assets	10,774,691	1,381,231	12,155,922	8,676,979
Restricted:				
Infrastructure	12,188,205	-	12,188,205	6,379,628
Impact fees	-	-	-	27,475
Unrestricted (deficit)	(5,861,590)	3,952,964	(1,908,626)	3,875,103
TOTAL NET POSITION	17,101,306	5,334,195	22,435,501	18,959,185
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 35,042,912	$ 5,438,843	$ 40,481,755	$ 27,318,824

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023
With Comparative Total Amounts for the Year Ended September 30, 2022

	2023			
		Program Revenues		
FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	$ 1,295,451	$ 118,052	$ 1,984,074	$ -
Public safety - Police	924,072	3,961	-	-
Public safety - Fire	3,791,779	-	1,302,283	-
Public safety - Protective inspections	721,895	604,465	-	-
Transportation - Public works	1,242,097	-	-	-
Human services	9,448	-	-	-
Culture and recreation	74,843	10,236	-	-
Physical environment	177,210	-	4,350	-
Interest on long-term debt	178,393	-	-	-
Issuance costs on long-term debt	36,808	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	8,451,996	736,714	3,290,707	-
BUSINESS-TYPE ACTIVITIES				
Sewer	1,518,990	1,498,424	-	-
Reclaimed water	291,457	251,997	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,810,447	1,750,421	-	-
TOTAL	$ 10,262,443	$ 2,487,135	$ 3,290,707	$ -
General Revenues				
Taxes:				
Ad valorem				
Franchise fees				
Utility taxes				
Communications service tax				
Sales tax - infrastructure				
Half-cent sales tax				
Local option gas tax				
Other taxes				
State revenue sharing - unrestricted				
Interest				
Change in fair value of investments				
Miscellaneous				
Total general revenues				
Change in net position				
Net position - beginning of year				
Prior period adjustment - Note K				
Net position - beginning of year - as restated				
Net position - end of year				

2023			2022 (Restated)
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Total
$ 806,675	$ -	$ 806,675	$ (494,980)
(920,111)	-	(920,111)	(881,954)
(2,489,496)	-	(2,489,496)	(2,097,493)
(117,430)	-	(117,430)	(128,404)
(1,242,097)	-	(1,242,097)	(1,044,054)
(9,448)	-	(9,448)	(7,324)
(64,607)	-	(64,607)	(65,046)
(172,860)	-	(172,860)	(208,283)
(178,393)	-	(178,393)	(1,671)
(36,808)	-	(36,808)	-
(4,424,575)	-	(4,424,575)	(4,929,209)
-	(20,566)	(20,566)	49,275
-	(39,460)	(39,460)	(17,351)
-	(60,026)	(60,026)	31,924
(4,424,575)	(60,026)	(4,484,601)	(4,897,285)
3,868,420	-	3,868,420	2,970,495
586,210	-	586,210	563,914
828,575	-	828,575	767,546
178,071	-	178,071	160,106
764,697	-	764,697	737,769
453,437	-	453,437	407,783
68,723	-	68,723	67,968
82,877	-	82,877	66,945
229,843	-	229,843	211,715
638,930	153,091	792,021	85,930
42,761	-	42,761	(11,158)
65,282	-	65,282	68,081
7,807,826	153,091	7,960,917	6,097,094
3,383,251	93,065	3,476,316	1,199,809
13,718,055	5,241,130	18,959,185	17,735,738
	-	-	23,638
13,718,055	5,241,130	18,959,185	17,759,376
$ 17,101,306	$ 5,334,195	$ 22,435,501	$ 18,959,185

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2023
With Comparative Total Amounts for September 30, 2022

	2023			2022
	General	Capital Improvements	Total Governmental Funds	Total
ASSETS				
Cash, cash equivalents and pooled cash and investments	$ 5,170,026	$ 12,753,318	$ 17,923,344	$ 12,502,399
Receivables - other	4,134	-	4,134	-
Due from other governments	23,202	-	23,202	80,392
Inventory of supplies	11,403	-	11,403	14,347
Prepaid expenditures	43,236	-	43,236	30,989
TOTAL ASSETS	$ 5,252,001	$ 12,753,318	$ 18,005,319	$ 12,628,127
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 150,183	$ 394,577	$ 544,760	$ 232,079
Retainage payable	-	170,536	170,536	13,139
Accrued liabilities	220,583	-	220,583	351,684
TOTAL LIABILITIES	370,766	565,113	935,879	596,902
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	55,181	-	55,181	2,068,162
TOTAL DEFERRED INFLOWS	55,181	-	55,181	2,068,162
TOTAL LIABILITIES AND DEFERRED INFLOWS	425,947	565,113	991,060	2,665,064
FUND BALANCES				
Fund balances				
Non-spendable:				
Inventories and prepaids	54,639	-	54,639	45,337
Restricted for:				
Infrastructure	-	12,188,205	12,188,205	6,379,628
Impact fees	-	-	-	27,475
Unassigned	4,771,415	-	4,771,415	3,510,623
TOTAL FUND BALANCES	4,826,054	12,188,205	17,014,259	9,963,063
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 5,252,001	$ 12,753,318	$ 18,005,319	$ 12,628,127

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

September 30, 2023

Fund Balances - total governmental funds		$ 17,014,259
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 22,090,964	
Less: Accumulated depreciation	(8,279,962)	
		13,811,002
Intangible right-to-use subscription assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Intangible right-to-use subscription assets	325,063	
Less: Accumulated amortization	(144,684)	
		180,379
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	(311,506)	
Right-to-use subscription liability	(36,041)	
Revenue bonds payable	(9,657,000)	
Net Other Post Employment Benefit liability	(198,562)	
Net pension liability - Firefighters' Retirement Fund	(3,965,922)	
Net pension liability - Florida Retirement System	(2,564,566)	
		(16,733,597)
Deferred outflows and inflows of resources related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long-term basis and are therefore reported in the statement of net position.		
Deferred outflows of resources related to Other Post Employment Benefits	7,624	
Deferred outflows of resources related to pensions - Firefighters' Retirement Fund	2,190,197	
Deferred outflows of resources related to pensions - Florida Retirement System	848,391	
Deferred inflows of resources related to pensions - Firefighters' Retirement Fund	(116,715)	
Deferred inflows of resources related to pensions - Florida Retirement System	(100,234)	
		2,829,263
Net position of governmental activities.		$ 17,101,306

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023
With Comparative Total Amounts for the Year Ended September 30, 2022

	2023			2022 (Restated)
	General	Capital Improvements	Total Governmental Funds	Total
REVENUES				
Taxes	$ 5,461,276	$ 15,470	$ 5,476,746	$ 4,462,061
Licenses and permits	705,406	-	705,406	483,970
Intergovernmental revenue	1,912,246	2,977,238	4,889,484	3,074,382
Fines and forfeits	3,961	-	3,961	3,718
Interest	200,711	438,219	638,930	64,862
Change in fair value of investments	19,167	23,594	42,761	(11,158)
Rent	10,236	-	10,236	5,500
Miscellaneous revenues	66,923	800	67,723	73,438
TOTAL REVENUES	8,379,926	3,455,321	11,835,247	8,156,773
EXPENDITURES				
Current:				
General government	1,056,923	1,728	1,058,651	1,015,157
Public safety	4,760,992	17,323	4,778,315	4,468,212
Transportation - public works	999,529	6,855	1,006,384	911,913
Physical environment	-	-	-	36,313
Human services	6,000	-	6,000	3,500
Culture and recreation	36,598	-	36,598	32,912
Capital outlay:				
General government	-	1,601	1,601	44,949
Public safety	-	6,811,639	6,811,639	577,049
Transportation - public works	-	385,095	385,095	198,799
Physical environment	-	115,884	115,884	39,577
Debt service				
Principal retirement	35,483	243,000	278,483	34,935
Interest	1,123	177,270	178,393	1,671
Debt issuance costs	-	36,808	36,808	-
TOTAL EXPENDITURES	6,896,648	7,797,203	14,693,851	7,364,987
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,483,278	(4,341,882)	(2,858,604)	791,786
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	9,800	9,800	4,705
Proceeds from issuance of debt	-	9,900,000	9,900,000	-
Transfers in	-	213,184	213,184	109,052
Transfers out	(213,184)	-	(213,184)	(109,052)
TOTAL OTHER FINANCING SOURCES (USES)	(213,184)	10,122,984	9,909,800	4,705
NET CHANGE IN FUND BALANCES	1,270,094	5,781,102	7,051,196	796,491
FUND BALANCES - BEGINNING OF YEAR	3,555,960	6,407,103	9,963,063	9,166,572
FUND BALANCES - END OF YEAR	$ 4,826,054	$ 12,188,205	$ 17,014,259	$ 9,963,063

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds			$ 7,051,196
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those capital assets and right-to-use subscription assets is depreciated / amortized over their estimated useful lives.			
Expenditures for capital assets	$ 7,223,047		
Less: Current year depreciation	(596,507)		
Expenditures for right-to-use subscription assets	91,172		
Less: Current year amortization	(48,688)		
			6,669,023
Debt proceeds provide current financial resources in the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.			(9,900,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			
Repayment of revenue bond	243,000		
Repayment of right-to-use subscription liability	35,483		
			278,483
In the statement of activities, a gain or loss is reported on the disposal of capital assets based on the sale price less the remaining un-depreciated cost, whereas in the governmental funds the proceeds from the sale of capital assets increase financial resources. The remaining un-depreciated cost of assets disposed of results in a decrease in net position.			
Un-depreciated cost of capital assets sold as surplus or disposed of			(74,485)
Some expenses, or reductions to expenses, reported in the statement of activities do not require the use, or receipt, of current financial resources and therefore are not reported as expenditures, or reductions to expenditures, in governmental funds.			
Change in compensated absences	747		
Current year cost reduction - Other Post Employment Benefits	34,350		
Pension expense - Firefighters' Retirement Fund	(237,676)		
Pension expense - Florida Retirement System	(438,387)		
			(640,966)
Change in net position of governmental activities.			$ 3,383,251

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

BALANCE SHEET
PROPRIETARY FUNDS

September 30, 2023
With Comparative Total Amounts for September 30, 2022

	Business-type Activities - Enterprise Funds			
	2023			2022
	Sewer	Reclaimed Water	Total	Total
ASSETS				
CURRENT ASSETS				
Pooled cash and cash equivalents	$ 2,126,234	$ 1,778,678	$ 3,904,912	$ 3,856,701
Due from other governments	129,200	21,164	150,364	152,013
Prepaid expense	2,336	-	2,336	2,309
Total current assets	2,257,770	1,799,842	4,057,612	4,011,023
NON-CURRENT ASSETS				
Capital Assets:				
Infrastructure	4,269,804	3,366,321	7,636,125	7,351,195
Less: Accumulated depreciation	(3,329,768)	(2,925,126)	(6,254,894)	(5,999,536)
Total non-current assets	940,036	441,195	1,381,231	1,351,659
TOTAL ASSETS	$ 3,197,806	$ 2,241,037	$ 5,438,843	$ 5,362,682
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 94,452	$ 10,196	$ 104,648	$ 121,552
Total current liabilities	94,452	10,196	104,648	121,552
TOTAL LIABILITIES	94,452	10,196	104,648	121,552
NET POSITION				
Investment in capital assets	940,036	441,195	1,381,231	1,351,659
Unrestricted	2,163,318	1,789,646	3,952,964	3,889,471
TOTAL NET POSITION	3,103,354	2,230,841	5,334,195	5,241,130
TOTAL LIABILITIES AND NET POSITION	$ 3,197,806	$ 2,241,037	$ 5,438,843	$ 5,362,682

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2023
With Comparative Total Amounts for the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	2023			2022
	Sewer	Reclaimed Water	Total	Total
OPERATING REVENUES				
Charges for services	$ 1,498,424	$ 251,997	$ 1,750,421	$ 1,750,295
TOTAL OPERATING REVENUES	1,498,424	251,997	1,750,421	1,750,295
OPERATING EXPENSES				
Supervisory services	69,600	53,830	123,430	109,935
Utilities	12,530	-	12,530	10,750
City of St. Petersburg:				
Sewer processing	1,190,734	-	1,190,734	1,114,129
Administration charge	3,258	575	3,833	3,865
Pinellas County:				
Reclaimed water	-	106,032	106,032	85,317
Audit and consulting	3,540	970	4,510	3,929
Insurance	11,500	-	11,500	16,100
Repairs, maintenance, renewals and replacements	47,143	849	47,992	77,731
Administrative service charge	34,465	16,990	51,455	47,545
Miscellaneous	3,074	-	3,074	4,149
Depreciation	143,146	112,211	255,357	244,921
TOTAL OPERATING EXPENSES	1,518,990	291,457	1,810,447	1,718,371
OPERATING INCOME (LOSS)	(20,566)	(39,460)	(60,026)	31,924
NON-OPERATING REVENUE				
Interest earned	71,700	81,391	153,091	21,068
CHANGES IN NET POSITION	51,134	41,931	93,065	52,992
NET POSITION - BEGINNING OF YEAR	3,052,220	2,188,910	5,241,130	5,188,138
NET POSITION - END OF YEAR	$ 3,103,354	$ 2,230,841	$ 5,334,195	$ 5,241,130

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2023
With Comparative Total Amounts for the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	2023			2022
	Sewer	Reclaimed Water	Total	Total
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 1,500,326	$ 251,745	$ 1,752,071	$ 1,725,207
Cash payments to suppliers for goods and services	(1,290,948)	(106,188)	(1,397,136)	(1,298,160)
Cash payments to employees for services	(69,600)	(53,830)	(123,430)	(109,935)
Cash paid for general government allocated expenses	(34,465)	(16,990)	(51,455)	(47,545)
NET CASH PROVIDED BY OPERATING ACTIVITIES	105,313	74,737	180,050	269,567
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(7,081)	(277,849)	(284,930)	(58,057)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(7,081)	(277,849)	(284,930)	(58,057)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on cash and cash equivalents	71,700	81,391	153,091	21,068
NET CASH PROVIDED BY INVESTING ACTIVITIES	71,700	81,391	153,091	21,068
NET INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS	169,932	(121,721)	48,211	232,578
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,956,302	1,900,399	3,856,701	3,624,123
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,126,234	$ 1,778,678	$ 3,904,912	$ 3,856,701
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ (20,566)	$ (39,460)	$ (60,026)	$ 31,924
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	143,146	112,211	255,357	244,921
Changes in assets and liabilities:				
(Increase) Decrease in Due From Other Governments	1,902	(252)	1,650	(25,088)
(Increase) Decrease in Prepaid Expense	(27)	-	(27)	4,006
Increase (Decrease) in Accounts Payable	(19,142)	2,238	(16,904)	13,804
TOTAL ADJUSTMENTS	125,879	114,197	240,076	237,643
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 105,313	$ 74,737	$ 180,050	$ 269,567

There were no non-cash investing or financing activities for the years ended September 30, 2023 or 2022.

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

September 30, 2023
With Comparative Amounts for September 30, 2022

	Firefighters' Retirement Fund	
	2023	2022
ASSETS		
Cash	$ 190	$ 190
Investments, at fair value		
Short term investments / money market funds	138,915	339,705
U. S. government and agency fixed income securities	1,029,759	892,243
Corporate bonds	816,466	780,438
Equities - common stock	4,668,981	3,834,490
Real estate investment funds	833,861	963,932
	7,487,982	6,810,808
Receivables	193,571	165,612
Prepaid expense	3,750	5,064
TOTAL ASSETS	7,685,493	6,981,674
LIABILITIES		
Accounts payable	16,217	21,977
Employer prepaid contribution	5,002	15,407
TOTAL LIABILITIES	21,219	37,384
NET POSITION		
Restricted for pensions	$ 7,664,274	$ 6,944,290

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH PASADENA, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

For the Year Ended September 30, 2023
With Comparative Amounts for the Year Ended September 30, 2022

	Firefighters' Retirement Fund	
	2023	2022
ADDITIONS		
Contributions		
Employer	$ 498,705	$ 476,944
Employee	91,319	95,361
Total contributions	590,024	572,305
Intergovernmental revenue		
State excise tax rebate (see Note)	66,042	53,002
Investment earnings		
Net change in fair value of investments	561,957	(1,479,340)
Interest and dividends	190,861	202,902
Total investment earnings	752,818	(1,276,438)
Less investment expense	(43,901)	(60,723)
Net investment earnings	708,917	(1,337,161)
TOTAL ADDITIONS	1,364,983	(711,854)
DEDUCTIONS		
Benefits	580,621	597,628
Professional services	59,314	39,521
Trustee / plan administrator's expenses	5,064	4,001
TOTAL DEDUCTIONS	644,999	641,150
CHANGE IN NET POSITION	719,984	(1,353,004)
NET POSITION - BEGINNING OF YEAR	6,944,290	8,297,294
NET POSITION - END OF YEAR	$ 7,664,274	$ 6,944,290

Note - The State excise tax rebate is record as intergovernmental revenue in the General Fund with a corresponding pension expenditure.

The notes to the financial statements are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared to conform with the standards set forth by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies.

1. The Reporting Entity

The City of South Pasadena, Florida (the City) is a municipal corporation established in 1955 pursuant to the laws of Florida and operates under applicable provisions of Florida Statutes.

The City follows the principles of Section 2100, "Defining the Reporting Entity" of GASB "Codification of Governmental Accounting and Financial Reporting Standards" which established standards for defining and reporting on the “Financial Reporting Entity”. The financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations for which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board and either displays the ability to impose its will on that organization, the possibility that the organization will impose or provide a financial burden or benefit to the primary government, or management of the primary government has operational responsibility for the component unit and manages the component unit in essentially the same manner in which it manages its own programs or departments. The City has no such applicable organizations that meet these requirements; therefore, the accompanying financial statements include only information relative to the primary government.

2. Basic Financial Statements – GASB Statement #34

The City presents its comprehensive annual financial report in accordance with the provisions of Governmental Accounting Standards Board Statement Number 34 – “Basic Financial Statements – and – Management’s Discussion and Analysis – for State and Local Governments”. This standard establishes the financial reporting requirements for state and local governments. The Statement establishes specific standards for basic financial statements, management’s discussion and analysis (MD&A), and certain required supplementary information.

As part of reporting pursuant to GASB Statement #34, there is a reporting requirement regarding infrastructure; that is roads, sidewalks, curbing, and drainage improvements, etc. All major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, are required to be retroactively reported. All newly acquired or improved infrastructure assets must be reported in accordance GASB Statement #34. The City has included infrastructure assets acquired prior to June 30, 1980 that still have remaining useful lives.

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund and the Capital Improvements Fund. Business-type activities include the Sewer and Reclaimed Water Enterprise Funds. The City’s Fiduciary Fund, which consists of the Firefighters’ Retirement Plan, is not included in the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories (general government, police, fire, etc.) of the City that are otherwise supported by general government revenues. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating and capital grants that specifically relate to a specific program function. Charges for services include revenue

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

arising from charges to customers or applicants, who purchase, use or directly benefit from the goods, services, or privileges provided. Operating and capital grants consist of revenues received from governments, organizations or individuals that are specifically attributable to a program and are restricted for either operating expenditures / expenses or capital expenditures / expenses associated with the specific program.

The fund financial statements are similar to the financial statements presented in the previous reporting model. The emphasis is now on the major funds in both the governmental activities and business-type activities, and non-major funds are summarized into a single column. The City does not have any non-major funds.

3. Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, fund equity, revenues, and expenditures (expenses) as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accompanying basic financial statements present each major fund as a separate column on the fund financial statements:

Governmental Funds: This fund category accounts for the acquisition, use, and balances of the City's expendable financial resources and the related current liabilities, except for those accounted for in the Proprietary Funds. Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund: The General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital costs that are not paid through other funds are paid from the General Fund.

Capital Improvements Fund: This fund is used to account for intergovernmental revenue that is restricted in use for infrastructure improvements or vehicles with a life expectancy of at least five (5) years, as well as other funds received and expended for construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

Proprietary Fund: This fund category accounts for all assets, liabilities, equities, revenues, and expenses related to the City's activities similar to businesses in the private sector. The measurement focus of a Proprietary Fund is on determination of net income, financial position and cash flows using the accrual basis of accounting. The City's Proprietary Funds are presented in accordance with GASB Statement #62 – "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements". The City's Proprietary Fund types consist of the following:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund: This fund type is used to account for operations (a) that are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has two Enterprise Funds that are presented as major proprietary funds:

Sewer Fund: This fund is used to account for the provision of Sewer services to the residents of the City. Activities of the sewer system include operations and maintenance of the system. All costs are financed through charges to utility customers.

Reclaimed Water Fund: This fund is used to account for the provision of Reclaimed Water services to the residents of the City. Activities of the reclaimed water system include operations and maintenance of the system and collection of system user fees. All costs are financed through charges to utility customers.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in conjunction with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of personnel, contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

Fiduciary Fund: This fund category accounts for assets held by the City in a trustee capacity or as agent for individuals, private organizations, other governmental units, and/or other funds. The measurement focus is like a proprietary fund for the pension trust fund.

Trust Fund: This fund is used to account for assets held by the City in a trustee capacity. The Pension Trust Fund is a single trust fund used to account for the Firefighters' Retirement Pension Plan.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual: The modified accrual basis of accounting is utilized for the governmental fund types. Under this basis, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current period. Substantially all intergovernmental revenues and interest are susceptible to accrual. Property taxes are billed and substantially collected within the same fiscal year.

Revenues for reimbursement of grant expenditures are recognized as the expenditures are incurred up to the grant award amount.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt are recognized when due.

Accrual: The accrual basis of accounting is utilized for the Proprietary and Fiduciary Fund - Trust Fund. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period that the liability is incurred.

5. Budget And Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

a) By July 1, the City Finance Director submits to the City Commission a proposed budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.

b) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.

c) The budget and property tax millage rate is approved by the City Commission in September and adopted as a budget ordinance. This budget ordinance is adopted at the fund level.

d) The budget is reviewed after the first six months of the fiscal year and any unusual and unforeseen changes are incorporated into the budget on a fund level by a modifying ordinance. This action requires the approval of the City Commission. Typically, the City does not make any budget line item revisions within departments or any inter-department budget transfers.

e) Annual budgets were adopted for the following funds: General Fund, Capital Improvements Fund and the Sewer and Reclaimed Water Enterprise Funds. The budget serves as legal authorization for all expenditures except for the Fiduciary Fund types, which are controlled through alternate means. The budget is adopted and passed at the fund level. However, budgeted expenditures may not legally exceed appropriations at the department level for the General Fund and on an individual fund basis for the Capital Improvements Fund and the Sewer and Reclaimed Water Enterprise Funds. For the fiscal year ended September 30, 2023, General Fund and Sewer Fund budgeted appropriations were not amended. For the fiscal year ended September 30, 2023, Capital Improvements Fund and Reclaimed Water Fund budgeted appropriations were increased by $895,415 and $221,990 respectively.

f) All appropriations lapse at the end of the fiscal year. The City does not use an encumbrance method of accounting for appropriations.

g) Budgets for governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the proprietary fund types (Sewer Fund and Reclaimed Water Fund) are adopted on a financial flow basis (depreciation is excluded) and as a result are not consistent with GAAP.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Pooled Cash and Investments: Cash balances of each fund, except for the Fiduciary Fund types, are pooled for investment purposes. The interest earned is allocated to each fund based on the fund's average balance in the pooled cash account. Cash in excess of each fund's immediate needs is placed in interest bearing accounts with several financial institutions.

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits with the State Board of Administration, which are investments, are considered to be a cash equivalent for purposes of determining cash flows.

Investments: Investments consist of money market accounts, funds invested with the State Board of Administration, funds invested with the Florida Municipal Investment Trust (FMIT), and funds invested with the Florida Surplus Asset Fund Trust (Florida SAFE). The investments are reported at fair value. Investments in the Fiduciary Fund consist of money market funds, U.S. Government and Federal Agency securities and bonds, corporate bonds, a real estate investment fund, and equities – common stocks. Investments in the Fiduciary Fund are accounted for at fair value. Funds invested with the State Board of Administration in the Florida Prime Trust Fund are valued at amortized cost. Deposits with the FMIT and Florida SAFE are reported at net position value.

Inventory of Supplies: Inventory is valued using the average cost basis and consists of expendable supplies held for consumption. The costs of the supplies are recorded as expenditures at the time the inventory is consumed.

Prepaid expenses: Payments made to vendors that will benefit periods beyond September 30, 2022 are recorded as prepaid items under the consumption method of accounting.

Capital Assets: Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable government or business-type activity in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of $1,000 or more and an estimated useful life in excess of one year. These assets are capitalized at historical cost, or estimated historical cost if actual cost information is not available. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are capitalized at their acquisition value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are also capitalized.

In fiscal year ended September 30, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, otherwise referred to as SBITA. This resulted in the capitalization of a new type of asset known as an Intangible Right-to-Use Subscription Asset. Additionally, a related Right-to-Use Subscription Liability is recorded at the present value of the subscription payments that are to be made during the SBITA term. The SBITA term is the period during which the City has a non-cancellable right to use the software plus periods covered by options that are reasonably certain to be exercised. The SBITA term ends at the point in time when there are no longer any renewal options or either the City or the software provider are able to terminate the agreement without the permission of the other party. The interest rate used to calculate the present value of subscription payments is the City's incremental borrowing rate. The SBITA asset is recorded at the subscription liability amount plus capitalizable implementation costs. Each SBITA asset is amortized on a straight-line basis over the shorter period of the SBITA term or the useful life of the asset's class.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and amortization, which is computed on a straight-line basis, is provided for in amounts sufficient to charge the cost of depreciable assets to operations over their estimated useful lives. Depreciation and amortization are not provided for capital projects in process. Interest cost incurred on construction in progress is capitalized as part of the cost of assets acquired in an enterprise fund. The estimated useful lives of the assets are as follows:

Category	Useful Life
Structures and improvements	15 – 50 years
Infrastructure	20 – 40 years
Furniture, fixtures and equipment	3 – 20 years
Sewer system equipment	12 years
Sewer system	40 years
Reclaimed water system	30 years
Intangible software asset	5 yrs. or agreement term

Accrued Compensated Absences: All full-time employees are allowed to carry over a maximum of 20 days of accumulated vacation time and 116 days of sick leave. General employees that have served the City for a minimum of 10 years are eligible for retirement and are paid a portion of their accumulated sick leave upon separation from the City; general employees with 10 to 14 years of service are paid 20% of their sick leave up to 116 days, and general employees with 15 or more years of service are paid 25% of their sick leave up to 116 days.

Firefighters are permitted to accumulate up to 1,400 hours of sick leave. Firefighters are paid 50% of their sick leave in excess of 700 hours upon retiring from the City.

The portion of the compensated absences liability that pertains to accrued vacation and compensatory time that is to be paid out of current available resources for terminated employees is recorded in the government–wide financial statements as a current liability. The remainder of the liability, which includes all accumulated sick time that is not expected to be paid within the next year, is reported as a component of long-term liabilities in the government–wide financial statements. There is no liability for compensated absences recorded in the Enterprise Funds as there are no employees in these funds.

Deferred Inflows of Resources – Deferred Revenue: In the governmental funds and government-wide statements, the amount recorded as a deferred inflow of resources – deferred revenue is comprised of business registration fees collected in advance of the October 1 due date, which will be recognized as revenue in the subsequent fiscal year, and unexpended American Rescue Plan Act funds.

Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions and Other Postemployment Benefits (OPEB): Deferred inflows of resources and deferred outflows of resources related to pension plans that are derived from the difference between projected and actual earnings on the respective plan investments are amortized to pension expense over a closed five year period. Deferred inflows of resources and deferred outflows of resources related to pensions and OPEB that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan's total pension liability or changes of assumptions about future economic or demographic factors or of other inputs are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions or OPEB through the respective pension or OPEB plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

Post Retirement Health and Life Insurance Benefits and Net Other Postemployment Benefits (OPEB) Liability: The City provides post retirement health insurance benefits to employees upon completion of 10 years of service. The City does not provide any life insurance benefits. The City adopted GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for fiscal year ended September 30, 2017. As a result of the implementation of GASB Statement 75, the City reported a restatement for the change in accounting principle as of October 1, 2016.

Net Pension Liability: The City adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* for fiscal year ended September 30, 2015. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014 for the Firefighters' Retirement Fund and for the City's proportionate interest in the Florida Retirement System cost-sharing – multiple employer plan. The Net Pension Liability as defined by GASB 68 is the difference between the actuarial present value of projected pension benefits attributable to a participant's past services and the respective pension plan's fiduciary net position. The City did not have the information necessary to adopt GASB Statements 68 and 71 as of October 1, 2013 for the City's proportionate interest in the Florida Retirement System. To facilitate the understanding of the impact of GASB Statements 68 and 71, the City therefore used the same implementation date for the Firefighters' Retirement Fund.

Net Position: The government-wide and business-type fund financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component consists of capital assets less accumulated depreciation and any related long-term debt. Restricted assets consist of net position that has constraints placed on them either externally by third parties (grantors and contributors) or by law through provisions of enabling legislation. Unrestricted net position consists of items that do not meet the definition of "net investment in capital assets" or "restricted". The government-wide statement of net position reports $12,188,205 of restricted net position, none of which is restricted by enabling legislation.

Fund Balance Classification: The City reports fund balances in accordance with the provisions of GASB Statement Number 54 – "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement Number 54 provides that governmental fund financial statements will present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Supplies Inventory and Prepaid Items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The City has included restrictions for a portion of the fund balance that has been legally segregated for the funding of infrastructure improvements and equipment as required by Florida Statutes ($5,711,857) and unexpended bond proceeds that are to be used for infrastructure improvement capital assets ($6,476,348).

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council, in this case by ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations (encumbrances) to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. For the fiscal year ended September 30, 2023 the City did not have any funds classified in this category.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. This category also includes amounts for future budgetary appropriations.

Unassigned: This classification includes the residual fund balance for the General Fund and also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of Assigned fund balance amounts.

The City would typically use Restricted fund balances first, followed by Committed resources and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first and to defer the use of these other classified funds.

7. Revenues

Property Taxes: The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied on property values as of January 1 of each year and are considered to be based upon the final millage rate adopted by the City Commission. The taxes are generally due November 1 and become delinquent April 1 of the following year at which time they become a lien. Tax certificates are sold by the Pinellas County Tax Collector on May 15. Property taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

Grants: Amounts received are restricted as to use in accordance with applicable grant requirements. Generally, these funds are subject to compliance audits and must be returned to the grantors if they exceed the cost of the program or are used in violation of the grant regulations.

8. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables and are subject to elimination in the government-wide financial statements. Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses and are not eliminated in the consolidation of the government-wide financial statements. Reimbursements occur when one fund incurs a cost and

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

9. Comparative Data

The financial statements include summarized prior year comparative information that does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2022, from which such summarized information was derived.

10. Adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

The provisions of GASB Statement No. 96 have been applied retroactively and as a result the comparative financial information for the year ended September 30, 2022, has been restated. Please refer to Note K. Additional disclosures regarding Intangible Right-to-Use Subscription Asset and the related Right-to-Use Subscription Liability are presented in Note D – Capital Assets and Note F – Long-Term Debt, respectively.

NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS

Cash and Pooled Cash

The City maintains a cash and investment pool that is available for all funds except the Fiduciary Fund type. The investments of the Pension Trust Fund are held separately from those of other City funds.

Deposits

Florida Statutes and City policy require that all City demand accounts be in financial institutions that pledge collateral with the State Treasurer pursuant to Chapter 280, Florida Statutes. The City is required to verify that monies are on deposit with "qualified public depositories" as defined in Florida Statutes Section 280.02. Florida Statutes require that all qualified public depositories provide collateral each month equal to a least 50 percent of the public funds on deposit with the institution that are in excess of deposit insurance amounts. The carrying amount of the City's deposits as of September 30, 2023 was $2,524,804, excluding $20,600 of petty cash funds and cash on hand that are maintained. The amounts on deposit in money market type accounts as of September 30, 2023 that do not qualify as public funds totaled $1,821,659.

The State Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository's collateral. Since the City uses only authorized public depositories, all funds, including time deposits, deposited with financial institutions are in compliance with the City's policies.

Investments

Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U. S. Government, U. S. Government Instrumentalities, State of Florida Local Government Surplus Trust Fund (State Board of Administration), and mutual funds investing in U. S. Government Securities.

The City adopted its own investment policy that also authorizes the City to invest in the following: a) Florida Municipal Investment Trust Fund; b) Florida Surplus Asset Fund Trust; c) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; d) Certificates, notes, bonds, or bills of the United States, or other obligations of the United States or its Agencies which are backed by the full faith and credit of the U. S. and include, but are

NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS (continued)

not limited to: Government National Mortgage Association (GNMA), Farmers Home Administration, Small Business Administration (SBA), General Services Administration (GSA), Federal Housing Administration, and Housing and Urban Development (HUD); d) Obligations of government-sponsored corporations (Instrumentalities) which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve (Instrumentalities are usually AAA rated, but have no explicit government guarantee) and include, but are not limited to: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Student Loan Marketing Association, and Tennessee Valley Authority (TVA); e) Non-negotiable Certificates of Deposit, which can be insured, collateralized at the Federal Reserve or qualify as State Public Deposits, as defined by Florida Statutes; f) Taxable or Tax Exempt Government bonds, notes or other obligations of investment grade quality (as established by a nationally recognized rating agency), municipal corporation, special district, and authority or political subdivision thereof; g) Repurchase Agreements with primary dealers or with the City's primary state qualified public depository that are evidenced by a Master Agreement to engage in this investment option and are fully collateralized by U. S. Government Obligations or any Agency or Instrumentality thereof (Reverse Repurchase Agreements are prohibited); h) Securities in, or other interests in, any open-ended or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio is limited to obligations of the U. S. Government or any agency or instrumentality thereof (Mutual Funds); and i) Federal Deposit Insurance Corporation (FDIC) insured corporate bonds.

The City's investment policy states that, to the extent possible, investment maturities and liquidity shall be matched to anticipated cash flow requirements and unless an investment is matched to a specific cash flow such as a reserve requirement or other longer-term investment horizon, investments shall not have a maturity date of more than three (3) years from the date of purchase.

The Local Government Surplus Trust Fund (Florida Prime) is an external investment pool administered by the Florida State Board of Administration, which is a three member board made up of the State elected officials of Governor, Chief Financial Officer and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida Prime is treated as a "2a-7 like" pool in accordance with GASB Statements No. 31 and No. 79 and is valued using the pooled share price (amortized cost), which approximates fair value. As of September 30, 2023, the weighted average maturity of Florida Prime investments was 35 days.

The Florida Municipal Investment Trust (Trust) is an investment pool administered by the Florida League of Cities, Inc. It is an inter-local governmental entity created under the laws of the State of Florida. The Trust is an authorized investment under section 163.01 of the Florida Statutes. The City has invested in the Trust's 0-2 Year High Quality Bond Fund and the 1-3 Year High Quality Bond Fund.

The Florida Surplus Asset Fund Trust (Florida Safe Investment Pool) is a common law trust organized in 2007 under the laws of the State of Florida. An elected five member Board of Trustees oversees all actions and decides on general policies. The trust is administered by Florida Management Administrative Services, LLC and the investment advisor is PMA (Prudent Man Advisors) Asset Management, LLC. The trust includes a liquid money market-like investment called the "FL SAFE Fund" and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the Fund and any Term Series portfolios and in a value-added program called the "Fixed Income Investment Program," through which the participants may purchase investments for their own portfolio. The Fund is accounted as a Stable Net Position Value investment pool. The Florida SAFE Fund and the Term Series portfolios are treated as "2a-7 like" pools in accordance with GASB Statements No. 31 and No. 79 and is valued using the pooled share price (amortized cost), which approximates fair value. As of September 30, 2023, the weighted average maturity of FL SAFE Fund investments was 44 days. The Florida SAFE Fund and the Term Series portfolios seek to maintain a constant net value per share of $1.00.

NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS (continued)

Fair Value of Investments – The City categorizes its fair value of investments within the fair value hierarchy established by generally accepted accounting principles pursuant to GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are other than quoted prices that are derived from or corroborated by observable market data through correlation or by other means, and Level 3 are significant unobservable inputs.

Interest Rate Risk – In compliance with the City's investment policy, as of September 30, 2023, the City minimized the interest rate risk, related to the decline in value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed three years and investing in short-term securities or similar investment pools so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity. The City minimizes interest rate risk with regard to external investment pools by investing in investment pools that maintain a short average maturity period.

Credit Risk – In compliance with the City's investment policy, as of September 30, 20232, the City minimized credit risk due to default of a security issuer or backer, by limiting investments to the safest types of securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

The City's investments carried at fair value with recurring fair value measurements as of September 30, 2023, are:

Investment	Maturity	Fair Value Measurement	Fair Value	Rating
State Board of Administration – Florida Prime	N/A	Net Asset Value	$11,848,604	AAAm (S&P)
Florida Municipal Investment Trust – 0-2 and 1-3 Year High Quality Bond Funds	N/A	Level 2 inputs	1,241,408	AAAf / S1 and S2 (Fitch)
Florida SAFE Investment Pool	N/A	Net Asset Value	4,371,181	AAAm (S&P)
Total investments			$17,461,193	

The City does not participate in any securities lending transactions nor has it used, held or written derivative financial instruments.

A reconciliation of the amount of petty cash, deposits and investments reported as cash equivalents to the Statement of Net Position as of September 30, 2023, is as follows:

Petty cash and cash on hand	$ 20,600
Deposits – public funds	2,524,804
Deposits – non-public funds	1,821,659
Investments	17,461,193
Total	$ 21,828,256
As reported in Statement of Net Position:	
Cash, cash equivalents and pooled cash and investments	$ 21,828,256

NOTE B - CASH, CASH EQUIVALENTS AND POOLED CASH AND INVESTMENTS (continued)

Firefighters' Retirement Fund

Deposits
Salem Trust periodically holds un-invested cash in its capacity as custodian of the Firefighters' Retirement Fund (the Retirement Fund). These funds exist as cash in the process of collection from the sale of securities. The cash is deposited in to the Financial Square Treasury Obligations Fund (a money market fund).

Investments
The Board of Trustees of the Firefighters' Retirement Fund is authorized to invest and reinvest in: securities; annuities; life insurance contracts; time deposits or savings accounts; obligations of the United States or its instrumentalities; and real estate. Such investments may include, but are not limited to: stocks, common or preferred, and bonds, so long as such stocks or bonds retain one of the three highest quality ratings on a major recognized rating service, and other evidence of indebtedness or ownership, including shares or units of common trust funds approved as investments for pension and profit sharing plans. All investments are to be approved by the Board of Trustees of the Firefighters' Retirement Fund.

The Firefighters' Retirement Plan held the following deposits and investments with recurring fair value measurements as of September 30, 2023:

Salem Trust Retirement Funds:	Fair Value Measurement	Fair Value	Rating
Deposits			
Money market funds	N/A	$ 138,915	N/A
Investments			
Bonds			
U.S. government and agency fixed income securities	Level 2 inputs	1,029,759	N/A
Corporate Bonds	Level 1 inputs	816,466	*
Equities - Common Stock and Mutual Funds	Level 1 inputs	4,668,981	N/A
Limited partnership interest - real estate investment fund (American Core Realty)	Level 3 inputs	833,861	N/A
Total Deposits and Investments		$ 7,487,982	

* Investment complies with State of Florida investment requirements.

Credit Risk and Interest Rate Risk – State law provides that retirement plan fixed income securities must have a quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments which are downgraded to a "BAA" or equivalent rating must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments that are downgraded below a "BAA" rating are to be liquidated immediately.

NOTE C - DUE FROM OTHER GOVERNMENTS

The amounts due from other governments consist of the following as of September 30, 2023:

General Fund	
State of Florida	
Communications Service Tax	$ 12,875
Pinellas County –	
EMS allowable overhead / cost reimbursement	10,049
Motor Fuel Tax	278
Total – governmental activities	$ 23,202

NOTE C - DUE FROM OTHER GOVERNMENTS (continued)

Sewer Fund	
City of St. Petersburg – sewer service fees	$ 129,200
Reclaimed Water Fund	
City of St. Petersburg – reclaimed water fees	21,164
Total – business-type activities	$ 150,364
Total	$ 173,566

The amounts due from other governments are unsecured and represent concentrations of credit risk in the event that any of the governmental entities were unable to remit the amount due the City.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

Governmental Activities	Restated Beginning Balance 10-1-22	Additions / Transfers	Deletions / Transfers	Ending Balance 9-30-23
Non-depreciable assets:				
Land and land rights	$ 2,059,183	$ 711,110	$ -	$ 2,770,293
Construction and projects in progress	909,287	4,583,762	198,858	5,294,191
Depreciable and amortizable assets:				
Structures and improvements	4,451,711	84,020	2,633	4,533,098
Infrastructure	4,698,158	527,719	10,625	5,215,252
Furniture, fixtures and equipment	3,391,187	1,515,293	628,350	4,278,130
Intangible right-to use subscription asset	233.891	91,172		325,063
Total at historical cost	15,743,417	7,513,076	840,466	22,416,027
Less accumulated depreciation and amortization:				
Structures and improvements	3,051,111	130,529	2,172	3,179,468
Infrastructure	2,663,161	195,966	8,146	2,850,981
Furniture, fixtures and equipment	2,536,305	270,012	556,804	2,249,513
Intangible right-to use subscription asset	95,996	48,688	-	144,684
Total	8,346,573	645,195	567,122	8,424,646
Capital assets, net	$ 7,396,844	$ 6,987,771	$ (273,344)	$ 13,991,381
Business-type Activities				
Depreciable assets:				
Infrastructure – sewer system	$ 4,262,723	$ 7,081	$ -	$ 4,269,804
Infrastructure – reclaimed water system	3,088,472	277,849	-	3,366,321
Total at historical cost	7,351,195	284,930	-	7,636,125
Less accumulated depreciation for:				
Infrastructure – sewer system	3,186,621	143,146	-	3,329,768
Infrastructure – reclaimed water system	2,812,915	112,211	-	2,925,126
Total	5,999,536	255,357	-	6,254,894
Capital assets, net	$ 1,351,659	$ 29,573	$ -	$ 1,381,231

NOTE D – CAPITAL ASSETS (continued)

Depreciation and amortization were charged to governmental activities as follows:

General government	$ 84,807
Public safety – fire	223,009
Public safety – protective inspections	34,755
Transportation – public works	86,200
Human services	3,448
Culture and recreation	38,245
Physical environment	174,731
	$ 645,195

Intangible Right-to Use Subscription Asset – SBITA

As reported in Note A, the City implemented GASB No. 96 as a result of having entered into a Subscription-Based Information Technology Arrangement (SBITA) on May 15, 2020. The contract provided for the use of software for financial management information technology with the availability of adding licensing and permitting software. The agreement is for a five year period after which either the City or the information technology provider can cancel the contract. On the date that the agreement was entered into the present value of the subscription payments, and the related intangible right-to use subscription asset, was $177,405. The subscription payments are to be paid over the five year term of the agreement. The present value of the subscription payments was determined using the City's incremental borrowing rate which was 1.57% as of the date that the agreement was entered into.

As of October 1, 2021, in addition to the initial intangible right-to use subscription asset of $177,405, the City had incurred implementation costs associated with the financial management software totaling $48,426 and $4,420 of implementation costs associated with the licensing and permitting software. The implementation costs had previously been classified as intangible software capital assets. As of October 1, 2021, the total amount of intangible right-to use subscription assets was $230,251 and the related accumulated amortization as of that date was $47,308. The accompanying comparative September 30, 2022 financial statements have been restated to include the $177,405 right to use subscription asset and the reclassification of the implementation costs totaling $52,846 and the accumulated amortization of $47,308.

The accompanying comparative September 30, 2022 financial statements have also been restated to recognize $35,481 of amortization expense for 2022 and to reclassify additional licensing and permitting implementation costs of $3,640 incurred during 2022 bringing the total right to use subscription asset to $233,891.

During fiscal year September 30, 2023 the City incurred additional implementation costs pertaining to the licensing and permitting software in the amount of $91,172. Management had not placed the licensing and permitting software in service as of September 30, 2023 and has not recorded any amortization expense pertaining to the licensing and permitting software.

The current Subscription-Based Information Technology Arrangement (SBITA) will expire as of June 1, 2025. Management anticipates entering into a new SBITA with the information technology provider in order to maintain the continuity of the financial management and licensing and permitting software.

In accordance with GASB Statement #51 – "Accounting and Financial Reporting for Intangible Assets", the City includes non-SBITA related computer software purchases as a capital asset in the category of "Furniture, Fixtures and Equipment" and property easements are included within the category of "Land and Land Rights."

NOTE E - DEFERRED REVENUE

Deferred revenue as of September 30, 2023 consists of local business tax receipts in the amount of $55,181 received in advance that pertain to fiscal year ended September 30, 2024. The deferred revenue is reported as a deferred inflow of resources.

NOTE F - LONG-TERM DEBT

Long-term debt as of September 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Revenue bonds payable	$ -	$9,900,000	$ 243,000	$9,657,000	$ 533,000
Accrued compensated absences	$ 312,254	$ 20,421	$ 21,169	$ 311,506	$ 65,415

Long-term debt for the governmental activities is comprised of the following as of September 30, 2023:

Revenue bonds payable: The Capital Improvement Revenue Bonds, Series 2023, were issued on April 14, 2023 in the amount of $9,900,000 for the purpose of financing the construction costs of a new fire station. The interest rate on the bonds is 3.86% and interest is payable semiannually on October 1 and April 1. The bonds mature annually through October 1, 2037. The bonds will be repaid from non-pledged Non-Ad Valorem revenues. The City can redeem the bonds in whole or in part after October 1, 2028.	$9,657,000
Accrued Compensated Absences: The vested portion of accumulated vacation and sick leave benefits due employees:	$ 311,506

The compensated absences liability will be paid from the General Fund.

The annual requirements to amortize the Capital Improvement Revenue Bonds, Series 2023 as of September 30, 2023 are as follows:

	Principal	Interest	Total
Revenue Bond, Series 2009			
2024	$ 533,000	$ 372,760	$ 905,760
2025	554,000	352,187	906,187
2026	575,000	330,802	905,802
2027	597,000	308,607	905,607
2028	620,000	285,563	905,563
2029-2033	3,480,000	1,049,727	4,529,727
2034-2037	3,298,000	324,317	3,622,317
	$ 9,657,000	$ 3,023,963	$12,680,963

NOTE F - LONG-TERM DEBT (continued)

Right-to-Use Subscription Liability – SBITA

As reported in Note A and in Note D, the City implemented GASB No. 96 as a result of having entered into a Subscription-Based Information Technology Arrangement (SBITA) on May 15, 2020. On the date that the agreement was entered into the present value of the subscription payments, referred to as the Right-to-Use Subscription Liability, was $177,405. The subscription payments are to be paid over the five year term of the agreement. The present value of the subscription payments was determined using the City's incremental borrowing rate which was 1.57% as of the date that the agreement was entered into.

As of September 30, 2023, there is one remaining payment due on the Right-to-Use Subscription Liability. The payment is due June 1, 2024 in the amount of $36,606 of which the principal portion is $36,041 and the interest portion is $565.

NOTE G - PENSION PLANS

The City is involved with three pension plans: the Firefighters' Retirement Fund (a single employer defined benefit pension plan); the Florida Municipal Pension Trust Fund (a defined contribution pension plan), and the Florida Retirement System (a cost-sharing multiple-employer defined benefit pension plan).

As further explained within this note, the City has recognized pension expense for each of the retirement plans as follows:

Defined benefit pension plans pursuant to GASB 68:	
Firefighters' Retirement Fund	$ 792,018
Florida Retirement System	438,387
Sub-total	1,230,405
Defined contribution plan	
Florida Municipal Pension Trust Fund	14,764
Total pension expense for all pension plans	$ 1,245,169

Firefighters' Retirement Fund

The City administers the Firefighters' Retirement Fund pension plan (the Plan) pursuant to Chapter 175 of the Florida Statutes. The investments of the Plan are held by the City in a trustee capacity and are maintained in a segregated trust account. The trust account is managed by a professional trustee pursuant to a trust agreement with the City. The Plan's financial statements are included within the Annual Comprehensive Financial Report of the City. The Plan does not issue a stand-alone financial report.

Plan Administration: The Plan is administered by a five-member Board of Trustees that is comprised of two Commission appointees, two members of the department that are elected by the membership, and a fifth member who is elected by the other four members and appointed by Commission.

Membership in the Plan: Membership of the plan as of October 1, 2021, based on a measurement date of September 30, 2022:

Group	
Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members:	19
Total	36

NOTE G - PENSION PLANS (continued)

Basis of Accounting: The plans' financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and expenses are recognized when due and payable in accordance with the terms of the plan. The plan does not issue separate financial statements. The financial statements for the Plan are presented within this footnote and also presented on pages 31 and 32 which contain the Fiduciary Fund financial statements.

Method Used to Value Investments: Investments are reported at fair value. Short-term money market type investments are reported at cost which is equal to fair value.

Administrative Costs: The costs incurred in administering the Plan are paid for out of the Plan's assets.

Actuarial Information: The City utilizes the most recent actuarial valuation report for purposes of disclosing the required actuarial information pertaining to the Firefighters' Retirement Fund. The most recent actuarial report available is as of October 1, 2021 with the net pension liability being rolled forward to the September 30, 2022 measurement date.

Plan Description and Benefits Provided: Employees who are classified as full-time Firefighters participate in the plan as a condition of employment. The Plan provides for pension benefits after 10 years of service upon retirement at age 55 or after completion of 25 years of service upon retirement at age 52. The Plan also provides for early retirement at age 50 upon completion of 10 years of service. Benefits for normal retirement are calculated as follows: average final compensation, which is the average of the best five out of the last ten years salary benefits excluding bonuses, is multiplied by years of full-time service. The product of average final compensation and years of service is multiplied by a factor of 3.0% for all credited service. The Plan contains a Deferred Retirement Option Plan (DROP) that is available to firefighters that have satisfied the normal retirement requirements. Participation in the DROP, whereby firefighters are able to defer retirement benefits, cannot exceed 60 months. The deferred retirement benefits are credited with the actual net rate of investment return, which is defined as the total return net of brokerage commissions, management fees and transaction costs. Benefits vest 100% upon completing 10 years of credited service and the members will receive the vested portion of their benefits at age 55.

The Plan also provides death and disability benefits for participants with coverage beginning from the date of employment. Service incurred disability benefits are accrued to the date of disability but not less than 42% of average final compensation. Pre-retirement death benefits are based on monthly accrued benefit and are paid to the designated beneficiary for a 10 year period.

Investments: The following was the Board's adopted asset allocation policy and related long-term expected rate of return based on best estimates of the arithmetic real rates of return for each major asset class as of the September 30, 2022 measurement date:

Asset Class	Target Allocation	Expected Return
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Domestic Fixed Income	20%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%
Global Tactical Asset Allocation	5%	3.5%
Total	100%	

The Plan did not hold investments in any one organization that represents 5% or more of the Plan's Fiduciary Net Position.

NOTE G - PENSION PLANS (continued)

For the year ended September 30, 2023 the annual money-weighted rate of return on Plan investments net of investment expense was 10.39%. For the measurement year of September 30, 2022, the annual money-weighted rate of return on Plan investments net of investment expense was -16.38%. The money-weighted rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability: As noted previously, during the year ended September 30, 2015, the City adopted GASB 68 *Accounting and Financial Reporting for Pensions*. This required the City to record on its financial statements its net pension liability for the Firefighters' Retirement Fund. The net pension liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

The components of the Net Pension Liability on September 30, 2023 were as follows:

Total Pension Liability	$ 10,925,618
Plan Fiduciary Net Position	(6,959,696)
Sponsor's Net Pension Liability	$ 3,965,922
Plan's Fiduciary Net Position as a Percentage of Total Pension Liability	63.70%

The City's pension liability was measured as of September 30, 2022.

The discount rate used to measure the Plan's total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member (employees) contributions will be made at the current contribution rate of 6% of salary and that plan sponsor (employer) contributions will be made at rates equal to the difference between actuarially determined contribution rates and the plan member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
$ 5,132,391	$ 3,965,922	$ 2,977,812

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of October 1, 2021 and updated to September 30, 2022 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service based
Discount rate	7.25%
Investment rate of return	7.25%
Mortality rates	Mortality Improvement Scale MP-2018 Healthy – Sex Distinct Female – PubS.H-2010 (Below Median), set forward one year Male – PubS.H-2010 (Below Median), set forward one year

NOTE G - PENSION PLANS (continued)

Changes of Assumptions for September 30, 2022 Measurement Date:
For measurement date September 30, 2022, there were no changes in assumptions. 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 are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed as of September 30, 2020 to the rates used by Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on the plan demographics.

Change in Net Pension Liability: The change in the net pension liability for the year ended September 30, 2023 based on a September 30, 2022 measurement date is as follows:

	Increase (Decrease)		
	Total Pension Liability a	Plan Fiduciary Net Position b	Net Pension Liability a - b
Beginning balance	$10,401,624	$ 8,294,568	$ 2,107,056
Changes for the year:			
Service cost	252,976	-	252,976
Interest	750,794	-	750,794
Share Plan Allocation	2,950	-	2,950
Differences between expected and actual experience	114,903	-	114,903
Changes of assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	485,420	(485,420)
Contributions - State	-	53,002	(53,002)
Contributions - employees	-	95,361	(95,361)
Net investment income (loss)	-	(1,327,503)	1,327,503
Benefit payments, including refund of employee contributions	(597,629)	(597,629)	-
Administrative expense	-	(43,523)	43,523
Net changes	523,994	(1,334,872)	1,858,866
Ending balance	$10,925,618	$ 6,959,696	$ 3,965,922

For the year ended September 30, 2023, using a measurement date of September 30, 2022, the City recognized pension expense for the Plan under GASB 68 in the amount of $792,018.

The City has reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions in the Statement of Net Position as of September 30, 2023 from the following sources:

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NOTE G - PENSION PLANS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience with regard to economic or demographic assumptions	$ 246,924	$ -
Change of assumptions	255,632	116,715
Net difference between projected and actual earnings on pension plan investments	1,133,299	-
Employer contributions subsequent to the measurement date	554,342	-
Total	$ 2,190,197	$ 116,715

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to the Plan, exclusive of employer contributions received subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended September 30:	Amount
2024	$ 396,565
2025	349,013
2026	294,973
2027	478,589
2028	-
Thereafter	-
	$ 1,519,140

The financial statements for the Firefighters' Retirement Fund as of and for the year ended September 30, 2023 and 2022 are as follows:

Statement of Net Position
September 30,

	2023	2022
Assets		
Cash	$ 190	$ 190
Investments, at fair value	7,487,982	6,810,808
Receivables	193,571	165,612
Prepaid expenses	3,750	5,064
Total Assets	7,685,493	6,981,674
Liabilities		
Accounts payable	16,217	21,977
Employer prepaid contribution	5,002	15,407
Total Liabilities	21,219	37,384
Net Position		
Held in Trust for Pension Benefits	$ 7,664,274	$ 6,944,290

NOTE G – PENSION PLANS (continued)

Statement of Changes in Net Position
For the year Ended September 30,

	2023	2022
Additions		
Contributions		
Employer	$ 498,705	$ 476,944
Employee	91,319	95,361
Total contributions	590,024	572,305
Intergovernmental revenue		
State excise tax rebate	66,042	53,002
Investment earnings		
Net change in fair value of investments	561,957	(1,479,340)
Interest and dividends	190,861	202,902
Total investment earnings (loss)	752,818	(1,276,438)
Less investment expense	(43,901)	(60,723)
Net investment earnings (loss)	708,917	(1,337,161)
Total additions	1,364,983	(711,854)
Deductions		
Benefits	580,621	597,628
Professional services	59,314	39,521
Trustee expenses	5,064	4,001
Total deductions	644,999	641,150
Change in Net Position	719,984	(1,353,004)
Net Position – October 1,	6,944,290	8,297,294
Net Position – September 30,	$ 7,664,274	$ 6,944,290

The Plan Fiduciary Net Position as reported above as of September 30, 2022 is $6,944,290. The Plan Fiduciary Net Position of $6,959,696 as reported on page 51 is as of the measurement date of September 30, 2022, and differs from the September 30, 2022 Plan Fiduciary Net Position of $6,944,290 as reported above by $15,406. This is due to timing differences resulting from the accrual of income and expense items, the reporting of prepaid expenses and employer prepaid contributions.

Florida Municipal Pension Trust Fund

Plan Description: The City, in accordance with Florida Statute 121, elected to opt out of the Florida Retirement System for newly hired general employees effective January 1, 1996. General employees are all employees of the City who are not required to be certified as firefighters as a condition for employment. The City contributes to the Florida Municipal Pension Trust Fund (FMPTF), a defined contribution pension plan that covers all full-time employees as of the first day of the month following one year from the date of hire, and is administered by the Florida League of Cities, Inc. FMPTF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Florida Statute 121 and 185 assigns the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the City this is the City Commission. The

NOTE G- PENSION PLANS (continued)

Florida League of Cities, Inc. issues a publicly available financial report that includes financial statements and required supplementary information for the FMPTF.

That report may be obtained by writing to Florida League of Cities, Inc., P.O. Box 1757, Tallahassee, Florida 32302-1757 or by calling (850) 222-9684.

Funding Policy: The City is required to contribute 10% of eligible wages pursuant to the plan agreement. The City's contribution to the FMPTF for the years ended September 30, 2023, 2022 and 2021 was $14,764, $14,300 and $13,340, respectively. The City contributed the required amount in each of the three years.

Effective March 1, 2015, the City Commission approved rejoining the Florida Retirement System for all new eligible employees, other than certified firefighters, hired on or after the effective date. All employees participating in the Florida Municipal Pension Trust Fund can elect to participate in the Florida Retirement System.

Florida Retirement System

Plan Description: The City contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system (PERS) defined benefit pension plan controlled by the State Legislature and administered by the State of Florida Department of Administration, Division of Retirement. FRS provides retirement and disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Administration. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to The Department of Management Services, Division of Retirement, Research, Education & Policy Section, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

Funding Policy: Effective July 1, 2011, FRS requires contributions from covered members at a rate of 3%. The City is required by State statute to contribute, on a monthly basis, at an actuarially determined rate. Effective July 1, 2022 the contribution rates were 11.91% (regular members) and 31.57% (senior management members). As of July 1, 2023, these rates changed to 13.57% (regular members) and 34.52% (senior management members). The City's contributions to FRS for the years ended September 30, 2023, 2022 and 2021 were 284,413, $224,112 and $177,249, respectively, equal to the required contributions for each year.

Employees hired before January 1, 1996, other than certified firefighters, participate in the Florida Retirement System. As previously disclosed, effective March 1, 2015, all new employees, other than certified firefighters, will participate in the Florida Retirement System. Additionally, employees hired between January 1, 1996 and March 1, 2015, other than certified firefighters, can elect to participate in the Florida Retirement System and discontinue participating in the Florida Municipal Pension Trust Fund.

Deferred Retirement Option Program: The FRS Deferred Retirement Option Program (DROP) is a defined contribution plan and is available to a member when the member first reaches eligibility for normal retirement. The Plan is controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Management Services. Effective July 1, 2023**,** DROP allows a member to retire while continuing employment for up to 96 months. Prior to July 1, 2023, DROP permitted a member to retire while continuing employment for 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 4%. The member

NOTE G – PENSION PLANS (continued)

must cease employment after a maximum of 96 months, must satisfy the termination requirements for retirement, and, prior to July 1, 2024, is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. During the DROP eligibility period, the City is required to make contributions to FRS. The current rate, effective July 1, 2023 and continuing through September 30, 2023, based upon employees' gross earnings is 21.13%. The rate for the period July 1, 2022 through June 30, 2023 was 18.60%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2023, as required by GASB 68 *Accounting and Financial Reporting for Pensions*, the City reported a net pension liability of $2,011,604 for the FRS Plan component and $552,962 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability, totaling $2,564,566, was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

The City's proportionate share at June 30, 2023 for the FRS Plan component was .005048341%. The City's proportionate share at June 30, 2023 for the HIS Plan component was .003481838%. The City's proportionate shares at June 30, 2022 were .004607587% and .003289038% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2023 the City recognized a pension expense of $242,534 for the FRS component and $195,853 of pension expense for the HIS Plan component. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

FRS Plan Component

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 188,872	$ -
Changes in assumptions	131,133	-
Net difference between projected and actual earnings on investments	84,010	-
Changes in proportion and differences between City contributions and proportionate share of contributions	307,313	41,733
Contributions subsequent to the measurement date	60,270	-
	$ 771,598	$ 41,733

HIS Plan Component

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 8,095	$ 1,298
Changes in assumptions	14,537	47,916
Net difference between projected and actual earnings on investments	286	-
Changes in proportion and differences between City contributions and proportionate share of contributions	47,109	9,287
Contributions subsequent to the measurement date	6,766	-
	$ 76,793	$ 58,501

Combined FRS and HIS Plan Components	$ 848,391	$ 100,234

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2024. Other amounts related to net deferred outflows and inflows of resources will be recognized as pension expense as follows:

NOTE G – PENSION PLANS (continued)

Fiscal year ending September 30,	FRS component	HIS component
2024	$ 91,257	$ 2,014
2025	(36,156)	1,221
2026	547,585	2,032
2027	52,016	3,985
2028	14,893	2,111
Thereafter	-	163
	$ 669,595	$ 11,526

Net Pension Liability

	FRS component	HIS component
City's proportionate share of Total Pension Liability	$ 11,419,559	$ 576,702
City's proportionate share of Plan Fiduciary Net Position	(9,407,955)	(23,740)
City's proportionate share of Net Pension Liability	$ 2,011,604	$ 552,962
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	82.38%	4.12%

Change in Net Pension Liability –

	FRS component	HIS component
Beginning balance – City's proportionate share	$ 1,714,393	$ 348,362
Service cost	139,845	7,252
Interest on total pension liability	723,506	13,645
Plan changes	67,290	194,854
Effect of economic / demographic gain or loss	166,533	530
Effect of assumptions	20,196	(9,849)
Employer contributions	(117,677)	(1,055)
Member contributions	(39,824)	(8)
Net investment income	(664,023)	(776)
Administrative expense	1,365	7
Ending balance – City's proportionate share	$ 2,011,604	$ 552,962

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	FRS component	HIS component
Valuation date	July 1, 2023	July 1, 2023
Measurement date	June 30, 2023	June 30, 2023
Inflation	2.40%	2.40%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	6.70%, net of expense, includes inflation	3.65%, Municipal Bond Rate
Mortality tables	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018
Discount rate	6.70%	3.65%

NOTE G – PENSION PLANS (continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The were no changes in actuarial assumptions in 2023 for the FRS component. For the HIS component, a change in the actuarial assumption was made increasing discount rate and the municipal bond rate used to determine total pension liability from 3.54% to 3.65%.

The long-term expected rate of return of 6.70% on Pension Plan investments consists of two building block components : an inferred real return of 4.20% and a long-term average annual inflation assumption of 2.40%. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.90%	2.90%	1.10%
Fixed Income	19.80%	4.50%	4.40%	3.40%
Global Equity	54.00%	8.70%	7.10%	18.10%
Real Estate	10.30%	7.60%	6.60%	14.80%
Private Equity	11.10%	11.90%	8.80%	26.30%
Strategic Investments	3.80%	6.30%	6.10%	7.70%
Total	100.00%			
Assumed Inflation – Mean			2.40%	1.40%

(1) As outlined in the Pension Plan's Investment Policy

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table represents the City's proportionate share of the net pension liability calculated at the respective discount rates and the proportionate share using a rate 1% less than and 1% more than the current rate.

FRS component	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's Proportionate share of the net pension liability	$ 3,436,229	$ 2,011,604	$ 819,735

HIS component	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's Proportionate share of the net pension liability	$ 630,844	$ 552,962	$ 488,404

NOTE G – PENSION PLANS (continued)

Aggregate total amounts for City's defined benefit pension plans:

	FRS	HIS	Total FRS	Fire	Total
Net Position	$ -	$ -	$ -	$ 7,664,274	$ 7,664,274
Net Pension Liabilities	2,011,604	552,962	2,564,566	3,965,922	6,530,488
Deferred Outflows	771,598	76,793	848,391	2,190,197	3,038,588
Deferred Inflows	41,733	58,501	100,234	116,715	216,949
Pension Expense	242,534	195,853	438,387	792,018	1,230,405

Employees' Deferred Compensation Plan

Plan Description: The City offers certain employees a deferred compensation plan (the Plan) under the provisions of Section 457 of the Internal Revenue Code (IRC), as amended. The Plan is a defined contribution plan that does not require employer contributions. The Plan is administered by Mission Square Retirement (formerly ICMA Retirement Corporation) and provides the plan participants with the option to invest in over twenty different registered investment funds (mutual funds). Under the provisions of IRC Section 457, all amounts of compensation deferred under the Plan, all property and rights purchased with those amounts and all income attributable to those amounts are held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The deferred compensation is not available until termination, retirement, death or unforeseeable emergency. Employees are immediately vested in the full amount of compensation that is deferred under the Plan.

Funding Policy: The City is not required and does not contribute to the Plan. The net position of the Plan was $1,978,678 as of September 30, 2023.

NOTE H – OTHER POST EMPLOYMENT BENEFITS

GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB) provides for the determination and disclosure of the Net OPEB Liability and the annual cost of providing other postemployment benefits. The City provides other postemployment benefits in the form of the Retiree Health Care Plan.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Health Care Plan (Plan) and additions to / deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Plan Description: The City's Retire Health Plan is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet eligibility requirements under one of the City's retirement plans to continue medical insurance coverage as a participant in the City's plan.

In accordance with Section 112.0801, of the Florida Statutes, because the City provides a medical and dental plan to active employees of the City and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan.

Employees covered by benefit terms: To be eligible to participate in the Plan, *general* employees must have a minimum of 10 years of service with the City. *Firefighter* employees are eligible to participate in the Plan

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

after 10 years of service upon retirement at age 55 or after completion of 25 years of service upon retirement at age 52. At September 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	0
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members:	39
Total	39

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical, dental and vision coverage. All employees of the City are eligible to receive postemployment health care benefits.

Contributions: The retired employees, including their eligible dependents that are eligible to participate in the Plan, are required to pay 100% of their respective health care insurance premiums. The City does not contribute toward this payment. In future years, contributions are assumed to increase the same rate as the premiums. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The City does not issue stand-alone financial statements for the plan.

Funding Policy: While the City does not contribute directly towards the cost of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an implicit subsidy. This implicit subsidy is considered to be another post employment benefit (OPEB) obligation of the City. The annual required contribution to fund the OPEB obligation is currently based on a pay-as-you-go funding approach.

Actuarial Assumptions. The actuarial valuation is based on an actuarial valuation performed as of September 30, 2022 and is applicable to the year ended September 30, 2023. The updated Total OPEB Liability was determined using the following actuarial assumptions:

Inflation	2.50%	Initial health care trend rate	7.25%
Salary increases	2.50%	Ultimate health care trend rate	4.00%
Discount rate	4.77%	Years until ultimate trend rate	52

A discount rate of 2.43% was used to determine the Total OPEB Liability for the year ended September 30, 2022.

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate: Given the City's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.77%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Rating Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued**)**

Changes in Total OPEB Liability:	Increase (Decrease)
Reporting period ending September 30, 2021	$ 236,319
Changes for the year:	
Service cost	12,517
Interest	5,934
Differences between expected and actual experience	8,704
Changes of assumptions	(55,531)
Changes of benefit terms	-
Contributions - employer	-
Benefit payments, including refund of employee contributions	(9,381)
Other changes	-
Net changes	(37,757)
Reporting period ending September 30, 2022	$ 198,562

Sensitivity lf the Net OPEB Liability to changes in the discount rate: the following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be if calculated using a discount rate that is one percentage-point lower or one-percentage point higher than the current discount rate.

	1% Decrease (3.77%)	Current (4.77%)	1% Increase (5.77%)
Net OPEB Liability	$ 226,575	$ 198,562	$ 174,995

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates : The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be if calculated using healthcare cost trend rates that are one percentage-point lower or one-percentage point higher than the current healthcare cost trend rates.

	1% Decrease (3.00% - 6.25%)	Current Healthcare Rates (4.00% - 7.25%)	1% Increase (5.00% - 8.25%)
Net OPEB Liability	$ 177,499	$ 198,562	$ 229,918

OPEB Plan Fiduciary Net Position: The plan is unfunded and as result the OPEB Plan's Fiduciary Net Position is $-0-.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB: For the year ended September 30, 2023, the City recognized an OPEB cost reduction (revenue) of $34,350 including administrative expenses.

NOTE H – OTHER POST EMPLOYMENT BENEFITS (continued)

On September 30, 2023, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following resources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Employer contributions subsequent to the measurement date	7,624	-
	$ 7,624	$ -

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2024.

NOTE I - RISK FINANCING

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental, and antitrust matters. The City has purchased commercial insurance to protect against employee health losses. The City participates in Public Risk Management of Florida for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions.

The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the year ended September 30, 2022, nor is the City aware of any contingent assessments. The City has not reduced insurance coverage from the prior year for any category of insurance risk. Settlement claims, if any, have not exceeded insurance coverage at any time for each of the past three fiscal years.

NOTE J – COMMITMENTS AND CONTINGENCIES

Law Enforcement: The Pinellas County Sheriff's Department has full and complete responsibility for providing the City with appropriate and necessary law enforcement services. The cost of the contracted services for the current fiscal year was $924,072. The City has renewed its contract with the Pinellas County Sheriff's Department to provide law enforcement services, effective October 1, 2023, continuing until September 30, 2024. The amount of the contract with the Pinellas County Sheriff's Department for the 2023–2024 year is $997,572.

Sewer Service: The City has contracted with the City of St. Petersburg whereby St. Petersburg accepts into its sanitary sewer system the flow from South Pasadena's sanitary sewer system. The City of South Pasadena is charged on the basis of average monthly flow rates and capacity charges determined by the City of St. Petersburg. Sewer disposal expense for the year ended September 30, 2023, was $1,190,734.

NOTE J – COMMITMENTS AND CONTINGENCIES (continued)

New Fire Station Land: The City entered into a purchase agreement on October 9, 2019 in the amount of $700,000 to acquire approximately 1.3 acres of land located on Pasadena Avenue upon which a new fire station is to be constructed. The City closed on the land purchase on January 6, 2023 at a cost of $711,110. Per the purchase agreement, the City is obligated to construct and pay for an approximately 115-space parking lot on land owned by the seller that adjoins the property acquired by the City. The parking lot will be retained by the seller as additional consideration for the sale of the 1.3 acres to the City. Per the purchase agreement, the City is also obligated to construct a stormwater retention pond on the 1.3 acres of land it acquired.

New Fire Station: The City entered into a contract for the construction of the new Pasadena Avenue fire station in July 2021. The contract was subsequently amended, and the final revised contract was signed in November 2022 in the amount of $10,418,548. The remaining amount owed on the agreement as of September 30, 2023, excluding retainage of $170,536, is $6,176,150.

NOTE K – PRIOR PERIOD ADJUSTMENT

As previously disclosed in Note A – Summary of Significant Accounting Policies, Note D – Capital Assets and Note F – Long-term Debt, the City retroactively implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, otherwise referred to as SBITA, in fiscal year September 30, 2023. This resulted in the capitalization of a new type of asset known as an Intangible Right-to-Use Subscription Asset. Additionally, a related Right-to-Use Subscription Liability is recorded at the present value of the subscription payments that are to be made during the SBITA term. As a result of the retroactive implementation of GASB Statement 96, the City has reported a restatement of the beginning net position for the change in accounting principle as of October 1, 2021 in the accompanying Statement of Activities (pages 22 and 23). Additionally, the Statement of Net Position and Statement of Activities as of and for the year ended September 30, 2022 have been restated (pages 20 and 21 and pages 22 and 23, respectively) as well as the Statement of Revenues, Expenditures, and Changes in fund Balance for the year ended September 30, 2022 (page 26). The effects of implementing the statement are as follows:

Statement of Activities - Net position beginning of year 2022:		
Increase in Intangible Right-to-Use Subscription Asset	$	177,405
Increase in Right-to-Use Subscription Liability		(177,405)
Amortization expense through 9-30-21		(47,308)
Reduction of Right-to-Use Subscription Liability through 9-30-21		70,946
Increase in net position as of October 1, 2021	$	23,638
Statement of Net Position – September 30, 2022:		
Record Intangible Right-to-Use Subscription Asset	$	233,891
Reclassify Intangible Right-to-Use Subscription Asset from Furniture, fixtures and equipment		(48,426)
Reclassify Intangible Right-to-Use Subscription Asset from Construction and Projects in Process		(8,060)
Increase accumulated depreciation and amortization		(91,154)
Record Right-to-Use Subscription Liability		(71,524)
Increase in net position as of September 30, 2022	$	14,727

NOTE K – PRIOR PERIOD ADJUSTMENT

Statement of Activities – Year ended September 30, 2022

Increase in General Government amortization	$	(33,201)
Increase in General Government interest expense		(1,170)
Increase in Protective Inspections amortization		(10,644)
Increase in Protective Inspections interest expense		(502)
Decrease in General Government other services and charges		25,624
Decrease in Protective Inspections other services and charges		10,982
Decrease in net position	$	(8,911)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Year ended September 30, 2022

Increase in General Fund debt service - principal	$	(34,935)
Increase in General Fund interest expense		(1,671)
Decrease in General Fund – General Government expenses		25,624
Decrease in General Fund – Public Safety expenses		10,982
Net Change in Fund Balance	$	-

NOTE L – AMERICAN RESCUE PLAN ACT FUNDING

On September 22, 2021, the City Commission authorized the Mayor to execute the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund agreement with the State of Florida Division of Emergency Management. As a result, the City received funding in the amount of $2,551,849. As of September 30, 2022, $567,775 of these funds have been expended. During the year ended September 30, 2023 the remaining funding in the amount of $1,984,074 was expended for capital projects in the Capital Improvement Fund.

NOTE M – SUBSEQUENT EVENTS

The City has evaluated whether any other events have occurred subsequent to September 30, 2023, and before the issuance of the financial statements, that would have an impact on the City's financial condition as of September 30, 2023, or would influence the conclusions reached by the reader of the financial statements regarding the City's overall financial condition.

The City has determined that no events have occurred that would have an impact on the City's financial condition as of September 30, 2023, or would influence the conclusions reached by the reader of the financial statements regarding the City's overall financial condition. This evaluation is based on events through August 6, 2024, the date on which the financial statements were available to be issued.

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Required Supplementary Information

The required supplementary information consists of a budgetary comparison schedule for the General Fund and schedules presenting funding progress and contributions for the defined benefit pension plans.

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022 (Restated)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
RESOURCES (INFLOWS)					
Taxes					
Ad valorem taxes	$ 3,947,320	$ 3,947,320	$ 3,868,420	$ (78,900)	$ 2,970,495
Utility taxes	753,000	753,000	828,575	75,575	767,546
Communications service tax	158,000	158,000	178,071	20,071	160,106
Electric franchise	490,000	490,000	520,873	30,873	501,545
Gas franchise	4,900	4,900	5,953	1,053	6,748
Refuse franchise	54,800	54,800	59,384	4,584	55,621
Total taxes	5,408,020	5,408,020	5,461,276	53,256	4,462,061
Licenses and permits					
Local business tax	116,000	116,000	118,052	2,052	98,234
Building permits	400,000	400,000	578,796	178,796	379,283
Fines / code enforcement	20,000	20,000	5,790	(14,210)	6,353
Planning and zoning fees	21,000	21,000	2,768	(18,232)	100
Grease management permits	2,400	2,400	-	(2,400)	-
Total licenses and permits	559,400	559,400	705,406	146,006	483,970
Intergovernmental revenue					
County Emergency Medical Services Authority	1,013,950	1,013,950	1,077,366	63,416	1,014,427
State revenue sharing	171,500	171,500	229,843	58,343	211,715
Local 1/2 cent sales tax	412,000	412,000	453,437	41,437	407,783
State pro-rata share of alcoholic beverage licenses	5,600	5,600	4,968	(632)	5,604
State mobile home licenses distribution	3,550	3,550	3,419	(131)	3,470
State municipal tax refund	1,250	1,250	1,257	7	985
State excise tax rebate - Fire Pension	44,540	44,540	66,042	21,502	53,002
Local option gas tax	69,000	69,000	68,723	(277)	67,968
Fire Fighters supplemental compensation	10,200	10,200	7,191	(3,009)	3,884
Federal grants	-	-	-	-	20,250
Total intergovernmental revenue	1,731,590	1,731,590	1,912,246	180,656	1,789,088

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2023 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022 (Restated)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
RESOURCES (INFLOWS) (continued)					
Fines and forfeits -					
Police fines	$ 2,500	$ 2,500	$ 3,380	$ 880	$ 2,833
Red light fines	-	-	581	581	885
	2,500	2,500	3,961	1,461	3,718
Interest	34,650	34,650	200,711	166,061	24,473
Change in fair value of investments	-	-	19,167	19,167	(5,181)
Rent	8,500	8,500	10,236	1,736	5,500
Miscellaneous	79,000	79,000	66,923	(12,077)	73,038
Proceeds from sale of capital assets	-	-	-	-	4,705
	124,650	124,650	300,998	176,348	106,253
AMOUNTS AVAILABLE FOR APPROPRIATION	7,823,660	7,823,660	8,379,926	556,266	6,841,372
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Legislative					
Personal services	62,415	62,415	62,412	3	58,884
Other services and charges	82,500	82,500	55,461	27,039	71,406
Travel and conventions	11,000	11,000	9,199	1,801	6,905
Supplies	1,830	1,830	978	852	733
	157,745	157,745	128,050	29,695	137,928
Finance and administration					
Personal services	820,955	820,955	812,342	8,613	751,599
Other services and charges	76,925	76,925	32,588	44,337	31,570
Insurance	38,700	38,700	32,822	5,878	41,861
Supplies	5,750	5,750	9,665	(3,915)	8,697
Maintenance	2,000	2,000	893	1,107	317
Utilities	15,000	15,000	16,181	(1,181)	14,295
Audit and accounting	14,925	14,925	15,315	(390)	16,705
Telephone	9,500	9,500	9,067	433	9,884
	983,755	983,755	928,873	54,882	874,928
Total general government	1,141,500	1,141,500	1,056,923	84,577	1,012,856

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2023 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022 (Restated)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Budget	Final	(Budgetary Basis)	(Negative)	Actual
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Public Safety					
Law enforcement					
Pinellas County Sheriff - Department contract	$ 924,575	$ 924,575	$ 924,072	$ 503	$ 885,672
	924,575	924,575	924,072	503	885,672
Fire department					
Personal services	3,052,715	3,052,715	2,929,373	123,342	2,831,086
Other services and charges	166,280	166,280	129,852	36,428	113,344
Insurance	80,955	80,955	81,472	(517)	84,438
Supplies	11,250	11,250	8,015	3,235	7,530
Maintenance	77,000	77,000	81,283	(4,283)	64,368
Utilities	18,200	18,200	19,380	(1,180)	16,491
Small tools and equipment	1,500	1,500	549	951	949
Traffic signals	5,120	5,120	4,875	245	4,875
Telephone	7,650	7,650	8,173	(523)	8,295
Capital outlay	1,500	1,500	-	1,500	-
	3,422,170	3,422,170	3,262,972	159,198	3,131,376
Protective inspections					
Personal services	491,055	491,055	483,523	7,532	365,437
Other services and charges	132,500	132,500	74,207	58,293	71,356
Supplies	5,500	5,500	5,690	(190)	4,257
Insurance	7,390	7,390	7,390	-	6,563
Maintenance	1,900	1,900	3,138	(1,238)	1,805
	638,345	638,345	573,948	64,397	449,418
Total public safety	4,985,090	4,985,090	4,760,992	224,098	4,466,466
Transportation - public works					
Personal services	734,505	734,505	740,874	(6,369)	648,411
Other services and charges	90,585	90,585	72,460	18,125	82,690
Insurance	73,735	73,735	73,735	-	69,681
Supplies	10,500	10,500	13,435	(2,935)	11,524
Maintenance	48,000	48,000	43,806	4,194	42,445
Telephone	6,000	6,000	5,731	269	5,720
Utilities	51,460	51,460	49,488	1,972	47,239
Total transportation	1,014,785	1,014,785	999,529	15,256	907,710

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2023 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022 (Restated)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Human services - welfare and other services	$ 5,750	$ 5,750	$ 6,000	$ (250)	$ 3,500
Culture and recreation					
Library	15,000	15,000	17,175	(2,175)	18,700
Culture services	1,000	1,000	1,000	-	500
Special events	29,500	29,500	18,423	11,077	13,712
Total culture and recreation	45,500	45,500	36,598	8,902	32,912
Other					
Contingencies	338,820	338,820	-	338,820	-
Total other	338,820	338,820	-	338,820	-
Debt service					
Principal retirement	-	-	35,483	(35,483)	34,935
Interest	-	-	1,123	(1,123)	1,671
	-	-	36,606	(36,606)	36,606
TOTAL CHARGES TO APPROPRIATIONS	7,531,445	7,531,445	6,896,648	634,797	6,460,050
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	292,215	292,215	1,483,278	1,191,063	381,322
OTHER FINANCING USE					
Transfer out	(292,215)	(292,215)	(213,184)	79,031	(109,052)
TOTAL OTHER FINANCING USE	(292,215)	(292,215)	(213,184)	79,031	(109,052)
NET CHANGE	-	-	1,270,094	1,270,094	272,270
FUND BALANCE - BEGINNING OF YEAR	3,555,960	3,555,960	3,555,960	-	3,283,690
FUND BALANCE - END OF YEAR	$ 3,555,960	$ 3,555,960	$ 4,826,054	$ 1,270,094	$ 3,555,960

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENSES

SOURCES / INFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	$ 8,379,926
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 8,379,926
USES/OUTFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 6,896,648
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 6,896,648

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CITY OF SOUTH PASADENA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Reporting period ending:	9-30-23	9-30-22	9-30-21
Measurement date:	*9-30-22*	*9-30-21*	*9-30-20*
Total Pension Liability			
Service cost	$ 252,976	$ 238,667	$ 228,831
Interest on the total pension liability	750,794	716,876	703,894
Change in benefit terms	-	-	-
Change in excess state money	-	-	-
Share plan allocation	2,950	-	-
Differences between expected and actual experience	114,903	168,759	54,156
Change of assumptions	-	250,580	(233,428)
Benefit payments, including refunds of employee contributions	(597,629)	(585,864)	(594,549)
Net change in total pension liability	523,994	789,018	158,904
Total pension liability beginning	10,401,624	9,612,606	9,453,702
Total pension liability ending (a)	$ 10,925,618	$ 10,401,624	$ 9,612,606
Plan Fiduciary Net Position			
Contributions - employer	$ 485,420	$ 480,000	$ 419,769
Contributions - State	53,002	44,538	83,007
Contributions - employees	95,361	88,339	84,354
Net investment income (loss)	(1,327,503)	1,294,221	482,152
Benefit payments, including refunds of employee contributions	(597,629)	(585,864)	(594,549)
Administrative expenses	(43,523)	(40,551)	(58,913)
Net Change in plan fiduciary net position	(1,334,872)	1,280,683	415,820
Plan fiduciary net position - beginning	8,294,568	7,013,885	6,598,065
Plan fiduciary net position - ending (b)	$ 6,959,696	$ 8,294,568	$ 7,013,885
Net Pension Liability - Ending (a - b)	$ 3,965,922	$ 2,107,056	$ 2,598,721
Plan fiduciary net position as a percentage of the total pension liability	63.70%	79.74%	72.97%
Covered Payroll	$ 1,589,357	$ 1,472,829	$ 1,405,886
Net pension liability as a percentage of covered payroll	249.53%	143.06%	184.85%
Money-weighted rate of return on pension plan investments	-16.38%	18.73%	7.46%

NOTE: GASB 68 requires 10 year of information. Information is only available for nine years. Additional years of information will be added as the information becomes available.

9-30-20 *9-30-19*	9-30-19 *9-30-18*	9-30-18 *9-30-17*	9-30-17 *9-30-16*	9-30-16 *9-30-15*	9-30-15 *9-30-14*
$ 244,566	$ 202,965	$ 139,049	$ 131,806	$ 121,564	$ 109,667
679,059	663,963	670,563	659,566	634,381	622,005
(329)	-	-	-	-	-
-	-	(15,444)	-	-	-
-	-	7,722	-	-	-
46,240	120,334	67,857	(203,988)	129,765	-
265,739	-	-	305,372	-	-
(598,776)	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
636,499	(81,449)	(130,097)	376,407	260,094	189,529
8,817,203	8,898,652	9,028,749	8,652,342	8,392,248	8,202,719
$ 9,453,702	$ 8,817,203	$ 8,898,652	$ 9,028,749	$ 8,652,342	$ 8,392,248
$ 455,250	$ 340,140	$ 298,315	$ 303,240	$ 286,491	198,912
-	44,493	43,206	50,450	48,347	48,975
78,932	68,864	54,426	45,265	42,620	39,662
257,832	405,725	785,892	466,375	(79,221)	636,387
(598,776)	(1,068,711)	(999,844)	(516,349)	(625,616)	(542,143)
(44,423)	(38,136)	(34,501)	(40,775)	(30,445)	(27,419)
148,815	(247,625)	147,494	308,206	(357,824)	354,374
6,449,250	6,696,875	6,549,381	6,241,175	6,598,999	6,244,625
$ 6,598,065	$ 6,449,250	$ 6,696,875	$ 6,549,381	$ 6,241,175	$ 6,598,999
$ 2,855,637	$ 2,367,953	$ 2,201,777	$ 2,479,368	$ 2,411,167	$ 1,793,249
69.79%	73.14%	75.26%	72.54%	72.13%	78.63%
$ 1,313,532	$ 1,147,416	$ 907,112	$ 753,762	$ 708,754	$ 661,032
217.40%	206.37%	242.72%	328.93%	340.20%	271.28%
6.36%	6.28%	12.51%	7.54%	-1.25%	10.35%

CITY OF SOUTH PASADENA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS

Reporting period ending	9-30-23	9-30-22	9-30-21	9-30-20
Actuarially determined contribution	$ 555,277	$ 526,996	$ 518,247	$ 502,607
Contributions in relation to the actuarially determined contribution:				
City's contribution	489,235	473,994	473,709	419,600
State excise tax - contribution	66,042	53,002	44,538	83,007
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,521,992	$ 1,589,347	$ 1,472,829	$ 1,405,886
Contributions as a percentage of covered payroll	36.48%	33.16%	35.19%	35.75%

NOTES TO SCHEDULE

Valuation date:	October 1, 2021 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.
Methods and Assumptions Used to Determine Contribution Rates:	
Funding Method:	Entry Age Normal Actuarial Cost Method
Amortization Method:	Level % of Pay, Closed
Remaining Amortization Period:	30 years as of 10-01-17
Mortality:	Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Disability: 80% PubG.H-2010 / 20% PubS.H-2010 for Disabled Retirees.
Discount Rate	7.25%
Inflation:	2.50% per year.
Retirement Rates:	Age and experience-based probability table considering eligibility for normal retirement.
Salary Increases	Service based
Disability Rates	Age based probability table.
Retirement Age	Earlier of the age 55 with 10 years of service or the completion of 25 years of service (earlier of age 55 or 25 years of service upon retirement at age 52). Also, any member who has reached normal retirement age is assumed to continue employment for one additional year.
Early Retirement	Commencing with eligibility at age 50 upon completion of 10 years of service. Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Actuarial Asset Method	Each year the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return net of fees. It is possible that over time this technique will produce an insignificant bias above or below the market value of assets.
Payroll Growth:	None

9-30-19	9-30-18	9-30-17	9-30-16	9-30-15	9-30-14
$ 455,310	$ 391,969	$ 341,520	$ 352,204	$ 328,458	$ 247,885
455,310	347,477	298,315	301,754	280,111	198,910
-	44,492	43,205	50,450	48,347	48,975
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,313,532	$ 1,147,416	$ 907,112	$ 753,762	$ 708,754	$ 661,032
34.66%	34.16%	37.65%	46.73%	46.34%	37.50%

CITY OF SOUTH PASADENA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM - CITY'S PROPORTIONATE SHARE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	9-30-23	9-30-22	9-30-21	9-30-20
FRS Pension Plan				
Employer's Proportion for the FRS Pension	0.005048341%	0.004607587%	0.003823528%	0.003376602%
City's Proportionate Share				
Total Pension Liability	$ 11,419,559	$ 10,018,481	$ 8,015,493	$ 6,918,986
Plan Fiduciary Net Position	(9,407,955)	(8,304,088)	(7,726,669)	(5,455,517)
Net Pension Liability	$ 2,011,604	$ 1,714,393	$ 288,824	$ 1,463,469
Plan Net Position as a Percentage of Total Net Pension Liability	82.38%	82.89%	96.40%	78.85%
Service Cost	$ 139,845	$ 121,441	$ 101,265	$ 89,394
Interest on the total pension liability	723,506	645,621	524,327	454,418
Plan changes	67,290	4,575	-	-
Effect of economic/demographic gain or loss	166,533	67,432	20,787	4,867
Effect of assumptions	20,196	152,842	35,067	13,695
Employer contributions	(117,677)	18,563	(5,970)	(241,781)
Member contributions	(39,824)	(35,443)	(28,926)	(25,272)
Net investment income	(664,023)	449,502	(1,822,026)	(170,616)
Administrative expense	1,365	1,036	831	728
Net change in net pension liability	297,211	1,425,569	(1,174,645)	125,433
Net pension liability - beginning	1,714,393	288,824	1,463,469	1,338,036
Net pension liability - ending	$ 2,011,604	$ 1,714,393	$ 288,824	$ 1,463,469
Covered payroll	$ 1,444,587	$ 1,209,090	$ 1,066,381	$ 1,041,948
Net pension liability as a percentage of covered payroll	139%	142%	27%	140%
Retiree Health Insurance Subsidy (HIS Plan)				
Employer's Proportion for the HIS Plan	0.003481838%	0.003289038%	0.002994066%	0.002919720%
City's Proportionate Share				
Total Pension Liability	$ 576,702	$ 365,970	$ 380,819	$ 367,537
Plan Fiduciary Net Position	(23,740)	(17,608)	(13,552)	(11,044)
Net Pension Liability	$ 552,962	$ 348,362	$ 367,267	$ 356,493
Plan Net Position as a Percentage of Total Net Pension Liability	4.12%	4.81%	3.56%	3.00%
Service Cost	$ 7,252	$ 9,565	$ 8,403	$ 7,752
Interest on the total pension liability	13,645	9,058	8,346	11,758
Plan changes	194,854	172	-	-
Effect of economic/demographic gain or loss	530	(588)	364	12,980
Effect of assumptions	(9,849)	(50,791)	3,023	13,348
Employer contributions	(1,055)	13,697	(9,342)	(37,040)
Member contributions	(8)	(2)	(2)	(11)
Net investment income	(776)	(22)	(24)	(168)
Administrative expense	7	6	6	5
Net change in net pension liability	204,600	(18,905)	10,774	8,624
Net pension liability - beginning	348,362	367,267	356,493	347,869
Net pension liability - ending	$ 552,962	$ 348,362	$ 367,267	$ 356,493
Covered payroll	$ 1,444,587	$ 1,209,090	$ 1,066,381	$ 1,041,948
Net pension liability as a percentage of covered payroll	38%	29%	34%	34%
Combined FRS and HIS Pension Plan				
Total Pension Liability	$ 11,996,261	$ 10,384,451	$ 8,396,312	$ 7,286,523
Plan Fiduciary Net Position	(9,431,695)	(8,321,696)	(7,740,221)	(5,466,561)
Net Pension Liability	$ 2,564,566	$ 2,062,755	$ 656,091	$ 1,819,962

NOTE: GASB 68 requires 10 year of information. Information is only available for nine years. Additional years of information will be added as the information becomes available.

9-30-19	9-30-18	9-30-17	9-30-16	9-30-15
0.003885280%	0.003859612%	0.003723260%	0.002924305%	0.001829231%
$ 7,693,334	$ 7,384,109	$ 6,837,119	$ 4,884,496	$ 2,951,844
(6,355,298)	(6,221,574)	(5,735,804)	(4,146,107)	(2,715,574)
$ 1,338,036	$ 1,162,535	$ 1,101,315	$ 738,389	$ 236,270
82.61%	84.26%	83.89%	84.88%	92.00%
$ 98,028	$ 93,556	$ 173,845	$ 86,833	$ 44,049
512,659	495,880	1,046,562	492,974	244,236
443	-	7,728	1,315	-
10,248	25,269	118,408	39,905	33,773
64,133	99,844	871,705	41,960	-
(115,303)	(85,683)	(218,233)	(99,280)	(50,801)
(29,249)	(28,807)	(62,441)	(28,934)	(14,550)
(366,219)	(539,618)	(1,576,186)	(33,407)	(115,085)
761	779	1,538	753	376
175,501	61,220	362,926	502,119	141,998
1,162,535	1,101,315	738,389	236,270	94,272
$ 1,338,036	$ 1,162,535	$ 1,101,315	$ 738,389	$ 236,270
$ 1,052,168	$ 1,021,075	$ 988,476	$ 942,075	$ 608,026
127%	114%	111%	78%	39%
0.003109028%	0.003119899%	0.003059396%	0.002962991%	0.001434881%
$ 357,260	$ 337,466	$ 332,580	$ 348,698	$ 147,064
(9,391)	(7,252)	(5,455)	(3,374)	(729)
$ 347,869	$ 330,214	$ 327,125	$ 345,324	$ 146,335
2.63%	2.15%	1.64%	0.97%	50%
$ 7,217	$ 8,063	$ 5,761	$ 35,080	$ 14,624
13,001	12,158	6,384	53,398	27,258
-	-	-	-	-
(16)	5,857	-	(4,212)	40,856
16,038	(12,098)	(20,310)	184,818	-
(18,392)	(10,790)	(10,011)	(70,044)	(25,700)
(6)	(7)	-	-	-
(193)	(99)	(26)	(77)	(27)
6	5	3	26	13
17,655	3,089	(18,199)	198,989	57,024
330,214	327,125	345,324	146,335	89,311
$ 347,869	$ 330,214	$ 327,125	$ 345,324	$ 146,335
$ 1,052,168	$ 1,021,075	$ 988,476	$ 942,075	$ 608,026
33%	32%	33%	37%	24%
$ 8,050,594	$ 7,721,575	$ 7,169,699	$ 5,233,194	$ 3,098,908
(6,364,689)	(6,228,826)	(5,741,259)	(4,149,481)	(2,716,303)
$ 1,685,905	$ 1,492,749	$ 1,428,440	$ 1,083,713	$ 382,605

CITY OF SOUTH PASADENA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

FLORIDA RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

(Nine years of data available for GASB 67 and 68) *
September 30, 2023

	9/30/2023	9/30/2022	9/30/2021	9/30/2020
FRS Pension Plan				
Contractually required contribution	$ 261,290	$ 204,031	$ 159,436	$ 123,043
Contributions in relation to the contractually required contribution	(261,290)	(204,031)	(159,436)	(123,043)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,392,956	$ 1,209,684	$ 1,073,053	$ 1,017,892
Contributions as a percentage of covered payroll	18.76%	16.87%	14.86%	12.09%
Retiree Health Insurance Subsidy (HIS Plan)				
Contractually required contribution	$ 23,123	$ 20,081	$ 17,813	$ 16,897
Contributions in relation to the contractually required contribution	(23,123)	(20,081)	(17,813)	(16,897)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,392,956	$ 1,209,684	$ 1,073,053	$ 1,017,892
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH CARE PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY

Reporting period ending:	9-30-23	9-30-22	9-30-21	9-30-20
Measurement date:	*9-30-22*	*9-30-21*	*9-30-20*	*9-30-19*
Total OPEB Liability				
Service cost	$ 12,517	$ 12,814	$ 10,978	$ 9,727
Interest on the total pension liability	5,934	5,256	6,807	7,091
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	8,704	-	562	-
Change of assumptions	(55,531)	(10,123)	44,835	12,324
Benefit payments, including refunds of employee contributions	(9,381)	(8,767)	(10,285)	(9,523)
Net change in total pension liability	$ (37,757)	$ (820)	$ 52,897	$ 19,619
Total OPEB liability beginning	236,319	237,139	184,242	164,623
Total pension liability ending	$ 198,562	$ 236,319	$ 237,139	$ 184,242
Covered Employee Payroll	$ 3,033,438	$ 2,587,275	$ 2,524,171	$ 2,553,130
Net OPEB liability as a percentage of covered employee payroll	6.55%	9.13%	9.39%	7.22%

NOTES: (1) GASB 75 requires 10 year of information. Information is only available for 9 years. Additional years of information will be added as the information becomes available.
(2) There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits for the OPEB plan.

9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
$ 119,395	$ 116,387	$ 108,450	$ 72,614	$ 55,948
(119,395)	(116,387)	(108,450)	(72,614)	(55,948)
$ -	$ -	$ -	$ -	$ -
$ 1,085,837	$ 993,506	$ 994,407	$ 928,886	$ 612,282
11.00%	11.71%	10.91%	7.82%	9.14%
$ 18,025	$ 16,492	$ 16,507	$ 15,420	$ 10,164
(18,025)	(16,492)	(16,507)	(15,420)	(10,164)
$ -	$ -	$ -	$ -	$ -
$ 1,085,837	$ 993,506	$ 994,407	$ 928,886	$ 612,282
1.66%	1.66%	1.66%	1.66%	1.66%

9-30-19 *9-30-18*	9-30-18 *9-30-17*	9-30-17 *9-30-16*
$ 9,552	$ 9,319	$ 7,977
4,856	3,903	4,034
-	-	-
18,098	-	-
8,921	(6,410)	6,579
(1,246)	(1,145)	(1,145)
$ 40,181	$ 5,667	17,445
124,442	118,775	101,330
$ 164,623	$ 124,442	$ 118,775
$ 2,490,858	$ 2,277,871	$ 2,168,110
6.61%	5.46%	5.48%

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Budgetary Comparison Schedules

Budgetary comparison schedules are presented for the Capital Improvements Fund, Sewer Fund and Reclaimed Water Fund.

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
RESOURCES (INFLOWS)					
Taxes, licenses and permits -					
Impact fees/assessments	$ -	$ -	$ 15,470	$ 15,470	$ -
Intergovernmental revenue					
Infrastructure tax	723,000	723,000	764,697	41,697	737,769
Federal grants	2,195,600	2,195,600	1,984,074	(211,526)	547,525
Public safety grants	225,000	225,000	224,917	(83)	-
Environmental grants	-	-	3,550	3,550	-
Interest	35,800	35,800	438,219	402,419	40,389
Change in fair value of investments	-	-	23,594	23,594	(5,977)
Miscellaneous	-	-	800	800	400
Proceeds from sale of capital assets	-	-	9,800	9,800	-
AMOUNTS AVAILABLE FOR APPROPRIATION	3,179,400	3,179,400	3,465,121	285,721	1,320,106
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Current					
General government					
Finance and administration					
Supplies	-	-	1,728	(1,728)	2,301
	-	-	1,728	(1,728)	2,301
Public Safety					
Fire Department and Protective Inspections					
Small Tools	-	-	-	-	966
Supplies	-	-	17,323	(17,323)	780
	-	-	17,323	(17,323)	1,746
Physical environment					
Flood control	-	-	-	-	7,702
Maintenance	-	-	-	-	28,611
	-	-	-	-	36,313
Transportation					
Public Works					
Supplies	-	-	6,855	(6,855)	4,203
	-	-	6,855	(6,855)	4,203
Total current charges to appropriations	-	-	25,906	(25,906)	44,563
Capital outlay					
General government					
Legislative					
Equipment	7,200	7,200	-	7,200	-
Finance and administration					
Equipment	92,300	92,300	1,601	90,699	4,493
Vehicle	-	-	-	-	40,456
Total general government	99,500	99,500	1,601	97,899	44,949

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2023 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Public Safety					
Fire Department					
Land purchases	$ 700,000	$ 711,110	$ 711,110	$ -	$ -
Building improvements	8,500,000	5,422,116	4,423,844	998,272	521,281
Equipment	190,615	242,815	182,162	60,653	21,937
Vehicle	1,247,585	1,270,310	1,270,310	-	-
	10,638,200	7,646,351	6,587,426	1,058,925	543,218
Protective inspections					
Building improvements	150,000	150,000	125,395	24,605	19,681
Equipment	43,350	128,350	98,818	29,532	14,150
	193,350	278,350	224,213	54,137	33,831
Total Public Safety	10,831,550	7,924,701	6,811,639	1,113,062	577,049
Transportation - public works					
Building improvements	57,000	57,000	33,577	23,423	19,417
Recreation	34,000	34,000	16,300	17,700	-
Equipment	-	-	7,394	(7,394)	35,577
Highways, streets and bridges	295,000	353,000	327,824	25,176	143,805
Total Transportation - public works	386,000	444,000	385,095	58,905	198,799
Physical environment					
Visioning / beautification	795,000	795,000	76,094	718,906	33,877
Flood control	75,000	75,000	39,790	35,210	5,700
Total Physical environment	870,000	870,000	115,884	754,116	39,577
Total capital outlay charges to appropriations	12,187,050	9,338,201	7,314,219	2,023,982	860,374
Other					
Contingencies	-	3,613,144	-	3,613,144	-
Debt service					
Principal retirement	89,150	243,000	243,000	-	-
Interest	200,000	177,270	177,270	-	-
Debt issuance costs	-	-	36,808	(36,808)	-
Total debt service	289,150	420,270	457,078	(36,808)	-
TOTAL CHARGES TO APPROPRIATIONS	12,476,200	13,371,615	7,797,203	5,574,412	904,937
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(9,296,800)	(10,192,215)	(4,332,082)	5,860,133	415,169
OTHER FINANCING SOURCES					
Bond proceeds	5,000,000	9,900,000	9,900,000	-	-
Transfer in	292,215	292,215	213,184	(79,031)	109,052
TOTAL OTHER FINANCING SOURCES	5,292,215	10,192,215	10,113,184	(79,031)	109,052
NET CHANGE	(4,004,585)	-	5,781,102	5,781,102	524,221
FUND BALANCE - BEGINNING OF YEAR	6,407,103	6,407,103	6,407,103	-	5,882,882
FUND BALANCE - END OF YEAR	$ 2,402,518	$ 6,407,103	$ 12,188,205	$ 5,781,102	$ 6,407,103

(continued)

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2023 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2022

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENSES

SOURCES / INFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule.	$ 3,465,121
Differences - budget to GAAP:	
Proceeds from sale of surplus capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes.	(9,800)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 3,455,321
USES/OUTFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 7,797,203
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 7,797,203

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
SEWER FUND

For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
RESOURCES (INFLOWS)					
Charges for services	$ 1,501,000	$ 1,501,000	$ 1,498,424	$ (2,576)	$ 1,503,184
Interest earned	22,765	22,765	71,700	48,935	10,186
AMOUNT AVAILABLE FOR APPROPRIATION	1,523,765	1,523,765	1,570,124	46,359	1,513,370
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	69,600	69,600	69,600	-	61,815
Utilities	11,200	11,200	12,530	(1,330)	10,750
City of St. Petersburg:					
Sewer processing	1,218,555	1,218,555	1,190,734	27,821	1,114,129
Sewer administration charge	3,630	3,630	3,258	372	3,285
Insurance	13,820	13,820	11,500	2,320	16,100
Audit	3,540	3,540	3,540	-	3,092
Repairs, maintenance, renewals and replacement	207,900	207,900	47,143	160,757	66,437
Capital outlay	265,000	265,000	7,081	257,919	58,057
Administrative service charge	34,465	34,465	34,465	-	32,180
Miscellaneous	6,000	6,000	3,074	2,926	4,149
TOTAL CHARGES TO APPROPRIATIONS	1,833,710	1,833,710	1,382,925	450,785	1,369,994
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	$ (309,945)	$ (309,945)	$ 187,199	$ 497,144	$ 143,376

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENSES

USES/OUTFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 1,382,925
Differences - budget to GAAP:	
Capitalization of capital outlay expenditures	(7,081)
Depreciation	143,146
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	$ 1,518,990

CITY OF SOUTH PASADENA, FLORIDA

BUDGETARY COMPARISON SCHEDULE
RECLAIMED WATER

For the Year Ended September 30, 2023
With Comparative Actual Amounts for the Year Ended September 30, 2022

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
RESOURCES (INFLOWS)					
Charges for services	$ 247,000	$ 247,000	$ 251,997	$ 4,997	$ 247,111
Interest earned	24,100	24,100	81,391	57,291	10,882
AMOUNT AVAILABLE FOR APPROPRIATION	271,100	271,100	333,388	62,288	257,993
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Supervisory services	53,830	53,830	53,830	-	48,120
City of St. Petersburg:					
Administration charge	650	650	575	75	580
Pinellas County:					
Reclaimed water	106,650	106,650	106,032	618	85,317
Audit	970	970	970	-	837
Consultants	1,000	1,000	-	1,000	-
Repairs, maintenance, renewals and replacement	35,000	35,000	849	34,151	11,294
Capital outlay	-	278,000	277,849	151	-
Administrative service charge	16,990	16,990	16,990	-	15,365
Other - contingencies	56,010	-	-	-	-
TOTAL CHARGES TO APPROPRIATIONS	271,100	493,090	457,095	35,995	161,513
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	$ -	$ (221,990)	$ (123,707)	$ 98,283	$ 96,480

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENSES

USES/OUTFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 457,095
Differences - budget to GAAP:	
Capitalization of capital outlay expenditures	(277,849)
Depreciation	112,211
Total expenses as reported on the statement of revenues, expenses, and changes in net position - proprietary funds	$ 291,457

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Other Supplementary Schedules

These schedules, including the Schedule of Revenues and Expenditure - Deepwater Horizon – BP Oil Spill Settlement, are presented to provide greater detailed information than reported in the preceding financial statements. These schedules are not necessary for a fair presentation in conformity with Generally Accepted Accounting Principles.

CITY OF SOUTH PASADENA, FLORIDA

SCHEDULE OF REVENUES AND EXPENDITURES
- DEEPWATER HORIZON - BP OIL SPILL SETTLEMENT

For the Year Ended September 30, 2023

REVENUES	
Deepwater Horizon Oil Spill Settlement	$ -
EXPENDITURES	
Operating - Legal and related settlement costs	-
EXCESS OF REVENUES OVER EXPENDITURES	$ -
FUND BALANCE - BEGINNING	76,206
FUND BALANCE - ENDING	$ 76,206

Reflected in the Governmental Funds Balance Sheet as:

Fund Balance - General Fund	
Unassigned	$ 76,206

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET
GENERAL FUND

	September 30, 2023	2022
ASSETS		
Cash, cash equivalents and pooled cash and investments	$ 5,170,026	$ 4,116,477
Receivables - other	4,134	-
Due from other governments	23,202	29,100
Inventory of supplies	11,403	14,347
Prepaid expenditures	43,236	30,989
TOTAL ASSETS	$ 5,252,001	$ 4,190,913
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$ 150,183	$ 199,181
Accrued liabilities	220,583	351,684
TOTAL LIABILITIES	370,766	550,865
DEFERRED INFLOWS OF RESOURCES		
Local business tax receipts	55,181	84,088
TOTAL DEFERRED INFLOWS	55,181	84,088
TOTAL LIABILITIES AND DEFERRED INFLOWS	425,947	634,953
FUND BALANCES		
Fund balances		
Nonspendable:		
Inventories and prepaids	54,639	45,337
Unassigned	4,771,415	3,510,623
TOTAL FUND BALANCES	4,826,054	3,555,960
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 5,252,001	$ 4,190,913

CITY OF SOUTH PASADENA, FLORIDA

COMPARATIVE BALANCE SHEET
CAPITAL IMPROVEMENTS FUND

	September 30, 2023	2022
ASSETS		
Cash equivalents and pooled cash and investments	$ 12,753,318	$ 8,385,922
Due from other governments	-	51,292
TOTAL ASSETS	$ 12,753,318	$ 8,437,214
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$ 394,577	$ 32,898
Retainage payable	170,536	13,139
TOTAL LIABILITIES	565,113	46,037
DEFERRED INFLOWS OF RESOURCES		
Deferred grant revenue	-	1,984,074
TOTAL DEFERRED INFLOWS	-	1,984,074
TOTAL LIABILITIES AND DEFERRED INFLOWS	565,113	2,030,111
FUND BALANCES		
Fund balances		
Restricted for:		
Infrastructure	12,188,205	6,379,628
Impact fees	-	27,475
TOTAL FUND BALANCES	12,188,205	6,407,103
TOTAL LIABILITIES AND FUND BALANCES	$ 12,753,318	$ 8,437,214

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS
TO TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES

September 30, 2023

	Total Governmental Funds	Long Term Assets, Liabilities	Adjustments and Eliminations	Statement of Net Position Totals
ASSETS				
Cash, cash equivalents and pooled cash and investments	$ 17,923,344	$ -	$ -	$ 17,923,344
Receivables - other	4,134	-	-	4,134
Due from other governments	23,202	-	-	23,202
Inventory of supplies	11,403	-	-	11,403
Prepaid expenditures	43,236	-	-	43,236
Land and land rights	-	2,770,293	-	2,770,293
Structures and improvements	-	4,533,098	-	4,533,098
Infrastructure	-	5,215,252	-	5,215,252
Furniture, fixtures and equipment	-	4,278,130	-	4,278,130
Construction and projects in process	-	5,294,191	-	5,294,191
Intangible right-to-use subscription assets	-	325,063		325,063
Accumulated depreciation and amortization	-	(8,424,646)	-	(8,424,646)
Deferred outflows of resources:				
Net Other Post Employment Benefits	-	7,624	-	7,624
Defined benefit pension plans:				
Firefighters' Retirement Fund	-	2,190,197	-	2,190,197
Florida Retirement System	-	848,391	-	848,391
TOTAL ASSETS & DEFERRED OUTFLOWS	$ 18,005,319	$ 17,037,593	$ -	$ 35,042,912
LIABILITIES AND FUND BALANCES				
LIABILITIES & DEFERRED INFLOWS				
Accounts payable	$ 544,760	$ -	$ -	$ 544,760
Retainage payable	170,536	-	-	170,536
Accrued liabilities	220,583	-		220,583
Current portion of:				
Accrued compensated absences	-	65,415	-	65,415
Right-to-use subscription liability	-	36,041	-	36,041
Revenue bonds payable	-	533,000	-	533,000
Non-current portion of:				
Net Other Post Employment Benefits	-	198,562	-	198,562
Accrued compensated absences	-	246,091	-	246,091
Revenue bonds payable	-	9,124,000	-	9,124,000
Net pension liability:				
Firefighters' Retirement Fund	-	3,965,922	-	3,965,922
Florida Retirement System	-	2,564,566	-	2,564,566
Deferred inflows of resources:				
Deferred revenue - local business tax receipts	55,181	-	-	55,181
Defined benefit pension plans				
Firefighters' Retirement Fund	-	116,715	-	116,715
Florida Retirement System	-	100,234	-	100,234
TOTAL LIABILITIES & DEFERRED INFLOWS	991,060	16,950,546	-	17,941,606
TOTAL FUND BALANCES / NET POSITION	17,014,259	87,047	-	17,101,306
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES / NET POSITION	$ 18,005,319	$ 17,037,593	$ -	$ 35,042,912

CITY OF SOUTH PASADENA, FLORIDA

RECONCILIATION OF NET CHANGE IN FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2023

	Total Governmental Funds	Depreciation, Asset Retirements and Capital Outlay	Long-term Debt Transactions	Pensions, Other Items, Adjustments and Reclass-ifications	Statement of Activities Totals
REVENUES					
Taxes	$ 5,476,746	$ -	$ -	$ (5,476,746)	$ -
Licenses and permits	705,406	-	-	(705,406)	-
Intergovernmental revenue	4,889,484	-	-	(4,889,484)	-
Fines and forfeits	3,961	-	-	(3,961)	-
Interest	638,930	-	-	(638,930)	-
Change in fair value of investments	42,761	-	-	(42,761)	-
Rent	10,236	-	-	(10,236)	-
Miscellaneous revenues	67,723	-	-	(67,723)	-
Charges for services	-	-	-	736,714	736,714
Operating grants and contributions	-	-	-	3,290,707	3,290,707
General revenues	-	-	-	7,807,826	7,807,826
TOTAL REVENUES	11,835,247	-	-	-	11,835,247
EXPENDITURES					
Current					
General government	1,058,651	85,067	(13,576)	165,309	1,295,451
Public safety	4,778,315	-	-	(4,778,315)	-
Public safety - police	-	-	-	924,072	924,072
Public safety - fire	-	284,495	12,786	3,494,498	3,791,779
Public safety - protective inspections	-	34,755	(2,080)	689,220	721,895
Transportation - public works	1,006,384	86,661	2,123	146,929	1,242,097
Human services	6,000	3,448	-	-	9,448
Culture and recreation	36,598	38,245	-	-	74,843
Physical environment	-	177,210	-	-	177,210
Capital outlay	7,314,219	(7,314,219)	-	-	-
Debt service					
Principal retirement	278,483	-	(278,483)	-	-
Interest and fiscal charges	178,393	-	-	-	178,393
Issuance costs	36,808	-	-	-	36,808
TOTAL EXPENDITURES	14,693,851	(6,604,338)	(279,230)	641,713	8,451,996
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	9,800	(9,800)	-	-	-
Proceeds from issuance of debt	9,900,000	-	(9,900,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,909,800	(9,800)	(9,900,000)	-	-
NET CHANGE IN FUND BALANCE / NET POSITION	$ 7,051,196	$ 6,594,538	$ (9,620,770)	$ (641,713)	$ 3,383,251

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Statistical Section - Supplemental Information

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social and economic data, and financial trends of the government.

The City of South Pasadena's Charter makes no provision for a general obligation legal debt margin.

The City of South Pasadena has had no special assessment collections during the last ten fiscal years.

Schedules of Financial Trends Information

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

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City of South Pasadena, Florida
Schedule 1
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 7,101,744	$ 7,199,435	$ 7,248,467	$ 7,776,157
Restricted	4,350,523	4,313,043	4,569,676	4,174,483
Unrestricted (deficit)	3,056,789	690,581	860,223	523,370
Total governmental activities net position	$ 14,509,056	$ 12,203,059	$ 12,678,366	$ 12,474,010
Business-type activities				
Net investment in capital assets	$ 2,940,647	$ 2,686,418	$ 2,550,469	$ 2,310,729
Unrestricted	2,609,344	2,766,363	2,734,889	2,853,010
Total business-type activities net position	$ 5,549,991	$ 5,452,781	$ 5,285,358	$ 5,163,739
Primary Government				
Net investment in capital assets	$ 10,042,391	$ 9,885,853	$ 9,798,936	$ 10,086,886
Restricted	4,350,523	4,313,043	4,569,676	4,174,483
Unrestricted	5,666,133	3,456,944	3,595,112	3,376,380
Total primary government activities net position	$ 20,059,047	$ 17,655,840	$ 17,963,724	$ 17,637,749

2018	2019	2020	2021	(Restated) 2022	2023
$ 7,471,268	$ 7,208,370	$ 7,198,510	$ 6,977,639	$ 7,325,320	$ 10,774,691
4,673,236	5,201,648	5,444,363	5,882,882	6,407,103	12,188,205
362,827	155,304	(440,226)	(312,921)	(14,368)	(5,861,590)
$ 12,507,331	$ 12,565,322	$ 12,202,647	$ 12,547,600	$ 13,718,055	$ 17,101,306
$ 2,070,929	$ 1,940,537	$ 1,694,679	$ 1,538,523	$ 1,351,659	$ 1,381,231
3,060,234	3,210,911	3,544,880	3,649,615	3,889,471	3,952,964
$ 5,131,163	$ 5,151,448	$ 5,239,559	$ 5,188,138	$ 5,241,130	$ 5,334,195
$ 9,542,197	$ 9,148,907	$ 8,893,189	$ 8,516,162	$ 8,676,979	$ 12,155,922
4,673,236	5,201,648	5,444,363	5,882,882	6,407,103	12,188,205
3,423,061	3,366,215	3,104,654	3,336,694	3,875,103	(1,908,626)
$ 17,638,494	$ 17,716,770	$ 17,442,206	$ 17,735,738	$ 18,959,185	$ 22,435,501

City of South Pasadena, Florida
Schedule 2
Changes in Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	$ 666,485	$ 808,125	$ 804,196	$ 840,118	$ 887,455
Public safety - Police	1,022,502	1,023,307	881,550	772,949	786,522
Public safety - Fire	2,240,521	2,185,829	2,331,312	2,558,760	2,633,364
Public safety - Protective inspections	331,803	353,270	369,046	369,852	397,196
Transportation - Public Works	895,487	879,520	931,613	926,658	1,014,262
Human services	3,895	5,795	3,286	4,223	10,162
Culture and recreation	67,662	72,858	62,198	62,164	54,475
Physical environment	85,689	90,854	108,423	110,779	156,794
Interest	124	66	2	-	-
Issuance costs on long-term debt	-	-	-	-	-
Total governmental activities expenses	5,314,168	5,419,624	5,491,626	5,645,503	5,940,229
Business-type activities:					
Sewer	954,274	991,172	1,027,658	1,082,192	1,025,922
Reclaimed water	174,310	179,451	195,261	191,780	212,074
Total business-type activities expenses	1,128,584	1,170,623	1,222,919	1,273,972	1,237,996
Total primary government expenses	$ 6,442,752	$ 6,590,247	$ 6,714,545	$ 6,919,475	$ 7,178,225
Program Revenues					
Governmental activities:					
Charges for services	$ 835,462	$ 689,326	$ 857,705	$ 397,383	$ 513,550
Operating grants and contributions	772,767	810,767	730,936	744,612	819,272
Capital grants and contributions	7,742	3,880	200,204	-	-
Total governmental activities program revenues	1,615,971	1,503,973	1,788,845	1,141,995	1,332,822
Business-type activities:					
Charges for services	1,031,609	1,065,857	1,046,723	1,133,811	1,166,250
Total business-type activities program revenues	1,031,609	1,065,857	1,046,723	1,133,811	1,166,250
Total primary government program revenues	$ 2,647,580	$ 2,569,830	$ 2,835,568	$ 2,275,806	$ 2,499,072
Net (Expense)/Revenue					
Governmental activities net expense	$ (3,698,197)	$ (3,915,651)	$ (3,702,781)	$ (4,503,508)	$ (4,607,407)
Business-type activities net revenue	(96,975)	(104,766)	(176,196)	(140,161)	(71,746)
Total primary government net expense	$ (3,795,172)	$ (4,020,417)	$ (3,878,977)	$ (4,643,669)	$ (4,679,153)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem	$ 712,589	$ 894,391	$ 1,570,705	$ 1,730,425	$ 1,820,247
Franchise fees	502,227	490,429	467,936	473,192	509,999
Utility taxes	618,039	632,972	648,746	650,481	663,585
Communication services tax	240,254	241,330	231,531	233,979	247,881
Sales tax - infrastructure	494,915	534,832	563,632	581,267	609,637
Half-cent sales tax	290,685	307,159	319,883	321,020	329,118
Local option gas tax	77,058	78,796	81,708	81,739	75,738
Other taxes	67,357	62,494	64,689	58,273	60,288
State revenue sharing	157,524	159,685	160,186	161,033	161,955
Investment income	5,471	23,944	23,319	48,881	97,760
Change in fair value of investments	(9,093)	3,231	7,161	8,176	13,951
Miscellaneous	33,086	37,694	38,592	52,016	50,569
Deepwater Horizon - BP Oil spill settlement	-	131,898	-	-	-
Total governmental activities	3,190,112	3,598,855	4,178,088	4,400,482	4,640,728
Business-type activities					
Investment income	1,403	7,556	8,773	18,542	39,170
Change in fair value of investments	(2,496)	-	-	-	-
Total business-type activities	(1,093)	7,556	8,773	18,542	39,170
Total primary government	$ 3,189,019	$ 3,606,411	$ 4,186,861	$ 4,419,024	$ 4,679,898
Change in Net Position					
Governmental activities	$ (508,085)	$ (316,796)	$ 475,307	$ (103,026)	$ 33,321
Business-type activities	(98,068)	(97,210)	(167,423)	(121,619)	(32,576)
Total primary government	$ (606,153)	$ (414,006)	$ 307,884	$ (224,645)	$ 745

2019	2020	2021	(Restated) 2022	2023
$ 999,635	$ 1,043,304	$ 970,276	$ 1,160,989	$ 1,295,451
810,378	834,420	856,752	885,672	924,072
2,838,432	3,167,311	3,121,082	3,111,920	3,791,779
458,251	420,474	422,863	519,097	721,895
992,511	1,044,856	944,246	1,044,054	1,242,097
9,402	10,829	6,417	7,324	9,448
56,469	50,905	53,236	70,546	74,843
156,934	166,398	180,716	208,683	177,210
-	-	-	1,671	178,393
-	-	-	-	36,808
6,322,011	6,738,497	6,555,588	7,009,956	8,451,996
1,174,549	1,248,053	1,422,861	1,453,909	1,518,990
188,877	211,695	246,654	264,462	291,457
1,363,426	1,459,748	1,669,515	1,718,371	1,810,447
$ 7,685,437	$ 8,198,245	$ 8,225,103	$ 8,728,327	$ 10,262,443
$ 495,840	$ 393,349	$ 546,156	$ 498,145	$ 736,714
869,746	928,742	1,046,504	1,582,602	3,290,707
-	-	-	-	-
1,365,586	1,322,091	1,592,660	2,080,747	4,027,421
1,323,268	1,518,803	1,615,696	1,750,295	1,750,421
1,323,268	1,518,803	1,615,696	1,750,295	1,750,421
$ 2,688,854	$ 2,840,894	$ 3,208,356	$ 3,831,042	$ 5,777,842
$ (4,956,425)	$ (5,416,406)	$ (4,962,928)	$ (4,929,209)	$ (4,424,575)
(40,158)	59,055	(53,819)	31,924	(60,026)
$ (4,996,583)	$ (5,357,351)	$ (5,016,747)	$ (4,897,285)	$ (4,484,601)
$ 2,095,658	$ 2,216,228	$ 2,514,741	$ 2,970,495	$ 3,868,420
533,672	522,323	530,215	563,914	586,210
703,744	733,155	734,185	767,546	828,575
212,307	190,185	164,739	160,106	178,071
643,325	584,673	629,401	737,769	764,697
334,408	316,827	363,983	407,783	453,437
71,246	65,364	66,504	67,968	68,723
18,898	102,689	64,177	66,945	82,877
165,471	161,155	169,368	211,715	229,843
148,657	74,652	7,213	64,862	638,930
33,454	28,185	117	(11,158)	42,761
53,576	58,295	63,238	68,081	65,282
-	-	-	-	-
5,014,416	5,053,731	5,307,881	6,076,026	7,807,826
60,443	29,056	2,398	21,068	153,091
-	-	-	-	-
60,443	29,056	2,398	21,068	153,091
$ 5,074,859	$ 5,082,787	$ 5,310,279	$ 6,097,094	$ 7,960,917
$ 57,991	$ (362,675)	$ 344,953	$ 1,146,817	$ 3,383,251
20,285	88,111	(51,421)	52,992	93,065
$ 78,276	$ (274,564)	$ 293,532	$ 1,199,809	$ 3,476,316

City of South Pasadena, Florida
Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	$ 23,357	$ 26,041	$ 24,403	$ 32,486	$ 38,991
Restricted	1,651	1,651	1,651	2,651	2,651
Assigned	754,970	137,095	104,340	160,230	126,280
Unassigned	1,955,827	2,099,926	2,467,165	2,490,642	2,723,043
Total general fund	$ 2,735,805	$ 2,264,713	$ 2,597,559	$ 2,686,009	$ 2,890,965
All Other Governmental Funds					
Restricted	$ 4,348,872	$ 4,311,392	$ 4,568,025	$ 4,171,832	$ 4,670,585
Assigned to:					
Capital improvement projects	472,523	455,073	433,616	387,876	240,878
Total all other governmental funds	$ 4,821,395	$ 4,766,465	$ 5,001,641	$ 4,559,708	$ 4,911,463

2019	2020	2021	(Restated) 2022	2023
$ 42,544	$ 73,005	$ 84,106	$ 45,337	$ 54,639
1,651	1,651	-	-	-
208,260	133,165	214,390	-	-
2,845,909	2,875,270	2,985,194	3,510,623	4,771,415
$ 3,098,364	$ 3,083,091	$ 3,283,690	$ 3,555,960	$ 4,826,054
$ 5,199,997	$ 5,442,712	$ 5,882,882	$ 6,407,103	$ 12,188,205
200,255	66,806	-	-	-
$ 5,400,252	$ 5,509,518	$ 5,882,882	$ 6,407,103	$ 12,188,205

City of South Pasadena, Florida
Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017
Revenues				
Taxes	$ 2,091,109	$ 2,272,072	$ 2,921,293	$ 3,088,677
Licenses and permits	355,998	381,410	551,956	360,643
Intergovernmental revenue	1,867,048	1,957,613	2,121,238	1,946,944
Fines and forfeitures	453,682	288,141	298,600	26,742
Interest	5,471	23,944	23,319	48,881
Change in fair value of investments	(9,093)	3,231	7,161	8,176
Rent	6,750	6,093	3,600	8,600
Miscellaneous revenue	35,118	38,426	39,766	49,114
Total revenues	4,806,083	4,970,930	5,966,933	5,537,777
Expenditures				
General government	642,915	777,213	735,542	736,468
Public safety	3,393,938	3,464,592	3,365,382	3,312,183
Transportation - public works	788,780	759,608	787,372	757,592
Human services	2,600	4,500	2,000	4,000
Culture and recreation	26,851	32,476	24,960	27,577
Physical environment	-	-	-	14,228
Capital outlay	270,712	586,334	482,967	1,043,912
Debt service				
Principal retirement	3,315	4,061	686	-
Interest and fiscal charges	124	66	2	-
Issuance costs	-	-	-	-
Total expenditures	5,129,235	5,628,850	5,398,911	5,895,960
Excess of revenues over (under) expenditures	(323,152)	(657,920)	568,022	(358,183)
Other Financing Sources (Uses)				
Proceeds from sale of surplus capital assets	-	-	-	4,700
Proceeds from issuance of debt	-	-	-	-
Capital lease obligation incurred	8,062	-	-	-
Deepwater Horizon - BP Oil spill settlement	-	131,898	-	-
Total other financing sources (uses)	8,062	131,898	-	4,700
Net change in fund balances	(315,090)	(526,022)	568,022	(353,483)
Fund balances - beginning of year	7,839,585	7,524,495	6,998,473	7,599,200
Fund balances - end of year	$ 7,524,495	$ 6,998,473	$ 7,566,495	$ 7,245,717
Debt service as a percentage of noncapital expenditures	0.1%	0.1%	0.0%	0.0%

2018	2019	2020	2021	(Restated) 2022	2023
$ 3,246,996	$ 3,546,478	$ 3,668,516	$ 3,971,331	$ 4,462,061	$ 5,476,746
476,897	475,885	375,713	511,552	483,970	705,406
2,056,008	2,103,094	2,159,450	2,334,737	3,074,382	4,889,484
21,062	7,523	5,181	4,996	3,718	3,961
97,760	148,657	74,652	7,213	64,862	638,930
13,951	33,454	28,185	117	(11,158)	42,761
9,950	11,335	5,830	1,400	5,500	10,236
50,926	53,576	58,295	69,195	73,438	67,723
5,973,550	6,380,002	6,375,822	6,900,541	8,156,773	11,835,247
771,751	810,750	853,883	929,722	1,015,157	1,058,651
3,540,403	3,796,629	4,014,598	4,198,257	4,468,212	4,778,315
754,024	790,564	858,725	852,793	911,913	1,006,384
4,000	3,000	4,650	3,500	3,500	6,000
25,825	28,469	21,479	17,632	32,912	36,598
99,233	4,229	4,953	8,156	36,313	-
221,963	250,173	523,541	316,518	860,374	7,314,219
-	-	-	-	34,935	278,483
-	-	-	-	1,671	178,393
-	-	-	-	-	36,808
5,417,199	5,683,814	6,281,829	6,326,578	7,364,987	14,693,851
556,351	696,188	93,993	573,963	791,786	(2,858,604)
360	-	-	-	4,705	9,800
-	-	-	-	-	9,900,000
-	-	-	-	-	-
-	-	-	-	-	-
360	-	-	-	4,705	9,909,800
556,711	696,188	93,993	573,963	796,491	7,051,196
7,245,717	7,802,428	8,498,616	8,592,609	9,166,572	9,963,063
$ 7,802,428	$ 8,498,616	$ 8,592,609	$ 9,166,572	$ 9,963,063	$ 17,014,259
0.0%	0.0%	0.0%	0.0%	0.6%	6.7%

City of South Pasadena, Florida
Schedule 5
Program Revenue by Function / Program
Last Ten Fiscal Years

	2014	2015	2016
Function / Program			
Governmental activities :			
Charges for services			
General government	$ 103,963	$ 105,754	$ 87,309
Public safety - Police	453,682	288,141	298,600
Public safety - Protective inspections	271,067	289,339	468,196
Culture and recreation	6,750	6,092	3,600
Total charges for services	835,462	689,326	857,705
Operating grants and contributions			
General government	-	-	-
Public safety - Fire	771,767	810,767	730,936
Human services	-	-	-
Culture and recreation	1,000	-	-
Physical environment	-	-	-
Total operating grants and contributions	772,767	810,767	730,936
Capital grants and contributions			
Public safety - Fire	-	-	196,418
Culture and recreation	7,742	3,880	3,786
Total capital grants and contributions	7,742	3,880	200,204
Sub-total governmental activities	1,615,971	1,503,973	1,788,845
Business-type activities:			
Charges for services			
Sewer	842,519	876,912	857,922
Reclaimed water	189,090	188,945	188,801
Total charges for services	1,031,609	1,065,857	1,046,723
Sub-total business-type activities	1,031,609	1,065,857	1,046,723
Total primary government revenues	$ 2,647,580	$ 2,569,830	$ 2,835,568

2017	2018	2019	2020	2021	(Restated) 2022	2023
$ 97,102	$ 105,383	$ 104,819	$ 107,872	$ 108,501	$ 98,234	$ 118,052
26,742	21,062	7,523	5,181	4,996	3,718	3,961
264,939	377,155	372,163	274,466	431,259	390,693	604,465
8,600	9,950	11,335	5,830	1,400	5,500	10,236
397,383	513,550	495,840	393,349	546,156	498,145	736,714
-	-	40,793	36,891	104,448	567,775	1,984,074
743,612	813,282	825,974	888,216	933,226	1,014,427	1,302,283
1,000	-	-	-	-	-	-
-	5,990	2,979	963	-	-	-
-	-		2,672	8,830	400	4,350
744,612	819,272	869,746	928,742	1,046,504	1,582,602	3,290,707
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,141,995	1,332,822	1,365,586	1,322,091	1,592,660	2,080,747	4,027,421
945,215	977,692	1,133,869	1,328,968	1,394,330	1,503,184	1,498,424
188,596	188,558	189,399	189,835	221,366	247,111	251,997
1,133,811	1,166,250	1,323,268	1,518,803	1,615,696	1,750,295	1,750,421
1,133,811	1,166,250	1,323,268	1,518,803	1,615,696	1,750,295	1,750,421
$ 2,275,806	$ 2,499,072	$ 2,688,854	$ 2,840,894	$ 3,208,356	$ 3,831,042	$ 5,777,842

City of South Pasadena, Florida
Schedule 6
Tax Revenues by Source, General Fund
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Ad Valorem	Franchise Fees	Utility Tax	Communications Service Tax	Total
2023	$ 3,868,420	$ 586,210	$ 828,575	$ 178,071	$ 5,461,276
2022	2,970,495	563,914	767,546	160,106	4,462,061
2021	2,514,741	530,215	734,185	164,739	3,943,880
2020	2,216,228	522,323	733,155	190,185	3,661,891
2019	2,095,658	533,672	703,744	212,307	3,545,381
2018	1,820,247	509,999	663,585	247,881	3,241,712
2017	1,730,425	473,192	650,481	233,979	3,088,077
2016	1,570,705	467,936	648,746	231,531	2,918,918
2015	894,391	490,429	632,972	241,330	2,259,122
2014	712,589	502,227	618,039	240,254	2,073,109

Schedules of Revenue Capacity Information

These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.

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City of South Pasadena, Florida
Schedule 7
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Governmental Property	Institutional Property	Other Real Property
2023	$ 981,025,663	$ 123,165,826	$ 8,864,517	$ 60,840,044	$ 473,537
2022	750,534,327	111,799,966	6,031,034	57,739,560	424,290
2021	700,467,745	109,291,465	5,574,192	59,344,003	340,345
2020	679,175,520	102,573,317	5,039,636	57,433,419	306,241
2019	650,233,004	93,190,898	4,876,837	55,424,780	328,937
2018	604,199,011	90,577,695	4,363,171	53,634,619	241,263
2017	554,928,355	88,608,662	3,588,527	57,196,449	210,427
2016	519,146,873	84,195,176	3,108,304	36,473,740	209,884
2015	470,490,791	74,575,275	2,999,066	36,606,693	209,236
2014	416,957,697	70,357,296	2,871,130	35,902,406	209,611

Source:

Pinellas County Property Appraiser

Personal Property	Total Assessed Value	Less : Tax-Exempt Property and Assessed Value Differentials	Total Taxable Assessed Value	Total Direct Tax Rate
$ 36,578,433	$ 1,210,948,020	$ 395,585,523	$ 815,362,497	4.9650
35,333,625	961,862,802	232,267,330	729,595,472	4.2474
35,116,663	910,134,413	220,058,136	690,076,277	3.7806
32,506,362	877,034,495	220,500,019	656,534,476	3.5000
36,112,949	840,167,405	216,587,668	623,579,737	3.5000
30,317,874	783,333,633	202,539,441	580,794,192	3.2500
30,406,520	734,938,940	184,848,867	550,090,073	3.2500
30,100,445	673,234,422	172,125,048	501,109,374	3.2500
27,467,331	612,348,392	151,684,702	460,663,690	2.0105
30,385,089	556,683,229	121,826,846	434,856,383	1.6985

City of South Pasadena, Florida
Schedule 8
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rates per $1,000 of assessed value)

		Pinellas County				Pinellas County School Board		
Fiscal Year	City	Operating	Mosquito Control	Health Department	Total County - Operating	State School	Local School	Total School Board
2023	4.9650	4.7398	0.0000	0.0790	4.8188	3.2150	2.7480	5.9630
2022	4.2474	5.1302	0.0000	0.0790	5.2092	3.5770	2.7480	6.3250
2021	3.7806	5.2755	0.0000	0.0835	5.3590	3.6790	2.7480	6.4270
2020	3.5000	5.2755	0.0000	0.0835	5.3590	3.8360	2.7480	6.5840
2019	3.5000	5.2755	0.0000	0.0835	5.3590	3.9790	2.7480	6.7270
2018	3.2500	5.2755	0.0000	0.0835	5.3590	4.2610	2.7480	7.0090
2017	3.2500	5.2755	0.0000	0.0622	5.3377	4.5700	2.7480	7.3180
2016	3.2500	5.2755	0.0000	0.0622	5.3377	5.0220	2.7480	7.7700
2015	2.0105	5.2755	0.0000	0.0622	5.3377	5.0930	2.7480	7.8410
2014	1.6985	5.2755	0.0000	0.0622	5.3377	5.3120	2.7480	8.0600

Notes:

1. N/A - The detail for certain overlapping property tax rates was not available.
2. The Ad valorem tax rate for the City of South Pasadena pertains to operating expenditures only, and therefore, no further breakdown of the direct rate can be shown.

Source:

Pinellas County Tax Collector

	Other Taxing Districts					
Transit District	Emerg. Medical Services	Pinellas Planning Council	Juvenile Welfare Board	SW Fla. Wtr. Management District	Total Other	Total
0.7500	0.8775	0.0210	0.8508	0.2260	1.9753	18.4721
0.7500	0.9158	0.0150	0.8981	0.2535	2.0824	18.6140
0.7500	0.9158	0.0150	0.8981	0.2669	2.0958	18.4124
0.7500	0.9158	0.0150	0.8981	0.2801	2.1090	18.3020
0.7500	0.9158	0.0150	0.8981	0.2955	2.1244	18.4604
0.7500	0.9158	0.0150	0.8981	0.3131	2.1420	18.5100
0.7500	0.9158	0.0150	0.8981	0.3317	2.1606	18.8163
0.7305	0.9158	0.0160	0.8981	0.3488	2.1787	19.2669
0.7305	0.9158	0.0160	0.8981	0.3658	2.1957	18.1154
0.7305	0.9158	0.0160	0.8981	0.3818	2.2117	18.0384

City of South Pasadena, Florida
Schedule 9
Principal Property Tax Payers
Current Year and Nine Years Ago

	2023			2014		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
EPC Trevi LLC / Fountains Property, Inc. - Majestic Towers	$ 42,959,072	1	5.27%	$ 22,614,217	1	5.20%
Waters Pointe Apartments LLC	36,200,000	2	4.44%	19,000,000	3	4.37%
Palms of Pasadena Hospital, Inc.	28,381,812	3	3.48%	22,536,094	2	5.18%
South Pasadena R2G Owner, LLC	27,640,000	4	3.39%	-		0.00%
Bay Pointe Tower Apartments LLC	13,500,000	5	1.66%	-		0.00%
Causeway Village MHC LLC	13,423,575	6	1.65%	7,560,180	5	1.74%
Pasadena Bayside LLC	11,275,000	7	1.38%	-		0.00%
Extra Space Properties Two LLC	10,648,000	8	1.31%	-		0.00%
Duke Energy Florida / Progress Energy	7,842,580	9	0.96%	5,379,385	8	1.24%
Publix Super Markets	6,993,705	10	0.86%	6,485,418	6	1.49%
V.V. FL, Inc. (Pasadena Shopping Center)				11,901,151	4	2.74%
Serenity at St. Petersburg LLC				5,940,000	7	1.37%
Denasan LLC (Sweetbay)				4,175,000	9	0.96%
N M E Hospitals Inc. (Pasadena Prof. Medical Bldg)				4,000,000	10	0.92%
Total Principal Taxpayers	198,863,744		24.39%	109,591,445		25.20%
All Other Taxpayers	616,498,753		75.61%	325,264,938		74.80%
Total	$ 815,362,497		100.00%	434,856,383		100.00%

Source:

Pinellas County Property Appraiser

City of South Pasadena, Florida
Schedule 10
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2023	$ 4,048,275	$ 3,868,420	95.56%
2022	3,098,884	2,970,495	95.86%
2021	2,608,903	2,514,741	96.39%
2020	2,297,872	2,216,228	96.45%
2019	2,185,025	2,095,658	95.91%
2018	1,887,582	1,820,247	96.43%
2017	1,787,793	1,730,425	96.79%
2016	1,628,606	1,570,705	96.44%
2015	926,164	894,391	96.57%
2014	738,603	712,589	96.48%

Notes:

Subsequent year collections are minimal, therefore only total tax collected within the fiscal year is presented.

Source:
Pinellas County Property Appraiser

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Schedules of Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

City of South Pasadena, Florida
Schedule 11
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities Capital Lease Obligation	Governmental Activities Revenue Bonds Payable	Governmental Activities Right-to Use Subscription Liability (SBITA)	Total Debt	Percentage of Personal Income	Per Capita
2023	$ -	$ 9,657,000	$ 36,041	$ 9,693,041	0.577%	$ 1,833
2022	-	-	71,524	71,524	0.004%	13
2021	-	-	-	-	0.000%	-
2020	-	-	-	-	0.000%	-
2019	-	-	-	-	0.000%	-
2018	-	-	-	-	0.000%	-
2017	-	-	-	-	0.000%	-
2016	-	-	-	-	0.000%	-
2015	686	-	-	686	0.000%	-
2014	4,747	-	-	4,747	0.000%	1

Notes:

1. The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of South Pasadena, Florida set no legal debt margin.

2. The City did have any business-type activities debt during the ten year period.

City of South Pasadena, Florida
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023

Governmental Unit	Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Pinellas County SBITAs Outstanding (2)	$ 4,188,234	0.736%	$ 30,813
Pinellas County Leases (2)	31,298,003	0.736%	230,262
Pinellas County Notes Outstanding (2)	2,099,669	0.736%	15,447
	$ 37,585,906		276,523
City direct debt	$ 9,693,041		9,693,041
Total direct and overlapping debt			$ 9,969,564
Total direct and overlapping debt per capita			$ 1,885

Note:

(1) The City's share is calculated based on the ratio of the 2023 City Taxable Value of $815,362,497 to the County's Taxable Value of $110,826,846,451.

(2) The City of South Pasadena is not responsible for the debt of the County.

Source:

Pinellas County Property Appraiser
Pinellas County School Board

City of South Pasadena, Florida
Schedule 13
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year	Revenue Source (1)	Less: Operating Expenses (2)	Add: Depreciation	Net Available Revenue	Principal	Interest	Coverage
2023	$ 7,966,827	$ 6,885,948	$ -	$ 1,080,879	$ 278,483	$ 178,393	2.37
2022	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-

(1) On April 14, 2023, the City issued the Capital Improvement Revenue Bonds, Series 2023, in the amount of $9,900,000. The bonds will be repaid from non-pledged, non-Ad Valorem revenues. There has been no specific revenue source pledged towards payment of the SBITA obligation. The revenue source amount includes all Governmental Funds' revenues excluding Ad-Valorem revenues. No new indebtedness has been issued for which specific revenue sources have been pledged.

(2) Operating expenses include all Governmental Funds' expenditures exclusive of capital outlay expenditures.

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Schedules of Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of South Pasadena, Florida
Schedule 14
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2023	5,288	$ 1,678,782,277	$ 46,038	70.5	93,702	3.10%
2022	5,319	1,604,008,439	38,954	70.5	95,446	2.50%
2021	5,342	1,469,989,593	38,931	70.5	96,068	3.50%
2020	5,358	1,378,872,247	38,803	70.6	99,798	5.50%
2019	5,344	1,325,891,784	40,801	70.4	100,987	2.70%
2018	5,245	1,249,843,004	38,890	70.2	101,824	3.00%
2017	5,317	1,201,817,154	38,718	69.6	103,481	3.50%
2016	5,153	1,153,032,216	36,359	69.5	103,768	4.50%
2015	5,123	1,095,696,663	31,377	69.5	103,391	4.70%
2014	5,145	1,076,828,322	31,656	69.3	103,596	5.60%

Sources:

(1) United States Census Bureau

(2) U. S. Department of Commerce - Bureau of Economic Analysis Numbers for Pinellas County used to approximate South Pasadena.

(3) Pinellas County Economic Development Department.

(4) Florida Department of Education - elementary through high school for Pinellas County School District.

(5) U. S. Department of Labor - Bureau of Labor Statistics.

City of South Pasadena, Florida
Schedule 15
Principal Employers, Pinellas County
Current Year and Nine Years Ago

	2023		2014	
Employer	Employees	Rank	Employees	Rank
Raymond James Financial	4,000	1	3,500	1
Home Shopping Network	2,000	2	2,800	2
Tech Data Corp.	2,000	3	1,500	7
Spectrum / Bright House Networks	2,000	4	2,000	3
Fidelity Information Svc.	1,500	5	1,800	4
Nielsen Media Research	1,500	6	1,800	5
Jabil Circuit Inc.	1,500	7	1,600	6
Honeywell Aerospace	1,500	8	1,500	8
Valpak Direct Marketing Systems	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
ThinkDirect Marketing Group	-	-	1,000	9
Ceridian Benefits Services, Inc.	-	-	1,000	10
	18,500		18,500	

Note:
Numbers are based on Pinellas County since numbers for South Pasadena are not available. The percentage of each employer's employment to the total is not presented as the total Pinellas County employment amount is not available.

Source:

Pinellas County Economic Development

Schedules of Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of South Pasadena, Florida
Schedule 16
Full-time Equivalent City Government Employees by Function / Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function / Program										
General government										
Legislative	-	-	-	-	-	-	-	-	-	-
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Financial Administration	3.5	3.75	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Operations	18.0	17.0	17.0	18.0	18.0	18.0	16.0	15.0	15.0	15.0
Fire Inspections	-	-	-	-	-	-	-	-	-	-
Public Works										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks / Horticulture	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Bldg / Parks / Facility Maint.	7.0	6.0	6.0	4.0	6.0	6.0	6.0	6.0	4.0	5.0
Building Permitting / Licensing										
Administration	3.5	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Inspectors	1.0	1.0	-	0.75	0.75	0.5	-	-	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	-	-	-
	42.00	39.75	38.00	36.75	38.75	39.50	37.00	36.00	36.00	37.00

Source:

City of South Pasadena Finance Department

City of South Pasadena, Florida
Schedule 17
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fire										
EMS responses	2,683	2,505	2,589	2,761	2,991	2,895	2,652	2,540	2,507	2,219
Fire dept. responses	619	504	483	518	497	503	755	783	702	627
Water										
New connections	-	-	-	-	-	-	-	-	-	-
Avg. daily consumption (thousands of gallons)	486	502	496	512	437	470	480	461	469	478
Sewer										
Average daily flow (mgd)	0.46	0.47	0.51	0.49	0.50	0.52	0.52	0.55	0.53	0.51

Sources:
City of South Pasadena Fire and Public Works Departments

City of South Pasadena, Florida
Schedule 18
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police	- - - - - Provided by Pinellas County Sheriff's Department (two patrol cars provide 24-hour protection) - - - - -									
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23
Recreation										
Number of playgrounds	1	1	1	1	1	1	1	1	1	1
Parks (acres)	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32
Tennis courts	2	2	2	2	2	2	2	2	2	2
Water	- - - - - Provided by the City of St. Petersburg - - - - -									
Wastewater										
Sanitary sewers (miles)	7	7	7	7	7	7	7	7	7	7
Treatment capacity (mgd)	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67

Sources:

City of South Pasadena Fire and Public Works Departments

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Other Reports

This section contains Auditor's Reports required by *Government Auditing Standards* (issued by the Comptroller General of the United States) and the Auditor General of the State of Florida.

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
Peter B. Wells, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Arthur Penny, Mayor
and Members of the Board of Commissioners
City of South Pasadena, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 6, 2024.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

WH&S
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Members: American Institute of Certified Public Accountants - Florida Institute of Certified Public Accountants

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida

August 6, 2024

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Arthur Penny, Mayor
and Members of the Board of Commissioners
City of South Pasadena, Florida

Report of the Financial Statements
We have audited the financial statements of the City of South Pasadena, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 6, 2024.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated August 6, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554 (1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority
Section 10.554 (1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of South Pasadena, Florida, is a municipal corporation and operates under applicable provisions of Florida Statutes Chapter 166. The City was established in 1955 pursuant to Chapter 31277 (1955) of the laws of Florida. The City of South Pasadena, Florida has no component units.

Financial Condition and Management
Section 10.554 (1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of South Pasadena, Florida met one or more the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of South Pasadena, Florida, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554 (1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of South Pasadena, Florida. It is management's responsibility to monitor the City of South Pasadena, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with or audit, we did not have any such recommendations.

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Special District Component Units
Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there were no special district component units.

Additional Matters
Section 10.554 (1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State granting agencies, City Commission members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida

August 6, 2024

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
Peter B. Wells, CPA

INDEPENDENT AUDITOR'S REPORT REGARDING COMPLIANCE REQUIREMENTS IN RULES OF THE AUDITOR GENERAL 10.556(10)

The Honorable Arthur Penny, Mayor
and Members of the Board of Commissioners
City of South Pasadena, Florida

We have examined the City of South Pasadena, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of South Pasadena, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida

August 6, 2024

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CPA AND CONSULTING FIRM

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INDEPENDENT AUDITOR'S REPORT REGARDING RULES OF THE AUDITOR GENERAL 10.557(3)(n)

To the Honorable Arthur Penny, Mayor
and Members of The Board of Commissioners
City of South Pasadena, Florida

We have audited the financial statements of the City of South Pasadena, Florida (the City) as of and for the year ended September 30, 2023, and have issued our report thereon dated August 6, 2024 which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues and Expenditures – Deepwater Horizon Oil Spill is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida

August 6, 2024

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