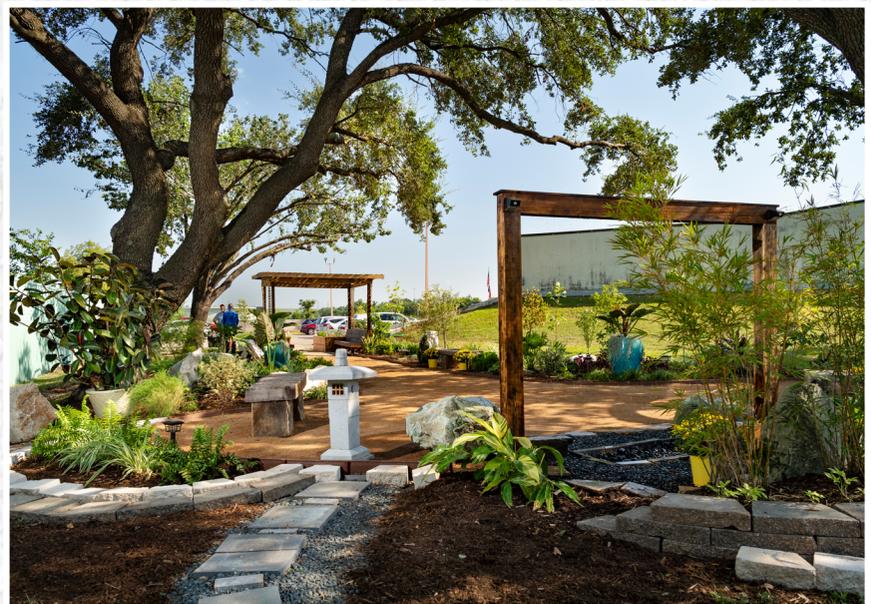
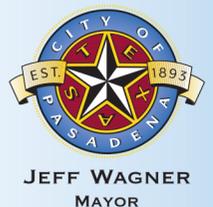


CITY OF PASADENA



CITY OF PASADENA, TEXAS
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024



**CITY OF PASADENA, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

**PREPARED BY:
OFFICE OF THE CITY CONTROLLER
LINDSAY KOSKINIEMI, CGFO, CPM, MPA, MSA
CITY CONTROLLER**

**CITY OF PASADENA, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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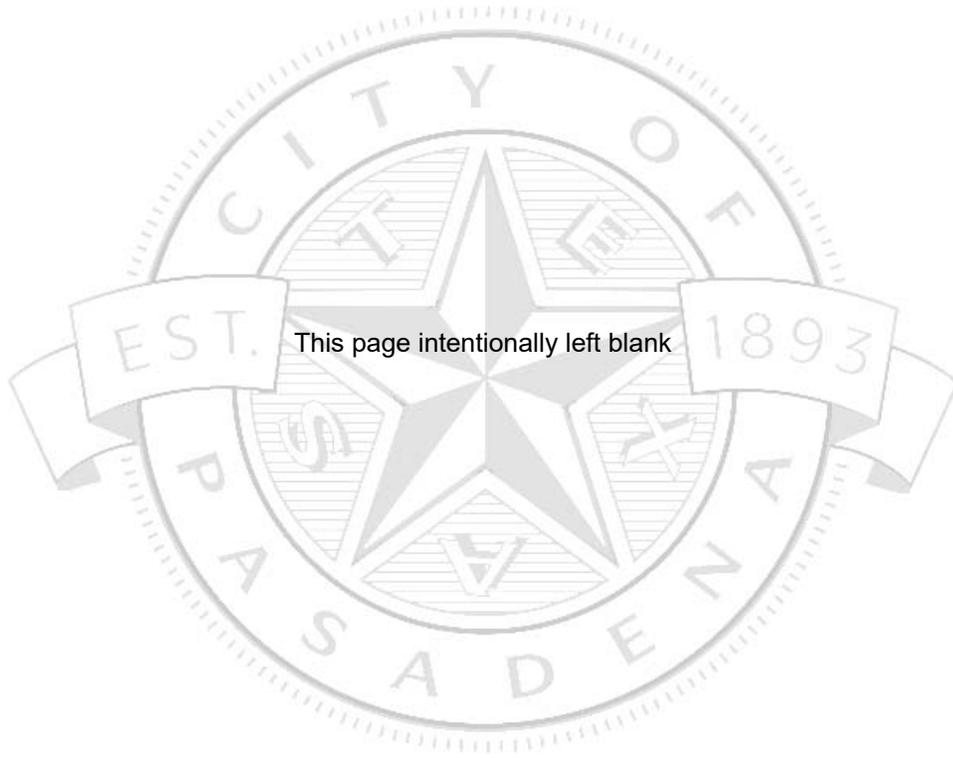
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INTRODUCTORY SECTION





CITY OF PASADENA

OFFICE OF THE CITY CONTROLLER

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April 30, 2025

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

In compliance with both Article IX of the City's Charter and applicable state statutes, it is my privilege to present the Annual Comprehensive Financial Report (the "Annual Report") of the City of Pasadena, Texas (the "City") for the fiscal year ended September 30, 2024. These statutes require all local governments to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with *Generally Accepted Government Auditing Standards* (GAGAS) issued by the Government Accountability Office (GAO) of the United States and the standards applicable to financial audits by a firm of licensed independent certified public accountants chosen by the Mayor and Councilmembers. The Annual Report includes the independent auditors' report.

The Annual Report is published to provide the Council, City staff, our citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the City assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The City Charter requires an independent audit of the accounts of the City by an independent auditor. Crowe, LLP, have issued an unmodified ("clean") opinion on the City of Pasadena's financial statements for the fiscal year ended September 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

The City is also required to undergo an annual single audit as stated by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The independent auditors have performed a single audit and issued auditors' reports on the City's federal awards for the fiscal year ended September 30, 2024. The City's Single Audit Report is separately available.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The City's MD&A can be found immediately following the independent auditors' report on pages 25-38.

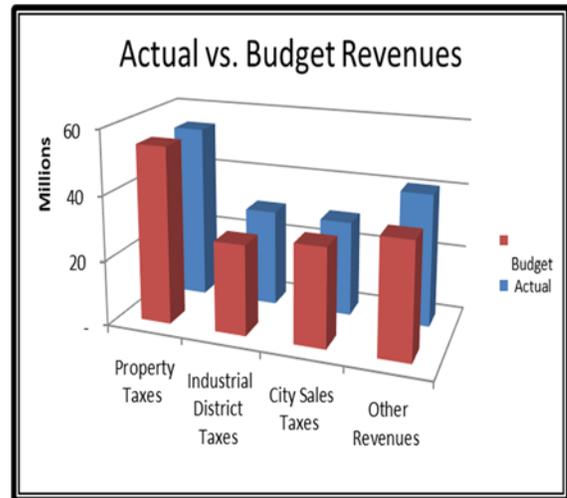
Profile of the Government

The City of Pasadena is the seventeenth-largest city in Texas and the largest suburban city in the Houston metropolitan area. Pasadena is located in southeast Texas, bordering the Houston Ship Channel, and currently has a land area of 59.2 total square miles divided into 15.5 square miles of industrial area and 43.7 square miles of residential/commercial area. Based on the latest information from the Census Bureau, Pasadena's 2023 population is estimated at 146,716, with the 2020 census population at 151,950. It was first settled in 1893 and was incorporated on December 28, 1928. The City adopted the "Home Rule Charter" on December 12, 1964, under the laws of the State of Texas.

The City operates under a "Strong Mayor-Council" form of government. Together, the Mayor and eight Councilmembers referred to as "the Council" are responsible for enacting legislation, adopting budgets, and determining the policies of the City. Councilmembers shall be nominated and elected by the voters in each of the eight single-member Council Districts and serve two-year terms with a limit of four consecutive terms. The qualified voters of the entire City elect the Mayor, who serves four-year terms, with a limit of two consecutive terms. At the time of the election, each candidate must be a citizen, resident, and qualified voter of the State of Texas and the City of Pasadena. On May 3, 2025, the City will hold an election for Mayor and City Council members. Candidates must reside physically within his/her District (Councilmember) or the City (the Mayor) for twelve months immediately preceding the day of the election. The current Council will be in *Lame Duck*, which means the Council shall not create, make, or enter into any contract except in the event of grave public emergency or calamity during May and June 2025 until the elected Council is sworn in. In the first meeting following the swearing-in ceremony, the Council by-election designates one Councilmember as Mayor Pro-tem.

The City of Pasadena provides a full range of municipal services to its residents through a variety of programs such as police and fire protection; traffic and municipal courts; sanitation services; construction and maintenance of streets and related infrastructure; water and sewer systems; recreational activities (i.e., parks, swimming pools, baseball/softball fields, tennis courts, jogging and biking trails, and a golf course); and cultural event facilities, including a convention center, two libraries, a senior citizen center, an athletic/recreational center, and the Verne Cox Multipurpose Center for special needs citizens.

The City Charter requires the adoption of the City budget no later than September 27th. The appropriated budget is prepared by fund, function, and department/division. Within the department/division, it is categorized further by object and subject. City department heads may make transfers between two subjects within the same object (e.g., transfer between postage and office supplies within the object of materials and supplies). Any other transfers or changes to the appropriations require the approval of the Council and an amendment to the budget. For additional information on the City's budgetary practices, see Note III. A on page 77 in the notes to financial statements. As the graph on the right shows, for the fiscal year 2024, most revenues exceeded budgeted amounts. Industrial district taxes and other revenues, which include but is not limited to, health, municipal courts, and parks and recreation yield the higher increase of actual over budgeted revenue.



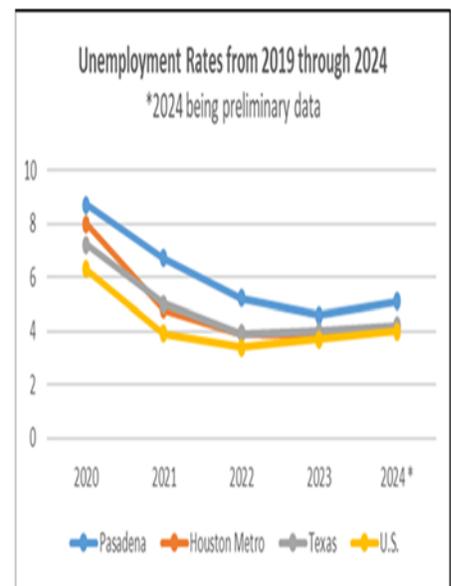
Local Economy

The City benefits from its strategic location, relative affordability, and strong leadership. The City of Pasadena is also a rich industrial area, and its leaders have taken a combination of abundant natural resources, the advantageous location, and the determination to succeed and built a community of strong families and successful businesses. The metropolitan area offers various opportunities to serve the citizens in their professions and amenities for their leisure time. The City has connections to the energy sector, industry and manufacturing, aeronautics, and medicine, creating diversity that stabilizes the swings of the national economy. The City also has strong connections to petrochemicals and refining industries and benefits from the proximity

to the Houston Ship Channel, a part of the Port of Houston, which is a huge employment generator in the area. The City’s resiliency and financial stability continue to promote a path to prosperity for all. The annual Strawberry Festival, Pasadena Livestock Show & Rodeo, and the legendary Urban Cowboy traditions continue to shine a bright spotlight on Pasadena.

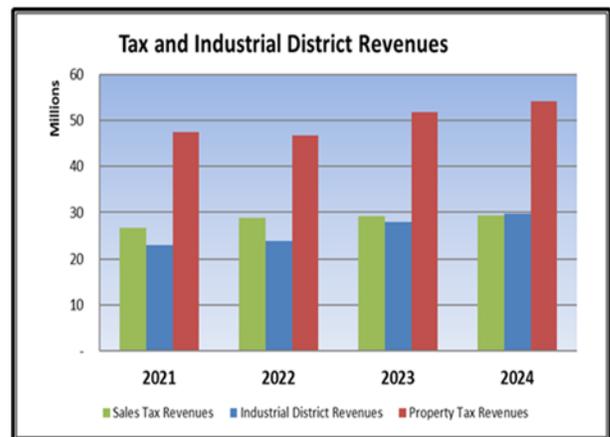
The Port of Houston (the “Port”) is the nation’s largest port for waterborne tonnage and an essential economic engine for the Houston region, the state of Texas, and the U.S. The Houston Ship Channel Expansion (Project 11) is progressing as planned toward its goal of completion. In January 2025 – Segment 1B (Redfish to Bayport Ship Channel) has been officially completed and accepted by The U.S. Army Corps of Engineers. In 2024, the Port of Houston achieved a record-breaking 53,066,219 million tons of cargo up 6% over 2023 at the public terminals. The Port processed nearly 4.1 million Twenty-foot equivalent units (TEUs) for the year resulting in an 8% increase from its 2023 performance-also a record for the Port. The Port is consistently ranked first in the U.S. in foreign waterborne tonnage, first in U.S. total foreign and domestic waterborne tonnage, and the second in the U.S. in terms of total foreign cargo value. The modern container terminals and multipurpose facilities can handle virtually any size and type of cargo, connecting world markets to America’s heartland quickly and efficiently. It supports the creation of nearly 1.54 million jobs in Texas and 3.37 million jobs nationwide.

Significant indicators that impact the economic condition are the employment and unemployment statistics. Unemployment in Texas has stabilized since its sharp spike during the pandemic, but it still lags behind the nation’s average. In December 2024, the state preliminary unemployment rate was at 4.2%, ranking Texas as 33th in the nation, increasing from the December 2023 rate of 4.0%. While the Houston Metro area had a preliminary unemployment rate of 4.1%, the Pasadena rate is higher at 5.1%, which is an increase from 2023 at 4.6%.



The energy landscape, which is the metropolitan area’s growth advantage, continues to make a positive impact on the region’s economy. The U.S. Energy Information Administration (EIA) forecast that “In 2025, crude oil production in the United States will average 13.59 million barrels per day (b/d).” According to the EIA data, in 2024, the average daily price for West Texas Intermediate, the U.S. crude benchmark, was \$76 per barrel. The EIA is forecasting that the price of Brent crude oil in 2025 will average \$74 per barrel and \$66 per barrel in 2026 based on expectations that global petroleum production and consumption will be relatively balanced.

The City’s fiscal year 2024 total revenues in the governmental funds, excluding other financing sources, increased by 24.78% or \$52,478,323 from \$211,759,634 in 2023 to \$264,237,957 in 2024. In the general fund, the City property tax revenues increased 4.33% or \$2,246,087 from \$51,888,412 in 2023 to \$54,134,499 in 2024. Even though the property tax rate decreased in fiscal year 2024 to \$0.455514 from \$0.497583/\$100, the 11.74% increase in assessed property value to \$15,144,924,086 contributed to the increase in property tax revenues. For the 2024 tax year or the fiscal year 2025, the Council adopted a property tax rate of \$0.474834/\$100, and the City is projecting to collect approximately \$387,462 from new properties. The Industrial District revenue increased 6.96% or \$1,941,969 from \$27,897,512 in 2023 to \$29,839,481 in 2024. The City negotiated a new Industrial District agreement (the “Agreement”) effective for the tax year 2019 or the fiscal year 2020. The new Agreement increased the assessment ratio between the 1st to the 5th years of completion in construction and shortened the



length of the Agreement to eight years from the previous Agreement of fifteen years to be more adaptable to the rapid changes in the energy business environment today. The City is projecting the continued growth in the Industrial District assessed value, specifically in new construction. The sales tax revenues, in the general fund only, had a slight increase of 0.06% or \$17,036 from \$29,252,653 in 2023 to \$29,269,689 in 2024.

According to a recent study by Site Selection, the Houston Metro area population is estimated to grow 8,031,130 from 7,326,336, a 9.62% increase over the next five years. All those people will have to live in and around the Houston area, and Pasadena is a commuter's dream, situated between State Highway 225 and Interstate 45 straddling the Sam Houston Tollway, which allows speedy travel to locations like Downtown Houston, the Texas Medical Center, the Port of Houston, and Galveston Bay. The City has residential real estate options for everyone. As the job market and population grow, so does the demand for affordable living options. The City has many housing options from multi- and single-family living to townhomes and apartment complexes. Pasadena also offers a variety of family entertainment – there is something for everyone. The City offers the opportunity to golf year-round at the municipal golf course, plus local museums, athletic events, entertainment at the Pasadena Convention Center and Fairgrounds, and performances at local theaters. You can spend the summer at the local pools/splash pads or fly down a water slide at the Strawberry Water Park. The City is also proud to host the Independence 4th Fest in July and the Holiday Lighted Parade and Holiday Tree Lighting in December.

The City is continuing to grow by attracting new industries and developments and continues to pose itself to increase the attractiveness as a destination of choice for new businesses, with several existing companies already starting plan expansions. Companies have relocated to Pasadena in part from the ready accessibility of the Port of Houston, including the Houston Ship Channel, which connects the Houston area terminals and the Gulf of Mexico and is the location of one of the world's largest petrochemical complexes. Retailers and restaurants are also moving into the Pasadena area to serve the community, which leads to increased sales tax revenues. To name a few – Harbor Freight leased 20,810 SF in Pasadena Town Center near Southmore Avenue. Legacy Community Health clinic broke ground for its new 40,000 SF facility at 1951 Southmore Avenue. The two-story clinic is expected to open in 2025 offering services such as a full range of adult and pediatric primary care, obstetrics, and behavioral health. The \$20 million affordable health clinic will employ approximately 100 people. The Avera Companies is developing a new 401,154 SF distribution center, Baywood Logistics, on 34 acres at 8920 Red Bluff Road just south of Genoa Red Bluff. Groundbreaking is the first quarter of 2025 with completion expected in the fourth quarter.

Long-term Financial Planning

The City's long-term plans are striving for financial stability while re-energizing the City into the twenty-first century. Sound financial practices, such as compliance with all Federal, State, and Local Laws, increase the City's financial resources while striving to meet its long-term goals. The City will maintain and further develop programs to assure its long-term ability to pay the costs necessary to provide the level and quality of service required by our citizens. The long-term planned Capital Improvement Plan incorporates the City's priorities and vision of a viable and progressive Pasadena. Community objectives have contributed to the success in the implementation of new improvements as citizens, businesses, and neighborhoods continue to see the positive benefits resulting from various improvement projects carried out into the future.

Pasadena Economic Development Corporation (PEDC), a legally separate entity, functions as a component unit of the City and has been blended as an integral part of the City of Pasadena's financial statements.

PEDC is dedicated to the promotion of local economic development and to achieve its strategic plan unveiled in 2018 and updated in 2023. The update is to expand on the strategies that are working, revisit strategies that no longer align with the PEDC's vision, and to recommend new strategies. The updated strategic plan will continue in the path to achieve the following set of six goals - marketing and image, business development, workforce, catalyst projects, tourism/retail, and support structure for economic development.

The following are some of PEDC main projects:

- PEDC continues to work on enhancing the visual appeal and build community identity along major commercial corridors. PEDC has committed \$23.1 million towards Convention Center Facility improvements, and in additions PEDC, through sales tax revenue bonds, is set to fund a \$50 million renovation and expansion of the Pasadena Convention Center and Municipal Fairgrounds. The new multipurpose arena will be about 76,000 square feet with a 7,500-seating capacity.
- PEDC, in collaboration with the City, identified a future greenway trail along Vince Bayou and Little Vince Bayou as a priority project. The entire project scope includes an approximately 3-mile concrete trail that will connect Memorial Park in the north to Strawberry Park in the south and the amenities and bridges identified in the Vince Bayou Greenway Planning Study. The Little Vince Bayou Greenway trail will be a trail network extending between Little Vince and Vince Bayou linking this system to the City of Pasadena City Hall. PEDC has committed \$9.1 million for the Vince Bayou/Little Vince Bayou Greenway Trail. As of September 30, 2024, it is still at the design and engineer phase.
- PEDC is to leverage capital infrastructure improvements to stimulate private investments along the investment corridors identified in the strategic plan. PEDC has committed \$20.3 million towards the Pasadena Blvd. Master Redevelopment Plan from State Highway 225 to Harris Avenue. As of September 30, 2024, construction is 16% completed. PEDC is also working on Fairmont Parkway Drainage Improvements – Burke Rd. to Preston Avenue, finalizing phase 1 across Preston Rd. working on joint participation agreement with Harris County. PEDC has identified the space between the Municipal Court and the Police Department as a key redevelopment area. PEDC has committed \$2.2 million to the Pasadena Memorial Plaza to create a more enjoyable walking space and gathering area in front of the police department for community events as well as special ceremonies.

The City is also financially accountable for the Pasadena Crime Control and Prevention District (the "District"), another legally separate entity, which is reported as a discretely presented component unit within the City of Pasadena's financial statements. The District helps fund public safety costs in the City. On May 6, 2023, the citizens of Pasadena voted for the Pasadena Crime Control and Prevention District continuation and funding of sales tax for another 10 years. Additional information on these two legally separate entities can be found in the notes to the financial statements. (See Note I. A on page 63).

Health insurance for City employees has become one of the major financial burdens for the City. The City is self-insured but contracted with United Healthcare as the administrator of health insurance benefits. Employees will again benefit by participating in the Health Awareness Program provided by the City in hopes of reducing health insurance costs by keeping employees aware of health issues. The City also provides its employees and their families with a health clinic to assist with medical needs from prescriptions to minor medical services with the hope of long-term reduction of health costs through preventive care.

The City implemented the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, replacing the requirements of Statements No. 45, as amended, and No. 57. This statement addresses accounting and financial reporting by governments that provide other post-employment benefits (OPEB) to their employees. The statement significantly changes how governments calculate and report the annual costs and long-term obligations associated with OPEB. Also, this statement details the recognition and disclosure requirements for defined benefit OPEB plans.

The City administers an additional single-member defined benefit OPEB plan. The City plan provides certain healthcare benefits for retired employees. Substantially all of the City's employees become eligible for the health benefits if they reach normal retirement age while working for the City. The City is currently following a pay-as-you-go approach, paying an amount each year equal to the claims paid. This means no assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. Retiree healthcare is accounted for in the health insurance fund, an internal service fund. A separately audited GAAP basis postemployment benefit plan is not available for this program. (See Note V. C. 1 on page 95).

The City also participates in an additional OPEB plan. An agent multiple-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS, known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. (See Note V. C. 2. on page 98).

The City must report the net pension liability in the government-wide financial statements because the City participates in the Texas Municipal Retirement System (TMRS) and the Texas Emergency Services Retirement System (TESRS). GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, changed how the government calculates and reports the costs and obligations associated with pensions in important ways. It is designed to improve the decision-usefulness of reported pension information and to increase transparency, consistency, and comparability of pension information across governments. (See Note V. D. 1 and 2 on page 101 and 106).

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City implemented GASB Statement No. 87 in fiscal year 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement were effective in fiscal year 2023.

Relevant Financial Policies

The City maintains conservative financial policies to assure strong financial health both in the short- and long-term. The City's finances are managed in a manner that will continue to provide for public safety protections and quality services to the citizens, ensure a balanced budget, and maintain reserves necessary to meet known and unknown future obligations. The City issues debt primarily to finance large capital investments such as the construction of public infrastructure and improvements. Maintaining the City's excellent bond rating is an important objective of the City's financial policies, and the City is constantly working to improve its financial planning, budgeting process, forecast, and overall financial health. The City pays all interest and repays all debt following terms of the bond ordinances and bond covenants. Nearly 65% of principal and interest on the tax-supported debt is scheduled to retire in less than ten years.

Major Initiatives

The City continues using the proceeds from the Combination Tax and Revenue Certificates of Obligation, Series 2018, 2019, and 2022. The \$48,120,000 Combination Tax and Revenue Certificates of Obligation, Series 2022 will finance all or a portion of the following: (A) acquire and construct improvements to streets, sidewalks, related drainage, and traffic facilities (including the possible purchase of equipment deemed appropriate to construct such improvements) at various locations in the City, including but not limited to Preston Avenue, Red Bluff Road, and Shaver Street; (B) constructing and equipping a new Pasadena Police Annex and acquiring furniture and equipment for the Annex; (C) construct improvements to and acquire equipment for City Parks; and (D) acquire public safety equipment and acquire and construct public safety facilities for the City's Fire Department, including but not limited to, constructing improvements to Fire Station Numbers 6 and 7 and constructing and equipping a new Fire Administration Facility.

The Texas Water Development Board ("TWDB") approved financial assistance to the City in the amount of \$10,999,860 (the "Loan"), consisting of the City's Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2023, in the amount of \$10,450,000 (the "Certificates") at zero interest, and grant funding in the amount of \$549,860 for the Golden Acres Wastewater Treatment Plant diversion project, paying all or a portion of the legal, fiscal, and engineering fees in connection therewith, and paying costs of issuance.

Presidential Major Disaster Declarations

The Federal Government has provided Public Assistant Grants to the City assisting the response to and recovery from numerous major disasters, specifically with debris removal, emergency protective measures, permanent repairs, restoration, and reconstruction of damaged infrastructure. It also provided Hazard Mitigation Assistance Grants to the City to assist with long-term solutions that reduce the impact of disasters in the future.

In response to Hurricane Beryl in 2024, The City is actively pursuing Federal Funding in the recovery effort from Hurricane Beryl; the City submitted an application for the Public Assistant Grant (PA). The City has submitted under Category A – Debris Removal, Category B – Emergency Protective Measure, Category C – Road and Bridges, and Category E – Buildings and Equipment.

In response to Hurricane Harvey in 2017, which resulted in a Presidentially Declared Major Disaster. Hurricane Harvey came ashore on the Texas coast as a Category 4 hurricane and then stalled over the next four days, and dropped as much as 60 inches of rain along the Gulf Coast, including the Pasadena area.

The City applied for disaster grants from the U.S. Department of Homeland Security/Federal Emergency Management Agency (FEMA):

- **Hazard Mitigation Grant Program – City Hall Emergency Power Generator** — The City was awarded \$1.02 million (20% Federal/80% Local) late in fiscal year 2020 to purchase and install a 1,000-kilowatt diesel-fueled generator and transfer switch as a permanent fixture on a new concrete pad at Pasadena City Hall to ensure continuous operations of emergency services for first responders and to communicate with the general public in the event of a disaster. As of September 30, 2024, the project has been completed.

In response to Hurricane Harvey, the U.S. Department of Housing and Urban Development (HUD):

- has allocated Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the State of Texas. Subsequently, the State made a direct allocation of CDBG-DR funds to Harris County. In utilizing CDBG-DR funds, Harris County committed \$8.26 million and entered into a subrecipient agreement with the City for drainage improvements of the Armand Bayou Upper Reaches Project. The City is to create a flood diversion channel along Red Bluff from south of Line Drive to Big Island Slough, which will reduce one-hundred-year water surface elevation in Armand Bayou Upper Reaches and create resilience and reduce potential flooding of low- and moderate-income residences north of Fairmont Parkway. As of September 30, 2024, the project is 80% completed.
- has allocated Community Development Block Grant Mitigation (CDBG-MIT) funds to the State of Texas to be administered by Texas General Land Office. On November 16, 2021, the City accepted the CDBG-MIT grant in the amount of \$47,278,951 for the North Pasadena Harvey Mitigation Drainage Improvements and appropriated a 1% match of \$472,790 for a total of \$47,751,741. As of September 30, 2024 the project is 48% completed.

In response to COVID-19 pandemic

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The \$1.9 trillion package, based on President Biden's American Rescue Plan, is intended to combat the Covid-19 pandemic, including the public health and economic impacts. The package allocated \$350 billion for state and local governments. The local portion is approximately \$130 billion, equally divided between cities and counties. For cities, \$65 billion is divided based on the jurisdiction's modified Community Development Block Grant (CDBG) formula and those that are non-CDBG entitled will be allocated according to population. The funds will be distributed in two tranches – the first after the U.S. Treasury certifies the proceeds to each jurisdiction and

the second one year later. The City of Pasadena's allocation of \$40.1 million was based on the modified CDBG formula. As of September 30, 2024, the City has received all \$40.1 million.

Highlights of Major Federal Grants – U.S. Department of Housing and Urban Development

The City, through the use of Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds awarded under the U.S. Department of Housing and Urban Development (HUD), continues to build upon its successful track records to meet community needs and improve the quality of life for Pasadena residents. Efforts are made to provide affordable housing, continue investments in neighborhood infrastructure, focus on the prevention and reduction of homelessness, provide public services, and expand economic opportunities. Highlights from Program Year 2023 (Fiscal Year 2024) are summarized below:

Affordable housing needs are addressed through the combination of CDBG and HOME resources. Due to the age of the City's housing stock and the decline of opportunities available for low-income households to obtain affordable housing, housing rehabilitation is a high priority need. The CDBG Program provides housing rehabilitation administration to support the HOME Housing Rehabilitation Services Program. Coordination of these resources furthers the City's goal of creating suitable living environments, providing affordable housing opportunities and increasing the quality of life by providing a decent, safe and sanitary environment. The City's HOME Program continues to assist low-income residents with affordable housing opportunities. Under the Housing Rehabilitation Services Program, three (3) existing housing units were demolished and reconstructed to meet local codes and standards. Additionally, the Tenant Based Rental Assistance (TBRA) Security Deposit Program provided security deposit assistance to 56 participants of the City's Housing Choice Voucher (HCV) Program.

A vast majority of the CDBG allocation focuses on the amelioration of deteriorated public drainage systems and roadways. To improve the overall drainage system for neighborhood residents and infrastructure improvements, CDBG funded multiple public facility projects within the City of Pasadena's Low-to Moderate-Income Target Area. The Children and Youth Community Center and Thomas Street Paving and Drainage Improvements Phase II Project have been completed. The Dabney Storm Interconnect Project is underway and expected to be completed by October 2025.

The City partnered with local agencies and City departments to provide special needs services to foster community welfare, expand opportunity, and address essential needs. CDBG funds were administered through the Madison Jobe Senior Center's Transportation Rides Program to aid in providing resources to elderly and disabled clients to maintain an independent lifestyle and facilitate essential services. The Madison Jobe Senior Center provided 1,800 transportation vouchers to 332 individuals. Additionally, the North Pasadena Community Outreach's Food Pantry Program distributed 7,123 boxes of food to families in need. Lastly, Sarah's House provided 558 nights of shelter and supportive services to 78 homeless women and children.

Awards and Acknowledgements

The City of Pasadena's Annual Report for the year ended September 30, 2023 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This was the 30th 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 one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

This Annual Report could not have been completed without the diligent and dedicated service of the entire staff of the City Controller's Office. Our sincere gratitude is extended to the Mayor and Councilmembers for their support and leadership.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Lindsay Koskiniemi', is centered on a light gray rectangular background.

Lindsay Koskiniemi, CGFO, CPM, MPA, MSA
City Controller



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pasadena
Texas**

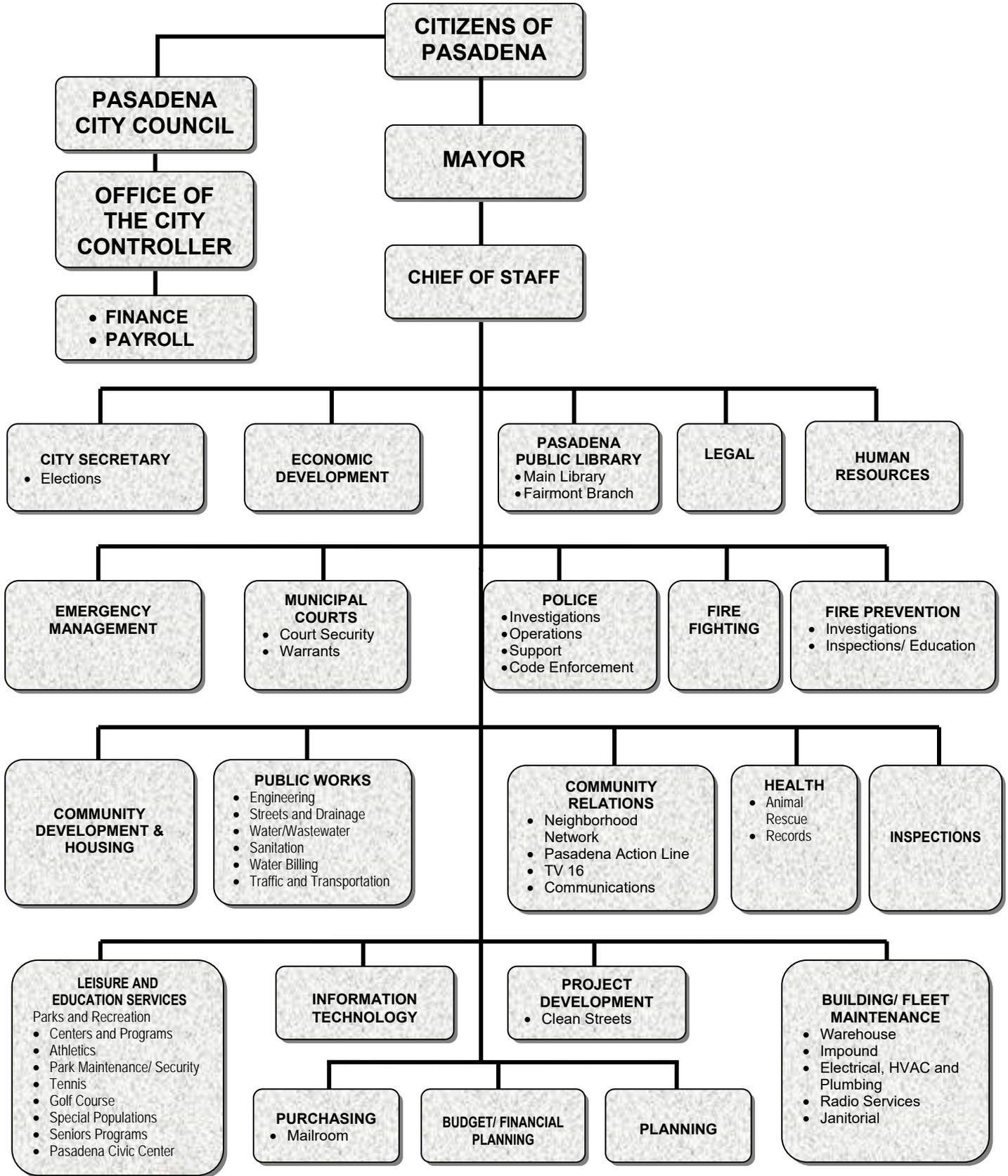
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF PASADENA, TEXAS ORGANIZATION CHART



**CITY OF PASADENA, TEXAS
PRINCIPAL OFFICIALS**

MAYOR

JEFF WAGNER

CHIEF OF STAFF

DANIEL PENNINGTON

BUDGET ADMINISTRATOR

SHERRY WOMACK

CITY COUNCIL

DISTRICT A	RUBEN VILLARREAL
DISTRICT B	BIANCA VALERIO
DISTRICT C	EMMANUEL GUERRERO
DISTRICT D	PAT VAN HOUTE
DISTRICT E	JONATHAN ESTRADA
DISTRICT F	DOLAN DOW
DISTRICT G	ORNALDO YBARRA
DISTRICT H	THOMAS SCHOENBEIN

CITY CONTROLLER

LINDSAY KOSKINIEMI, CGFO, CPM, MPA, MSA

CITY SECRETARY

AMANDA MUELLER

CITY ATTORNEY

JAY DALE

DIRECTOR OF PERSONNEL

TRENA WHITE

DIRECTOR OF PUBLIC WORKS

ROBIN GREEN

CHIEF OF POLICE

JERRY WRIGHT

FIRE CHIEF

LANNY ARMSTRONG

FIRE MARSHAL

DAVID BRANNON

DIRECTOR OF COMMUNITY RELATIONS

JOSEPH LINDBERG

DIRECTOR OF PLANNING

MELISSA TAMEZ

DIRECTOR OF HEALTH

KATHY PEREZ

DIRECTOR OF PARKS/RECREATION

JED APLACA

DIRECTOR OF ECONOMIC DEVELOPMENT

RICK GUERRERO

PRESIDING JUDGE, MUNICIPAL COURTS

RICHARD RISINGER



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pasadena, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the equitable sharing of forfeited property grants received from the U.S. Departments of Justice and Treasury funds 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of changes in net pension and total other postemployment benefits liability and related ratios, schedule of the City's proportionate share of the net pension liability, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules as listed in the table of contents 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 combining and individual fund statements and 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 otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Crowe LLP

Houston, Texas
April 29, 2025



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Pasadena’s (the “City”) Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial performance of the City for the fiscal year ended September 30, 2024. This discussion and analysis includes comparative data for fiscal year 2023. Please read it in conjunction with the transmittal letter in the introductory section of this report and the City’s financial statements following this section.

FINANCIAL HIGHLIGHTS

Some of the City’s financial highlights for the fiscal year ended September 30, 2024 are as follows:

Government-Wide Financial Statements

The City’s assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,242,682,180 (net position), showing an increase of \$94,134,331 (8.2%), compared to the prior fiscal year of \$1,148,547,849.

Total net position of the City is comprised of the following:

Net investment in capital assets of \$989,050,258 (79.6%) includes land, improvements, construction in progress, and other capital assets, net of accumulated depreciation, and reduced by outstanding debt and net unspent proceeds related to the construction of capital assets.

Net position of \$107,059,398 (8.6%) is restricted by constraints imposed from outside the City such as debt covenants, laws, and regulations.

Net position of \$146,572,524 (11.8%) represents the unrestricted portion available to meet the City’s ongoing obligations to citizens and creditors.

Fund Financial Statements

The City’s governmental funds reported combined fund balances of \$367,565,836. This compares to the prior fiscal year combined fund balances of \$308,277,335, showing an increase of \$59,288,501 (19.2%). Approximately 31.3% of the fund balances, \$114,984,518, is available for spending at the City’s discretion (unassigned) and 57.0% of the fund balance, \$209,419,191 is restricted for court, law enforcement, economic development, housing services, capital construction, and debt service. The balance of \$40,348,728 (11.0%) is committed for grant management in the amounts of \$8,973,721 for the grant; and \$15,000 for election, recall, and charter revision; and \$31,360,007 is for various capital projects including drainage improvements and sidewalk replacement projects. Assigned fund balance is for purchases on order of \$2,241,160 and capital construction of \$572,239, totaling \$2,813,399 (0.77%).

At the end of fiscal year, the general fund had a total fund balance of \$117,240,678. The unassigned portion of the fund balance was \$114,984,518 or 105.3% of total general fund expenditures of \$109,186,361. The committed portion of the fund balance was \$15,000. The assigned portion of the fund balance was \$2,241,160. The City has a policy that requires the unassigned portion of the fund balance to be the equivalent of 90-days of regular general fund operating expenditures. At the end of September 30, 2024, the unassigned fund balance exceeded this required balance by \$87,687,928.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Pasadena’s basic financial statements. The City’s basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other information such as statistical data.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The first of the government-wide statements is the Statement of Net Position. This statement shows the City of Pasadena's total assets and deferred outflows and liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the Statement of Activities is to show the relative financial burden of the City's distinct functions/programs on its taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, health, culture and recreation, and housing and community development. Business-type activities include water and sewer operations.

The government-wide financial statements include the City of Pasadena (*the primary government*) and the Pasadena Crime Control and Prevention District, a legally separate entity, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information of the City. The Pasadena Economic Development Corporation, also a legally separate entity, is operated like a department of the City and, therefore, its financial information has been included as an integral part of the City (the primary government).

The government-wide financial statements can be found on pages 40-43 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The City of Pasadena uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions as the governmental activities in the government-wide financial statements, but with a narrower focus. Governmental fund financial statements report short-term inflows and outflows of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Comparing the information presented in the governmental fund statements with similar information presented for governmental activities in the government-wide financial statements can provide useful information because of the different focus. With the long-term focus of the government-wide statements, a reader may be able to better understand the long-term effects of the near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Pasadena maintains nine individual governmental funds. Information for the general fund, debt service fund, Pasadena Economic Development Corporation fund, capital projects fund, and grant management fund is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. All of the aforementioned funds are considered to be major funds. Information from the remaining four funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the Combining and Individual Fund Statements and Schedules section of this report.

The City of Pasadena adopts an annual appropriated budget for its general fund, debt service fund, the Federal equitable sharing of forfeited property of Justice and Treasury Departments within the grant management funds, and four non-major governmental funds. The budgetary comparison statements/schedules for these funds can be found either in the Governmental Fund Financial Statements or in the Combining and Individual Fund Statements and Schedules section. The budgetary comparisons are presented to demonstrate compliance and show comparisons between the original/final budgets and the actual amounts.

The basic governmental funds financial statements can be found on pages 44-53 of this report.

Proprietary funds. The City has two types of proprietary funds: an enterprise fund and internal service funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide statements. The City uses the enterprise fund to account for its water and sewer system operations. Internal service funds provide services and charge fees to departments within the City. The City of Pasadena uses these internal service funds to account for technical services, warehouse, fleet facility operations, mailroom, and risk management services in regards to workers' compensation claims, general liabilities, and health benefits. Since the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but in more detail. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual internal service fund information is presented in the Combining and Individual Fund Statements and Schedules section of this report.

The basic proprietary financial statements can be found on pages 54-59 of this report.

Notes to the financial statements. The accompanying notes provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the fund financial statements and can be found on pages 63-112.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's OPEB schedule of changes in the City's total healthcare OPEB liability and related ratios, TMRS pension schedule of contributions, TMRS pension schedule of changes in net pension liability and related ratios, TMRS pension methods and assumptions used to determine contribution rates, schedule of changes in the City's total SDBF OPEB liability and related ratios, and Texas Emergency Services Retirement System schedule of contributions and schedule proportionate share of changes in the net pension liability and related ratios. Required supplementary information can be found on pages 115-124 of this report.

The combining and individual fund statements and schedules referred to earlier in connection with budgetary schedules, non-major governmental funds, and internal service funds can be found on pages 129-161.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,242,682,180 at fiscal year ended September 30, 2024.

CITY OF PASADENA, TEXAS
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 459,328,011	\$ 406,769,880	\$ 105,901,239	\$ 82,917,572	\$ 565,229,250	\$ 489,687,452
Capital assets	776,578,316	714,505,535	322,819,344	314,087,680	1,099,397,660	1,028,593,215
Total assets	1,235,906,327	1,121,275,415	428,720,583	397,005,252	1,664,626,910	1,518,280,667
Deferred outflows of resources	34,292,897	53,615,134	4,506,157	6,094,614	38,799,054	59,709,748
Total deferred outflows	34,292,897	53,615,134	4,506,157	6,094,614	38,799,054	59,709,748
Long-term liabilities, outstanding	280,237,566	245,116,726	69,466,772	75,599,840	349,704,338	320,716,566
Other liabilities	55,915,890	68,432,777	17,707,691	19,319,382	73,623,581	87,752,159
Total liabilities	336,153,456	313,549,503	87,174,463	94,919,222	423,327,919	408,468,725
Deferred inflows of resources	33,719,616	18,832,093	3,696,249	2,141,748	37,415,865	20,973,841
Total deferred inflows	33,719,616	18,832,093	3,696,249	2,141,748	37,415,865	20,973,841
Net position:						
Net investment in capital assets	715,307,907	657,764,561	273,742,351	262,156,557	989,050,258	919,921,118
Restricted	104,154,166	103,201,637	2,905,232	2,702,351	107,059,398	105,903,988
Unrestricted	80,864,079	81,542,755	65,708,445	41,179,988	146,572,524	122,722,743
Total net position	\$ 900,326,152	\$ 842,508,953	\$ 342,356,028	\$ 306,038,896	\$ 1,242,682,180	\$ 1,148,547,849

By far, the largest portion of the City's net position, \$989,050,258 (79.6%), reflects its net investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. These assets are used to provide services to citizens; consequently, they are not available to be used for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

This portion of the City's net position increased by \$69,129,140, compared to prior fiscal year of \$919,921,118. Capital assets had a net increase of \$70,804,445, with 87.7% net increase in the governmental activities and the remaining 12.3% net increase in the business-type activities. The governmental activities streets and drainage projects included improvement at different detention facilities; annual paving and sidewalk projects including Shaw Street and Thomas Avenue paving and drainage in the capital projects funds and Vince Bayou Greenway and the Convention Center Improvements both PEDC projects; and the starting construction of Fire Station # 6 and #7, to name a few. The major infrastructure projects in the business-type activities were various waterline projects, water storage tank rehabilitation, and City-wide wastewater improvements. Additional information can be found in Note IV. D. on pages 82-84.

The bond debt resulted in a net increase of \$35,939,933, including an increase totaling \$40,831,783 for the governmental activities and an decrease of \$4,891,850 for business-type activities. The City did issue new debt during this fiscal year, totaling \$50,590,861 including the bond premium and governmental activities.

The second largest portion of the City's net position, \$107,059,398 (8.6%), represents resources that are subject to external restrictions on how they may be used. This compared to the prior fiscal year of \$105,903,988, showing an increase of \$1,155,410. Overall, the capital projects and economic development functions had an increase in the amount of \$1,561,515 from \$77,707,622 to \$79,269,137.

Public works restricted net position decreased by \$734,408 from \$1,207,198 to \$472,790.

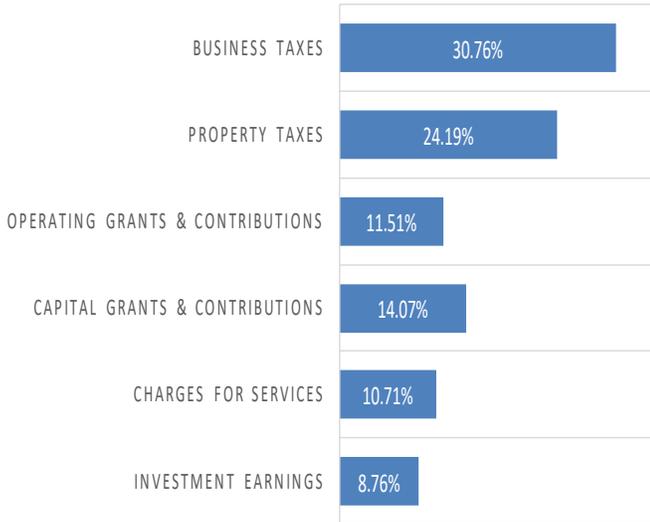
The third and final portion of the City's net position, \$146,572,524 (11.8%), represents unrestricted resources that can be used to meet the City's ongoing obligations to citizens and creditors. This portion of net position increased by \$23,849,781, compared to the prior fiscal year of \$122,722,743. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the primary government.

CITY OF PASADENA, TEXAS
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 29,391,603	\$ 29,221,593	\$ 57,087,810	\$ 55,452,896	\$ 86,479,413	\$ 84,674,489
Operating grants and contributions	31,586,652	13,241,369	-	-	31,586,652	13,241,369
Capital grants and contributions	38,616,267	14,915,533	-	-	38,616,267	14,915,533
General revenues:						
Property taxes	66,436,178	65,620,204	-	-	66,436,178	65,620,204
Business taxes	82,213,480	80,609,895	-	-	82,213,480	80,609,895
Other taxes/fees	2,242,681	1,972,270	-	-	2,242,681	1,972,270
Investment earnings	24,044,187	17,994,773	4,175,547	2,750,839	28,219,734	20,745,612
Gain on sale of capital assets	-	4,613,493	-	-	-	4,613,493
Total Revenues	<u>274,531,048</u>	<u>228,189,130</u>	<u>61,263,357</u>	<u>58,203,735</u>	<u>335,794,405</u>	<u>286,392,865</u>
Expenses:						
General government	26,642,835	23,347,064	-	-	26,642,835	23,347,064
Public safety	69,357,564	68,227,487	-	-	69,357,564	68,227,487
Public works	54,796,103	29,833,528	-	-	54,796,103	29,833,528
Health	7,868,851	6,734,097	-	-	7,868,851	6,734,097
Culture and recreation	24,282,405	21,389,298	-	-	24,282,405	21,389,298
Housing and community development	11,374,575	10,545,014	-	-	11,374,575	10,545,014
Interest on long-term debt	8,418,625	5,420,649	-	-	8,418,625	5,420,649
Water and sewer	-	-	38,919,116	36,990,322	38,919,116	36,990,322
Total Expenses	<u>202,740,958</u>	<u>165,497,137</u>	<u>38,919,116</u>	<u>36,990,322</u>	<u>241,660,074</u>	<u>202,487,459</u>
Increase in net position before transfers	71,790,090	62,691,993	22,344,241	21,213,413	94,134,331	83,905,406
Transfers	(13,972,891)	(888,986)	13,972,891	888,986	-	-
Increase in net position	57,817,199	61,803,007	36,317,132	22,102,399	94,134,331	83,905,406
Net position - beginning	<u>842,508,953</u>	<u>780,705,946</u>	<u>306,038,896</u>	<u>283,936,497</u>	<u>1,148,547,849</u>	<u>1,064,642,443</u>
Net position - ending	<u>\$ 900,326,152</u>	<u>\$ 842,508,953</u>	<u>\$ 342,356,028</u>	<u>\$ 306,038,896</u>	<u>\$ 1,242,682,180</u>	<u>\$ 1,148,547,849</u>

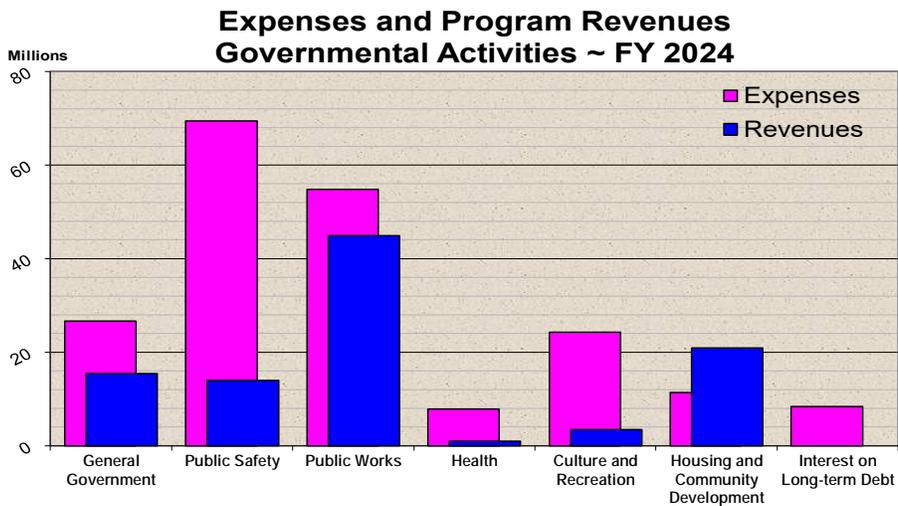
REVENUES - GOVERNMENTAL ACTIVITIES



Governmental Activities. Governmental activities increased the City's net position by \$57,817,199 (6.9%). This was impacted by the current economic conditions. The City saw overall revenues increase by \$46,341,918, excluding transfers. Program revenue increased by \$42,216,027 (73.6%) from \$57,378,495 to \$99,594,522. Charges for services increased by \$170,010 from \$29,221,593 to \$29,391,603. Operating grants and contributions increased by \$18,345,283 and capital grants and contributions increased by \$23,700,734. General government charges for services increased by \$379,558. Public Safety charges for services increased by \$23,008. Public works charges for services increased from \$2,555,654 to \$2,692,719 by the amount of \$137,065. Public works operating grants and contributions increased by \$17,508,373 from \$784,869 to \$18,293,242 mainly due to the recovery from the revenue loss category from the Americans Recovery Act (ARPA) fund.

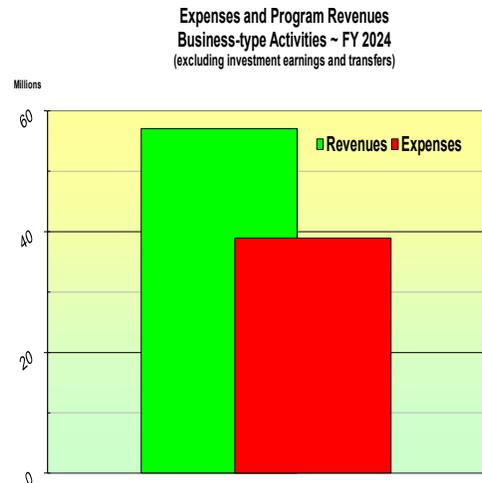
General revenues increased \$2,689,970 (1.82%) from \$148,202,369 to \$150,892,339, excluding transfers, gain on sale of capital assets, and investment earnings, in the governmental activities. Property taxes revenue increased by \$815,974 due to the assessment of property taxable value increasing from \$13,553,863,884 to \$15,144,924,086 even though the tax rate decreased by \$0.042069 from \$0.497583 to \$0.455514. Sales taxes increased by \$25,554. The City's interest earnings increased by \$6,049,414 in investment income due to continually climbing interest rates.

Expenses increased by \$37,243,821 (22.5%). All functions increased. The interest payments increased from \$5,420,649 to \$8,418,625 because of the additional interest payable on the new sales tax revenue bond, Series 2023 for the convention center design and remodel. Public safety expenses increased \$1,130,077 from \$68,227,487 to \$69,357,564 mostly due to the increase in the police department's personnel services costs due to the cost of living adjustment (COLA) increase in police pay. Public works expenses increased by \$24,962,575 from \$29,833,528 to \$54,796,103 due to the number of projects being done by the City. There was an increase of \$829,561 from \$10,545,014 to \$11,374,575 in the Housing and Community Development expenses due to a slight increase in expenses in public services.



Business-type Activities. Business-type activities increased the City's net position by \$36,317,132. The key elements of this increase include:

The business-type activities saw an increase in expenses of \$1,928,794. Personnel services increased by \$1,880,338 (23.9%) due to more personnel costs than the year before. Last year, personnel services were 23.8% of total operating expenses. The business-type activities capital transferred from the Pasadena Economic Development Corporation (PEDC) capital projects fund and the Americans Rescue Plan Act (ARPA) fund was \$6,332,204 for waterline improvement rehabilitation projects. This is reported on the Statement of Activities as a capital contribution. Capital assets purchased were capitalized in the water and sewer funds. The water and sewer fund's current acquisition and construction of capital assets was \$9,676,973 compared to prior year of \$9,261,625. The projects include improvement of Deepwater Well improvement, sanitary sewer rehabilitation, Citywide waterline repairs. This is reported on the Statement of Net Position. Interest expense on bonds included in water and sewer system expense on the Statement of Activities went from \$2,213,394 to \$2,037,881, a slight decrease due to the total bond debt in the water and sewer funds.



Revenues, including interest earnings, had an increase of \$3,059,622. Charges for services increased by \$1,634,914. Water revenue increased \$486,021 (1.5%) from \$30,672,859 to \$31,158,880 due in part to the increase in water sales. Again, interest earnings increased by \$1,424,708 from \$2,750,839 to \$4,175,547 due to higher interest rates nationwide.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current fiscal year, the City reported combined ending fund balances of \$367,565,836. Approximately 31.3% of this amount, or \$114,984,518, represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted, assigned, or committed to show that it is not available for other spending:

1. restricted for grants and special purposes with external constraints through laws or regulations (\$20,581,190 or 5.5%)
2. restricted to pay debt service (\$4,961,298 or 1.3%)
3. restricted to pay for certain capital construction (\$183,876,703 or 50.0%)
4. assigned to pay purchases on order (\$2,241,160 or 0.6%)
5. assigned to pay capital construction (\$572,239 or 0.1%)
6. committed to general government capital construction and recall, election, and charter revision (\$40,348,728 or 10.9%)

The general fund is the principal operating fund of the City of Pasadena. As of September 30, 2024, the general fund reported fund balance of \$117,240,678. This compared to the prior fiscal year of \$105,349,784, showing an increase of \$11,890,894 (11.3%).

The unassigned portion of the general fund's fund balance was \$114,984,518. As a measure of the general fund's liquidity, it is useful to compare this portion of the fund balance to the total general fund expenditures of \$109,186,361 or 105%, an increase of 15.3% over last year's percentage of 89.7%.

The City's general fund general property tax collection increased by 4.33%. Industrial district fees had an increase by 6.96% due to the way the current contract is structured, which includes a shared increase or decrease in property values. An indication of the improvement of the economy is sales tax collection. There was an increase in the amount of \$17,036 (0.06%) over last year. Again, investment income increased \$1,654,028 from \$7,211,750 to \$8,865,778 due to the increase in interest rates. Expenditures, excluding transfers out, decreased by \$7,359,519 or 6.3%, which was due to the police department decrease in costs from \$48,252,300 to \$35,314,865 as a result of the revenue loss recovery category from the ARPA fund. The general fund transferred \$4,028,139 more in fiscal year 2024 than the year before which included the transfer to the capital projects funds for projects in the amount of \$17,321,380 and \$5,936,459 to the internal service fund. The increase was due to the general fund funding capital projects including various paving and drainage projects. The general fund transferred \$1,795,959 more to the internal service fund to ensure a positive unrestricted net position as of September 30, 2024.

The debt service fund has a total fund balance of \$4,961,298, all of which is restricted for the payment of debt service. The increase in fund balance of \$233,753 compared to prior fiscal year fund balance of \$4,727,545 was mainly due to the increase property tax assessed values in the City.

The Pasadena Economic Development Corporation fund has a total fund balance of \$132,124,894, all of which is restricted for capital projects and economic development. The increase in fund balance is \$54,298,872, or 69.8%, compared to prior fiscal year of \$77,826,022 due to the issuance of the sales tax revenue bonds, Series 2023. There was a decrease in expenditures of \$971,916. The majority of projects were in public works in the total amount of \$13,042,029. The greater part was used on the convention center projects, the Fairmont Parkway drainage, and Little Vince Bayou projects.

The capital projects fund has a total fund balance of \$83,684,055, with \$51,751,809 restricted for capital construction projects; \$31,360,007 committed by the Council, the highest level of decision making authority for capital construction; and \$572,239 assigned by management for capital construction. The decrease in fund balance amounted to \$9,288,667. The City transferred \$17,321,380 from the general fund to the capital projects funds, as stated above. The capital outlay expenditures in the amount of \$30,145,131 had increased by \$9,493,106 compared to the prior fiscal year of \$20,652,025 with the majority of expenditures concentrated on public works totaling \$18,804,146. Projects under public works, the largest expenditure, included the annual drainage, Burke Street improvements, and sidewalks improvement, to name a few. The City is also constructing a police annex and city marshal service administrative building. It is being funded by the Certificates of Obligation, Series 2018 and 2022.

The grant management fund has a total fund balance of \$16,275,903, of which \$7,302,182 is restricted and \$8,973,721 is committed for specific grant purposes. There was an increase in the fund balance of \$595,804. The intergovernmental revenue increased by \$42,962,542 from \$23,967,656 to \$66,930,198 due to the recognizing of \$18,305,555 of Hurricane Harvey Community Block Development Grant – Mitigation (CDBG-MIT) funds and \$23,779,153 of ARPA funds.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final amended expenditure budget of \$158,643,283, including transfers out, was \$7,554,576 (5.0%) more than the original budget of \$151,088,707

The difference between the original and final budget can be briefly summarized by function as follows:

- \$6,950,767 decrease for General Government - included a decrease due to the budget amendment reclassifying personnel termination pay to the function where retirements took place during the fiscal year and funding capital improvement projects (CIP).
- \$12,250,113 decrease for Public Safety - included decreased costs in police personnel services recovered from the revenue loss category from the ARPA funds

- \$4,138,372 increase for Public Works - included an increase in the contractual services in the sanitation department due to damages caused by Hurricane Beryl in July 2024.
- \$163,010 increase in Health - included an increase in the materials and supplies items needed.
- \$424,868 increase in Culture and Recreation – there were small budget changes throughout several departments and purchase of new equipment.
- \$179,535 increased for debt service principal and interest payments for a four-year lease agreement for the use of copier equipment.
- \$21,849,671 increase in Other Financing (Uses) – all the additional \$21,849,671 was transferred to the capital project funds for projects listed above.

Even with the above-mentioned amendments, total actual expenditures, including transfers out totaling \$145,072,491, were \$13,570,792 below the final budget. The general government function had a variance of \$5,257,119, specifically in personnel services in the municipal court, other charges, and contractual services in property management. Public safety had a variance of \$3,732,231 with the largest variance in the police department from final budget to actual in the amount of \$1,855,414 as actual police personnel service were expected to be higher in the amount of \$1,735,648, and the culture and recreation function had a variance in the amount of \$2,736,862 with various activities not being completed during the fiscal year.

Actual revenues, including the transfers in and sale of capital assets, totaled \$156,963,385, which was over the final budgeted amount of \$150,662,399 by \$6,300,986. The largest favorable variance was in the amount of \$2,353,778 for investment income and \$2,232,481 for fees due to the City's increase in the industrial district collection over the final budget amount.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024 amounted to \$1,099,397,660 (net of accumulated depreciation/amortization). This investment includes land, buildings and building improvements, facilities and other improvements, machinery and equipment, machinery and equipment – leases, infrastructure (streets, bridges, storm drains, and water and sewer systems), automotive, and construction in progress.

The total net increase in the City's investment in capital assets including accumulated depreciation for the current fiscal year was \$70,804,445 (6.9%), compared to prior fiscal year of \$1,028,593,215. There was an \$62,072,781 (8.7%) net increase for governmental activities and \$8,731,664 (2.8%) net increase for business-type activities.

Major capital asset activities that occurred during the current fiscal year included the following:

- Continued Browning Subd Drang Imp (D042) - \$1,161,840 with \$1,359,196 in progress at the end of the end of the fiscal year.
- Continued Cotton Patch Bayou Drain (D048) - \$16,215,940 with \$16,427,094 in progress at the end of the end of the fiscal year.
- Began Large Diameter Storm Sewer (D049) - \$609,338 in progress at the end of the fiscal year.
- Continued Armand Bayou Upper Reaches Project (D056) - \$9,498,248 with \$10,642,093 in progress at the end of the fiscal year.
- Continued Dabney Storm Interconnect Project (D059) - \$97,653 with \$204,137 in progress at the end of the fiscal year.
- Began FY24 Annual Paving & Drain (D062) - \$636,439 in progress at the end of the fiscal year.
- Continued North Pasadena Harvey Mitigation (D064) - \$1,503,647 with \$6,329,581 in progress at the end of the fiscal year.
- Continued Red Bluff Drainage Impr (D066) - \$869,036 with \$1,050,116 in progress at the end of the fiscal year.

- Continued DM AREA A1 FEMA HMGP (DMA1) - \$458,962 with \$852,399 in progress at the end of the fiscal year.
- Continued DM AREA A2 FEMA HMGP (DMA2) - \$486,740 with \$1,017,267 in progress at the end of the fiscal year.
- Continued DM AREA A7 FEMA HMGP (DMA7) - \$470,782 with \$722,009 in progress at the end of the fiscal year.
- Continued DM AREA C5 FEMA HMGP (DMC5) - \$547,939 with \$844,121 in progress at the end of the fiscal year.
- Continued DM AREA C6 FEMA HMGP (DMC6) - \$462,214 with 720,129 in progress at the end of the fiscal year.
- Continued ENVIRO SVCS HMGP (DMEA) - \$867 with \$257,129 in progress at the end of the fiscal year.
- Continued HYDR/HYDLGY FEMAHMGP (DMHH) - \$518,235 with \$2,818,216 in progress at the end of the fiscal year
- Continued Fire Station #6 (F011) - \$424,286 with \$710,327 in progress at the end of the fiscal year.
- Continued Fire Station #7 (F014) - \$780,147 with \$1,058,048 in progress at the end of the fiscal year.
- Began Fire Services Admin Building (F020) - \$136,864 in progress at the end of the fiscal year.
- Continued Convention Center Infrastructure Imp (M026) - \$231,304 with \$600,745 in progress at the end of the fiscal year.
- Continued City Hall Landscape and Irrigation (M057) - \$1,893 with \$9,574 in progress at the end of the fiscal year.
- Continued Tyler Techno. Purchase (M059) - \$647,435 with \$1,428,466 in progress at the end of the fiscal year.
- Continued Fabrication & Ins of Signage at Con Cent (M065) - \$9,665 with \$240,257 in progress at the end of the fiscal year.
- Began Fairmont Utility Exp. Proj. (M066) - \$1,024,942 in progress at the end of the fiscal year.
- Began Convention Center Site Improv. (M067) - \$4,527,257 in progress at the end of the fiscal year.
- Began Convention Center Grounds Elect (M069) - \$562,240 in progress at the end of the fiscal year.
- Continued Pasadena Police Annex (P010) - \$5,532,054 with \$6,401,793 in progress at the end of the fiscal year.
- Continued Police Range Storage Building (P014) - \$497,240 with \$582,227 in progress at the end of the fiscal year.
- Began Special OPS Garage Bldg. (P015) - \$20,757 in progress at the end of the fiscal year.
- Continued SIM TAC Building (P016) - \$1,478,101 with 1,599,602 in progress at the end of the fiscal year.
- Continued Preston/Crenshaw Park (R055) - \$1,618 with \$327,085 in progress at the end of the fiscal year.
- Continued Vince Bayou Greenway (R066) - \$122,744 with \$2,919,780 in progress at the end of the fiscal year.
- Began Golf Course Pavilion Proj. (R071) - \$33,759 in progress at the end of the fiscal year.
- Began Golf Course Parking Improv. (R074) - \$171,555 in progress at the end of the fiscal year.
- Continued Southmore Ave Park Project (R084) - \$20,500 with \$32,500 in progress at the end of the fiscal year.

- Continued Pasadena Golf Course Kitchen (R085) - \$79,043 with \$147,887 in progress at the end of the fiscal year.
- Continued Little Vince Bayou Greenway Trail (R086) - \$51,543 with \$341,907 in progress at the end of the fiscal year.
- Continued Pasadena Memorial Plaza Project (R094) - \$312,937 with \$400,131 in progress at the end of the fiscal year.
- Continued Golf Course-Private Lte Config (R095) - \$171,707 with \$280,525 in progress at the end of the fiscal.
- Continued Pasadena Blvd : Harris to 225 (S077) - \$3,213,767 with \$6,623,341 in progress at the end of the fiscal year.
- Continued Richey St II (S110) - \$1,632,595 with \$3,269,235 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp (S123) - \$3,756 with \$3,651,979 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp Ph I (S126) - \$625,988 with \$2,179,620 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp Ph III (S127) - \$534,364 with \$1,341,283 in progress at the end of the fiscal year.
- Continued Red Bluff Road Phase I (S130) - \$16,005 with \$370,277 in progress at the end of the fiscal year.
- Continued Shaver Street Phase II (S131) - \$494,723 with \$909,265 in progress at the end of the fiscal year.
- Continued Preston Ave. Reconstruction (S132) - \$6,676,793 with \$7,483,744 in progress at the end of the fiscal year.
- Continued Shaver Street Phase III (S135) - \$126,294 with \$599,211 in progress at the end of the fiscal year.
- Began FY24 Annual Paving & Drain (S140) - \$1,511,187 in progress at the end of the fiscal year.
- Began FY24 Annual Sidewalk Imp (S141) - \$970,079 in progress at the end of the fiscal year.
- Began Glenmore Ditch Bridges (S147) - \$235,223 in progress at the end of the fiscal year.
- Continued SH 225 Underpass Lighting (S165) - \$2,599 with \$255,943 in progress at the end of the fiscal year.
- Continued Kolb Roadway Repairs (S167) - \$58,300 with \$111,575 in progress at the end of the fiscal year.
- Began 2024 Annual Sidewalk Impr. (S197) - \$9,994 in progress at the end of the fiscal year.
- Continued Traffic Mobility (T014) - \$22,210 in progress at the end of the fiscal year.
- Continued Traffic Mobility Imprvmts Ph II (T018) - \$373,601 with \$1,594,083 in progress at the end of the fiscal year.
- Began 2024 Annual Traffic Imp Proj. (T019) - \$196,331 in progress at the end of the fiscal year.
- Continued Spencer 12" Waterline Ph II (W055) - \$892,780 with \$1,025,395 in progress at the end of the fiscal year.
- Continued SE Water Transmission Line (W059) - \$14,715 with \$32,808 in progress at the end of the fiscal year.
- Continued Jenkins Rd Waterline (W061) - \$403,246 with \$2,176,634 in progress at the end of the fiscal year.
- Continued Bay Area Water (W062) - \$178,004 with \$316,453 in progress at the end of the fiscal year.

- Continued 2023 Citywide Waterline Replacement (W069) - \$504,168 with \$1,229,636 in progress at the end of the fiscal year.
- Continued Cascade Water Storage Tank Rehab (W070) - \$1,145,554 with \$3,761,195 in progress at the end of the fiscal year.
- Began 2024 Citywide Waterline Rep Proj. (W073) - \$290,485 in progress at the end of the fiscal year.
- Continued Glenmore & Washington Waterline Improv Project (W075) - \$859,705 with \$2,630,569 in progress at the end of the fiscal year.
- Continued Southmore/Preston Waterline Improv Project (W076) - \$478,720 with \$3,315,216 in progress at the end of the fiscal year.
- Continued Waterline Loop-Pasadena Dis 18" (W080) - \$105,783 with \$380,880 in progress at the end of the fiscal year.
- Continued Taylor Lake 24' Bypass Waterline (W083) - \$153,593 with \$1,126,529 in progress at the end of the fiscal year.
- Continued CWA Pump Station Rehabilitation (W086) - \$192,173 with \$500,913 in progress at the end of the fiscal year.
- Began Groundwater Well at CWA Pump Sta (W093) - \$51,440 in progress at the end of the fiscal year.
- Continued WWTP Consolidation Phase II (WW046) - \$1,468,316 with \$1,832,821 in progress at the end of the fiscal year.
- Continued American Rescue Plan Administration (WW074) - \$1,407,952 with \$2,971,196 in progress at the end of the fiscal year.
- Continued Vince Bayou WWTP UV Project (WW083) - \$3,267,670 with \$3,803,216 in progress at the end of the fiscal year.
- Continued Golden Acres WWTP Line Imp (WW087) - \$1,056,708 with \$1,113,058 in progress at the end of the fiscal year.

CAPITAL ASSETS
(net of depreciation/amortization)
September 30, 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 147,758,200	\$ 147,758,200	\$ 1,624,352	\$ 1,624,352	\$ 149,382,552	\$ 149,382,552
Buildings and building improvements	87,199,446	86,157,972	1,389,316	1,425,578	88,588,762	87,583,550
Facilities and other improvements	35,521,727	36,265,360	9,457,961	9,750,678	44,979,688	46,016,038
Machinery and equipment	20,171,998	17,703,276	2,490,373	2,119,325	22,662,371	19,822,601
Machinery and equipment-leases	360,916	527,493	-	-	360,916	527,493
Infrastructure	339,133,536	337,178,255	263,171,524	264,567,633	602,305,060	601,745,888
Automotive equipment	20,861,185	20,297,200	6,356	7,122	20,867,541	20,304,322
Construction in progress	125,571,308	68,617,779	44,679,462	34,592,992	170,250,770	103,210,771
Totals	\$ 776,578,316	\$ 714,505,535	\$ 322,819,344	\$ 314,087,680	\$ 1,099,397,660	\$ 1,028,593,215

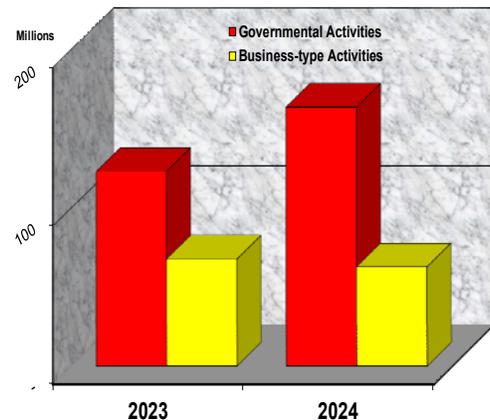
Additional information on the City of Pasadena's capital assets can be found in Note IV. D, on pages 82-84 in the notes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$226,136,234. Of this amount, \$113,985,489 represents debt backed and paid for by the full faith and credit of the City. \$49,569,347 represents debt secured by the sales tax revenue, and the remaining \$62,581,398 represents debt either secured by the net revenues of the City's water and sewer operations or by the full faith and credit of the City, but will be paid from the City's water and sewer operations.

The overall debt increased by \$35,777,490 (19%) attributed to the issuance of the sales tax revenues bonds, Series 2023. Please refer to note IV. H. on pages 88-92 in the notes to the financial statements for further information on the City's long-term debt. In addition, the statistical section of this report has various schedules on the City's debt capacity to help citizens and investors to assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Outstanding Debt ~ 2023 vs. 2024



CITY OF PASADENA'S LONG TERM DEBT September 30, 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General, certificate, and other obligations including refunding	\$ 113,614,517	\$ 122,352,081	\$ 62,581,398	\$ 67,473,248	\$ 176,195,915	\$ 189,825,329
Leases	370,972	533,415	-	-	370,972	533,415
Other long-term debt	49,569,347	-	-	-	49,569,347	-
Total	\$ 163,554,836	\$ 122,885,496	\$ 62,581,398	\$ 67,473,248	\$ 226,136,234	\$ 190,358,744

The City continues its goal to upgrade the City's debt rating. The City's underlying bond ratings are:

Tax Supported Debt: Standard & Poor's – "AA"
Fitch Ratings – "AA"

Utility Supported Debt: Standard & Poor's – "AA-"
Fitch Ratings – "AA"

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10% of its total assessed valuation. The current debt limitation for the City is \$1,405,839,190, which is significantly in excess of the City's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the most recent year available (as of December 2024) was 5.1%, up from 4.6% for the previous December per the Bureau of Labor Statistics.

- The fiscal year 2025 adopted budget for the general fund revenue of \$158,640,976, including the transfer in and sales of capital assets, is expected to increase 2.5% or \$3,873,754 when compared to the estimated revenue of \$154,767,222 for the current fiscal year. However, the actual revenue of

\$156,963,385 for the fiscal year 2024 exceeded the 2024 estimated revenue amount by 1.4% or \$2,196,163.

- The taxable value increased 11.7% or \$1.6 billion to \$15.1 billion in the fiscal year 2025 from \$13.5 billion in the fiscal year 2024. The Council adopted the voter approval ad valorem tax rate of \$0.474834/\$100 for the fiscal year 2025, which is an increase of 4.2% or \$.01320/\$100 than the fiscal year 2024 tax rate of \$0.455514/\$100. The effective tax rate (no new revenue) would have generated the same amount of tax levy for properties taxed in both fiscal years of 2024 and 2023; however, in fiscal year 2025, the voter approved rate was used, and as a result, the tax levy increased 1.98% and \$387,462 from new property.
- The assessed valuation of the Industrial District was not yet available when the 2025 budget was adopted in September 2024. The fiscal year 2025 budgeted amount of \$29,955,006 was estimated higher than fiscal year 2024. The assessed valuation for the fiscal year 2025 is now available, and the adjusted billable revenue was \$28,244,968, an increase by 5.7% or \$1,614,513 when compared to the actual current year industrial fee revenue of \$29,839,481 for the fiscal year 2024.
- With the national economy remaining the same, the budgeted sales tax revenue of \$30,500,000 for the fiscal year 2025 compared to \$29,300,000 as the estimated revenue for the fiscal year 2024. The actual sales tax revenue of \$29,269,689 turned out a bit lower than expected by \$30,311.
- The water and sewer revenue is meant to cover the City's cost in providing water and sewer service and to make debt payments. The 2025 budget of \$57,647,650 under the modified accrual basis reflected a decrease of 1.1% or \$652,212 when compared to the estimated revenue of \$58,299,862 for the fiscal year 2024.

These indicators were taken into account when adopting the general fund budget for fiscal year 2025. Revenues in the general fund are budgeted in the amount of \$158,640,976, including transfers and sales of capital assets, which is an increase of \$7,978,577 over the final fiscal year 2024 budget of \$150,662,399 (including transfers in and sale of capital assets). The actual revenue, including transfers and sale of capital assets, was \$156,963,385 for fiscal year 2024; indicating the fiscal year 2025 budget was in line.

Expenditures are budgeted to remain steady in comparison to the final budgeted expenditures of fiscal year 2024. This is due to funds transferred to the capital projects funds from the general fund.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Controller's Office.

BASIC FINANCIAL STATEMENTS

CITY OF PASADENA, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,463,858	\$ 2,501,132	\$ 5,964,990	\$ -
Investments	204,738,724	71,047,588	275,786,312	15,273,340
Receivables (net of allowances for uncollectible)	10,843,019	8,569,086	19,412,105	2,341,882
Due from component unit	25,226	-	25,226	-
Internal balances	(7,015,233)	7,015,233	-	-
Inventories	943,605	-	943,605	-
Prepaid items	3,768,628	-	3,768,628	-
Deposits	335,000	-	335,000	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	369,518	11,596,299	11,965,817	-
Investments	226,899,937	5,171,901	232,071,838	-
Intergovernmental receivables	14,955,729	-	14,955,729	-
Capital assets not being depreciated:				
Land	147,758,200	1,624,352	149,382,552	-
Construction in progress	125,571,308	44,679,462	170,250,770	-
Capital assets net of accumulated depreciation/amortization:				
Leases	360,916	-	360,916	-
Buildings and building improvements	87,199,446	1,389,316	88,588,762	-
Facilities and other improvements	35,521,727	9,457,961	44,979,688	-
Machinery and equipment	20,171,998	2,490,373	22,662,371	-
Infrastructure	339,133,536	263,171,524	602,305,060	-
Automotive	20,861,185	6,356	20,867,541	-
TOTAL ASSETS	1,235,906,327	428,720,583	1,664,626,910	17,615,222
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charges on:				
Refunding bonds	252,605	1,600,925	1,853,530	-
Deferred outflows on:				
TMRS pension	23,843,363	1,749,553	25,592,916	-
Fire pension	632,481	-	632,481	-
Healthcare OPEB	9,011,945	1,110,871	10,122,816	-
SDBF OPEB	552,503	44,808	597,311	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 34,292,897	\$ 4,506,157	\$ 38,799,054	\$ -

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
LIABILITIES				
Accounts payable and other current liabilities	\$ 9,590,344	\$ 4,173,338	\$ 13,763,682	\$ 440,530
Accrued payroll payable	3,750,985	328,141	4,079,126	395,513
Accrued interest payable	868,119	-	868,119	-
Due to primary government	-	-	-	25,226
Liabilities payable from restricted assets	20,303,379	2,152,217	22,455,596	-
Customer deposits	-	5,679,751	5,679,751	-
Unearned revenue	9,820,520	586,675	10,407,195	-
Noncurrent liabilities:				
Due within one year	11,582,543	4,787,569	16,370,112	-
Due in more than one year	280,237,566	69,466,772	349,704,338	-
TOTAL LIABILITIES	336,153,456	87,174,463	423,327,919	861,269
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on:				
TMRS pension	8,578,135	659,114	9,237,249	-
Fire pension	2,223	-	2,223	-
Healthcare OPEB	23,626,916	2,940,486	26,567,402	-
SDBF OPEB	1,191,995	96,649	1,288,644	-
Leases	320,347	-	320,347	-
TOTAL DEFERRED INFLOWS OF RESOURCES	33,719,616	3,696,249	37,415,865	-
NET POSITION				
Net investment in capital assets	715,307,907	273,742,351	989,050,258	-
Restricted for:				
Debt service	4,411,507	2,905,232	7,316,739	-
Capital projects and economic development	79,269,137	-	79,269,137	-
Public safety	5,772,052	-	5,772,052	16,753,953
Public works	472,790	-	472,790	-
Housing and community development	3,050,793	-	3,050,793	-
Cultural and recreation	9,148,794	-	9,148,794	-
Other purpose	2,029,093	-	2,029,093	-
Unrestricted	80,864,079	65,708,445	146,572,524	-
TOTAL NET POSITION	\$ 900,326,152	\$ 342,356,028	\$ 1,242,682,180	\$ 16,753,953

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

<u>FUNCTIONS/PROGRAMS</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 26,642,835	\$ 15,424,820	\$ -	\$ -
Public safety	69,357,564	7,199,470	2,182,300	4,608,041
Public works	54,796,103	2,692,719	18,293,242	23,970,990
Health	7,868,851	942,417	-	-
Culture and recreation	24,282,405	3,054,673	-	349,344
Housing and community development	11,374,575	77,504	11,111,110	9,687,892
Interest on long-term debt	8,418,625	-	-	-
Total governmental activities	<u>202,740,958</u>	<u>29,391,603</u>	<u>31,586,652</u>	<u>38,616,267</u>
Business-type activities:				
Water and sewer system	38,919,116	57,087,810	-	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 241,660,074</u>	<u>\$ 86,479,413</u>	<u>\$ 31,586,652</u>	<u>\$ 38,616,267</u>
Component unit:				
Pasadena Crime Control and Prevention District	<u>\$ 14,480,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
 General property taxes
Business taxes and fees
 Industrial district fees
 Sales taxes
 Franchise fees
 Other taxes
Total business taxes and fees
Investment earnings
 Unrestricted
 Restricted
Gain on sale of capital assets
Transfers
Total general revenues and transfers
CHANGE IN NET POSITION
NET POSITION - BEGINNING
NET POSITION - ENDING

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
\$ (11,218,015)	\$ -	\$ (11,218,015)	\$ -
(55,367,753)	-	(55,367,753)	-
(9,839,152)	-	(9,839,152)	-
(6,926,434)	-	(6,926,434)	-
(20,878,388)	-	(20,878,388)	-
9,501,931	-	9,501,931	-
(8,418,625)	-	(8,418,625)	-
(103,146,436)	-	(103,146,436)	-
-	18,168,694	18,168,694	-
(103,146,436)	18,168,694	(84,977,742)	-
			14,480,046
66,436,178	-	66,436,178	-
29,777,938	-	29,777,938	-
43,904,533	-	43,904,533	14,358,462
8,531,009	-	8,531,009	-
2,242,681	-	2,242,681	-
84,456,161	-	84,456,161	14,358,462
10,813,590	4,175,547	14,989,137	-
13,230,597	-	13,230,597	840,884
-	-	-	-
(13,972,891)	13,972,891	-	-
160,963,635	18,148,438	179,112,073	15,199,346
57,817,199	36,317,132	94,134,331	719,300
842,508,953	306,038,896	1,148,547,849	16,034,653
\$ 900,326,152	\$ 342,356,028	\$ 1,242,682,180	\$ 16,753,953

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,463,858	\$ -	\$ -	\$ -
Investments	169,962,512	-	-	-
Receivables (net of allowance for uncollectible)	7,604,282	270,792	2,417,919	2,200
Due from other funds	1,213,369	988,993	-	34,532,537
Due from component unit	33,353	-	-	-
Restricted assets				
Cash and cash equivalents	-	-	10,145	-
Investments	-	4,067,450	131,094,008	58,769,348
Receivables (net of allowance for uncollectible)	-	-	-	-
TOTAL ASSETS	\$ 182,277,374	\$ 5,327,235	\$ 133,522,072	\$ 93,304,085
<u>LIABILITIES</u>				
Accounts payable	\$ 7,781,853	\$ 47,609	\$ -	\$ -
Accrued payroll payable	3,470,690	-	-	-
Due to other funds	52,294,419	-	-	-
Due to component unit	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue - other	-	-	-	-
Liabilities payable from restricted assets	-	-	1,397,178	9,620,030
TOTAL LIABILITIES	63,546,962	47,609	1,397,178	9,620,030
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	1,117,080	318,328	-	-
Unavailable revenue - industrial district fees	52,307	-	-	-
Deferred inflows - leases	320,347	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,489,734	318,328	-	-
<u>FUND BALANCES</u>				
Restricted	-	4,961,298	132,124,894	51,751,809
Committed	15,000	-	-	31,360,007
Assigned	2,241,160	-	-	572,239
Unassigned	114,984,518	-	-	-
TOTAL FUND BALANCES	117,240,678	4,961,298	132,124,894	83,684,055
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 182,277,374	\$ 5,327,235	\$ 133,522,072	\$ 93,304,085

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 funds.
- Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
- Internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mail room, and risk management in regards to workers' compensation claims; general liability insurance, and health care benefits to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.
- Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

NET POSITION OF GOVERNMENTAL ACTIVITIES

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 3,463,858
-	-	169,962,512
-	-	10,295,193
440,677	55,566	37,231,142
-	-	33,353
306,305	53,068	369,518
20,365,300	12,603,831	226,899,937
14,239,501	716,228	14,955,729
\$ 35,351,783	\$ 13,428,693	\$ 463,211,242
\$ -	\$ -	\$ 7,829,462
-	-	3,470,690
-	-	52,294,419
8,127	-	8,127
110,747	-	110,747
9,820,480	40	9,820,520
9,136,526	149,645	20,303,379
19,075,880	149,685	93,837,344
-	-	1,435,408
-	-	52,307
-	-	320,347
-	-	1,808,062
7,302,182	13,279,008	209,419,191
8,973,721	-	40,348,728
-	-	2,813,399
-	-	114,984,518
16,275,903	13,279,008	367,565,836
\$ 35,351,783	\$ 13,428,693	
		744,917,432
		1,487,715
		69,058,606
		(282,703,437)
		\$ 900,326,152

The accompanying notes are an integral part of the financial statements

CITY OF PASADENA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
REVENUES				
General property taxes	\$ 54,134,499	\$ 12,285,769	\$ -	\$ -
Business taxes and fees				
Industrial district fees	29,839,481	-	-	-
Sales taxes	29,269,689	-	14,634,844	-
Franchise fees	8,788,667	-	-	-
Other taxes and fees	361,769	-	-	-
Total business taxes and fees	<u>68,259,606</u>	<u>-</u>	<u>14,634,844</u>	<u>-</u>
Licenses and permits	2,531,044	-	-	-
Municipal court fines	3,277,113	-	-	-
Charges for services	14,879,428	-	-	-
Intergovernmental	245,039	-	-	-
Program income	-	-	-	-
Contribution from outside sources	-	-	-	12,600
Miscellaneous	1,734,325	-	12,551	-
Investment income	<u>8,865,778</u>	<u>210,747</u>	<u>6,844,566</u>	<u>3,522,484</u>
TOTAL REVENUES	<u>153,926,832</u>	<u>12,496,516</u>	<u>21,491,961</u>	<u>3,535,084</u>
EXPENDITURES				
Current:				
General government	18,638,855	-	-	2,081
Public safety	43,404,577	-	-	-
Public works	22,797,621	-	1,153,021	-
Health	6,313,308	-	-	-
Culture and recreation	17,852,465	-	-	-
Housing and community development	-	-	-	-
Debt Service:				
Principal	162,443	7,640,000	985,000	-
Interest	17,092	4,622,763	2,019,276	-
Underwriter/issuance costs	-	-	584,624	-
Capital Outlay:				
General government	-	-	-	2,003,074
Public safety	-	-	-	7,592,532
Public works	-	-	13,042,029	18,804,146
Health	-	-	-	1,432,890
Culture and recreation	-	-	-	310,408
TOTAL EXPENDITURES	<u>109,186,361</u>	<u>12,262,763</u>	<u>17,783,950</u>	<u>30,145,131</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>44,740,471</u>	<u>233,753</u>	<u>3,708,011</u>	<u>(26,610,047)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	-	-	17,321,380
Transfers out	(35,886,130)	-	-	-
Bonds issued	-	-	49,500,000	-
Premiums on bonds issued	-	-	1,090,861	-
Sale of capital assets	36,553	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(32,849,577)</u>	<u>-</u>	<u>50,590,861</u>	<u>17,321,380</u>
NET CHANGE IN FUND BALANCES	11,890,894	233,753	54,298,872	(9,288,667)
FUND BALANCES, BEGINNING	105,349,784	4,727,545	77,826,022	92,972,722
FUND BALANCES, ENDING	<u>\$ 117,240,678</u>	<u>\$ 4,961,298</u>	<u>\$ 132,124,894</u>	<u>\$ 83,684,055</u>

<u>Grant Management</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 66,420,268
-	-	29,839,481
-	-	43,904,533
-	156,648	8,945,315
-	1,880,912	2,242,681
-	2,037,560	84,932,010
-	2,340	2,533,384
-	368,730	3,645,843
-	-	14,879,428
66,930,198	248,658	67,423,895
49,126	-	49,126
-	-	12,600
-	498,152	2,245,028
2,070,937	581,863	22,096,375
69,050,261	3,737,303	264,237,957
-	355,100	18,996,036
2,779,121	1,369,805	47,553,503
42,084,708	-	66,035,350
-	-	6,313,308
349,344	454,553	18,656,362
23,241,284	-	23,241,284
-	-	8,787,443
-	-	6,659,131
-	-	584,624
-	-	2,003,074
-	-	7,592,532
-	-	31,846,175
-	-	1,432,890
-	-	310,408
68,454,457	2,179,458	240,012,120
595,804	1,557,845	24,225,837
-	-	20,321,380
-	-	(35,886,130)
-	-	49,500,000
-	-	1,090,861
-	-	36,553
-	-	35,062,664
595,804	1,557,845	59,288,501
15,680,099	11,721,163	308,277,335
\$ 16,275,903	\$ 13,279,008	\$ 367,565,836

The accompanying notes are an integral part of the financial statements



**CITY OF PASADENA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Amounts reported for governmental activities in the statement of activities (page 42-43) are different because:

Net change in fund balances - total governmental funds (page 47)	\$	59,288,501
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.		62,968,108
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, and donations) is a decrease to net position.		(762,882)
Revenues in the statement of activities that do not provide current financial resources are deferred as revenues in the funds.		(1,049,637)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(43,573,748)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Governmental funds report payments as expenditures in the period of disbursement. The liquidation of long-term liabilities previously accrued should not be reported in the statement of activities.		(24,442,400)
Internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mailroom, and risk management in regards to workers' compensation claims; general liability insurance, and health care benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		5,389,257
Change in net position of governmental activities (page 43)	\$	<u>57,817,199</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 54,464,541	\$ 54,464,541	\$ 54,134,499	\$ (330,042)
Business taxes and fees				
Industrial district fees	27,607,000	27,607,000	29,839,481	2,232,481
Sales taxes	30,200,000	30,200,000	29,269,689	(930,311)
Franchise fees	8,332,600	8,332,600	8,788,667	456,067
Other taxes and fees	325,000	325,000	361,769	36,769
Total business taxes and fees	<u>66,464,600</u>	<u>66,464,600</u>	<u>68,259,606</u>	<u>1,795,006</u>
Licenses and permits	2,384,500	2,384,500	2,531,044	146,544
Municipal court fines	2,670,000	2,670,000	3,277,113	607,113
Charges for services	13,370,900	13,370,900	14,879,428	1,508,528
Intergovernmental	245,500	245,500	245,039	(461)
Miscellaneous	1,193,925	1,510,358	1,734,325	223,967
Investment income	6,512,000	6,512,000	8,865,778	2,353,778
TOTAL REVENUES	<u>147,305,966</u>	<u>147,622,399</u>	<u>153,926,832</u>	<u>6,304,433</u>
EXPENDITURES				
Current				
General Government				
City council	215,979	220,180	201,186	18,994
Mayor	743,684	769,564	747,877	21,687
Budget and financial planning	927,463	581,282	539,504	41,778
Municipal court	2,777,467	2,639,792	2,306,363	333,429
City controller	2,465,680	1,680,250	1,426,294	253,956
Tax	718,470	761,190	761,169	21
Purchasing	612,176	638,955	634,591	4,364
Legal	1,859,927	1,569,448	1,425,847	143,601
City secretary	468,308	499,930	414,461	85,469
Elections	204,650	153,692	554	153,138
Human resources	1,103,762	738,683	682,220	56,463
Civil service	62,238	62,238	30,170	32,068
City marshal	1,653,421	1,755,458	1,722,941	32,517
Community relations	1,422,190	1,439,925	1,278,114	161,811
Pasadena action line	510,683	539,549	508,629	30,920
Planning	674,125	680,634	518,629	162,005
Planning/development administration	156,447	159,588	159,587	1
Economic development liaison	576,225	583,288	575,109	8,179
Neighborhood network	688,005	705,627	553,605	152,022
Inspections	2,300,366	2,324,034	2,185,347	138,687
Property management	1,487,960	1,088,175	590,269	497,906
City hall	764,017	834,517	564,293	270,224
Facilities management	286,548	293,393	140,240	153,153
Impound/storage	355,129	360,661	354,706	5,955
Other charges	7,811,821	2,815,921	317,150	2,498,771
Total General Government	<u>30,846,741</u>	<u>23,895,974</u>	<u>18,638,855</u>	<u>5,257,119</u>
Public Safety				
Emergency preparedness	1,143,728	2,523,070	1,387,208	1,135,862
Fire fighting	4,915,818	4,603,955	4,058,304	545,651
Fire prevention	1,947,671	1,968,460	1,862,803	105,657
Police	50,514,720	37,170,279	35,314,865	1,855,414
Code enforcement	864,984	871,044	781,397	89,647
Total Public Safety	<u>59,386,921</u>	<u>47,136,808</u>	<u>43,404,577</u>	<u>3,732,231</u>
Public Works				
Engineering	2,828,021	2,886,103	2,491,897	394,206
Street lighting and signals	1,250,000	1,250,000	1,184,467	65,533
Sanitation	10,492,187	14,445,414	14,114,638	330,776
Street and bridge	3,422,488	3,507,453	3,260,083	247,370
Traffic and transportation	1,879,044	1,921,142	1,746,536	174,606
Total Public Works	<u>\$ 19,871,740</u>	<u>\$ 24,010,112</u>	<u>\$ 22,797,621</u>	<u>\$ 1,212,491</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health				
Health	\$ 3,110,260	\$ 3,219,512	\$ 2,894,959	\$ 324,553
Animal rescue and assistance	3,672,127	3,725,885	3,418,349	307,536
Total Health	6,782,387	6,945,397	6,313,308	632,089
Culture and Recreation				
Parks	4,180,707	4,389,500	3,970,105	419,395
Recreation	5,279,990	5,246,620	4,563,115	683,505
Clean streets	2,315,361	2,340,614	2,019,877	320,737
Golf course	1,580,838	1,702,098	1,354,188	347,910
Multi-purpose center	630,977	636,255	527,621	108,634
Civic center	820,697	827,813	781,226	46,587
Senior center - Madison Jobe	945,253	958,434	827,993	130,441
Museum	174,348	177,041	125,673	51,368
Library	4,236,288	4,310,952	3,682,667	628,285
Total Culture and Recreation	20,164,459	20,589,327	17,852,465	2,736,862
Debt Service				
Principal	-	162,443	162,443	-
Interest	-	17,092	17,092	-
Total Debt Service	-	179,535	179,535	-
TOTAL EXPENDITURES	137,052,248	122,757,153	109,186,361	13,570,792
EXCESS REVENUES OVER EXPENDITURES	10,253,718	24,865,246	44,740,471	19,875,225
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	(14,036,459)	(35,886,130)	(35,886,130)	-
Sale of capital assets	40,000	40,000	36,553	(3,447)
TOTAL OTHER FINANCING (USES)	(10,996,459)	(32,846,130)	(32,849,577)	(3,447)
NET CHANGE IN FUND BALANCES	(742,741)	(7,980,884)	11,890,894	19,871,778
FUND BALANCES - BEGINNING	100,793,363	105,349,784	105,349,784	-
FUND BALANCES - ENDING	\$ 100,050,622	\$ 97,368,900	\$ 117,240,678	\$ 19,871,778

The accompanying notes are an integral part of the financial statements

CITY OF PASADENA, TEXAS
GRANT MANAGEMENT (MAJOR SPECIAL REVENUE FUND) - BUDGETED
FEDERAL EQUITABLE SHARING OF FORFEITED PROPERTY JUSTICE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND (PROGRAM) BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 579,374	\$ 579,374
Investment income	119,000	119,000	157,158	38,158
TOTAL REVENUES	119,000	119,000	736,532	617,532
EXPENDITURES				
Current				
Public Safety				
Contractual services	123,000	127,764	27,225	100,539
Materials and supplies	159,000	164,926	92,799	72,127
Capital outlay	50,000	195,273	189,795	5,478
TOTAL EXPENDITURES	332,000	487,963	309,819	178,144
NET CHANGE IN FUND BALANCE	(213,000)	(368,963)	426,713	795,676
FUND (PROGRAM) BALANCE - BEGINNING	2,531,845	2,786,943	2,786,943	-
FUND (PROGRAM) BALANCE - ENDING	\$ 2,318,845	\$ 2,417,980	\$ 3,213,656	\$ 795,676

The accompanying notes are an integral part of the financial statements

CITY OF PASADENA, TEXAS
GRANT MANAGEMENT (MAJOR SPECIAL REVENUE FUND) - BUDGETED
FEDERAL EQUITABLE SHARING OF FORFEITED PROPERTY TREASURY DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND (PROGRAM) BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 15,019	\$ 15,019
Investment income	23,000	23,000	28,456	5,456
TOTAL REVENUES	23,000	23,000	43,475	20,475
EXPENDITURES				
Current				
Public Safety				
Contractual services	58,000	58,150	34,855	23,295
Materials and supplies	73,000	83,744	26,641	57,103
TOTAL EXPENDITURES	131,000	141,894	61,496	80,398
NET CHANGE IN FUND BALANCE	(108,000)	(118,894)	(18,021)	100,873
FUND (PROGRAM) BALANCE - BEGINNING	481,028	533,650	533,650	-
FUND (PROGRAM) BALANCE - ENDING	\$ 373,028	\$ 414,756	\$ 515,629	\$ 100,873

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 2,501,132	\$ -
Investments		
TexPool	70,993,221	34,776,212
CLASS	54,367	-
Receivables (net of allowances for uncollectible)	8,569,086	547,826
Due from other funds	14,690,850	1,858,835
Inventory, at cost	-	943,605
Prepaid items	-	1,173,343
Restricted assets		
Cash and cash equivalents	11,596,299	-
Investments		
Texpool	3,151,112	-
CLASS	2,020,789	-
Total Current Assets	113,576,856	39,299,821
Noncurrent Assets		
Deposits	-	335,000
Capital assets		
Land	1,624,352	602
Buildings and building improvements	4,090,119	2,480,236
Accumulated depreciation - buildings and building improvements	(2,700,803)	(1,912,266)
Facilities and other improvements	14,475,810	188,004
Accumulated depreciation - facilities and other improvements	(5,017,849)	(103,427)
Machinery and equipment	13,354,455	15,254,501
Accumulated depreciation - machinery and equipment	(10,864,082)	(9,385,414)
Infrastructure	417,923,242	41,746
Accumulated depreciation - Infrastructure	(154,751,718)	(35,089)
Automotive	101,728	56,184,208
Accumulated depreciation - automotive	(95,372)	(35,323,023)
Construction in progress	44,679,462	6,866,091
Net capital assets	322,819,344	34,256,169
Total Noncurrent Assets	322,819,344	34,591,169
TOTAL ASSETS	\$ 436,396,200	\$ 73,890,990
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred charges on:		
Refunding bonds	\$ 1,600,925	\$ -
Deferred outflows on:		
Contribution subsequent to the measurement date pension - TMRS	679,886	637,082
Deferred outflows on difference between expected and actual - pension TMRS	894,751	700,989
Changes in actuarial assumptions pension - TMRS	19	59
Difference between expected and actual experience - OPEB	315,369	78,910
Changes in actuarial assumptions - OPEB	640,964	285,607
Contributions subsequent to the measurement date - OPEB	154,538	38,668
Changes in actuarial assumptions - OPEB-SDBF	35,942	34,734
Contribution subsequent to the measurement date - OPEB-SDBF	8,858	8,562
Difference between expected and actual economic experience pension - TMRS	174,897	91,916
Difference between expected and actual economic experience OPEB-SDBF	8	8
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,506,157	\$ 1,876,535

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 4,173,338	\$ 1,760,882
Accrued payroll payable	328,141	280,295
Due to other funds	-	1,486,408
Claims payable	-	696,964
Compensated absences payable	157,569	191,336
Customer deposits	5,679,751	-
Liabilities payable from restricted assets		
Accounts payable	1,609,635	-
Unearned revenue	586,675	-
Retainage payable	296,702	-
Accrued interest payable	245,880	-
Bonds payable	4,630,000	-
Total Current Liabilities	17,707,691	4,415,885
Noncurrent Liabilities		
Bonds payable (including unamortized premiums)	57,951,398	-
Claims payable	-	464,643
Compensated absences payable	1,418,118	1,722,025
OPEB GASB 75 liability	5,631,466	2,401,915
SDBF OPEB liability	297,349	287,260
Net pension liability	4,168,441	3,469,694
Total Noncurrent Liabilities	69,466,772	8,345,537
TOTAL LIABILITIES	87,174,463	12,761,422
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows on:		
Difference between expected and actual of pension - TMRS	426,379	373,604
Change in assumption SDBF	78,297	75,687
Difference between expected and actual experience SDBF	18,352	17,739
Assumption OPEB	1,259,544	347,082
Difference between expected and actual experience OPEB	1,680,942	590,919
Deferred inflows on assumption pension - TMRS	232,735	218,083
TOTAL DEFERRED INFLOWS OF RESOURCES	3,696,249	1,623,114
<u>NET POSITION</u>		
Net investment in capital assets	273,742,351	34,256,169
Restricted for debt service	2,905,232	-
Unrestricted	73,384,062	27,126,820
TOTAL NET POSITION	350,031,645	\$ 61,382,989
Adjustments to reflect the consolidation of internal service fund activities related to enterprise fund	(7,675,617)	
Net position of business-type activities	\$ 342,356,028	

The accompanying notes are an integral part of the financial statements



CITY OF PASADENA, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water and Sewer System</u>	
OPERATING REVENUES		
Charges for sales and services	<u>\$ 57,087,810</u>	<u>\$ 39,933,492</u>
OPERATING EXPENSES		
Personnel services	9,752,923	8,679,138
Contractual services	9,625,117	2,726,662
Material and supplies	1,335,506	5,877,608
Maintenance charges	1,281,151	2,175,908
Sewer and water payments - Clear Lake Water Authority and City of Seabrook	120,356	-
Operating, maintenance and water charges - Southeast Water Purification Plant	7,109,052	-
Insurance/reinsurance premiums	-	8,400,380
Claims and legal expenses	-	14,221,353
Administration fees	-	566,505
Miscellaneous	40,624	888,527
Depreciation	7,275,086	4,599,966
TOTAL OPERATING EXPENSES	<u>36,539,815</u>	<u>48,136,047</u>
OPERATING INCOME (LOSS)	<u>20,547,995</u>	<u>(8,202,555)</u>
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale and retirement of capital assets	(2,427)	373,172
Investment income	4,175,547	1,947,812
Interest expense on bonds	(2,037,881)	-
Amortization	227,387	-
TOTAL NONOPERATING REVENUES	<u>2,362,626</u>	<u>2,320,984</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>22,910,621</u>	<u>(5,881,571)</u>
CAPITAL CONTRIBUTIONS	<u>6,332,204</u>	<u>2,780,385</u>
TRANSFERS IN	<u>12,628,291</u>	<u>7,924,063</u>
TRANSFERS (OUT)	<u>(4,987,604)</u>	<u>-</u>
CHANGES IN NET POSITION	<u>36,883,512</u>	<u>4,822,877</u>
TOTAL NET POSITION - BEGINNING	<u>313,148,133</u>	<u>56,560,112</u>
TOTAL NET POSITION - ENDING	<u>\$ 350,031,645</u>	<u>\$ 61,382,989</u>
CHANGES IN NET POSITION	<u>\$ 36,883,512</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>(566,380)</u>	
Change in net position of business-type activities (page 43)	<u>\$ 36,317,132</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water and Sewer System</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from interfund services	\$ -	\$ 32,189,079
Cash received from customers and users	58,436,856	6,200,313
Cash payments to suppliers for goods and services	(34,387,035)	(9,525,829)
Cash payments to employees for services	(7,808,815)	(6,675,210)
Cash payments for insurance premiums, liability claims, and administration	-	(23,381,982)
NET CASH PROVIDED (USES) BY OPERATING ACTIVITIES	<u>16,241,006</u>	<u>(1,193,629)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers (to)/from other funds		
General fund	-	5,936,459
General fund	(3,000,000)	-
Health insurance fund	(1,000,000)	-
Water and sewer system fund	-	1,987,604
Maintenance fund	(987,604)	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>7,640,687</u>	<u>7,924,063</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from sale of capital assets	-	568,360
Acquisition and construction of capital assets	(9,676,973)	(2,795,362)
Principal paid on capital debt	(4,435,000)	-
Interest paid on capital debt	(2,061,494)	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(16,173,467)</u>	<u>(2,227,002)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(34,970,885)	(30,500,107)
Proceeds from sale and maturities of investments	24,605,249	24,048,863
Investment income received	4,175,547	1,947,812
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(6,190,089)</u>	<u>(4,503,432)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,518,137	-
CASH AND CASH EQUIVALENTS - BEGINNING	<u>12,579,294</u>	-
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 14,097,431</u>	<u>\$ -</u>
CLASSIFIED AS:		
Current assets	\$ 2,501,132	\$ -
Restricted assets	11,596,299	-
	<u>\$ 14,097,431</u>	<u>\$ -</u>

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USES) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 20,547,995	\$ (8,202,555)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	7,275,086	4,599,966
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	1,167,132	(94,474)
(Increase) in due from other funds	(12,833,406)	(1,449,626)
(Increase) in prepaid items	-	25,665
Decrease in inventory	-	128,984
(Increase) in deposits	-	(7,000)
Decrease in pension/OPEB-related deferred outflows and inflows	1,358,994	2,008,187
(Decrease) increase in accounts and claims payable	(2,041,823)	379,442
Increase in accrued payroll liabilities	52,519	38,537
(Decrease) increase in compensated absences payable	(45,918)	126,224
Increase in net pension liability	97,660	91,512
Increase in due to other funds	-	1,422,041
(Decrease) in total OPEB liability	(1,102,552)	(260,532)
Increase in customer deposits	181,914	-
Increase in pension-related deferred inflows	1,583,405	-
Total Adjustments	(4,306,989)	7,008,926
NET CASH PROVIDED (USES) BY OPERATING ACTIVITIES	\$ 16,241,006	\$ (1,193,629)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contribution of capital assets from the government	\$ 6,332,204	\$ 2,780,385

The accompanying notes are an integral part of the financial statements



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**CITY OF PASADENA, TEXAS
NOTES TO FINANCIAL STATEMENTS**

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**CITY OF PASADENA, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pasadena, Texas, (the “City”) was incorporated December 26, 1928 and adopted the “Home Rule Charter” on December 12, 1964 pursuant to the Laws of the State of Texas. The City is governed by an elected Mayor and eight-member council and provides such services as authorized by the Charter to advance the welfare, health, comfort, safety, and convenience of the City and its citizens.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to state and local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards that, along with subsequent GASB pronouncements (Statements and Interpretations), constitute GAAP for state and local governments.

A. Reporting Entity

As required by generally accepted accounting principles, the accompanying basic financial statements present the City (the primary government) and its component units over which the City has significant relationship and influence.

Blended Component Unit. The Pasadena Economic Development Corporation (the “Corporation”) is reported as a capital projects fund. The Corporation is managed by a seven-member board of directors appointed by the Mayor and approved by the City Council. Although it is legally separate from the City, the Corporation is reported as if it was part of the City (the primary government) because its sole purpose is to provide economic resources to fund the City’s capital projects such as repair and improvement of streets, sidewalks, sewer and water lines, drainage systems, and parks that stimulate the City’s business climate, promote new and expanded business enterprises, and improve residential quality of life. All completed projects are recorded as the City’s capital assets.

Discretely Presented Component Unit. The component unit column in the basic financial statements includes the financial data of the City’s other component unit, the Pasadena Crime Control and Prevention District (the “District”). The District is reported in a separate column to emphasize that it is legally separated from the City. The District was established to fund crime control initiatives and public safety programs for the benefit of the citizenries and is managed by a seven-member board of directors appointed by the Mayor and approved by the City Council. The City has the ability to impose its will on the District because it approves the District’s budgets and the City is legally entitled to and does have complete access to the District’s economic resources.

Each component unit is funded by the levy of one-half of one percent sales and use tax approved by the voters on November 3, 1998. Separate financial statements for the two component units are available at the City Controller’s office.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* is used to display the financial position of all of the activities of the City (the primary government) and its component units. The focus of this statement is on governmental and business-type activities rather than major fund reporting required in the fund financial statements. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from the business-type activities, which are supported mainly on fees and charges to external customers. The City (primary government) is reported separately from certain legally separate component units for which the City has ongoing financial relationships.

The objective of this statement is to provide information needed to evaluate the financial condition; to assess the level of services provided and its ability to meet its obligations as it comes due; to understand the extent of invested capital assets, including roads, bridges, and other infrastructure assets; and to disclose legal or contractual restriction on resources.

The *Statement of Activities* demonstrates the degree to which direct expenses of a given function/program (e.g., general government, public safety, public works, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function/program. Indirect expenses are automatically allocated to the applicable function/program and have been included in the program expenses reported for the various function/program activities.

Program revenues are (1) charges for services for specific purposes such as charges for water and sewer services and garbage collections and it also includes user fees for culture and recreational facilities, charges for licenses and permits, and fines and forfeitures and (2) grants and contributions that are restricted to meet the operational or capital requirement of a particular function/program. Property and business taxes and other revenue sources not included with program revenues are reported as general revenue.

The objective of this statement is not to identify which function/program made or lost money, but rather to report the relative financial burden of each function/program on taxpayers.

Fund Financial Statements

The fund financial statements are used to report additional detailed information about the City (the primary government). Fund financial statements focus on major funds of the City in contrast to governmental and business-type activities reported in the government-wide statements.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

In conclusion, the focus of the government-wide financial statements is on the City as a whole. It emphasizes the operational accountability to the extent that the City has met its operating objectives efficiently and effectively, using all resources available for these purposes, and the sustainability of the City as an entity. The focus on the fund financial statements is on major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is internal services provided by the internal service funds. Elimination of these charges would distort the direct costs reported in the various function concerned.

Fund Financial Statements

Governmental Funds

The governmental fund financial statements are presented using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This is the manner in which these funds (general, debt service, four of the special revenue funds, and two grant management programs) are normally budgeted. This presentation is to demonstrate legal and covenant compliance, the source and use of liquid resources, and to establish that the City's actual performance conforms to the budgeted fiscal plan. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue is available to finance the expenditures of the same fiscal period for which it is recorded. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Major revenue sources susceptible to accrual include: property taxes, business taxes (sales, utility, and other types), intergovernmental revenues (federal and state grants) and investment income. In general, other revenues are recognized when cash is received.

Proprietary Funds

The proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements. It measures economic resources using the full accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The proprietary fund category includes enterprise and internal service fund types.

The principal operating revenues of the City's water and sewer system enterprise fund are charges to customers for sales and services. Operating expenses for the water and sewer system enterprise fund and internal service funds include the cost of sales and services, claims and administrative expenses, and depreciation on capital assets.

Focus on Major Funds

Under GASB Statement No. 34, the focus of the fund financial statements is on major funds, which generally represent the City's most important funds. Each major governmental and enterprise fund must be presented in its own column in the governmental or proprietary fund statements. Non-major funds are aggregated and presented in a single column.

The City reports the following major funds:

Governmental Funds

General fund accounts for several of the City's primary services (General Government, Public Safety, and Public Works, etc.) and is the primary operating unit of the City. The general fund is always considered a major fund for reporting purposes.

Debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The debt service fund is considered a non-major fund for reporting purposes, but the City has elected to present as major due to its significance.

Pasadena Economic Development Corporation fund accounts for the resources accumulated and payments made for the City's capital improvement projects. Its sole purpose is to provide economic resources to fund the City's capital projects such as repair and improvement of streets, sidewalks, sewer and water lines, drainage systems, and parks that stimulate the City's business climate, promote new and expanded business enterprises, and improve residential quality of life. All completed projects are recorded as the City's capital assets. The Corporation is considered a major fund for reporting purposes.

Capital projects fund accounts for the acquisition of capital assets and construction of major capital projects not being financed by Pasadena Economic Development Corporation or proprietary funds. The capital projects fund is considered a major fund for reporting purposes.

Grant management fund accounts for the City's federal and state grant programs. Major grants included in the fund are Section 8 Rental Voucher Program, HOME Investment Partnership Program, Community Development Block Grants, and Urban Area Security Initiative grants from the Department of Housing and Urban Development, and the Federal Equitable Sharing of Forfeited Property through the Justice and Treasury Departments. The grant management fund is considered a major fund for reporting purposes.

Proprietary Funds

Water and sewer system enterprise fund accounts for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations, when due, throughout the year. All costs are financed through charges made to utility customers. Rates are reviewed periodically and adjusted as necessary to ensure integrity of the fund.

Additionally, the City also reports the following fund type:

Internal service funds account for the financing of goods or services provided by one department to other departments within the City, generally on a cost reimbursement basis. These include the technical services, warehouse, fleet, facilities operation, mail room, and risk management in regards to workers' compensation claims, general liabilities, and health care benefits.

D. Assets, Liabilities, and Net Position or Fund Balance (Equity)

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. It is the policy of the City to require a full collateralization of all City funds on deposit with a depository bank.

The City follows the Laws of the State of Texas on investment of its funds, which are specifically limited to the following:

- 1) Obligations of the United States or its agencies and instrumentalities
- 2) Direct obligations of the State of Texas or its agencies
- 3) Other obligations, the principal of and interest on, which are unconditionally guaranteed or insured by the State of Texas or the United States
- 4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent
- 5) Certificates of deposit issued by state and national banks domiciled in this state
- 6) Fully collateralized direct repurchase agreements
- 7) Certificates of deposit issued by savings and loan associations domiciled in this state

An inter-local agreement was approved by the City Council on April 14, 1992 allowing the City Controller, designated and acting as the investment officer for the City, to invest City funds in TexPool, a Texas Local Government Investment Pool, and LOGIC, a Local Government Investment Cooperative. On May 20, 1997, the City Council approved a resolution authorizing the City to participate in Texas CLASS, a Cooperative Liquid Assets Security System that allows Texas municipalities to cooperate in the investment of their available funds.

During the year, the City invested in TexPool, LOGIC, and CLASS. Investments in TexPool, LOGIC, and CLASS operate like a "2a7-like" pool and are reported at amortized cost.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property taxes receivable are shown net of an allowance for uncollectible. The property tax receivable allowance is approximately equal to 70% of outstanding property taxes at September 30, 2024, less the revenues collected subsequently within 60 days after year end.

3. Inventories and Prepaid Items

Inventories of supplies are maintained at the City warehouse for use by all City departments and are accounted for using the consumption method; that is to say, inventories are reported as an asset until consumed, at which time the expenditure would be reported. Inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

All capital assets will be properly accounted for and reported in accordance with Generally Accepted Accounting Principles (GAAP), and the Governmental Accounting Standards Board (GASB). Capital assets, which include land, buildings and building improvements, facilities and other improvements (recreation area and athletic fields, swimming pools, tennis courts, golf courses, pavilions, path and trails, fencing, and landscaping), machinery and equipment, infrastructure (roads, sidewalks, fire hydrants, bridges, traffic light systems, and water and sewer lines and plants), automotive equipment, and construction in progress, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

<u>Capital Assets</u>	<u>Years</u>
Buildings and building improvements	41 to 50
Facilities and other improvements	20 to 75
Machinery and equipment	5 to 10
Infrastructure	10 to 88
Automotive	5 to 12

Individual assets that cost less than \$5,000, but that operate as part of a network system may be capitalized in the aggregate, using the group method, if the estimated average useful life of the individual asset is at least two years. A network is determined to be where individual components may be below \$5,000 but are interdependent and the overriding value to the City is on the entire network and not the individual assets (e.g., computer systems and telephone systems).

Groups of Assets – A group of individual pieces if all of the following are true:

- a) Collectively cost a minimum of \$100,000
- b) Located in the same room
- c) Used together
- d) Similar purchase dates
- e) The expected useful life should extend beyond the depreciable years.

5. Leases

Lessee:

The City of Pasadena is a lessee for a noncancellable lease of equipment. The City of Pasadena recognizes a lease liability and an intangible, right-to-use lease asset (the “lease asset”) in the government-wide financial statements. The City of Pasadena recognizes lease liabilities with an initial, individual value of \$100,000 or more.

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

Key estimates and judgments related to leases include how the City of Pasadena determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City of Pasadena uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City of Pasadena generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City of Pasadena is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor:

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

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

Key estimates and judgments include how the City of Pasadena determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

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

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

Lease activity will be reported in the City's financial statements and footnotes in accordance with the requirements outlined in GASB Statement No. 87.

6. Subscription-Based Information Technology Arrangements (“SBITAs”)

SBITAs are defined as a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes a subscription liability and an intangible subscription asset when the subscription asset is placed into service and have a term exceeding one year and the cumulative future payments on the contract exceed \$100,000, unless the contract is considered a short-term SBITA. A subscription asset is measured based on the net present value of subscription payments expected to be made during the subscription term, using the incremental borrowing rate, and is amortized using the straight-line method over the subscription term. Re-measurement of a subscription liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the subscription liability.

As of September 30, 2024 the City had two SBITAs, however, the SBITAs are still in the initial implementation stages as of September 30, 2024. Per GASB 96 amounts spent are reported as a prepaid expense totaling \$2,595,285.

7. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/OPEB activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City’s fiscal year, the amount is deferred and recognized as a reduction to the pension liability during the measurement period in which the contributions were made.
- A deferred change on refunding results from the difference in carrying value of refunded debt and its reacquisitioned price. This amount is deferred and amortized over the shorter of the life of the refunding or refunding debt.
- Deferred inflows from leases are amortized over the life of the lease term on a straight-line basis.

At the fund level, the City has only two types of items, which arises only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, industrial district fees, plus other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts becomes available.

The second type of item is deferred inflows from leases. The deferred inflows from leases is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows from leases is recognized as revenue over the life of the lease term.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investment are reported at fair value.

The fiduciary net position of the Texas Emergency Services Retirement System (TESRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TESRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Other Post-Employment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees.

The City administers an additional single-employer defined benefit OPEB plan. The City plan provides certain healthcare benefits for retired employees. Substantially all of the City's employees become eligible for the health benefits if they reach normal retirement age while working for the City. The City is currently following a pay-as-you-go approach, paying an amount each year equal to the claims paid. This means no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Retiree healthcare is accounted for in the health insurance fund, an internal service fund. A separately, audited GAAP basis post-employment benefit plan is not available for this program.

10. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Depending on the hire date, and upon termination, an employee is reimbursed for accumulated vacation and sick leave based on approved guidelines.

Employees must take a minimum of 1 week of vacation per calendar year.

Employees with a hire date after March 3, 1992 are allowed a maximum of 30 days of earned vacation to be paid upon retirement or termination. After three years of employment, an employee is entitled to payment for unused sick leave upon termination of their employment up to 90 days. Any sick leave accrued over 90 days can only be used for illness while in the employment of the City.

Employees with a hire date of March 3, 1992 or prior are allowed payment of all unused sick and vacation days at the time of their termination or retirement.

Accumulated vacation and sick leave is accrued, when incurred, in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, in accordance with GASB Interpretation No. 6.

11. Bond Premiums/Discounts and Issuance Costs

Bond premiums and discounts are amortized over the life of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are recognized as expenses in the period incurred excluding the portion related to prepaid insurance costs, which is being recognized as an expense in a systematic and rational manner over the duration of the related debt.

In the governmental fund financial statements, bond premiums and discounts, as well as issuance costs, are recognized in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. The issuance costs are reported as expenditures.

12. Fund Balance (Equity)

a. Fund Balance Descriptions

1. **Non-spendable** – indicates the portion of a fund balance that cannot be spent because it is (1) not in a spendable form (such as inventories and prepaid amounts) or (2) legally or contractually required to be maintained intact.
2. **Restricted** – indicates that portion of a fund balance for which external constraints are placed on the use of resources that are either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
3. **Committed** – indicates the portion of a fund balance that is internally imposed by the local governmental officials. The highest level of decision-making authority for the City is the Mayor and City Council. The commitment must be made prior to year-end and is through an ordinance.
4. **Assigned** – indicates the portion of a fund balance that sets limits as a result of the intended use of the funds. This can be expressed by the City Council and/or by department directors to which the City Council delegated the authority through approval of budget appropriation. Assignments can be made at any time.
5. **Unassigned** – represents amounts that are available for any purpose i.e., residual net resources. The general fund is the only fund that reports a positive unassigned fund balance.

When the City incurs expenditures for which (1) restricted or unrestricted fund balance are available, the City considers amounts to have been spent first out of restricted then unrestricted and (2) committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds.

It is the desire of the City to maintain adequate general fund fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City will maintain an Operation/Emergency general fund balance of 90 days of actual expenditures. Any usage of this reserve must be appropriated by the City Council. However, the Mayor may utilize these funds when immediate action must be taken to protect the health and safety of residents. When this occurs, the Mayor shall provide a summary report to the Council as soon as practical on the usage of these funds. In the event these funds are used, the City shall restore the 90-day minimum balance within 3 fiscal years.

b. Fund Balance Summary

A summary of the nature and purpose of fund balances at September 30, 2024 is as follows:

	Governmental Fund Balances						Non-major Special Revenue Funds				Total
	General	Debt Service	Pasadena Economic Development	Capital Projects	Grant Management	Special Charge Allocation	State Forfeited Property	Hotel and Motel Tax	Abandoned Motor Vehicles and Property	Total Non major Special Revenue	
Fund balances:											
Restricted for:											
Law enforcement	\$ -	\$ -	\$ -	\$ -	\$ 3,778,599	\$ 1,241,323	\$ 512,307	\$ -	\$ 272,844	\$ 2,026,474	\$ 5,805,073
Economic development and other purposes	-	-	-	-	-	2,097,762	-	9,154,772	-	11,252,534	11,252,534
Housing services	-	-	-	-	3,050,793	-	-	-	-	-	3,050,793
Capital construction and economic development	-	-	132,124,894	51,751,809	472,790	-	-	-	-	-	184,349,493
Debt service	-	4,961,298	-	-	-	-	-	-	-	-	4,961,298
Total restricted	-	4,961,298	132,124,894	51,751,809	7,302,182	3,339,085	512,307	9,154,772	272,844	13,279,008	209,419,191
Committed to:											
Election, recall and charter revision	15,000	-	-	-	-	-	-	-	-	-	15,000
Capital construction	-	-	-	31,360,007	8,973,721	-	-	-	-	-	40,333,728
Total committed	15,000	-	-	31,360,007	8,973,721	-	-	-	-	-	40,348,728
Assigned to:											
Capital construction	-	-	-	572,239	-	-	-	-	-	-	572,239
Purchases on order for:											
General facilities	344,685	-	-	-	-	-	-	-	-	-	344,685
Law enforcement	1,194,867	-	-	-	-	-	-	-	-	-	1,194,867
Public recreation	475,919	-	-	-	-	-	-	-	-	-	475,919
Public health	48,171	-	-	-	-	-	-	-	-	-	48,171
Other purposes	177,518	-	-	-	-	-	-	-	-	-	177,518
Total assigned	2,241,160	-	-	572,239	-	-	-	-	-	-	2,813,399
Unassigned	114,984,518	-	-	-	-	-	-	-	-	-	114,984,518
Total	\$ 117,240,678	\$ 4,961,298	\$ 132,124,894	\$ 83,684,055	\$ 16,275,903	\$ 3,339,085	\$ 512,307	\$ 9,154,772	\$ 272,844	\$ 13,279,008	\$ 367,565,836

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$282,703,437 difference are as follows:

Bonds and other payables	\$	154,380,000
Other long-term debt		
Add: bond premiums		8,803,864
Less: deferred charges on refunded bonds		(252,605)
Accrued interest payable		868,119
Compensated absences		28,747,868
Lease		370,972
Arbitrage		2,575,746
Net pension liability		50,945,340
Less: Deferred outflows on pension		(23,045,798)
Plus: Deferred inflows on pension		7,988,671
Other post employment benefits		36,651,735
Less: Deferred outflows on OPEB		(9,117,959)
Plus: Deferred inflows on OPEB		23,787,484
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities.	\$	<u>282,703,437</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the technical services, warehouse, fleet, facilities operations, mail room, and risk management in regards to workers’ compensation claims; general liability insurance and health care benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.”

The details of this \$69,058,606 difference are as follows:

Net position of the internal service funds	\$	61,382,989
Add: Internal receivable representing charges less the cost to business-type activities - prior year		7,109,237
Add: Internal receivable representing charges less the cost to business-type activities - current year		566,380
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.	\$	<u>69,058,606</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund *statement of revenues, expenditures, and changes in fund balances* includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide *statement of activities*. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.”

The detail of this \$62,968,108 difference is as follows:

Capital outlay	\$ 74,815,840
Capital contribution	3,468,002
Depreciation/amortization expense	<u>(15,315,734)</u>
Net adjustment to an increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 62,968,108</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The detail of this \$43,573,748 difference is as follows:

Debt issued or incurred:	
Sales tax revenue bonds	(49,500,000)
Plus: premium	(1,090,861)
Arbitrage	(1,770,330)
Principal repayments:	
General obligation debt	4,745,000
Certificates of obligation debt	2,895,000
Sales tax revenue bonds	985,000
Lease	<u>162,443</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (43,573,748)</u>

Another element of that reconciliation states that “some expenses reported in the *statement of activities* do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.”

The detail of this \$24,442,400 difference is as follows:

Compensated absences	\$ (1,104,519)
Other post employment benefits	8,049,099
Deferred outflows from OPEB	(202,040)
Deferred inflows from OPEB	(7,239,680)
Pensions	80,288
Deferred outflows from pension	(17,585,734)
Deferred inflows from pension	(7,035,274)
Accrued interest	(267,211)
Amortization of bond premiums	1,134,078
Amortization of deferred amounts on refunding	<u>(271,407)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (24,442,400)</u>

Another element of that reconciliation states that “internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mail room, and risk management in regards to workers’ compensation claims, general liability insurance, and health care benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.”

The detail of this \$5,389,257 difference is as follows:

Change in net position of the internal service funds	\$ 4,822,877
Add: Loss from charges from business-type activities	<u>566,380</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 5,389,257</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City Charter contains the following requirements, which are adhered to, regarding preparation of the annual budget:

- At least thirty days prior to the end of each fiscal year, the Mayor submits to the Council a proposed budget presenting a complete financial plan for the ensuing fiscal year.
- Such budget is prepared and a public hearing is held thereon in the manner prescribed by the Laws of the State of Texas relating to budgets in cities and towns.
- The budget is adopted through the passage of an ordinance no later than the twenty-seventh day of the last month of the fiscal year. Should the Council take no final action on or prior to such day, the budget, as submitted, is deemed to have been officially adopted by the Council. No budget is adopted or appropriations made unless the total of estimated revenues, income, and funds available is equal to or in excess of such budget or appropriations, except in an emergency.

Annual budgets are adopted for the general fund, debt service fund, four of the special revenue funds (state forfeited property fund, special charge allocation fund, hotel and motel tax fund, and abandoned motor vehicles and property fund), equitable sharing of forfeited property grants received from the U.S. Department of Justice and Treasury (accounted for in the grant management fund), enterprise fund, and internal service funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except for the enterprise and internal service funds, which use a modified accrual approach. The capital projects and grant management funds (except equitable sharing of forfeited property grants mentioned earlier) do not have annual appropriated budgets. Instead, control over capital projects is maintained by means of "project-length" budgets, and the grant contract and agreement itself served as a control device over the expenditures of grant proceeds. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department/division. Within the department/division, it is categorized further by object and subject. The City department heads may make transfers of appropriations between the subject within the same object (e.g., transfer between postage and office supplies within the object of materials and supplies), but any other transfers or changes to the appropriations require the approval of the City Council and an amendment to the budget. The legal level of budgetary control is at the object level.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to designate that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances or purchases on order outstanding at the fiscal year end are reported as assigned fund balance unless encumbered amounts for specific purposes for which resources already have been restricted and do not constitute expenditures or liabilities because the assignment will be honored during the subsequent year. Encumbrances assigned to purchases on order can be found in note I. D. 12b, Fund Balance Summary.

During the current fiscal year, the general fund expenditure budget decreased in the amount of \$14,295,095 excluding transfers out. The general fund revenue budget increased in the amount of \$316,433 excluding transfers in and sale of capital assets. Transfers out under other financing uses were increased from \$14,036,459 to \$35,886,130. The total increase of \$21,849,671

includes the amount of \$17,321,380 budgeted to the capital projects fund for capital projects, \$12,628,291 was transferred to system fund, \$5,186,459 was transferred to the maintenance fund, and the general liability insurance fund received \$750,000. In the original budget, \$750,000 was budgeted to the general liability insurance fund, \$5,186,459 to maintenance fund, and \$8,100,000 to the capital project funds for annual capital projects. The remaining items had not been budgeted under the original budget but approved by Council as a budget amendment. There was an decrease in public safety in the amount of \$12,250,113 or 20.6% with an anticipated decrease in the police department in the amount of \$13,344,441, with the largest decrease in personnel services in the amount of \$13,894,052 due in part to the payroll expenditures recovered from revenue lost category from the American Rescue Plan Act (ARPA) grant. The general government original budget decreased by \$6,950,767 or 22.5% with a decrease in other charges personnel services of \$5,023,617.

Management asked each department to keep expenditures low while providing the best services to the citizens through-out the year.

B. Grant Management Reconciliation from (Major Special Revenue) – Budgeted

The following provides actual fiscal year 2024 results for both budgeted and non-budgeted grant programs under the grant management fund:

	<u>Revenues</u>	<u>Expenditures</u>
Budgeted grant programs:		
Federal equitable sharing of forfeited property:		
Justice Department	\$ 736,532	\$ 309,819
Treasury Department	43,475	61,496
Nonbudgeted grant programs:		
Various grants	46,576,653	44,841,858
HUD Section 8 housing choice vouchers	10,378,216	10,192,210
FEMA DHAP program	20,760	-
FEMA DHAP IKE	42,635	-
FEMA HMGP	744,071	2,541,155
HUD CDBG entitlement program	642,501	642,501
HUD HOME investment partnerships program	964,730	964,730
CDBGDR Harvey	<u>8,900,688</u>	<u>8,900,688</u>
Total grant management fund - actual	<u>\$ 69,050,261</u>	<u>\$ 68,454,457</u>

C.Excess of Expenditures over Appropriations

For the fiscal year ended September 30, 2024, no expenditures exceeded the budget at the object level.

IV. DETAILED NOTES TO ALL FUNDS

A. Deposits and Investments

Deposits

Primary Government

The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective fair value of at least 102%. As of September 30, 2024, the carrying amount of the City’s deposits with financial institutions, including blended component units, is \$17,846,817, excluding \$83,990 for petty cash and tax holding. The City’s bank balance is the sum of all accounts, which totals \$19,931,164, and the fair values of pledged securities, excluding FDIC, were \$33,477,871. The pledged securities are held by a third-party custodian in the City’s name.

Investments

As of September 30, 2024, the City had the following investments:

Investment Type	Fair Value			Weighted Average Maturity (Years)
	Primary Government	Blended Component Unit Pasadena Economic Development Corporation	Discretely Presented Component Unit Pasadena Crime Control and Prevention District	
TexPool Local Government Investment Pools	\$ 222,895,209	\$ 78,152,677	\$ 15,273,340	0.08
LOGIC Local Government Investment Pools	1,439,520	-	-	0.13
CLASS Local Government Investment Pools	152,429,413	52,941,331	-	0.10
Total Fair Value	<u>\$ 376,764,142</u>	<u>\$ 131,094,008</u>	<u>\$ 15,273,340</u>	
Portfolio Weighted Average Maturity				0.09

The City divides its investments between TexPool, LOGIC, and CLASS.

The State of Texas Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated “AAAm” by Standard and Poor’s. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard and Poor’s, as well as the State of Texas Comptroller for review.

Local Government Investment Cooperative (LOGIC) and The Cooperative Liquid Assets Securities System - Texas (CLASS) were organized to conform to the Texas Government Code - Interlocal Cooperation Act, Chapter 791 and the Public Funds Investment Act, Chapter 2256.

LOGIC’s governing body is a five-member Board of Directors comprised of three government officials or employees and two other persons with expertise in public finance representing the general manager of LOGIC. LOGIC is required by the Public Funds Investment Act to maintain an “AAA” rating. It has an “AAAm” rating from Standard and Poor’s, which monitors the fund’s compliance with its rating requirements.

CLASS is required by the Public Funds Investment Act to maintain an “AAAm” rating. It has an “AAAm” rating from Moody’s Investor’s Service and Standard and Poor’s, which monitor the fund’s compliance with its rating requirements.

TexPool, LOGIC, and CLASS state all investments at amortized cost to value portfolio assets and follows the criteria established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* for the use of amortized cost. Deposits and withdrawals can be made on any business day of the week. The investment pools have a redemption notice of one day that may be redeemed daily. The investment pools may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national state of emergency that affects the investment pool’s liquidity. There are no limits on the number of accounts a participant can have or the number of transactions. The City has no unfunded commitments related to the investment pools.

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet

cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term securities.

Credit risk. State law and the City's investment policy limits the types of investments, as well as the rating of the investments to "A-1", "P-1", or equivalent.

Concentration of credit risk. The City's investment policy requires diversification of the portfolio. This is to be achieved by investing in liquid funds or securities, varying the maturity dates of the securities and avoiding over-concentration of securities in a specific issuer or business sector (excluding U.S. securities).

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective fair value of at least 102%.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to keep securities at a third-party institution, avoiding physical possession. Further, all trades are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

B. Property Tax Calendar and Receivables

1. Property Tax Calendar

The appraisal of property within the City is the responsibility of the Harris Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value.

Effective with the 2006 tax year, the City has contracted with the Harris County Tax Office for billing and collection of the City's property taxes. Property taxes can be attached as an enforceable lien on property as of January 1st of the year based on the assessed valuation of the property at January 1st of the same year. The tax levy date is at October 1st of the same year when the City receives the certified assessed valuation from the Appraisal District. Property tax receivables are recognized on the levy date. Property taxes become due and payable upon receipt of the tax statements mailed around the second week of October, or as soon thereafter as possible, and are considered delinquent after January 31st of the following year.

Article XI, Section 5 of the Texas Constitution, provides for an overall limitation for Home Rule Cities of \$2.50 per \$100 assessed valuation, of which not more than \$1.50 can be used for general operating purposes under the City Charter.

The Appraisal District has certified the assessment of City's property taxable value for tax year 2023 in the amount of \$15,144,924,086. The City Council adopted the following tax rate per \$100 of 2023 taxable value for the current fiscal year ended September 30, 2024.

<u>Purpose</u>	<u>Tax Rate</u>
General government	\$ 0.370980
Debt service	0.084534
	<u>\$ 0.455514</u>

2. Receivables

Receivables as of September 30, 2024 for the City's individual major and nonmajor funds and water and sewer system and internal service funds, including allowance for uncollectible accounts, are as follows:

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects	Grant Management	Nonmajor Governmental Funds	Water and Sewer System Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total
Receivables											
Property taxes	\$ 2,990,071	\$ 850,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,840,863
Sales taxes	4,836,177	-	2,417,919	-	-	-	-	-	-	-	7,254,096
Accounts	2,931,000	-	-	2,200	-	-	9,119,974	13,206	-	29,998	12,601,000
Leases	330,607	-	-	-	-	-	-	-	-	-	330,607
Less: allowance for uncollectible	(3,483,573)	(580,000)	-	-	-	-	(550,888)	-	-	-	(4,614,461)
	7,604,282	270,792	2,417,919	2,200	-	-	8,569,086	13,206	-	29,998	19,412,105
Intergovernmental - restricted	-	-	-	-	14,196,856	716,228	-	-	-	-	14,913,084
Accounts restricted	-	-	-	-	42,645	-	-	-	-	-	42,645
Net total receivables	\$ 7,604,282	\$ 270,792	\$ 2,417,919	\$ 2,200	\$ 14,239,501	\$ 716,228	\$ 8,569,086	\$ 13,206	\$ -	\$ 29,998	\$ 34,367,834

Governmental funds report unearned revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Unearned
Unearned revenue (Grant management)	\$ 7,602,619
Unearned revenue (Nonmajor governmental)	40
Total unearned revenue for governmental funds	\$ 7,602,659

C. Restricted Assets

Restricted assets are reported for deposits, investments, and receivables restricted for (1) payment of debt service, (2) use in federal and state grant programs, and (3) use in capital projects as specified in applicable bond covenants and inter-local agreements.

	Debt Service	Pasadena Economic Development Corporation	Capital Projects	Grant Management	Nonmajor Governmental Funds	Water and Sewer Enterprise	Total
Cash and cash equivalents	\$ -	\$ 10,145	\$ -	\$ 306,305	\$ 53,068	\$ 11,596,299	\$ 11,965,817
Investments	4,067,450	131,094,008	58,769,348	20,365,300	12,603,831	5,171,901	232,071,838
Intergovernmental receivables	-	-	-	14,196,856	716,228	-	14,913,084
Accounts receivables	-	-	-	42,645	-	-	42,645
	\$ 4,067,450	\$ 131,104,153	\$ 58,769,348	\$ 34,911,106	\$ 13,373,127	\$ 16,768,200	\$ 258,993,384
	(1)	(3)	(3)	(2)	(2)	(1) and (3)	

D. Capital Assets

Capital asset activity of the City (the primary government) for the fiscal year ended September 30, 2024 was as follows:

1. Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 147,758,200	\$ -	\$ -	\$ 147,758,200
Construction in progress	68,617,779	83,834,628	(26,881,099)	125,571,308
Total capital assets, not being depreciated	<u>216,375,979</u>	<u>83,834,628</u>	<u>(26,881,099)</u>	<u>273,329,508</u>
Capital assets, being depreciated:				
Buildings and building improvements	124,290,439	3,384,666	-	127,675,105
Facilities and other improvements	44,877,413	759,944	-	45,637,357
Machinery and equipment	56,722,453	5,051,800	(61,924)	61,712,329
Infrastructure	584,881,727	11,512,418	-	596,394,145
Automotive equipment	53,299,368	4,521,313	(1,636,473)	56,184,208
Total capital assets being depreciated	<u>864,071,400</u>	<u>25,230,141</u>	<u>(1,698,397)</u>	<u>887,603,144</u>
Less accumulated depreciation for:				
Building and building improvements	(38,132,467)	(2,343,192)	-	(40,475,659)
Facilities and other improvements	(8,612,053)	(1,503,577)	-	(10,115,630)
Machinery and equipment	(39,019,177)	(2,543,092)	21,938	(41,540,331)
Infrastructure	(247,703,472)	(9,557,137)	-	(257,260,609)
Automotive equipment	(33,002,168)	(3,802,125)	1,481,270	(35,323,023)
Total accumulated depreciation	<u>(366,469,337)</u>	<u>(19,749,123)</u>	<u>1,503,208</u>	<u>(384,715,252)</u>
Total capital assets, being depreciated, net	<u>497,602,063</u>	<u>5,481,018</u>	<u>(195,189)</u>	<u>502,887,892</u>
Lease right-of-use assets:				
Machinery and equipment	666,307	-	-	666,307
Total lease right-of-use assets	<u>666,307</u>	<u>-</u>	<u>-</u>	<u>666,307</u>
Less accumulated amortization for:				
Machinery and equipment	(138,814)	(166,577)	-	(305,391)
Total accumulated amortization	<u>(138,814)</u>	<u>(166,577)</u>	<u>-</u>	<u>(305,391)</u>
Total lease right-of-use assets, net	<u>527,493</u>	<u>(166,577)</u>	<u>-</u>	<u>360,916</u>
Governmental activities capital assets, net	<u>\$ 714,505,535</u>	<u>\$ 89,149,069</u>	<u>\$ (27,076,288)</u>	<u>\$ 776,578,316</u>

2. Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,624,352	\$ -	\$ -	\$ 1,624,352
Construction in progress	34,592,992	15,470,473	(5,384,003)	44,679,462
Total capital assets, not being depreciated	36,217,344	15,470,473	(5,384,003)	46,303,814
Capital assets, being depreciated:				
Buildings and building improvements	4,090,119	-	-	4,090,119
Facilities and other improvements	14,475,810	-	-	14,475,810
Machinery and equipment	12,669,350	697,175	(12,070)	13,354,455
Infrastructure	412,697,709	5,225,533	-	417,923,242
Automotive equipment	101,728	-	-	101,728
Total capital assets being depreciated	444,034,716	5,922,708	(12,070)	449,945,354
Less accumulated depreciation for:				
Building and building improvements	(2,664,541)	(36,262)	-	(2,700,803)
Facilities and other improvements	(4,725,132)	(292,717)	-	(5,017,849)
Machinery and equipment	(10,550,025)	(323,700)	9,643	(10,864,082)
Infrastructure	(148,130,076)	(6,621,642)	-	(154,751,718)
Automotive equipment	(94,606)	(766)	-	(95,372)
Total accumulated depreciation	(166,164,380)	(7,275,087)	9,643	(173,429,824)
Total capital assets, being depreciated, net	277,870,336	(1,352,379)	(2,427)	276,515,530
Business-type activities capital assets, net	\$ 314,087,680	\$ 14,118,094	\$ (5,386,430)	\$ 322,819,344

3. Depreciation/Amortization Expense of the primary government is as follows:

Governmental activities:

General Government	\$ 914,074
Public Safety	2,371,096
Public Works	9,207,748
Health	125,014
Culture and Recreation	2,697,802
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	4,599,966
	<u>\$ 19,915,700</u>

Business-type activities

Water and Sewer System	<u>\$ 7,275,087</u>
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E. Leases

a. City as Lessor

The City, as a lessor, has entered into a lease agreement for the Corrigan Center. The Corrigan Center lease is a lease between the City and the Harris County Hospital District. The agreement is a lease that is subject to termination in 2027. The City receives monthly payments of \$11,725. The City recognized lease revenues of \$132,564 and interest revenues of \$9,090. As of fiscal year-end, the City's receivable for lease payments was \$330,607 and the balance of deferred inflows from leases was \$320,347.

b. City as Lessee

During fiscal year 2023, the City of Pasadena entered into a four-year lease agreement as lessee for the acquisition and use of copier equipment. An initial lease liability was recorded in the amount of \$666,307. As of September 30, 2024, the value of the lease liability was \$370,972. The City of Pasadena is required to make monthly principal and interest payments of \$14,961. The lease has an interest rate of 3.72%. The equipment has a four-year estimated useful life. The value of the right-to-use lease asset as of the end of the current fiscal year was \$666,307 and had accumulated amortization of \$305,391.

The future principal and interest lease payments as of September 30, 2024:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	\$ 168,587	\$ 10,948	\$ 179,535
2026	174,970	4,565	179,535
2027	27,415	112	27,527
	<u>\$ 370,972</u>	<u>\$ 15,625</u>	<u>\$ 386,597</u>

F. Construction Commitments

The City's commitments with contractors as of September 30, 2024 are as follows:

<u>Projects</u>	<u>Project Appropriation</u>	<u>Spent-to-Date</u>
<u>Drainage</u>		
D042 Browning Subd Drang Imp(190)	\$ 2,142,048	\$ 1,359,196
D048 Cotton Patch Bayou Draï Impro(190)	24,014,811	16,427,094
D049 Large Duamter Storm Sewer Reh(190,936)	10,163,830	609,338
D056 Armand Bayou Upper Reaches Proj(098,833)	13,215,349	10,642,093
D058 Fairmont Pkwy Drng Imp (PEDC)	450,000	369,850
D059 Dabney Storm Interconnect Project(190)	256,032	204,137
D062 FY24 Annual Paving & Drain Impr(190)	1,127,497	636,439
D064 North Pasadena Harvey Mitigation	14,154,036	6,329,581
D066 Red Bluff Drainage Impr	3,247,994	1,050,116
DMA1 DM Area A1 FEMA HMGP(930)	1,190,956	852,399
DMA2 DM Area A2 FEMA HMGP(930)	1,449,401	1,017,267
DMA3 DM Area A3 FEMA HMGP(930)	373,935	280,663
DMA4 DM Area A4 FEMA HMGP(930)	800,001	702,413
DMA5 DM Area A5 FEMA HMGP(930)	328,555	241,601
DMA6 DM Area A6 FEMA HMGP(930)	668,153	488,456
DMA7 DM Area A7 FEMA HMGP(930)	1,082,152	722,009
DMB1 DM Area B1 FEMA HMGP(930)	496,227	356,395
DMB2 DM Area B2 FEMA HMGP(930)	355,776	240,028

Projects	Project	Appropriation	Spent-to-Date
DMB3	DM Area B3 FEMA HMGP(930)	\$ 435,746	\$ 331,141
DMB4	DM Area B4 FEMA HMGP(930)	442,698	337,119
DMB5	DM Area B5 FEMA HMGP(930)	613,643	470,925
DMB6	DM Area B6 FEMA HMGP(930)	257,059	189,640
DMB7	DM Area B7 FEMA HMGP(930)	263,565	195,701
DMC1	DM Area C1 FEMA HMGP(930)	963,116	747,268
DMC2	DM Area C2 FEMA HMGP(930)	666,065	486,368
DMC3	DM Area C3 FEMA HMGP(930)	525,089	394,631
DMC4	DM Area C4 FEMA HMGP(930)	1,150,383	240,447
DMC5	DM Area C5 FEMA HMGP(930)	1,261,368	844,121
DMC6	DM Area C6 FEMA HMGP(930)	1,092,684	720,129
DMC7	DM Area C7 FEMA HMGP(930)	737,924	548,972
DMEA	Enviro Svcs HMGP(930)	299,295	257,129
DMFW	DM Flood Warning Sys Prj	60,000	30,897
DMHH	Hydr/Hydlgy FEMAHMGP(930,190)	3,697,857	2,818,216
DMSW	Swppp FEMA HMGP(930)	110,000	77,000
		<u>\$ 88,093,243</u>	<u>\$ 51,218,779</u>
<u>Fire Services</u>			
F011	Fire Station #6	\$ 8,146,740	\$ 710,327
F014	Fire Station #7	7,733,970	1,058,048
F020	Fire Services Administration Building	455,000	136,864
		<u>\$ 16,335,710</u>	<u>\$ 1,905,239</u>
<u>Municipal Facilities</u>			
M025	Convention Center Facility Imprv (PEDC)	\$ 1,237,694	\$ 521,984
M026	Convention Cntr Infrastrctre Imprv (PEDC)	5,300,000	600,745
M027	Convention Center Hotel Project (PEDC)	125,000	30,350
M041	Demolition/Developmt-Old City Hall(833)	950,943	883,328
M043	Municipal Court Comp System (833)	425,960	397,202
M057	City Hall Landscape and Irrigation(290)	14,000	9,574
M058	Campbell Hall Rebuild Project (PEDC)	380,000	48,009
M059	Tyler Techno. Purchase (190,290)	4,274,359	1,492,579
M065	Fabrication & Ins of Signage at Con Cent (PEDC)	288,200	240,257
M066	Fairmont Utility Ext Proj (PEDC)	1,024,942	1,024,942
M067	Conv Center Site Improvement (PEDC)	5,247,775	4,527,257
M069	Conv Center Grounds Elec, Imp (PEDC)	907,730	562,240
		<u>\$ 20,176,603</u>	<u>\$ 10,338,466</u>
<u>Police</u>			
P010	Pasadena Police Annex	\$ 16,341,562	\$ 6,401,793
P014	Police Range Storage Building	762,742	582,227
P015	Special OPS Garage Bldg	160,000	20,757
P016	SIM TAC Building	1,900,856	1,599,602
		<u>\$ 19,165,160</u>	<u>\$ 8,604,380</u>
<u>Parks</u>			
R055	Preston/Crenshaw Park (PEDC)	\$ 376,340	\$ 327,085
R066	Vince Bayou Greenway (PEDC)	8,567,237	2,919,780
R071	Golf Course Pavillion Project(190)	73,200	33,759
R074	Golf Course Parking Improvements(190)	250,000	171,555
R077	Multi-Purpose Ctr Roof Replacemt (830)	109,812	104,583
R079	Golf Course Entrance Impro. Project (833)	78,085	40,332
R084	Southmore Ave Park Project (834)	49,550	32,500
R085	Pasadena Golf Kitchen(190)	194,744	147,887
R086	Little Vince Bayou Greenway Trail (PEDC)	548,170	341,907
R094	Pasadena Memorial Plaza Project	2,234,251	400,131
R095	Golf Course-Private Lte Config (PEDC)	299,603	280,525
		<u>\$ 12,780,992</u>	<u>\$ 4,800,043</u>

Projects	Project	Appropriation	Spent-to-Date
<u>Streets</u>			
S077	Pasadena Blvd:Harris to 225 (PEDC)(HC)	\$ 20,499,086	\$ 6,623,341
S108	Red Bluff Eval(225-SpcrHwy)(833)	545,000	490,500
S110	Richey II (S.More to S.Houston) (PEDC)	3,815,159	3,269,235
S113	Corridor Development (PEDC)	1,992,769	12,124
S114	Burke Street Improv (832,833)	573,560	457,800
S123	Llano St. Paving&Drnge II (190,900)	3,963,243	3,651,979
S126	Llano St. Paving&Drnge I (900)	2,314,362	2,179,620
S127	Llano St. Paving&Drnge III (900)	1,439,318	1,341,283
S130	Red Bluff Road Phase I (834)	1,150,000	370,277
S131	Shaver Street Phase II (834)	1,215,000	909,265
S132	Preston Ave. Reconstruction (834)	8,672,889	7,483,744
S135	Shaver Street Phase III (834)	12,484,579	599,211
S140	FY24 Annual Paving & Drain Imp.(190)	1,770,094	1,511,187
S141	FY24 Annual Sidewalk Imp.(190)	1,079,128	970,079
S147	Glenmore Ditch Bridges(190)	300,000	235,223
S148	Center St. Paving & Drainage Improvements(190)	238,852	77,491
S165	SH 225 Underpass Lighting (9950)	543,296	255,943
S167	Kolb Roadway Repairs (190)	157,515	111,575
S197	2024 Annual Sidewalk Improvements Ph II(190)	555,300	9,994
		<u>\$ 63,309,148</u>	<u>\$ 30,559,870</u>
<u>Traffic</u>			
T018	Traffic Mobility Imprvmts Ph II (PEDC)	\$ 1,820,631	\$ 1,594,083
T019	2024 Annual Traffic Mobility(190)	296,123	196,331
		<u>\$ 2,116,754</u>	<u>\$ 1,790,414</u>
<u>Water</u>			
W027	Bay Area/Port Rd Inter Impro(390) (-HC)	\$ 188,401	\$ 105,342
W047	Shaw Waterline Improvemts (390)	188,320	133,224
W055	Spencer 12" Waterline Ph II(320)(390)	1,194,891	1,025,395
W058	SE Mtr Sta PhII(301,315,320,390)(-COH)	901,314	780,000
W059	SE Wtr Transmission Line Proj Hou(390)	46,748	32,808
W061	Jenkins Rd Wtrline Imp Proj (320)	2,222,850	2,176,634
W062	BayArea Blvd Wtr Sys Press Imp(390,PEDC)	700,630	316,453
W066	2020 Citywide Waterline Replacement(390)	1,404,252	808,753
W069	2023 Citywide Waterline Replacement (390)	1,731,670	1,229,636
W070	Cascade Water Storage Tank Rehab	4,481,100	3,761,195
W073	2024 Citywide Waterline Rep Proj(390)	1,746,440	290,485
W075	Glenmore & Washington Waterline Improv Proj(320)	2,911,265	2,630,569
W076	Southmore/Preston Waterline Improv Proj(320)	3,976,358	3,315,216
W077	Crenshaw PRV Building Improvements	69,700	22,795
W080	Waterline Loop-Pasadena Dis 18" (PEDC)	1,815,760	380,880
W081	Red Bluff Rd Seabrook 24" Waterline (390)	119,410	119,400
W083	Taylor Lake 24' By Pass Waterline (320,390)	1,151,688	1,126,529
W084	Pasadena Ind Dist 36" Transm Ph I (PEDC)	605,985	217,673
W085	Pasadena Ind Dist 36" Transm Ph II (PEDC)	599,725	170,316
W086	CWA Pump Station Rehabilitation (PEDC)	641,485	500,913
W087	Pasadena Industrial District 20" Transm (PEDC)	152,805	101,081
W093	Groundwater Well at CWA Pump Sta (PEDC)	272,120	51,440
		<u>\$ 27,122,915</u>	<u>\$ 19,296,738</u>
<u>Wastewater</u>			
WW046	WWTP Consolidation Phase II (320,390)	\$ 2,431,630	\$ 1,943,821
WW049	Golden Acres 24' Force Main (320)	232,505	162,500
WW063	Bay Area Ind Pk WW LS,Frcmain Imp (PEDC)	427,160	55,552
WW068	Vince Bayou Bar Screen(101,320,390)	1,240,000	2,700
WW070	2024 Citywide Sanitary Sewer Rehab Proj(390)	1,213,460	195,066
WW072	Golden Acres 24"Force Main PH II (320)	233,253	162,257
WW074	American Rescue Plan Administration (390)	4,926,850	2,971,196
WW083	Vince Bayou WWTP UV Protect (320,390)	4,391,811	3,803,216
WW085	El Cary Est Inflow & Infiltration Reduct (390)	225,600	123,720
WW087	Golden Acres WWTP Line Imp (315,320,390)	1,342,360	1,113,058
		<u>\$ 16,664,629</u>	<u>\$ 10,533,086</u>

G. Interfund Receivables, Payables, and Transfers

Generally, outstanding balances between funds reported as “due to/from other funds” include outstanding charges by one fund to another for services or goods and other miscellaneous receivables/payables between funds.

The composition of interfund balances as of September 30, 2024 is as follows:

1. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Amount</u>
General	* Workers' compensation insurance	\$ 977	
	* Health Insurance	<u>1,212,392</u>	\$ 1,213,369
Debt service	General		988,993
Capital projects	General		34,532,537
Grant management	General		440,677
** Special charge allocation	General		30,855
** State foreited property	General		3,843
** Hotel and motel tax	General		5,978
** Abandoned motor vehicles	General		14,890
Water and sewer	General		14,690,850
* Maintenance	General	\$ 1,539,477	
	General liability insurance	<u>265,097</u>	1,804,574
* General liability insurance	General	\$ 46,319	
	Workers' compensation insurance	<u>7,942</u>	54,261
	Total		<u>\$ 53,780,827</u>
* Internal service funds			
** Nonmajor governmental			

2. Due to/from Primary Government and Component Units:

<u>Receiving Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government- General fund	Pasadena Crime Control and Prevention District	<u>\$ 33,353</u>
Pasadena Crime Control and Prevention District	Primary government- Grant Management fund	<u>\$ 8,127</u>

3. Interfund Transfers:

Fund Financial Statements

Transfer out:	General	Capital Projects	Water and Sewer System	* Maintenance	* General Liability Insurance	Total
General	\$ -	\$ 17,321,380	\$ 12,628,291	\$ 5,186,459	\$ 750,000	\$ 35,886,130
Water and Sewer System	3,000,000	-	-	987,604	1,000,000	4,987,604
Total	\$ 3,000,000	\$ 17,321,380	\$ 12,628,291	\$ 6,174,063	\$ 1,750,000	\$ 40,873,734

* Internal service funds

Transfers are used to move unrestricted and restricted funds from the general and water and sewer system funds to finance various activities that the City must account for in the general fund, capital projects fund, water and sewer system fund, maintenance fund, and general liability insurance fund in accordance with budgetary authorization.

Government-Wide Financial Statements

During the fiscal year, the transfer activities between the governmental and business-type activities totaled \$13,972,891 and can be summarized as follows:

- The amount of \$7,640,687 was transferred into the business-type activities from the governmental activities.
- Capital assets in the amount of \$6,332,204 were transferred into the business-type activities from the governmental activities.

H. Long-Term Debt

1. Governmental Activities

General Obligation Refunding Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation to provide funds for the construction and improvement of the City's infrastructure (i.e., streets, drainage, water and sewer systems, public safety, recreation, and culture facilities). In the past, the City has also refunded certain issues of general obligation bonds to take advantage of lower interest rates and even out debt payments. The original total amount of general obligation refunding bonds and certificates of obligation issued in prior years is \$147,860,000.

All bonds are direct obligations and are secured by the full faith and credit of the City. Certificates of obligations (COB) and general obligation refunding bonds (GO Refunding) currently outstanding are as follows:

	Interest %	Maturity	Purpose	Installments	Amount
\$16,690,000 GO Refunding, 2012A	2.00 - 5.00	2/15/2025	Governmental type	\$145,000 to \$1,840,000	\$ 925,000
\$12,525,000 GO Refunding, 2015	2.00 - 5.00	2/15/2027	Governmental type	\$755,000 to \$1,830,000	2,890,000
\$17,405,000 GO Refunding, 2016A	2.00 - 5.00	2/15/2028	Governmental type	\$265,000 to \$2,065,000	7,800,000
\$19,175,000 COB, 2017	2.00 - 4.00	2/15/2037	Governmental type	\$195,000 to \$1,635,000	16,785,000
\$33,945,000 COB, 2018	2.00 - 5.00	2/15/2038	Governmental type	\$400,000 to \$2,765,000	30,055,000
\$48,120,000 COB, 2022	4.00 - 5.00	2/15/2042	Governmental type	\$710,000 to \$4,090,000	47,410,000
					<u>\$ 105,865,000</u>

Annual debt service requirements to maturity for certificates of obligation and general obligation refunding bonds are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	\$ 6,985,000	\$ 4,280,188	\$ 11,265,188
2026	6,395,000	3,970,213	10,365,213
2027	6,375,000	3,685,888	10,060,888
2028	5,590,000	3,428,338	9,018,338
2029	5,475,000	3,172,588	8,647,588
2030-2034	31,295,000	11,930,563	43,225,563
2035-2039	31,955,000	5,145,063	37,100,063
2040-2042	11,795,000	720,300	12,515,300
	<u>\$ 105,865,000</u>	<u>\$ 36,333,141</u>	<u>\$ 142,198,141</u>

Other Long-Term Debt

\$49,500,000 Sales Tax Revenue Bonds, Series 2023 dated October 03, 2023, interest at 5.00% - 5.25%, due in an installment of \$770,000 - \$3,070,000 through August 15, 2053 was issued by the City's blended component unit – Pasadena Economic Development Corporation ("PEDC") to fund the costs of (i) construction, expansion, and improvements to the City of Pasadena Convention Center; and (ii) for paying costs of issuance of the Bonds. The sales tax revenue bond is payable and secured solely from one-half of one percent sales and use tax collected by the PEDC.

Annual debt service requirements to maturity for the other long-term debt are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	\$ 770,000	\$ 2,457,438	\$ 3,227,438
2026	810,000	2,418,938	3,228,938
2027	850,000	2,378,438	3,228,438
2028	890,000	2,335,938	3,225,938
2029	935,000	2,291,438	3,226,438
2030-2034	5,420,000	10,708,188	16,128,188
2035-2039	6,945,000	9,188,513	16,133,513
2040-2044	8,965,000	7,167,513	16,132,513
2045-2049	11,495,000	4,639,000	16,134,000
2050-2053	11,435,000	1,464,000	12,899,000
	<u>\$ 48,515,000</u>	<u>\$ 45,049,404</u>	<u>\$ 93,564,404</u>

2. Business-Type Activities

General Obligation Refunding Bonds and Certificates of Obligation

The City also issues bonds and obligations where the City pledges net revenues derived from the City's water and sewer system.

In summary, the debt outstanding at the fiscal year end is as follows:

	Interest %	Maturity	Purpose	Installments	Amount	
\$ 50,210,000	GO Refunding Bonds, 2016	2.00 - 5.00	2/15/2033	Refunding	\$440,000 to \$4,755,000	\$ 36,585,000
\$ 16,305,000	COB, 2017	2.00 - 4.00	2/15/2037	Water and sewer	\$195,000 to \$1,635,000	12,575,000
\$ 10,450,000	COB, 2023	0.00 - 0.00	2/15/2043	Water and sewer	\$520,000 to \$525,000	9,930,000
						<u>\$ 59,090,000</u>

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Bonds and COs		CO's from Direct Placements		Total
	Principal	Interest	Principal	Interest*	
2025	\$ 4,110,000	\$ 1,867,894	\$ 520,000	\$ -	\$ 6,497,894
2026	4,315,000	1,664,669	520,000	-	6,499,669
2027	4,525,000	1,451,419	520,000	-	6,496,419
2028	4,730,000	1,247,644	520,000	-	6,497,644
2029	4,920,000	1,054,644	520,000	-	6,494,644
2030-2034	22,895,000	2,296,978	2,605,000	-	27,796,978
2035-2039	3,665,000	173,400	2,625,000	-	6,463,400
2040-2043	-	-	2,100,000	-	2,100,000
	<u>\$ 49,160,000</u>	<u>\$ 9,756,648</u>	<u>\$ 9,930,000</u>	<u>\$ -</u>	<u>\$ 68,846,648</u>

*Combination Tax and Surplus Revenue CO's, Taxable Series 2023 do not bear any interest.

3. Legal Debt Margin

At September 30, 2024, the City's legal debt margin was \$1,405,839,190 which equates to 10% of the City's property taxable value, totaling \$1,514,492,409 less \$108,653,219 (the amount of bonded debt outstanding) netted with the amount available in the debt service fund.

4. Rebatable Arbitrage

Arbitrage rebate rules, under the Internal Revenue Code Section 148 and related Treasury Regulations, require generally that a tax-exempt bond issuer forward to the federal government any profits made from investing bond proceeds at a yield above the bond yield, when investing in a taxable market. Payments based on cumulative profits earned by bonds are due, in general, every five years. At September 30, 2024, arbitrage rebate of \$2,575,746 was accrued for governmental activities based on interim calculations.

5. Changes in Long-Term Liabilities

Governmental Activities:

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning	Additions/ Reclassification	Refunding/ Reductions	Ending	Due Within One Year
Governmental Activities:					
Bonds payable supported by property taxes:					
General obligation and refunding bonds	\$ 16,360,000	\$ -	\$ (4,745,000)	\$ 11,615,000	\$ 3,950,000
Certificates of obligation bonds	97,145,000	-	(2,895,000)	94,250,000	3,035,000
	113,505,000	-	(7,640,000)	105,865,000	6,985,000
Add: Premiums on debt issuances	8,847,081	-	(1,097,564)	7,749,517	-
	<u>122,352,081</u>	<u>-</u>	<u>(8,737,564)</u>	<u>113,614,517</u>	<u>6,985,000</u>
Other Long-Term Debt					
Sales taxes revenue bonds payable	-	49,500,000	(985,000)	48,515,000	770,000
Add: Premiums on debt issuances	-	1,090,861	(36,514)	1,054,347	-
	<u>-</u>	<u>50,590,861</u>	<u>(1,021,514)</u>	<u>49,569,347</u>	<u>770,000</u>
Total Bonds Payable	122,352,081	50,590,861	(9,759,078)	163,183,864	7,755,000
Claims	1,289,949	11,936,241	(12,064,583)	1,161,607	696,964
Compensated absences	29,619,918	12,564,312	(11,412,252)	30,771,978	2,961,992
Arbitrage Rebate	805,416	1,770,330	-	2,575,746	-
Lease Liability	533,415	-	(162,443)	370,972	168,587
Total OPEB Liability					
Healthcare	44,249,544	6,244,574	(14,818,353)	35,675,765	-
SDBF	3,400,997	406,606	(142,458)	3,665,145	-
Net pension liability (asset)					
TMRS	51,930,517	34,044,497	(32,712,283)	53,262,731	-
TESRS	2,473,293	359,358	(1,680,348)	1,152,303	-
Governmental activities					
Long-term liabilities	\$ 256,655,130	\$ 117,916,779	\$ (82,751,798)	\$ 291,820,111	\$ 11,582,543

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities of internal service funds are included as part of the above totals for governmental activities. As of September 30, 2024, \$1,913,361 of internal service funds' compensated absences, \$6,158,869 of net pension and other post-employment benefits, and \$1,161,607 in claims payable are included in the above amounts.

For the governmental activities, claims, compensated absences, other post-employment benefits, and net pension liabilities are liquidated by the general fund, internal service funds, and grant management fund.

The City has not reported any OPEB healthcare or OPEB SDBF liability due within one year/current amount because the amount is immaterial to the financial statements.

Business-Type Activities:

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning	Additions/ Reclassification	Refunding/ Reductions	Ending	Due Within One Year
Business-type activities:					
Bonds payable					
General obligation refunding bonds	\$ 39,815,000	\$ -	\$ (3,230,000)	\$ 36,585,000	\$ 3,390,000
Certificates of obligation bonds	13,260,000	-	(685,000)	12,575,000	720,000
Certificates of obligations from direct placements	10,450,000	-	(520,000)	9,930,000	520,000
	63,525,000	-	(4,435,000)	59,090,000	4,630,000
Add: Premiums on debt issuances	3,948,248	-	(456,850)	3,491,398	-
Total bonds payable	67,473,248	-	(4,891,850)	62,581,398	4,630,000
Compensated absences	1,621,605	784,679	(830,597)	1,575,687	157,569
Total OPEB Liability					
Healthcare	6,755,435	818,625	(1,942,594)	5,631,466	-
SDBF	275,932	32,968	(11,551)	297,349	-
Net pension liability - TMRS	4,070,781	2,495,695	(2,398,035)	4,168,441	-
Business-type activities					
Long-term liabilities	\$ 80,197,001	\$ 4,131,967	\$ (10,074,627)	\$ 74,254,341	\$ 4,787,569

The City's outstanding certificates of obligation from direct placement related to business-type activities of \$9,930,000 are secured by the pledge of ad valorem taxes and surplus revenues. However, the current policy of the City is to pay all of the debt service on the Certificates of Obligation from Waterworks and Sewer System surplus revenues. The Certificates of Obligation shall not bear any interest; consequently, no interest shall ever be paid on the Certificates of Obligation. The outstanding Certificates of Obligation from direct placement related to business-type activities of \$9,930,000 contain a provision that in an event of defaults the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, conditions or obligation prescribed in the Ordinance.

The City has not reported any OPEB healthcare or OPEB SDBF liability due within one year/current amount, because the amount is immaterial to the financial statements. The City does not have any unused line of credit.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established the workers' compensation insurance fund, health insurance fund, and the general liability insurance fund to account for and finance its uninsured risks and losses.

Liabilities/Property

The City has been fully insured for its liability and property risk since December 1, 2004. The City purchases its automobile, errors and omissions, general, law enforcement, auto physical, and auto catastrophe property insurance policies through Texas Municipal League Intergovernmental Risk Pool (TML-IRP) and property coverage, which includes real and personal property, mobile equipment and crime, public employee dishonesty, forgery, theft, and computer fraud in an insurance policy purchased through McGriff Seibels & Williams of Texas Insurance. The deductibles range from \$1,000 to \$5,000,000 with limits on per occurrence or aggregate. The City has not had a significant reduction in insurance coverage and the participation of the City in the TML-IRP and McGriff Seibels & Williams of Texas Insurance coverage are all limited to the payment of premiums plus deductibles.

Workers' Compensation

The City became fully insured in its workers' compensation program effective April 1, 2004. Prior to this date, the City was self-insured. The City used Employers General Insurance Group, Inc. as its third-party administrator for claims administration, investigation, subrogation, and adjustment for all claims incurred before April 1, 2004 until December 31, 2006. As of January 1, 2007, Texas Municipal League (TML) became the City's third-party administrator. Stop-loss insurance for individual claims had been purchased from Safety National Casualty and Midwest Employers; stop-loss attachment point is between \$300,000 through \$375,000 for each claim until the run-off is completed. After April 1, 2004, the City became a member of the Texas Municipal League Intergovernmental Risk Pool. The City pays a premium based on the City's total payroll and past loss experience. As a member of the pool, stop loss insurance is no longer needed. The City includes the Pasadena Volunteer Fire Department in its workers' compensation program.

Unemployment Insurance

The City reimburses the Texas Workforce Commission for unemployment claims on a quarterly basis. By using this method, the City gives up certain appeal options. Staff from the Human Resources Department represents the City in the appeal procedures.

Health and Dental Insurance

The City is self-insured in health coverage and purchases stop loss insurance from a commercial carrier. United Healthcare Services, Inc. is the third-party administrator as of January 1, 2017. The City has six health insurance plans and two dental insurance plans. The health insurance plans are Plan B with three choices and Plan C with three choices. The difference between Plan B and Plan C is the deductible. The Plans' deductibles are as follows:

	Deductibles		
	Broad Plan B and C	Memorial and Kelsey Plan B	Plan C
Individual	\$1,500-B/\$3,000-C	\$1,500	\$3,000
Family	\$3,000-B/\$6,000-C	\$3,000	\$6,000
Out of Pocket Max (Individual/Family)	\$5,750/\$12,500-B&C	\$5,000/\$9,000	\$6,000/\$12,500

Plan B or C offer a wide range of medical care, services, and supplies depending on the needs of the employees. The two dental insurance plans are a PPO and HHMO, fully insured plan provided through Aetna as of January 1, 2022.

Being self-insured, the City deposits \$1,204 each month for each employee for health, dental, short-term and long-term disability income protection plan, life insurance, and accidental death and dismemberment insurance and the employees pay the remainder, depending on which plan they choose. Spouse and dependent coverage is available, if qualified, at the employee's option. If elected, the City pays a portion of the plan cost and the employee pays the remainder. A cafeteria style plan (e.g., health spending and dependent care) is available at the employee's election.

Under COBRA, the City provides continuation of health coverage to its eligible former employees and their eligible dependents. The federal government outlines certain requirements for this coverage, such as coverage periods, notification responsibilities, and premiums.

Unpaid Claims Liability

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported (IBNR). Claim liabilities are calculated based on past claim experiences, recent claim settlement trends, and other economic and social factors. The City currently does not discount its unpaid claim liabilities.

Changes in the balances of claim liabilities during the fiscal year are as follows:

	Workers' Compensation	Health/Dental Insurance
<u>Current Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the current fiscal year	\$ 19,949	\$ 1,270,000
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	13,841,337
Increase (Decrease) in provision for insured events-prior years	30,448	(1,935,544)
Total incurred claims and claim adjustment expenses	30,448	11,905,793
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	12,694,337
Prior fiscal years	35,790	(665,544)
Total payments	35,790	12,028,793
Total unpaid claims and claim adjustment expenses at end of current fiscal year	\$ 14,607	\$ 1,147,000
<u>Prior Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the prior fiscal year	\$ 25,000	\$ 1,417,998
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	15,387,277
Increase/(Decrease) in provision for insured events-prior years	27,105	(3,476,380)
Total incurred claims and claim adjustment expenses	27,105	11,910,897
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	14,117,275
Prior fiscal years	32,156	(2,058,380)
Total payments	32,156	12,058,895
Total unpaid claims and claim adjustment expenses at end of prior fiscal year	\$ 19,949	\$ 1,270,000

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

B. Commitments and Contingent Liabilities

1. Commitments

Construction commitments are discussed in note IV. F.

2. Litigation

The City is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its municipal and enterprise activities, certain of which seek substantial damages. These litigations include lawsuits and claims alleging that the City caused personal injuries and wrongful deaths and claims alleging practices and certain civil rights violations and various other liability claims. The status of these litigations ranges from an early discovery stage to various levels of appeal of judgments both for and against the City.

The amount of damages is limited in certain cases under the Texas Tort Claims Act and unlimited in certain civil rights and other cases. The City intends to defend itself vigorously against these lawsuits. There are other threatened litigations for which amounts cannot be determined.

3. Federal and State Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Other Post-Employment Benefits – (“OPEB”)

1. Other Post-Employment Benefits and Retiree Healthcare Benefits

Plan Description

The City administers a single-employer defined benefit OPEB plan. The City plan provides certain healthcare benefits for retired employees. Substantially all of the City’s employees become eligible for the health benefits if they reach normal retirement age while working for the City. The City is currently following a pay-as-you-go approach, paying an amount each year equal to the claims paid. This means no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Retiree healthcare is accounted for in the health insurance fund, an internal service fund. A separately, audited GAAP basis post-employment benefit plan is not available for this program.

Benefits

Premiums for pre-65 retirees (not Medicare eligible) are subsidized by the City based on years of service. The City pays \$300 or less of the premiums for retirees who are Medicare eligible through separate fully-insured Medicare supplement plans.

The following provides a summary of the number of participants in the plan as of December 31, 2023:

Inactive employees or beneficiaries currently receiving benefits	235
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	<u>988</u>
	<u>1,223</u>

Total OPEB Liability

The City’s total healthcare OPEB liability of \$41,307,231 was measured as of December 31, 2023. The actuarial valuation was performed as of December 31, 2023.

Actuarial Assumptions and Other Inputs

The total healthcare OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	3.77% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic assumptions	Based on the December 31, 2022 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Healthcare trend rates	Non-Medicare: Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years; Medicare: The City's monthly subsidy of \$300 was assumed to remain level in future years.
Participation rates	65% for pre-65 retirees with over 30 years of service; 40% for pre-65 retirees with 25 to 29 years of service; 30% for pre-65 retirees with 20 to 24 years of service; 15% for pre-65 retirees with less than 20 years of service; and 80% for eligible post-65 retirees.
Other Information:	
Notes	The discount rate change from 4.05% as of December 31,

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 1,837,107
Interest on the total OPEB Liability	2,073,814
Change of benefit terms	(12,995)
Difference between expected and actual experience	(14,073,833)
Changes of assumptions	1,914,632
Benefit payments	<u>(1,436,473)</u>
Net Changes	(9,697,748)
Beginning Balance	<u>51,004,979</u>
Ending Balance	\$ 41,307,231

Sensitivity of the Total Healthcare OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.77%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total healthcare OPEB liability	<u>\$ 45,812,997</u>	<u>\$ 41,307,231</u>	<u>\$ 37,372,640</u>

Sensitivity of the Total OPEB Liability to the Healthcare Costs Trend Rate Assumptions

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate, the following presents the plan's total OPEB liability, calculated using the assumed trend rates, as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's total healthcare OPEB liability	<u>\$ 38,436,791</u>	<u>\$ 41,307,231</u>	<u>\$ 44,711,425</u>

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

For the year ended September 30, 2024, the City recognized healthcare OPEB expense of \$1,150,919. The City reported deferred outflows/inflows of resources related to healthcare OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 2,721,043	\$ 16,026,568
Changes in actuarial assumptions	6,068,398	10,540,834
Contributions subsequent to the measurement date	1,333,375	-
Total	\$ 10,122,816	\$ 26,567,402

\$1,333,375 reported as deferred outflows of resources related to healthcare OPEB liability resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total healthcare OPEB liability for the fiscal year ending September 30, 2025. Amounts reported as deferred outflows/inflows of resources related to healthcare OPEB liability will be recognized in healthcare OPEB expense as follows:

<u>Year ended September 30:</u>	<u>Healthcare OPEB Expense</u>
2025	\$ (2,832,346)
2026	(3,016,309)
2027	(2,633,442)
2028	(2,320,557)
2029	(2,943,272)
Thereafter	(4,032,035)
Total	\$ (17,777,961)

2. Other Post-Employment Benefits – TMRS Supplemental Death Benefits

Plan Description

The City also participates in a defined benefit other post-employment benefit (OPEB) plan administered by Texas Municipal Retirement System (TMRS). TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act (the "Act") requires the PTF to allocate a five percent

interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	662
Inactive employees entitled to, but not yet receiving, benefits	138
Active employees	<u>998</u>
	<u>1,798</u>

Membership counts for inactive employees currently receiving or entitled to, but not yet receiving benefits, will differ from GASB 68 as they include only those eligible for SDBF benefits (i.e., excludes beneficiaries, non-vested terminations due a refund, etc.).

Total OPEB Liability

The City’s total SDBF OPEB liability of \$3,962,494 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total SDBF OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Note: The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in the Total OPEB Liability

	Total SDBF OPEB Liability
Changes for the year:	
Service cost	\$ 110,006
Interest on total SDBF/OPEB liability	148,025
Difference between expected and actual experience	131
Changes of assumptions	181,411
Benefit payments*	(154,008)
	Net Changes
	285,565
Beginning Balance	3,676,929
	Ending Balance
	\$ 3,962,494

* Benefit payments are treated as being equal to the City's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

The discount rate changed from 4.05% to 3.77%. There were no other changes of assumptions or other inputs that affected measurement of the total SDBF OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total SDBF OPEB liability during the measurement period.

Sensitivity of the Total SDBF OPEB Liability to Changes in the Discount Rate

The following presents the total SDBF OPEB liability of the City, as well as what the City's total SDBF OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total SDBF OPEB liability	\$ 4,649,748	\$ 3,962,494	\$ 3,415,364

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

For the year ended September 30, 2024, the City recognized SDBF OPEB expense of \$88,057. The City reported deferred outflows/inflows of resources related to SDBF OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 106	\$ 244,683
Changes in actuarial assumptions	479,102	1,043,961
Contributions subsequent to the measurement date	118,103	-
	\$ 597,311	\$ 1,288,644

\$118,103 reported as deferred outflows of resources related to SDBF OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the

total SDBF OPEB liability for the fiscal year ending September 30, 2025. Amounts reported as deferred outflows/inflows of resources related to SDBF OPEB will be recognized in SDBF OPEB expense as follows:

Fiscal Year Ended September 30	SDBF OPEB Expense Amount
2025	\$ (158,910)
2026	(237,979)
2027	(298,956)
2028	(125,778)
2029	12,187
Thereafter	-
Total	\$ (809,436)

3. Aggregate Total Other Post-Employment Benefits Expenses/Expenditures

The City recognized aggregate total OPEB expenses/expenditures of \$1,238,976 during the fiscal year ending September 30, 2024 related to the City’s Healthcare and SDBF OPEB plans.

D. Employee Retirement Systems and Pension Plans

1. Texas Municipal Retirement System

Defined Benefit Pension Plans

Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the “TMRS Act”) as an agent multi-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of the benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36, monthly payments, which cannot exceed 75% of the member’s deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions, at the December 31, 2023 valuation and measurement date, for the City were as follows:

Deposit Rate: 7%

Matching Ratio (City to Employee): 2 to 1

A member is vested after 5 yrs.

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: **5 yrs./age 60, 20 yrs./any age**; updated service credit is: **100% repeating, transfers**; and the annuity increase to retirees is: **40% of CPI repeating (as of January 1, 2024 the CPI repeating is changing from 40% to 70%)**.

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	882
Inactive employees entitled to, but not yet receiving, benefits	424
Active employees	<u>998</u>
	<u>2,304</u>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 13.25% and 18.14%, including 0.44% and 0.44% of supplemental death benefits, (which is reported in this report as OPEB) in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$12,617,009 and were greater than to the required contributions.

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

General Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale: MP2021 to account for future mortality improvements subject to the 3% floor

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major pension plan asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public & Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Schedule of Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 550,054,328	\$ 494,053,033	\$ 56,001,295
Changes for the year:			
Service cost	12,760,645	-	12,760,645
Interest	38,816,221	-	38,816,221
Change in current period benefits	33,001,695	-	33,001,695
Difference between expected and actual experience	(6,906,807)	-	(6,906,807)
Changes in assumptions	(4,456,019)	-	(4,456,019)
Contributions - employer	-	9,922,508	(9,922,508)
Contributions - employee	-	5,133,593	(5,133,593)
Net investment income	-	57,096,071	(57,096,071)
Benefit payments, including refunds of employee contributions	(28,762,439)	(28,762,439)	-
Administrative expense	-	(363,772)	363,772
Other changes	-	(2,542)	2,542
Net changes	44,453,296	43,023,419	1,429,877
Balance at 12/31/2023	\$ 594,507,624	\$ 537,076,452	\$ 57,431,172

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
City's net TMRS pension liability/(asset)	\$ 133,734,625	\$ 57,431,172	\$ (5,930,762)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmr.com.

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

For the year ended September 30, 2024, the City recognized pension expense of \$41,724,411.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 1,723,178	\$ (5,829,706)
Changes in actuarial assumptions	-	(3,407,543)
Difference between projected and actual investment earnings	13,915,333	-
Contributions subsequent to the measurement date	9,954,405	-
Total	<u>\$ 25,592,916</u>	<u>\$ (9,237,249)</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$9,954,405 will be recognized as a reduction to the net pension liability for the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended September 30:</u>	<u>Pension Expense</u>
2025	\$ 2,026,608
2026	1,756,634
2027	8,035,913
2028	(5,417,893)
2029	-
Thereafter	-
Total	<u>\$ 6,401,262</u>

2. Volunteer Firemen’s Relief and Retirement Pension Trust Fund/Texas Statewide Emergency Service Personnel Retirement Fund

Plan Description

The City participates in a cost-sharing multiple employer pension plan that has a special funding situation. The plan is administered by the Texas Emergency Services Retirement System (“TESRS”) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration.

Covered by Benefit Terms

At August 31, 2023, there were 241-member fire or emergency services departments participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a participating department.

At August 31, 2023, TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,929
Terminated members entitled to, but not yet receiving the benefits	1,689
Current active members (vested and nonvested)	<u>3,343</u>
	<u>8,961</u>

Pension Plan Fiduciary Net Position

Detailed information about the TESRS’s fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at www.tesrs.org. The separately issued actuarial valuations which may be of interest are also available at the same link.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS, and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contributions levels, benefit formulas, and eligibility requirements by Board rule. The benefit provisions include retirement benefits, as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percentage increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percentage multiplied by six times the governing body’s average monthly contribution over the member’s years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount and continuing monthly payments to a member's surviving spouse and dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of TESRS, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). The City contributes \$200 effective October 1, 2023 per active participant per month; before that date, the amount was \$175. This is referred to as a Part One contribution, which is the legacy portion of TESRS contribution that directly impacts future retiree annuities.

The State is required to contribute an amount necessary to make TESRS "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The Board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the State are not enough with the Part One contribution to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percentage of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2022 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining TESRS, to grant up to 15 years of credit for prior service per member. Prior service must have occurred before the department began participation in TESRS.

A small subset of participating departments has a different contribution arrangement which is being phased out over time. In the arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into TESRS. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments by TESRS.

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by Board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2023, total contributions (dues, prior service, and interest on prior service financing) of \$126,809 were paid by the City. The State appropriated \$1,262,763 for the fiscal year ending August 31, 2023.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed below.

The most recently completed biennial actuarial valuation as of August 31, 2022 stated the TESRS has an adequate contribution arrangement of the benefits provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions for the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as need in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses.

Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2022
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Open
Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with an 80%/120% corridor on market value
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation
Projected Salary Increases	N/A
Includes Inflation at	3.00%
Cost of Living Adjustments	None

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components 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 (currently 4.61%) and by adding expected inflation (3.00%). In addition, the final 7.5% assumption was selected by "rounding down".

The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long -Term Expected Net Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small/mid cap domestic	10%	5.94%
Developed international	15%	6.17%
Emerging markets	5%	7.36%
Global Infrastructure	5%	6.61%
Real Estate	10%	4.48%
Multi asset income	5%	3.86%
Fixed income	30%	1.95%
Cash	<u>0.0%</u>	0.00%
Total	100.0%	
Weighted Average		4.61%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension 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

The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease in</u> <u>Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in</u> <u>Discount Rate (8.5%)</u>
City's net TESRS pension liability/(asset)	\$ 1,784,250	\$ 1,152,303	\$ 639,726

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

At September 30, 2024, the City reported a liability of \$1,152,303 for its proportionate share of the plan's net pension liability. This liability reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate share of the collective net pension liability	\$ 1,152,303
State's proportionate share that is associated with the City*	305,404
Total	<u>\$ 1,457,706</u>

**Calculated using the City's proportionate share of contributions multiplied by the State's share of the collective net pension liability.*

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022. GASB Statement No. 68 requires the net pension liability to be measured as of a date no earlier than the end of the employer's prior fiscal year. TESRS did not roll forward (nor did they provide the necessary information for the participants to roll forward) the net pension liability to be measured as of a date no earlier than the end of the City's prior fiscal year. While the City acknowledges that the measurement date does not fall within this 12-month period, the City elected to honor the conservatism principle and report a net pension liability measured as of August 31, 2023. The City used the assumption that any differences in the net pension liability measured as of August 31, 2023 versus September 30, 2023 would be immaterial. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At August 31, 2023, the employer's proportion of the collective net pension liability was 2.662%, which was an decrease of 3.366% from its proportion measured as of August 31, 2022.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the measurement year ended August 31, 2023, the City recognized pension expense of \$272,654. The City recognized on-behalf revenues (expenses) of \$153,666 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 16,829	\$ -
Changes in actuarial assumptions	-	(2,223)
Net difference between projected and actual investment earnings	344,752	-
Contributions subsequent to the measurement date	270,900	-
Total	\$ 632,481	\$ (2,223)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$270,900 will be recognized as a reduction to the net pension liability for the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Pension Expense</u>
2025	\$ 90,391
2026	93,859
2027	163,330
2028	11,778
2029	-
Thereafter	-
Total	\$ 359,358

3. Aggregate Total Employee Retirement Systems and Pension Plans Expenses/Expenditures

The City recognized aggregate total pension expense of \$41,997,065 during the fiscal year ending September 30, 2024 related to the City's TMRS (\$41,724,411 total pension expense) and TESRS (\$272,654 total pension expense) pension plans.

E. Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the “Plan”) created in accordance with Internal Revenue Code Section 457 as a separately administered trust. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The City provides neither administrative service to the Plan nor investment advice for the Plan.

F. Implementation of New Cash Management Requirements for the Housing Choice Voucher Program

U.S. Department of Housing and Urban Development (HUD) issued Notice PIH 2011-67, which is to mitigate Public Housing Agencies (PHA) accumulation of Net Restricted Assets (NRA) funds and reduce Treasury outlays by timing the disbursements based on actual needs. The process of disbursing only the funds required for current Housing Assistance Payment (HAP) costs will result in the re-establishment of HUD-held program reserves, where excess HAP funds will remain obligated but undisbursed at the HUD level rather than held by the PHAs.

The new requirements will not change the amount of funding to which each PHA is entitled each year, nor does the transition from PHA-held NRA to the PHA reserve being maintained by HUD reduce the PHA’s available HAP resources. Funding allocation will continue to be calculated in accordance with the requirements of each year’s Appropriation Act. The only change that will occur is that NRA accounts will no longer be maintained by PHAs, and all excess budget authority will be held on behalf of the individual PHAs by HUD in the program reserve. PHAs will be able to access their program reserve for eligible HAP needs whenever it is necessary.

As of September 30, 2024, the program reserve in the amount of \$1,375,446 is held by HUD on behalf of City of Pasadena Housing Authority.

G. Hurricane Beryl

On July 09, 2024, the Federal Emergency Management Agency (FEMA) granted Governor Greg Abbott’s request for a Presidential Disaster Declaration which allowed the City to apply for the Federal Public Assistance Grant. The City incurred substantial expenditures, planning and preparing for Hurricane Beryl which hit landfall July 08, 2024. The City provided assistance to citizens of the area, managed emergency operations, and cleaned-up debris. Many of these expenditures incurred by the City are expected to be reimbursed by the FEMA. The City has estimated the amount it anticipates to recover from FEMA for the portion of the expenditures incurred. However, FEMA’s policies have and will likely change; therefore, the actual reimbursement could differ from the amount estimated based on the City’s current understanding and interpretation of FEMA’s policies.

H. Coronavirus (COVID-19) Pandemic

Major Disaster Declaration

On March 25, 2020, as part of the federal government response, the President of the United States declared that an emergency exists statewide as a result of Coronavirus Disease 2019 (COVID-19) beginning on January 20, 2020.

American Rescue Plan Act (“ARPA”)

On March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law. Under ARPA the State and Local Fiscal Recovery Fund (“SLFRF”) provided additional funding to state and local governments for response and recovery from the Pandemic. The City was awarded a total of \$40,199,596, which was received in two separate payments of \$20,099,798 each. As of September 30, 2024, the City has expended \$30,683,645.

I. Subsequent Event

On December 19, 2024, the City issued General Obligation Refunding Bonds (the “Refunding Bonds”), Series 2024 in the amount of \$32,620,000 to (i) refund a portion of the City’s General Obligation Refunding Bonds, Series 2016 in the amount of \$28,440,000 and General Obligation Refunding Bonds, Series 2016A (the “Refunded Obligations”) in the amount of \$5,830,000 in order to achieve debt service savings and (ii) pay costs related to the issuance of the Bonds. The refunding resulted in a Net Present Value Savings of \$1,195,516.54 or 3.48% of the Bonds being refunded. The refunding bonds have an interest rate of 5% and mature on February 15, 2032.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF PASADENA, TEXAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL HEALTHCARE OPEB
LIABILITY AND RELATED RATIOS
Measurement Year Ended December 31, 2023 (1)

	December 31,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 1,780,094	\$ 2,056,979	\$ 2,070,006	\$ 2,097,026	\$ 2,518,193	\$ 2,820,762	\$ 1,837,107
Interest (on the total OPEB liability)	1,825,079	1,736,527	1,931,236	1,402,377	1,131,008	1,165,874	2,073,814
Change of benefit terms							(12,995)
Difference between expected and actual experience	-	(325,506)	(8,364,900)	(720,162)	4,458,694	(525,284)	(14,073,833)
Change of assumptions	2,714,917	(2,242,884)	4,719,565	4,320,360	539,350	(13,554,694)	1,914,632
Benefit payments	(2,127,408)	(1,668,203)	(1,611,385)	(1,246,142)	(2,264,488)	(1,707,994)	(1,436,473)
Net Change in Total OPEB Liability	\$ 4,192,682	\$ (443,087)	\$ (1,255,478)	\$ 5,853,459	\$ 6,382,757	\$ (11,801,336)	\$ (9,697,748)
Beginning total OPEB liability	48,075,982	52,268,664	51,825,577	50,570,099	56,423,558	62,806,315	51,004,979
Ending Total OPEB Liability	\$ 52,268,664	\$ 51,825,577	\$ 50,570,099	\$ 56,423,558	\$ 62,806,315	\$ 51,004,979	\$ 41,307,231
Covered Employee Payroll	\$ 53,078,074	\$ 57,776,646	\$ 59,528,914	\$ 61,629,979	\$ 61,441,872	\$ 62,751,228	\$ 63,575,432
Total OPEB Liability as a Percentage of Covered Employee Payroll	98.48%	89.70%	84.95%	91.55%	102.22%	81.28%	64.97%

(1) Only seven years of information is currently available. The City will build this schedule over the next three-year period.

Notes to Required Supplementary Information:

Changes of assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study and the health care trend rates were updated to better reflect the plan's anticipated experience. There were a change in benefit terms that include restricting Medicare supplement plan eligibility to employees with at least 20 years of City service for those hired after December 31, 2022.

The methodology for determining service cost was changed such that the attribution period for the accumulation of service costs is now based only on employment with the City. Additionally, the election rate for the Medicare Supplement plan was lowered from 90% to 80%.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

**CITY OF PASADENA, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years**

	September 30,				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 7,605,747	\$ 7,622,892	\$ 8,512,614	\$ 8,700,395	\$ 9,114,228
Contributions in relation to the actuarially determined contribution	\$ 7,605,747	\$ 7,622,892	\$ 8,512,614	\$ 8,700,395	\$ 9,114,228
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 55,384,915	\$ 58,987,632	\$ 63,307,908	\$ 63,001,076	\$ 67,171,083
Contributions as a percentage of covered payroll	13.73%	12.92%	13.45%	13.81%	13.57%

	September 30,				
2020	2021	2022	2023	2024	
\$ 10,346,997	\$ 9,298,019	\$ 9,257,101	\$ 9,520,287	\$ 12,475,318	
\$ 10,346,997	\$ 9,298,019	\$ 9,257,101	\$ 9,906,623	\$ 12,617,009	
\$ -	\$ -	\$ -	\$ (386,336)	\$ (141,691)	
\$ 76,883,843	\$ 69,922,435	\$ 68,170,344	\$ 72,913,180	\$ 75,918,836	
13.46%	13.30%	13.58%	13.59%	16.62%	

CITY OF PASADENA, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Measurement Year				
	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 7,815,620	\$ 8,664,210	\$ 9,425,461	\$ 10,336,600	\$ 10,395,914
Interest (on the total pension liability)	25,468,655	26,426,824	26,908,444	28,169,848	29,453,672
Change of benefits terms	-	-	-	-	-
Difference between expected and actual experience	(2,817,613)	(1,734,873)	879,833	203,789	(1,510,678)
Change of assumptions	-	5,151,855	-	-	-
Benefit payments, including refund of employee contributions	(16,751,526)	(17,654,124)	(17,888,068)	(20,075,608)	(19,364,953)
Net change in total pension liability	13,715,136	20,853,892	19,325,670	18,634,629	18,973,955
Total pension liability - beginning	368,305,883	382,021,019	402,874,911	422,200,581	440,835,210
Total pension liability - ending (a)	\$ 382,021,019	\$ 402,874,911	\$ 422,200,581	\$ 440,835,210	\$ 459,809,165
Plan Fiduciary Net Position					
Contributions - employer	\$ 7,624,193	\$ 7,531,271	\$ 7,339,257	\$ 8,685,783	\$ 8,917,844
Contributions - employee	3,761,701	3,892,097	4,045,262	4,452,307	4,493,236
Net investment income	20,317,406	545,817	24,588,550	52,889,591	(12,797,053)
Benefit payments, including refund of employee contributions	(16,751,526)	(17,654,124)	(17,888,068)	(20,075,608)	(19,364,953)
Administrative expense	(212,141)	(332,466)	(277,733)	(274,143)	(247,396)
Other	(17,442)	(16,421)	(14,963)	(13,893)	(12,926)
Net change in plan fiduciary net pension	14,722,191	(6,033,826)	17,792,305	45,664,037	(19,011,248)
Plan fiduciary net position - beginning	355,192,124	369,914,315	363,880,489	381,672,794	427,336,831
Plan fiduciary net position - ending (b)	\$ 369,914,315	\$ 363,880,489	\$ 381,672,794	\$ 427,336,831	\$ 408,325,583
Net pension liability (asset) - ending (a) - (b)	\$ 12,106,704	\$ 38,994,422	\$ 40,527,787	\$ 13,498,379	\$ 51,483,582
Plan fiduciary net position as a percentage of total pension liability	96.83%	90.32%	90.40%	96.94%	88.80%
Covered employee payroll	\$ 53,729,371	\$ 55,504,230	\$ 57,789,461	\$ 63,570,724	\$ 64,093,184
Net pension liability (asset) as a percentage of covered employee payroll	22.53%	70.25%	70.13%	21.23%	80.33%

Measurement Year				
2019	2020	2021	2022	2023
\$ 10,913,194	\$ 13,119,669	\$ 11,531,933	\$ 11,391,121	\$ 12,760,645
30,714,091	32,061,718	34,032,784	35,228,451	38,816,221
-	-	-	-	33,001,695
(1,675,256)	8,175,575	(1,582,055)	975,831	(6,906,807)
63,710	-	-	-	(4,456,019)
(20,484,373)	(21,823,908)	(24,900,330)	(27,496,992)	(28,762,439)
19,531,366	31,533,054	19,082,332	20,098,411	44,453,296
459,809,165	479,340,531	510,873,585	529,955,917	550,054,328
\$ 479,340,531	\$ 510,873,585	\$ 529,955,917	\$ 550,054,328	\$ 594,507,624
\$ 9,043,896	\$ 10,702,447	\$ 9,248,751	\$ 9,488,149	\$ 9,922,508
4,707,776	5,565,920	4,890,872	4,853,731	5,133,593
63,100,209	35,225,023	64,336,088	(39,896,443)	57,096,071
(20,484,373)	(21,823,908)	(24,900,330)	(27,496,992)	(28,762,439)
(356,693)	(228,063)	(297,831)	(345,547)	(363,772)
(10,715)	(8,898)	2,039	412,339	(2,542)
56,000,100	29,432,521	53,279,589	(52,984,763)	43,023,419
408,325,583	464,325,683	493,758,204	547,037,793	494,053,033
\$ 464,325,683	\$ 493,758,204	\$ 547,037,793	\$ 494,053,030	\$ 537,076,452
\$ 15,014,848	\$ 17,115,381	\$ (17,081,876)	\$ 56,001,298	\$ 57,431,172
96.87%	96.65%	103.22%	89.82%	90.34%
\$ 67,240,876	\$ 79,513,143	\$ 69,805,888	\$ 69,078,961	\$ 73,337,041
22.33%	21.53%	-24.47%	81.07%	78.31%

**CITY OF PASADENA, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	<p>Post-retirement: 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).</p> <p>Pre-retirement: PUB(10) mortality tables, with the 110% Public Safety table used for males and the 100% General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).</p>
Other Information:	Adopted 70% non-retroactive repeating COLA.

CITY OF PASADENA, TEXAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL SDBF OPEB
LIABILITY AND RELATED RATIOS

	Measurement Year (1)						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 120,784	\$ 141,005	\$ 127,758	\$ 198,783	\$ 181,495	\$ 221,053	\$ 110,006
Interest (on the total OPEB liability)	127,845	128,635	137,955	121,373	104,825	96,599	148,025
Difference between expected and actual experience	-	(148,237)	(199,991)	(60,652)	(323,322)	(86,078)	131
Change of assumptions	283,672	(243,192)	637,916	663,484	144,023	(1,638,811)	181,411
Benefit payments	(38,142)	(38,456)	(40,345)	(47,708)	(125,651)	(110,526)	(154,008)
Net Change in Total OPEB Liability	\$ 494,159	\$ (160,245)	\$ 663,293	\$ 875,280	\$ (18,630)	\$ (1,517,763)	\$ 285,565
Beginning total OPEB liability	3,340,835	3,834,994	3,674,749	4,338,042	5,213,322	5,194,692	3,676,929
Ending Total OPEB Liability	\$ 3,834,994	\$ 3,674,749	\$ 4,338,042	\$ 5,213,322	\$ 5,194,692	\$ 3,676,929	\$ 3,962,494
Covered Employee Payroll	\$ 63,570,724	\$ 64,093,184	\$ 67,240,876	\$ 79,513,143	\$ 69,805,888	\$ 69,078,961	\$ 73,337,041
Total OPEB Liability as a Percentage of Covered Employee Payroll	6.03%	5.73%	6.45%	6.56%	7.44%	5.32%	5.40%

(1) Only seven years of information is currently available. The City will build this schedule over the next three-year period.

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

Changes in Assumptions

The discount rate changed from 4.05% to 3.77%.

There were no other changes in assumption of other impacts that affected measurement of the total OPEB liability since the prior measurement period.

Change in Benefits

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.

**CITY OF PASADENA, TEXAS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years**

	September 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 202,225	\$ 184,932	\$ 199,188	\$ 211,926	\$ 202,902
Contributions in relation to the contractually required contribution	202,225	184,932	199,188	211,926	202,902
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Number of active members (1)	106	114	134	118	111
Contributions per active member	\$ 1,907	\$ 1,622	\$ 1,486	\$ 1,796	\$ 1,828

(1) There is no compensation for active members. Number of active members is used instead.

September 30,				
2020	2021	2022	2023	2024
\$ 214,050	\$ 232,350	\$ 221,900	\$ 241,650	\$ 270,900
214,050	232,350	221,900	241,650	270,900
\$ -	\$ -	\$ -	\$ -	\$ -
114	113	118	116	120
\$ 1,878	\$ 2,056	\$ 1,880	\$ 2,083	\$ 2,258

CITY OF PASADENA, TEXAS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

	Measurement Year (1)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	4.706%	4.281%	4.037%	4.118%	4.425%	4.528%	4.799%	5.031%	6.028%	2.662%
City's proportionate share of the net pension liability	\$ 855,158	\$ 1,142,706	\$ 1,175,787	\$ 988,456	\$ 958,032	\$ 1,283,487	\$ 1,209,870	\$ 539,029	\$ 2,473,293	\$ 1,152,303
State's proportionate share of the net pension liability	287,462	396,097	406,481	323,681	265,888	380,717	344,898	149,230	642,017	305,404
Total	<u>\$ 1,142,620</u>	<u>\$ 1,538,803</u>	<u>\$ 1,582,268</u>	<u>\$ 1,312,137</u>	<u>\$ 1,223,920</u>	<u>\$ 1,664,204</u>	<u>\$ 1,554,768</u>	<u>\$ 688,259</u>	<u>\$ 3,115,310</u>	<u>\$ 1,457,707</u>
Number of active members (1)	106	114	134	118	111	114	113	118	116	120
City's Net Pension Liability per Active Member	\$ 8,068	\$ 10,024	\$ 8,775	\$ 8,377	\$ 8,631	\$ 11,259	\$ 10,707	\$ 4,568	\$ 21,321	\$ 9,603
Plan fiduciary net position as a percentage of the total pension liability	83.50%	76.90%	76.30%	81.40%	84.26%	80.20%	83.20%	93.10%	75.20%	74.60%

(1) There is no compensation for active members. Number of active members is used.

Notes to Required Supplementary Information:

Defined Benefit Pension Plan

Changes in benefit terms:

There were no changes of benefit terms that affected measurement of the total pension liability.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



GENERAL FUND

**The General Fund is used to account for all financial resources
except those required to be accounted for in another fund.**



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**CITY OF PASADENA, TEXAS
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2024**

ASSETS

Cash and cash equivalents	\$	3,463,858
Investments		
TexPool		79,010,109
LOGIC CLASS A		655,878
CLASS		90,296,525
		169,962,512
Receivables (net, where applicable, of allowances for uncollectible)		
General property taxes		910,071
Accounts receivable		6,694,211
		7,604,282
Due from other funds		1,213,369
Due from component unit		33,353
		182,277,374
TOTAL ASSETS	\$	182,277,374

LIABILITIES

Accounts payable	\$	7,781,853
Accrued payroll payable		3,470,690
Due to other funds		52,294,419
		63,546,962
TOTAL LIABILITIES		63,546,962

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes		1,117,080
Unavailable revenue - industrial district fees		52,307
Deferred inflows - leases		320,347
		1,489,734
TOTAL DEFERRED INFLOWS OF RESOURCES		1,489,734

FUND BALANCES

Committed		15,000
Assigned		2,241,160
Unassigned		114,984,518
		117,240,678
TOTAL FUND BALANCES		117,240,678
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$	182,277,374



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**CITY OF PASADENA, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024**

REVENUES	
General property taxes	\$ 54,134,499
Business taxes and fees	
Industrial district fees	29,839,481
Sales taxes	29,269,689
Franchise fees	8,788,667
Other taxes and fees	361,769
Total business taxes and fees	<u>68,259,606</u>
Licenses and permits	2,531,044
Municipal court fines	3,277,113
Charges for services	14,879,428
Intergovernmental	245,039
Miscellaneous	1,734,325
Investment income	8,865,778
TOTAL REVENUES	<u>153,926,832</u>
EXPENDITURES	
Current	
General government	18,638,855
Public safety	43,404,577
Public works	22,797,621
Health	6,313,308
Culture and recreation	17,852,465
Debt service	
Principal	162,443
Interest	17,092
TOTAL EXPENDITURES	<u>109,186,361</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>44,740,471</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in (out)	
Water and sewer system	3,000,000
General liability insurance fund	(750,000)
Capital projects fund	(17,321,380)
Maintenance fund	(5,186,459)
Grant management fund	(12,628,291)
Sale of capital assets	36,553
TOTAL OTHER FINANCING (USES)	<u>(32,849,577)</u>
NET CHANGE IN FUND BALANCE	11,890,894
FUND BALANCE - BEGINNING	<u>105,349,784</u>
FUND BALANCE - ENDING	<u>\$ 117,240,678</u>

**CITY OF PASADENA, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General Property Taxes				
Ad valorem taxes	\$ 53,769,541	\$ 53,769,541	\$ 53,182,421	\$ (587,120)
Penalty and interest	695,000	695,000	952,078	257,078
Total General Property Taxes	54,464,541	54,464,541	54,134,499	(330,042)
Business Taxes and Fees				
Industrial district fees	27,607,000	27,607,000	29,839,481	2,232,481
Sales tax	30,200,000	30,200,000	29,269,689	(930,311)
Franchise fees	8,332,600	8,332,600	8,788,667	456,067
Other taxes				
Mixed drink tax	325,000	325,000	361,769	36,769
Total Business Taxes and Fees	66,464,600	66,464,600	68,259,606	1,795,006
Licenses and Permits				
Business types	2,212,300	2,212,300	2,351,998	139,698
Occupational types	105,850	105,850	133,124	27,274
Non-business types	66,350	66,350	45,922	(20,428)
Total Licenses and Permits	2,384,500	2,384,500	2,531,044	146,544
Municipal Court Fines and Fees	2,670,000	2,670,000	3,277,113	607,113
Charges for Services				
Ellington municipal golf course	1,080,000	1,080,000	1,163,187	83,187
Recreational activities	149,000	149,000	133,199	(15,801)
Swimming pool	77,000	77,000	219,077	142,077
Tennis court	5,000	5,000	7,681	2,681
Civic center	516,000	516,000	530,344	14,344
Other centers	50,000	50,000	48,171	(1,829)
Miscellaneous	573,200	573,200	807,340	234,140
Solid waste collection	10,023,600	10,023,600	11,118,068	1,094,468
Health services	614,100	614,100	584,182	(29,918)
Library services	5,000	5,000	3,004	(1,996)
Property management	278,000	278,000	265,175	(12,825)
Total Charges for Services	13,370,900	13,370,900	14,879,428	1,508,528
Intergovernmental				
Fire protection	95,000	95,000	100,149	5,149
COVID HC SCAP	-	-	20,640	20,640
Reimbursement from other agencies	122,000	122,000	93,755	(28,245)
TxDOT - traffic signal maintenance	28,000	28,000	30,495	2,495
Restitution - Harris County	500	500	-	(500)
Total Intergovernmental	245,500	245,500	245,039	(461)
Miscellaneous	1,193,925	1,510,358	1,734,325	223,967
Investment Income	6,512,000	6,512,000	8,865,778	2,353,778
TOTAL REVENUES	\$ 147,305,966	\$ 147,622,399	\$ 153,926,832	\$ 6,304,433

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Current				
<u>General Government</u>				
City Council				
Personnel services	\$ 98,930	\$ 98,930	\$ 98,850	\$ 80
Contractual services	52,861	56,861	42,547	14,314
Materials and supplies	15,625	11,625	7,025	4,600
Maintenance charges	48,563	52,764	52,764	-
	215,979	220,180	201,186	18,994
Mayor				
Personnel services	636,013	661,893	661,893	-
Contractual services	35,634	35,634	16,866	18,768
Materials and supplies	10,826	10,826	8,404	2,422
Maintenance charges	61,211	61,211	60,714	497
	743,684	769,564	747,877	21,687
Budget and Financial Planning				
Personnel services	849,715	503,534	501,717	1,817
Contractual services	49,100	49,100	15,846	33,254
Materials and supplies	13,101	13,101	6,401	6,700
Maintenance charges	15,547	15,547	15,540	7
	927,463	581,282	539,504	41,778
Municipal Court				
Personnel services	2,168,445	2,030,770	1,838,438	192,332
Contractual services	306,601	306,601	188,259	118,342
Materials and supplies	62,160	62,160	41,190	20,970
Maintenance charges	240,261	240,261	238,476	1,785
	2,777,467	2,639,792	2,306,363	333,429
City Controller				
Personnel services	2,145,505	1,357,750	1,195,251	162,499
Contractual services	193,471	193,471	115,203	78,268
Materials and supplies	44,251	44,251	31,177	13,074
Maintenance charges	82,453	84,778	84,663	115
	\$ 2,465,680	\$ 1,680,250	\$ 1,426,294	\$ 253,956

Continued

**CITY OF PASADENA, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Tax				
Contractual services	\$ 718,450	\$ 761,170	\$ 761,169	\$ 1
Materials and supplies	20	20	-	20
	718,470	761,190	761,169	21
Purchasing				
Personnel services	540,857	567,636	567,635	1
Contractual services	14,287	14,287	10,084	4,203
Materials and supplies	8,525	8,525	8,365	160
Maintenance charges	48,507	48,507	48,507	-
	612,176	638,955	634,591	4,364
Legal				
Personnel services	1,044,957	1,058,069	1,050,924	7,145
Contractual services	710,657	403,997	297,171	106,826
Materials and supplies	37,240	37,240	7,610	29,630
Maintenance charges	67,073	70,142	70,142	-
	1,859,927	1,569,448	1,425,847	143,601
City Secretary				
Personnel services	340,842	346,092	317,731	28,361
Contractual services	72,950	97,950	45,374	52,576
Materials and supplies	7,264	7,264	2,734	4,530
Maintenance charges	47,252	48,624	48,622	2
Capital outlay	-	-	-	-
	468,308	499,930	414,461	85,469
Elections				
Materials and supplies	203,500	152,542	214	152,328
Maintenance charges	1,150	1,150	340	810
	204,650	153,692	554	153,138
Human Resources				
Personnel services	889,269	495,271	486,121	9,150
Contractual services	94,515	123,434	88,937	34,497
Materials and supplies	33,944	33,944	21,633	12,311
Maintenance charges	86,034	86,034	85,529	505
	1,103,762	738,683	682,220	56,463
Civil Service				
Materials and supplies	59,138	59,138	28,777	30,361
Maintenance charges	3,100	3,100	1,393	1,707
	\$ 62,238	\$ 62,238	\$ 30,170	\$ 32,068

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
City Marshall				
Personnel services	\$ 1,365,677	\$ 1,467,714	\$ 1,467,712	\$ 2
Contractual services	19,455	19,455	13,284	6,171
Materials and supplies	47,052	47,052	27,727	19,325
Maintenance charges	221,237	221,237	214,218	7,019
	1,653,421	1,755,458	1,722,941	32,517
Community Relations				
Personnel services	1,010,175	1,027,910	1,027,910	-
Contractual services	197,730	197,730	87,557	110,173
Materials and supplies	58,550	58,550	17,465	41,085
Maintenance charges	155,735	155,735	145,182	10,553
	1,422,190	1,439,925	1,278,114	161,811
Pasadena Action Line				
Personnel services	476,467	488,333	463,036	25,297
Contractual services	6,928	23,928	20,802	3,126
Materials and supplies	4,342	4,342	1,847	2,495
Maintenance charges	22,946	22,946	22,944	2
	510,683	539,549	508,629	30,920
Planning				
Personnel services	486,110	492,599	450,179	42,420
Contractual services	115,971	115,971	7,839	108,132
Materials and supplies	15,440	15,440	3,987	11,453
Maintenance charges	56,604	56,624	56,624	-
	674,125	680,634	518,629	162,005
Planning/Development Administration				
Personnel services	156,447	159,588	159,587	1
	156,447	159,588	159,587	1
Economic Development Liaison				
Personnel services	525,006	532,069	532,068	1
Contractual services	6,100	6,100	3,361	2,739
Materials and supplies	6,500	6,500	1,172	5,328
Maintenance charges	38,619	38,619	38,508	111
	\$ 576,225	\$ 583,288	\$ 575,109	\$ 8,179

Continued

**CITY OF PASADENA, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Neighborhood Network				
Personnel services	\$ 373,043	\$ 390,665	\$ 390,665	\$ -
Contractual services	254,152	254,152	127,207	126,945
Materials and supplies	27,809	27,809	8,079	19,730
Maintenance charges	33,001	33,001	27,654	5,347
	688,005	705,627	553,605	152,022
Inspections				
Personnel services	1,637,537	1,660,901	1,624,023	36,878
Contractual services	335,459	335,459	301,281	34,178
Materials and supplies	33,945	33,945	26,472	7,473
Maintenance charges	214,865	215,169	215,086	83
Capital outlay	78,560	78,560	18,485	60,075
	2,300,366	2,324,034	2,185,347	138,687
Property Management				
Personnel services	462,805	470,897	460,244	10,653
Contractual services	925,880	511,092	69,394	441,698
Materials and supplies	56,838	63,123	17,570	45,553
Maintenance charges	42,437	43,063	43,061	2
	1,487,960	1,088,175	590,269	497,906
City Hall				
Contractual services	544,230	591,230	391,934	199,296
Materials and supplies	86,023	109,523	47,251	62,272
Maintenance charges	133,764	133,764	125,108	8,656
	764,017	834,517	564,293	270,224
Facilities Management				
Contractual services	192,727	192,727	61,480	131,247
Materials and supplies	76,394	76,394	54,489	21,905
Other charges	17,427	24,272	24,271	1
	286,548	293,393	140,240	153,153
Impound/Storage				
Personnel services	333,102	338,634	335,686	2,948
Contractual services	4,909	4,909	2,877	2,032
Materials and supplies	5,085	5,085	4,227	858
Maintenance charges	12,033	12,033	11,916	117
	355,129	360,661	354,706	5,955
Other Charges				
Personnel services	4,513,412	2,339,674	-	2,339,674
Contractual services	292,500	292,500	166,721	125,779
Materials and supplies	-	57,627	57,626	1
Other charges	2,905,909	56,030	22,713	33,317
Other uses	100,000	70,090	70,090	-
	7,811,821	2,815,921	317,150	2,498,771
Total General Government	\$ 30,846,741	\$ 23,895,974	\$ 18,638,855	\$ 5,257,119

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety				
Emergency Preparedness				
Personnel services	\$ 737,517	\$ 756,615	\$ 756,615	\$ -
Contractual services	109,293	106,511	95,695	10,816
Materials and supplies	24,747	25,927	17,778	8,149
Maintenance charges	272,171	281,844	281,840	4
Capital outlay	-	1,352,173	235,280	1,116,893
	1,143,728	2,523,070	1,387,208	1,135,862
Fire Fighting				
Personnel services	367,051	371,734	370,469	1,265
Contractual services	1,434,304	1,499,304	1,330,554	168,750
Materials and supplies	834,761	834,755	464,118	370,637
Maintenance charges	1,037,652	1,085,103	1,085,103	-
Capital outlay	1,242,050	813,059	808,060	4,999
	4,915,818	4,603,955	4,058,304	545,651
Fire Prevention				
Personnel services	1,400,885	1,414,734	1,343,095	71,639
Contractual services	106,591	106,591	87,203	19,388
Materials and supplies	61,227	61,227	46,597	14,630
Maintenance charges	378,968	385,908	385,908	-
	1,947,671	1,968,460	1,862,803	105,657
Police				
Personnel services	44,694,284	30,800,232	29,064,584	1,735,648
Contractual services	526,992	754,207	666,311	87,896
Materials and supplies	341,440	426,561	408,463	18,098
Maintenance charges	4,952,004	4,974,920	4,961,148	13,772
Capital outlay	-	214,359	214,359	-
	50,514,720	37,170,279	35,314,865	1,855,414
Code Enforcement				
Personnel services	322,651	327,585	295,122	32,463
Contractual services	288,513	288,513	236,457	52,056
Materials and supplies	25,048	26,173	26,010	163
Maintenance charges	228,772	228,773	223,808	4,965
	864,984	871,044	781,397	89,647
Total Public Safety	\$ 59,386,921	\$ 47,136,808	\$ 43,404,577	\$ 3,732,231

Continued

**CITY OF PASADENA, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Works				
Engineering				
Personnel services	\$ 1,956,037	\$ 1,987,119	\$ 1,779,751	\$ 207,368
Contractual services	637,067	637,067	474,023	163,044
Materials and supplies	43,559	43,559	25,874	17,685
Maintenance charges	191,358	191,358	185,249	6,109
Capital outlay	-	27,000	27,000	-
	2,828,021	2,886,103	2,491,897	394,206
Street Lighting and Signals				
Contractual services	1,250,000	1,250,000	1,184,467	65,533
	1,250,000	1,250,000	1,184,467	65,533
Sanitation				
Personnel services	2,941,994	3,047,011	3,047,009	2
Contractual services	6,889,783	10,736,576	10,626,659	109,917
Materials and supplies	332,793	332,793	111,938	220,855
Maintenance charges	327,617	329,034	329,032	2
	10,492,187	14,445,414	14,114,638	330,776
Street and Bridge				
Personnel services	2,268,280	2,315,996	2,300,038	15,958
Contractual services	83,610	83,610	66,063	17,547
Materials and supplies	446,350	480,659	411,014	69,645
Maintenance charges	424,248	427,188	427,188	-
Capital outlay	200,000	200,000	55,780	144,220
	3,422,488	3,507,453	3,260,083	247,370
Traffic and Transportation				
Personnel services	1,022,165	1,049,130	999,916	49,214
Contractual services	367,074	367,075	342,809	24,266
Materials and supplies	262,863	277,363	222,360	55,003
Maintenance charges	131,222	131,854	131,854	-
Capital outlay	95,720	95,720	49,597	46,123
	1,879,044	1,921,142	1,746,536	174,606
Total Public Works	\$ 19,871,740	\$ 24,010,112	\$ 22,797,621	\$ 1,212,491

EXPENDITURES**Health****Health**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Personnel services	\$ 1,315,688	\$ 1,336,834	\$ 1,181,589	\$ 155,245
Contractual services	1,630,844	1,660,844	1,493,761	167,083
Materials and supplies	26,614	84,134	82,006	2,128
Maintenance charges	137,114	137,700	137,603	97
	3,110,260	3,219,512	2,894,959	324,553

Animal Rescue and Assistance

Personnel services	2,728,260	2,764,468	2,510,900	253,568
Contractual services	327,475	327,472	289,006	38,466
Materials and supplies	269,437	269,437	253,938	15,499
Maintenance charges	346,955	358,716	358,714	2
Capital outlay	-	5,792	5,791	1
	3,672,127	3,725,885	3,418,349	307,536

Total Health

	6,782,387	6,945,397	6,313,308	632,089
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Culture and Recreation**Parks**

Personnel services	2,318,404	2,344,145	2,159,268	184,877
Contractual services	357,160	357,160	350,233	6,927
Materials and supplies	292,282	382,831	355,390	27,441
Maintenance charges	879,209	879,209	852,437	26,772
Capital outlay	333,652	426,155	252,777	173,378
	4,180,707	4,389,500	3,970,105	419,395

Recreation

Personnel services	2,719,297	2,743,475	2,401,527	341,948
Contractual services	623,160	679,003	536,532	142,471
Materials and supplies	443,693	473,693	378,287	95,406
Maintenance charges	396,634	421,592	394,453	27,139
Other charges	156,140	156,140	147,296	8,844
Capital outlay	941,066	772,717	705,020	67,697
	\$ 5,279,990	\$ 5,246,620	\$ 4,563,115	\$ 683,505

Continued

**CITY OF PASADENA, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>Culture and Recreation, Continued</u>				
Clean Streets				
Personnel services	\$ 1,440,331	\$ 1,465,584	\$ 1,279,032	\$ 186,552
Contractual services	455,213	455,213	347,113	108,100
Materials and supplies	90,044	90,044	79,053	10,991
Maintenance charges	329,773	329,773	314,679	15,094
	2,315,361	2,340,614	2,019,877	320,737
Golf Course				
Personnel services	775,196	783,511	735,314	48,197
Contractual services	150,300	150,300	102,708	47,592
Materials and supplies	367,612	335,290	182,593	152,697
Maintenance charges	142,730	144,193	144,193	-
Capital outlay	145,000	288,804	189,380	99,424
	1,580,838	1,702,098	1,354,188	347,910
Multi-Purpose Center				
Personnel services	460,372	465,650	390,274	75,376
Contractual services	42,405	42,405	29,810	12,595
Materials and supplies	49,029	49,029	38,847	10,182
Maintenance charges	62,246	62,246	52,310	9,936
Other charges	16,925	16,925	16,380	545
	630,977	636,255	527,621	108,634
Civic Center				
Personnel services	480,800	487,916	478,322	9,594
Contractual services	110,500	110,500	91,429	19,071
Materials and supplies	14,300	14,300	8,053	6,247
Maintenance charges	215,097	215,097	203,422	11,675
	820,697	827,813	781,226	46,587
Senior Center - Madison Jobe				
Personnel services	628,147	638,575	602,532	36,043
Contractual services	72,535	72,535	67,239	5,296
Materials and supplies	56,455	56,455	31,198	25,257
Maintenance charges	93,116	95,869	95,869	-
Other charges	35,000	35,000	31,155	3,845
Capital outlay	60,000	60,000	-	60,000
	945,253	958,434	827,993	130,441
Museum				
Personnel services	119,151	121,844	106,473	15,371
Contractual services	18,702	18,702	3,135	15,567
Materials and supplies	16,000	16,000	4,457	11,543
Maintenance charges	13,495	13,495	7,725	5,770
Other charges	7,000	7,000	3,883	3,117
	\$ 174,348	\$ 177,041	\$ 125,673	\$ 51,368

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Library				
Personnel services	\$ 2,905,947	\$ 2,950,227	\$ 2,444,974	\$ 505,253
Contractual services	247,514	273,218	254,040	19,178
Materials and supplies	478,433	469,433	442,309	27,124
Maintenance charges	486,394	500,074	499,975	99
Capital outlay	118,000	118,000	41,369	76,631
	<u>4,236,288</u>	<u>4,310,952</u>	<u>3,682,667</u>	<u>628,285</u>
Total Culture and Recreation	<u>20,164,459</u>	<u>20,589,327</u>	<u>17,852,465</u>	<u>2,736,862</u>
Debt Service				
Principal	-	162,443	162,443	-
Interest	-	17,092	17,092	-
	<u>-</u>	<u>179,535</u>	<u>179,535</u>	<u>-</u>
TOTAL EXPENDITURES	<u>137,052,248</u>	<u>122,757,153</u>	<u>109,186,361</u>	<u>13,570,792</u>
EXCESS REVENUES OVER EXPENDITURES	<u>10,253,718</u>	<u>24,865,246</u>	<u>44,740,471</u>	<u>19,875,225</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Maintenance fund	(5,186,459)	(5,186,459)	(5,186,459)	-
Water and sewer system fund	3,000,000	3,000,000	3,000,000	-
General liability Insurance fund	(750,000)	(750,000)	(750,000)	-
Capital projects fund	(8,100,000)	(17,321,380)	(17,321,380)	-
Grant management fund	-	(12,628,291)	(12,628,291)	-
Sale of capital assets	40,000	40,000	36,553	(3,447)
	<u>(10,996,459)</u>	<u>(32,846,130)</u>	<u>(32,849,577)</u>	<u>(3,447)</u>
TOTAL OTHER FINANCING (USES)	<u>(10,996,459)</u>	<u>(32,846,130)</u>	<u>(32,849,577)</u>	<u>(3,447)</u>
NET CHANGE IN FUND BALANCES	<u>(742,741)</u>	<u>(7,980,884)</u>	<u>11,890,894</u>	<u>19,871,778</u>
FUND BALANCE - BEGINNING	<u>100,793,363</u>	<u>105,349,784</u>	<u>105,349,784</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 100,050,622</u>	<u>\$ 97,368,900</u>	<u>\$ 117,240,678</u>	<u>\$ 19,871,778</u>



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MAJOR FUND

DEBT SERVICE FUND

The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.



CITY OF PASADENA, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes				
Ad valorem taxes	\$ 12,486,263	\$ 12,486,263	\$ 12,285,769	\$ (200,494)
Investment income	157,000	157,000	210,747	53,747
TOTAL REVENUES	<u>12,643,263</u>	<u>12,643,263</u>	<u>12,496,516</u>	<u>(146,747)</u>
EXPENDITURES				
Debt service				
Principal	7,640,000	7,640,000	7,640,000	-
Interest	4,622,763	4,622,763	4,622,763	-
Fiscal charges	5,000	5,000	-	5,000
Other charges	12,000	12,000	-	12,000
TOTAL EXPENDITURES	<u>12,279,763</u>	<u>12,279,763</u>	<u>12,262,763</u>	<u>17,000</u>
EXCESS REVENUES OVER EXPENDITURES	<u>363,500</u>	<u>363,500</u>	<u>233,753</u>	<u>(129,747)</u>
NET CHANGE IN FUND BALANCE	363,500	363,500	233,753	(129,747)
FUND BALANCES - BEGINNING	<u>4,682,874</u>	<u>4,727,545</u>	<u>4,727,545</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 5,046,374</u>	<u>\$ 5,091,045</u>	<u>\$ 4,961,298</u>	<u>\$ (129,747)</u>



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NONMAJOR GOVERNMENTAL FUNDS Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Special Charge Allocation Fund – Established to account for the following:

Juvenile case manager fee not to exceed \$5.00 is imposed whenever a defendant is convicted of a misdemeanor offense. The funds generated from the fee may be used only to finance the salary and benefits of a juvenile case manager.

City's portion of child safety fees collected by the Harris County Tax Assessor from auto license registrations and to be used for programs designed to enhance child safety, health, or nutrition, including child abuse and drug and alcohol abuse, prevention, and intervention.

Security fees collected from the defendant convicted of a misdemeanor offense to be used for providing security services, such as the purchase of x-ray machines and conveying systems, walk-through metal detectors, and miscellaneous items for the municipal court building.

City's share of Law Enforcement Officer Standards and Education (LEOSE) fee collected by the State of Texas to be used for law enforcement education and training purposes.

Ten percent of "time payment fee" collected from a convicted defendant who seeks to pay a fine, court cost, or restitution over a period of time rather than immediately. The funds are used to improve the efficiency of the administration of justice in the City.

Technology fees collected as part of the municipal court fine to be used to finance technological enhancements including computer systems, networks, hardware and software, imaging systems, electronic kiosks and ticket writers, and docket management systems.

Preservation of vital statistics fees collected in addition to the standard fees by the Health Department at the City, which collects an additional \$1.00 for the preservation of vital statistic records under Texas Health and Safety Code 191.001(h).

1% Public, Educational, and Governmental Access Channel fee (PEG Fee) (Sec 66.006) collected to be spent on capital cost items for PEG Channel Access facilities.

Sign removal fee collected from sign permit applicants and licensed sign companies to be used for the removal of illegal signs.

State Forfeited Property Fund – Established to account for the City's share of cash and proceeds realized from the sale of forfeited property resulting from cases aided by the City's law enforcement and prosecuted through the Harris County District Attorney's Office. This fund is designated for law enforcement purposes.

Hotel and Motel Tax Fund – Established to account for the hotel and motel tax revenues that are restricted for enhancement and promotion of tourism and the convention and hotel industry of the City and its vicinity.

Abandoned Motor Vehicle and Property Fund – Established to account for auction proceeds of abandoned vehicles and property. Funds are designated to be used for law enforcement purposes.



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**CITY OF PASADENA, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2024**

	<u>Special Revenue</u>				<u>Total Funds</u>
	<u>Special Charge Allocation</u>	<u>State Forfeited Property</u>	<u>Hotel and Motel Tax</u>	<u>Abandoned Motor Vehicles and Property</u>	
<u>ASSETS</u>					
Due from other funds	\$ 30,855	\$ 3,843	\$ 5,978	\$ 14,890	\$ 55,566
Restricted assets					
Cash and cash equivalents	-	53,068	-	-	53,068
Investments	3,290,813	478,186	8,540,137	294,695	12,603,831
Receivables (net of allowances of uncollectibles)					
Accounts	48,879	-	667,349	-	716,228
TOTAL ASSETS	<u>\$ 3,370,547</u>	<u>\$ 535,097</u>	<u>\$ 9,213,464</u>	<u>\$ 309,585</u>	<u>\$ 13,428,693</u>
<u>LIABILITIES</u>					
Liabilities payable from restricted assets					
Accounts payable	\$ 25,882	\$ 22,790	\$ 52,370	\$ 36,741	\$ 137,783
Accrued payroll payable	5,540	-	6,322	-	11,862
Unearned revenue	40	-	-	-	40
	<u>31,462</u>	<u>22,790</u>	<u>58,692</u>	<u>36,741</u>	<u>149,685</u>
TOTAL LIABILITIES	<u>31,462</u>	<u>22,790</u>	<u>58,692</u>	<u>36,741</u>	<u>149,685</u>
<u>FUND BALANCES</u>					
Restricted	<u>3,339,085</u>	<u>512,307</u>	<u>9,154,772</u>	<u>272,844</u>	<u>13,279,008</u>
TOTAL FUND BALANCES	<u>3,339,085</u>	<u>512,307</u>	<u>9,154,772</u>	<u>272,844</u>	<u>13,279,008</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,370,547</u>	<u>\$ 535,097</u>	<u>\$ 9,213,464</u>	<u>\$ 309,585</u>	<u>\$ 13,428,693</u>

**CITY OF PASADENA, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Special Revenue</u>				<u>Total Funds</u>
	<u>Special Charge Allocation</u>	<u>State Forfeited Property</u>	<u>Hotel and Motel Tax</u>	<u>Abandoned Motor Vehicles and Property</u>	
REVENUES					
Business taxes and fees					
Franchise fees	\$ 156,648	\$ -	\$ -	\$ -	\$ 156,648
Other taxes	-	-	1,880,912	-	1,880,912
Licenses and permits	2,340	-	-	-	2,340
Municipal court fines	368,730	-	-	-	368,730
Intergovernmental	224,270	24,388	-	-	248,658
Miscellaneous	5,180	-	-	492,972	498,152
Investment income	112,197	32,119	419,112	18,435	581,863
TOTAL REVENUES	869,365	56,507	2,300,024	511,407	3,737,303
EXPENDITURES					
Current					
General government					
Contractual services	137,777	-	-	-	137,777
Materials and supplies	35,272	-	-	-	35,272
Capital outlay	182,051	-	-	-	182,051
Public safety					
Personnel services	139,043	-	-	166,950	305,993
Contractual services	163,726	83,686	-	375,749	623,161
Materials and supplies	186,941	116,894	-	26,995	330,830
Other charges	-	37,500	-	45,925	83,425
Capital outlay	-	26,396	-	-	26,396
Culture and recreation					
Personnel services	-	-	155,327	-	155,327
Contractual services	-	-	179,206	-	179,206
Materials and supplies	-	-	99,404	-	99,404
Capital outlay	-	-	20,616	-	20,616
TOTAL EXPENDITURES	844,810	264,476	454,553	615,619	2,179,458
NET CHANGES IN FUND BALANCES	24,555	(207,969)	1,845,471	(104,212)	1,557,845
FUND BALANCES - BEGINNING	3,314,530	720,276	7,309,301	377,056	11,721,163
FUND BALANCES - ENDING	\$ 3,339,085	\$ 512,307	\$ 9,154,772	\$ 272,844	\$ 13,279,008

**CITY OF PASADENA, TEXAS
SPECIAL CHARGE ALLOCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Franchise fees	\$ 200,000	\$ 200,000	\$ 156,648	\$ (43,352)
Licenses and permits	2,600	2,600	2,340	(260)
Municipal court fines	341,100	341,100	368,730	27,630
Intergovernmental	246,850	246,850	224,270	(22,580)
Miscellaneous	6,900	6,900	5,180	(1,720)
Investment income	81,800	81,800	112,197	30,397
TOTAL REVENUES	<u>879,250</u>	<u>879,250</u>	<u>869,365</u>	<u>(9,885)</u>
EXPENDITURES				
Current				
General government				
Contractual services	161,850	181,850	137,777	44,073
Materials and supplies	129,820	129,820	35,272	94,548
Capital outlay	494,514	494,514	182,051	312,463
Public safety				
Personnel services	165,012	166,766	139,043	27,723
Contractual services	226,950	226,950	163,726	63,224
Materials and supplies	232,100	231,997	186,941	45,056
Capital outlay	50,000	50,000	-	50,000
TOTAL EXPENDITURES	<u>1,460,246</u>	<u>1,481,897</u>	<u>844,810</u>	<u>637,087</u>
NET CHANGES IN FUND BALANCES	<u>(580,996)</u>	<u>(602,647)</u>	<u>24,555</u>	<u>627,202</u>
FUND BALANCES - BEGINNING	<u>2,835,608</u>	<u>3,314,530</u>	<u>3,314,530</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,254,612</u>	<u>\$ 2,711,883</u>	<u>\$ 3,339,085</u>	<u>\$ 627,202</u>

CITY OF PASADENA, TEXAS
STATE FORFEITED PROPERTY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 24,388	\$ 24,388
Investment income	35,000	35,000	32,119	(2,881)
TOTAL REVENUES	35,000	35,000	56,507	21,507
EXPENDITURES				
Current				
Public safety				
Contractual services	102,574	102,574	83,686	18,888
Materials and supplies	137,889	137,889	116,894	20,995
Other charges	120,000	120,000	37,500	82,500
Capital outlay	50,000	50,000	26,396	23,604
TOTAL EXPENDITURES	410,463	410,463	264,476	145,987
NET CHANGES IN FUND BALANCES	(375,463)	(375,463)	(207,969)	167,494
FUND BALANCES - BEGINNING	623,534	720,276	720,276	-
FUND BALANCES - ENDING	\$ 248,071	\$ 344,813	\$ 512,307	\$ 167,494

**CITY OF PASADENA, TEXAS
HOTEL AND MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes	\$ 1,575,000	\$ 1,575,000	\$ 1,880,912	\$ 305,912
Investment income	255,000	255,000	419,112	164,112
TOTAL REVENUES	<u>1,830,000</u>	<u>1,830,000</u>	<u>2,300,024</u>	<u>470,024</u>
EXPENDITURES				
Current				
Culture and recreation				
Personnel services	152,591	155,327	155,327	-
Contractual services	220,324	220,324	179,206	41,118
Materials and supplies	214,774	164,122	99,404	64,718
Other charges	154,350	154,350	-	154,350
Capital outlay	155,565	204,916	20,616	184,300
TOTAL EXPENDITURES	<u>897,604</u>	<u>899,039</u>	<u>454,553</u>	<u>444,486</u>
NET CHANGES IN FUND BALANCES	932,396	930,961	1,845,471	914,510
FUND BALANCES - BEGINNING	<u>6,772,901</u>	<u>7,309,301</u>	<u>7,309,301</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 7,705,297</u>	<u>\$ 8,240,262</u>	<u>\$ 9,154,772</u>	<u>\$ 914,510</u>

CITY OF PASADENA, TEXAS
ABANDONED MOTOR VEHICLE AND PROPERTY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 450,000	\$ 450,000	\$ 492,972	\$ 42,972
Investment income	15,500	15,500	18,435	2,935
TOTAL REVENUES	465,500	465,500	511,407	45,907
EXPENDITURES				
Current				
Public safety				
Personnel services	168,707	170,526	166,950	3,576
Contractual services	241,000	379,000	375,749	3,251
Materials and supplies	35,500	34,575	26,995	7,580
Other charges	45,000	45,925	45,925	-
TOTAL EXPENDITURES	490,207	630,026	615,619	14,407
NET CHANGES IN FUND BALANCES	(24,707)	(164,526)	(104,212)	60,314
FUND BALANCES - BEGINNING	535,365	377,056	377,056	-
FUND BALANCES - ENDING	\$ 510,658	\$ 212,530	\$ 272,844	\$ 60,314

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Maintenance Fund – This fund is used to account for the activities of telecommunication, warehouse, electrical, data processing, fleet, building and equipment repairs, maintenance, janitorial, and mail room.

Workers' Compensation Insurance Fund – This fund is used to account for the workers' compensation insurance premiums charged to other funds and claims paid.

General Liability Insurance Fund – This fund is used to account for the general liability insurance premiums charged to other funds, insurance premiums, and claims paid.

Health Insurance Fund – This fund is used to account for the self-insured health plan and the fully insured dental plan and premiums charged to other funds and claims paid.

**CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
<u>ASSETS</u>					
Current Assets					
Investments - TexPool	\$ 19,031,912	\$ 4,097,446	\$ 3,514,764	\$ 8,132,090	\$ 34,776,212
Accounts receivable	13,206	-	29,998	504,622	547,826
Due from other funds					
General	1,539,477	-	46,319	-	1,585,796
General liability insurance	265,097	-	-	-	265,097
Workers' compensation	-	-	7,942	-	7,942
Inventory, at cost	943,605	-	-	-	943,605
Prepaid items	-	-	1,173,343	-	1,173,343
Total Current Assets	21,793,297	4,097,446	4,772,366	8,636,712	39,299,821
Noncurrent Assets					
Deposits					
	-	6,000	-	329,000	335,000
Capital Assets					
Land	602	-	-	-	602
Buildings and building improvements	2,480,236	-	-	-	2,480,236
Accumulated depreciation - buildings and building improvements	(1,912,266)	-	-	-	(1,912,266)
Facilities and other improvements	188,004	-	-	-	188,004
Accumulated depreciation - facilities and other improvements	(103,427)	-	-	-	(103,427)
Machinery and equipment	15,254,501	-	-	-	15,254,501
Accumulated depreciation - machinery and equipment	(9,385,414)	-	-	-	(9,385,414)
Infrastructure	41,746	-	-	-	41,746
Accumulated depreciation - infrastructure	(35,089)	-	-	-	(35,089)
Automotive equipment	56,184,208	-	-	-	56,184,208
Accumulated depreciation - automotive equipment	(35,323,023)	-	-	-	(35,323,023)
Construction in progress	6,866,091	-	-	-	6,866,091
Net Capital Assets	34,256,169	-	-	-	34,256,169
Total Noncurrent Assets	34,256,169	6,000	-	329,000	34,591,169
TOTAL ASSETS	56,049,466	4,103,446	4,772,366	8,965,712	73,890,990
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows on:					
Contribution subsequent to the measurement date pension - TMRS	637,082	-	-	-	637,082
Deferred outflows on difference between expected and actual pension - TMRS	700,989	-	-	-	700,989
Changes in actuarial assumptions pension - TMRS	59	-	-	-	59
Difference between expected and actual experience - OPEB	78,910	-	-	-	78,910
Changes in actuarial assumptions - OPEB	285,607	-	-	-	285,607
Contributions subsequent to the measurement date - OPEB	38,668	-	-	-	38,668
Changes in actuarial assumptions - OPEB SDBF	34,734	-	-	-	34,734
Contribution subsequent to the measurement date - OPEB-SDBF	8,562	-	-	-	8,562
Difference between expected and actual economic experience pension - TMRS	91,916	-	-	-	91,916
Difference between expected and actual economic experience pension - OPEB-SDBF	8	-	-	-	8
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,876,535	\$ -	\$ -	\$ -	\$ 1,876,535

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 1,471,632	\$ 13,548	\$ 154,348	\$ 121,354	\$ 1,760,882
Accrued payroll payable	280,295	-	-	-	280,295
Due to other funds					
General	-	977	-	1,212,392	1,213,369
Maintenance	-	-	265,097	-	265,097
Insurance	-	7,942	-	-	7,942
Claims payable	-	8,764	-	688,200	696,964
Compensated absences payable	191,336	-	-	-	191,336
Total Current Liabilities	1,943,263	31,231	419,445	2,021,946	4,415,885
Noncurrent Liabilities					
Claims payable	-	5,843	-	458,800	464,643
Compensated absences payable	1,722,025	-	-	-	1,722,025
OPEB GASB 75 liability	2,401,915	-	-	-	2,401,915
OPEB SDBF liability	287,260	-	-	-	287,260
Net pension liability	3,469,694	-	-	-	3,469,694
Total Noncurrent Liabilities	7,880,894	5,843	-	458,800	8,345,537
TOTAL LIABILITIES	9,824,157	37,074	419,445	2,480,746	12,761,422
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on:					
Difference between expected and actual of pension - TMRS	373,604	-	-	-	373,604
Change in assumption - OPEB-SDBF	75,687	-	-	-	75,687
Difference between expected and actual experience - OPEB-SDBF	17,739	-	-	-	17,739
Changes in assumption OPEB	347,082	-	-	-	347,082
Difference between expected and actual experience OPEB	590,919	-	-	-	590,919
Deferred inflow on investment - pension TMRS	218,083	-	-	-	218,083
TOTAL DEFERRED INFLOWS OF RESOURCES	1,623,114	-	-	-	1,623,114
NET POSITION					
Investment in capital assets	34,256,169	-	-	-	34,256,169
Unrestricted	12,222,561	4,066,372	4,352,921	6,484,966	27,126,820
TOTAL NET POSITION	\$ 46,478,730	\$ 4,066,372	\$ 4,352,921	\$ 6,484,966	\$ 61,382,989



**CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
OPERATING REVENUES					
Charges for sales and services	\$ 17,729,866	\$ 1,318,625	\$ 456,571	\$ 20,428,430	\$ 39,933,492
OPERATING EXPENSES					
Personnel services	8,604,002	75,136	-	-	8,679,138
Contractual services	2,526,001	74,152	-	126,509	2,726,662
Materials and supplies	5,620,569	257,039	-	-	5,877,608
Maintenance charges	2,175,908	-	-	-	2,175,908
Insurance/reinsurance premiums	-	879,254	2,753,447	4,767,679	8,400,380
Claim and legal expenses	-	30,448	917,547	13,273,358	14,221,353
Administration fees	-	-	-	566,505	566,505
Miscellaneous	-	-	-	888,527	888,527
Depreciation	4,599,966	-	-	-	4,599,966
TOTAL OPERATING EXPENSES	23,526,446	1,316,029	3,670,994	19,622,578	48,136,047
OPERATING INCOME (LOSS)	(5,796,580)	2,596	(3,214,423)	805,852	(8,202,555)
NONOPERATING REVENUES					
Gain on sale of capital assets	373,172	-	-	-	373,172
Investment income	1,051,338	184,499	262,686	449,289	1,947,812
TOTAL NONOPERATING REVENUES	1,424,510	184,499	262,686	449,289	2,320,984
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(4,372,070)	187,095	(2,951,737)	1,255,141	(5,881,571)
Capital contributions	2,780,385	-	-	-	2,780,385
Transfers in	6,174,063	-	1,750,000	-	7,924,063
CHANGES IN NET POSITION	4,582,378	187,095	(1,201,737)	1,255,141	4,822,877
TOTAL NET POSITION - BEGINNING	41,896,352	3,879,277	5,554,658	5,229,825	56,560,112
TOTAL NET POSITION - ENDING	\$ 46,478,730	\$ 4,066,372	\$ 4,352,921	\$ 6,484,966	\$ 61,382,989

CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from interfund services	\$ 16,337,398	\$ 1,324,680	\$ 428,532	\$ 14,098,469	\$ 32,189,079
Cash received from customers and users	-	-	-	6,200,313	6,200,313
Cash payments to suppliers for goods and services	(9,525,829)	-	-	-	(9,525,829)
Cash payments to employees for services	(6,591,758)	(79,289)	-	(4,163)	(6,675,210)
Cash payments for insurance premiums, liability claims, and administration	-	(1,225,400)	(3,478,910)	(18,677,672)	(23,381,982)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	219,811	19,991	(3,050,378)	1,616,947	(1,193,629)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers from other funds					
General	5,186,459	-	750,000	-	5,936,459
Water and sewer system	987,604	-	1,000,000	-	1,987,604
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	6,174,063	-	1,750,000	-	7,924,063
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from sale of capital assets	568,360	-	-	-	568,360
Acquisition and construction of capital assets	(2,795,362)	-	-	-	(2,795,362)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,227,002)	-	-	-	(2,227,002)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(9,789,213)	(1,375,744)	(2,183,591)	(17,151,559)	(30,500,107)
Proceeds from sale and maturities of investments	4,571,003	1,171,254	3,221,283	15,085,323	24,048,863
Investment income received	1,051,338	184,499	262,686	449,289	1,947,812
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(4,166,872)	(19,991)	1,300,378	(1,616,947)	(4,503,432)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	-	-	-	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	-	-	-	-	-
CASH AND CASH EQUIVALENTS - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (5,796,580)	\$ 2,596	\$ (3,214,423)	\$ 805,852	\$ (8,202,555)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	4,599,966	-	-	-	4,599,966
Changes in assets and liabilities					
Decrease (increase) in accounts receivable	5,952	3,000	26,222	(129,648)	(94,474)
Decrease in prepaids	-	-	25,665	-	25,665
(Increase) decrease in due from other funds	(1,398,420)	3,055	(54,261)	-	(1,449,626)
Decrease in pension/OPEB related deferred outflows and inflows, net	2,008,187	-	-	-	2,008,187
Decrease in inventory	128,984	-	-	-	128,984
Decrease (increase) in deposits	-	5,000	-	(12,000)	(7,000)
Increase (decrease) in accounts and claims payable	667,665	1,574	(40,860)	(248,937)	379,442
Increase (decrease) in accrued payroll payable	46,853	(4,153)	-	(4,163)	38,537
Increase in compensated absences payable	126,224	-	-	-	126,224
Increase in net pension liability	91,512	-	-	-	91,512
(Decrease) in total OPEB liability	(260,532)	-	-	-	(260,532)
Increase in due to other funds	-	8,919	207,279	1,205,843	1,422,041
Total Adjustments	6,016,391	17,395	164,045	811,095	7,008,926
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
	\$ 219,811	\$ 19,991	\$ (3,050,378)	\$ 1,616,947	\$ (1,193,629)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contribution of capital assets from the government	\$ 2,780,385	\$ -	\$ -	\$ -	\$ 2,780,385



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STATISTICAL SECTION

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

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I. Financial Trends

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

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II. Revenue Capacity

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

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

CITY OF PASADENA, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years (1) (2)
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 499,187,584	\$ 520,604,774	\$ 538,867,914	\$ 549,356,319
Restricted	55,408,353	55,591,891	62,927,934	72,167,450
Unrestricted	24,391,603	21,560,862	(12,496,375)	(5,486,534)
Total governmental activities net position	<u>\$ 578,987,540</u>	<u>\$ 597,757,527</u>	<u>\$ 589,299,473</u>	<u>\$ 616,037,235</u>
Business-type activities				
Net investment in capital assets	\$ 207,484,738	\$ 215,490,421	\$ 220,294,968	\$ 226,186,707
Restricted	2,108,767	2,053,361	2,267,462	2,602,184
Unrestricted	11,952,768	12,859,321	11,869,171	14,050,268
Total business-type activities net position	<u>\$ 221,546,273</u>	<u>\$ 230,403,103</u>	<u>\$ 234,431,601</u>	<u>\$ 242,839,159</u>
Primary government				
Net investment in capital assets	\$ 706,672,322	\$ 736,095,195	\$ 759,162,882	\$ 775,543,026
Restricted	57,517,120	57,645,252	65,195,396	74,769,634
Unrestricted	36,344,371	34,420,183	(627,204)	8,563,734
Total primary government net position	<u>\$ 800,533,813</u>	<u>\$ 828,160,630</u>	<u>\$ 823,731,074</u>	<u>\$ 858,876,394</u>

- (1) As a result of a change in accounting policy in the implementation of GASB Statement No. 68, net position was restated as of October 1, 2014.
- (2) As a result of a change in accounting policy in the implementation of GASB Statement No. 75, net position was restated as of October 1, 2017. The City chose not to restate 2015 to 2016.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 573,374,729	\$ 586,924,489	\$ 601,279,000	\$ 617,888,806	\$ 657,764,561	\$ 715,307,907
77,672,948	87,855,586	91,338,428	101,969,715	103,201,637	104,154,166
2,876,373	11,175,898	36,024,432	60,847,425	81,542,755	80,864,079
<u>\$ 653,924,050</u>	<u>\$ 685,955,973</u>	<u>\$ 728,641,860</u>	<u>\$ 780,705,946</u>	<u>\$ 842,508,953</u>	<u>\$ 900,326,152</u>
\$ 237,717,289	\$ 243,101,366	\$ 247,130,956	\$ 251,190,759	\$ 262,156,557	\$ 273,742,351
2,834,629	2,844,849	2,538,409	2,345,258	2,702,351	2,905,232
9,835,327	10,379,141	19,813,122	30,400,480	41,179,988	65,708,445
<u>\$ 250,387,245</u>	<u>\$ 256,325,356</u>	<u>\$ 269,482,487</u>	<u>\$ 283,936,497</u>	<u>\$ 306,038,896</u>	<u>\$ 342,356,028</u>
\$ 811,092,018	\$ 830,025,855	\$ 848,409,956	\$ 869,079,565	\$ 919,921,118	\$ 989,050,258
80,507,577	90,700,435	93,876,837	104,314,973	105,903,988	107,059,398
12,711,700	21,555,039	55,837,554	91,247,905	122,722,743	146,572,524
<u>\$ 904,311,295</u>	<u>\$ 942,281,329</u>	<u>\$ 998,124,347</u>	<u>\$ 1,064,642,443</u>	<u>\$ 1,148,547,849</u>	<u>\$ 1,242,682,180</u>

CITY OF PASADENA, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years (1) (2)
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	\$ 17,122,766	\$ 20,888,643	\$ 22,756,730	\$ 22,314,761
Public safety	48,403,071	51,631,147	55,497,066	54,984,996
Public works	23,367,837	23,608,280	25,898,493	27,196,488
Health	4,013,432	4,209,705	4,901,819	4,956,796
Culture and recreation	16,579,672	17,650,996	19,232,324	19,670,659
Housing and community development	7,512,375	7,985,634	8,804,281	8,544,976
Interest and fiscal agent fees on long-term debt	3,439,836	2,627,998	2,097,954	2,689,213
Total governmental activities expenses	<u>120,438,989</u>	<u>128,602,403</u>	<u>139,188,667</u>	<u>140,357,889</u>
Business-type activities				
Water and sewer	30,561,782	30,062,074	32,993,854	33,635,459
Total business-type activities expenses	<u>30,561,782</u>	<u>30,062,074</u>	<u>32,993,854</u>	<u>33,635,459</u>
Total primary government expenses	<u>\$ 151,000,771</u>	<u>\$ 158,664,477</u>	<u>\$ 172,182,521</u>	<u>\$ 173,993,348</u>
Program Revenues				
Governmental activities:				
Charges for service				
General government	\$ 10,021,968	\$ 10,003,780	\$ 10,185,899	\$ 12,423,053
Public safety	8,236,938	8,368,016	7,893,379	8,065,867
Other activities	5,653,162	5,781,731	5,316,136	12,108,708
Operating grants and contributions	8,214,522	9,158,177	9,852,748	11,735,785
Capital grants and contributions	11,569,987	9,563,828	5,282,526	3,811,672
Total governmental activities program revenues	<u>43,696,577</u>	<u>42,875,532</u>	<u>38,530,688</u>	<u>48,145,085</u>
Business-type activities:				
Charges for services:				
Water and sewer	39,079,938	39,681,159	41,915,812	44,569,349
Total business-type activities program revenues	<u>39,079,938</u>	<u>39,681,159</u>	<u>41,915,812</u>	<u>44,569,349</u>
Total primary government program revenues	<u>\$ 82,776,515</u>	<u>\$ 82,556,691</u>	<u>\$ 80,446,500</u>	<u>\$ 92,714,434</u>
Net (Expense)/Revenue				
Governmental activities	\$ (76,742,412)	\$ (85,726,871)	\$ (100,657,979)	\$ (92,212,804)
Business-type activities	8,518,156	9,619,085	8,921,958	10,933,890
Total primary government net (expense)	<u>\$ (68,224,256)</u>	<u>\$ (76,107,786)</u>	<u>\$ (91,736,021)</u>	<u>\$ (81,278,914)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
General property taxes	\$ 38,799,792	\$ 42,155,738	\$ 45,677,186	\$ 49,398,264
Industrial district fees	17,284,062	17,774,342	16,936,513	17,936,515
Sales taxes	31,439,633	32,350,927	31,811,860	34,350,493
Utility taxes	9,260,543	9,609,456	9,322,212	8,965,253
Other taxes/fees	1,059,717	1,227,928	1,641,838	2,117,329
Investment earnings				
Unrestricted	73,803	344,184	737,464	1,440,976
Restricted	44,421	192,234	497,892	1,438,947
Gain on sale of capital assets	1,826,646	-	149,093	-
Transfers	(6,059,853)	842,049	1,912,789	3,302,789
Total governmental activities	<u>93,728,764</u>	<u>104,496,858</u>	<u>108,686,847</u>	<u>118,950,566</u>
Business-type activities:				
Investment earnings				
Unrestricted	12,802	62,105	164,287	414,341
Restricted	3,657	17,689	34,578	362,116
Gain on sale of capital assets	12,141	-	17,950	-
Transfers	6,059,853	(842,049)	(1,912,789)	(3,302,789)
Total business-type activities	<u>6,088,453</u>	<u>(762,255)</u>	<u>(1,695,974)</u>	<u>(2,526,332)</u>
Total primary government	<u>\$ 99,817,217</u>	<u>\$ 103,734,603</u>	<u>\$ 106,990,873</u>	<u>\$ 116,424,234</u>
Change in Net Position				
Governmental activities	\$ 16,986,352	\$ 18,769,987	\$ 8,028,868	\$ 26,737,762
Business-type activities	14,606,609	8,856,830	7,225,984	8,407,558
Total primary government	<u>\$ 31,592,961</u>	<u>\$ 27,626,817</u>	<u>\$ 15,254,852</u>	<u>\$ 35,145,320</u>

(1) As a result of a change in accounting policy in the implementation of GASB Statement No. 68, net position was restated as of October 1, 2014.

(2) As a result of a change in accounting policy in the implementation of GASB Statement No. 75, net position was restated as of October 1, 2017. The City chose not to restate 2015 to 2016.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 24,232,165	\$ 23,821,001	\$ 21,404,451	\$ 20,421,463	\$ 23,347,064	\$ 26,642,835	
64,439,246	68,981,220	59,153,733	55,567,308	68,227,487	69,357,564	
27,409,484	29,606,592	27,583,558	27,134,492	29,833,528	54,796,103	
5,814,364	6,541,684	5,709,263	6,112,911	6,734,097	7,868,851	
20,570,645	19,652,656	18,817,481	18,772,815	21,389,298	24,282,405	
9,961,106	8,829,802	11,235,737	10,469,720	10,545,014	11,374,575	
3,896,638	3,193,943	2,867,582	3,287,137	5,420,649	8,418,625	
<u>156,323,648</u>	<u>160,626,898</u>	<u>146,771,805</u>	<u>141,765,846</u>	<u>165,497,137</u>	<u>202,740,958</u>	
34,994,334	34,992,695	32,153,043	31,573,623	36,990,322	38,919,116	
<u>34,994,334</u>	<u>34,992,695</u>	<u>32,153,043</u>	<u>31,573,623</u>	<u>36,990,322</u>	<u>38,919,116</u>	
<u>\$ 191,317,982</u>	<u>\$ 195,619,593</u>	<u>\$ 178,924,848</u>	<u>\$ 173,339,469</u>	<u>\$ 202,487,459</u>	<u>\$ 241,660,074</u>	
\$ 13,907,080	\$ 14,404,980	\$ 13,457,287	\$ 14,027,342	\$ 15,045,262	\$ 15,424,820	
9,270,016	8,577,499	6,765,420	7,492,703	7,176,462	7,199,470	
7,754,844	9,627,260	11,340,393	7,794,081	6,999,869	6,767,313	
13,880,327	18,122,791	15,783,286	12,135,165	13,241,369	31,586,652	
9,908,321	5,837,270	4,757,024	7,992,290	14,915,533	38,616,267	
<u>54,720,588</u>	<u>56,569,800</u>	<u>52,103,410</u>	<u>49,441,581</u>	<u>57,378,495</u>	<u>99,594,522</u>	
45,862,291	44,994,585	49,450,010	51,187,270	55,452,896	57,087,810	
<u>45,862,291</u>	<u>44,994,585</u>	<u>49,450,010</u>	<u>51,187,270</u>	<u>55,452,896</u>	<u>57,087,810</u>	
<u>\$ 100,582,879</u>	<u>\$ 101,564,385</u>	<u>\$ 101,553,420</u>	<u>\$ 100,628,851</u>	<u>\$ 112,831,391</u>	<u>\$ 156,682,332</u>	
\$ (101,603,060)	\$ (104,057,098)	\$ (94,668,395)	\$ (92,324,265)	\$ (108,118,642)	\$ (103,146,436)	
10,867,957	10,001,890	17,296,967	19,613,647	18,462,574	18,168,694	
<u>\$ (90,735,103)</u>	<u>\$ (94,055,208)</u>	<u>\$ (77,371,428)</u>	<u>\$ (72,710,618)</u>	<u>\$ (89,656,068)</u>	<u>\$ (84,977,742)</u>	
\$ 56,805,649	\$ 58,081,871	\$ 59,786,241	\$ 57,426,443	\$ 65,620,204	\$ 66,436,178	
19,592,150	22,159,160	23,121,354	23,810,452	27,929,937	29,777,938	
36,102,015	36,668,916	39,898,942	43,108,590	43,878,979	43,904,533	
10,618,612	8,986,793	8,619,880	9,017,010	8,800,979	8,531,009	
6,413,158	1,349,373	1,603,920	1,958,920	1,972,270	2,242,681	
2,451,017	1,211,354	93,011	1,222,627	8,568,445	10,813,590	
2,996,975	1,177,530	62,944	1,417,878	9,426,328	13,230,597	
-	1,918,524	-	910,677	4,613,493	-	
4,510,299	4,535,500	4,167,990	5,515,754	(888,986)	(13,972,891)	
<u>139,489,875</u>	<u>136,089,021</u>	<u>137,354,282</u>	<u>144,388,351</u>	<u>169,921,649</u>	<u>160,963,635</u>	
1,181,038	471,721	28,154	356,117	2,750,839	4,175,547	
-	-	-	-	-	-	
9,390	-	-	-	-	-	
(4,510,299)	(4,535,500)	(4,167,990)	(5,515,754)	888,986	13,972,891	
(3,319,871)	(4,063,779)	(4,139,836)	(5,159,637)	3,639,825	18,148,438	
<u>\$ 136,170,004</u>	<u>\$ 132,025,242</u>	<u>\$ 133,214,446</u>	<u>\$ 139,228,714</u>	<u>\$ 173,561,474</u>	<u>\$ 179,112,073</u>	
\$ 37,886,815	\$ 32,031,923	\$ 42,685,887	\$ 52,064,086	\$ 61,803,007	\$ 57,817,199	
7,548,086	5,938,111	13,157,131	14,454,010	22,102,399	36,317,132	
<u>\$ 45,434,901</u>	<u>\$ 37,970,034</u>	<u>\$ 55,843,018</u>	<u>\$ 66,518,096</u>	<u>\$ 83,905,406</u>	<u>\$ 94,134,331</u>	

CITY OF PASADENA, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 (accrual basis of accounting)

<u>Source</u>	<u>Fiscal Year</u>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General property taxes	\$ 38,799,792	\$ 42,155,738	\$ 45,677,186	\$ 49,398,264
Industrial district fees	17,284,062	17,774,342	16,936,513	17,936,515
Sales taxes	31,439,633	32,350,927	31,811,860	34,350,493
Franchise fees	9,260,543	9,609,456	9,322,212	8,965,253
Other taxes/fees	1,059,717	1,227,928	1,641,838	2,117,329
	<u>\$ 97,843,747</u>	<u>\$ 103,118,391</u>	<u>\$ 105,389,609</u>	<u>\$ 112,767,854</u>

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 56,805,649	\$ 58,081,871	\$ 59,786,241	\$ 57,426,443	\$ 65,620,204	\$ 66,436,178
19,592,150	22,159,160	23,121,354	23,810,452	27,929,937	29,777,938
36,102,015	36,668,916	39,898,942	43,108,590	43,878,979	43,904,533
10,618,612	8,986,793	8,619,880	9,017,010	8,800,979	8,531,009
6,413,158	1,349,373	1,603,920	1,958,920	1,972,270	2,242,681
\$ 129,531,584	\$ 127,246,113	\$ 133,030,337	\$ 135,321,415	\$ 148,202,369	\$ 150,892,339

CITY OF PASADENA, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Committed	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Assigned	199,868	516,191	466,821	459,491
Unassigned	<u>44,276,264</u>	<u>46,689,035</u>	<u>36,958,917</u>	<u>51,242,428</u>
Total general fund	<u>\$ 44,491,132</u>	<u>\$ 47,220,226</u>	<u>\$ 37,440,738</u>	<u>\$ 51,716,919</u>
All Other Governmental Funds				
Restricted	\$ 60,624,443	\$ 63,469,227	\$ 69,931,255	\$ 95,728,413
Committed	15,328,098	7,254,969	5,592,139	3,425,236
Assigned	<u>-</u>	<u>4,035,135</u>	<u>331,603</u>	<u>331,603</u>
Total all other governmental funds	<u>\$ 75,952,541</u>	<u>\$ 74,759,331</u>	<u>\$ 75,854,997</u>	<u>\$ 99,485,252</u>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
976,270	1,018,704	1,143,181	1,306,065	744,729	2,241,160
65,238,310	70,302,245	85,485,181	96,672,334	104,590,055	114,984,518
<u>\$ 66,229,580</u>	<u>\$ 71,335,949</u>	<u>\$ 86,643,362</u>	<u>\$ 97,993,399</u>	<u>\$ 105,349,784</u>	<u>\$ 117,240,678</u>
\$ 120,709,698	\$ 107,962,427	\$ 105,050,358	\$ 165,643,468	\$ 167,080,272	\$ 209,419,191
9,397,939	10,871,393	20,809,498	22,392,543	35,223,126	40,333,728
331,603	4,029,552	4,571,515	1,132,119	624,153	572,239
<u>\$ 130,439,240</u>	<u>\$ 122,863,372</u>	<u>\$ 130,431,371</u>	<u>\$ 189,168,130</u>	<u>\$ 202,927,551</u>	<u>\$ 250,325,158</u>

CITY OF PASADENA, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes and fees	\$ 97,786,566	\$ 102,187,545	\$ 105,371,432	\$ 113,950,666
Licenses and permits	2,498,776	3,008,170	2,555,428	2,592,498
Municipal court fines	6,148,378	6,030,277	5,558,805	4,715,725
Charges for services	9,755,077	9,734,403	9,849,361	10,678,209
Intergovernmental	19,032,196	12,643,378	12,830,088	20,056,516
Investment earnings	109,206	480,439	1,068,122	2,506,938
Contribution from outside sources	218,727	717,303	14,100	17,800
Program income	176,096	153,963	64,977	94,809
Miscellaneous	1,145,954	1,050,477	1,310,868	2,004,351
Total revenues	136,870,976	136,005,955	138,623,181	156,617,512
Expenditures				
General government	15,414,838	16,769,769	21,385,858	17,881,609
Public safety	43,153,975	43,695,603	47,275,723	46,187,874
Public works	23,878,916	17,148,365	16,757,188	17,720,250
Health	3,734,963	3,753,196	4,561,561	4,542,989
Culture and recreation	14,171,327	14,753,557	16,622,709	16,463,245
Housing and community development	8,567,002	8,948,301	10,745,960	10,187,469
Capital outlay	21,173,978	19,932,875	22,002,333	18,758,668
Debt service				
Principal	7,880,000	8,864,312	7,822,613	7,015,914
Interest	3,345,373	2,722,813	2,571,489	2,864,605
Payment to refunding bond escrow agent	4,829,110	1,822,973	-	-
Other charges	301,303	269,693	-	273,307
Total expenditures	146,450,785	138,681,457	149,745,434	141,895,930
Excess (deficiency) of revenues over (under) expenditures	(9,579,809)	(2,675,502)	(11,122,253)	14,721,582
Other Financing Sources (Uses)				
Refunding bonds issued	15,646,063	17,405,000	-	-
Payment to refunding bond escrow agent	(13,627,529)	(18,378,549)	-	-
Bonds issued	-	-	1,000,000	19,175,000
Premiums on bonds issued	1,614,726	3,070,454	-	1,098,280
Transfers in	18,501,785	10,036,352	15,619,883	4,869,790
Transfers out	(21,316,745)	(8,717,352)	(14,316,038)	(2,619,790)
Sale of capital assets	2,619,811	795,481	134,586	52,806
Insurance recovery	-	-	-	608,768
Total other financing sources (uses)	3,438,111	4,211,386	2,438,431	23,184,854
Net change in fund balances	\$ (6,141,698)	\$ 1,535,884	\$ (8,683,822)	\$ 37,906,436
Debt service as a percentage of noncapital expenditures	9.17%	9.84%	8.21%	8.06%

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 129,068,908	\$ 127,216,833	\$ 132,868,645	\$ 134,861,409	\$ 147,894,712	\$ 151,352,278
3,321,937	2,226,684	2,671,446	2,485,185	2,283,090	2,533,384
5,037,628	4,027,583	3,206,195	3,457,151	3,589,910	3,645,843
12,169,009	11,469,303	11,936,678	13,052,793	14,524,910	14,879,428
22,337,994	25,236,311	24,346,885	19,906,981	24,685,006	67,423,895
4,935,079	2,183,368	144,767	2,486,611	16,638,078	22,096,375
12,700	12,600	12,600	12,600	12,600	12,600
90,393	213,009	55,464	52,844	68,919	49,126
1,956,123	1,817,106	1,939,605	1,917,523	2,062,409	2,245,028
<u>178,929,771</u>	<u>174,402,797</u>	<u>177,182,285</u>	<u>178,233,097</u>	<u>211,759,634</u>	<u>264,237,957</u>
19,064,478	21,213,589	19,206,089	19,196,235	20,125,646	18,996,036
51,666,025	60,102,784	54,646,168	55,366,590	58,126,489	47,553,503
25,034,792	21,939,122	18,451,497	21,530,344	29,650,069	66,035,350
4,962,410	5,877,526	5,554,531	5,884,637	6,101,460	6,313,308
16,830,755	16,280,078	18,287,528	16,511,374	17,792,820	18,656,362
11,394,571	8,859,785	13,157,302	12,930,369	12,463,509	23,241,284
28,368,030	32,575,378	16,894,198	18,859,222	37,844,412	43,185,079
8,757,613	7,858,142	8,183,830	7,803,640	7,062,892	8,787,443
3,950,253	3,861,712	3,537,119	3,110,903	5,672,581	6,659,131
-	-	-	-	-	-
430,221	-	-	523,130	-	584,624
<u>170,459,148</u>	<u>178,568,116</u>	<u>157,918,262</u>	<u>161,716,444</u>	<u>194,839,878</u>	<u>240,012,120</u>
8,470,623	(4,165,319)	19,264,023	16,516,653	16,919,756	24,225,837
-	-	-	-	-	-
-	-	-	-	-	-
33,945,000	-	-	48,120,000	-	49,500,000
2,485,221	-	-	5,304,305	-	1,090,861
13,563,188	7,286,670	16,175,168	10,920,412	30,717,491	20,321,380
(13,000,384)	(6,036,670)	(13,925,168)	(10,870,412)	(31,857,991)	(35,886,130)
3,001	1,465	1,361,389	95,838	4,670,243	36,553
-	444,355	-	-	666,307	-
<u>36,996,026</u>	<u>1,695,820</u>	<u>3,611,389</u>	<u>53,570,143</u>	<u>4,196,050</u>	<u>35,062,664</u>
<u>\$ 45,466,649</u>	<u>\$ (2,469,499)</u>	<u>\$ 22,875,412</u>	<u>\$ 70,086,796</u>	<u>\$ 21,115,806</u>	<u>\$ 59,288,501</u>
9.43%	8.39%	8.52%	7.93%	8.43%	9.35%

CITY OF PASADENA, TEXAS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)

Source	Fiscal Year			
	2015	2016	2017	2018
General property taxes	\$ 38,755,245	\$ 42,039,511	\$ 45,307,747	\$ 50,169,950
Industrial district fees	17,271,428	17,364,338	17,283,049	17,947,752
Sales taxes	31,439,633	32,350,927	31,811,860	34,350,493
Franchise fees	9,260,543	9,204,841	9,326,938	9,365,142
Other taxes	1,059,717	1,227,928	1,641,838	2,117,329
	<u>\$ 97,786,566</u>	<u>\$ 102,187,545</u>	<u>\$ 105,371,432</u>	<u>\$ 113,950,666</u>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 56,308,920	\$ 58,070,473	\$ 59,751,639	\$ 57,233,927	\$ 65,375,642	\$ 66,420,268
19,626,203	22,141,278	22,994,264	23,926,598	27,897,512	29,839,481
36,102,015	36,668,916	39,898,942	43,108,590	43,878,979	43,904,533
10,618,612	8,986,793	8,619,880	8,633,374	8,770,309	8,945,315
6,413,158	1,349,373	1,603,920	1,958,920	1,972,270	2,242,681
\$ 129,068,908	\$ 127,216,833	\$ 132,868,645	\$ 134,861,409	\$ 147,894,712	\$ 151,352,278

CITY OF PASADENA, TEXAS
WATER AND SEWER SYSTEM PRINCIPAL CUSTOMERS
 Current Year and Nine Years Ago

2024

<u>Consumers</u>	<u>Consumption (per month)</u>	<u>Annualized Consumption</u>	<u>Billed Amount</u>	<u>Rank</u>	<u>% of Water/Sewer Revenues</u>	<u>% of All System Fund Revenues</u>
City of Seabrook	46,313.4	555,761.0	\$ 2,148,745	1	3.54%	3.49%
Evonik (Peroxy Chem)	20,254.4	243,052.8	1,147,025	2	1.89%	1.87%
Nestle Waters North America	10,456.6	125,478.7	522,872	3	0.86%	0.85%
Pasadena Independent School District	7,263.5	87,161.9	743,806	4	1.22%	1.21%
Chevron Phillips	5,520.8	66,249.7	449,558	5	0.74%	0.73%
Mosaic (Sandridge) Apartments	5,160.2	61,922.2	556,391	6	0.92%	0.90%
Suez Treatment	4,809.3	57,711.7	609,043	7	1.00%	0.99%
Brighton Hill Manor Apartments	4,938.3	59,259.1	544,131	8	0.90%	0.88%
Columbia Bayshore Hospital	4,003.0	48,035.8	535,110	9	0.88%	0.87%
The Pointe Apartments	3,406.0	40,872.4	366,226	10	0.60%	0.60%
AltaVillas Apartments	-	-	-	-	-	-
Lyondell	-	-	-	-	-	-
CCI-B Genoa Red Bluff	-	-	-	-	-	-
Mbmi Apartments	-	-	-	-	-	-
Sandstone Apartments	-	-	-	-	-	-
Odfjell Terminals	-	-	-	-	-	-
Total	<u>112,125.5</u>	<u>1,345,505.3</u>	<u>\$ 7,622,907</u>		<u>12.55%</u>	<u>12.39%</u>

Source: Prepared by the City's Water Department.

2015

Consumption (per month)	Annualized Consumption	Billed Amount	Rank	% of Water/Sewer Revenues	% of All System Fund Revenues
48,437.7	581,252.1	\$ 424,140	1	1.08%	1.08%
-	-	-	-	-	-
8,897.4	106,768.8	311,996	2	0.80%	0.80%
7,723.7	92,684.2	1,042,802	3	2.67%	2.67%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,487.1	53,844.6	349,887	8	0.89%	0.89%
-	-	-	-	-	-
-	-	-	-	-	-
5,926.3	71,115.1	425,099	4	1.09%	1.09%
4,924.8	59,098.0	295,803	5	0.76%	0.76%
5,045.7	60,548.9	532,213	6	1.36%	1.36%
4,992.9	59,914.4	376,494	7	0.96%	0.96%
2,919.2	35,030.1	239,939	9	0.61%	0.61%
2,798.9	33,586.5	142,822	10	0.37%	0.37%
<u>96,153.7</u>	<u>1,153,842.7</u>	<u>\$ 4,141,195</u>		<u>10.59%</u>	<u>10.59%</u>

CITY OF PASADENA, TEXAS
WATER AND SEWER RATES
 Last Ten Fiscal Years

	Cumulative Blocks (Gallons)	Usage Blocks (per 1,000 gallons)	Fiscal Year Ended September 30,							
			2015		2016		2017		2018	
			Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates
Residential	2,000	up to 2.0	\$ 10.50	\$ 8.00	\$ 10.75	\$10.75	\$ 10.75	\$ 10.75	\$ 10.97	\$ 10.97
	7,000	next 5.0	-	-	-	-	-	-	-	-
	8,000	next 6.0	2.75	2.75	3.00	3.00	3.00	3.00	3.06	3.06
	9,000	next 2.0	-	-	-	-	-	-	-	-
	10,000	next 2.0	3.00	3.00	3.50	3.50	3.50	3.50	3.57	3.57
	10,001	over 10.0	-	-	-	-	-	-	-	-
	12,000	next 2.0	3.25	3.50	4.00	4.00	4.00	4.00	4.08	4.08
	30,000	next 18.0	4.00	3.50	5.00	4.00	5.00	4.00	5.10	5.10
	30,001	over 30.0	4.50	3.50	5.50	4.00	5.50	4.00	5.61	5.61
Residential => 65	2,000	up to 2.0	6.59	4.99	6.59	4.99	6.59	4.99	6.72	5.09
	6,000	next 4.0	-	-	-	-	-	-	-	-
	7,000	next 5.0	-	-	-	-	-	-	-	-
	10,000	next 8.0	2.16	1.37	2.50	2.50	2.50	2.50	2.55	2.55
	10,001	over 10.0	-	-	-	-	-	-	-	-
	12,000	next 2.0	3.25	3.00	3.50	3.50	3.50	3.50	3.57	3.57
	12,000	next 5.0	-	-	-	-	-	-	-	-
	30,000	next 18.0	4.00	3.50	5.00	4.00	5.00	4.00	5.10	4.08
	30,001	over 30.0	4.50	3.50	5.50	4.00	5.50	4.00	5.61	5.61
Commercial	2,000	up to 2.0	8.59	8.00	12.59	12.00	12.59	12.00	12.84	12.24
	10,000	next 8.0	2.75	3.00	3.25	3.00	3.25	3.00	3.32	3.06
	18,000	next 8.0	-	-	-	-	-	-	-	-
	20,000	next 10.0	3.00	3.25	3.75	3.30	3.75	3.30	3.83	3.37
	26,000	next 8.0	-	-	-	-	-	-	-	-
	30,000	next 10.0	3.25	3.50	4.00	3.55	4.00	3.55	4.08	3.62
	30,001	over 30.0	-	-	-	-	-	-	-	-
	34,000	next 8.0	-	-	-	-	-	-	-	-
	40,000	next 10.0	4.50	4.00	4.50	3.80	4.50	3.80	4.55	3.88
	44,000	next 10.0	-	-	-	-	-	-	-	-
	44,001	over 44.0	-	-	-	-	-	-	-	-
	50,000	next 10.0	4.50	4.15	4.50	4.05	4.50	4.05	4.55	4.10
	50,001	over 50.0	4.50	4.15	4.50	4.15	4.50	4.15	4.55	4.15
Apartments	2,000	up to 2.0	8.50	8.00	9.50	9.50	9.50	9.50	9.69	9.69
	5,000	next 3.0	2.75	2.75	3.25	3.00	3.25	3.00	3.32	3.06
	10,000	next 5.0	3.00	3.25	3.50	3.50	3.50	3.50	3.57	3.57
	10,001	over 10.0	-	-	-	-	-	-	-	-
	12,000	next 2.0	3.25	3.50	4.25	4.00	4.25	4.00	4.34	4.08
	30,000	next 18.0	4.00	3.50	5.00	4.00	5.00	4.00	5.10	4.08
30,001	over 30.0	4.50	3.50	5.50	4.00	5.50	4.00	5.61	4.08	
Sprinklers	2,000	up to 2.0	9.59	-	14.00	-	14.00	-	14.28	-
	10,000	next 8.0	3.25	-	4.00	-	4.00	-	4.08	-
	28,000	next 18.0	4.00	-	5.00	-	5.00	-	5.10	-
	28,001	over 28.0	4.50	-	6.00	-	6.00	-	6.12	-

Source: Prepared by the City's Water Department.

Fiscal Year Ended September 30,

2019		2020		2021		2022		2023		2024	
Water Rates	Sewer Rates										
\$ 11.22	\$ 11.22	\$ 11.42	\$ 11.42	\$ 11.42	\$ 11.42	\$ 11.94	\$ 11.94	\$ 12.96	\$ 12.96	\$ 13.48	\$ 13.47
-	-	-	-	-	-	-	-	-	3.61	-	3.75
3.13	3.13	3.19	3.19	3.19	3.19	3.33	3.33	3.62	-	3.76	-
-	-	-	-	-	-	-	-	-	4.22	-	4.39
3.65	3.65	3.72	3.72	3.72	3.72	3.89	3.89	4.22	-	4.39	-
-	-	-	-	-	-	-	-	-	4.82	-	5.01
4.17	4.17	4.25	4.25	4.25	4.25	4.44	4.44	4.82	-	5.01	-
5.10	4.17	5.19	4.25	5.19	4.25	5.56	4.44	6.03	-	6.27	-
5.61	4.17	5.71	4.25	5.71	4.25	6.11	4.44	6.63	-	6.90	-
6.87	5.21	6.99	5.30	6.99	5.30	7.33	5.55	7.95	6.02	8.27	6.26
-	-	-	-	-	-	-	-	-	3.02	-	3.14
-	-	-	-	-	-	-	-	3.02	-	3.14	-
2.61	2.61	2.66	2.66	2.66	2.66	2.78	2.78	-	4.22	-	4.39
-	-	-	-	-	-	-	-	-	4.82	-	5.01
3.65	3.65	3.72	3.72	3.72	3.72	3.89	3.89	-	-	-	-
-	-	-	-	-	-	-	-	4.22	-	4.39	-
5.22	4.17	5.31	4.25	5.31	4.25	5.56	4.44	6.03	-	6.27	-
5.61	4.17	5.71	4.25	5.71	4.25	6.11	4.44	6.63	-	6.90	-
13.14	12.52	13.38	12.75	13.38	12.75	13.90	13.33	15.18	14.46	15.79	15.04
3.40	3.13	3.46	3.19	3.46	3.19	3.62	3.33	3.92	3.61	4.08	3.75
-	-	-	-	-	-	-	-	-	3.98	-	4.14
3.92	3.45	3.99	3.51	3.99	3.51	4.17	3.67	4.52	-	4.70	-
-	-	-	-	-	-	-	-	-	4.27	-	4.44
4.17	3.70	4.25	3.77	4.25	3.77	4.44	3.94	4.82	-	5.01	-
-	-	-	-	-	-	-	-	5.42	-	5.64	-
-	-	-	-	-	-	-	-	-	4.58	-	4.76
4.65	3.97	4.73	4.04	4.73	4.04	5.00	4.22	-	-	-	-
-	-	-	-	-	-	-	-	-	4.88	-	5.08
-	-	-	-	-	-	-	-	-	5.00	-	5.20
4.65	4.19	4.73	4.27	4.73	4.27	5.00	4.50	-	-	-	-
4.65	4.25	4.73	4.33	4.73	4.33	5.00	4.61	-	-	-	-
9.91	9.91	10.09	10.09	10.09	10.09	10.55	10.55	11.45	11.45	11.91	11.91
3.32	3.06	3.38	3.12	3.38	3.12	3.60	3.33	3.92	3.61	4.08	3.75
3.57	3.57	3.63	3.63	3.63	3.63	3.89	3.89	4.22	4.22	4.39	4.39
-	-	-	-	-	-	-	-	-	4.82	-	5.01
4.34	4.08	4.42	4.15	4.42	4.15	4.72	4.44	5.12	-	5.32	-
5.10	4.08	5.19	4.15	5.19	4.15	5.56	4.44	6.03	-	6.27	-
5.61	4.08	5.71	4.15	5.71	4.15	6.11	4.44	6.63	-	6.90	-
14.61	-	14.87	-	14.87	-	15.56	-	16.88	-	17.56	-
4.17	-	4.25	-	4.25	-	4.44	-	4.82	-	5.01	-
5.10	-	5.19	-	5.19	-	5.56	-	6.03	-	6.27	-
6.12	-	6.23	-	6.23	-	6.67	-	7.23	-	7.52	-

CITY OF PASADENA, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)
Last Ten Fiscal Years

	Fiscal Year Ended September 30,			
	2015	2016	2017	2018
	2014 Tax Year	2015 Tax Year	2016 Tax Year	2017 Tax Year
Assessed Value of Taxable Property				
Real Property				
Real Residential	\$ 4,099,197,425	\$ 4,437,264,879	\$ 4,801,040,252	\$ 5,216,450,255
Real Commercial	1,724,550,745	1,882,514,422	2,104,704,433	2,292,894,922
Real Industrial	159,908,910	209,572,611	163,121,239	259,068,236
Real Agriculture	184,971	178,264	174,043	172,013
Real Vacant	159,066,568	159,267,801	162,772,196	165,840,846
Real Acreage Undeveloped	52,404,929	48,308,431	43,056,354	65,400,460
Real Farm and Ranch Improved	251,507	276,657	304,322	334,754
Total Real Property	6,195,565,055	6,737,383,065	7,275,172,839	8,000,161,486
Less: Exemptions	(826,800,278)	(865,038,283)	(912,947,500)	(950,691,089)
Net Total Real Property	5,368,764,777	5,872,344,782	6,362,225,339	7,049,470,397
Other Property				
Oil Gas and Mineral Reserves	-	-	-	-
Real and Tangible Personal - Utility	406,911	407,011	406,544	406,019
Gas Companies	9,650,985	10,335,973	12,317,323	13,109,983
Electric Companies	58,880,213	57,137,279	61,384,866	61,503,698
Telephone Companies	11,620,085	10,927,075	11,279,634	11,537,505
Railroad	1,835,930	2,018,640	2,162,940	2,301,400
Pipelines	48,033,250	50,440,617	50,120,569	54,052,943
Inventory	24,902,586	26,789,396	29,168,367	29,622,033
Major Cable TV Systems	13,833,260	14,288,850	15,472,020	14,589,260
Tangible Personal Commercial	585,993,827	674,994,577	696,606,477	719,461,700
Tangible Personal Industrial	936,387,584	729,540,148	760,780,633	892,809,207
Tangible Personal Other - Mobile Homes	14,582,987	14,958,005	14,308,581	14,784,917
Residential Inventory - Vacant	-	-	-	-
Governmental Exemption	-	-	-	-
Charitable Exemption	1,911,572	1,914,822	1,907,665	2,553,957
Religious Exemption	-	-	-	-
Private School Exempt	17,839,420	17,839,420	17,839,420	36,157,374
Miscellaneous Exempt	712,254	718,082	718,993	814,532
Agricultural	-	-	-	-
Low-Moderate Income Housing	-	-	-	-
Unknown	-	-	-	-
Improving Prop-Housing w/Volunteer Labor	479,025	180,466	-	-
Economic Devel Svcs to Local Community	385,458	386,379	392,693	388,627
Other Exempt	804,209,783	866,099,527	883,706,307	1,008,233,881
Total Other Property	2,531,665,130	2,478,976,267	2,558,573,032	2,862,327,036
Less: Exemptions	(1,217,268,714)	(1,030,217,604)	(999,768,796)	(1,192,395,693)
Net Total Other Property	1,314,396,416	1,448,758,663	1,558,804,236	1,669,931,343
Total Property	8,727,230,185	9,216,359,332	9,833,745,871	10,862,488,522
Less: Total Exemptions	(2,044,068,992)	(1,895,255,887)	(1,912,716,296)	(2,143,086,782)
Total Assessed Value of Taxable Property	\$ 6,683,161,193	\$ 7,321,103,445	\$ 7,921,029,575	\$ 8,719,401,740
Total Actual Value of Taxable Property	\$ 6,683,161,193	\$ 7,321,103,445	\$ 7,921,029,575	\$ 8,719,401,740
Total Direct Tax Rate Per \$100	\$ 0.576904	\$ 0.575388	\$ 0.575388	\$ 0.575388

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
Tax rates are per \$100 of assessed value.

(2) Harris Central Appraisal District Certified Tax Roll as of September 6, 2024

Fiscal Year Ended September 30,

2019		2020		2021		2022		2023		2024 (2)	
2018 Tax Year		2019 Tax Year		2020 Tax Year		2021 Tax Year		2022 Tax Year		2023 Tax Year	
\$	5,432,053,439	\$	6,030,017,970	\$	6,594,218,098	\$	6,977,656,458	\$	7,966,418,804	\$	8,904,876,814
	2,522,237,422		2,797,689,438		3,071,709,482		3,198,052,374		3,551,610,432		4,048,881,394
	311,132,429		648,763,941		720,549,416		630,755,545		759,354,931		742,444,175
	201,898		193,840		188,210		199,213		222,428		251,332
	167,671,843		185,865,930		168,139,341		187,275,927		190,998,628		210,754,714
	56,662,873		59,849,706		40,766,174		39,224,731		35,726,602		27,828,475
	507,736		539,695		575,995		615,925		653,649		666,364
	8,490,467,640		9,722,920,520		10,596,146,716		11,033,780,173		12,504,985,474		13,935,703,268
	(1,000,278,706)		(1,079,875,270)		(1,140,682,015)		(1,196,565,559)		(1,302,120,752)		(1,438,830,259)
	7,490,188,934		8,643,045,250		9,455,464,701		9,837,214,614		11,202,864,722		12,496,873,009
	-		7,175,170		21,322,460		10,608,770		6,508,740		8,857,802
	495,029		-		-		-		-		-
	13,411,853		14,537,239		16,837,002		17,892,852		20,474,592		23,383,701
	64,781,607		72,432,189		73,880,727		79,743,663		96,934,650		106,600,596
	11,171,007		12,350,356		11,735,970		11,878,476		12,227,491		12,030,328
	2,444,700		2,543,770		2,671,660		2,892,480		3,096,250		3,439,740
	55,365,334		59,210,618		60,943,805		61,437,302		71,322,062		78,860,347
	30,714,967		34,382,796		40,136,743		37,326,514		40,956,012		39,333,108
	17,308,050		18,261,030		21,018,120		22,882,270		23,798,750		23,995,680
	745,403,874		759,091,423		827,365,705		839,564,599		917,583,830		1,024,955,570
	948,676,201		915,629,782		947,516,866		953,081,737		1,302,109,061		1,486,007,872
	14,142,635		15,189,955		15,886,762		16,804,263		17,807,421		22,265,708
	-		-		-		-		-		-
	-		-		-		-		-		-
	2,596,095		3,519,312		2,063,945		2,053,641		1,058,120		2,969,338
	-		-		-		-		-		-
	40,241,025		42,119,145		42,224,174		41,140,110		45,096,871		48,926,830
	845,219		831,399		811,964		815,062		860,787		1,350,878
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	391,679		407,137		404,307		406,623		459,192		571,265
	1,127,560,912		1,199,514,435		1,208,462,759		1,217,843,086		1,261,469,301		1,343,387,171
	3,075,550,187		3,157,195,756		3,293,282,969		3,316,371,448		3,821,763,130		4,226,935,934
	(1,294,550,578)		(1,338,678,127)		(1,309,793,080)		(1,327,611,938)		(1,470,763,968)		(1,578,884,857)
	1,780,999,609		1,818,517,629		1,983,489,889		1,988,759,510		2,350,999,162		2,648,051,077
	11,566,017,827		12,880,116,276		13,889,429,685		14,350,151,621		16,326,748,604		18,162,639,202
	(2,294,829,284)		(2,418,553,397)		(2,450,475,095)		(2,524,177,497)		(2,772,884,720)		(3,017,715,116)
\$	9,271,188,543	\$	10,461,562,879	\$	11,438,954,590	\$	11,825,974,124	\$	13,553,863,884	\$	15,144,924,086
\$	9,271,188,543	\$	10,461,562,879	\$	11,438,954,590	\$	11,825,974,124	\$	13,553,863,884	\$	15,144,924,086
\$	0.615446	\$	0.570342	\$	0.533677	\$	0.515909	\$	0.497583	\$	0.455514

**CITY OF PASADENA, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$100 of assessed value)**

Fiscal Year Ended September 30,	Tax Year	City Direct Rates			Overlapping Rates (1)		
		General Fund	Debt Service Fund	Total Direct	Clear Lake City Water Authority	Clear Creek ISD	Deer Park ISD
2015	2014	0.4253	0.1516	0.5769	0.2800	1.4000	1.5567
2016	2015	0.4337	0.1417	0.5754	0.2700	1.4000	1.5567
2017	2016	0.4484	0.1270	0.5754	0.2700	1.4000	1.5567
2018	2017	0.4601	0.1153	0.5754	0.2700	1.4000	1.5567
2019	2018	0.4805	0.1349	0.6154	0.2700	1.4000	1.5387
2020	2019	0.4507	0.1196	0.5703	0.2700	1.3100	1.4151
2021	2020	0.4233	0.1104	0.5337	0.2600	1.2659	1.3496
2022	2021	0.4214	0.0945	0.5159	0.2600	1.1797	1.3496
2023	2022	0.3943	0.1032	0.4976	0.2600	1.1146	1.2822
2024	2023	0.3710	0.0845	0.4555	0.2500	0.9746	1.1213

Source: Harris Central Appraisal District.

(1) Overlapping rates are those of local and county governments that apply within the City of Pasadena. Not all overlapping rates apply to all City of Pasadena property owners (e.g., the rates for certain school/college district and water authority apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the school/college district or water authority).

(2) Harris County tax rates includes Harris County, Harris County Flood District, Port of Houston Authority, and Harris County Hospital District.

Overlapping Rates (1)

La Porte ISD	Pasadena ISD	(2) Harris County	Harris County Department of Education	San Jacinto College District	Total Direct and Overlapping Rates
1.4500	1.3500	0.6300	0.0060	0.1856	7.4352
1.4500	1.3500	0.6300	0.0054	0.1758	7.4133
1.4200	1.3500	0.6300	0.0052	0.1824	7.3897
1.3800	1.4800	0.6300	0.0052	0.1833	7.4806
1.3800	1.4800	0.6300	0.0052	0.1793	7.4986
1.2800	1.3784	0.6117	0.0050	0.1782	7.0187
1.2697	1.3830	0.5992	0.0050	0.1694	6.8354
1.2565	1.3812	0.5814	0.0050	0.1680	6.6972
1.2565	1.3353	0.5305	0.0050	0.1556	6.4373
0.9739	1.1382	0.5303	0.0048	0.1462	5.5948

**CITY OF PASADENA, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

Property Taxpayer	Fiscal Year Ended September 30, 2024			Fiscal Year Ended September 30, 2015		
	2023 Tax Year		% of Taxable Assessed Value	2014 Tax Year		% of Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Intercontinental Terminals Company LLC	\$ 339,765,363	1	2.24%	\$ -	-	-
Phillips 66 Co.	195,684,464	2	1.29%	62,289,222	4	0.93%
Bay Bluff LP	193,452,798	3	1.28%	40,250,000	9	0.60%
CenterPoint Energy	183,367,690	4	1.21%	68,362,602	3	1.02%
GATX Terminals Kinder	180,788,687	5	1.19%	39,457,937	10	0.59%
LIT Industrial LP	131,594,118	6	0.87%	-	-	-
PEPF Red Bluff LLC	123,813,293	7	0.82%	-	-	-
GSMV Village on the Lake Owner LLC	119,771,713	8	0.79%	-	-	-
Kinder Morgan	117,042,102	9	0.77%	-	-	-
Pasadena Refining System Inc	95,850,327	10	0.63%	-	-	-
Calpine Operating	-	-	-	123,797,970	1	1.85%
PRSI Trading	-	-	-	74,113,557	2	1.11%
Shell Oil Co.	-	-	-	61,409,822	5	0.92%
Boeing Co.	-	-	-	50,561,061	7	0.76%
KIR Pasadena	-	-	-	60,385,843	6	0.90%
Wal-Mart	-	-	-	44,956,768	8	0.67%
Subtotal	1,681,130,555		11.10%	625,584,782		9.36%
Other Taxpayers	13,463,793,531		88.90%	6,057,576,411		90.64%
Total	\$ 15,144,924,086		100.00%	\$ 6,683,161,193		100.00%

Source: Prepared by Harris County Tax Office using values provided by Harris Central Appraisal District.

CITY OF PASADENA, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Tax Year	Tax Rate / \$100	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
				Amount	Percentage of Levy	Collections/(Refunds) in Subsequent Years	Amount	Percentage of Levy
2015	2014	0.5769	38,047,046	37,619,372	98.88%	365,179	37,984,551	99.84%
2016	2015	0.5754	41,644,404	41,198,200	98.93%	373,110	41,571,310	99.82%
2017	2016	0.5754	45,120,882	44,280,747	98.14%	752,886	45,033,633	99.81%
2018	2017	0.5754	48,648,397	48,025,807	98.72%	508,084	48,533,891	99.76%
2019	2018	0.5754	54,993,993	55,129,294	100.25%	(282,859)	54,846,435	99.73%
2020	2019	0.5703	57,005,503	56,975,572	99.95%	(194,518)	56,781,054	99.61%
2021	2020	0.5337	57,938,292	58,709,043	101.33%	(1,111,729)	57,597,314	99.41%
2022	2021	0.5159	58,776,644	58,660,541	99.80%	(152,974)	58,507,567	99.54%
2023	2022	0.4976	64,442,078	64,591,526	100.23%	(691,313)	63,900,213	99.16%
2024	2023	0.4555	67,303,394	65,826,189	97.81%	-	65,826,189	97.81%

CITY OF PASADENA, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended September 30,	2015	2016	2017	2018
Governmental Activities				
General Obligation Bonds	\$ 17,475,000	\$ 2,025,000	\$ 1,035,000	\$ -
General Obligation Refunding Bonds	55,201,099	69,391,828	62,927,351	56,388,209
General Obligation and Refunding Bonds	2,102,603	-	-	-
Certificates of Obligation	4,130,000	310,000	-	-
Combination Tax and Revenue Certificates of Obligation	-	-	-	19,946,595
Leases Payable	-	-	-	-
Blended Component Unit - Pasadena Economic Development Corporation				
Sales Tax Notes	-	-	1,000,000	1,000,000
Sales Tax Revenue Bonds	1,801,955	906,443	-	-
	80,710,657	72,633,271	64,962,351	77,334,804
Business-Type Activities				
Waterworks and Sewer System Revenue Bonds	53,445,465	488,169	-	-
Waterworks and Sewer System Revenue Refunding Bonds	9,166,441	6,983,886	4,726,332	2,388,777
Combination Tax and Revenue Certificates of Obligation	-	-	-	16,664,513
General Obligation Refunding Bonds	13,055,250	66,108,784	64,256,796	61,938,110
General Obligation and Refunding Bonds	-	-	-	-
	75,667,156	73,580,839	68,983,128	80,991,400
Total Primary Government	\$ 156,377,813	\$ 146,214,110	\$ 133,945,479	\$ 158,326,204
Percentage of Personal Income	4.94%	4.57%	4.03%	4.65%
Per Capita	\$ 1,016	\$ 951	\$ 873	\$ 1,031
(1) Population	153,887	153,784	153,351	153,520
(1) Per Capita Personal Income	\$ 20,590	\$ 20,805	\$ 21,692	\$ 22,178
(1) Personal Income (amount expressed in thousands)	\$ 3,168,533	\$ 3,199,476	\$ 3,326,490	\$ 3,404,767

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

(1) See the Schedule of Demographic and Economic Statistics on page 197 for personal income and population data.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48,567,368	40,475,996	32,088,938	24,365,507	17,690,756	12,300,591
-	-	-	-	-	-
-	-	-	-	-	-
55,426,862	54,646,907	53,836,952	106,068,723	104,661,325	101,313,926
-	-	-	-	533,415	370,972
-	-	-	-	-	-
-	-	-	-	-	49,569,347
103,994,230	95,122,903	85,925,890	130,434,230	122,885,496	163,554,836
-	-	-	-	-	-
-	-	-	-	-	-
16,006,648	15,338,784	15,290,919	14,603,054	24,350,190	23,097,325
59,766,122	55,412,547	50,452,391	46,622,044	43,123,058	39,484,073
-	-	-	-	-	-
75,772,770	70,751,331	65,743,310	61,225,098	67,473,248	62,581,398
\$ 179,767,000	\$ 165,874,234	\$ 151,669,200	\$ 191,659,328	\$ 190,358,744	\$ 226,136,234
5.10%	4.66%	4.24%	5.08%	4.62%	5.44%
\$ 1,173	\$ 1,096	\$ 998	\$ 1,290	\$ 1,289	\$ 1,541
153,219	153,219	151,950	148,626	147,662	146,716
\$ 22,993	\$ 23,526	\$ 23,534	\$ 25,381	\$ 27,913	\$ 28,351
\$ 3,522,964	\$ 3,558,976	\$ 3,575,991	\$ 3,772,277	\$ 4,121,689	\$ 4,159,545

CITY OF PASADENA, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended September 30,	(1) General Bonded Debt	Less: Amounts Restricted to Repaying Principal	Total	(2) Assessed Value of Property	Percentage of Assessed Value of Property	(3) Population	Per Capita
2015	91,963,953	(1,783,393)	90,180,560	6,683,161,193	1.35%	153,887	586
2016	137,835,612	(1,493,541)	136,342,071	7,321,103,445	1.86%	153,784	887
2017	128,219,146	(2,060,784)	126,158,362	7,921,029,575	1.59%	153,351	823
2018	154,937,426	(2,339,765)	152,597,661	8,719,401,740	1.75%	153,520	994
2019	179,767,000	(3,039,922)	176,727,078	9,271,188,543	1.91%	153,219	1,153
2020	165,874,234	(3,490,412)	162,383,822	10,461,562,879	1.55%	151,277	1,073
2021	151,669,200	(4,116,848)	147,552,352	11,438,954,590	1.29%	151,950	971
2022	191,659,328	(3,655,356)	188,003,972	11,825,974,124	1.59%	148,626	1,265
2023	189,825,329	(4,727,545)	185,097,784	13,553,863,884	1.37%	147,662	1,254
2024	225,765,262	(4,961,298)	220,803,964	15,144,924,086	1.46%	146,716	1,505

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

(1) Includes all general obligation bonds, regardless of the specific financing sources used by the City and other long-term debt to be paid from ad valorem taxes levied on taxable property located within the City.

(2) See the Schedule of Legal Debt Margin Information for assessed value of property.

(3) See the Schedule of Demographic and Economic Statistics for population.

CITY OF PASADENA, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Fiscal Year Ended September 30, 2024

Government Unit	Taxing Body (as of)	Outstanding Principal Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes				
Harris County	9/30/2024	\$2,424,019,039	2.06%	\$ 49,934,792
Harris County Flood Control District	9/30/2024	968,445,000	2.06%	19,949,967
Harris County Hospital District	9/30/2024	65,285,000	2.06%	1,344,871
Port of Houston Authority	9/30/2024	426,134,397	2.06%	8,778,369
Clear Lake City Water Authority	9/30/2024	131,245,000	19.78%	25,960,261
Clear Creek Independent School District	9/30/2024	1,065,675,000	4.36%	46,463,430
Deer Park Independent School District	9/30/2024	368,445,000	23.89%	88,021,511
La Porte Independent School District	9/30/2024	385,900,000	7.29%	28,132,110
Pasadena Independent School District	9/30/2024	896,800,000	40.06%	359,258,080
San Jacinto College District	9/30/2024	520,862,492	16.37%	85,265,190
Harris County Dept. of Education	9/30/2024	28,960,000	2.06%	596,576
Subtotal, overlapping debt				713,705,156
Add - City direct debt				113,614,517
Total direct and overlapping debt				\$ 827,319,673

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas.

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

**CITY OF PASADENA, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

<u>Fiscal Year Ended September 30,</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit				
Tax Year	2014	2015	2016	2017
Assessed value based on tax year (1)	<u>\$ 6,683,161,193</u>	<u>\$ 7,321,103,445</u>	<u>\$ 7,921,029,575</u>	<u>\$ 8,719,401,740</u>
10% of assessed value	668,316,119	732,110,345	792,102,958	871,940,174
Less: net debt applicable to limit				
Debt to be repaid from ad valorem tax	78,908,702	71,726,828	63,962,351	76,334,804
Less: amount available in debt service fund	<u>(1,783,393)</u>	<u>(1,493,541)</u>	<u>(2,060,784)</u>	<u>(2,339,765)</u>
	<u>77,125,309</u>	<u>70,233,287</u>	<u>61,901,567</u>	<u>73,995,039</u>
Legal Debt Margin	<u>\$ 591,190,810</u>	<u>\$ 661,877,058</u>	<u>\$ 730,201,391</u>	<u>\$ 797,945,135</u>
Total net debt applicable to the limit as a percentage of debt limit	11.54%	9.59%	7.81%	8.49%

Note: Under Article IX, Section 14 of the City Home Rule Charter, the maximum bonded indebtedness of the City outstanding at any one time and payable solely from ad valorem taxes shall not exceed ten percent (10%) of the assessed valuation of all taxable property on the City's tax roll.

(1) Assessed value based on Harris County Appraisal District Certified Tax Roll as of September 8, 2023.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2018	2019	2020	2021	2022	2023
\$ 9,271,188,543	\$ 10,461,562,879	\$ 11,438,954,590	\$ 11,825,974,124	\$ 13,553,863,884	\$ 15,144,924,086
927,118,854	1,046,156,288	1,143,895,459	1,182,597,412	1,355,386,388	1,514,492,409
103,994,230	95,122,903	85,925,890	130,434,230	122,885,496	113,614,517
(3,039,922)	(3,490,412)	(4,116,848)	(3,655,356)	(4,727,545)	(4,961,298)
100,954,308	91,632,491	81,809,042	126,778,874	118,157,951	108,653,219
\$ 826,164,546	\$ 954,523,797	\$ 1,062,086,417	\$ 1,055,818,538	\$ 1,237,228,437	\$ 1,405,839,190
10.89%	8.76%	7.15%	10.72%	8.72%	7.17%

CITY OF PASADENA, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Water and Sewer Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	39,096,397	21,248,521	17,847,876	4,130,000	3,324,683	2.39
2016	39,760,953	21,700,279	18,060,674	5,020,688	2,199,835	2.50
2017	42,114,676	24,285,741	17,828,935	3,997,387	2,665,483	2.68
2018	45,345,806	24,034,753	21,311,053	4,599,086	3,063,383	2.78
2019	47,043,329	25,398,838	21,644,491	4,627,387	2,939,142	2.86
2020	44,994,585	25,677,467	19,317,118	4,526,858	2,765,973	2.65
2021	49,450,010	22,691,878	26,758,132	4,551,170	2,576,738	3.75
2022	51,187,270	21,971,030	29,216,240	4,061,361	2,381,762	4.53
2023	55,452,896	27,237,927	28,214,969	3,745,000	2,213,394	4.74
2024	57,087,810	29,264,729	28,214,969	4,435,000	2,037,881	4.36

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Gross revenues include operating revenues and investment earnings.
Operating expenses do not include depreciation.

Note: It is the current policy of the City to pay a portion of its general obligation debt service requirements from water and sewer revenues. Thus, the City is pledging the water and sewer system revenues to the payment of self-supporting portion of the general obligation debt.

CITY OF PASADENA, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Population(1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income(1)	Median Age(1)	School Enrollment(3)	Unemployment Rate(2)
2015	153,887	3,168,533	20,590	31.0	55,610	5.8%
2016	153,784	3,199,476	20,805	30.1	55,395	7.1%
2017	153,351	3,326,490	21,692	31.2	56,120	6.0%
2018	153,520	3,404,767	22,178	31.6	56,282	5.5%
2019	153,219	3,522,964	22,993	31.3	54,646	5.2%
2020	151,277	3,558,976	23,526	31.3	53,291	8.7% (4)
2021	151,950	3,575,991	23,534	31.6	52,878	6.7% (4)
2022	148,626	3,772,277	25,381	32.3	50,614	5.2%
2023	147,662	4,121,689	27,913	31.7	48,726	4.6%
2024	146,716	4,159,545	28,351	32.6	47,486	5.0%

Data sources:

- (1) Bureau of the Census -2023 estimates
- (2) YCharts / September 2024
- (3) Pasadena Independent School District 2024 ACFR
- (4) Due to COVID-19

CITY OF PASADENA, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Pasadena ISD	8,201	1	11.20%	8,317	1	8.89%
Turner Industries*	3,364	2	4.59%	-	-	-
San Jacinto College	2,958	3	4.04%	1,643	5	1.76%
The Boeing Company*	2,268	4	3.10%	2,000	3	2.14%
HCA Houston Healthcare	1,428	5	1.95%	-	-	-
Mundy Company	1,342	6	1.83%	1,998	4	2.13%
Lyondell Chemical Co*	1,175	7	1.60%	2,613	2	2.79%
Kaneka North America*	1,111	8	1.52%	-	-	-
City of Pasadena **	1,089	9	1.49%	1,109	10	1.18%
University of Houston-Clear Lake	858	10	1.17%	1,245	8	1.33%
Shell - Deer Park	-	-	-	1,600	6	1.71%
Bayshore Medical Center	-	-	-	1,350	7	1.44%
SGS Petroleum Service Corp	-	-	-	1,127	9	1.20%
	<u>23,794</u>		<u>32.49%</u>	<u>23,002</u>		<u>24.57%</u>

* Based on last fiscal year records.

** Based on the payroll records as of the last month of the fiscal year.

CITY OF PASADENA, TEXAS
CITY GOVERNMENT EMPLOYEES BY FUNCTION (1)
 Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Council	7	8	8	8	8	8	8	8	8	8
Mayor	2	2	3	4	4	4	4	4	4	4
Budget and Financial Planning	3	4	5	4	3	4	5	6	6	6
Municipal Court	32	35	36	35	37	32	32	32	31	29
City Controller	15	16	15	16	17	17	15	14	15	14
Purchasing	4	4	4	5	5	5	5	5	5	5
Legal	6	8	7	8	9	7	7	7	7	6
City Secretary	4	4	4	5	4	4	4	3	2	3
Human Resources	7	7	8	7	11	10	10	10	10	8
City Marshal	7	7	8	10	11	10	10	10	11	9
Community Relations	9	8	7	9	9	9	8	8	8	8
Pasadena Action Line	6	5	7	6	6	6	6	6	6	6
Planning	4	4	8	4	5	5	5	4	5	5
Planning/Development Administration	-	-	-	-	-	-	-	-	-	-
Neighborhood Network	1	2	4	5	5	4	4	5	4	5
Inspections	17	15	18	17	17	17	16	16	18	17
Project Development	-	1	1	3	3	3	3	3	3	4
Impound/Storage	6	6	6	4	5	6	4	5	5	5
Economic Development Liaison	2	2	2	3	5	5	5	3	4	4
Public Safety										
Emergency Preparedness	3	5	5	6	6	6	5	6	6	6
Fire Fighting	10	8	8	8	7	3	3	3	3	3
Fire Prevention	12	12	14	14	13	12	15	15	14	15
Police	353	349	362	363	376	378	368	363	386	378
Code Enforcement	8	7	8	14	14	13	11	10	9	10
Public Works										
Engineering	24	21	16	15	15	14	15	15	16	14
Sanitation	37	41	41	38	36	41	42	37	32	40
Street and Bridge	31	36	33	33	29	31	32	29	30	33
Traffic and Transportation	10	12	12	12	12	11	10	11	12	11
Health										
Health	11	12	12	15	15	14	15	14	15	15
Animal Rescue and Assistance	26	29	30	30	36	37	35	35	35	38
Culture and Recreation										
Leisure Services Administration	3	3	2	4	4	4	5	6	6	6
Parks	40	39	41	39	38	39	34	40	43	43
Recreation	94	38	39	51	44	33	33	48	49	47
Clean Streets	18	19	20	19	18	17	19	19	16	18
Golf Course	5	5	3	7	8	7	7	10	11	11
Multi-Purpose Center	8	7	9	9	9	9	8	7	9	15
Civic Center	7	10	6	6	7	8	8	8	7	8
Senior Center - Madison Jobe	5	6	6	6	7	9	9	8	9	8
Library	51	45	48	45	40	40	39	42	37	38
Water and Sewer System	121	115	115	109	113	106	105	90	97	98
Maintenance	83	83	66	82	80	79	83	77	76	75
Health Insurance	1	-	-	-	-	1	2	-	-	-
Grant Management	16	16	9	14	14	14	14	12	12	13
TOTAL CITY POSITIONS	1,109	1,056	1,056	1,092	1,105	1,082	1,068	1,054	1,082	1,089

Source: City's Payroll department.

Note: This schedule is prepared based on City Employees Home Organization report.

(1) Based on the payroll records as of the last month of the fiscal year.

CITY OF PASADENA, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year Ended September 30,			
	2015	2016	2017	2018
Public Safety				
Police				
Arrests	9,890	10,496	9,081	8,067 (5)
Accident reports	4,143	4,200	3,917	4,390 (5)
Citations issued	64,210	67,603	64,330	57,367 (5)
Calls for service	65,515	75,847	77,466	91,265 (5)
Public Works				
Refuse collection				
Refuse collected Type 1 (tons/day)	110	112	112	113
Refuse collected Type 2 (cubic yards/day)	185	211	256 (4)	380 (4)
Mulching collected (cubic yards/day)	56	48	60 (4)	82 (4)
Recyclables collected (tons/day)	6.62	7.00	6.00	6.00
Health				
Number of food permits issued	1,936	1,503	1,730	1,828
Number of health inspections	2,315	2,663	2,954	3,367
Culture and Recreation				
Convention Center				
Number of Events	196	188	183	192
Library				
Visitors	356,240	280,992 (2)	413,292 (3)	397,098
Water and Sewer System				
Average daily consumption (millions of gallons)	18.80	17.62	17.30	17.44
Total Consumption (billions of gallons)	6,800.00	6,449.37	6,316.06	6,374.22
Average daily Waste Water Plant Flow (millions of gallons)	14.20	13.50	11.80	12.37
Total Waste Water Plant Flow (millions of gallons)	5,172.20	4,926.12	4,274.09	4,500.81

Source: Various City departments.

Note: Indicators are not available for the General Government and Housing and Community Development functions.

(1) Information unavailable.

(2) Library was under renovation during this year.

(3) Library began using a wifi analytic software to track all visitors (online and onsite).

(4) Sanitation statistics are slightly elevated due to Hurricane Harvey.

(5) Police Department has a new public safety software and the reporting parameters may differ from the old system.

(6) Reductions due to COVID-19.

Fiscal Year Ended September 30,

2019	2020	2021	2022	2023	2024
8,155	5,784	3,849	4,087	4,748	5,386
4,114	3,202	3,744	4,023	3,492	3,893
59,047	46,456	25,709	25,459	27,440	30,039
84,880	94,346	97,720	109,497	117,297	123,467
111	120	122	105	174	180
220	218	248	209	242	236
116	119	156	110	110	118
7.00	7.00	8.00	6.00	5.00	4.00
1,616	1,683	1,180	1,974	2,033	2,023
3,487	3,157	3,415	4,167	4,718	3,771
211	110 (6)	214	190	143	252
354,402	94,045 (6)	87,663 (6)	143,786 (6)	137,822 (6)	132,675 (6)
17.26	18.69	23.61	18.84	20.59	20.71
6,304.78	6,824.73	6,960.71	6,877.12	7,516.44	7,559.83
13.32	12.01	13.18	10.23	10.78	15.34
4,859.34	4,394.48	4,824.20	3,733.37	3,930.05	5,591.34

CITY OF PASADENA, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function / Program	Fiscal Year Ended September 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	171	172	182	197	197	201	199	190	180	161
Fire stations	10	10	10	10	10	10	10	10	10	10
Public Works										
Streets (miles)	523	524	525	521	520	520	520	520	520	520
Streetlights	7,565	7,560	7,628	7,699	7,751	7,886	7,921	7,970	7,993	8,001
Traffic signals	194	196	196	203	207	207	208	209	213	219
Sanitation										
Collection trucks	20	18	18	20	20	20	31	31	31	31
Culture and Recreation										
Parks	48	48	48	48	48	44	44	45	47	47
Parks acreage	1,180	1,180	1,180	1,180	1,180	1,179	1,180	1,190	1,206	1,206
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	15	15	15	15	15	15	15	15	15	15
Community centers	8	8	8	8	8	8	8	8	8	8
Water and Sewer System										
Water										
Water mains (miles)	480	481	487	487	488	488	500	502	532	532
Fire hydrants	2,314	2,314	2,315	2,314	2,314	2,314	2,354	2,342	3,027	3,027
Maximum daily capacity (millions of gallons)	26	25	22	22	26	26	35 *	35	35	35
Sewer										
Sanitary sewers (miles)	406	407	407	407	408	408	408	408	421	421
Storm sewers (miles)	406	409	409	409	410	410	416	416	417	417
Maximum daily treatment capacity (millions of gallons)	24	24	24	24	24	24	24	24	24	24

Source: Various City departments

Note: No capital asset indicators are available for the General Government, Health, or Housing and Community Development.

* Storage capacity increased in 2021.

CITY OF PASADENA, TEXAS
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024



JEFF WAGNER
MAYOR

CITY OF PASADENA, TEXAS

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