



CITY OF PASADENA



CITY OF PASADENA, TEXAS
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020



**CITY OF PASADENA, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

**PREPARED BY:
OFFICE OF THE CITY CONTROLLER
JOMIE BLUMREICH, CPA
CITY CONTROLLER**

**CITY OF PASADENA, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal.....	3
GFOA Certificate of Achievement	11
Organization Chart	12
Principal Officials.....	13
 II. FINANCIAL SECTION	
Independent Auditors' Report.....	19
Management's Discussion and Analysis	25
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	40
Statement of Activities	42
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet.....	44
Statement of Revenues, Expenditures and Changes in Fund Balances.....	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	49
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund	50
Grant Management (Major Special Revenue Fund) Budgeted Federal Equitable Sharing of Forfeited Property Justice Department	52
Federal Equitable Sharing of Forfeited Property Treasury Department ...	53
Proprietary Fund Financial Statements	
Statement of Net Position	54
Statement of Revenues, Expenses and Changes in Fund Net Position	57
Statement of Cash Flows.....	58
 Notes to Financial Statements	63
 Required Supplementary Information	
Schedule of Changes in the City's Total Healthcare OPEB	109
Texas Municipal Retirement System (TMRS)	
Schedule of Contributions	110
Schedule of Changes in Net Pension Liability and Related Ratios.....	111
Methods and Assumptions Used to Determine Contribution Rates	112
Schedule of Changes in the City's Total SDBF OPEB	113
Texas Emergency Services Retirement System	
Schedule of Contributions	114
Schedule of the City's Proportionate Share of the Net Pension Liability	115

II. FINANCIAL SECTION (Continued)**Combining and Individual Fund Statements and Schedules****General Fund**

Balance Sheet.....	121
Statement of Revenues, Expenditures and Changes in Fund Balance.....	123
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	124

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	137
--	-----

Nonmajor Governmental Funds

Combining Balance Sheet	141
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	142
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Special Charge Allocation Special Revenue Fund.....	143
State Forfeited Property Special Revenue Fund.....	144
Hotel and Motel Tax Special Revenue Fund.....	145
Abandoned Motor Vehicle and Property Special Revenue Fund.....	146

Internal Service Funds

Combining Statement of Net Position	148
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	151
Combining Statement of Cash Flows.....	152

III. STATISTICAL SECTION

Net Position by Component	158
Changes in Net Position	160
Governmental Activities Tax Revenues by Source.....	162
Fund Balances of Governmental Funds	164
Changes in Fund Balances of Governmental Funds	166
General Governmental Tax Revenues by Source	168
Water and Sewer System Principal Customers	170
Water and Sewer Rates	172
Assessed Value and Actual Value of Taxable Property	174
Property Tax Rates – Direct and Overlapping Governments	176
Principal Property Taxpayers.....	178
Property Tax Levies and Collections	179
Ratios of Outstanding Debt by Type	180
Ratios of General Bonded Debt Outstanding	182
Direct and Overlapping Governmental Activities Debt.....	183
Legal Debt Margin Information.....	184
Pledged-Revenue Coverage.....	186
Demographic and Economic Statistics	187
Principal Employers	188
City Government Employees by Function.....	189
Operating Indicators by Function	190
Capital Asset Statistics by Function	192

INTRODUCTORY SECTION



This page intentionally left blank



CITY OF PASADENA

OFFICE OF THE CITY CONTROLLER

JOMIE BLUMREICH, CPA, CITY CONTROLLER

1149 Ellsworth Drive, Suite 301
Post Office Box 672, Pasadena, Texas 77501
Telephone: 713-477-1511 ~ Fax: 713-920-7939

March 22, 2021

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 Comprehensive Annual Financial Report ("Annual Report") of the City of Pasadena, Texas, (the "City") for the fiscal year ended September 30, 2020. 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. Belt Harris Pechacek, LLLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Pasadena's financial statements for the fiscal year ended September 30, 2020. 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, 2020. 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.

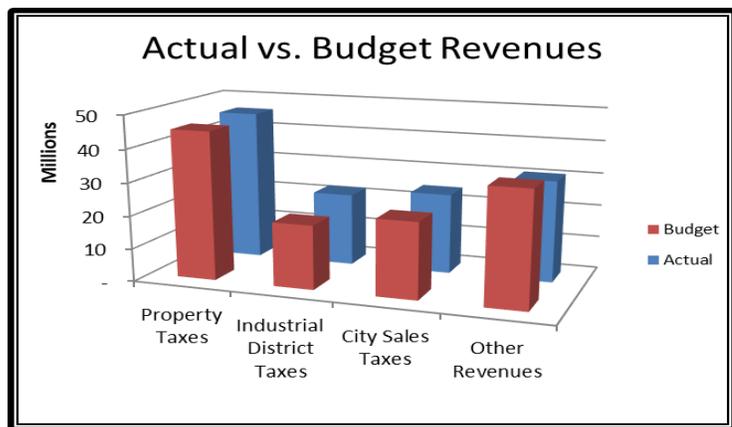
Profile of the Government

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. Pasadena's 2019 population is estimated at 151,227, with the 2010 census population at 146,265. 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 1, 2021, the City will be holding an election for Mayor and City Council members. The candidates have to 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 2021 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. A ruling by the U.S. District Court ordered the City to submit to federal oversight any changes in its electoral system until 2023 and to base its elections on a single-member district system.

The City of Pasadena provides a full range of municipal services to its residents through a variety of programs and available to all demographics, 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 73 in the notes to financial statements.



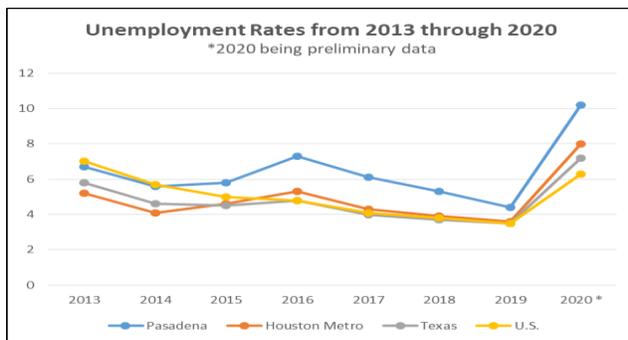
As the graph above shows, for the fiscal year 2020, the City's actual revenues have again exceeded the budget in property taxes, industrial district taxes, and City's sales taxes. The other revenues category, which includes, but is not limited to, permit, health, municipal courts, and parks and recreation was negatively impacted due to the closure of certain facilities, the suspension of various City recreational programs, and activities that had to be canceled due to the ongoing COVID-19 pandemic.

Local Economy

In March, the outbreak of the COVID-19 pandemic wreaked on the economy causing a devastating impact on local, national, and global economies. The annual Strawberry Festival, Pasadena Livestock Show & Rodeo, and the legendary Urban Cowboy traditions that always shine a bright spotlight on Pasadena had to get

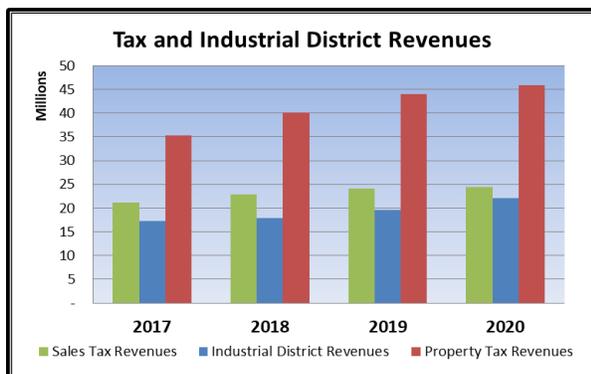
postponed and later canceled. The City of Pasadena is also a rich industrial area, and its leaders have taken a combination of abundant natural resources, an advantageous location, and a determination to succeed and built a community of strong families and successful businesses. The metropolitan area 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 a 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 Port of Houston, which is a huge employment generator in the area.

Despite the challenges from the COVID-19 pandemic, the Port of Houston (the “Port”) thrived in 2020. The Port of Houston is the Gulf Coast’s leading gateway to the fastest-growing markets between the Mississippi River and the Rocky Mountains. In 2020, the Port of Houston handled 2.99 million twenty-foot equivalent container units (TEU), “just shy” of last year’s record by only 828 TEU – about a half day’s work on one ship with three work crews working. The Port is consistently ranked first in the U.S. in foreign waterborne tonnage; first in U.S. imports; first in U.S. export tonnage; and the second in the U.S. in total tonnage. 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 is an essential economic engine for the Houston region, the state of Texas, and the nation. It supports the creation of nearly 1.3 million jobs in Texas and 3.2 million jobs nationwide.



Significant indicators that impact the economic condition are the employment and unemployment statistics. The efforts that have been put in place to contain the COVID-19 pandemic have resulted in tremendous job losses. In December 2020, the state preliminary unemployment rate was at 7.2%, ranking Texas as 36th in the nation, doubling from the December 2019 rate of 3.5%. While the Houston Metro area had a preliminary unemployment rate of 8.0%, the Pasadena rate is slightly higher at 8.7%, which is an increase of almost 100% from 2019 at 5.2%.

The energy landscape, which is the metropolitan area's growth advantage, has been particularly hit hard by the COVID-19 pandemic. The U.S Energy Information Administration (EIA) estimated that global oil markets were roughly balanced in 2019, but still forecasted a slight growth both in supply and consumption for 2020. However, the outbreak of a global pandemic distorted any positive outlook and turned into the worst economic collapse since the Great Depression. As global energy demand nosedived, oil prices had an unprecedented decline. In April 2020, the West Texas Intermediate, the U.S. crude benchmark, settled at minus \$37.63 a barrel forcing many oil producers to close down. The EIA stated that “Reduced economic activity related to the COVID-19 pandemic has caused changes in energy demand and supply over the past year and will continue to affect these patterns in the future”. The EIA expects Brent crude oil prices to average \$56 per barrel in the first quarter of 2021 and \$52 per barrel over the remainder of the year.



The City’s 2020 total revenues in the governmental funds, excluding other financing sources, decreased by 2.5% or \$4,526,974 from \$178,929,771 in 2019 to \$174,402,797 in 2020. In the general fund, the City property tax revenues increased 4.37% or \$1,923,993 from \$44,006,886 in 2019 to \$45,930,879 in 2020. Even though the property tax rate decreased in 2020 to \$0.570342/\$100 from \$0.615446/\$100, the 12.8% increase in assessed property value to \$10,461,562,879 contributed to the increase in property tax revenues. For the 2020 tax year or the fiscal year 2021, the Council adopted the No-New Revenue tax rate of \$0.533677/\$100. The No-New Revenue tax rate

generates the same property tax revenues as the fiscal year 2020 for properties taxed in both fiscal years. The City is projecting to collect approximately \$3.2M from new properties.

The increase in the Industrial District revenue of 12.81% or \$2,515,075 from \$19,626,203 in 2019 to \$22,141,278 in 2020 is due to the new negotiated 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 taxable value, specifically in new construction. The sales tax revenues, in the general fund only, had a marginal increase of 1.57% or \$377,934 from \$24,068,010 in 2019 to \$24,445,944 in 2020 as the majority of the population adhered to the stay-at-home orders during the COVID-19 pandemic.

The Houston Metro area will grow as much as an estimated four million people in the next 25 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. In 2020, developers finished building a new apartment complex, Lenox Clear Lake, constructing about 380 apartment units. The City's largest development housing plan is Parkway Trails Master Planned Community, with 515 lots, of which 181 will be townhomes and 334 will be single-family lots. As of September 30, 2020, about 131 homes have been built. A good sign of building and development can be gauged through the City permit department, with many new permit applications submitted for single-family homes. Pasadena is looking into the future and aspiring to continue to create affordable housing and recreational amenities to appeal to incoming businesses and their families.

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, 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 – Dunavant Distribution Group is expanding into a 784,000 square foot industrial building located in Pasadena, strategically positioned near major chemical manufacture that utilize Port of Houston, to better facilitate international supply chain and logistic services; Waste Management, America's leading provider of the integrated environmental solution, to invest \$3M to build out 26,000 square feet of new space in Pasadena; Kelsey-Seabold Clinic will grow to over 50,000 square feet after completion of the latest expansion of 17,000 square feet; Oak Street Health invest \$2.1M to build out 9,438 square feet of new space in Pasadena to serve the community in an innovative healthcare model that focuses on quality of care. The recent approval of de-annexation of certain land from the City limits and establishing it as an Industrial District paved the way for Next Wave Energy Partners to make a positive final investment decision to invest up to \$600M to build an alkylate production facility in Pasadena. Alkylate is a valuable gasoline blending component that is one of the cleanest petroleum product available. The initial production is planned by mid-2022, creating 750 jobs during construction and approximately 30 direct permanent jobs once completed.

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 June 2018 with a set of six goals - marketing and image, business development, workforce, catalyst projects, tourism/retail, and support structure for economic development.

- PEDC initiated the Business Enhancement Grant Program in 2019 to encourage local businesses along major commercial corridors to upgrade their visual business appeal, collectively with the Northside monument and gateway project, to further heighten the visual appeal of major gateways through landscaping, streetscape improvements, and other enrichments such as arts. As of September 30, 2020, PEDC has awarded \$19,990 to qualified applicants.
- PEDC, in collaboration with the City, launched a new marketing image – “Pasadena Powering Possibilities” to reposition and promote the City, power the new brand, and retell its story, highlighting Pasadena's asset and its position as the second-largest city in the Greater Houston Area. In 2020, PEDC was awarded a Gold Rank for its Pasadena Pulse E-Newsletter by the International Economic Development Council (IEDC) recognizing the excellent efforts to bring up-to-date information to the citizens of Pasadena and the regional business partners.
- PEDC is to leverage capital infrastructure improvements to stimulate private investments along the investment corridors identified in the strategic plan. PEDC has committed \$11.75M towards the Pasadena Blvd Master Redevelopment Plan from State Highway 225 to Harris Avenue. Harris County, under the interlocal agreement with the City, is currently acquiring all necessary right-of-way and different design options are being discussed. The Richey Street Phase I project from State Highway 225 to Southmore Avenue is a \$15M joint funding project between PEDC (\$9M) and Harris County (\$6M) and is substantially complete and awaiting a final closeout. PEDC is also working on Richey Street Phase II from Southmore Avenue to South Houston. Improvements in the right-of-way are planned to promote motorized and non-motorized circulation and create walkable connections to the adjacent neighborhoods. Elements will also be added to support the existing small businesses and help incentivize revitalization in the area. Another project funded by PEDC is the reconstruction of Shaw Avenue from Carl Street to McMaster Avenue, for which they have committed \$2.5M used for design and construction cost.
- In 2020, PEDC continually worked towards meeting the objectives of helping to guide Pasadena's growth. PEDC assisted Kinder Morgan Liquids with nomination and submission of a project to the Office of the Governor Economic Development and Tourism through the Texas Economic Development Bank as an Enterprise project. The enhancements to its Pasadena plant retained 470 full-time jobs and created 30 new full-time jobs with a total capital investment of \$122.8M. PEDC also assisted Pasadena Performance Products, LLC with navigation through the permitting process to make possible the opening of their alkylate production plant. The new facility had a capital investment for construction of \$600M and created 25 full-time jobs.
- In 2020, PEDC created the Pasadena Cares Financial Assistance Grant Program to provide financial support to Pasadena businesses during the COVID-19 pandemic. The program awarded \$1,000 grants to about 200 businesses.
- PEDC is to support the City in livable centers and strategic plan goals to build a collective framework to guide and shape the community growth.

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. 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 post-employment benefit plan is not available for this program. (See Note V. C. 1 on page 90).

The City also participates in an additional OPEB plan. An agent multiple-employee, unfunded, defined benefit group-term life insurance plan operated by TMRS is 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 93).

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 96).

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 66% of the principal on the tax-supported debt is scheduled to retire within ten years. The City continues using the proceeds from the \$37M and \$38M Combination Tax and Revenue Certificates of Obligation issued in the fiscal year 2018 and 2019 to embark on major capital projects - construction of the new fire station No. 8, the new municipal court building, the new

police academy, and fire service administration building; reconstruct and improve drainage of Pansy, Lafferty, and Wafer streets; and make improvements to the infrastructure of the water and sewer system – Crenshaw water plant expansion, phase II; rehabilitation of water storage tank and north main lift station; and waterline replacement along major thoroughfares.

Major Initiatives

In October 2020, the City adopted the Pasadena Healthy Parks Plan (the “Plan”). The Healthy Parks Plan is a community-driven and data-driven plan designed to be a set of tools for the Pasadena Parks and Recreation Department and its partners to use for ongoing adaptive planning and management. The Plan is designed to be responsive to ongoing changing conditions, funding opportunities, and parkland acquisitions. The creation of the Healthy Parks Plan was made possible by generous funding from the Houston Endowment and Pasadena Vibrant Community (a program of The University of Texas MD Anderson Cancer Center funded by Shell Oil.) The planning process began in 2019 and it involved forty-three Advisory Committee members along with thousands of local residents who participated in the project’s equity-driven community engagement plan.

The City of Pasadena Livable Center Study (the “Study”)draft plan was approved and adopted in November 2020. In April 2019, Houston-Galveston Area Council (H-GAC) selected the City for a livable center planning study. The Study area encompasses the historic center of Pasadena between Richey Street, Shaw Avenue, Red Bluff Road, and Southmore Avenue. The study recommends approaches to spur redevelopment in historic Pasadena, provide for safe and convenient mobility, and create stronger communities. It also encourages healthier lifestyles and creates walkable, bikeable, mixed-use places while enhancing the City’s unique natural environment, identity, and culture. It will also allow the City to identify mobility needs and strategies to meet them best. H-GAC is to fund \$155,000 to the Study while the City contributes \$39,000.

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 Texas Severe Storms, Tornadoes, Straight-line Winds, and Flooding in 2015, which resulted in a Presidentially Declared Major Disaster, the City was awarded \$421.6K and entered into a subrecipient agreement with the General Land Office, a Texas state agency September 2018 under the 2015 Flood Allocation, U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Disaster Recovery (DR) Program Infrastructure Projects for the rehabilitation of sanitary sewer lines along the Glenmore Ditch. The construction was about 42% complete at the end of the fiscal year 2020.

In response to Texas Severe Storm and Flooding in 2016, which resulted in a Presidentially Declared Major Disaster, the City was awarded \$1.89M and entered into a subrecipient agreement with the General Land Office, a Texas state agency in April 2019 under the 2016 Flood Allocation, U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Disaster Recovery (DR) Program Infrastructure Projects. The City is required to commit \$738.7K as the local share. The City has the plan to excavate new detention ponds, install sewer pipe and maintenance hole, apply hydro-mulch, and construct the walking trail at the Spencer Village and Bliss Meadows flood and drainage locations. In the late fiscal year 2020, a new agreement was entered with Harris County Flood Control District, which to contribute \$738K to the design and construction of the project. The City, using its commitment of local share of \$738.7K, started the design, environmental assessment, and land acquisition phase at the end of the fiscal year 2020.

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, 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) –

- (1) Public Assistant Grant – The City was awarded \$4.98M in the categories of debris removal, emergency protective measures, buildings, and equipment, utilities, and park recreation. The City received a total of \$4.64M from FEMA as of September 30, 2020, ranging from (100% Federal) and (90% Federal/10% Local Share) of eligible expenditures; with parks, recreation, and administration costs remaining the process. The City also received \$60K assistance from the Texas Infrastructure Resiliency Fund established by Texas Senate Bill No. 7, 2019-2020 86th Legislature, which amounted to 75% of the 10% Local Share.
- (2) Hazard Mitigation Grant Program - Drainage and Flood Mitigation- The City was awarded \$15.57M (75% Federal/25% Local Share) for phase I - Engineering design and environmental review for a total of 21 street drainage projects located in the City's historic areas. The majority of phase I works are completed and under FEMA review at the end of the fiscal year 2020. Assistance was also offered from the Texas Infrastructure Resiliency Fund established by Texas Senate Bill No. 7, 2019-2020 86th Legislature, which amounted to 75% of the 25% Local Share. The City received a total of \$6.76M and \$1.28M as of September 30, 2020, from FEMA and the State of Texas, respectively.
- (3) Hazard Mitigation Grant Program – City Hall Emergency Power Generator - The City was awarded \$1.02M (25% Federal/75% Local) in the late fiscal year 2020 to purchase and install a 1000kW 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.

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 \$8.26M 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. The City is in the design phase at the end of fiscal year 2020.

In response to COVID-19 pandemic, President Trump approved Texas Major Disaster Declaration on March 25, 2020. Subsequently, on March 27, 2020, Congress approved the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security Act (CARES ACT). The City has (1) submitted a \$21.4M Public Assistance Grant application with FEMA, (2) entered an interlocal subrecipient grant agreement with Harris County to receive \$8.4M of the U.S. Department of Treasury Coronavirus Relief Fund, (3) The U.S. Department of Justice awarded the City \$157,518 in Coronavirus Emergency Supplemental Funding, and (4) The U.S. Department of Housing and Urban awarded the City (4a) \$317,231 additional administrative fee in the Section 8 Housing Choice Voucher Program for preventing, preparing, and responding to the Coronavirus, and (4b) \$2M additional Community Development Block Grant to various nonprofit organizations and the school district for their services during the Pandemic in child care, domestic violence victims, food pantry, and internet access to students.

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

The U.S. Department of Housing and Urban Development (HUD) awarded the City – Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG), continues to build upon the City's 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 implement strategies to affirmatively further fair housing. Highlights from Program Year 2019 (Fiscal Year 2020) are summarized below:

Affordable housing needs were 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 continued to assist low-income residents with affordable housing opportunities and is currently working on four (4) homes under the Housing Rehabilitation Services Program. Additionally, with the continued efforts of Habitat for Humanity, three (3) new homes were constructed within the Freedom Place Subdivision and sold to first-time low-income home buyers.

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 a public facility project within the City of Pasadena's Low-to Moderate-Income Target Area. Construction for the Wafer Street Paving and Drainage Improvements Project is ongoing. An additional infrastructure improvements project to construct a new public facility to better the overall community welfare was funded in Program Year 2019. Construction for the Children and Youth Community Center is anticipated to be completed by July 2021.

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 transportation vouchers to 1,818 participants. In addition, CDBG funds were provided to Sarah's House to assist in providing operating costs to homeless women and children at their facility. Sarah's House provided 4,598 nights of shelter and supportive services to 170 homeless women and children.

The ESG Program provided financial support to local emergency shelters by assisting with costs related to shelter operations and essential services. Additionally, rapid re-housing and stabilization services were provided through financial assistance in the form of deposits, rent, and utility payments. Within Program Year 2019, the ESG Program provided 5,238 nights of shelter and supportive services to 181 homeless women and children, which include 75 victims of domestic violence or abuse. To further transition to permanent housing, rental assistance, and housing stabilization services were provided to 27 households.

Awards and Acknowledgements

The City of Pasadena's Annual Report for the year ended September 30, 2019 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 26th 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 comprehensive annual 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 "Jomie Blumreich", with a long horizontal flourish extending to the right.

Jomie Blumreich, CPA
City Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pasadena
Texas**

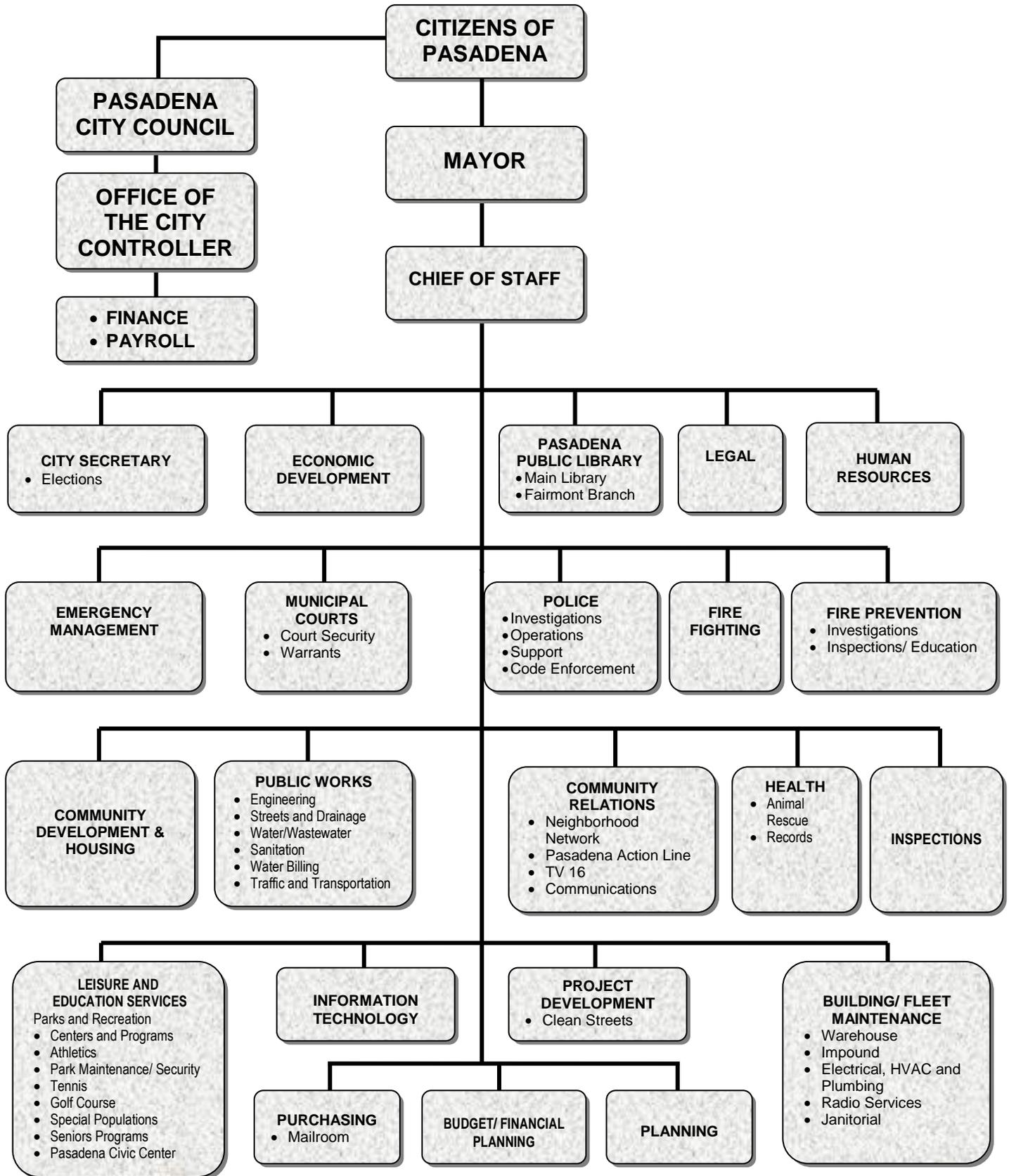
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

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
DISTRICT B
DISTRICT C
DISTRICT D
DISTRICT E
DISTRICT F
DISTRICT G
DISTRICT H

ORNALDO YBARRA
BRUCE LEAMON
DON HARRISON
SAMMY CASADOS
CODY RAY WHEELER
PHIL CAYTEN
CARY BASS
THOMAS SCHOENBEIN

CITY CONTROLLER

JOMIE BLUMREICH, CPA

CITY SECRETARY

LINDA RORICK

CITY ATTORNEY

JAY DALE *

DIRECTOR OF PERSONNEL

TRENA WHITE *

DIRECTOR OF PUBLIC WORKS

ROBIN GREEN

CHIEF OF POLICE

JOSH BRUEGGER

FIRE CHIEF

LANNY ARMSTRONG

FIRE MARSHALL

DAVID BRANNON

DIRECTOR OF COMMUNITY RELATIONS

JOSEPH LINDBERG

DIRECTOR OF PLANNING

DEANNA SCHMIDT

DIRECTOR OF HEALTH

KATHY PEREZ-ASHTON

DIRECTOR OF PARKS/RECREATION

JED APLACA

DIRECTOR OF ECONOMIC DEVELOPMENT

CARLOS GUZMAN

PRESIDING JUDGE, MUNICIPAL COURTS

LESTER RORICK

* As of date of Financial Statements issued.



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 22, 2021



This page intentionally left blank

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pasadena's (the "City") Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial performance of the City for the fiscal year ended September 30, 2020. This discussion and analysis includes comparative data for fiscal year 2019. 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, 2020 are as follows:

Government-Wide Financial Statements

The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$942,281,329 (net position), showing an increase of \$37,970,034 (4.2%) compared to the prior fiscal year of \$904,311,295. Total net position of the City is comprised of the following:

Net investment in capital assets of \$830,025,855 (88.1%) 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 \$90,700,435 (9.6%) is restricted by constraints imposed from outside the City such as debt covenants, laws, and regulations.

Net position of \$21,555,039 (2.3%) 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 \$194,199,321. This compares to the prior fiscal year combined fund balances of \$196,668,820, showing a decrease of \$2,469,499 (12.6%). Approximately 36.2% of the fund balances, \$70,302,245, is available for spending at the City's discretion (unassigned); and 55.6% of the fund balance, \$107,962,427 is restricted for court, law enforcement, economic development, housing services, capital construction, and debt service. The balance of \$10,886,393 (5.6%) is committed for capital construction in the amounts of \$7,308,158 for the grant HMGP the City's matching portion and \$15,000 for election, recall, and charter revision. The \$3,563,235 is for various capital projects including drainage improvements and sidewalk replacement projects. Assigned is for purchases on order of \$1,018,704 and capital construction of \$4,029,552, totaling \$5,048,256 (2.6%).

At the end of fiscal year, the general fund had a total fund balance of \$71,335,949. The unassigned portion of the fund balance was \$70,302,245 or 60.4% of total general fund expenditures of \$116,387,684. The committed portion of the fund balance was \$15,000. The assigned portion of the fund balance was \$1,018,704. The City has a policy that requires the unassigned portion of the fund balance to be the equivalent of two months of regular general fund operating expenditures. At the end of September 30, 2020, the unassigned fund balance exceeded this required balance by \$50,904,298.

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, 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 fund 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 63-106.

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 of changes in the net pension liability and related ratios. Required supplementary information can be found on pages 109-115 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 121-153.

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 \$942,281,329 at fiscal year ended September 30, 2020.

CITY OF PASADENA, TEXAS
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 240,869,512	\$ 244,901,301	\$ 49,028,594	\$ 57,160,045	\$ 289,898,106	\$ 302,061,346
Capital assets	660,560,956	631,570,549	300,339,082	298,138,143	960,900,038	929,708,692
Total assets	901,430,468	876,471,850	349,367,676	355,298,188	1,250,798,144	1,231,770,038
Deferred outflows of resources	16,064,943	33,080,567	3,891,014	5,544,968	19,955,957	38,625,535
Total deferred outflows	16,064,943	33,080,567	3,891,014	5,544,968	19,955,957	38,625,535
Long-term liabilities, outstanding	178,717,972	220,563,742	77,039,591	84,805,871	255,757,563	305,369,613
Other liabilities	28,901,206	31,462,579	17,727,012	25,205,582	46,628,218	56,668,161
Total liabilities	207,619,178	252,026,321	94,766,603	110,011,453	302,385,781	362,037,774
Deferred inflows of resources	23,920,260	3,602,046	2,166,731	444,458	26,086,991	4,046,504
Total deferred inflows	23,920,260	3,602,046	2,166,731	444,458	26,086,991	4,046,504
Net position:						
Net investment in capital assets	586,924,489	573,374,729	243,101,366	237,717,289	830,025,855	811,092,018
Restricted	87,855,586	77,672,948	2,844,849	2,834,629	90,700,435	80,507,577
Unrestricted	11,175,898	2,876,373	10,379,141	9,835,327	21,555,039	12,711,700
Total net position	\$ 685,955,973	\$ 653,924,050	\$ 256,325,356	\$ 250,387,245	\$ 942,281,329	\$ 904,311,295

By far, the largest portion of the City's net position, \$830,025,855 (88.1%), 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 \$18,933,837 compared to prior fiscal year of \$811,092,018. Capital assets had a net increase of \$31,191,346, with 92.9% net increase in the governmental activities and the remaining 7.1% net increase in the business-type activities. The governmental activities streets and drainage projects included Thornwood; Preston-Glenmore, improvement at different detention facilities; FEMA-HMGP; Pasadena Blvd; Pasadena Harris – 225 Richey Road; Fairway Plaza acquisition and extension; Richey St; 225-Southmore; and construction of a new Fire Station #8; Municipal Courts Buildings and Police Academy to name a few. The major infrastructure projects in the business-type activities were Crenshaw Water Plant, various waterline projects, water storage tank rehab, and City-wide wastewater improvements. Additional information can be found in Note IV, D, pages 79-80.

The bond debt resulted in a net decrease of \$13,892,766, including a decrease totaling \$8,871,327 for the governmental activities and a decrease of \$5,021,439 for business-type activities. The City did not issue any new debt during this fiscal year, only principal and amortization of the debt premium reduced the bond balances.

The second largest portion of the City's net position, \$90,700,435 (9.6%), represents resources that are subject to external restrictions on how they may be used. This compared to the prior fiscal year of \$80,507,577, showing an increase of \$10,192,858. Overall, the capital projects and economic development functions had an increase in the amount of \$4,123,446 from \$59,111,362 to \$63,234,808 partially because the Pasadena Economic Development Corporation's increase in sales tax revenue without being spent during the year. Debt service restricted net position increased by \$446,126 from \$6,132,119 to \$6,578,245 due to the increase in bond debt from the year before.

Public safety restricted net position increased by \$5,129,143 from \$4,145,378 to \$9,274,521 due in part to the increase in grant management and non-major revenues. The grant management funds received \$5,352,319 from Harris County through an interlocal agreement with the City under the Department of the Treasury Office of Inspector General Coronavirus Relief Fund (CRF). Harris County reimbursed the City for eligible expenditures incurred due to the public health emergency with respect to COVID-19. The City was eligible for

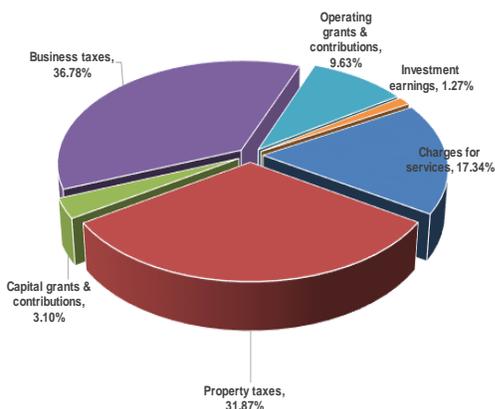
a total of \$8,427,045. The remaining amount of \$3,074,726 was received from Harris County in fiscal year 2021.

The third and final portion of the City's net position, \$21,555,039 (2.3%), 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 \$8,843,339 compared to the prior fiscal year of \$12,711,700. 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	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 32,609,739	\$ 30,931,940	\$ 44,994,585	\$ 45,862,291	\$ 77,604,324	\$ 76,794,231
Operating grants and contributions	18,122,791	13,880,327	-	-	18,122,791	13,880,327
Capital grants and contributions	5,837,270	9,908,321	-	-	5,837,270	9,908,321
General revenues:						
Property taxes	58,081,871	56,805,649	-	-	58,081,871	56,805,649
Business taxes	67,814,869	66,312,777	-	-	67,814,869	66,312,777
Other taxes/fees	1,349,373	6,413,158	-	-	1,349,373	6,413,158
Investment earnings	2,388,884	5,447,992	471,721	1,181,038	2,860,605	6,629,030
Gain on sale of capital assets	1,918,524	-	-	9,390	1,918,524	9,390
Total Revenues	188,123,321	189,700,164	45,466,306	47,052,719	233,589,627	236,752,883
Expenses:						
General government	23,821,001	24,232,165	-	-	23,821,001	24,232,165
Public safety	68,981,220	64,439,246	-	-	68,981,220	64,439,246
Public works	29,606,592	27,409,484	-	-	29,606,592	27,409,484
Health	6,541,684	5,814,364	-	-	6,541,684	5,814,364
Culture and recreation	19,652,656	20,570,645	-	-	19,652,656	20,570,645
Housing and community development	8,829,802	9,961,106	-	-	8,829,802	9,961,106
Interest on long-term debt	3,193,943	3,896,638	-	-	3,193,943	3,896,638
Water and sewer	-	-	34,992,695	34,994,334	34,992,695	34,994,334
Total Expenses	160,626,898	156,323,648	34,992,695	34,994,334	195,619,593	191,317,982
Increase in net position before transfers	27,496,423	33,376,516	10,473,611	12,058,385	37,970,034	45,434,901
Transfers	4,535,500	4,510,299	(4,535,500)	(4,510,299)	-	-
Increase in net position	32,031,923	37,886,815	5,938,111	7,548,086	37,970,034	45,434,901
Net position - beginning	653,924,050	616,037,235	250,387,245	242,839,159	904,311,295	858,876,394
Net position - ending	\$ 685,955,973	\$ 653,924,050	\$ 256,325,356	\$ 250,387,245	\$ 942,281,329	\$ 904,311,295

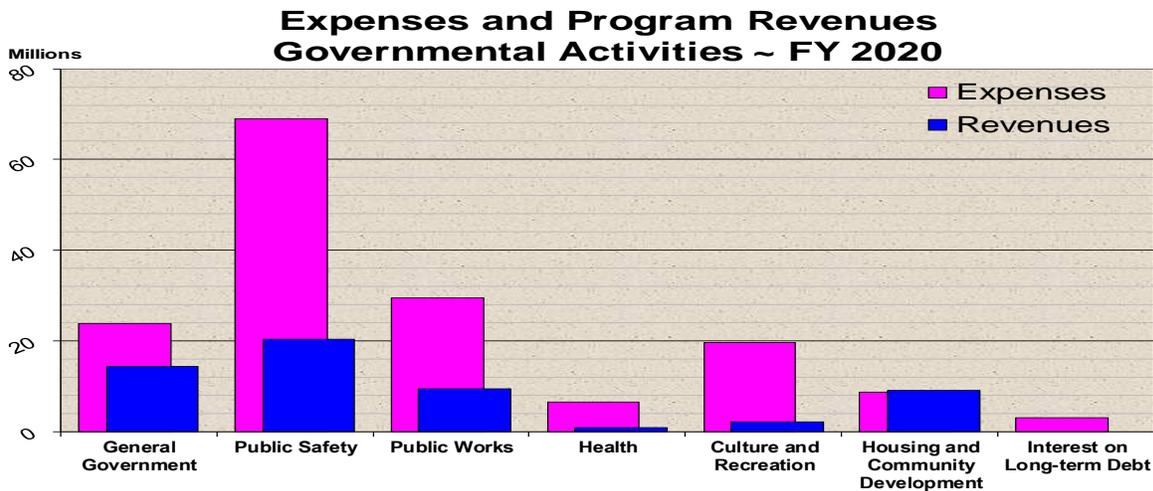


Governmental Activities. Governmental activities increased the City's net position by \$32,031,923 (4.9%). This was impacted by the current economic conditions. The City saw overall revenues decrease by \$1,576,843, excluding transfers. Program revenue increased by \$1,849,212 (3.4%) from \$54,720,588 to \$56,569,800. Charges for services increased by \$1,677,799 from \$30,931,940 to \$32,609,739. Operating grants and contributions increased by \$4,242,464 and capital grants and contributions decreased by \$4,071,051. General government charges for services increased by \$497,900 partially due to the receipt of insurance recovery funds due to Hurricane Harvey, which made landfall on August 25, 2017, in the amount of \$444,355. Public Safety charges for services decreased by \$692,517 because of the decrease in Municipal Court fines collected in the amount of \$964,690 due to the courts being partially closed due to COVID-19. Public works charges for services increased from \$3,698,857

to \$6,399,056 by the amount of \$2,700,199. The City received \$3,697,949 from FEMA as an alternative project under Hurricane Ike for the construction of a new Municipal Court building. Public safety operating grants contribution increased by \$3,750,125 from \$4,547,028 to \$8,297,153 partially due to the amount of \$5,352,319 of reimbursement for COVID-19 from Harris County under the CRF, as stated before.

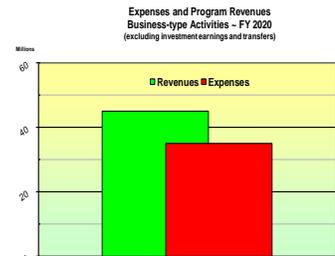
There was a \$5,344,579 (3.9%) decrease in general revenues, excluding transfers and gain on sale of capital assets but including investment earnings, in the governmental activities. General property taxes increased by \$1,276,222 due to increased property values and sales taxes increased by \$566,901 because of the economy growing in strength and consumer confidence despite COVID-19. The City's interest earnings decreased by \$3,059,108 in investment income due to the decline in interest rates.

Expenses increased by \$4,303,250 (2.7%). Public safety expenses, increased \$4,541,974 from \$64,439,246 to \$68,961,220 mostly due to the increase in the Police departments personnel services costs due to COVID-19 including an increase in the number of police cadets being paid for in the governmental funds. Public works expenses increased by \$2,197,108 from \$27,409,484 to \$29,606,592 for increased costs due to COVID-19. There was a decrease in interest on long-term debt of \$702,695 due to the lower interest rates paid on the prior year debt.



Business-type Activities. Business-type activities increased the City's net position by \$5,938,111. The key elements of this increase include:

The business-type activities saw a decrease in expenses of \$1,639. Personnel services increased by \$576,546 (6.6%). Last year, personnel services were 27% of total operating expenses and currently they are at 28%. The business-type activities capital contribution from the Pasadena Economic Development Corporation (PEDC) capital projects fund was \$141,207 and \$178,293 was from the grant management fund specifically Housing and Community Development for a wastewater rehab project. This is reported on the Statement of Activities as capital contribution. Capital assets purchased through the governmental activities fund were capitalized in the water and sewer funds. The projects included Fairmont waterline rehabilitation phase III and lift station rehabilitation. Interest expense on bonds included in water and sewer system expense on the Statement of Activities went from \$2,939,142 to \$2,765,973; a slight decrease due to the total bond debt in the water and sewer funds.



Revenues, including interest earnings and prior year's gain on sale of capital assets, had a decrease of \$1,586,413. Charges for services decreased by \$867,706 with there being an increase in water and sewer sales rates because of the increase in the consumer price index, on which the City bases the City's water/sewer rate changes and then a decrease in refunds for water purchase from the City of Houston that happened in fiscal year 2019, but not fiscal year 2020. Again, interest earnings decreased by \$709,317 from \$1,181,038 to \$471,721 due to lower 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 (*unreserved*) 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 \$194,199,321. Approximately 36.2% of this amount, or \$70,302,245, 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 (\$21,017,945 or 10.8%)
2. restricted to pay debt service (\$3,490,412 or 1.8%)
3. restricted to pay for certain capital construction (\$83,454,070 or 43%)
4. assigned to pay purchases on order (\$1,018,704 or 0.5%)
5. assigned to pay capital construction (\$4,029,552 or 2.1%)
6. committed to general government capital construction and recall, election, and charter revision (\$10,886,393 or 5.6%)

The general fund is the principal operating fund of the City of Pasadena. As of September 30, 2020, the general fund reported fund balance of \$71,335,949. This compared to the prior fiscal year of \$66,229,580, showing an increase of \$5,106,369 (7.7%).

The unassigned portion of the general fund's fund balance was \$70,302,245. 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 \$116,387,684 or 60%, a decrease of 2% over last year's percentage of 62%.

The City's general fund has emerged from the recession and even COVID-19 with general property tax collection increasing by 4.4%. Industrial district fees had an increase by 12.8% due to the way the current contract is structured, which includes a shared increase or decrease in property values. A major indication of the improvement of the economy is sales tax collection. There was an increase in the amount of \$377,934 (1.6%) over last year. Expenditures, excluding transfers out, increased by \$11,535,207 or 11% which was due to the increase of personnel costs due to overtime paid to essential employees during the closure of the City twice for a total of 89 days because of COVID-19. During that time, only essential workers were working, and due to the City's personnel policy during emergency periods, they were paid double time due to the risk they took because of the pandemic. The general fund transferred \$7,260,320 less in fiscal year 2020 than the year before which included the transfer to the capital projects funds for projects in the amount of \$3,367,139, the transfer to the grant management fund in the amount of \$118,518, and \$1,750,000 to the internal service fund. The reduction was due to the prior year transfer from the general fund to the grant management funds in the amount of \$8,392,994 for a portion of the City's matching for the FEMA HMGP grant.

The debt service fund has a total fund balance of \$3,490,412, all of which is restricted for the payment of debt service. The increase in fund balance of \$450,490 compared to prior fiscal year fund balance of \$3,039,922 was mainly due to increased collection of property taxes.

The Pasadena Economic Development Corporation fund has a total fund balance of \$62,595,406, all of which is restricted for capital projects and economic development. The increase in fund balance of \$5,211,722, or 9.1%, compared to prior fiscal year of \$57,383,684. There was a slight increase in sales taxes collected by 1.6% over last year, noting again the improving economy. There was a decrease in expenditures of \$4,245,736. The majority of projects were in public works in the total amount of \$5,952,779. The greater part was used on the utility development and the Richey Road projects. There was an increase in administrative costs of \$659,767 from \$1,764,611 to \$2,424,378 due to increased personnel costs and

an increase in professional services for outside consultants.

The capital projects fund has a total fund balance of \$28,451,451, with \$20,858,664 restricted for capital construction projects; \$3,563,235 committed by the Council, the highest level of decision making for capital construction; and \$4,029,552 assigned by management for capital construction. The decrease in fund balance amounted to \$19,841,723, compared to the prior fiscal year increase of \$20,961,569. The City issued Certificates of Obligation Bonds, Series 2018 in the amount of \$33,945,000 (excluding the premium) to cover future capital projects in fiscal year 2019. The capital outlay expenditures in the amount of \$26,620,069 had increased by \$7,656,730 compared to the prior fiscal year with the majority of expenditures concentrated on general government and public safety projects, totaling \$8,909,430 and \$11,541,565, respectively. The City is constructing a new municipal court building expending \$7,371,149 this fiscal year for a total of \$9,902,737. This project is being funded by Certificate of Obligations but is also receiving partial reimbursement by FEMA under an alternative Hurricane Ike project. The City is also constructing a new police academy and fire service administrative building expending \$6,095,522 this fiscal year for a total of \$9,033,703 as of the end of this year. It is also being funded by Certificates of Obligation.

The grant management fund has a total fund balance of \$17,847,959, of which \$10,539,801 is restricted and \$7,308,158 is committed for specific grant purposes. There was an increase in the fund balance of \$6,886,741 compared to \$6,974,147 last year. The fund balance increase is due to the fact that expenditures were less than prior year and revenue remains the same but transfers had a net decrease of \$7,770,069 over prior year. Grant management funds revenue increased by \$353,988 or 1.8% and the expenditures decreased by \$7,328,675 or 36.7% over the prior year amounts because the majority of phase I of FEMA Hazard Mitigation Grant Program ("HMGP") was completed in the prior fiscal year.

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 \$132,537,393, including transfers out, was \$5,244,893 (4.1%) more than the original budget of \$127,292,500.

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

- \$6,301,641 decrease for General Government - included a decrease in other charges of \$6,607,966 due to the anticipation of City Council approving the roll-back property tax rate of \$0.600577 however City Council only approved the effective tax property rate of \$0.570342. Consequently, the City had to reduce budgeted revenue and expenditure by the same amount.
- \$6,657,493 increase for Public Safety - included increased costs in various police salary accounts by \$6,411,918 due to the increase in overtime paid due to COVID-19 and the working of essential workers.
- \$1,351,809 increase for Public Works - included an increase in the personnel services due to the increase in overtime paid due to COVID-19 and the working of essential workers.
- \$317,717 increase in Health - included an increase in the personnel services due to the increase in overtime paid due to COVID-19 and the working of essential workers.
- \$718,036 increase in Culture and Recreation – increases in personnel services and maintenance charges due to COVID-19.
- \$2,501,479 increase in Other Financing (Uses) – an additional \$1,000,000 was transferred to the health insurance fund due to the unexpected increase in health claims as the City is self-insured for health insurance. Also, an additional \$1,497,157 was anticipated to transfer to the capital projects fund but only \$1,489,657 was actually transferred for capital projects funded by the general fund.

Even with the above-mentioned amendments, total actual expenditures, including transfers out totaling \$121,623,341, were \$10,909,730 (8.2%) below the final budget. The general government function had a variance of \$4,138,363, specifically in other charges, City hall, and inspection. Public safety had a variance of \$2,220,721, with the largest variance in the police and firefighting department from final budget to actual in the amount of \$1,993,681. The material and supplies category which was expecting to have an increase in the firefighting department had a difference of \$493,904. Also, actual police personnel service were expected to be

higher due to COVID-19 in the amount of \$766,035, and the culture and recreation function had a variance in the amount of \$3,105,401 with recreation being \$1,172,572 lower due to COVID-19 and the cancelation of recreation activities because of the pandemic.

Actual revenues, including the transfers in, insurance recovery, and sale of capital assets, totaled \$126,729,710, which was over the final budgeted amount of \$125,579,092 by \$1,150,618 (0.9%). The largest favorable variance was in the amount of \$2,473,555 for business taxes and fees due to the City's increase in the industrial district fees because of the new eight-year contract with industries in the Pasadena Industrial District.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounted to \$960,900,038 (net of accumulated depreciation). This investment includes land, buildings and building improvements, facilities and other improvements, machinery and equipment, infrastructure (streets, bridges, storm drains, and water and sewer systems), automotive, and construction in progress.

The total increase in the City's investment in capital assets for the current fiscal year was \$31,191,346 (3.4%) compared to prior fiscal year of \$929,708,692. There was a \$28,990,407 (4.6%) increase for governmental activities and an \$2,200,939 (.7%) increase for business-type activities.

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

- Began Partnership Park (D039) - \$158,814 in progress at the end of the fiscal year.
- Continued Golden Acres Detention (D044) - \$22,824 with \$96,517 construction in progress at the end of the fiscal year.
- Continued 2019 Drainage (D045) - \$169,596 with \$372,015 in progress at the end of the fiscal year.
- Began 2020 Annual Drainage Imp (D057) - \$136,525 in progress at the end of the fiscal year.
- Began Fairmont Pkwy Drainage Imp (D058) - \$134,065 in progress at the end of the fiscal year.
- Continued Fire Station #8 (F007) - \$4,796,616 with \$5,200,243 construction in progress at the end of the fiscal year.
- Continued Fire Station #6 (F011) - \$25,500 with \$30,000 in progress at the end of the fiscal year.
- Continued Fire Station #7 (F014) - \$25,500 with \$30,000 in progress at the end of the fiscal year.
- Began Library Flooring (L005) - \$228,092 in progress at the end of the fiscal year.
- Continued Utility Development Projects (M018) - \$1,309,458 with \$3,849,751 construction in progress at the end of the fiscal year
- Continued Municipal Court Building (M032) - \$7,371,149 with \$9,902,737 in progress at the end of the fiscal year
- Continued Police/Fire Admin Building (M034) - \$6,095,522 with \$9,033,703 in progress at the end of the year
- Continued 1001 Southmore Abate/Demo (M039) - \$2,530 with \$2,098,502 in progress at the end of the fiscal year
- Continued 1211 Southmore (M041) - \$359,601 with \$540,338 in progress at the end of the fiscal year.
- Continued Tyler Technologies (M043) - \$274,728 with \$332,479 in progress at the end of the fiscal year.
- Began City Hall Improvements (M044) - \$539,673 in progress at the end of the fiscal year.
- Began COP Municipal Utility Building (P009) - \$617,694 in progress at the end of the fiscal year.
- Began Verne Cox Pool Renovation (R047) - \$315,685 in progress at the end of the fiscal year.

- Continued Wafer Improvements (S047) - \$47,365 with \$118,414 in progress at the end of the fiscal year.
- Continued Lafferty St (S048) - \$2,653,435 with \$3,086,874 in progress at the end of the fiscal year.
- Continued Richey St. Reconstruction (S101) - \$2,990,456 with \$14,404,302 in progress at the end of the fiscal year
- Continued Wafer Paving & Drainage (S104) - \$769,034 with \$2,479,377 in progress at the end of the fiscal year
- Continued 2019 Paving (S105) - \$575,150 with \$756,699 in progress at the end of the fiscal year.
- Continued 2019 Sidewalks (S106) - \$176,398 with \$621,384 in progress at the end of the fiscal year.
- Continued Shaw St (S107) - \$240,125 with \$272,604 in progress at the end of the fiscal year.
- Began Thomas Ave P&D Ph II (S109) - \$14,940 in progress at the end of the fiscal year.
- Continued Richey St II (S110) - \$18,915 with \$33,855 in progress at the end of the fiscal year.
- Began 2020 Annual Paving Imp (S111) - \$680,587 in progress at the end of the fiscal year.
- Began 2020 Annual Sidewalk Imp (S112) - \$513,231 in progress at the end of the fiscal year.
- Continued Traffic Mobility Imp (T014) - \$881,396 with \$1,104,159 in progress at the end of the fiscal year.
- Continued DM Area A1 FEMA (DMA1) - \$17,866 with \$393,437 in progress at the end of the fiscal year.
- Continued DM Area A2 FEMA (DMA2) - \$1,396,579 with \$530,528 in progress at the end of the fiscal year.
- Continued DM Area A3 FEMA (DMA3) - \$35,867 with \$280,663 in progress at the end of the fiscal year.
- Continued DM Area A4 FEMA (DMA4) - \$31,315 with \$702,413 in progress at the end of the fiscal year.
- Continued DM Area A5 FEMA (DMA5) - \$45,598 with \$240,583 in progress at the end of the fiscal year.
- Continued DM Area A6 FEMA (DMA6) - \$200,772 with \$488,456 in progress at the end of the fiscal year.
- Continued DM Area A7 FEMA (DMA7) - \$11,531 with \$251,227 in progress at the end of the fiscal year.
- Continued DM Area B1 FEMA (DMB1) - \$56,899 with \$356,395 in progress at the end of the fiscal year.
- Continued DM Area B2 FEMA (DMB2) - \$24,454 with \$240,028 in progress at the end of the fiscal year.
- Continued DM Area B3 FEMA (DMB3) - \$58,032 with \$331,141 in progress at the end of the fiscal year.
- Continued DM Area B4 FEMA (DMB4) - \$63,224 with \$337,119 in progress at the end of the fiscal year.
- Continued DM Area B5 FEMA (DMB5) - \$26,003 with \$470,925 in progress at the end of the fiscal year.
- Continued DM Area B6 FEMA (DMB6) - \$4,719 with \$189,640 in progress at the end of the fiscal year.
- Continued DM Area B7 FEMA (DMB7) - \$31,670 with \$195,701 in progress at the end of the fiscal year.
- Continued DM Area C1 FEMA (DMC1) - \$176,276 with \$747,268 in progress at the end of the fiscal year.
- Continued DM Area C2 FEMA (DMC2) - \$101,908 with \$486,368 in progress at the end of the fiscal year.
- Continued DM Area C3 FEMA (DMC3) - \$39,463 with \$394,631 in progress at the end of the fiscal year.
- Continued DM Area C4 FEMA (DMC4) - \$21,133 with \$240,447 in progress at the end of the fiscal year.

- Continued DM Area C5 FEMA (DMC5) - \$29,618 with \$296,182 in progress at the end of the fiscal year.
- Continued DM Area C6 FEMA (DMC6) - \$25,791 with \$257,915 in progress at the end of the fiscal year.
- Continued DM Area C7 FEMA (DMC7) - \$254,311 with \$548,972 in progress at the end of the fiscal year.
- Continued Enviro Services (DMEA) - \$40,018 with \$219,910 in progress at the end of the fiscal year.
- Continued DM Flood Warning System (DMFW) - \$6,866 with \$29,181 in progress at the end of the fiscal year.
- Continued Hydr/Hydlgy FEMA HMGP (DMHH) - \$606,300 with \$1,174,140 in progress at the end of the fiscal year.
- Continued 225 Waterline Ph II (W035) - \$5,148 with \$202,489 in progress at the end of the fiscal year.
- Continued Water Storage Tank Rehab (W038) - \$416,659 with \$1,138,738 in progress at the end of the fiscal year.
- Continued Fairmont Pkwy 12" Water main Ph III (W050) - \$970,581 with \$1,500,165 in progress at the end of the fiscal year.
- Continued Crenshaw Water Plant Exp PH II (W051) - \$375,289 with \$4,540,040 in progress at the end of the fiscal year.
- Continued 2018 Citywide Waterline Replacement (W052) - \$161,124 with \$987,038 in progress at the end of the fiscal year
- Continued Preston 12" Waterline (W053) - \$744,166 with \$890,090 in progress at the end of the fiscal year
- Continued Spencer 12" Waterline (W054) - \$16,262 with \$227,902 in progress at the end of the fiscal year
- Continued 2019 Waterlines (W057) - \$373,961 with \$1,015,072 in progress at the end of the fiscal year.
- Began Jenkins Rd Waterline (W061) - \$272,590 in progress at the end of the fiscal year.
- Continued Bay Area Water (W062) - \$10,504 with \$20,061 in progress at the end of the fiscal year.
- Began Preston 12" Waterline Ph II (W064) - \$110,103 in progress at the end of the fiscal year.
- Began Rodeo Grounds Water System Generator (W065) - \$52,869 in progress at the end of the fiscal year.
- Began Fence Imp at Water Tank Sites (W067) - \$30,963 in progress at the end of the fiscal year.
- Continued WWTP Consolidation Project PH I (WW031) - \$39,890 with \$2,717,481 in progress at the end of the fiscal year.
- Continued Burke Rd Lift Sta Rehab (WW038) - \$48,113 with \$441,173 in progress at the end of the fiscal year
- Continued 2018 Citywide Sanitary Sewer Rehab (WW047) - \$539,508 with \$1,274,890 in progress at the end of the fiscal year
- Continued West Ellaine Lift Sta Rehab (WW048) - \$58,640 with \$477,096 in progress at the end of the fiscal year.
- Continued North Main Lift Sta Rehab (WW060) - \$101,871 with \$1,061,469 in progress at the end of the fiscal year.
- Continued Sewer Rehab (WW061) - \$178,293 with \$192,793 in progress at the end of the fiscal year.
- Continued 2019 Sewer Rehab (WW062) - \$198,109 with \$943,315 in progress at the end of the fiscal year.

- Continued Bay Area Industrial Park LS/Force Main (WW063) - \$31,079 with \$43,412 in progress at the end of the fiscal year.
- Began 2020 Citywide Sanitary Sewer Rehab (WW064) - \$180,057 in progress at the end of the fiscal year.

**CAPITAL ASSETS
(net of depreciation)
September 30, 2020**

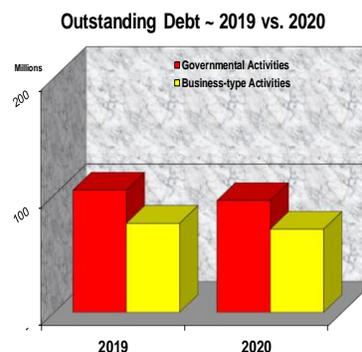
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 149,130,727	\$ 144,701,946	\$ 1,624,352	\$ 1,624,352	\$ 150,755,079	\$ 146,326,298
Buildings and building improvements	63,694,517	64,518,179	1,541,472	1,667,095	65,235,989	66,185,274
Facilities and other improvements	18,291,666	18,286,279	9,677,893	9,893,696	27,969,559	28,179,975
Machinery and equipment	15,847,692	15,438,830	1,530,613	1,547,541	17,378,305	16,986,371
Infrastructure	318,589,452	319,155,428	257,867,405	255,244,894	576,456,857	574,400,322
Automotive equipment	18,800,351	18,682,981	9,421	10,188	18,809,772	18,693,169
Construction in progress	76,206,551	50,786,906	28,087,926	28,150,377	104,294,477	78,937,283
Totals	\$ 660,560,956	\$ 631,570,549	\$ 300,339,082	\$ 298,138,143	\$ 960,900,038	\$ 929,708,692

Additional information on the City of Pasadena's capital assets can be found in Note IV, D, pages 79-80 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 \$165,874,234. Of this amount, \$95,122,903 represents debt backed and paid for by the full faith and credit of the City. The remaining \$70,751,331 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 decreased by \$13,892,766 (7.7%) during the current fiscal year end. Please refer to note IV, G on pages 84-87 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.



**CITY OF PASADENA'S LONG TERM DEBT
September 30, 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General, certificate, and other obligations including refunding	\$ 95,122,903	\$ 103,994,230	\$ 70,751,331	\$ 75,772,770	\$ 165,874,234	\$ 179,767,000
Total	\$ 95,122,903	\$ 103,994,230	\$ 70,751,331	\$ 75,772,770	\$ 165,874,234	\$ 179,767,000

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 \$954,523,797, 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 2020) was 8.7%, up from 5.2% for the previous December per the Bureau of Labor Statistics due to COVID-19.

- The fiscal year 2021 adopted budget for the general fund revenue of \$121,492,084, including the transfer in and sales of capital assets, is expected to decrease 0.67% or \$817,611 when compared to the estimated revenue \$122,309,695 for the current fiscal year. However, the actual revenue of \$126,729,710 for the fiscal year 2020 far exceeded the 2020 estimated revenue amount by 3.5% or \$4,420,015.
- The taxable value increased 15.05% or \$1.410B to \$10.778B in the fiscal year 2021 from \$9.369B in the fiscal year 2020. The Council adopted an effective tax rate of \$0.533677/\$100 for the fiscal year 2021, which is a decrease of 6.4% or \$.036665/\$100 than the fiscal year 2020 tax rate of \$0.570342/\$100. Since the effective tax rate is to generate the same amount of tax levy for properties taxed in both fiscal years of 2021 and 2020, as a result, the tax levy would increase 5.82% and \$3.3M from new property.
- The assessed valuation of the Industrial District was not yet available when the 2021 budget was adopted in September 2020. Therefore, the fiscal year 2021 budgeted amount of \$20,950,000 remains the same as the estimated revenue for the fiscal year 2020. The assessed valuation for the fiscal year 2021 is now available, and the estimated billable revenue was \$23,051,462, an increase by 5.9% or \$1,277,619 when compared to the actual current year industrial fee revenue of \$21,773,843 for the fiscal year 2020.
- With the national economy remaining the same, the budgeted sales tax revenue of \$21,000,000 for the fiscal year 2021 remains the same as the estimated revenue for the fiscal year 2020. The actual sales tax revenue of \$24,445,944 turned out a bit stronger than expected by 16.4% or \$3,445,944.
- The water and sewer revenue is to cover the City's cost in providing water and sewer service and to make debt payments. The 2021 budget of \$43,570,800 under the modified accrual basis reflected a decrease of 3.9% or \$1,790,416 when compared to the estimated revenue of \$45,361,216 for the fiscal year 2020 because it was not budgeted for the same refunds received from the City of Houston, Texas for excess reserves the City had paid for prior water purchases.

These indicators were taken into account when adopting the general fund budget for fiscal year 2021. Revenues in the general fund are budgeted in the amount of \$121,492,084, including transfers, insurance recovery, and sales of capital assets, which is a decrease of \$4,087,008 over the final fiscal year 2020 budget of \$125,579,092 (including transfers in, insurance recovery, and sale of capital assets). The revenue decreases were mainly due to the lack of confidence in the economy due to COVID-19 and the adoption of the effective property tax rate.

Expenditures are budgeted to decrease by 8.3%, or \$11,040,987, in comparison to the final budgeted expenditures of fiscal year 2020. This decrease is due to an anticipated reduction of revenue collection across the City again due to COVID-19.

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, 2020

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Pasadena Crime</u>
	<u>Activities</u>	<u>Activities</u>		<u>Control and</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,959,584	\$ 1,648,308	\$ 3,607,892	\$ -
Investments	113,773,449	30,269,245	144,042,694	7,576,236
Receivables (net of allowances for uncollectible)	8,375,128	7,283,570	15,658,698	1,966,208
Due from primary government	-	-	-	340,901
Internal balances	4,994,002	(4,994,002)	-	-
Inventories	476,138	-	476,138	-
Prepaid items	613,636	-	613,636	-
Deposits	373,000	-	373,000	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	755,828	-	755,828	-
Investments	102,941,125	14,821,473	117,762,598	-
Intergovernmental receivables	6,607,622	-	6,607,622	-
Capital assets not being depreciated:				
Land	149,130,727	1,624,352	150,755,079	-
Construction in progress	76,206,551	28,087,926	104,294,477	-
Capital assets net of accumulated depreciation:				
Buildings and building improvements	63,694,517	1,541,472	65,235,989	-
Facilities and other improvements	18,291,666	9,677,893	27,969,559	-
Machinery and equipment	15,847,692	1,530,613	17,378,305	-
Infrastructure	318,589,452	257,867,405	576,456,857	-
Automotive	18,800,351	9,421	18,809,772	-
TOTAL ASSETS	901,430,468	349,367,676	1,250,798,144	9,883,345
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charges on:				
Refunding bonds	1,589,849	2,518,778	4,108,627	-
Deferred outflows on:				
TMRS pension	7,833,845	668,062	8,501,907	-
Fire pension	379,333	-	379,333	-
Healthcare OPEB	5,621,117	652,207	6,273,324	-
SDBF OPEB	640,799	51,967	692,766	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 16,064,943	\$ 3,891,014	\$ 19,955,957	\$ -

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	\$ 6,786,783	\$ 6,688,346	\$ 13,475,129	\$ 1,025,602
Accrued payroll payable	2,454,022	217,427	2,671,449	206,774
Accrued interest payable	462,869	-	462,869	-
Due to component unit	340,901	-	340,901	-
Liabilities payable from restricted assets	5,934,886	981,787	6,916,673	-
Customer deposits	-	5,007,280	5,007,280	-
Unearned revenue	950,721	-	950,721	-
Noncurrent liabilities:				
Due within one year	11,971,024	4,832,172	16,803,196	-
Due in more than one year	178,717,972	77,039,591	255,757,563	-
TOTAL LIABILITIES	207,619,178	94,766,603	302,385,781	1,232,376
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows on:				
TMRS pension	15,272,330	1,209,361	16,481,691	-
Fire pension	1,552	-	1,552	-
Healthcare OPEB	8,261,260	926,144	9,187,404	-
SDBF OPEB	385,118	31,226	416,344	-
TOTAL DEFERRED INFLOWS OF RESOURCES	23,920,260	2,166,731	26,086,991	-
<u>NET POSITION</u>				
Net investment in capital assets	586,924,489	243,101,366	830,025,855	-
Restricted for:				
Debt service	3,733,396	2,844,849	6,578,245	-
Capital projects and economic development	63,234,808	-	63,234,808	-
Public safety	9,274,521	-	9,274,521	8,650,969
Housing and community development	2,643,111	-	2,643,111	-
Cultural and recreation	6,347,504	-	6,347,504	-
Other purpose	2,622,246	-	2,622,246	-
Unrestricted	11,175,898	10,379,141	21,555,039	-
TOTAL NET POSITION	\$ 685,955,973	\$ 256,325,356	\$ 942,281,329	\$ 8,650,969

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, 2020**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 23,821,001	\$ 14,404,980	\$ -	\$ -
Public safety	68,981,220	8,577,499	8,297,153	3,519,156
Public works	29,606,592	6,399,056	862,045	2,175,799
Health	6,541,684	892,608	-	-
Culture and recreation	19,652,656	2,213,922	89,569	-
Housing and community development	8,829,802	121,674	8,874,024	142,315
Interest on long-term debt	3,193,943	-	-	-
Total governmental activities	160,626,898	32,609,739	18,122,791	5,837,270
Business-type activities:				
Water and sewer system	34,992,695	44,994,585	-	-
TOTAL PRIMARY GOVERNMENT	\$ 195,619,593	\$ 77,604,324	\$ 18,122,791	\$ 5,837,270
Component unit:				
Pasadena Crime Control and Prevention District	\$ 11,237,075	\$ -	\$ -	\$ -

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
\$ (9,416,021)	\$ -	\$ (9,416,021)	\$ -
(48,587,412)	-	(48,587,412)	-
(20,169,692)	-	(20,169,692)	-
(5,649,076)	-	(5,649,076)	-
(17,349,165)	-	(17,349,165)	-
308,211	-	308,211	-
(3,193,943)	-	(3,193,943)	-
(104,057,098)	-	(104,057,098)	-
-	10,001,890	10,001,890	-
(104,057,098)	10,001,890	(94,055,208)	-
			11,237,075
58,081,871	-	58,081,871	-
22,159,160	-	22,159,160	-
36,668,916	-	36,668,916	11,903,679
8,986,793	-	8,986,793	-
1,349,373	-	1,349,373	-
69,164,242	-	69,164,242	11,903,679
1,211,354	471,721	1,683,075	-
1,177,530	-	1,177,530	71,148
1,918,524	-	1,918,524	-
4,535,500	(4,535,500)	-	-
136,089,021	(4,063,779)	132,025,242	11,974,827
32,031,923	5,938,111	37,970,034	737,752
653,924,050	250,387,245	904,311,295	7,913,217
\$ 685,955,973	\$ 256,325,356	\$ 942,281,329	\$ 8,650,969

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,959,584	\$ -	\$ -	\$ -
Investments	90,346,035	-	-	-
Receivables (net of allowance for uncollectible)	5,870,282	253,890	1,980,495	3,197
Due from other funds	761,133	48,003	-	8,726,806
Restricted assets				
Cash and cash equivalents	-	-	10,005	-
Investments	-	3,431,503	60,887,997	24,248,905
Receivables (net of allowance for uncollectible)	69,900	-	-	-
TOTAL ASSETS	<u>\$ 99,006,934</u>	<u>\$ 3,733,396</u>	<u>\$ 62,878,497</u>	<u>\$ 32,978,908</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 5,260,942	\$ -	\$ -	\$ -
Accrued payroll payable	2,261,832	-	-	-
Due to other funds	19,022,717	-	-	-
Due to component unit	340,901	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue - other	9,278	-	-	-
Liabilities payable from restricted assets	-	-	283,091	4,527,457
TOTAL LIABILITIES	<u>26,895,670</u>	<u>-</u>	<u>283,091</u>	<u>4,527,457</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	704,834	242,984	-	-
Unavailable revenue - industrial district fees	70,481	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>775,315</u>	<u>242,984</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Restricted	-	3,490,412	62,595,406	20,858,664
Committed	15,000	-	-	3,563,235
Assigned	1,018,704	-	-	4,029,552
Unassigned	70,302,245	-	-	-
TOTAL FUND BALANCES	<u>71,335,949</u>	<u>3,490,412</u>	<u>62,595,406</u>	<u>28,451,451</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 99,006,934</u>	<u>\$ 3,733,396</u>	<u>\$ 62,878,497</u>	<u>\$ 32,978,908</u>

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 liabilities, 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

The accompanying notes are an integral part of the financial statements

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 1,959,584
-	-	90,346,035
-	-	8,107,864
7,886,731	1,043,745	18,466,418
692,755	53,068	755,828
4,983,414	9,389,306	102,941,125
6,203,703	334,019	6,607,622
\$ 19,766,603	\$ 10,820,138	\$ 229,184,476

\$ -	\$ -	\$ 5,260,942
-	-	2,261,832
-	-	19,022,717
-	-	340,901
194,857	-	194,857
941,403	40	950,721
782,384	341,954	5,934,886
1,918,644	341,994	33,966,856

-	-	947,818
-	-	70,481
-	-	1,018,299

10,539,801	10,478,144	107,962,427
7,308,158	-	10,886,393
-	-	5,048,256
-	-	70,302,245
17,847,959	10,478,144	194,199,321

\$ 19,766,603 **\$ 10,820,138**

634,283,677

1,018,299

47,940,748

(191,486,072)

\$ 685,955,973

CITY OF PASADENA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
REVENUES				
General property taxes	\$ 45,930,879	\$ 12,139,594	\$ -	\$ -
Business taxes and fees				
Industrial district fees	22,141,278	-	-	-
Sales taxes	24,445,944	-	12,222,972	-
Franchise fees	8,743,088	-	-	-
Other taxes and fees	253,845	-	-	-
Total business taxes and fees	55,584,155	-	12,222,972	-
Licenses and permits	2,224,124	-	-	-
Municipal court fines	3,749,053	-	-	-
Charges for services	11,469,303	-	-	-
Intergovernmental	1,918,934	-	-	3,697,949
Program income	-	-	-	-
Contribution from outside sources	-	-	-	12,600
Miscellaneous	1,401,604	-	52,192	-
Investment income	1,005,838	30,750	515,232	501,671
TOTAL REVENUES	123,283,890	12,170,344	12,790,396	4,212,220
EXPENDITURES				
Current:				
General government	20,689,459	-	-	-
Public safety	56,947,043	-	-	-
Public works	17,403,737	-	2,424,378	-
Health	5,877,526	-	-	-
Culture and recreation	15,469,919	-	-	-
Housing and community development	-	-	-	-
Debt Service:				
Principal	-	7,858,142	-	-
Interest	-	3,861,712	-	-
Capital Outlay:				
General government	-	-	2,530	8,909,430
Public safety	-	-	-	11,541,565
Public works	-	-	5,952,779	5,503,809
Culture and recreation	-	-	-	663,337
Housing and community development	-	-	-	1,928
TOTAL EXPENDITURES	116,387,684	11,719,854	8,379,687	26,620,069
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,896,206	450,490	4,410,709	(22,407,849)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	-	801,013	3,367,139
Transfers out	(5,235,657)	-	-	(801,013)
Insurance recovery	444,355	-	-	-
Sale of capital assets	1,465	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	(1,789,837)	-	801,013	2,566,126
NET CHANGE IN FUND BALANCES	5,106,369	450,490	5,211,722	(19,841,723)
FUND BALANCES, BEGINNING	66,229,580	3,039,922	57,383,684	48,293,174
FUND BALANCES, ENDING	\$ 71,335,949	\$ 3,490,412	\$ 62,595,406	\$ 28,451,451

The accompanying notes are an integral part of the financial statements

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 58,070,473
-	-	22,141,278
-	-	36,668,916
-	243,705	8,986,793
-	1,095,528	1,349,373
-	1,339,233	69,146,360
-	2,560	2,226,684
-	278,530	4,027,583
-	-	11,469,303
19,169,624	449,804	25,236,311
213,009	-	213,009
-	-	12,600
-	363,310	1,817,106
41,503	88,374	2,183,368
19,424,136	2,521,811	174,402,797
-	524,130	21,213,589
1,612,431	1,543,310	60,102,784
2,111,007	-	21,939,122
-	-	5,877,526
72,690	737,469	16,280,078
8,859,785	-	8,859,785
-	-	7,858,142
-	-	3,861,712
-	-	8,911,960
-	-	11,541,565
-	-	11,456,588
-	-	663,337
-	-	1,928
12,655,913	2,804,909	178,568,116
6,768,223	(283,098)	(4,165,319)
118,518	-	7,286,670
-	-	(6,036,670)
-	-	444,355
-	-	1,465
118,518	-	1,695,820
6,886,741	(283,098)	(2,469,499)
10,961,218	10,761,242	196,668,820
\$ 17,847,959	\$ 10,478,144	\$ 194,199,321



**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, 2020**

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)	\$	(2,469,499)
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 expense. This is the amount by which capital outlay exceeded depreciation in the current period.		26,201,009
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, and donations) is an increase to net position.		1,721,760
Revenues in the statement of activities that do not provide current financial resources are deferred as revenues in the funds.		29,280
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.		7,858,142
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.		(3,502,810)
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 liabilities, and health care benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		<u>2,194,041</u>
Change in net position of governmental activities (page 43)	\$	<u><u>32,031,923</u></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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 47,972,374	\$ 45,010,568	\$ 45,930,879	\$ 920,311
Business taxes and fees				
Industrial district fees	19,403,000	19,403,000	22,141,278	2,738,278
Sales taxes	23,000,000	23,000,000	24,445,944	1,445,944
Franchise fees	10,367,600	10,367,600	8,743,088	(1,624,512)
Other taxes and fees	340,000	340,000	253,845	(86,155)
Total business taxes and fees	<u>53,110,600</u>	<u>53,110,600</u>	<u>55,584,155</u>	<u>2,473,555</u>
Licenses and permits	2,437,730	2,437,730	2,224,124	(213,606)
Municipal court fines	4,812,000	4,812,000	3,749,053	(1,062,947)
Charges for services	11,935,350	11,935,350	11,469,303	(466,047)
Intergovernmental	214,946	1,847,632	1,918,934	71,302
Miscellaneous	1,291,230	1,438,857	1,401,604	(37,253)
Investment income	1,502,000	1,502,000	1,005,838	(496,162)
TOTAL REVENUES	<u>123,276,230</u>	<u>122,094,737</u>	<u>123,283,890</u>	<u>1,189,153</u>
EXPENDITURES				
Current				
General Government				
City council	231,475	219,975	179,797	40,178
Mayor	662,222	730,830	713,908	16,922
Budget and financial planning	587,888	680,943	643,506	37,437
Municipal court	2,526,514	2,756,345	2,535,616	220,729
City controller	2,279,930	2,438,610	2,279,221	159,389
Tax	595,520	595,520	575,477	20,043
Purchasing	537,162	565,882	551,764	14,118
Legal	1,501,896	2,361,811	2,211,092	150,719
City secretary	489,080	508,640	465,275	43,365
Elections	5,650	5,650	-	5,650
Human resources	1,098,739	1,260,024	1,211,534	48,490
Civil service	58,400	59,080	42,765	16,315
City marshal	1,355,034	1,508,201	1,466,929	41,272
Community relations	1,265,866	1,354,887	1,293,736	61,151
Pasadena action line	445,274	488,829	483,264	5,565
Planning	780,224	841,668	660,092	181,576
Economic development liaison	639,524	659,670	644,075	15,595
Neighborhood network	591,990	596,090	439,135	156,955
Inspections	1,939,548	2,516,281	1,697,023	819,258
Property management	2,039,290	1,388,881	1,100,431	288,450
City hall	844,458	747,803	579,589	168,214
Facilities management	197,603	256,438	134,041	122,397
Impound/storage	389,731	434,636	419,999	14,637
Other charges	10,066,445	1,851,128	361,190	1,489,938
Total General Government	<u>31,129,463</u>	<u>24,827,822</u>	<u>20,689,459</u>	<u>4,138,363</u>
Public Safety				
Emergency preparedness	1,014,798	1,188,400	1,155,916	32,484
Fire fighting	5,170,717	5,067,867	4,098,975	968,892
Fire prevention	1,752,493	1,868,823	1,792,081	76,742
Police	43,754,512	50,195,213	49,170,424	1,024,789
Code enforcement	817,751	847,461	729,647	117,814
Total Public Safety	<u>52,510,271</u>	<u>59,167,764</u>	<u>56,947,043</u>	<u>2,220,721</u>
Public Works				
Engineering	2,215,053	2,389,453	2,349,600	39,853
Street lighting and signals	1,418,000	1,418,000	1,118,430	299,570
Sanitation	8,516,071	9,226,547	8,954,970	271,577
Street and bridge	2,997,208	3,325,490	3,169,548	155,942
Traffic and transportation	1,780,810	1,919,461	1,811,189	108,272
Total Public Works	<u>\$ 16,927,142</u>	<u>\$ 18,278,951</u>	<u>\$ 17,403,737</u>	<u>\$ 875,214</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health				
Health	\$ 2,621,585	\$ 2,800,662	\$ 2,526,275	\$ 274,387
Animal rescue and assistance	3,496,755	3,635,395	3,351,251	284,144
Total Health	6,118,340	6,436,057	5,877,526	558,531
Culture and Recreation				
Parks	4,542,966	4,625,610	3,671,484	954,126
Recreation	4,149,155	4,524,733	3,352,161	1,172,572
Clean streets	1,976,576	2,040,766	1,865,347	175,419
Golf course	1,027,119	1,117,389	894,651	222,738
Multi-purpose center	626,921	632,001	535,528	96,473
Civic center	770,969	779,622	741,077	38,545
Senior center - Madison Jobe	693,393	717,803	595,001	122,802
Museum	154,342	155,842	129,172	26,670
Library	3,915,843	3,981,554	3,685,498	296,056
Total Culture and Recreation	17,857,284	18,575,320	15,469,919	3,105,401
TOTAL EXPENDITURES	124,542,500	127,285,914	116,387,684	10,898,230
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,266,270)	(5,191,177)	6,896,206	12,087,383
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	(2,750,000)	(5,247,157)	(5,235,657)	11,500
Insurance recovery	-	444,355	444,355	-
Sale of capital assets	40,000	40,000	1,465	(38,535)
TOTAL OTHER FINANCING SOURCES (USES)	290,000	(1,762,802)	(1,789,837)	(27,035)
NET CHANGE IN FUND BALANCES	(976,270)	(6,953,979)	5,106,369	12,060,348
FUND BALANCES - BEGINNING	55,048,367	66,229,580	66,229,580	-
FUND BALANCES - ENDING	\$ 54,072,097	\$ 59,275,601	\$ 71,335,949	\$ 12,060,348

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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 807,953	\$ 807,953
Program income	24,000	24,000	14,239	(9,761)
TOTAL REVENUES	24,000	24,000	822,192	798,192
EXPENDITURES				
Current				
Public Safety				
Contractual services	123,000	123,000	73,247	49,753
Materials and supplies	174,000	177,156	117,222	59,934
Capital outlay	80,000	80,000	79,696	304
TOTAL EXPENDITURES	377,000	380,156	270,165	109,991
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(353,000)	(356,156)	552,027	908,183
FUND (PROGRAM) BALANCE - BEGINNING	1,238,342	1,451,010	1,451,010	-
FUND (PROGRAM) BALANCE - ENDING	\$ 885,342	\$ 1,094,854	\$ 2,003,037	\$ 908,183

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 63,734	\$ 63,734
Program income	7,600	7,600	4,930	(2,670)
TOTAL REVENUES	7,600	7,600	68,664	61,064
EXPENDITURES				
Current				
Public Safety				
Contractual services	52,000	52,000	4,338	47,662
Materials and supplies	73,000	73,000	51,657	21,343
TOTAL EXPENDITURES	125,000	125,000	55,995	69,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(117,400)	(117,400)	12,669	130,069
FUND (PROGRAM) BALANCE - BEGINNING	499,481	539,881	539,881	-
FUND (PROGRAM) BALANCE - ENDING	\$ 382,081	\$ 422,481	\$ 552,550	\$ 130,069

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	Water and Sewer System		
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 1,648,308		\$ -
Investments			
TexPool	30,221,316		-
CLASS	47,929		23,427,414
Receivables (net of allowances for uncollectible)	7,283,570		267,264
Due from other funds	912,352		423,491
Inventory, at cost	-		476,138
Prepaid items	-		613,636
Restricted assets			
Investments			
Texpool	3,182,347		-
CLASS	11,639,126		-
Total Current Assets	54,934,948		25,207,943
Noncurrent Assets			
Deposits	-		373,000
Capital assets			
Land	1,624,352		602
Buildings and building improvements	4,090,119		2,233,791
Accumulated depreciation - buildings and building improvements	(2,548,647)		(1,814,969)
Facilities and other improvements	13,607,372		188,004
Accumulated depreciation - facilities and other improvements	(3,929,479)		(85,415)
Machinery and equipment	11,399,175		11,974,163
Accumulated depreciation - machinery and equipment	(9,868,562)		(6,929,592)
Infrastructure	386,635,466		41,746
Accumulated depreciation - Infrastructure	(128,768,061)		(28,190)
Automotive	146,780		50,184,140
Accumulated depreciation - automotive	(137,359)		(31,383,789)
Construction in progress	28,087,926		1,896,788
Net capital assets	300,339,082		26,277,279
Total Noncurrent Assets	300,339,082		26,650,279
TOTAL ASSETS	\$ 355,274,030		\$ 51,858,222
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charges on:			
Refunding bonds	\$ 2,518,778		\$ -
Deferred outflows on:			
Contribution subsequent to the measurement date pension - TMRS	626,052		528,025
Changes in actuarial assumptions pension - TMRS	24,941		7,794
Changes in actuarial assumptions - OPEB	606,728		277,041
Contributions subsequent to the measurement date - OPEB	45,479		22,765
Changes in actuarial assumptions - OPEB-SDBF	49,213		47,563
Contribution subsequent to the measurement date - OPEB-SDBF	2,754		2,662
Difference between expected and actual economic experience pension - TMRS	17,069		12,024
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,891,014		\$ 897,874

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 6,688,346	\$ 1,525,841
Accrued payroll payable	217,427	192,190
Due to other funds	1,442	778,102
Claims payable	-	624,229
Compensated absences payable	281,002	169,668
Customer deposits	5,007,280	-
Liabilities payable from restricted assets		
Accounts payable	418,944	-
Retainage payable	225,345	-
Accrued interest payable	337,498	-
Bonds payable	4,551,170	-
Total Current Liabilities	<u>17,728,454</u>	<u>3,290,030</u>
Noncurrent Liabilities		
Bonds payable (including unamortized premiums)	66,200,161	-
Claims payable	-	416,151
Compensated absences payable	2,529,024	1,527,008
OPEB GASB 75 liability	6,705,032	2,670,538
SDBF OPEB liability	325,515	314,488
Net pension liability	1,279,859	851,373
Total Noncurrent Liabilities	<u>77,039,591</u>	<u>5,779,558</u>
TOTAL LIABILITIES	<u>94,768,045</u>	<u>9,069,588</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows on:		
Difference between expected and actual of pension - TMRS	182,851	137,259
Change in assumption SDBF	11,749	11,357
Difference between expected and actual experience SDBF	19,477	18,828
Assumption OPEB	230,781	89,670
Difference between expected and actual experience OPEB	695,363	344,312
Deferred inflow on investment - pension TMRS	1,026,510	1,049,246
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,166,731</u>	<u>1,650,672</u>
<u>NET POSITION</u>		
Net investment in capital assets	243,101,366	26,277,279
Restricted for debt service	2,844,849	-
Unrestricted	16,284,053	15,758,557
TOTAL NET POSITION	<u>262,230,268</u>	<u>\$ 42,035,836</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise fund	(5,904,912)	
Net position of business-type activities	<u>\$ 256,325,356</u>	

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, 2020

	<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>\$ 44,994,585</u>	<u>\$ 41,182,953</u>
OPERATING EXPENSES		
Personnel services	9,256,796	7,416,286
Contractual services	7,780,951	2,058,148
Material and supplies	2,680,210	4,289,126
Maintenance charges	1,171,904	1,851,661
Sewer and water payments - Clear Lake Water Authority and City of Seabrook	114,589	-
Operating, maintenance and water charges - Southeast Water Purification Plant	4,633,694	-
Insurance/reinsurance premiums	-	6,151,567
Claims and legal expenses	-	17,406,670
Administration fees	-	609,707
Miscellaneous	39,323	900,509
Depreciation	6,539,320	4,100,091
TOTAL OPERATING EXPENSES	<u>32,216,787</u>	<u>44,783,765</u>
OPERATING INCOME (LOSS)	<u>12,777,798</u>	<u>(3,600,812)</u>
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale and retirement of capital assets	(58,886)	185,149
Investment income	471,721	205,516
Interest expense on bonds	(2,765,973)	-
Amortization	281,386	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(2,071,752)</u>	<u>390,665</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>10,706,046</u>	<u>(3,210,147)</u>
CAPITAL CONTRIBUTIONS	<u>319,500</u>	<u>1,566,753</u>
TRANSFERS IN	<u>-</u>	<u>3,605,000</u>
TRANSFERS (OUT)	<u>(4,855,000)</u>	<u>-</u>
CHANGES IN NET POSITION	<u>6,170,546</u>	<u>1,961,606</u>
TOTAL NET POSITION - BEGINNING	<u>256,059,722</u>	<u>40,074,230</u>
TOTAL NET POSITION - ENDING	<u>\$ 262,230,268</u>	<u>\$ 42,035,836</u>
CHANGES IN NET POSITION	<u>\$ 6,170,546</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>(232,435)</u>	
Change in net position of business-type activities (page 43)	<u>\$ 5,938,111</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, 2020**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from interfund services	\$ -	\$ 32,895,867
Cash received from customers and users	46,751,335	9,522,123
Cash payments to suppliers for goods and services	(24,576,409)	(8,420,896)
Cash payments to employees for services	(8,755,933)	(7,046,494)
Cash payments for insurance premiums, liability claims, and administration	-	(24,820,357)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13,418,993	2,130,243
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers (to)/from other funds		
General fund	-	1,750,000
General fund	(3,000,000)	-
Water and sewer system fund	-	1,855,000
Maintenance fund	(855,000)	-
General liability insurance fund	(1,000,000)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(4,855,000)	3,605,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from sale of capital assets	-	302,932
Acquisition and construction of capital assets	(8,479,644)	(3,529,299)
Principal paid on capital debt	(4,526,858)	-
Interest paid on capital debt	(2,787,970)	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(15,794,472)	(3,226,367)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(19,167,410)	(24,813,750)
Proceeds from sale and maturities of investments	26,372,946	22,099,358
Investment income received	471,721	205,516
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	7,677,257	(2,508,876)
NET INCREASE IN CASH AND CASH EQUIVALENTS	446,778	-
CASH AND CASH EQUIVALENTS - BEGINNING	1,201,531	-
CASH AND CASH EQUIVALENTS - ENDING	\$ 1,648,309	\$ -

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 12,777,798	\$ (3,600,812)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	6,539,320	4,100,091
Changes in assets and liabilities		
(Increase) in accounts receivables	1,593,033	(48,576)
(Increase) decrease in due from other funds	(374,814)	1,270,720
(Increase) in prepaid item	-	(63,290)
Decrease in inventory	17,059	63,916
Decrease in deposits	-	1,000
Decrease in pension related deferred outflows	2,467,269	2,151,696
(Decrease) in accounts and claims payable	(7,702,962)	(516,252)
Increase in accrued payroll liabilities	45,531	47,937
Increase in compensated absences payable	128,300	151,654
(Decrease) in net pension payable	(2,771,624)	(2,337,646)
(Decrease) increase in due to other funds	(95,021)	547,761
(Decrease) in other post-employment benefits	(64,376)	(9,036)
Increase in customer deposits	163,717	-
Increase in pension related deferred inflows	695,763	371,080
Total Adjustments	641,195	5,731,055
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 13,418,993	\$ 2,130,243
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contribution of capital assets from the government	\$ 319,500	\$ 1,566,753

The accompanying notes are an integral part of the financial statements



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

INDEX

	<u>Page</u>
I. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>	
A. Reporting Entity	63
B. Government-Wide and Fund Financial Statements	64
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	65
D. Assets, Liabilities and Net Position or Fund Balance (Equity)	
1. Cash, Cash Equivalents and Investments	67
2. Receivables and Payables	67
3. Inventories and Prepaid Items	67
4. Capital Assets	68
5. Deferred Outflows/Inflows of Resources	68
6. Pensions	69
7. Other Post-Employment Benefits	69
8. Compensated Absences	69
9. Bond Premiums/Discounts and Issuance Costs	70
10. Fund Balance (Equity)	70
II. <u>RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS</u>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position	71
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	72
III. <u>STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY</u>	
A. Budgetary Information	73
B. Grant Management Reconciliation from (Major Special Revenue) – Budgeted	75
C. Excess of Expenditures over Appropriations	75
IV. <u>DETAILED NOTES TO ALL FUNDS</u>	
A. Deposits and Investments	75
B. Property Tax Calendar and Receivables	
1. Property Tax Calendar	77
2. Receivables	78
C. Restricted Assets	78

	<u>Page</u>
D. Capital Assets	
1. Governmental Activities	79
2. Business-Type Activities	80
3. Depreciation Expense	80
E. Construction Commitments	81
F. Interfund Receivables, Payables and Transfers	
1. Due to/from Other Funds	83
2. Due to/from Primary Government and Component Units	84
3. Interfund Transfers.....	84
G. Long-Term Debt	
1. Governmental Activities	84
2. Business-Type Activities	85
3. Defeasance of Debt	86
4. Voter Authorized Obligations	86
5. Legal Debt Margin.....	86
6. Rebatable Arbitrage	86
7. Changes in Long-Term Liabilities	87
V. <u>OTHER INFORMATION</u>	
A. Risk Management	87
B. Commitments and Contingent Liabilities	
1. Commitments	90
2. Litigation.....	90
3. Federal and State Grants.....	90
C. Other Post Employment Benefits	
1. Other Post Employment Benefits Retiree Healthcare Benefits	90
2. Other Post Employment Benefits – TMRS Supplemental Death Benefits	93
3. Aggregate Total Other Post Employment Benefits Expenses/Expenditures	96
D. Employee Retirement Systems and Pension Plans	
1. Texas Municipal Retirement System (TMRS) a. Defined Benefit Pension Plans	96
2. Volunteer Firemen’s Relief and Retirement Pension Trust Fund/Texas Statewide Emergency Service Personnel Retirement Fund	100
3. Aggregate Total Employee Retirement Systems and Pension Plans Expenses/Expenditures	105
E. Deferred Compensation Plan	105
F. Implementation of New Cash Management Requirements for the Housing Choice Voucher Program	105
G. Hurricane Harvey	105
H. Coronavirus (COVID-19) Pandemic	105

**CITY OF PASADENA, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 budget 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, 2020, 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

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

5. 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 position 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 position 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, 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 reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunding debt.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes plus other revenues.

This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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 Council

has adopted a financial standard to maintain a general fund minimum fund balance of 60 days of actual expenditures.

b. Fund Balance Summary

A summary of the nature and purpose of fund balances at September 30, 2020 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	\$ -	\$ -	\$ -	\$ -	\$ 7,896,690	\$ 1,397,563	\$ 1,004,255	\$ -	\$ 412,411	\$ 2,814,229	\$ 10,710,919
Economic development and other purposes	-	-	-	-	-	1,316,453	-	6,347,462	-	7,663,915	7,663,915
Housing services	-	-	-	-	2,643,111	-	-	-	-	-	2,643,111
Capital construction and economic development	-	-	62,595,406	20,858,664	-	-	-	-	-	-	83,454,070
Debt service	-	3,490,412	-	-	-	-	-	-	-	-	3,490,412
Total restricted	-	3,490,412	62,595,406	20,858,664	10,539,801	2,714,016	1,004,255	6,347,462	412,411	10,478,144	107,962,427
Committed to:											
Election, recall and charter revision	15,000	-	-	-	-	-	-	-	-	-	15,000
Capital construction	-	-	-	3,563,235	7,308,158	-	-	-	-	-	10,871,393
Total committed	15,000	-	-	3,563,235	7,308,158	-	-	-	-	-	10,886,393
Assigned to:											
Capital construction	-	-	-	4,029,552	-	-	-	-	-	-	4,029,552
Purchases on order for:											
General facilities	211,094	-	-	-	-	-	-	-	-	-	211,094
Law enforcement	3,686	-	-	-	-	-	-	-	-	-	3,686
Public recreation	30,865	-	-	-	-	-	-	-	-	-	30,865
Other purposes	773,059	-	-	-	-	-	-	-	-	-	773,059
Total assigned	1,018,704	-	-	4,029,552	-	-	-	-	-	-	5,048,256
Unassigned	70,302,245	-	-	-	-	-	-	-	-	-	70,302,245
Total	\$ 71,335,949	\$ 3,490,412	\$ 62,595,406	\$ 28,451,451	\$ 17,847,959	\$ 2,714,016	\$ 1,004,255	\$ 6,347,462	\$ 412,411	\$ 10,478,144	\$ 194,199,321

The amount restricted by enabling legislation was \$10,478,144.

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 \$191,486,072 difference are as follows:

Bonds and other payables	\$ 88,302,470
Other long-term debt	
Add: bond premiums	6,820,433
Less: deferred charges on refunded bonds	(1,589,849)
Accrued interest payable	462,869
Compensated absences	29,738,110
Net pension liability	14,167,103
Less: Deferred outflows on pension	(7,665,335)
Plus: Deferred inflows on pension	14,087,377
Other post employment benefits	44,892,568
Less: Deferred outflows on OPEB	(5,911,885)
Plus: Deferred inflows on OPEB	8,182,211
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities.	<u>\$ 191,486,072</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 liabilities, 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 \$47,940,748 difference are as follows:

Net position of the internal service funds	\$ 42,035,836
Add: Internal receivable representing charges less the cost to business-type activities - prior year	5,672,477
Add: Internal receivable representing charges less the cost to business-type activities - current year	<u>232,435</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.	<u>\$ 47,940,748</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 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 expense.”

The detail of this \$26,201,009 difference is as follows:

Capital outlay	\$ 38,902,269
Depreciation expense	<u>(12,701,260)</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>\$ 26,201,009</u>

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, and transfers) is to decrease net position.” The detail of this \$1,721,760 difference is as follows:

In the statement of activities, only the loss and note received on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold less the note received.	<u>\$ 1,721,760</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 1,721,760</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 \$7,858,142 difference is as follows:

Principal repayments:	
General obligation debt	\$ 7,263,142
Certificates of obligation debt	<u>595,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 7,858,142</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 \$3,502,810 difference is as follows:

Compensated absences	\$ (1,297,404)
Other post employment benefits	518,773
Deferred outflows from OPEB	3,034,181
Deferred inflows from OPEB	(6,082,769)
Pensions	31,034,009
Deferred outflows from pension	(18,562,250)
Deferred inflows from pension	(12,815,119)
Accrued interest	39,690
Amortization of bond premiums	1,013,184
Amortization of deferred amounts on refunding	(385,105)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (3,502,810)</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 liabilities, 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 \$2,194,041 difference is as follows:

Change in net position of the internal service funds	\$ 1,961,606
Add: Loss from charges from business-type activities	<u>232,435</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 2,194,041</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 above) 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. 10b, Fund Balance Summary.

During the current fiscal year, the general fund expenditure budget increased in the amount of \$2,743,414 excluding transfer out. The general fund revenue budget decreased in the amount of \$1,181,493 excluding transfer in, insurance recovery, and sale of capital assets, which included a decrease of \$2,961,806 for the final budget for general property taxes revenue received. Transfers out under other financing sources were increased from \$2,750,000 to \$5,247,157. The total increase of \$2,497,157 includes the amount of \$1,497,157 budgeted to the capital projects fund for capital projects, \$118,518 was transferred to the grant management fund, and the health insurance fund received \$1,000,000. These items had not been budgeted under the original budget but approved by Council as a budget amendment. There was an increase in public safety in the amount of \$6,657,493 or 12.7% with an increase in the police department in the amount of \$6,440,701, with the largest increase in personnel services in the amount of \$6,411,918 due to an increase for public safety personnel due to COVID-19 as stated before. Public works' original budget increased \$1,351,809 or 8.0%. Personnel services increased due to COVID-19 because of the essential workers needed during the pandemic. The general government original budget decreased by \$6,301,641 or 20.2% with a decrease in other charges included a decrease in other charges of \$6,607,966 due to the anticipation of City Council approving the roll-back property tax rate of \$0.600577; however, City Council only approved the effective tax property rate of \$0.570342. Consequently, the City had to reduce budgeted revenue and expenditures by the same amount.

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 2020 results for both budgeted and non-budgeted grant programs under the grant management fund:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfer in/(out)</u>
Budgeted grant programs:			
Federal equitable sharing of forfeited property:			
Justice Department	\$ 822,192	\$ 270,165	\$ -
Treasury Department	68,664	55,995	-
Nonbudgeted grant programs:			
Various grants	6,759,840	1,537,254	118,518
HUD Section 8 housing choice vouchers	7,972,102	7,803,152	-
FEMA DHAP program	3,254	-	-
FEMA DHAP IKE	6,684	-	-
FEMA HMGP	2,734,767	1,932,714	-
HUD CDBG entitlement program	723,829	723,829	-
HUD HOME investment partnerships program	192,593	192,593	-
HUD emergency shelter program	140,211	140,211	-
Total grant management fund - actual	<u>\$19,424,136</u>	<u>\$ 12,655,913</u>	<u>\$ 118,518</u>

C. Excess of Expenditures over Appropriations

For the fiscal year ended September 30, 2020, 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 market value of at least 102%. As of September 30, 2020, the carrying amount of the City's deposits with financial institutions, including blended component units, is \$4,233,279, excluding \$130,441 for petty cash and tax holding. The City's bank balance is the sum of all accounts, which totals \$4,383,942, and the market values of pledged securities, excluding FDIC, were \$16,547,538. The pledged securities are held by a third party custodian in the City's name.

Investments

As of September 30, 2020, 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	\$ 116,489,284	\$ 60,607,819	\$ 7,576,236	0.10
LOGIC Local Government Investment Pools	1,288,489	-	-	0.13
CLASS Local Government Investment Pools	83,139,522	280,178	-	0.13
Total Fair Value	\$ 200,917,295	\$ 60,887,997	\$ 7,576,236	
Portfolio Weighted Average Maturity				0.12

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 US 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 market 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 County 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 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 2019 in the amount of \$10,461,562,879. The City Council adopted the following tax rate per \$100 of 2019 taxable value for the current fiscal year ended September 30, 2020.

<u>Purpose</u>	<u>Tax Rate</u>
General government	\$ 0.4507
Debt service	0.1196
	<u>\$ 0.5703</u>

2. Receivables

Receivables as of September 30, 2020 for the City's individual major and nonmajor funds and water and sewer system and internal service funds in the aggregate, 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	General Liability Insurance	Health Insurance	Total
Receivables										
Property taxes	\$ 2,443,177	\$ 833,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,277,067
Sales taxes	3,961,287	-	1,980,495	-	-	-	-	-	-	5,941,782
Accounts	2,486,754	-	-	3,197	-	-	7,752,414	23,298	243,966	10,509,629
Less: allowance for uncollectible	(3,020,936)	(580,000)	-	-	-	-	(468,844)	-	-	(4,069,780)
	5,870,282	253,890	1,980,495	3,197	-	-	7,283,570	23,298	243,966	15,658,698
Intergovernmental - restricted	69,900	-	-	-	6,180,485	334,019	-	-	-	6,584,404
Accounts restricted	-	-	-	-	23,218	-	-	-	-	23,218
Net total receivables	<u>\$ 5,940,182</u>	<u>\$ 253,890</u>	<u>\$ 1,980,495</u>	<u>\$ 3,197</u>	<u>\$ 6,203,703</u>	<u>\$ 334,019</u>	<u>\$ 7,283,570</u>	<u>\$ 23,298</u>	<u>\$ 243,966</u>	<u>\$ 22,266,320</u>

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:

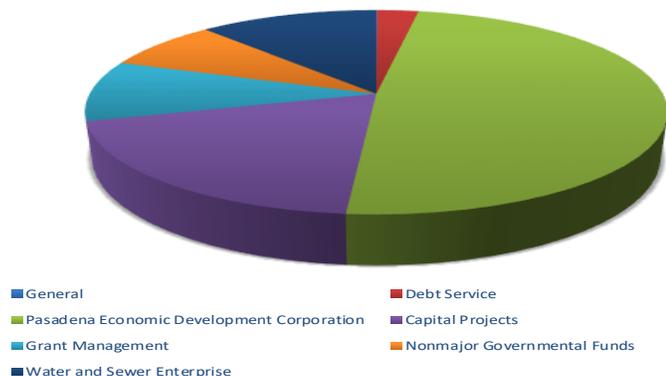
	Unearned
Unearned revenue (General)	\$ 9,278
Unearned revenue (Grant management)	941,403
Unearned revenue (Nonmajor governmental)	40
Total unearned revenue for governmental funds	<u>\$ 950,721</u>

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 agreement.

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects	Grant Management	Nonmajor Governmental Funds	Water and Sewer Enterprise	Total
Cash and cash equivalents	\$ -	\$ -	\$ 10,005	\$ -	\$ 692,755	\$ 53,068	\$ -	\$ 755,828
Investments	-	3,431,503	60,887,997	24,248,905	4,983,414	9,389,306	14,821,473	117,762,598
Intergovernmental receivables	69,900	-	-	-	6,180,485	73,500	-	6,323,885
Accounts receivables	-	-	-	-	23,218	260,519	-	283,737
	<u>\$ 69,900</u>	<u>\$ 3,431,503</u>	<u>\$ 60,898,002</u>	<u>\$ 24,248,905</u>	<u>\$ 11,879,872</u>	<u>\$ 9,776,393</u>	<u>\$ 14,821,473</u>	<u>\$ 125,126,048</u>
	(2)	(1)	(3)	(3)	(2)	(2)	(1) and (3)	

RESTRICTED ASSETS



D. Capital Assets

Capital asset activity of the City (the primary government) for the fiscal year ended September 30, 2020 was as follows:

1. Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$144,701,946	\$ 4,451,572	\$ (22,791)	\$149,130,727
Construction in progress	50,786,906	36,941,110	(11,521,465)	76,206,551
Total capital assets, not being depreciated	<u>195,488,852</u>	<u>41,392,682</u>	<u>(11,544,256)</u>	<u>225,337,278</u>
Capital assets, being depreciated:				
Buildings and building improvements	94,532,067	1,022,024	(164,921)	95,389,170
Facilities and other improvements	23,212,458	799,166	-	24,011,624
Machinery and equipment	46,167,086	2,691,662	(298,365)	48,560,383
Infrastructure	531,113,278	8,242,947	(193,620)	539,162,605
Automotive equipment	47,949,230	3,667,537	(1,432,627)	50,184,140
Total capital assets being depreciated	<u>742,974,119</u>	<u>16,423,336</u>	<u>(2,089,533)</u>	<u>757,307,922</u>
Less accumulated depreciation for:				
Building and building improvements	(30,013,888)	(1,767,044)	86,279	(31,694,653)
Facilities and other improvements	(4,926,179)	(793,779)	-	(5,719,958)
Machinery and equipment	(30,728,256)	(2,101,830)	117,395	(32,712,691)
Infrastructure	(211,957,850)	(8,705,014)	89,711	(220,573,153)
Automotive equipment	(29,266,249)	(3,433,684)	1,316,144	(31,383,789)
Total accumulated depreciation	<u>(306,892,422)</u>	<u>(16,801,351)</u>	<u>1,609,529</u>	<u>(322,084,244)</u>
Total capital assets, being depreciated, net	<u>436,081,697</u>	<u>(378,015)</u>	<u>(480,004)</u>	<u>435,223,678</u>
Governmental activities capital assets, net	<u>\$631,570,549</u>	<u>\$ 41,014,667</u>	<u>\$ (12,024,260)</u>	<u>\$660,560,956</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	28,150,377	8,820,184	(8,882,635)	28,087,926
Total capital assets, not being depreciated	<u>29,774,729</u>	<u>8,820,184</u>	<u>(8,882,635)</u>	<u>29,712,278</u>
Capital assets, being depreciated:				
Buildings and building improvements	4,902,086	-	(811,967)	4,090,119
Facilities and other improvements	13,573,587	33,785	-	13,607,372
Machinery and equipment	11,209,917	189,258	-	11,399,175
Infrastructure	377,996,914	10,378,116	(1,739,564)	386,635,466
Automotive equipment	146,780	-	-	146,780
Total capital assets being depreciated	<u>407,829,284</u>	<u>10,601,159</u>	<u>(2,551,531)</u>	<u>415,878,912</u>
Less accumulated depreciation for:				
Building and building improvements	(3,234,991)	(66,738)	753,082	(2,548,647)
Facilities and other improvements	(3,679,891)	(249,588)	-	(3,929,479)
Machinery and equipment	(9,662,376)	(206,186)	-	(9,868,562)
Infrastructure	(122,752,020)	(6,016,041)	-	(128,768,061)
Automotive equipment	(136,592)	(767)	-	(137,359)
Total accumulated depreciation	<u>(139,465,870)</u>	<u>(6,539,320)</u>	<u>753,082</u>	<u>(145,252,108)</u>
Total capital assets, being depreciated, net	<u>268,363,414</u>	<u>4,061,839</u>	<u>(1,798,449)</u>	<u>270,626,804</u>
Business-type activities capital assets, net	<u>\$298,138,143</u>	<u>\$ 12,882,023</u>	<u>\$ (10,681,084)</u>	<u>\$300,339,082</u>

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

Governmental activities:

General Government	\$ 452,500
Public Safety	1,920,448
Public Works	8,308,349
Health	111,801
Culture and Recreation	1,908,162
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>4,100,091</u>
	<u>\$ 16,801,351</u>

Business-type activities

Water and Sewer System	<u>\$ 6,539,320</u>
------------------------	---------------------

E. Construction Commitments

The City's commitments with contractors as of September 30, 2020 are as follows:

Projects	Project	Appropriation	Spent-to-Date
<u>Drainage</u>			
D037	Channl B113 Imp & Det (197,190, 8**)	\$ 1,269,856	\$ 288,498
D039	Ptnr Park(Spencer Village)DRNG(190,817)	180,000	158,814
D044	GAcres/Bliss Meadow Detention(832,817)	443,175	346,658
D045	2019 Annual Drainage Improvements(190)	377,475	372,015
D057	2020 Annual Drainage Improvements (190)	788,200	136,525
D058	Fairmont Pkwy Drng Imp (PEDC)	450,000	134,065
DMA1	DM AREA A1 FEMA HMGP(930)	487,566	393,437
DMA2	DM AREA A2 FEMA HMGP(930)	701,441	530,528
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	240,583
DMA6	DM AREA A6 FEMA HMGP(930)	668,153	488,456
DMA7	DM AREA A7 FEMA HMGP(930)	343,805	251,227
DMB1	DM AREA B1 FEMA HMGP(930)	496,227	356,395
DMB2	DM AREA B2 FEMA HMGP(930)	355,776	240,028
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)	396,634	296,182
DMC6	DM AREA C6 FEMA HMGP(930)	344,156	257,915
DMC7	DM AREA C7 FEMA HMGP(930)	737,924	548,972
DMEA	ENVIRO SVCS HMGP (930)	299,295	219,910
DMFW	DM FLOOD WARNING SYS PRJ	60,000	29,181
DMHH	HYDR/HYDLGY FEMAHMGP(930)	1,364,670	1,174,140
DMSW	SWPPP FEMA HMGP(930)	110,000	77,000
		<u>16,694,207</u>	<u>10,916,845</u>
<u>Fire Services</u>			
F007	Fire Station #8	6,048,743	5,200,243
F011	Fire Station #6	40,000	30,000
F014	Fire Station #7	40,000	30,000
		<u>6,128,743</u>	<u>5,260,243</u>
<u>Library Services</u>			
L005	Library Flooring	239,497	228,092
<u>Municipal Facilities</u>			
M008	North Pasadena Redevelopmt (PSCC,064)	3,908,824	6,724
M025	Convention Center Facility Imprv (PSCC)	7,000,000	521,984
M026	Convention Cntr Infrastrctre Imprv(PSCC)	2,400,000	79,533
M027	Convention Center Hotel Project(PSCC)	125,000	30,350
M032	Muni Court Bldg-1114Davis(MSB)(832)(833)	13,003,622	9,902,737
M034	Police Academy/Fire Svcs Admin Bldg(832)	9,792,057	9,033,703
M039	Bank Bldg Abatement & Demolition(9950)	2,500,000	2,098,502
M041	Demolition/Developmt-Old City Hall(833)	950,943	540,338
M044	City Hall Improvements	547,800	539,673
		<u>\$ 40,228,245</u>	<u>\$ 22,753,544</u>

Projects		Project Appropriation	Spent-to-Date
<u>Police</u>			
P009	Police Utility Building	\$ 636,463	\$ 617,694
<u>Parks</u>			
R046	Splash Pad Comp Install (830)	75,487	71,893
R047	Multipurpose Cntr Pool Renovation (832)	348,915	315,685
		424,402	387,578
<u>Streets</u>			
S045	Pansy St (Spencer - Old Vista)(190,832)	2,422,466	2,163,702
S047	Wafer Pave&Drnge PH II (CDBG,833,828)	225,150	165,779
S048	Laffety St(Freesa-Spencer)(190,832,833)	3,336,086	3,086,874
S054	Fairway Plaza Acquisition/Ext (PSCC)	1,230,000	128,229
S074	Gateway Sign (PSCC)	580,097	190,057
S077	Pasadena Blvd:Harris to 225 (PSCC)(HC)	11,750,000	4,184,805
S087	Randolph:Pine St.-Spncr Hwy(-HC)PSCC	3,061,411	2,759,778
S101	RICHEY I - 225 TO S.MORE (+HC,PSCC)	15,000,000	14,404,302
S103	2018 Annual Sidewalk Improvements(190)	409,345	408,150
S104	Wafer Pave&Drnge Improv PH I(832,CDBG)	2,621,842	2,479,377
S105	2019 Annual Paving Improvements(190)	756,872	756,699
S106	2019 Annual Sidewalk Improvements(190)	622,016	621,384
S107	Shaw St(Carl-McMasters)(PEDC)(833)	3,108,926	272,604
S108	Red Bluff Eval(225-SpcrHwy)(833)	545,000	490,500
S109	Thomas Ave Paving & Drnge Ph II (833)	94,467	14,940
S110	Richey II (S.More to S.Houston)(PEDC)	97,900	33,855
S111	2020 Annual Paving Improvements (190)	1,350,000	680,587
S112	2020 Annual Sidewalk Improvements (190)	1,084,631	513,231
		48,296,209	33,354,852
<u>Traffic</u>			
T014	Traffic Mobility Improvements	2,000,000	1,104,159
<u>Water</u>			
W027	Bay Area/Port Rd Inter Impro(390) (-HC)	188,401	105,342
W028	Crenshaw Water Plant (S. Side)(003)	6,911,474	6,778,840
W035	225 WTRLN PHA II -Rch/Shvr&Pasa/Brk(390)	246,047	202,489
W038	Water Storage Tank Rehab(320,390)	1,197,725	1,138,738
W047	Shaw Waterline Improvemts (390)	188,320	133,224
W051	Crenshaw Wtr Plant Exp Phase II (315)	4,982,470	4,540,040
W052	2018 Citywide Waterline Replacement(390)	987,935	987,038
W053	Preston 12" Waterline Ph I (320)	1,165,839	890,090
W054	Spencer 12" Waterline Ph I(320) m	253,000	227,902
W055	Spencer 12" Waterline Ph II(320)(390)	142,950	53,650
W057	2019 Citywide Waterline Replacement (390)	1,088,374	1,015,072
W058	SE Mtr Sta PhII(301,315,320,390)(-COH)	901,314	780,000
W059	SE Wtr Transmission Line Proj Hou(390)	46,748	8,451
W061	Jenkins Rd Wtrline Imp Proj (320)	358,590	272,590
W062	BayArea Blvd Wtr Sys Press Imp(390,PEDC)	700,630	20,061
W064	Preston 12" Waterline PhII(320)	149,000	110,103
W065	Rodeo Grnds Wtr Sys Generator (320)	875,556	52,869
W067	Fence Improv at 5 Water Tank Sites(390)	204,012	30,963
		\$ 20,588,386	\$ 17,347,461

Projects	Project Appropriation	Spent-to-Date
<u>Wastewater</u>		
WW022 Llan/RBf/ElIn/Wyt/LA/PasLft St(PSCC+390)	\$ 543,997	\$ 533,932
WW031 WWTP Consolidation Project Phase I (390)	2,912,918	2,717,481
WW038 Burke Rd Lift Station Rehab (320)	448,350	441,173
WW046 WWTP CONSOLIDATION PHASE II (320,390)	509,605	328,852
WW047 2018 Citywide Sanitary Sewer Rehab (390)	1,429,723	1,274,890
WW048 West Ellaine Lift Station Rehab (320)	483,525	477,096
WW049 Golden Acres 24' Force Main (320)	232,505	146,250
WW060 North Main Lift Station Rehab (320)	1,068,900	1,061,469
WW061 2015 FLOOD CDBG-DR Sanitary Sewer Rehab	436,117	192,793
WW062 2019 Citywide Sanitary Sewer Rehab (390)	1,103,607	943,315
WW063 Bay Area Ind Pk WW LS,Frcmain Imp	427,160	43,412
WW064 2020 Citywide Sanitary Sewer Rehab (390)	1,755,826	180,057
	<u>\$ 11,352,231</u>	<u>\$ 8,340,720</u>

F. 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, 2020 is as follows:

1. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	* General liability insurance	65,036
	* Health Insurance	696,097
		\$ 761,133
Debt service	General	48,003
Capital projects	General	8,726,806
Grant Management	General	7,886,731
** Special charge allocation	General	985,927
** State Forfeited Property	General	181
** Hotel and Motel Tax	General	46,488
** Abandoned Motor Vehicles	General	11,149
Water and sewer	General	912,352
* Maintenance	General	404,990
	Water and sewer	1,442
		406,432
* Workers' Compensation	General	90
	* General liability insurance	16,969
		17,059
	Total	<u>\$ 19,802,261</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>
Pasadena Crime Control and Prevention District	Primary government-General fund	<u>\$ 340,901</u>

3. Interfund Transfers:

Fund Financial Statements

Transfer out:	Transfer In:							Total
	General	Pasadena Economic Development	Capital Projects	Grant Management	* Maintenance	* General Liability Insurance	* Health Insurance	
General	\$ -	\$ -	\$ 3,367,139	\$ 118,518	\$ -	\$ 750,000	\$ 1,000,000	\$ 5,235,657
Capital Projects	-	801,013	-	-	-	-	-	801,013
Water and Sewer System	3,000,000	-	-	-	855,000	1,000,000	-	4,855,000
Total	<u>\$ 3,000,000</u>	<u>\$ 801,013</u>	<u>\$ 3,367,139</u>	<u>\$ 118,518</u>	<u>\$ 855,000</u>	<u>\$ 1,750,000</u>	<u>\$ 1,000,000</u>	<u>\$ 10,891,670</u>

* Internal service funds

Transfers are used to move unrestricted and restricted funds from the general, grant management, and water and sewer system funds to finance various activities that the City must account for in other funds in accordance with budgetary authorization, including amounts provided as subsidies or matching for various grant programs.

Government-Wide Financial Statements

During the fiscal year, the transfer activities between the governmental and business-type activities totaled \$4,535,500 and can be summarized as follows:

- The amount of \$4,855,000 was transferred out to the governmental activities from the business-type activities.
- Capital assets in the amount of \$319,500 were transferred into the business-type activities from the governmental activities.

G. 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 \$122,891,063.

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
\$20,030,000 GO Refunding, 2012	2.50 - 4.00	2/15/2023	Governmental type	\$435,000 to \$2,385,000	\$ 6,055,000
\$16,690,000 GO Refunding, 2012A	2.00 - 5.00	2/15/2025	Governmental type	\$145,000 to \$1,840,000	8,030,000
\$3,121,063 GO Refunding, 2014	3.00 - 4.00	2/15/2022	Governmental type	\$103,639 to \$778,142	392,470
\$12,525,000 GO Refunding, 2015	2.00 - 5.00	2/15/2027	Governmental type	\$755,000 to \$1,830,000	7,775,000
\$17,405,000 GO Refunding, 2016A	2.00 - 5.00	2/15/2028	Governmental type	\$265,000 to \$2,065,000	14,560,000
\$19,175,000 COB, 2017	2.00 - 4.00	2/15/2037	Governmental type	\$195,000 to \$1,635,000	18,515,000
\$33,945,000 COB, 2018	2.00 - 5.00	2/15/2038	Governmental type	\$400,000 to \$2,765,000	32,975,000
					<u>\$88,302,470</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
2021	\$ 8,183,831	\$ 3,537,119	\$ 11,720,950
2022	7,803,639	3,196,001	10,999,640
2023	6,930,000	2,868,863	9,798,863
2024	6,930,000	2,546,713	9,476,713
2025	6,245,000	2,233,138	8,478,138
2026-2030	22,430,000	7,600,013	30,030,013
2031-2035	18,580,000	3,799,138	22,379,138
2036-2038	11,200,000	571,325	11,771,325
	<u>\$ 88,302,470</u>	<u>\$ 26,352,310</u>	<u>\$ 114,654,780</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
\$ 5,885,000 GO Refunding Bonds, 2012A	2.00 - 5.00	2/15/2022	Refunding	\$275,000 to \$1,840,000	\$ 2,580,000
\$ 6,063,937 GO Refunding Bonds, 2014	3.00 - 4.00	2/15/2022	Refunding	\$201,361 to \$1,511,858	762,531
\$ 50,210,000 GO Refunding Bonds, 2016	2.00 - 5.00	2/15/2033	Refunding	\$440,000 to \$4,755,000	47,535,000
\$ 16,305,000 COB, 2017	2.00 - 4.00	2/15/2037	Water and sewer	\$195,000 to \$1,635,000	14,555,000
					<u>\$65,432,531</u>

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 4,551,170	\$ 2,601,387	\$ 7,152,557
2022	4,061,361	2,405,968	6,467,329
2023	3,745,000	2,232,544	5,977,544
2024	3,915,000	2,061,494	5,976,494
2025	4,110,000	1,867,894	5,977,894
2026-2030	23,615,000	6,272,119	29,887,119
2031-2035	18,955,000	1,538,509	20,493,509
2036-2037	2,480,000	78,125	2,558,125
	<u>\$ 65,432,531</u>	<u>\$ 19,058,040</u>	<u>\$ 84,490,571</u>

3. Defeasance of Debt

In the current and prior fiscal years, certain outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and defeased bonds are not included in the financial statements. At September 30, 2020, \$1,120,000 of general obligation bonds and \$1,445,000 of waterworks and sewer system revenue bonds (business-type activities) were considered defeased. Governmental debt defeased in prior years in the amount of \$1,150,000 remains outstanding.

4. Voter Authorized Obligations

On September 14, 2002, the voters of the City authorized the issuance of \$102,000,000 in Public Improvement Bonds. The City issued and used the entire authorization.

5. Legal Debt Margin

At September 30, 2020, the City's legal debt margin was \$954,523,797, which equates to 10% of City's property taxable value, totaling \$1,046,156,288 less \$91,632,491 (the amount of bonded debt outstanding) netted with the amount available in the debt service fund.

6. Rebatable Arbitrage

The City is taking the approach of treating rebatable arbitrage as a claim. For the interim computation period through September 30, 2020, the City has no cumulative rebate liability.

7. Changes in Long-Term Liabilities

Governmental Activities:

Long-term liability activity for the year ended September 30, 2020 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	\$ 44,075,612	\$ -	\$ (7,263,142)	\$ 36,812,470	\$ 7,558,831
Certificates of obligation bonds	52,085,000	-	(595,000)	51,490,000	625,000
	96,160,612	-	(7,858,142)	88,302,470	8,183,831
Add: Premiums on debt issuances	7,833,618	-	(1,013,185)	6,820,433	-
Total Bonds Payable	103,994,230	-	(8,871,327)	95,122,903	8,183,831
Claims	1,184,677	10,798,766	(10,943,063)	1,040,380	624,229
Compensated absences	30,175,835	9,905,684	(8,451,876)	31,629,643	3,162,964
Total OPEB Liability					
Healthcare	45,006,422	7,928,086	(9,069,441)	43,865,067	-
SDBF	3,398,979	835,859	(222,311)	4,012,527	-
Net pension liability					
TMRS	47,432,099	38,522,480	(72,219,590)	13,734,989	-
TESRS	958,032	528,357	(202,902)	1,283,487	-
Governmental activities					
Long-term liabilities	\$ 232,150,274	\$ 68,519,232	\$(109,980,510)	\$ 190,688,996	\$ 11,971,024

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, 2020, \$1,696,676 of internal service funds' compensated absences, \$2,985,026 of other post-employment benefits, \$1,040,380 in claims payable, and \$851,373 in net pension liability 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.

Business-Type Activities:

Long-term liability activity for the year ended September 30, 2020 was as follows:

	Beginning	Additions/ Reclassification	Refunding/ Reductions	Ending	Due Within One Year
Business-type activities:					
Bonds payable					
General obligation refunding bonds	\$ 54,784,389	\$ -	\$ (3,906,858)	\$ 50,877,531	\$ 4,551,170
Certificates of obligation bonds	15,175,000	-	(620,000)	14,555,000	-
	69,959,389	-	(4,526,858)	65,432,531	4,551,170
Add: Premiums on debt issuances	5,813,381	-	(494,581)	5,318,800	-
Total bonds payable	75,772,770	-	(5,021,439)	70,751,331	4,551,170
Compensated absences	2,681,726	637,144	(508,844)	2,810,026	281,002
Total OPEB Liability					
Healthcare	6,819,155	792,721	(906,844)	6,705,032	-
SDBF	275,768	67,772	(18,025)	325,515	-
Net pension liability	4,051,483	3,168,515	(5,940,139)	1,279,859	-
Business-type activities					
Long-term liabilities	\$ 89,600,902	\$ 4,666,152	\$ (12,395,291)	\$ 81,871,763	\$ 4,832,172

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 A and B	Memorial and Kelsey Plan B	Plan C
Individual	\$1,500	\$1,500	\$3,000
Family	\$3,000	\$3,000	\$6,000
Out of Pocket Max (Individual/Family)	\$5,750/\$12,500	\$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 MetLife as of January 1, 2017.

Being self-insured, the City deposits \$1,120 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:

	<u>Workers'</u> <u>Compensation</u>	<u>Health/Dental</u> <u>Insurance</u>
<u>Current Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the current fiscal year	\$ 30,680	\$ 1,153,997
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	12,831,899
years	<u>(2,857)</u>	<u>(2,030,276)</u>
Total incurred claims and claim adjustment expenses	<u>(2,857)</u>	<u>10,801,623</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	11,799,996
Prior fiscal years	19,343	(876,276)
Total payments	<u>19,343</u>	<u>10,923,720</u>
Total unpaid claims and claim adjustment expenses at end of current fiscal year	<u>\$ 8,480</u>	<u>\$ 1,031,900</u>
<u>Prior Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the prior fiscal year	\$ 41,712	\$ 1,094,497
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	15,200,329
Increase/(Decrease) in provision for insured events-prior years	<u>-</u>	<u>(1,751,940)</u>
Total incurred claims and claim adjustment expenses	<u>-</u>	<u>13,448,389</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	14,046,329
Prior fiscal years	11,032	(657,440)
Total payments	<u>11,032</u>	<u>13,388,889</u>
Total unpaid claims and claim adjustment expenses at end of prior fiscal year	<u>\$ 30,680</u>	<u>\$ 1,153,997</u>

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. E.

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, 2019:

Inactive employees or beneficiaries currently receiving benefits	221
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	<u>1,015</u>
	<u><u>1,236</u></u>

Total OPEB Liability

The City's total healthcare OPEB liability of \$50,570,099 was measured as of December 31, 2019. The actuarial valuation was performed as of December 31, 2019.

Actuarial Assumptions and Other Inputs

The total healthcare OPEB liability in the December 31, 2019 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	3.50% to 11.50% including inflation
Discount rate	2.75% as of December 31, 2019
Actuarial Cost Method	Individual entry-age normal
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health care trend rates	Non-Medicare: initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years; Medicare: The City's \$300/mo. subsidy 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 90% for eligible post-65 retirees.

Other Information:

Notes	The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019 and minor updates were made to the participation assumption. Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to reflect the repeal of the Cadillac Tax and to better reflect the plan's anticipated experience.
-------	---

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 2,070,006
Interest on the total OPEB Liability	1,931,236
Difference between expected and actual experience	(8,364,900)
Changes of assumptions	4,719,565
Benefit payments	<u>(1,611,385)</u>
Net Changes	(1,255,478)
Beginning Balance	<u>51,825,577</u>
Ending Balance	<u>\$ 50,570,099</u>

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 2.75%, 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:

	<u>1% Decrease in Discount Rate (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase in Discount Rate (3.75%)</u>
City's total healthcare OPEB liability	\$ 56,306,083	\$ 50,570,099	\$ 45,563,902

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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's total healthcare OPEB liability	\$ 46,923,678	\$ 50,570,099	\$ 54,916,372

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

For the year ended September 30, 2020, the City recognized healthcare OPEB expense of \$3,547,910. The City reported deferred outflows/inflows of resources related to healthcare OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ 7,522,866
Changes in actuarial assumptions	5,773,004	1,664,538
Contributions subsequent to the measurement date	500,320	-
Total	<u>\$ 6,273,324</u>	<u>\$ 9,187,404</u>

\$500,320 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, 2021. 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 Amount</u>
2021	\$ (453,332)
2022	(453,332)
2023	(453,332)
2024	(453,332)
2025	(538,671)
Thereafter	(1,062,401)
Total	<u>\$ (3,414,400)</u>

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 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, 2019 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	591
Inactive employees entitled to, but not yet receiving, benefits	128
Active employees	<u>1,031</u>
	<u><u>1,750</u></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 \$4,338,042 was measured as of December 31, 2019 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, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless other specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
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 Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Note: The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	Total SDBF OPEB Liability
Changes for the year:	
Service cost	\$ 127,758
Interest on total SDBF/OPEB liability	137,955
Difference between expected and actual experience	(199,991)
Changes of assumptions	637,916
Benefit payments*	(40,345)
	<u>Net Changes</u> 663,293
Beginning Balance	3,674,749
	<u>Ending Balance</u> \$ 4,338,042

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

The discount rate changed from 3.71% to 2.75%. 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:

	<u>1% Decrease in Discount Rate (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase in Discount Rate (3.75%)</u>
City's total SDBF OPEB liability	\$ 5,178,121	\$ 4,338,042	\$ 3,676,437

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

For the year ended September 30, 2020, the City recognized SDBF OPEB expense of \$324,878. The City reported deferred outflows/inflows of resources related to SDBF OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ 259,697
Changes in actuarial assumptions	656,046	156,647
Contributions subsequent to the measurement date	36,720	-
	<u>\$ 692,766</u>	<u>\$ 416,344</u>

\$36,720 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, 2021. Amounts reported as deferred outflows/inflows of resources related to SDBF OPEB will be recognized in SDBF OPEB expense as follows:

<u>Year Ended September 30</u>	<u>SDBF OPEB Expense Amount</u>
2021	\$ 59,165
2022	59,165
2023	39,987
2024	35,160
2025	46,225
Thereafter	-
Total	<u>\$ 239,702</u>

3. Aggregate Total Other Post Employment Benefits Expenses/Expenditures

The City recognized aggregate total OPEB expenses/expenditures of \$3,872,788 during the fiscal year ending September 30, 2020 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 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency 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 municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although, the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.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, 2019 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**.

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	766
Inactive employees entitled to, but not yet receiving, benefits	329
Active employees	<u>1,031</u>
	<u><u>2,126</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, 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 actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.68% and 13.70%, including 0.23% and 0.24% of supplemental death benefits, (which is reported in this report as OPEB) respectively, in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$10,346,997, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

General Inflation	2.50% per year
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2019. They were adopted in 2015 and first used in December 31, 2015 actuarial valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal (EAN) actuarial cost method and an one-time change to the amortization policy. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative assets allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Estate	10.0%	3.85%
Real Return	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
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
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 459,809,165	\$ 408,325,583	\$ 51,483,582
Changes for the year:			
Service cost	10,913,194	-	10,913,194
Interest	30,714,091	-	30,714,091
Difference between expected and actual experience	(1,675,256)	-	(1,675,256)
Contributions - employer	-	9,043,896	(9,043,896)
Contributions - employee	-	4,707,776	(4,707,776)
Net investment income	-	63,100,209	(63,100,209)
Change of assumptions	63,710	-	63,710
Benefit payments, including refunds of employee contributions	(20,484,373)	(20,484,373)	-
Administrative expense	-	(356,693)	356,693
Other changes	-	(10,715)	10,715
Net changes	19,531,366	56,000,100	(36,468,734)
Balance at 12/31/2019	<u>\$ 479,340,531</u>	<u>\$ 464,325,683</u>	<u>\$ 15,014,848</u>

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 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:

	1% Decrease in	Discount Rate (6.75%)	1% Increase in
	Discount Rate (5.75%)	Discount Rate (6.75%)	Discount Rate (7.75%)
City's net TMRS pension liability/(asset)	<u>\$ 77,217,618</u>	<u>\$ 15,014,848</u>	<u>\$ (36,657,800)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the year ended September 30, 2020, the City recognized pension expense of \$10,620,237.

At September 30, 2020, 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	\$ 214,466	\$ 2,180,484
Changes in actuarial assumptions	49,920	-
Difference between projected and actual investment earnings	-	14,301,207
Contributions subsequent to the measurement date	8,237,521	-
Total	<u>\$ 8,501,907</u>	<u>\$ 16,481,691</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$8,237,521 will be recognized as a reduction to the net position liability for the year ended September 30, 2021. 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>
2021	\$ (4,696,346)
2022	(4,844,042)
2023	646,997
2024	(7,323,914)
2025	-
Thereafter	-
Total	<u>\$ (16,217,305)</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, 2019, there were 237 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, 2019, TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,649
Terminated members entitled but not yet receiving them	1,842
Current active members (vested and nonvested)	<u>3,702</u>
	<u>9,193</u>

Pension Plan Fiduciary Net Position

Detailed information about the TESRS's fiduciary net position is available in a separately-issued Comprehensive Annual 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 \$175 effective January 1, 2021 per active participant per month, before that date the amount was \$150. 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 contributions 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 actuarial valuation as of August 31, 2018, the Part Two contribution rate was established by the Board to be 2% of the Part One contributions beginning September 1, 2017. Based on the August 31, 2018 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, 2019, total contributions (dues, prior service, and interest on prior service financing) of \$202,902 were paid by the City. The State appropriated \$1,329,224 for the fiscal year ending August 31, 2019 to TESRS as a whole.

Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation, rolled forward to August 31, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2018
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	7.75%, 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 RP2000 Combined Healthy Mortality Tables for males and for females projected to 2024 by scale AA. 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 5.01%) and by adding expected inflation (3.00%). In addition, the final 7.75% assumption was selected by “rounding down” and thereby reflects a reduction of 0.26% for adverse deviation.

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	32%	5.81%
Small cap domestic	15%	5.92%
Developed international	15%	6.21%
Emerging markets	5%	7.18%
Master limited partnership	5%	7.61%
Real Estate	5%	4.46%
Fixed income	23%	1.61%
Cash	<u>0.0%</u>	0.00%
Total	100.0%	
Weighted Average		5.01%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.75%. No projection of cash flows was used to determine the discount rate because the August 31, 2018 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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease in Discount Rate (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase in Discount Rate (8.75%)</u>
City's net TESRS pension liability	\$ 2,281,198	\$ 1,283,487	\$ 615,635

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

At August 31, 2019, the City reported a liability of \$1,283,487 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	\$ 1,283,487
State's proportionate share that is associated with the City*	380,717
Total	<u>\$ 1,664,204</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, 2018, rolled forward to August 31, 2019. 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, 2019. The City used the assumption that any differences in the net pension liability measured as of August 31, 2019 versus September 30, 2019 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, 2018 through August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability was 4.528%, which was an increase of 0.103% from its proportion measured as of August 31, 2018.

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 year ended August 31, 2019, the City recognized pension expense of \$304,133. The City recognized on-behalf revenues of \$105,533 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2020, 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	\$ -	\$ 1,552
Changes in actuarial assumptions	-	-
Net difference between projected and actual investment earnings	165,283	-
Contributions subsequent to the measurement date	214,050	-
Total	<u>\$ 379,333</u>	<u>\$ 1,552</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$214,050 will be recognized as a reduction to the net position liability for the year ended September 30, 2021. 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>
2021	\$ 34,847
2022	18,271
2023	40,620
2024	69,993
2025	-
Thereafter	-
Total	<u>\$ 163,731</u>

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

The City recognized aggregate total pension expenses/expenditures of \$10,924,370 during the fiscal year ending September 30, 2020 related to the City's TMRS and TESRS 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, 2020, the program reserve in the amount of \$670,019 is held by HUD on behalf of City of Pasadena Housing Authority.

G. Hurricane Harvey

On August 25, 2017, the 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 Harvey which hit landfall August 26, 2017. The City provided refuge and 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 Federal Emergency Management Agency (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, and continuing.

Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program

Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), allows the federal government, through the Federal Emergency Management Agency (FEMA), as the lead federal agency for the COVID-19 response. Eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials may be reimbursed under Category B of FEMA Public Assistance (PA) Program. FEMA assistance will be provided at the 75 percent Federal cost share.

In April 2020, the Texas Division of Emergency Management (TDEM), the pass-through Agency, approved the City's application for Public Assistance.

Coronavirus Relief Fund

On March 27, 2020, the Congress passed \$2.3 trillion CARES ACT, H.R. 748. The CARES ACT established the \$150 billion Coronavirus Relief Fund (CRF), administered by the U.S. Department of the Treasury (the "Treasury"), which to provide Assistance for State, Local, and Tribal Governments navigating the impact of COVID-19 outbreak, to be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (2) were not accounted for in the budget most recently approved as of March 27, 2020, for the State or government and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

The City, with a population of less than 500,000, is not eligible for direct payment from the Treasury. However, the Treasury does allow a unit of local government that received direct CRF payment transfer funds to another unit of government within its jurisdiction.

The City, within the jurisdiction of Harris County, applied and entered an interlocal grant agreement/subrecipient grant award on August 8, 2020, with Harris County to be reimbursed for an amount not to exceed \$8,427,045, of all eligible expenditures incurred due to the public health emergency related to COVID-19.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF PASADENA, TEXAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL HEALTHCARE OPEB
LIABILITY AND RELATED RATIOS
Fiscal Year Ended September 30, 2020 (1)

	September 30,		
	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 1,780,094	\$ 2,056,979	\$ 2,070,006
Interest (on the total OPEB liability)	1,825,079	1,736,527	1,931,236
Difference between expected and actual experience	-	(325,506)	(8,364,900)
Change of assumptions	2,714,917	(2,242,884)	4,719,565
Benefit payments	(2,127,408)	(1,668,203)	(1,611,385)
Net Change in Total OPEB Liability	\$ 4,192,682	\$ (443,087)	\$ (1,255,478)
Beginning total OPEB liability	48,075,982	52,268,664	51,825,577
Ending Total OPEB Liability	\$ 52,268,664	\$ 51,825,577	\$ 50,570,099
Covered Payroll	\$ 53,078,074	\$ 57,776,646	\$ 59,528,914
Total OPEB Liability as a Percentage of Covered Payroll	98.48%	89.70%	84.95%

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

Notes to Required Supplementary Information:

Changes of assumptions reflect a change in the discount rate each period 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019, revised TMRS demographic assumptions, and updates to both the health care trend and election rate assumptions.

**CITY OF PASADENA, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (1)**

	September 30,					
	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 7,605,747	\$ 7,622,892	\$ 8,512,614	\$ 8,700,395	\$ 9,114,228	\$ 10,346,997
Contributions in relation to the actuarially determined contribution	<u>\$ 7,605,747</u>	<u>\$ 7,622,892</u>	<u>\$ 8,512,614</u>	<u>\$ 8,700,395</u>	<u>\$ 9,114,228</u>	<u>\$ 10,346,997</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 55,384,915	\$ 58,987,632	\$ 63,307,908	\$ 63,001,076	\$ 67,171,083	\$ 76,883,843
Contributions as a percentage of covered payroll	13.73%	12.92%	13.45%	13.81%	13.57%	13.46%

(1) GASB 68 requires ten fiscal years of data to be provided in this schedule, only six years are available at this time.

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

	Measurement Year (1)					
	2014	2015	2016	2017	2018	2019
Total pension liability						
Service cost	\$ 7,815,620	\$ 8,664,210	\$ 9,425,461	\$ 10,336,600	\$ 10,395,914	\$ 10,913,194
Interest (on the total pension liability)	25,468,655	26,426,824	26,908,444	28,169,848	29,453,672	30,714,091
Change of benefits terms	-	-	-	-	-	-
Difference between expected and actual experience	(2,817,613)	(1,734,873)	879,833	203,789	(1,510,678)	(1,675,256)
Change of assumptions	-	5,151,855	-	-	-	63,710
Benefit payments, including refund of employee contributions	(16,751,526)	(17,654,124)	(17,888,068)	(20,075,608)	(19,364,953)	(20,484,373)
Net change in total pension liability	13,715,136	20,853,892	19,325,670	18,634,629	18,973,955	19,531,366
Total pension liability - beginning	368,305,883	382,021,019	402,874,911	422,200,581	440,835,210	459,809,165
Total pension liability - ending (a)	\$ 382,021,019	\$ 402,874,911	\$ 422,200,581	\$ 440,835,210	\$ 459,809,165	\$ 479,340,531
Plan Fiduciary Net Position						
Contributions - employer	\$ 7,624,193	\$ 7,531,271	\$ 7,339,257	\$ 8,685,783	\$ 8,917,844	\$ 9,043,896
Contributions - employee	3,761,701	3,892,097	4,045,262	4,452,307	4,493,236	4,707,776
Net investment income	20,317,406	545,817	24,588,550	52,889,591	(12,797,053)	63,100,209
Benefit payments, including refund of employee contributions	(16,751,526)	(17,654,124)	(17,888,068)	(20,075,608)	(19,364,953)	(20,484,373)
Administrative expense	(212,141)	(332,466)	(277,733)	(274,143)	(247,396)	(356,693)
Other	(17,442)	(16,421)	(14,963)	(13,893)	(12,926)	(10,715)
Net change in plan fiduciary net pension	14,722,191	(6,033,826)	17,792,305	45,664,037	(19,011,248)	56,000,100
Plan fiduciary net position - beginning	355,192,124	369,914,315	363,880,489	381,672,794	427,336,831	408,325,583
Plan fiduciary net position - ending (b)	\$ 369,914,315	\$ 363,880,489	\$ 381,672,794	\$ 427,336,831	\$ 408,325,583	\$ 464,325,683
Net pension liability - ending (a) - (b)	\$ 12,106,704	\$ 38,994,422	\$ 40,527,787	\$ 13,498,379	\$ 51,483,582	\$ 15,014,848
Plan fiduciary net position as a percentage of total pension liability	96.83%	90.32%	90.40%	96.94%	88.80%	96.87%
Covered payroll	\$ 53,729,371	\$ 55,504,230	\$ 57,789,461	\$ 63,570,724	\$ 64,093,184	\$ 67,240,876
Net pension liability as a percentage of covered payroll	22.53%	70.25%	70.13%	21.23%	80.33%	22.33%

(1) GASB 68 requires ten fiscal years of data to be provided in this schedule; only six years are available at this time.

**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	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	<p>Post-retirement: 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p>

Other Information:

There were no benefit changes during the year.

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

	Measurement Year (1)		
	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 120,784	\$ 141,005	\$ 127,758
Interest (on the total OPEB liability)	127,845	128,635	137,955
Difference between expected and actual experience	-	(148,237)	(199,991)
Change of assumptions	283,672	(243,192)	637,916
Benefit payments	(38,142)	(38,456)	(40,345)
Net Change in Total OPEB Liability	\$ 494,159	\$ (160,245)	\$ 663,293
Beginning total OPEB liability	3,340,835	3,834,994	3,674,749
Ending Total OPEB Liability	\$ 3,834,994	\$ 3,674,749	\$ 4,338,042
Covered Payroll	\$ 63,570,724	\$ 64,093,184	\$ 67,240,876
Total OPEB Liability as a Percentage of Covered Payroll	6.03%	5.73%	6.45%

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

Notes to Required Supplementary Information:

Changes in Assumptions

The discount rate changed from 3.71% to 2.75%.

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 (1)

	September 30,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 214,235	\$ 202,225	\$ 184,932	\$ 199,188	\$ 211,926	\$ 202,902	\$ 214,050
Contributions in relation to the contractually required contribution	214,235	202,225	184,932	199,188	211,926	202,902	214,050
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members (2)	106	106	114	134	118	111	114
Contributions per active member	\$ 2,021	\$ 1,907	\$ 1,622	\$ 1,486	\$ 1,796	\$ 1,828	\$ 1,828

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

(2) There is no compensation for active members. Number of active members is used as of August 2020 instead.

**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
City's proportion of the net pension liability	4.706%	4.281%	4.037%	4.118%	4.425%	4.528%
City's proportionate share of the net pension liability	\$ 855,158	\$ 1,142,706	\$ 1,175,787	\$ 988,456	\$ 958,032	\$ 1,283,487
State's proportionate share of the net pension liability	287,462	396,097	406,481	323,681	265,888	380,717
Total	\$ 1,142,620	\$ 1,538,803	\$ 1,582,268	\$ 1,312,137	\$ 1,223,920	\$ 1,664,204
Number of active members (2)	106	114	134	118	111	114
City's Net Pension Liability per Active Member	\$ 8,068	\$ 10,024	\$ 8,775	\$ 8,377	\$ 8,631	\$ 11,259
Plan fiduciary net position as a percentage of the total pension liability	83.50%	76.90%	76.30%	81.40%	84.26%	80.20%

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

(2) 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

Changes in assumptions measure of the total pension liability during the measurement period.



**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.**



This page intentionally left blank

**CITY OF PASADENA, TEXAS
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2020**

ASSETS

Cash and cash equivalents	\$	1,959,584
Investments		
TexPool		43,150,089
LOGIC CLASS A		587,066
CLASS		46,608,880
		90,346,035
Receivables (net, where applicable, of allowances for uncollectible)		
General property taxes		743,177
Accounts receivable		5,127,105
		5,870,282
Due from other funds		761,133
Restricted assets		
Receivables (net, where applicable, of allowances for uncollectible)		69,900
		69,900
TOTAL ASSETS	\$	99,006,934

LIABILITIES

Accounts payable	\$	5,260,942
Accrued payroll payable		2,261,832
Due to other funds		19,022,717
Due to component unit		340,901
Unearned revenue		9,278
		26,895,670

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes		704,834
Unavailable revenue - industrial district fees		70,481
		775,315

FUND BALANCES

Committed		15,000
Assigned		1,018,704
Unassigned		70,302,245
		71,335,949
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$	99,006,934



**CITY OF PASADENA, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020**

REVENUES

General property taxes	\$ 45,930,879
Business taxes and fees	
Industrial district fees	22,141,278
Sales taxes	24,445,944
Franchise fees	8,743,088
Other taxes and fees	253,845
Total business taxes and fees	55,584,155
Licenses and permits	2,224,124
Municipal court fines	3,749,053
Charges for services	11,469,303
Intergovernmental	1,918,934
Miscellaneous	1,401,604
Investment income	1,005,838
TOTAL REVENUES	123,283,890

EXPENDITURES

Current	
General government	20,689,459
Public safety	56,947,043
Public works	17,403,737
Health	5,877,526
Culture and recreation	15,469,919
TOTAL EXPENDITURES	116,387,684

**EXCESS OF REVENUES OVER
EXPENDITURES**

6,896,206

OTHER FINANCING SOURCES (USES)

Operating transfers in (out)	
Health insurance fund	(1,000,000)
Capital projects fund	4,322
Water and sewer system	3,000,000
General liability insurance fund	(750,000)
Grant management fund	(3,489,979)
Insurance recovery	444,355
Sale of capital assets	1,465
TOTAL OTHER FINANCING (USES)	(1,789,837)

NET CHANGE IN FUND BALANCE

5,106,369

FUND BALANCE - BEGINNING

66,229,580

FUND BALANCE - ENDING

\$ 71,335,949

**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General Property Taxes				
Ad valorem taxes	\$ 47,482,374	\$ 44,520,568	\$ 45,186,158	\$ 665,590
Penalty and interest	490,000	490,000	744,721	254,721
Total General Property Taxes	47,972,374	45,010,568	45,930,879	920,311
Business Taxes and Fees				
Industrial district fees	19,403,000	19,403,000	22,141,278	2,738,278
Sales tax	23,000,000	23,000,000	24,445,944	1,445,944
Franchise fees	10,367,600	10,367,600	8,743,088	(1,624,512)
Other taxes				
Mixed drink tax	340,000	340,000	253,798	(86,202)
Bingo tax	-	-	47	47
Total Business Taxes and Fees	53,110,600	53,110,600	55,584,155	2,473,555
Licenses and Permits				
Business types	2,260,700	2,260,700	2,069,742	(190,958)
Occupational types	107,030	107,030	88,333	(18,697)
Non-business types	70,000	70,000	66,049	(3,951)
Total Licenses and Permits	2,437,730	2,437,730	2,224,124	(213,606)
Municipal Court Fines and Fees				
	4,812,000	4,812,000	3,749,053	(1,062,947)
Charges for Services				
Ellington municipal golf course	557,000	557,000	409,279	(147,721)
Recreational activities	186,550	186,550	72,134	(114,416)
Swimming pool	252,000	252,000	894	(251,106)
Tennis court	10,000	10,000	3,028	(6,972)
Civic center	303,000	303,000	354,479	51,479
Other centers	64,500	64,500	16,836	(47,664)
Miscellaneous	769,000	769,000	674,262	(94,738)
Solid waste collection	9,032,300	9,032,300	9,192,345	160,045
Health services	397,000	397,000	376,049	(20,951)
Library services	40,000	40,000	11,094	(28,906)
Property management	324,000	324,000	358,903	34,903
Total Charges for Services	11,935,350	11,935,350	11,469,303	(466,047)
Intergovernmental				
Fire protection	85,000	85,000	86,848	1,848
Harvey - Disaster Grant	-	1,632,686	1,632,686	-
Reimbursement from other agencies	43,000	43,000	118,242	75,242
TxDOT - traffic signal maintenance	30,946	30,946	30,495	(451)
Emergency management performance grant	55,000	55,000	46,005	(8,995)
Restitution - Harris County	1,000	1,000	4,658	3,658
Total Intergovernmental	214,946	1,847,632	1,918,934	71,302
Miscellaneous				
	1,291,230	1,438,857	1,401,604	(37,253)
Investment Income				
	1,502,000	1,502,000	1,005,838	(496,162)
TOTAL REVENUES	\$ 123,276,230	\$ 122,094,737	\$ 123,283,890	\$ 1,189,153

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current				
<u>General Government</u>				
City Council				
Personnel services	\$ 105,237	\$ 105,237	\$ 104,085	\$ 1,152
Contractual services	53,900	53,900	20,215	33,685
Materials and supplies	15,750	15,750	10,439	5,311
Maintenance charges	56,588	45,088	45,058	30
	231,475	219,975	179,797	40,178
Mayor				
Personnel services	565,447	621,508	621,507	1
Contractual services	27,171	27,171	15,461	11,710
Materials and supplies	9,800	9,800	4,590	5,210
Maintenance charges	59,804	72,351	72,350	1
	662,222	730,830	713,908	16,922
Budget and Financial Planning				
Personnel services	520,920	613,975	613,974	1
Contractual services	42,591	42,591	7,543	35,048
Materials and supplies	7,200	7,200	4,943	2,257
Maintenance charges	17,177	17,177	17,046	131
	587,888	680,943	643,506	37,437
Municipal Court				
Personnel services	1,890,059	2,119,890	2,119,889	1
Contractual services	324,500	324,500	148,792	175,708
Materials and supplies	80,100	80,100	39,682	40,418
Maintenance charges	231,855	231,855	227,253	4,602
	2,526,514	2,756,345	2,535,616	220,729
City Controller				
Personnel services	1,953,499	2,106,889	2,072,388	34,501
Contractual services	200,300	200,300	94,169	106,131
Materials and supplies	46,075	46,075	27,391	18,684
Maintenance charges	80,056	85,346	85,273	73
	\$ 2,279,930	\$ 2,438,610	\$ 2,279,221	\$ 159,389

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, 2020**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Tax				
Contractual services	\$ 595,500	\$ 595,500	\$ 575,477	\$ 20,023
Materials and supplies	20	20	-	20
	595,520	595,520	575,477	20,043
Purchasing				
Personnel services	470,902	499,622	495,723	3,899
Contractual services	14,313	14,313	7,064	7,249
Materials and supplies	7,570	7,570	6,257	1,313
Maintenance charges	44,377	44,377	42,720	1,657
	537,162	565,882	551,764	14,118
Legal				
Personnel services	1,172,029	2,031,944	2,031,941	3
Contractual services	221,075	221,075	90,790	130,285
Materials and supplies	38,800	38,800	22,419	16,381
Maintenance charges	69,992	69,992	65,942	4,050
	1,501,896	2,361,811	2,211,092	150,719
City Secretary				
Personnel services	383,566	403,126	401,409	1,717
Contractual services	46,000	46,000	14,570	31,430
Materials and supplies	7,500	7,500	2,457	5,043
Maintenance charges	52,014	52,014	46,839	5,175
	489,080	508,640	465,275	43,365
Elections				
Contractual services	3,700	3,700	-	3,700
Materials and supplies	1,950	1,950	-	1,950
	5,650	5,650	-	5,650
Human Resources				
Personnel services	849,251	992,536	992,535	1
Contractual services	105,390	123,390	80,104	43,286
Materials and supplies	59,400	59,400	55,350	4,050
Maintenance charges	84,698	84,698	83,545	1,153
	1,098,739	1,260,024	1,211,534	48,490
Civil Service				
Contractual services	54,400	54,400	38,085	16,315
Materials and supplies	4,000	4,680	4,680	-
	\$ 58,400	\$ 59,080	\$ 42,765	\$ 16,315

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
City Marshall				
Personnel services	\$ 1,124,955	\$ 1,278,122	\$ 1,278,121	\$ 1
Contractual services	18,125	18,125	10,920	7,205
Materials and supplies	50,726	50,726	17,257	33,469
Maintenance charges	161,228	161,228	160,631	597
	1,355,034	1,508,201	1,466,929	41,272
Community Relations				
Personnel services	940,829	1,029,850	1,029,850	-
Contractual services	133,525	133,525	108,428	25,097
Materials and supplies	51,400	51,400	18,713	32,687
Maintenance charges	140,112	140,112	136,745	3,367
	1,265,866	1,354,887	1,293,736	61,151
Pasadena Action Line				
Personnel services	416,482	460,037	460,034	3
Contractual services	2,050	2,050	571	1,479
Materials and supplies	4,500	4,500	701	3,799
Maintenance charges	22,242	22,242	21,958	284
	445,274	488,829	483,264	5,565
Planning				
Personnel services	438,324	505,446	505,446	-
Contractual services	262,531	266,853	94,895	171,958
Materials and supplies	17,773	17,773	8,170	9,603
Maintenance charges	61,596	51,596	51,581	15
	780,224	841,668	660,092	181,576
Economic Development Liaison				
Personnel services	589,071	609,217	609,217	-
Contractual services	7,500	7,500	3,727	3,773
Materials and supplies	8,500	8,500	927	7,573
Maintenance charges	34,453	34,453	30,204	4,249
	\$ 639,524	\$ 659,670	\$ 644,075	\$ 15,595

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, 2020**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Neighborhood Network				
Personnel services	\$ 369,497	\$ 373,597	\$ 302,042	\$ 71,555
Contractual services	170,966	170,966	111,369	59,597
Materials and supplies	27,349	27,349	3,305	24,044
Maintenance charges	24,178	24,178	22,419	1,759
	591,990	596,090	439,135	156,955
Inspections				
Personnel services	1,682,603	1,801,973	1,465,807	336,166
Contractual services	53,700	53,700	32,911	20,789
Materials and supplies	31,100	30,885	23,596	7,289
Maintenance charges	172,145	175,010	174,709	301
Capital outlay	-	454,713	-	454,713
	1,939,548	2,516,281	1,697,023	819,258
Property Management				
Personnel services	370,711	412,981	398,507	14,474
Contractual services	1,021,393	690,751	505,898	184,853
Materials and supplies	78,400	78,400	12,670	65,730
Maintenance charges	327,650	55,110	54,022	1,088
Capital outlay	241,136	151,639	129,334	22,305
	2,039,290	1,388,881	1,100,431	288,450
City Hall				
Contractual services	483,594	513,594	370,843	142,751
Materials and supplies	81,000	81,000	55,540	25,460
Maintenance charges	129,864	153,209	153,206	3
Capital outlay	150,000	-	-	-
	844,458	747,803	579,589	168,214
Facilities Management				
Contractual services	154,630	154,630	51,413	103,217
Materials and supplies	42,500	42,500	23,323	19,177
Other charges	473	59,308	59,305	3
	197,603	256,438	134,041	122,397
Impound/Storage				
Personnel services	365,579	403,729	391,608	12,121
Contractual services	5,100	5,100	3,817	1,283
Materials and supplies	5,300	5,300	4,069	1,231
Maintenance charges	13,752	20,507	20,505	2
	389,731	434,636	419,999	14,637
Other Charges				
Personnel services	1,714,954	95,026	-	95,026
Contractual services	330,617	330,618	255,675	74,943
Materials and supplies	-	12,576	12,576	-
Other charges	7,928,374	1,320,408	24,679	1,295,729
Other uses	92,500	92,500	68,260	24,240
	10,066,445	1,851,128	361,190	1,489,938
Total General Government	\$ 31,129,463	\$ 24,827,822	\$ 20,689,459	\$ 4,138,363

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety				
Emergency Preparedness				
Personnel services	\$ 648,565	\$ 822,167	\$ 822,166	\$ 1
Contractual services	87,478	87,478	58,320	29,158
Materials and supplies	22,750	22,750	21,664	1,086
Maintenance charges	256,005	256,005	253,766	2,239
	1,014,798	1,188,400	1,155,916	32,484
Fire Fighting				
Personnel services	733,219	582,049	443,419	138,630
Contractual services	1,263,206	1,263,206	961,343	301,863
Materials and supplies	783,156	783,156	289,252	493,904
Maintenance charges	965,156	1,013,476	1,013,474	2
Capital outlay	1,425,980	1,425,980	1,391,487	34,493
	5,170,717	5,067,867	4,098,975	968,892
Fire Prevention				
Personnel services	1,249,937	1,366,267	1,329,809	36,458
Contractual services	103,100	103,100	83,317	19,783
Materials and supplies	56,742	56,742	46,203	10,539
Maintenance charges	342,714	342,714	332,752	9,962
	1,752,493	1,868,823	1,792,081	76,742
Police				
Personnel services	38,413,354	44,825,272	44,059,237	766,035
Contractual services	551,182	553,198	414,540	138,658
Materials and supplies	348,890	384,110	300,722	83,388
Maintenance charges	4,441,086	4,432,633	4,395,925	36,708
	43,754,512	50,195,213	49,170,424	1,024,789
Code Enforcement				
Personnel services	318,373	348,083	348,082	1
Contractual services	256,713	256,713	172,688	84,025
Materials and supplies	59,600	59,600	26,653	32,947
Maintenance charges	183,065	183,065	182,224	841
	817,751	847,461	729,647	117,814
Total Public Safety	\$ 52,510,271	\$ 59,167,764	\$ 56,947,043	\$ 2,220,721

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, 2020**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Works				
Engineering				
Personnel services	\$ 1,640,555	\$ 1,814,955	\$ 1,787,812	\$ 27,143
Contractual services	366,600	358,300	355,468	2,832
Materials and supplies	35,300	35,300	27,294	8,006
Maintenance charges	172,598	172,598	170,726	1,872
Capital outlay	-	8,300	8,300	-
	2,215,053	2,389,453	2,349,600	39,853
Street Lighting and Signals				
Contractual services	1,418,000	1,418,000	1,118,430	299,570
	1,418,000	1,418,000	1,118,430	299,570
Sanitation				
Personnel services	2,748,711	3,131,431	2,992,704	138,727
Contractual services	5,125,150	5,452,906	5,451,069	1,837
Materials and supplies	366,488	366,488	238,512	127,976
Maintenance charges	275,722	275,722	272,685	3,037
	8,516,071	9,226,547	8,954,970	271,577
Street and Bridge				
Personnel services	2,084,820	2,409,276	2,409,275	1
Contractual services	69,278	69,278	35,131	34,147
Materials and supplies	466,209	466,209	346,040	120,169
Maintenance charges	356,901	360,727	360,727	-
Capital outlay	20,000	20,000	18,375	1,625
	2,997,208	3,325,490	3,169,548	155,942
Traffic and Transportation				
Personnel services	938,219	1,076,869	1,067,517	9,352
Contractual services	331,900	331,900	324,079	7,821
Materials and supplies	350,740	350,741	267,682	83,059
Maintenance charges	119,951	119,951	119,411	540
Capital outlay	40,000	40,000	32,500	7,500
	1,780,810	1,919,461	1,811,189	108,272
Total Public Works	\$ 16,927,142	\$ 18,278,951	\$ 17,403,737	\$ 875,214

EXPENDITURES**Health****Health**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Personnel services	\$ 1,097,660	\$ 1,225,010	\$ 1,190,105	\$ 34,905
Contractual services	1,383,158	1,383,158	1,149,353	233,805
Materials and supplies	18,650	70,377	66,077	4,300
Maintenance charges	122,117	122,117	120,740	1,377
	2,621,585	2,800,662	2,526,275	274,387

Animal Rescue and Assistance

Personnel services	2,475,558	2,614,198	2,472,232	141,966
Contractual services	339,795	339,795	246,645	93,150
Materials and supplies	268,500	268,500	241,294	27,206
Maintenance charges	332,902	332,902	327,685	5,217
Capital outlay	80,000	80,000	63,395	16,605
	3,496,755	3,635,395	3,351,251	284,144

Total Health

	6,118,340	6,436,057	5,877,526	558,531
--	------------------	------------------	------------------	----------------

Culture and Recreation**Parks**

Personnel services	2,304,259	2,452,220	2,290,286	161,934
Contractual services	474,300	479,300	265,098	214,202
Materials and supplies	256,256	295,907	234,895	61,012
Maintenance charges	708,916	722,412	722,411	1
Capital outlay	799,235	675,771	158,794	516,977
	4,542,966	4,625,610	3,671,484	954,126

Recreation

Personnel services	2,561,433	2,638,787	2,029,268	609,519
Contractual services	483,829	519,830	301,109	218,721
Materials and supplies	451,317	451,317	273,264	178,053
Maintenance charges	396,699	423,708	405,859	17,849
Other charges	109,000	109,000	45,077	63,923
Capital outlay	146,877	382,091	297,584	84,507
	\$ 4,149,155	\$ 4,524,733	\$ 3,352,161	\$ 1,172,572

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, 2020**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture and Recreation, Continued				
Clean Streets				
Personnel services	\$ 1,384,661	\$ 1,448,851	\$ 1,319,775	\$ 129,076
Contractual services	261,705	261,705	248,005	13,700
Materials and supplies	74,496	74,496	42,203	32,293
Maintenance charges	255,714	255,714	255,364	350
	1,976,576	2,040,766	1,865,347	175,419
Golf Course				
Personnel services	549,758	571,408	472,595	98,813
Contractual services	128,708	128,708	83,976	44,732
Materials and supplies	199,515	199,515	120,400	79,115
Maintenance charges	149,138	217,758	217,680	78
	1,027,119	1,117,389	894,651	222,738
Multi-Purpose Center				
Personnel services	439,008	444,088	394,344	49,744
Contractual services	41,746	41,746	29,446	12,300
Materials and supplies	47,310	47,310	29,136	18,174
Maintenance charges	63,357	63,357	54,239	9,118
Other charges	15,500	15,500	8,379	7,121
Capital outlay	20,000	20,000	19,984	16
	626,921	632,001	535,528	96,473
Civic Center				
Personnel services	394,618	403,128	374,700	28,428
Contractual services	127,000	127,000	126,281	719
Materials and supplies	12,004	12,147	12,147	-
Maintenance charges	237,347	237,347	227,949	9,398
	770,969	779,622	741,077	38,545
Senior Center - Madison Jobe				
Personnel services	444,588	468,998	425,818	43,180
Contractual services	49,950	49,950	27,017	22,933
Materials and supplies	76,350	76,350	29,806	46,544
Maintenance charges	88,005	88,005	85,826	2,179
Other charges	34,500	34,500	26,534	7,966
	693,393	717,803	595,001	122,802
Museum				
Personnel services	103,135	104,635	103,304	1,331
Contractual services	21,850	21,850	5,600	16,250
Materials and supplies	12,750	12,750	8,333	4,417
Maintenance charges	11,607	11,607	11,607	-
Other charges	5,000	5,000	328	4,672
	\$ 154,342	\$ 155,842	\$ 129,172	\$ 26,670

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Library				
Personnel services	\$ 2,675,084	\$ 2,708,994	\$ 2,553,675	\$ 155,319
Contractual services	320,481	320,481	268,156	52,325
Materials and supplies	179,902	179,903	139,074	40,829
Maintenance charges	473,962	505,762	505,660	102
Capital outlay	266,414	266,414	218,933	47,481
	3,915,843	3,981,554	3,685,498	296,056
Total Culture and Recreation	17,857,284	18,575,320	15,469,919	3,105,401
TOTAL EXPENDITURES	124,542,500	127,285,914	116,387,684	10,898,230
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,266,270)	(5,191,177)	6,896,206	12,087,383
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Health insurance fund	-	(1,000,000)	(1,000,000)	-
Water and sewer system fund	3,000,000	3,000,000	3,000,000	-
Insurance fund	(750,000)	(750,000)	(750,000)	-
Capital projects fund	(2,000,000)	(3,497,157)	(3,485,657)	11,500
Insurance recovery	-	444,355	444,355	-
Sale of capital assets	40,000	40,000	1,465	(38,535)
	290,000	(1,762,802)	(1,789,837)	(27,035)
TOTAL OTHER FINANCING SOURCES (USES)	290,000	(1,762,802)	(1,789,837)	(27,035)
NET CHANGE IN FUND BALANCES	(976,270)	(6,953,979)	5,106,369	12,060,348
FUND BALANCE - BEGINNING	55,048,367	66,229,580	66,229,580	-
FUND BALANCE - ENDING	\$ 54,072,097	\$ 59,275,601	\$ 71,335,949	\$ 12,060,348



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, 2020**

	<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	\$ 11,953,854	\$ 11,953,854	\$ 12,139,594	\$ 185,740
Investment income	50,000	50,000	30,750	(19,250)
TOTAL REVENUES	12,003,854	12,003,854	12,170,344	166,490
EXPENDITURES				
Debt service				
Principal	7,858,142	7,858,142	7,858,142	-
Interest	3,861,712	3,861,712	3,861,712	-
Fiscal charges	5,000	5,000	-	5,000
Other charges	12,000	12,000	-	12,000
TOTAL EXPENDITURES	11,736,854	11,736,854	11,719,854	17,000
EXCESS OF REVENUES OVER EXPENDITURES	267,000	267,000	450,490	183,490
NET CHANGE IN FUND BALANCE	267,000	267,000	450,490	183,490
FUND BALANCES - BEGINNING	2,606,765	3,039,922	3,039,922	-
FUND BALANCES - ENDING	\$ 2,873,765	\$ 3,306,922	\$ 3,490,412	\$ 183,490



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.



**CITY OF PASADENA, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020**

	Special Revenue				Total Funds
	Special Charge Allocation Fund	State Forfeited Property	Hotel and Motel Tax	Abandoned Motor Vehicles and Property	
<u>ASSETS</u>					
Due from other funds	\$ 985,927	\$ 181	\$ 46,488	\$ 11,149	\$ 1,043,745
Restricted assets					
Cash and cash equivalents	-	53,068	-	-	53,068
Investments	1,780,988	1,012,100	6,168,378	427,840	9,389,306
Receivables (net of allowances of uncollectibles)					
Intergovernmental	73,500	-	-	-	73,500
Accounts	-	-	260,519	-	260,519
TOTAL ASSETS	<u>\$2,840,415</u>	<u>\$1,065,349</u>	<u>\$6,475,385</u>	<u>\$ 438,989</u>	<u>\$10,820,138</u>
<u>LIABILITIES</u>					
Liabilities payable from restricted assets					
Accounts payable	\$ 119,675	\$ 61,094	\$ 123,982	\$ 22,189	\$ 326,940
Accrued payroll payable	6,684	-	3,941	4,389	15,014
Unearned revenue	40	-	-	-	40
	<u>126,399</u>	<u>61,094</u>	<u>127,923</u>	<u>26,578</u>	<u>341,994</u>
TOTAL LIABILITIES	<u>126,399</u>	<u>61,094</u>	<u>127,923</u>	<u>26,578</u>	<u>341,994</u>
<u>FUND BALANCES</u>					
Restricted	2,714,016	1,004,255	6,347,462	412,411	10,478,144
TOTAL FUND BALANCES	<u>2,714,016</u>	<u>1,004,255</u>	<u>6,347,462</u>	<u>412,411</u>	<u>10,478,144</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$2,840,415</u>	<u>\$1,065,349</u>	<u>\$6,475,385</u>	<u>\$ 438,989</u>	<u>\$10,820,138</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, 2020**

	<u>Special Revenue</u>				<u>Total Funds</u>
	<u>Special Charge Allocation Fund</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	\$ 243,705	\$ -	\$ -	\$ -	\$ 243,705
Other taxes	-	-	1,095,528	-	1,095,528
Licenses and permits	2,560	-	-	-	2,560
Municipal court fines	278,530	-	-	-	278,530
Intergovernmental	292,212	157,592	-	-	449,804
Miscellaneous	6,274	-	-	357,036	363,310
Investment income	16,112	13,220	55,341	3,701	88,374
TOTAL REVENUES	<u>839,393</u>	<u>170,812</u>	<u>1,150,869</u>	<u>360,737</u>	<u>2,521,811</u>
EXPENDITURES					
Current					
General government					
Personnel services	115,419	-	-	-	115,419
Contractual services	134,762	-	-	-	134,762
Materials and supplies	98,677	-	-	-	98,677
Capital outlay	175,272	-	-	-	175,272
Public safety					
Personnel services	132,318	-	-	131,456	263,774
Contractual services	85,562	59,175	-	217,280	362,017
Materials and supplies	135,033	59,283	-	20,280	214,596
Other charges	-	33,046	-	27,236	60,282
Capital outlay	51,962	590,679	-	-	642,641
Culture and recreation					
Personnel services	-	-	175,996	-	175,996
Contractual services	-	-	136,159	-	136,159
Materials and supplies	-	-	124,804	-	124,804
Other charges	-	-	154,870	-	154,870
Capital outlay	-	-	145,640	-	145,640
TOTAL EXPENDITURES	<u>929,005</u>	<u>742,183</u>	<u>737,469</u>	<u>396,252</u>	<u>2,804,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(89,612)	(571,371)	413,400	(35,515)	(283,098)
FUND BALANCES - BEGINNING	<u>2,803,628</u>	<u>1,575,626</u>	<u>5,934,062</u>	<u>447,926</u>	<u>10,761,242</u>
FUND BALANCES - ENDING	<u>\$2,714,016</u>	<u>\$1,004,255</u>	<u>\$6,347,462</u>	<u>\$ 412,411</u>	<u>\$10,478,144</u>

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Franchise fees	\$ 260,000	\$ 260,000	\$ 243,705	\$ (16,295)
Licenses and permits	3,000	3,000	2,560	(440)
Municipal court fines	320,000	320,788	278,530	(42,258)
Intergovernmental	283,000	283,000	292,212	9,212
Miscellaneous	5,000	5,000	6,274	1,274
Investment income	30,750	30,750	16,112	(14,638)
TOTAL REVENUES	901,750	902,538	839,393	(63,145)
EXPENDITURES				
Current				
General government				
Personnel services	98,766	117,889	115,419	2,470
Contractual services	227,413	217,413	134,762	82,651
Materials and supplies	194,366	193,266	98,677	94,589
Capital outlay	406,120	406,120	175,272	230,848
Public safety				
Personnel services	153,212	160,529	132,318	28,211
Contractual services	205,650	202,432	85,562	116,870
Materials and supplies	55,550	146,779	135,033	11,746
Capital outlay	100,000	100,000	51,962	48,038
TOTAL EXPENDITURES	1,441,077	1,544,428	929,005	615,423
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(539,327)	(641,890)	(89,612)	552,278
FUND BALANCES - BEGINNING	2,448,832	2,803,628	2,803,628	-
FUND BALANCES - ENDING	\$ 1,909,505	\$ 2,161,738	\$ 2,714,016	\$ 552,278

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 157,592	\$ 157,592
Investment income	16,000	16,000	13,220	(2,780)
TOTAL REVENUES	16,000	16,000	170,812	154,812
EXPENDITURES				
Current				
Public safety				
Contractual services	98,988	98,988	59,175	39,813
Materials and supplies	120,000	120,000	59,283	60,717
Other charges	70,000	120,000	33,046	86,954
Capital outlay	95,000	680,179	590,679	89,500
TOTAL EXPENDITURES	383,988	1,019,167	742,183	276,984
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(367,988)	(1,003,167)	(571,371)	431,796
FUND BALANCES - BEGINNING	1,218,866	1,575,626	1,575,626	-
FUND BALANCES - ENDING	\$ 850,878	\$ 572,459	\$ 1,004,255	\$ 431,796

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,095,528	\$ (304,472)
Investment income	100,000	100,000	55,341	(44,659)
TOTAL REVENUES	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,150,869</u>	<u>(349,131)</u>
EXPENDITURES				
Current				
Culture and recreation				
Personnel services	147,776	175,996	175,996	-
Contractual services	155,175	155,175	136,159	19,016
Materials and supplies	145,810	145,836	124,804	21,032
Other charges	157,500	157,500	154,870	2,630
Capital outlay	413,071	385,485	145,640	239,845
TOTAL EXPENDITURES	<u>1,019,332</u>	<u>1,019,992</u>	<u>737,469</u>	<u>282,523</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>480,668</u>	<u>480,008</u>	<u>413,400</u>	<u>(66,608)</u>
FUND BALANCES - BEGINNING	<u>5,533,031</u>	<u>5,934,062</u>	<u>5,934,062</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 6,013,699</u>	<u>\$ 6,414,070</u>	<u>\$ 6,347,462</u>	<u>\$ (66,608)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 325,000	\$ 325,000	\$ 357,036	\$ 32,036
Investment income	9,600	9,600	3,701	(5,899)
TOTAL REVENUES	334,600	334,600	360,737	26,137
EXPENDITURES				
Current				
Public safety				
Personnel services	141,035	141,035	131,456	9,579
Contractual services	252,500	252,500	217,280	35,220
Materials and supplies	39,500	39,500	20,280	19,220
Other charges	42,000	42,000	27,236	14,764
TOTAL EXPENDITURES	475,035	475,035	396,252	78,783
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(140,435)	(140,435)	(35,515)	104,920
FUND BALANCES - BEGINNING	400,769	447,926	447,926	-
FUND BALANCES - ENDING	\$ 260,334	\$ 307,491	\$ 412,411	\$ 104,920

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, 2020

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
ASSETS					
Current Assets					
Investments - TexPool	\$ 7,354,132	\$ 3,153,969	\$ 6,329,154	\$ 6,590,159	\$ 23,427,414
Accounts receivable	-	-	23,298	243,966	267,264
Due from other funds					
General	404,990	90	-	-	405,080
General liability insurance	-	16,969	-	-	16,969
Water and sewer system	1,442	-	-	-	1,442
Inventory, at cost	476,138	-	-	-	476,138
Prepaid items	-	-	613,636	-	613,636
Total Current Assets	8,236,702	3,171,028	6,966,088	6,834,125	25,207,943
Noncurrent Assets					
Deposits	-	3,000	-	370,000	373,000
Capital Assets					
Land	602	-	-	-	602
Buildings and building improvements	2,233,791	-	-	-	2,233,791
Accumulated depreciation - buildings and building improvements	(1,814,969)	-	-	-	(1,814,969)
Facilities and other improvements	188,004	-	-	-	188,004
Accumulated depreciation - facilities and other improvements	(85,415)	-	-	-	(85,415)
Machinery and equipment	11,974,163	-	-	-	11,974,163
Accumulated depreciation - machinery and equipment	(6,929,592)	-	-	-	(6,929,592)
Infrastructure	41,746	-	-	-	41,746
Accumulated depreciation - infrastructure	(28,190)	-	-	-	(28,190)
Automotive equipment	50,184,140	-	-	-	50,184,140
Accumulated depreciation - automotive equipment	(31,383,789)	-	-	-	(31,383,789)
Construction in progress	1,896,788	-	-	-	1,896,788
Net Capital Assets	26,277,279	-	-	-	26,277,279
Total Noncurrent Assets	26,277,279	3,000	-	370,000	26,650,279
TOTAL ASSETS	34,513,981	3,174,028	6,966,088	7,204,125	51,858,222
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on:					
Contribution subsequent to the measurement date pension - TMRS	528,025	-	-	-	528,025
Changes in actuarial assumptions pension - TMRS	7,794	-	-	-	7,794
Changes in actuarial assumptions - OPEB	277,041	-	-	-	277,041
Contributions subsequent to the measurement date - OPEB	22,765	-	-	-	22,765
Changes in actuarial assumptions - OPEB-SDBF	47,563	-	-	-	47,563
Contribution subsequent to the measurement date - OPEB-SDBF	2,662	-	-	-	2,662
Difference between expected and actual economic experience pension - TMRS	12,024	-	-	-	12,024
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 897,874	\$ -	\$ -	\$ -	\$ 897,874

	<u>Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>General Liability Insurance</u>	<u>Health Insurance</u>	<u>Total Funds</u>
<u>LIABILITIES</u>					
Current Liabilities					
Accounts payable	\$ 1,134,456	\$ 535	\$ 169,031	\$ 221,819	\$ 1,525,841
Accrued payroll payable	179,396	3,552	-	9,242	192,190
Due to other funds					
General	-	-	65,036	696,097	761,133
Workers' compensation	-	-	16,969	-	16,969
Claims payable	-	5,088	-	619,141	624,229
Compensated absences payable	169,668	-	-	-	169,668
Total Current Liabilities	1,483,520	9,175	251,036	1,546,299	3,290,030
Noncurrent Liabilities					
Claims payable	-	3,393	-	412,758	416,151
Compensated absences payable	1,527,008	-	-	-	1,527,008
OPEB GASB 75 liability	2,670,538	-	-	-	2,670,538
OPEB SDBF liability	314,488	-	-	-	314,488
Net pension liability	851,373	-	-	-	851,373
Total Noncurrent Liabilities	5,363,407	3,393	-	412,758	5,779,558
TOTAL LIABILITIES	6,846,927	12,568	251,036	1,959,057	9,069,588
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows on:					
Investment on pension TMRS	137,259	-	-	-	137,259
Change in assumption SDBF	11,357	-	-	-	11,357
Difference between expected and actual experience SDBF	18,828	-	-	-	18,828
Assumption OPEB	89,670	-	-	-	89,670
Difference between expected actual experience OPEB	344,312	-	-	-	344,312
Deferred inflow on investment - pension TMRS	1,049,246	-	-	-	1,049,246
TOTAL DEFERRED INFLOWS OF RESOURCES	1,650,672	-	-	-	1,650,672
<u>NET POSITION</u>					
Net investment in capital assets	26,277,279	-	-	-	26,277,279
Unrestricted	636,977	3,161,460	6,715,052	5,245,068	15,758,557
TOTAL NET POSITION	\$ 26,914,256	\$ 3,161,460	\$ 6,715,052	\$ 5,245,068	\$ 42,035,836



This page intentionally left blank

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, 2020

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
OPERATING REVENUES					
Charges for sales and services	\$ 15,784,692	\$ 1,247,416	\$ 904,771	\$ 23,246,074	\$ 41,182,953
OPERATING EXPENSES					
Personnel services	7,287,883	128,403	-	-	7,416,286
Contractual services	1,868,762	15,895	-	173,491	2,058,148
Materials and supplies	4,259,576	29,550	-	-	4,289,126
Maintenance charges	1,851,661	-	-	-	1,851,661
Insurance/reinsurance premiums	-	862,143	1,593,158	3,696,266	6,151,567
Claim and legal expenses	-	20,455	595,689	16,790,526	17,406,670
Administration fees	-	-	-	609,707	609,707
Miscellaneous	-	-	-	900,509	900,509
Depreciation	4,100,091	-	-	-	4,100,091
TOTAL OPERATING EXPENSES	19,367,973	1,056,446	2,188,847	22,170,499	44,783,765
OPERATING INCOME (LOSS)	(3,583,281)	190,970	(1,284,076)	1,075,575	(3,600,812)
NONOPERATING REVENUES					
Gain on sale of capital assets	185,149	-	-	-	185,149
Investment income	72,322	22,383	63,707	47,104	205,516
TOTAL NONOPERATING REVENUES	257,471	22,383	63,707	47,104	390,665
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(3,325,810)	213,353	(1,220,369)	1,122,679	(3,210,147)
Capital contributions	1,566,753	-	-	-	1,566,753
Transfers in	855,000	-	1,750,000	1,000,000	3,605,000
CHANGES IN NET POSITION	(904,057)	213,353	529,631	2,122,679	1,961,606
TOTAL NET POSITION - BEGINNING	27,818,313	2,948,107	6,185,421	3,122,389	40,074,230
TOTAL NET POSITION - ENDING	\$ 26,914,256	\$ 3,161,460	\$ 6,715,052	\$ 5,245,068	\$ 42,035,836

**CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from interfund services	\$ 17,055,606	\$ 1,231,104	\$ 904,771	\$ 13,704,386	\$ 32,895,867
Cash received from customers and users	16,361	-	-	9,505,762	9,522,123
Cash payments to suppliers for goods and services	(8,420,896)	-	-	-	(8,420,896)
Cash payments to employees for services	(6,919,025)	(127,469)	-	-	(7,046,494)
Cash payments for insurance premiums, liability claims, and administration	-	(949,607)	(2,156,319)	(21,714,431)	(24,820,357)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,732,046	154,028	(1,251,548)	1,495,717	2,130,243
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers from other funds					
General	-	-	750,000	1,000,000	1,750,000
Water and sewer system	855,000	-	1,000,000	-	1,855,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	855,000	-	1,750,000	1,000,000	3,605,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from sale of capital assets	302,932	-	-	-	302,932
Acquisition and construction of capital assets	(3,529,299)	-	-	-	(3,529,299)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,226,367)	-	-	-	(3,226,367)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(3,857,497)	(1,101,127)	(2,521,706)	(17,333,420)	(24,813,750)
Proceeds from sale and maturities of investments	4,424,496	924,716	1,959,547	14,790,599	22,099,358
Investment income received	72,322	22,383	63,707	47,104	205,516
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	639,321	(154,028)	(498,452)	(2,495,717)	(2,508,876)
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)	\$ (3,583,281)	\$ 190,970	\$ (1,284,076)	\$ 1,075,575	\$ (3,600,812)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	4,100,091	-	-	-	4,100,091
Changes in assets and liabilities					
Decrease (increase) in accounts receivable	243	-	(12,893)	(35,926)	(48,576)
(Increase) in prepaids	-	-	(63,290)	-	(63,290)
Decrease (increase) in due from other funds	1,287,032	(16,312)	-	-	1,270,720
Decrease in pension related deferred outflows	2,151,696	-	-	-	2,151,696
Decrease in inventory	63,916	-	-	-	63,916
Decrease in deposits	-	1,000	-	-	1,000
(Decrease) increase in accounts and claims payable	(504,813)	(22,564)	82,755	(71,630)	(516,252)
Increase in accrued payroll payable	41,110	934	-	5,893	47,937
Increase in compensated absences payable	151,654	-	-	-	151,654
(Decrease) in net pension liability	(2,337,646)	-	-	-	(2,337,646)
(Decrease) in OPEB liability	(9,036)	-	-	-	(9,036)
Increase in due to other funds	-	-	25,956	521,805	547,761
Increase in pension related deferred inflows	371,080	-	-	-	371,080
Total Adjustments	5,315,327	(36,942)	32,528	420,142	5,731,055
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,732,046	\$ 154,028	\$ (1,251,548)	\$ 1,495,717	\$ 2,130,243
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contribution of capital assets from the government	\$ 1,566,753	\$ -	\$ -	\$ -	\$ 1,566,753



STATISTICAL SECTION

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

Contents Page

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.

Net Position by Component	158
Changes in Net Position	160
Governmental Activities Tax Revenues by Source.....	162
Fund Balances of Governmental Funds	164
Changes in Fund Balances of Governmental Funds	166
General Governmental Tax Revenues by Source	168

II. Revenue Capacity

These schedules contain trend information to help the reader assess the government's most significant local revenue sources, which are water and sewer system charges for services and the property tax.

Water and Sewer System Principal Customers	170
Water and Sewer Rates	172
Assessed Value and Actual Value of Taxable Property	174
Property Tax Rates - Direct and Overlapping Governments	176
Principal Property Taxpayers	178
Property Tax Levies and Collections	179

III. Debt Capacity

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

Ratios of Outstanding Debt by Type	180
Ratios of General Bonded Debt Outstanding.....	182
Direct and Overlapping Governmental Activities Debt.....	183
Legal Debt Margin Information.....	184
Pledged-Revenue Coverage.....	186



IV. Demographic and Economic Information

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

Demographic and Economic Statistics 187
Principal Employers 188

V. Operating Information

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.

City Government Employees by Function 189
Operating Indicators by Function 190
Capital Asset Statistics by Function 192

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

CITY OF PASADENA, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years (1) (2) (3)
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 472,614,231	\$ 478,211,050	\$ 483,252,803	\$ 481,756,248
Restricted	35,271,243	40,271,155	46,905,633	55,218,439
Unrestricted	14,744,816	22,491,388	23,545,604	25,026,501
Total governmental activities net position	<u>\$ 522,630,290</u>	<u>\$ 540,973,593</u>	<u>\$ 553,704,040</u>	<u>\$ 562,001,188</u>
Business-type activities				
Net investment in capital assets	\$ 159,525,608	\$ 160,991,697	\$ 163,652,579	\$ 176,526,854
Restricted	2,020,890	2,241,698	2,339,483	2,298,834
Unrestricted	17,664,879	28,726,466	30,178,589	28,113,976
Total business-type activities net position	<u>\$ 179,211,377</u>	<u>\$ 191,959,861</u>	<u>\$ 196,170,651</u>	<u>\$ 206,939,664</u>
Primary government				
Net investment in capital assets	\$ 632,139,839	\$ 639,202,747	\$ 646,905,382	\$ 658,283,102
Restricted	37,292,133	42,512,853	49,245,116	57,517,273
Unrestricted	32,409,695	51,217,854	53,724,193	53,140,477
Total primary government net position	<u>\$ 701,841,667</u>	<u>\$ 732,933,454</u>	<u>\$ 749,874,691</u>	<u>\$ 768,940,852</u>

- (1) As a result of implementing GASB Statement No. 65, net position was restated as of October 1, 2013. The City chose not to restate 2011 to 2012.
- (2) 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. The City chose not to restate 2011 to 2013.
- (3) 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 2011 to 2016.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 499,187,584	\$ 520,604,774	\$ 538,867,914	\$ 549,356,319	\$ 573,374,729	\$ 586,924,489
55,408,353	55,591,891	62,927,934	72,167,450	77,672,948	87,855,586
24,391,603	21,560,862	(12,496,375)	(5,486,534)	2,876,373	11,175,898
<u>\$ 578,987,540</u>	<u>\$ 597,757,527</u>	<u>\$ 589,299,473</u>	<u>\$ 616,037,235</u>	<u>\$ 653,924,050</u>	<u>\$ 685,955,973</u>
\$ 207,484,738	\$ 215,490,421	\$ 220,294,968	\$ 226,186,707	\$ 237,717,289	\$ 243,101,366
2,108,767	2,053,361	2,267,462	2,602,184	2,834,629	2,844,849
11,952,768	12,859,321	11,869,171	14,050,268	9,835,327	10,379,141
<u>\$ 221,546,273</u>	<u>\$ 230,403,103</u>	<u>\$ 234,431,601</u>	<u>\$ 242,839,159</u>	<u>\$ 250,387,245</u>	<u>\$ 256,325,356</u>
\$ 706,672,322	\$ 736,095,195	\$ 759,162,882	\$ 775,543,026	\$ 811,092,018	\$ 830,025,855
57,517,120	57,645,252	65,195,396	74,769,634	80,507,577	90,700,435
36,344,371	34,420,183	(627,204)	8,563,734	12,711,700	21,555,039
<u>\$ 800,533,813</u>	<u>\$ 828,160,630</u>	<u>\$ 823,731,074</u>	<u>\$ 858,876,394</u>	<u>\$ 904,311,295</u>	<u>\$ 942,281,329</u>

**CITY OF PASADENA, TEXAS
CHANGES IN NET POSITION**

**Last Ten Fiscal Years (1) (2) (3)
(accrual basis of accounting)**

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities				
General government	\$ 17,498,400	\$ 15,344,585	\$ 17,825,589	\$ 20,070,338
Public safety	45,242,538	44,094,055	48,354,722	47,153,867
Public works	21,049,209	19,734,083	21,579,683	23,789,663
Health	3,419,292	3,385,069	3,493,148	3,873,409
Culture and recreation	14,629,653	13,999,948	15,492,340	15,853,285
Housing and community development	10,672,024	9,976,482	9,324,100	7,922,281
Interest and fiscal agent fees on long-term debt	4,832,227	4,123,021	3,877,613	3,564,479
Total governmental activities expenses	<u>117,343,343</u>	<u>110,657,243</u>	<u>119,947,195</u>	<u>122,227,322</u>
Business-type activities				
Water and sewer	29,982,837	29,019,663	30,765,422	31,443,569
Total business-type activities expenses	<u>29,982,837</u>	<u>29,019,663</u>	<u>30,765,422</u>	<u>31,443,569</u>
Total primary government expenses	<u>\$ 147,326,180</u>	<u>\$ 139,676,906</u>	<u>\$ 150,712,617</u>	<u>\$ 153,670,891</u>
Program Revenues				
Governmental activities:				
Charges for service				
General government	\$ 9,431,596	\$ 9,411,401	\$ 9,022,279	\$ 11,987,529
Public safety	7,757,395	7,891,097	7,880,922	8,355,481
Other activities	4,134,589	4,139,681	5,058,845	4,858,171
Operating grants and contributions	12,087,315	12,370,427	11,579,631	10,491,952
Capital grants and contributions	8,610,718	12,799,735	7,769,209	13,955,703
Total governmental activities program revenues	<u>42,021,613</u>	<u>46,612,341</u>	<u>41,310,886</u>	<u>49,648,836</u>
Business-type activities:				
Charges for services:				
Water and sewer	36,894,886	36,790,596	37,235,536	36,618,566
Capital grants and contributions	-	212,675	147,596	-
Total business-type activities program revenues	<u>36,894,886</u>	<u>37,003,271</u>	<u>37,383,132</u>	<u>36,618,566</u>
Total primary government program revenues	<u>\$ 78,916,499</u>	<u>\$ 83,615,612</u>	<u>\$ 78,694,018</u>	<u>\$ 86,267,402</u>
Net (Expense)/Revenue				
Governmental activities	\$ (75,321,730)	\$ (64,044,902)	\$ (78,636,309)	\$ (72,578,486)
Business-type activities	6,912,049	7,983,608	6,617,710	5,174,997
Total primary government net expense	<u>\$ (68,409,681)</u>	<u>\$ (56,061,294)</u>	<u>\$ (72,018,599)</u>	<u>\$ (67,403,489)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
General property taxes	\$ 33,224,390	\$ 34,997,328	\$ 35,501,359	\$ 36,899,872
Industrial district fees	15,980,044	16,773,145	17,548,408	17,177,327
Sales taxes	23,954,810	25,789,345	27,938,085	30,472,024
Utility taxes	8,550,770	8,704,878	8,932,383	9,270,311
Other taxes/fees	544,183	671,036	716,284	1,000,102
Investment earnings				
Unrestricted	84,799	96,098	89,748	46,788
Restricted	89,411	86,079	65,620	30,622
Gain on sale of capital assets	-	-	63,864	-
Transfers	216,156	(4,729,704)	1,668,346	(6,011,207)
Total governmental activities	<u>82,644,563</u>	<u>82,388,205</u>	<u>92,524,097</u>	<u>88,885,839</u>
Business-type activities:				
Investment earnings				
Unrestricted	22,636	25,510	23,752	9,763
Restricted	10,772	9,662	3,947	1,486
Gain on sale of capital assets	-	-	-	200,325
Transfers	(216,156)	4,729,704	(1,668,346)	6,011,207
Total business-type activities	<u>(182,748)</u>	<u>4,764,876</u>	<u>(1,640,647)</u>	<u>6,222,781</u>
Total primary government	<u>\$ 82,461,815</u>	<u>\$ 87,153,081</u>	<u>\$ 90,883,450</u>	<u>\$ 95,108,620</u>
Change in Net Position				
Governmental activities	\$ 7,322,833	\$ 18,343,303	\$ 13,887,788	\$ 16,307,353
Business-type activities	6,729,301	12,748,484	4,977,063	11,397,778
Total primary government	<u>\$ 14,052,134</u>	<u>\$ 31,091,787</u>	<u>\$ 18,864,851</u>	<u>\$ 27,705,131</u>

- (1) As a result of implementing GASB Statement No. 65, net position was restated as of October 1, 2013. The City chose not to restate 2011 to 2012.
- (2) 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. The City chose not to restate 2011 to 2013.
- (3) 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 2011 to 2016.

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 17,122,766	\$ 20,888,643	\$ 22,756,730	\$ 22,314,761	\$ 24,232,165	\$ 23,821,001	
48,403,071	51,631,147	55,497,066	54,984,996	64,439,246	68,981,220	
23,367,837	23,608,280	25,898,493	27,196,488	27,409,484	29,606,592	
4,013,432	4,209,705	4,901,819	4,956,796	5,814,364	6,541,684	
16,579,672	17,650,996	19,232,324	19,670,659	20,570,645	19,652,656	
7,512,375	7,985,634	8,804,281	8,544,976	9,961,106	8,829,802	
3,439,836	2,627,998	2,097,954	2,689,213	3,896,638	3,193,943	
<u>120,438,989</u>	<u>128,602,403</u>	<u>139,188,667</u>	<u>140,357,889</u>	<u>156,323,648</u>	<u>160,626,898</u>	
30,561,782	30,062,074	32,993,854	33,635,459	34,994,334	34,992,695	
<u>30,561,782</u>	<u>30,062,074</u>	<u>32,993,854</u>	<u>33,635,459</u>	<u>34,994,334</u>	<u>34,992,695</u>	
<u>\$ 151,000,771</u>	<u>\$ 158,664,477</u>	<u>\$ 172,182,521</u>	<u>\$ 173,993,348</u>	<u>\$ 191,317,982</u>	<u>\$ 195,619,593</u>	
\$ 10,021,968	\$ 10,003,780	\$ 10,185,899	\$ 12,423,053	\$ 13,907,080	\$ 14,404,980	
8,236,938	8,368,016	7,893,379	8,065,867	9,270,016	8,577,499	
5,653,162	5,781,731	5,316,136	12,108,708	7,754,844	9,627,260	
8,214,522	9,158,177	9,852,748	11,735,785	13,880,327	18,122,791	
11,569,987	9,563,828	5,282,526	3,811,672	9,908,321	5,837,270	
<u>43,696,577</u>	<u>42,875,532</u>	<u>38,530,688</u>	<u>48,145,085</u>	<u>54,720,588</u>	<u>56,569,800</u>	
39,079,938	39,681,159	41,915,812	44,569,349	45,862,291	44,994,585	
-	-	-	-	-	-	
<u>39,079,938</u>	<u>39,681,159</u>	<u>41,915,812</u>	<u>44,569,349</u>	<u>45,862,291</u>	<u>44,994,585</u>	
<u>\$ 82,776,515</u>	<u>\$ 82,556,691</u>	<u>\$ 80,446,500</u>	<u>\$ 92,714,434</u>	<u>\$ 100,582,879</u>	<u>\$ 101,564,385</u>	
\$ (76,742,412)	\$ (85,726,871)	\$ (100,657,979)	\$ (92,212,804)	\$ (101,603,060)	\$ (104,057,098)	
8,518,156	9,619,085	8,921,958	10,933,890	10,867,957	10,001,890	
<u>\$ (68,224,256)</u>	<u>\$ (76,107,786)</u>	<u>\$ (91,736,021)</u>	<u>\$ (81,278,914)</u>	<u>\$ (90,735,103)</u>	<u>\$ (94,055,208)</u>	
\$ 38,799,792	\$ 42,155,738	\$ 45,677,186	\$ 49,398,264	\$ 56,805,649	\$ 58,081,871	
17,284,062	17,774,342	16,936,513	17,936,515	19,592,150	22,159,160	
31,439,633	32,350,927	31,811,860	34,350,493	36,102,015	36,668,916	
9,260,543	9,609,456	9,322,212	8,965,253	10,618,612	8,986,793	
1,059,717	1,227,928	1,641,838	2,117,329	6,413,158	1,349,373	
73,803	344,184	737,464	1,440,976	2,451,017	1,211,354	
44,421	192,234	497,892	1,438,947	2,996,975	1,177,530	
1,826,646	-	149,093	-	-	1,918,524	
(6,059,853)	842,049	1,912,789	3,302,789	4,510,299	4,535,500	
<u>93,728,764</u>	<u>104,496,858</u>	<u>108,686,847</u>	<u>118,950,566</u>	<u>139,489,875</u>	<u>136,089,021</u>	
12,802	62,105	164,287	414,341	1,181,038	471,721	
3,657	17,689	34,578	362,116	-	-	
12,141	-	17,950	-	9,390	-	
6,059,853	(842,049)	(1,912,789)	(3,302,789)	(4,510,299)	(4,535,500)	
6,088,453	(762,255)	(1,695,974)	(2,526,332)	(3,319,871)	(4,063,779)	
<u>\$ 99,817,217</u>	<u>\$ 103,734,603</u>	<u>\$ 106,990,873</u>	<u>\$ 116,424,234</u>	<u>\$ 136,170,004</u>	<u>\$ 132,025,242</u>	
\$ 16,986,352	\$ 18,769,987	\$ 8,028,868	\$ 26,737,762	\$ 37,886,815	\$ 32,031,923	
14,606,609	8,856,830	7,225,984	8,407,558	7,548,086	5,938,111	
<u>\$ 31,592,961</u>	<u>\$ 27,626,817</u>	<u>\$ 15,254,852</u>	<u>\$ 35,145,320</u>	<u>\$ 45,434,901</u>	<u>\$ 37,970,034</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General property taxes	\$ 33,224,390	\$ 34,997,328	\$ 35,501,359	\$ 36,899,872
Industrial district fees	15,980,044	16,773,145	17,548,408	17,177,327
Sales taxes	23,954,810	25,789,345	27,938,085	30,472,024
Franchise fees	8,550,770 (1)	8,704,878	8,932,383	9,270,311
Other taxes/fees	544,183	671,036	716,284	1,000,102
	<u>\$ 82,254,197</u>	<u>\$ 86,935,732</u>	<u>\$ 90,636,519</u>	<u>\$ 94,819,636</u>

- (1) The City is currently reporting Commercial Services in this category causing an increase from prior years.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 38,799,792	\$ 42,155,738	\$ 45,677,186	\$ 49,398,264	\$ 56,805,649	\$ 58,081,871
17,284,062	17,774,342	16,936,513	17,936,515	19,592,150	22,159,160
31,439,633	32,350,927	31,811,860	34,350,493	36,102,015	36,668,916
9,260,543	9,609,456	9,322,212	8,965,253	10,618,612	8,986,793
1,059,717	1,227,928	1,641,838	2,117,329	6,413,158	1,349,373
<u>\$ 97,843,747</u>	<u>\$ 103,118,391</u>	<u>\$ 105,389,609</u>	<u>\$ 112,767,854</u>	<u>\$ 129,531,584</u>	<u>\$ 127,246,113</u>

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

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Committed	\$ 257,462	\$ 388,622	\$ 1,733,497	\$ 15,000
Assigned	1,430,771	13,954,260	605,417	23,915,771
Unassigned	<u>30,129,675</u>	<u>28,392,323</u>	<u>47,741,413</u>	<u>27,382,553</u>
Total general fund	<u>\$ 31,817,908</u>	<u>\$ 42,735,205</u>	<u>\$ 50,080,327</u>	<u>\$ 51,313,324</u>
All Other Governmental Funds				
Restricted	\$ 52,165,350	\$ 55,763,123	\$ 58,940,029	\$ 65,238,024
Committed	-	-	-	10,034,023
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 52,165,350</u>	<u>\$ 55,763,123</u>	<u>\$ 58,940,029</u>	<u>\$ 75,272,047</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
199,868	516,191	466,821	459,491	976,270	1,018,704
<u>44,276,264</u>	<u>46,689,035</u>	<u>36,958,917</u>	<u>51,242,428</u>	<u>65,238,310</u>	<u>70,302,245</u>
<u>\$ 44,491,132</u>	<u>\$ 47,220,226</u>	<u>\$ 37,440,738</u>	<u>\$ 51,716,919</u>	<u>\$ 66,229,580</u>	<u>\$ 71,335,949</u>
\$ 60,624,443	\$ 63,469,227	\$ 69,931,255	\$ 95,728,413	\$ 120,709,698	\$ 107,962,427
15,328,098	7,254,969	5,592,139	3,425,236	9,397,939	10,871,393
-	4,035,135	331,603	331,603	331,603	4,029,552
<u>\$ 75,952,541</u>	<u>\$ 74,759,331</u>	<u>\$ 75,854,997</u>	<u>\$ 99,485,252</u>	<u>\$ 130,439,240</u>	<u>\$ 122,863,372</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes and fees	\$ 82,200,858	\$ 86,974,148	\$ 90,787,936	\$ 95,059,433
Licenses and permits	2,144,525	2,075,020	2,317,936	2,428,726
Municipal court fines	6,459,457	6,312,595	5,992,141	6,505,416
Charges for services	9,680,697	9,595,662	9,507,936	9,586,071
Intergovernmental	20,202,246	23,875,081	16,291,635	22,518,118
Investment earnings	149,265	162,330	137,918	71,505
Contribution from outside sources	-	18,621	1,362,099	871,137
Program income	165,174	176,537	145,534	327,540
Miscellaneous	808,983	910,662	1,375,816	902,691
Total revenues	121,811,205	130,100,656	127,918,951	138,270,637
Expenditures				
General government	14,325,552	13,364,086	15,001,760	15,386,204
Public safety	38,619,020	40,228,303	42,780,930	41,719,857
Public works	18,912,137	21,354,811	15,081,752	25,086,686
Health	3,446,535	3,168,772	3,109,669	3,520,728
Culture and recreation	12,611,085	12,096,056	12,632,871	13,467,999
Housing and community development	11,208,701	10,496,692	9,699,937	11,247,201
Capital outlay	16,876,471	5,917,040	7,265,134	4,712,504
Debt service				
Principal	7,480,000	8,020,000	7,565,000	7,650,000
Interest	4,774,501	4,135,448	3,952,598	3,785,622
Payment to refunding bond escrow agent	-	-	-	-
Other charges	143,075	299,426	242,921	-
Total expenditures	128,397,077	119,080,634	117,332,572	126,576,801
Excess (deficiency) of revenues over (under) expenditures	(6,585,872)	11,020,022	10,586,379	11,693,836
Other Financing Sources (Uses)				
Refunding bonds issued	-	20,030,000	16,690,000	-
Payment to refunding bond escrow agent	-	(21,356,307)	(18,931,383)	-
Bonds issued	4,960,000	-	-	-
Premiums on bonds issued	183,075	1,631,546	2,493,667	-
Transfers in	3,870,996	4,971,697	2,942,518	2,259,026
Transfers out	(1,350,256)	(2,446,697)	(4,622,319)	(4,415,553)
Sale of capital assets	43,495	239,875	139,788	5,845,152
Insurance recovery	408,955	424,934	1,223,378	2,182,554
Total other financing sources (uses)	8,116,265	3,495,048	(64,351)	5,871,179
Net change in fund balances	\$ 1,530,393	\$ 14,515,070	\$ 10,522,028	\$ 17,565,015
Debt service as a percentage of noncapital expenditures	11.49%	11.12%	10.78%	9.86%

Fiscal Year						
	2015	2016	2017	2018	2019	2020
\$	97,786,566	\$ 102,187,545	\$ 105,371,432	\$ 113,950,666	\$ 129,068,908	\$ 127,216,833
	2,498,776	3,008,170	2,555,428	2,592,498	3,321,937	2,226,684
	6,148,378	6,030,277	5,558,805	4,715,725	5,037,628	4,027,583
	9,755,077	9,734,403	9,849,361	10,678,209	12,169,009	11,469,303
	19,032,196	12,643,378	12,830,088	20,056,516	22,337,994	25,236,311
	109,206	480,439	1,068,122	2,506,938	4,935,079	2,183,368
	218,727	717,303	14,100	17,800	12,700	12,600
	176,096	153,963	64,977	94,809	90,393	213,009
	1,145,954	1,050,477	1,310,868	2,004,351	1,956,123	1,817,106
	<u>136,870,976</u>	<u>136,005,955</u>	<u>138,623,181</u>	<u>156,617,512</u>	<u>178,929,771</u>	<u>174,402,797</u>
	15,414,838	16,769,769	21,385,858	17,881,609	19,064,478	21,213,589
	43,153,975	43,695,603	47,275,723	46,187,874	51,666,025	60,102,784
	23,878,916	17,148,365	16,757,188	17,720,250	25,034,792	21,939,122
	3,734,963	3,753,196	4,561,561	4,542,989	4,962,410	5,877,526
	14,171,327	14,753,557	16,622,709	16,463,245	16,830,755	16,280,078
	8,567,002	8,948,301	10,745,960	10,187,469	11,394,571	8,859,785
	21,173,978	19,932,875	22,002,333	18,758,668	28,368,030	32,575,378
	7,880,000	8,864,312	7,822,613	7,015,914	8,757,613	7,858,142
	3,345,373	2,722,813	2,571,489	2,864,605	3,950,253	3,861,712
	4,829,110	1,822,973	-	-	-	-
	301,303	269,693	-	273,307	430,221	-
	<u>146,450,785</u>	<u>138,681,457</u>	<u>149,745,434</u>	<u>141,895,930</u>	<u>170,459,148</u>	<u>178,568,116</u>
	(9,579,809)	(2,675,502)	(11,122,253)	14,721,582	8,470,623	(4,165,319)
	15,646,063	17,405,000	-	-	-	-
	(13,627,529)	(18,378,549)	-	-	-	-
	-	-	1,000,000	19,175,000	33,945,000	-
	1,614,726	3,070,454	-	1,098,280	2,485,221	-
	18,501,785	10,036,352	15,619,883	4,869,790	13,563,188	7,286,670
	(21,316,745)	(8,717,352)	(14,316,038)	(2,619,790)	(13,000,384)	(6,036,670)
	2,619,811	795,481	134,586	52,806	3,001	1,465
	-	-	-	608,768	-	444,355
	<u>3,438,111</u>	<u>4,211,386</u>	<u>2,438,431</u>	<u>23,184,854</u>	<u>36,996,026</u>	<u>1,695,820</u>
\$	<u>(6,141,698)</u>	<u>1,535,884</u>	<u>(8,683,822)</u>	<u>37,906,436</u>	<u>45,466,649</u>	<u>(2,469,499)</u>
	9.17%	9.84%	8.21%	8.06%	9.43%	8.39%

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

<u>Source</u>	<u>Fiscal Year</u>			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General property taxes	\$ 33,171,051	\$ 35,195,121	\$ 35,262,542	\$ 37,144,601
Industrial district fees	15,980,044	16,549,164	17,755,534	17,172,395
Sales taxes	23,954,810	25,789,345	27,938,085	30,472,024
Franchise fees	8,550,770 (1)	8,751,762	9,030,691	9,270,311
Other taxes	544,183	688,756	801,084	1,000,102
	<u>\$ 82,200,858</u>	<u>\$ 86,974,148</u>	<u>\$ 90,787,936</u>	<u>\$ 95,059,433</u>

(1) The City is currently reporting Commercial Services in this category causing an increase from prior years.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 38,755,245	\$ 42,039,511	\$ 45,307,747	\$ 50,169,950	\$ 56,308,920	\$ 58,070,473
17,271,428	17,364,338	17,283,049	17,947,752	19,626,203	22,141,278
31,439,633	32,350,927	31,811,860	34,350,493	36,102,015	36,668,916
9,260,543	9,204,841	9,326,938	9,365,142	10,618,612	8,986,793
1,059,717	1,227,928	1,641,838	2,117,329	6,413,158	1,349,373
<u>\$ 97,786,566</u>	<u>\$ 102,187,545</u>	<u>\$ 105,371,432</u>	<u>\$ 113,950,666</u>	<u>\$ 129,068,908</u>	<u>\$ 127,216,833</u>

CITY OF PASADENA, TEXAS
WATER AND SEWER SYSTEM PRINCIPAL CUSTOMERS

Current Year and Nine Years Ago

2020						
Consumers	Consumption (per month)	Annualized Consumption	Billed Amount	Rank	% of Water/Sewer Revenues	% of All System Fund Revenues
City of Seabrook	43,301.3	519,616.0	\$ 573,376	1	1.26%	1.25%
Peroxy Chem	24,457.7	293,492.7	994,085	2	2.18%	2.17%
Nestle Waters North America	10,779.8	129,357.5	415,601	3	0.91%	0.91%
Pasadena Independent School District	6,578.4	78,941.2	565,898	4	1.24%	1.24%
Victoria Village Apartments	6,155.7	73,868.3	539,023	5	1.18%	1.18%
Chevron Phillips	5,425.5	65,105.4	339,102	6	0.74%	0.74%
Columbia Bayshore Hospital	5,015.8	60,189.5	530,037	7	1.16%	1.16%
Brighton Hill Manor Apartments	4,259.6	51,114.9	387,718	8	0.85%	0.85%
Equistar	2,972.5	35,670.0	192,726	9	-	-
Falls of Alta Vista	2,596.6	31,159.2	238,740	10	0.52%	0.52%
Brandywood Housing Corporation	-	-	-	-	-	-
Minh Food Company	-	-	-	-	-	-
Sandstone Apartments	-	-	-	-	-	-
Phillips Chemical	-	-	-	-	-	-
Air Products	-	-	-	-	-	-
Total	<u>111,542.9</u>	<u>1,338,514.7</u>	<u>\$ 4,776,306</u>		<u>10.04%</u>	<u>10.02%</u>

Source: Prepared by the City's Water Department.

2011

<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>
62,064.6	744,775.0	\$ 354,621	1	0.96%	0.96%
-	-	-	-	-	-
-	-	-	-	-	-
6,933.3	83,199.4	590,515	2	1.60%	1.60%
-	-	-	-	-	-
-	-	-	-	-	-
3,276.8	39,321.8	265,089	6	0.72%	0.72%
4,026.7	48,320.0	243,071	4	0.66%	0.66%
-	-	-	-	-	-
6,154.6	73,855.7	604,551	3	1.64%	1.64%
4,094.1	49,129.5	777,708	5	2.11%	2.11%
2,769.2	33,230.1	368,265	7	1.00%	1.00%
2,454.4	29,452.4	151,717	8	0.41%	0.41%
1,843.9	22,126.3	95,577	9	0.26%	0.26%
1,694.5	20,334.2	140,523	10	0.38%	0.38%
<u>95,312.1</u>	<u>1,143,744.4</u>	<u>\$ 3,591,637</u>		<u>9.74%</u>	<u>9.74%</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,							
			2011		2012		2013		2014	
			Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates
Residential	2,000	up to 2.0	\$5.50	\$8.00	\$10.50	\$8.00	\$10.50	\$8.00	\$10.50	\$8.00
	8,000	next 6.0	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
	10,000	next 2.0	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	12,000	next 2.0	3.25	3.50	3.25	3.50	3.25	3.50	3.25	3.50
	30,000	next 18.0	4.00	3.50	4.00	3.50	4.00	3.50	4.00	3.50
	30,001	over 30.0	4.50	3.50	4.50	3.50	4.50	3.50	4.50	3.50
Residential => 65	2,000	up to 2.0	3.59	4.99	6.59	4.99	6.59	4.99	6.59	4.99
	10,000	next 8.0	2.16	1.37	2.16	1.37	2.16	1.37	2.16	1.37
	12,000	next 2.0	3.25	3.50	3.25	3.50	3.25	3.00	3.25	3.00
	30,000	next 18.0	4.00	3.50	4.00	3.50	4.00	3.50	4.00	3.50
	30,001	over 30.0	4.50	3.50	4.50	3.50	4.50	3.50	4.50	3.50
Commercial	2,000	up to 2.0	5.59	8.00	8.59	8.00	8.59	8.00	8.59	8.00
	10,000	next 8.0	2.75	3.00	2.75	3.00	2.75	3.00	2.75	3.00
	20,000	next 10.0	3.00	3.25	3.00	3.25	3.00	3.25	3.00	3.25
	30,000	next 10.0	3.25	3.50	3.25	3.50	3.25	3.50	3.25	3.50
	40,000	next 10.0	4.50	4.00	4.50	4.00	4.50	4.00	4.50	4.00
	50,000	next 10.0	4.50	4.15	4.50	4.15	4.50	4.15	4.50	4.15
	50,001	over 50.0	4.50	4.15	4.50	4.15	4.50	4.15	4.50	4.15
Apartments	2,000	up to 2.0	5.50	8.00	8.50	8.00	8.50	8.00	8.50	8.00
	5,000	next 3.0	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
	10,000	next 5.0	3.00	3.25	3.00	3.25	3.00	3.25	3.00	3.25
	12,000	next 2.0	3.25	3.50	3.25	3.50	3.25	3.50	3.25	3.50
	30,000	next 18.0	4.00	3.50	4.00	3.50	4.00	3.50	4.00	3.50
	30,001	over 30.0	4.50	3.50	4.50	3.50	4.50	3.50	4.50	3.50
Sprinklers	2,000	up to 2.0	4.59	-	9.59	-	9.59	-	9.59	-
	10,000	next 8.0	3.25	-	3.25	-	3.25	-	3.25	-
	28,000	next 18.0	4.00	-	4.00	-	4.00	-	4.00	-
	28,001	over 28.0	4.50	-	4.50	-	4.50	-	4.50	-

Source: Prepared by the City's Water Department.

Fiscal Year Ended September 30,

2015		2016		2017		2018		2019		2020	
Water Rates	Sewer Rates										
\$10.50	\$8.00	\$10.75	\$10.75	\$10.75	\$10.75	\$10.97	\$10.97	\$11.22	\$11.22	\$11.42	\$11.42
2.75	2.75	3.00	3.00	3.00	3.00	3.06	3.06	3.13	3.13	3.19	3.19
3.00	3.00	3.50	3.50	3.50	3.50	3.57	3.57	3.65	3.65	3.72	3.72
3.25	3.50	4.00	4.00	4.00	4.00	4.08	4.08	4.17	4.17	4.25	4.25
4.00	3.50	5.00	4.00	5.00	4.00	5.10	5.10	5.10	4.17	5.19	4.25
4.50	3.50	5.50	4.00	5.50	4.00	5.61	5.61	5.61	4.17	5.71	4.25
6.59	4.99	6.59	4.99	6.59	4.99	6.72	5.09	6.87	5.21	6.99	5.30
2.16	1.37	2.50	2.50	2.50	2.50	2.55	2.55	2.61	2.61	2.66	2.66
3.25	3.00	3.50	3.50	3.50	3.50	3.57	3.57	3.65	3.65	3.72	3.72
4.00	3.50	5.00	4.00	5.00	4.00	5.10	4.08	5.22	4.17	5.31	4.25
4.50	3.50	5.50	4.00	5.50	4.00	5.61	5.61	5.61	4.17	5.71	4.25
8.59	8.00	12.59	12.00	12.59	12.00	12.84	12.24	13.14	12.52	13.38	12.75
2.75	3.00	3.25	3.00	3.25	3.00	3.32	3.06	3.40	3.13	3.46	3.19
3.00	3.25	3.75	3.30	3.75	3.30	3.83	3.37	3.92	3.45	3.99	3.51
3.25	3.50	4.00	3.55	4.00	3.55	4.08	3.62	4.17	3.70	4.25	3.77
4.50	4.00	4.50	3.80	4.50	3.80	4.55	3.88	4.65	3.97	4.73	4.04
4.50	4.15	4.50	4.05	4.50	4.05	4.55	4.10	4.65	4.19	4.73	4.27
4.50	4.15	4.50	4.15	4.50	4.15	4.55	4.15	4.65	4.25	4.73	4.33
8.50	8.00	9.50	9.50	9.50	9.50	9.69	9.69	9.91	9.91	10.09	10.09
2.75	2.75	3.25	3.00	3.25	3.00	3.32	3.06	3.32	3.06	3.38	3.12
3.00	3.25	3.50	3.50	3.50	3.50	3.57	3.57	3.57	3.57	3.63	3.63
3.25	3.50	4.25	4.00	4.25	4.00	4.34	4.08	4.34	4.08	4.42	4.15
4.00	3.50	5.00	4.00	5.00	4.00	5.10	4.08	5.10	4.08	5.19	4.15
4.50	3.50	5.50	4.00	5.50	4.00	5.61	4.08	5.61	4.08	5.71	4.15
9.59	-	14.00	-	14.00	-	14.28	-	14.61	-	14.87	-
3.25	-	4.00	-	4.00	-	4.08	-	4.17	-	4.25	-
4.00	-	5.00	-	5.00	-	5.10	-	5.10	-	5.19	-
4.50	-	6.00	-	6.00	-	6.12	-	6.12	-	6.23	-

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

	Fiscal Year Ended September 30,			
	2011	2012	2013	2014
	2010 Tax Year	2011 Tax Year	2012 Tax Year	2013 Tax Year
Assessed Value of Taxable Property				
Real Property				
Real Residential	\$ 4,052,171,721	\$ 3,966,049,464	\$ 3,852,056,577	\$ 3,872,765,988
Real Commercial	1,164,598,370	1,237,888,449	1,328,287,594	1,534,186,202
Real Industrial	158,854,677	165,773,388	170,231,894	162,926,484
Real Agriculture	221,790	241,507	227,549	188,270
Real Vacant	117,984,092	120,572,974	127,123,041	143,130,709
Real Acreage Undeveloped	36,725,841	42,021,873	37,424,971	41,471,437
Real Farm & Ranch Improved	-	-	248,262	252,079
Total Real Property	5,530,556,491	5,532,547,655	5,515,599,888	5,754,921,169
Less: Exemptions	(836,075,493)	(813,327,025)	(792,375,980)	(798,795,765)
Net Total Real Property	4,694,480,998	4,719,220,630	4,723,223,908	4,956,125,404
Other Property				
Oil Gas and Mineral Reserves	7,854,851	241,610	1,100	-
Real and Tangible Personal - Utility	272,549	272,549	234,003	234,003
Gas Companies	7,692,460	7,515,900	7,635,305	9,007,545
Electric Companies	52,300,077	52,011,882	54,036,712	61,544,486
Telephone Companies	17,917,042	16,078,872	12,681,172	12,137,483
Railroad	428,700	495,520	1,474,440	1,639,650
Pipelines	28,491,661	30,614,337	35,354,411	37,023,276
Inventory	28,064,363	26,438,731	28,837,389	24,752,105
Major Cable TV Systems	14,286,631	13,783,892	12,539,470	13,071,100
Tangible Personal Commercial	532,372,461	525,877,003	541,207,611	551,411,132
Tangible Personal Industrial	668,423,788	1,053,499,087	1,182,300,519	1,176,456,318
Tangible Personal Other - Mobile Homes	15,915,686	16,357,302	15,604,926	15,146,856
Governmental Exemption	531,014,416	558,111,018	598,471,214	-
Charitable Exemption	25,685,661	26,110,291	28,122,328	2,033,915
Religious Exemption	115,848,852	119,018,125	121,779,281	-
Private School Exempt	17,061,755	17,595,212	17,427,256	17,839,420
Miscellaneous Exempt	826,251	844,407	879,116	705,880
Low-Moderate Income Housing	209,748	216,978	338,200	-
Improving Prop-Housing w/Volunteer Labor	-	-	-	262,987
Economic Devel Svcs to Local Community	-	-	-	301,508
Other Exempt	-	-	-	787,048,320
Total Other Property	2,064,666,952	2,465,082,716	2,658,924,453	2,710,615,984
Less: Exemptions	(1,142,444,955)	(1,402,974,610)	(1,356,134,366)	(1,401,752,949)
Net Total Other Property	922,221,997	1,062,108,106	1,302,790,087	1,308,863,035
Total Property	7,595,223,443	7,997,630,371	8,174,524,341	8,465,537,153
Less: Total Exemptions	(1,978,520,448)	(2,216,301,635)	(2,148,510,346)	(2,200,548,714)
Total Assessed Value of Taxable Property	\$ 5,616,702,995	\$ 5,781,328,736	\$ 6,026,013,995	\$ 6,264,988,439
Total Actual Value of Taxable Property	\$ 5,616,702,995	\$ 5,781,328,736	\$ 6,026,013,995	\$ 6,264,988,439
Total Direct Tax Rate Per \$ 100	\$ 0.591593	\$ 0.591593	\$ 0.591593	\$ 0.591593

Source: Harris County Appraisal District Certified Tax Roll

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

Fiscal Year Ended September 30,

	2015	2016	2017	2018	2019	2020
	2014 Tax Year	2015 Tax Year	2016 Tax Year	2017 Tax Year	2018 Tax Year	2019 Tax Year
\$	4,099,197,425	\$ 4,437,264,879	\$ 4,801,040,252	\$ 5,216,450,255	\$ 5,432,053,439	\$ 6,030,017,970
	1,724,550,745	1,882,514,422	2,104,704,433	2,292,894,922	2,522,237,422	2,797,689,438
	159,908,910	209,572,611	163,121,239	259,068,236	311,132,429	648,763,941
	184,971	178,264	174,043	172,013	201,898	193,840
	159,066,568	159,267,801	162,772,196	165,840,846	167,671,843	185,865,930
	52,404,929	48,308,431	43,056,354	65,400,460	56,662,873	59,849,706
	251,507	276,657	304,322	334,754	507,736	539,695
	6,195,565,055	6,737,383,065	7,275,172,839	8,000,161,486	8,490,467,640	9,722,920,520
	(826,800,278)	(865,038,283)	(912,947,500)	(950,691,089)	(1,000,278,706)	(1,079,875,270)
	5,368,764,777	5,872,344,782	6,362,225,339	7,049,470,397	7,490,188,934	8,643,045,250
	-	-	-	-	-	7,175,170
	406,911	407,011	406,544	406,019	495,029	-
	9,650,985	10,335,973	12,317,323	13,109,983	13,411,853	14,537,239
	58,880,213	57,137,279	61,384,866	61,503,698	64,781,607	72,432,189
	11,620,085	10,927,075	11,279,634	11,537,505	11,171,007	12,350,356
	1,835,930	2,018,640	2,162,940	2,301,400	2,444,700	2,543,770
	48,033,250	50,440,617	50,120,569	54,052,943	55,365,334	59,210,618
	24,902,586	26,789,396	29,168,367	29,622,033	30,714,967	34,382,796
	13,833,260	14,288,850	15,472,020	14,589,260	17,308,050	18,261,030
	585,993,827	674,994,577	696,606,477	719,461,700	745,403,874	759,091,423
	936,387,584	729,540,148	760,780,633	892,809,207	948,676,201	915,629,782
	14,582,987	14,958,005	14,308,581	14,784,917	14,142,635	15,189,955
	-	-	-	-	-	-
	1,911,572	1,914,822	1,907,665	2,553,957	2,596,095	3,519,312
	-	-	-	-	-	-
	17,839,420	17,839,420	17,839,420	36,157,374	40,241,025	42,119,145
	712,254	718,082	718,993	814,532	845,219	831,399
	-	-	-	-	-	-
	479,025	180,466	-	-	-	-
	385,458	386,379	392,693	388,627	391,679	407,137
	804,209,783	866,099,527	883,706,307	1,008,233,881	1,127,560,912	1,199,514,435
	2,531,665,130	2,478,976,267	2,558,573,032	2,862,327,036	3,075,550,187	3,157,195,756
	(1,217,268,714)	(1,030,217,604)	(999,768,796)	(1,192,395,693)	(1,294,550,578)	(1,338,678,127)
	1,314,396,416	1,448,758,663	1,558,804,236	1,669,931,343	1,780,999,609	1,818,517,629
	8,727,230,185	9,216,359,332	9,833,745,871	10,862,488,522	11,566,017,827	12,880,116,276
	(2,044,068,992)	(1,895,255,887)	(1,912,716,296)	(2,143,086,782)	(2,294,829,284)	(2,418,553,397)
\$	6,683,161,193	\$ 7,321,103,445	\$ 7,921,029,575	\$ 8,719,401,740	\$ 9,271,188,543	\$ 10,461,562,879
\$	6,683,161,193	\$ 7,321,103,445	\$ 7,921,029,575	\$ 8,719,401,740	\$ 9,271,188,543	\$ 10,461,562,879
\$	0.576904	\$ 0.575388	\$ 0.575388	\$ 0.575388	\$ 0.615446	\$ 0.570342

**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
2011	2010	\$ 0.3782	\$ 0.2134	\$ 0.5916	\$ 0.2800	\$ 1.3600	\$ 1.3967
2012	2011	0.3822	0.2094	0.5916	0.2800	1.3600	1.3967
2013	2012	0.3948	0.1968	0.5916	0.2800	1.3600	1.5267
2014	2013	0.4073	0.1843	0.5916	0.2800	1.4000	1.5567
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

Source: Harris County 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 proportion 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
\$ 1.3250	\$ 1.3500	\$ 0.6366	\$ 0.0066	\$ 0.1763	\$ 7.1227
1.3550	1.3500	0.6366	0.0066	0.1856	7.1620
1.3300	1.3500	0.6366	0.0066	0.1856	7.2671
1.3300	1.3500	0.6300	0.0064	0.1856	7.3303
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

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

<u>Property Taxpayer</u>	<u>Fiscal Year Ended September 30, 2020</u>			<u>Fiscal Year Ended September 30, 2011</u>		
	<u>2019 Tax Year</u>		<u>% of Taxable Assessed Value</u>	<u>2010 Tax Year</u>		<u>% of Taxable Assessed Value</u>
	<u>Taxable Assessed Value</u>	<u>Rank</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	
Intercontinental Terminals Company LLC	\$ 259,151,262	1	2.48%	\$ -	-	-
GATX Terminals Kinder	146,680,333	2	1.40%	41,049,724	6	0.73%
Bay Bluff LP	141,031,838	3	1.35%	34,230,214	10	0.61%
Phillips 66 Co.	105,587,793	4	1.01%	-	-	-
LIT Industrial LP	102,715,124	5	0.98%	-	-	-
CenterPoint Energy Hou Ele	88,245,587	6	0.84%	59,566,122	3	1.06%
Calpine Operating	85,990,070	7	0.82%	88,596,020	2	1.58%
KIR Pasadena	79,126,766	8	0.76%	45,989,914	4	0.82%
Schutz Container Systems	64,272,111	9	0.61%	-	-	-
Kinder Morgan	61,161,710	10	0.58%	-	-	-
Shell Oil Co.	-	-	-	151,282,586	1	2.69%
The Boeing Co.	-	-	-	41,583,586	5	0.74%
PRSI Trading	-	-	-	40,352,465	7	0.72%
Wal-Mart	-	-	-	39,670,618	8	0.71%
Valero Energy Corp	-	-	-	36,107,819	9	0.64%
Subtotal	\$ 1,133,962,594		10.84%	\$ 578,429,068		10.30%
Other Taxpayers	\$ 9,327,600,285		89.16%	5,038,273,927		89.70%
Total	\$ 10,461,562,879		100.00%	\$ 5,616,702,995		100.00%

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

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

Collected within the
Fiscal Year of the Levy Total Collections to Date

<u>Fiscal Year</u> <u>Ended</u> <u>September 30,</u>	<u>Tax</u> <u>Year</u>	<u>Tax</u> <u>Rate / \$100</u>	<u>Total</u> <u>Tax Levy</u> <u>for Fiscal Year</u>	<u>Collections/(Refunds)</u>				
				<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	<u>in Subsequent</u> <u>Years</u>	<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>
2011	2010	\$ 0.5916	\$ 32,832,046	\$ 31,967,660	97.37%	\$ 774,940	\$ 32,742,600	99.73%
2012	2011	0.5916	33,935,397	33,262,827	98.02%	580,736	33,843,563	99.73%
2013	2012	0.5916	34,493,384	34,147,313	99.00%	257,458	34,404,771	99.74%
2014	2013	0.5916	36,684,615	36,231,129	98.76%	375,455	36,606,584	99.79%
2015	2014	0.5769	38,046,813	37,619,372	98.88%	347,060	37,966,432	99.79%
2016	2015	0.5754	41,639,404	41,198,200	98.94%	342,377	41,540,577	99.76%
2017	2016	0.5754	45,111,671	44,280,747	98.16%	700,680	44,981,427	99.71%
2018	2017	0.5754	49,082,600	48,025,807	97.85%	788,895	48,814,702	99.45%
2019	2018	0.6154	55,462,578	55,129,294	99.40%	(100,023)	55,029,271	99.22%
2020	2019	0.5703	58,430,083	56,975,572	97.51%	-	56,975,572	97.51%

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

Fiscal Year Ended September 30,	2011	2012	2013	2014
Governmental Activities				
General Obligation Bonds	\$ 66,485,000	\$ 41,960,000	\$ 30,152,196	\$ 27,835,000
General Obligation Refunding Bonds	8,180,000	26,680,000	45,303,868	42,009,458
General Obligation and Refunding Bonds	25,395,000	24,080,000	14,336,973	12,896,876
Certificates of Obligation	5,290,000	5,010,000	4,720,000	4,430,000
Combination Tax and Revenue				
Certificates of Obligation	-	-	-	-
Other Long-Term Debt				
Overpaid Sales Tax Note	-	-	-	-
Blended Component Unit - Pasadena Second Century Corporation				
Sales Tax Notes	-	-	-	-
Sales Tax Revenue Bonds	4,960,000	4,190,000	3,507,979	2,667,467
	110,310,000	101,920,000	98,021,016	89,838,801
Business-Type Activities				
Waterworks and Sewer System Revenue Bonds	54,290,000	53,430,000	53,846,804	53,693,635
Waterworks and Sewer System Revenue Refunding Bonds	14,505,000	13,255,000	12,441,550	11,268,996
Combination Tax and Revenue				
Certificates of Obligation	-	-	-	-
General Obligation Refunding Bonds	14,285,000	12,740,000	17,459,587	14,539,259
General Obligation and Refunding Bonds	9,970,000	9,970,000	4,112,109	4,085,278
	93,050,000	89,395,000	87,860,050	83,587,168
Total Primary Government	\$ 203,360,000	\$ 191,315,000	\$ 185,881,066	\$ 173,425,969
Percentage of Personal Income	7.19%	6.16%	6.01%	5.64%
Per Capita	\$ 1,364	\$ 1,256	\$ 1,221	\$ 1,135
(1) Population	149,043	152,281	152,272	152,735
(1) Per Capita Personal Income	\$ 18,967	\$ 20,383	\$ 20,305	\$ 20,146
(1) Personal Income (amount expressed in thousands)	\$ 2,826,899	\$ 3,103,944	\$ 3,091,883	\$ 3,076,999

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

The debt amounts presented from 2011 to 2012 were not including the related premiums, discounts and adjustments.

(1) See the Schedule of Demographic and Economic Statistics on page 187 for personal income and population data.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 17,475,000	\$ 2,025,000	\$ 1,035,000	\$ -	\$ -	\$ -
55,201,099	69,391,828	62,927,351	56,388,209	48,567,368	40,475,996
2,102,603	-	-	-	-	-
4,130,000	310,000	-	-	-	-
-	-	-	19,946,595	55,426,862	54,646,907
-	-	-	-	-	-
-	-	1,000,000	1,000,000	-	-
1,801,955	906,443	-	-	-	-
80,710,657	72,633,271	64,962,351	77,334,804	103,994,230	95,122,903
53,445,465	488,169	-	-	-	-
9,166,441	6,983,886	4,726,332	2,388,777	-	-
-	-	-	16,664,513	16,006,648	15,338,784
13,055,250	66,108,784	64,256,796	61,938,110	59,766,122	55,412,547
-	-	-	-	-	-
75,667,156	73,580,839	68,983,128	80,991,400	75,772,770	70,751,331
\$ 156,377,813	\$ 146,214,110	\$ 133,945,479	\$ 158,326,204	\$ 179,767,000	\$ 165,874,234
4.94%	4.57%	4.03%	4.65%	5.10%	4.66%
\$ 1,016	\$ 951	\$ 873	\$ 1,031	\$ 1,173	\$ 1,096
153,887	153,784	153,351	153,520	153,219	151,277
\$ 20,590	\$ 20,805	\$ 21,692	\$ 22,178	\$ 22,993	\$ 23,534
\$ 3,168,533	\$ 3,199,476	\$ 3,326,490	\$ 3,404,767	\$ 3,522,964	\$ 3,558,976

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	(3) Per Capita
2011	\$ 129,605,000	\$ (2,875,586)	\$ 126,729,414	\$ 5,616,702,995	2.26%	149,043	\$ 850
2012	120,440,000	(4,097,226)	116,342,774	5,781,328,736	2.01%	152,281	764
2013	116,084,733	(5,219,579)	110,865,154	6,026,013,995	1.84%	152,272	728
2014	105,795,871	(6,272,408)	99,523,463	6,264,988,439	1.59%	152,735	652
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

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.

The debt amounts presented from 2011 to 2012 were not including related premiums, discounts and adjustments.

(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 and per capita.

CITY OF PASADENA, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Fiscal Year Ended September 30, 2020

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	9/30/2020	\$1,867,957,125	2.01%	\$ 37,545,938
Harris County Flood Control District	9/30/2020	334,270,000	2.01%	6,718,827
Harris County Hospital District	9/30/2020	86,050,000	2.01%	1,729,605
Port of Houston Authority	9/30/2020	514,174,397	2.01%	10,334,905
Clear Lake City Water Authority	9/30/2020	117,675,000	20.37%	23,970,398
Clear Creek Independent School District	9/30/2020	979,890,000	6.13%	60,067,257
Deer Park Independent School District	9/30/2020	272,820,000	21.23%	57,919,686
La Porte Independent School District	9/30/2020	331,150,000	5.83%	19,306,045
Pasadena Independent School District	9/30/2020	724,005,000	39.08%	282,941,154
San Jacinto College District	9/30/2020	480,440,414	18.51%	88,929,521
Harris County WC & ID #156	9/30/2020	75,000	43.58%	32,685
Harris County Dept. of Education	9/30/2020	6,320,000	2.01%	127,032
Subtotal, overlapping debt				589,623,053
Add - City direct debt				95,122,903
Total direct and overlapping debt				\$ 684,745,956

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit				
Tax Year	2010	2011	2012	2013
Assessed value based on tax year	<u>\$5,616,702,995</u>	<u>\$5,781,328,736</u>	<u>\$6,026,013,995</u>	<u>\$6,264,988,439</u>
10% of assessed value	561,670,300	578,132,874	602,601,400	626,498,844
Less: net debt applicable to limit				
Debt to be repaid from ad valorem tax	105,350,000	97,730,000	91,952,482	87,243,801
Less: amount available in debt service fund	<u>(2,875,586)</u>	<u>(4,097,226)</u>	<u>(5,219,578)</u>	<u>(6,272,408)</u>
	102,474,414	93,632,774	86,732,904	80,971,393
Legal Debt Margin	<u>\$ 459,195,886</u>	<u>\$ 484,500,100</u>	<u>\$ 515,868,496</u>	<u>\$ 545,527,451</u>
Total net debt applicable to the limit as a percentage of debt limit	18.24%	16.20%	14.39%	12.92%

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.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
2014	2015	2016	2017	2018	2019
<u>\$6,683,161,193</u>	<u>\$7,321,103,445</u>	<u>\$7,921,029,575</u>	<u>\$8,719,401,740</u>	<u>\$9,271,188,543</u>	<u>\$10,461,562,879</u>
668,316,119	732,110,345	792,102,958	871,940,174	927,118,854	1,046,156,288
78,908,702	71,726,828	63,962,351	76,334,804	103,994,230	95,122,903
<u>(1,783,393)</u>	<u>(1,493,541)</u>	<u>(2,060,784)</u>	<u>(2,339,765)</u>	<u>(3,039,922)</u>	<u>(3,490,412)</u>
77,125,309	70,233,287	61,901,567	73,995,039	100,954,308	91,632,491
<u>\$ 591,190,810</u>	<u>\$ 661,877,058</u>	<u>\$ 730,201,391</u>	<u>\$ 797,945,135</u>	<u>\$ 826,164,546</u>	<u>\$ 954,523,797</u>
11.54%	9.59%	7.81%	8.49%	10.89%	8.76%

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	
2011	\$36,938,654	\$20,802,695	\$16,135,959	\$3,105,000	\$4,242,051	2.20
2012	36,790,596	19,579,375	17,211,221	3,655,000	4,170,825	2.20
2013	37,263,235	20,309,713	16,953,522	3,830,000	3,943,694	2.18
2014	36,629,815	21,434,908	15,194,907	3,990,000	3,828,613	1.94
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

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)
2011	149,043	2,826,899	18,967	30.5	52,919	8.1%
2012	152,281	3,103,944	20,383	30.7	53,677	6.8%
2013	152,272	3,091,883	20,305	29.6	54,525	6.7% (P)
2014	152,735	3,076,999	20,146	32.0	54,382	5.6%
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	23,534	31.3	53,291	8.7% (4)

Data sources:

- (1) Bureau of the Census
- (2) Bureau of Labor Statistics
- (3) National Center for Education Statistics
- (4) Due to COVID-19
- (P) - Preliminary

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

<u>Employer</u>	<u>2020</u>			<u>2011</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	8,400	1	11.36%	5,800	1	6.25%
Turner Industries	2,092	2	2.83%	-	-	-
San Jacinto College	2,645	3	3.58%	1,058	8	1.14%
The Boeing Company	2,500	4	3.38%	2,300	2	2.48%
University of Houston-Clear Lake	1,587	5	2.15%	-	-	-
HCA Houston Healthcare	1,500	6	2.03%	-	-	-
Lyondell Chemical Co	1,175	7	1.59%	-	-	-
Kaneka North America	1,111	8	1.50%	-	-	-
City of Pasadena *	1,082	9	1.46%	1,014	9	1.09%
Pinnacle ART	438	10	0.59%	-	-	-
Shell - Deer Park	-	-	-	1,750	3	1.89%
Mundy Company	-	-	-	1,500	4	1.62%
Zachry Industries Inc.	-	-	-	1,400	5	1.51%
SGS Petroleum Service Corp	-	-	-	1,150	6	1.24%
Silver Eagle Distributors, L.P.	-	-	-	1,100	7	1.19%
Bayshore Medical Center	-	-	-	947	10	1.02%
	<u>22,530</u>		<u>30.48%</u>	<u>18,019</u>		<u>19.43%</u>

* 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	Fiscal Year Ended September 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Council	8	8	7	7	7	8	8	8	8	8
Mayor	1	3	2	2	2	2	3	4	4	4
Budget and Financial Planning	2	2	2	4	3	4	5	4	3	4
Municipal Court	34	34	34	32	32	35	36	35	37	32
City Controller	16	15	15	15	15	16	15	16	17	17
Purchasing	4	4	4	3	4	4	4	5	5	5
Legal	8	8	7	7	6	8	7	8	9	7
City Secretary	4	4	4	4	4	4	4	5	4	4
Human Resources	9	11	7	7	7	7	8	7	11	10
City Marshal	6	6	7	7	7	7	8	10	11	10
Community Relations	7	7	8	9	9	8	7	9	9	9
Pasadena Action Line	4	6	6	6	6	5	7	6	6	6
Planning	6	4	5	2	4	4	8	4	5	5
Planning/Development Administration	1	1	1	-	-	-	-	-	-	-
Neighborhood Network	1	1	1	2	1	2	4	5	5	4
Inspections	16	15	15	18	17	15	18	17	17	17
Project Development	8	1	3	2	-	1	1	3	3	3
Impound/Storage	7	5	6	6	6	6	6	4	5	6
Economic Development Liaison	1	1	2	2	2	2	2	3	5	5
Public Safety										
Emergency Preparedness	3	3	3	3	3	5	5	6	6	6
Fire Fighting	3	7	10	6	10	8	8	8	7	3
Fire Prevention	9	10	10	11	12	12	14	14	13	12
Police	344	349	335	349	353	349	362	363	376	378
Code Enforcement	-	-	-	-	8	7	8	14	14	13
Public Works										
Engineering	15	15	17	24	24	21	16	15	15	14
Sanitation	38	37	39	40	37	41	41	38	36	41
Street and Bridge	30	30	32	31	31	36	33	33	29	31
Traffic and Transportation	11	10	9	10	10	12	12	12	12	11
Health										
Health	10	10	11	11	11	12	12	15	15	14
Animal Rescue and Assistance	19	18	22	23	26	29	30	30	36	37
Culture and Recreation										
Leisure Services Administration	6	4	4	3	3	3	2	4	4	4
Parks	33	38	42	39	40	39	41	39	38	39
Recreation	57	60	64	62	94	38	39	51	44	33
Clean Streets	17	14	19	20	18	19	20	19	18	17
Golf Course	9	9	6	6	5	5	3	7	8	7
Multi-Purpose Center	8	9	8	8	8	7	9	9	9	9
Civic Center	6	6	7	9	7	10	6	6	7	8
Senior Center - Madison Jobe	4	4	4	4	5	6	6	6	7	9
Library	41	45	53	54	51	45	48	45	40	40
Water and Sewer System										
Maintenance	69	75	78	82	83	83	66	82	80	79
Health Insurance	2	4	1	1	1	-	-	-	-	1
Grant Management	25	21	16	18	16	16	9	14	14	14
TOTAL CITY POSITIONS	<u>1,014</u>	<u>1,030</u>	<u>1,045</u>	<u>1,063</u>	<u>1,109</u>	<u>1,056</u>	<u>1,056</u>	<u>1,092</u>	<u>1,105</u>	<u>1,082</u>

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

	Fiscal Year Ended September 30,			
	2011	2012	2013	2014
Function				
Public Safety				
Police				
Arrests	11,926	10,747	11,185	10,970
Accident reports	3,335	3,474	3,520	3,693
Citations issued	84,551	69,209	69,888	73,062
Calls for service	61,625	75,869	84,146	63,488
Public Works				
Refuse collection				
Refuse collected Type 1 (tons/day)	110	103	105	107
Refuse collected Type 2 (cubic yards/day)	145	166	179	178
Mulching collected (cubic yards/day)	124	107	83	72
Recyclables collected (tons/day)	3.53	4.35	7.31	6.23
Health				
Number of food permits issued	1,215	1,229	1,219	1,373
Number of health inspections	2,511	2,529	2,675	2,719
Culture and Recreation				
Convention Center				
Number of Events	178	165	158	172
Library				
Visitors	303,074	342,628	(1)	(1)
Water and Sewer System				
Average daily consumption (millions of gallons)	21.17	20.37	18.90	17.80
Total Consumption (billions of gallons)	7,749.38	7,435.00	7,100.00	6,900.00
Average daily Waste Water Plant Flow (millions of gallons)	10.40	12.41	11.57	12.60
Total Waste Water Plant Flow (millions of gallons)	3,796.45	4,542.14	4,212.54	4,573.59

Source: Various City departments.

Note: Indicators are not available for the General Government

(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 virus.

Fiscal Year Ended September 30,

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
9,890	10,496	9,081	8,067 (5)	8,155	5,784
4,143	4,200	3,917	4,390 (5)	4,114	3,202
64,210	67,603	64,330	57,367 (5)	59,047	46,456
65,515	75,847	77,466	91,265 (5)	84,880	94,346
110	112	112	113	111	120
185	211	256 (4)	380 (4)	220	218
56	48	60 (4)	82 (4)	116	119
6.62	7.00	6.00	6.00	7.00	7.00
1,936	1,503	1,730	1,828	1,616	1,683
2,315	2,663	2,954	3,367	3,487	3,157
196	188	183	192	211	110 (6)
356,240	280,992 (2)	413,292 (3)	397,098	354,402	94,045 (6)
18.80	17.62	17.30	17.44	17.26	18.69
6,800.00	6,449.37	6,316.06	6,374.22	6,304.78	6,824.73
14.20	13.50	11.80	12.37	13.32	12.01
5,172.20	4,926.12	4,274.09	4,500.81	4,859.34	4,394.48

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

Function / Program	Fiscal Year Ended September 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	198	198	181	181	171	172	182	197	197	201
Fire stations	10	10	10	10	10	10	10	10	10	10
Public Works										
Streets (miles)	541	542	522	522	523	524	525	521	520	520
Streetlights	7,550	7,541	7,590	7,584	7,565	7,560	7,628	7,699	7,751	7,886
Traffic signals	189	191	195	194	194	196	196	203	207	207
Sanitation										
Collection trucks	28	26	25	27	20	18	18	20	20	20
Culture and Recreation										
Parks	47	47	47	48	48	48	48	48	48	44
Parks acreage	1,104	1,104	1,120	1,180	1,180	1,180	1,180	1,180	1,180	1,179
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)	473	474	476	479	480	481	487	487	488	488
Fire hydrants	2,259	2,283	2,327	2,327	2,314	2,314	2,315	2,314	2,314	2,314
Maximum daily capacity (millions of gallons)	32 (1)	26	26	24	26	25	22	22	26	26
Sewer										
Sanitary sewers (miles)	397	402	404	405	406	407	407	407	408	408
Storm sewers (miles)	233	259	340	406	406	409	409	409	410	410
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.

(1) The southern region of Texas experienced a severe drought increasing the maximum daily capacity as compared to previous years.