

CITY OF PASADENA



CITY OF PASADENA, TEXAS
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022



JEFF WAGNER
MAYOR

**CITY OF PASADENA, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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**PREPARED BY:
OFFICE OF THE CITY CONTROLLER
JULIE ST. JEAN, CPA
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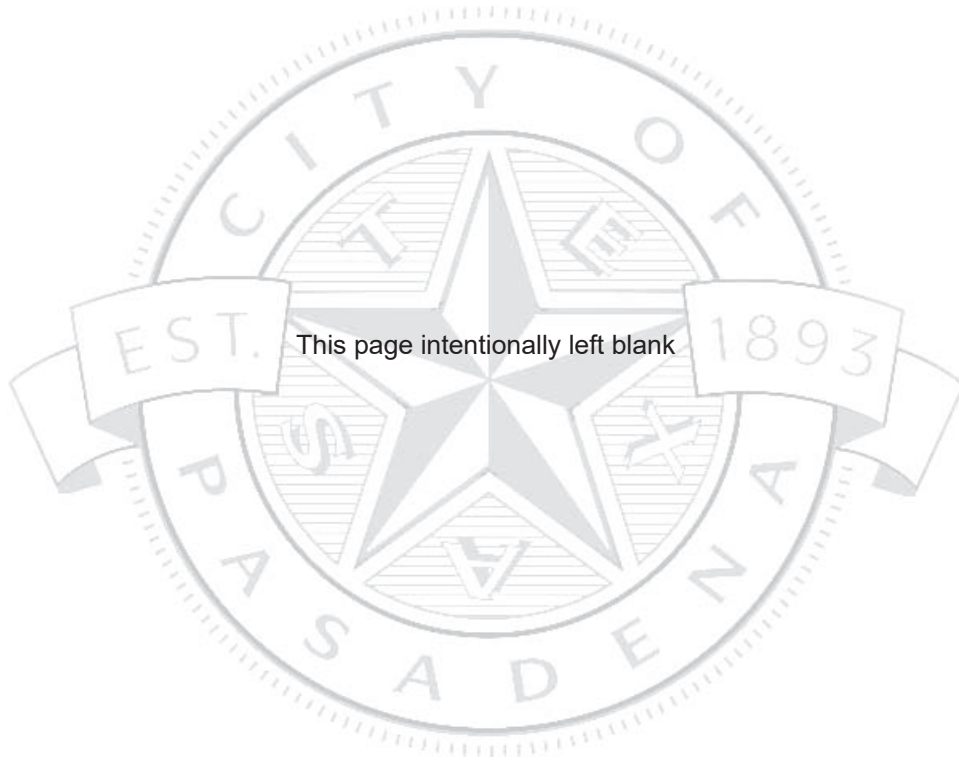
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INTRODUCTORY SECTION





CITY OF PASADENA

OFFICE OF THE CITY CONTROLLER

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March 23, 2023

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

In compliance with both Article IX of the City's Charter and applicable state statutes, it is my privilege to present the Annual Comprehensive Financial Report (" the Annual Report") of the City of Pasadena, Texas, (the "City") for the fiscal year ended September 30, 2022. 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, 2022. 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, 2022. 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.

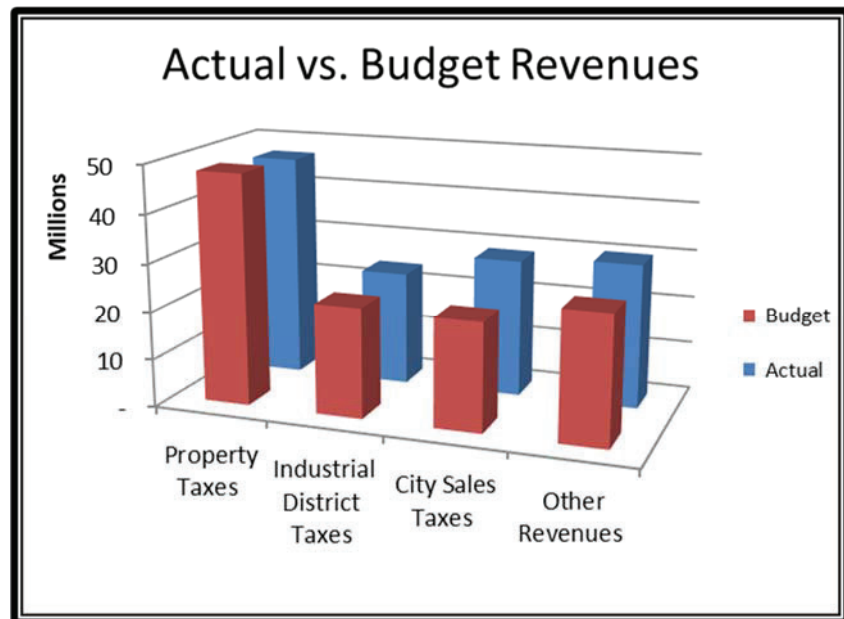
Profile of the Government

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 2021 population is estimated at 148,626, with the 2020 census population at 151,950. It was first settled in 1893 and was incorporated on December 28, 1928. The City adopted the "Home Rule Charter" on December 12, 1964, under the laws of the State of Texas.

The City operates under a "Strong Mayor-Council" form of government. Together, the Mayor and eight Councilmembers referred to as "the Council" are responsible for enacting legislation, adopting budgets, and determining the policies of the City. Councilmembers shall be nominated and elected by the voters in each of the eight single-member Council Districts and serve two-year terms with a limit of four consecutive terms. The qualified voters of the entire City elect the Mayor, who serves four-year terms, with a limit of two consecutive terms. At the time of the election, each candidate must be a citizen, resident, and qualified voter of the State of Texas and the City of Pasadena. On May 6, 2023, the City will be holding an election for City Council members. The candidates have to reside physically within his/her District 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 2023 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 74 in the notes to financial statements. As the graph to

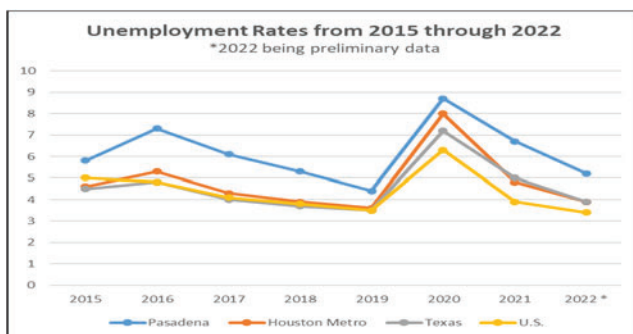


the right shows, the City's actual revenues are greater for fiscal year 2022 than what was budgeted in industrial district taxes, City sales taxes, and other revenues, which includes but not limited to permit, health, municipal courts, and parks and recreation. There was a small decrease in property taxes in the prior year adjustments account due to property valuation disputes.

Local Economy

The City benefits from its strategic location, relative affordability, and strong leadership. The City of Pasadena is also a rich industrial area, and its leaders have taken a combination of abundant natural resources, the advantageous location, and the determination to succeed and built a community of strong families and successful businesses. The metropolitan area offers various opportunities to serve the citizens in their professions and amenities for their leisure time. The City has connections to the energy sector, industry and manufacturing, aeronautics, and medicine creating 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 negative effects left behind by the Covid-19 pandemic, the City's resiliency and financial health have continued to stay stable. The annual Strawberry Festival, Pasadena Livestock Show & Rodeo, and the legendary Urban Cowboy traditions continue to shine a bright spotlight on Pasadena.

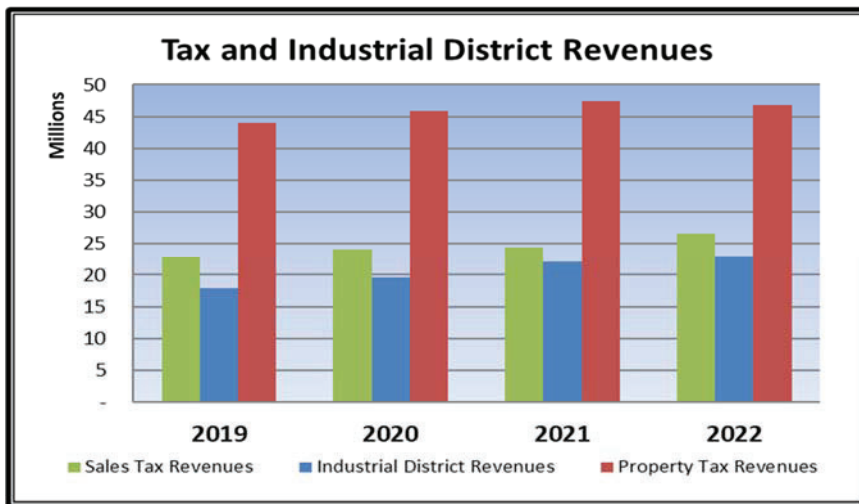
The Port of Houston is the nation's largest port for waterborne tonnage and an essential economic engine for the Houston region, the state of Texas, and the U.S. The Port was awarded \$142,515,000 to complete Segment 3 of Project 11 by the U.S. Army Corps of Engineers and \$18,267,600 by the Maritime Administration of the Department of Transportation to develop and expand the Port's Bayport Container Terminal. Project 11 is on track toward its goal of completion in 2025. In 2022, the Port of Houston annual Twenty-Foot Equivalent Units (TEUs) recorded a 14% growth. The Port of Houston processed a record nearly 4.0 million TEUs for year 2022. The Port is consistently ranked first in the U.S. in foreign waterborne tonnage, first in U.S. total foreign and domestic waterborne tonnage, and the third in the U.S. in terms of total foreign cargo value. The modern container terminals and multipurpose facilities can handle virtually any size and type of cargo, connecting world markets to America's heartland quickly and efficiently. It supports the creation of nearly 1.35 million jobs in Texas and 3.2 million jobs nationwide.



Significant indicators that impact the economic condition are the employment and unemployment statistics. Unemployment in Texas has stabilized since its sharp spike during the pandemic, but it still lags behind the nation's average. In December 2022, the state preliminary unemployment rate was at 3.9%, ranking Texas as 31st in the nation, decreasing from the December 2021 rate of 5.0%. While the Houston Metro area had a preliminary unemployment rate of 3.9%, the Pasadena rate is slightly higher at 5.2%, which is a decrease from 2021 at 6.7%.

The energy landscape, which is the metropolitan area's growth advantage, is changing radically. The invasion of Ukraine in February 2022 has had a big impact on the global energy system, disrupting supply and demand patterns, and caused crude oil prices to have a sharp rise due to uncertainty and geopolitical risk. The U.S. Energy Information Administration (EIA) forecast that "In 2023, crude oil production in United States will average 12.4 million barrels per day (b/d) and 12.8 million b/d in 2024." According to the EIA data, in 2022, the average daily price for West Texas Intermediate, the U.S. crude benchmark, was \$95 per barrel. The EIA expects global petroleum production and consumption to increase and is forecasting that the price of Brent crude oil in 2023 will average \$77 per barrel in 2023.

The City's fiscal year 2022 total revenues in the governmental funds, excluding other financing sources, increased by 0.6% or \$1,050,812 from \$177,182,285 in 2021 to \$178,233,097 in 2022. In the general fund, the City property tax revenues decreased 1.2% or \$598,258 from \$47,406,011 in 2021 to \$46,807,753 in 2022. The small decrease in property taxes is due to an increase of property valuation disputes during Covid from prior years. The property tax rate adopted is the same as the voter-approval tax and it is lower than the 2021 tax year/2022 fiscal



year adopted tax rate of \$0.515909/\$100. For the 2022 tax year or the fiscal year 2023, the Council adopted a property tax rate of \$0.497583/\$100, and the City is projecting to collect approximately \$653,886 from new properties.

The Industrial District revenue increased 4.05% or \$932,334 from \$22,994,264 in 2021 to \$23,926,598 in 2022. The City negotiated a new Industrial District agreement (the "Agreement") effective for the tax year 2019 or the fiscal year 2020. The new Agreement increased the assessment ratio between the 1st to the 5th years of completion in construction and shortened the length of the Agreement to eight years from the previous Agreement of fifteen years; to be more adaptable to the rapid changes in the energy business environment today. The City is projecting the continued growth in the Industrial District taxable value, specifically in new construction. The sales tax revenues, in the general fund only, had an increase of 8.04% or \$2,139,765 from \$26,599,295 in 2021 to \$28,739,060 in 2022.

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. 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, 2022, about 328 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, plus local museums, athletic events, entertainment at the Pasadena Convention Center and Fairgrounds, and performances at local theaters. You can spend the summer at the local pools/splash pads or fly down a water slide at the Strawberry Water Park. The City is also proud to host the Independence 4th Fest in July and the Holiday Lighted Parade and Holiday Tree Lighting in December.

The City is continuing to grow by attracting new industries and developments and continues to pose itself to increase the attractiveness as a destination of choice for new businesses, with several existing companies already starting plan expansions. Companies have relocated to Pasadena in part from the ready accessibility of the Port of Houston, including the Houston Ship Channel, which connects the Houston area terminals and the Gulf of Mexico and is the location of one of the world's largest petrochemical complexes. Retailers and restaurants are also moving into the Pasadena area to serve the community, which leads to increased sales tax revenues. To name a few – The HCA Houston Healthcare purchased the former Kindred Hospital Bay Area

and is currently undergoing renovations. HCA Houston Healthcare Southeast also opened a multi-specialty clinic at 3701 Vista Road. This location offers care in orthopedics, cardiovascular surgery, hand surgery, and plastic surgery. Stepan Company announced its plans to build and operate a new alkoxylation plant at its existing Pasadena facility. The \$220 million investment is expected to come online in late 2023. Haldor Topsoe also announced it will build a 15,000-ton/year hydro processing-catalyst plant at the company's existing Bayport production Site in Pasadena. Chevron also announced it will increase the capacity to process light crude at the Pasadena refinery by nearly 15% to 125,000 barrels a day. The \$400 million project will expand Chevron's Gulf Coast refining system.

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 continues to work on enhancing the visual appeal and build community identity along major commercial corridors. PEDC is looking to further heighten the visual appeal of major gateways through landscaping, streetscape improvements, and other enrichments such as arts. As of September 30, 2022, PEDC has awarded \$500,000 to the Shaver-Munger-Main Underpass Project in which special lighting and art will be installed.
- PEDC, in collaboration with the City, identified a future greenway trail along Vince Bayou and Little Vince Bayou as a priority project. The entire project scope includes an approximately 3-mile concrete trail that will connect Memorial Park in the north to Strawberry Park in the south and the amenities and bridges identified in the Vince Bayou Greenway Planning Study. The Little Vince Bayou Greenway trail will be a trail network extending between Little Vince and Vince Bayou linking this system to the City of Pasadena City Hall. As of September 30, 2022, it is still at the design and engineer phase.
- PEDC is to leverage capital infrastructure improvements to stimulate private investments along the investment corridors identified in the strategic plan. PEDC has committed \$11.75 million 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 rights-of-way and different design options are being discussed. PEDC is also working on Richey Street Phase II from Southmore Avenue to South Houston. Improvements in the rights-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 \$4 million used for design and construction cost. PEDC has also committed \$9.5 million for Convention Center Facility improvements and \$5 million for the Vince Bayou/Little Vince Bayou Greenway Trail.
- 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. On May 6, 2023, an election will be held and voters will get to vote for the Pasadena Crime Control and Prevention District continuation and funding of sales tax for another 10 years. Additional information on these two legally separate entities can be found in the notes to the financial statements. (See Note I. A on page 63).

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

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

The City administers an additional single-member defined benefit OPEB plan. The City plan provides certain healthcare benefits for retired employees. Substantially all of the City's employees become eligible for the health benefits if they reach normal retirement age while working for the City. The City is currently following a pay-as-you-go approach, paying an amount each year equal to the claims paid. This means no assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. Retiree healthcare is accounted for in the health insurance fund, an internal service fund. A separately audited GAAP basis postemployment benefit plan is not available for this program. (See Note V. C. 1 on page 92).

The City also participates in an additional OPEB plan. An agent multiple-employer, 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 94).

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 98).

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

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 60% of principal and interest on the tax-supported debt is scheduled to retire within ten years. The City continues using the proceeds from the \$37 million and \$38 million Combination Tax and Revenue Certificates of Obligation issued in the fiscal year 2018 and 2019, respectfully, 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 April 2022, City Council authorized the issuance, sale, and delivery of \$48,120,000 Combination Tax and Revenue Certificates of Obligation, Series 2022. City Council has considered it necessary to finance all or a portion of the following: (A) acquire and construct improvements to streets, sidewalks, related drainage, and traffic facilities (including the possible purchase of equipment deemed appropriate to construct such improvements) at various locations in the City, including but not limited to Preston Avenue, Red Bluff Road, and Shaver Street; (B) constructing and equipping a new Pasadena Police Annex and acquiring furniture and equipment for the Annex; (C) construct improvements to and acquire equipment for City Parks; and (D) acquire public safety equipment and acquire and construct public safety facilities for the City's Fire Department, including but not limited to, constructing improvements to Fire Station Numbers 6 and 7 and constructing and equipping a new Fire Administration Facility.

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 Storm and Flooding in 2016, which resulted in a Presidentially Declared Major Disaster, the City was awarded \$1.89 million 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 \$738.7 thousand 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, to contribute \$738,000 to the design and construction of the project. In 2021, the City awarded the construction contract and as of September 30, 2022 the construction is about 68% complete.

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

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

- **(1) Public Assistant Grant** – The City was awarded \$4.98 million in the categories of debris removal, emergency protective measures, buildings and equipment, utilities, and park recreation. The City received a total of \$4.76 million from FEMA as of September 30, 2021, ranging from 100% Federal and 90% Federal/10% Local Share of eligible expenditures with parks, recreation, and administration costs remaining the process. As of September 30, 2022, the City also received \$70,000 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 \$15.57 million (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. 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 \$6.76 million and \$1.28 million as of September 30, 2021 from FEMA and the State of Texas, respectively. As of September 30, 2022, the projects are in the design and engineering phase.
- (3) Hazard Mitigation Grant Program – City Hall Emergency Power Generator — The City was awarded \$1.02 million (20% Federal/80% Local) in the late fiscal year 2020 to purchase and install a 1,000 kilowatt diesel-fueled generator and transfer switch as a permanent fixture on a new concrete pad at Pasadena City Hall to ensure continuous operations of emergency services for first responders and to communicate with the general public in the event of a disaster. As of September 30, 2022, the project is about 22% complete.

In response to Hurricane Harvey, the U.S. Department of Housing and Urban Development (HUD) — has allocated Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the State of Texas. Subsequently, the State made a direct allocation of CDBG-DR funds to Harris County. In utilizing CDBG-DR funds, Harris County committed \$8.26 million and entered into a subrecipient agreement with the City for drainage improvements of the Armand Bayou Upper Reaches Project. The City is to create a flood diversion channel along Red Bluff from south of Line Drive to Big Island Slough, which will reduce one hundred year water surface elevation in Armand Bayou Upper Reaches and create resilience and reduce potential flooding of low- and moderate-income residences north of Fairmont Parkway. The City is in the design phase at the end of fiscal year 2022.

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 entered an interlocal subrecipient grant agreement with Harris County to receive \$8.4 million of the U.S. Department of Treasury Coronavirus Relief Fund.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The \$1.9 trillion package, based on President Biden's American Rescue Plan, is intended to combat the Covid-19 pandemic, including the public health and economic impacts. The package allocated \$350 billion for state and local governments. The local portion is approximately \$130 billion, equally divided between cities and counties. For cities, \$65 billion is divided based on the jurisdiction's modified Community Development Block Grant (CDBG) formula and those that are non-CDBG entitled will be allocated according to population. The funds will be distributed in two tranches – the first after the U.S. Treasury certifies the proceeds to each jurisdiction and the second one year later. The City of Pasadena's allocation of \$40.1 million was based on the modified CDBG formula. As of September 30, 2022, the City has received all \$40.1 million.

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

The City, through the use of Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), and HOME Investment Partnerships Program (HOME) funds awarded under the U.S. Department of Housing and Urban Development (HUD), continues to build upon its successful track records to meet community needs and improve the quality of life for Pasadena residents. Efforts are made to provide affordable housing, continue investments in neighborhood infrastructure, focus on the prevention and reduction of homelessness, provide public services, and implement strategies to affirmatively further fair housing. Highlights from Program Year 2021 (Fiscal Year 2022) 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 (HRSP). 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. Under HOME HRSP, one (1) existing housing unit was demolished and is being reconstructed to meet local codes and standards. Reconstruction was completed in December 2022.

A vast majority of the CDBG allocation focuses on the amelioration of deteriorated public drainage systems and roadways. To improve the overall drainage system for neighborhood residents and infrastructure improvements, CDBG funded multiple public facility projects within the City of Pasadena's Low-to Moderate-Income Target Area. The Wafer Street Paving and Drainage Improvements Phase II Project and Children and Youth Community Center are anticipated to be completed in March 2023. Furthermore, construction for the Llano Street Paving and Drainage Improvements Phase II Project is underway and expected to be completed by September 2023.

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 1,856 participants.

The City's ESG Program has provided 26,692 nights of shelter and supportive services to 370 homeless women and children. To further transition to permanent housing, rental assistance and housing stabilization services were provided to 12 households.

On April 2, 2020, the City of Pasadena received notification from HUD of a special allocation of CDBG funds to be used to prevent, prepare for, and respond to the Coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT), Public Law 116-136 to respond to the growing effects of this historic public health crisis. The CARES Act provided a total of \$2,241,134 in Community Development Block Grant Coronavirus (CDBG-CV) funds to the City. During fiscal year 2022, remaining CDBG-CV funds were administered through The Bridge Over Troubled Waters, Inc. to provide services to victims of domestic violence and Pasadena Independent School District to provide internet support for distance learning. Highlights from the City's CDBG-CV Program include 60 hours of supportive services to 12 victims of domestic violence and continued internet access and supplies to support remote learning for students participating in the Connection is Key Program.

Awards and Acknowledgements

The City of Pasadena's Annual Report for the year ended September 30, 2021 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 28th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 that reads "Julie St. Jean". The signature is written in a cursive, flowing style.

Julie St. Jean, CPA
City Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pasadena
Texas**

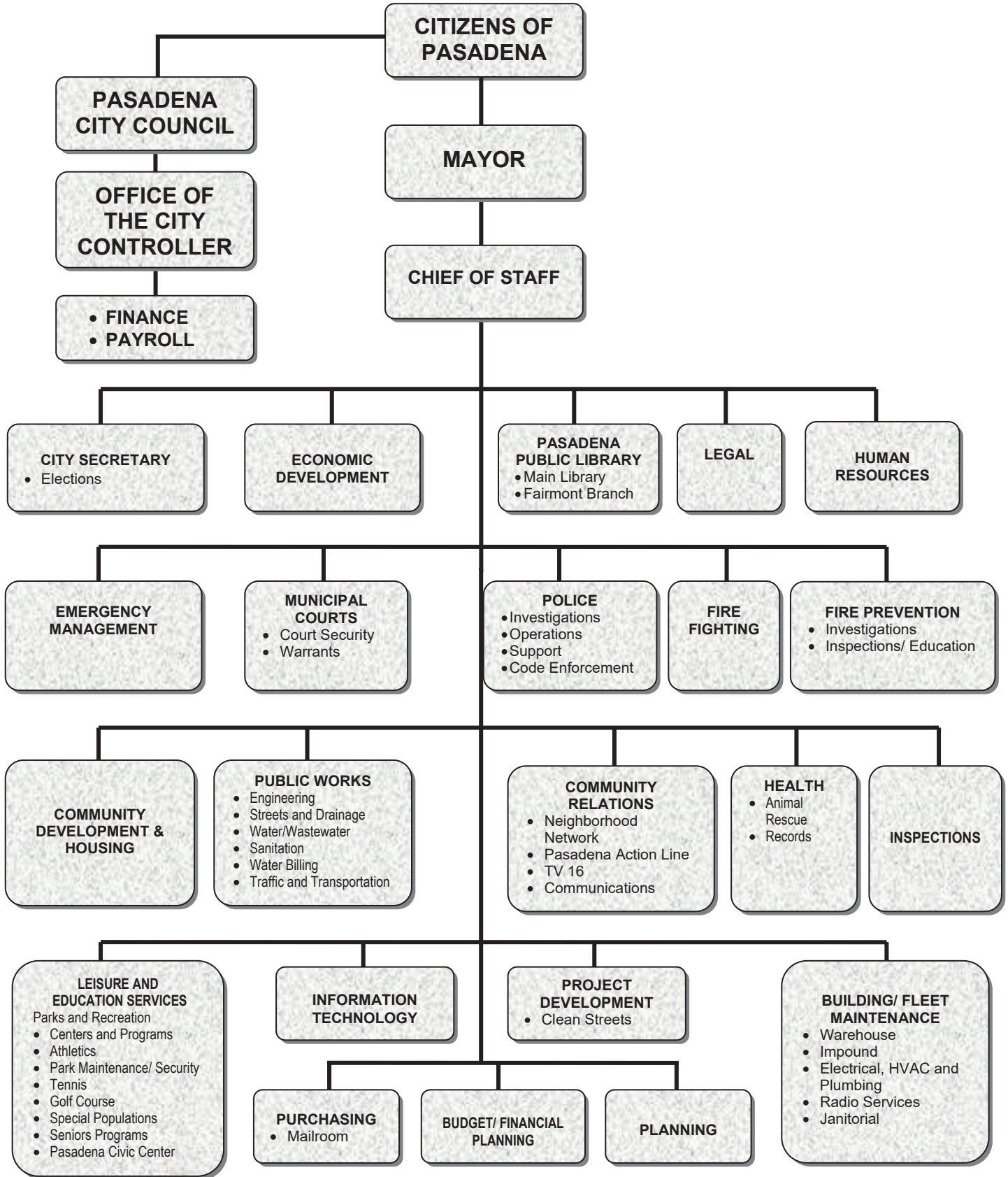
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

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

RUBEN VILLARREAL
BIANCA VALERIO
DON HARRISON
PAT VAN HOUTE
JONATHAN ESTRADA
PHIL CAYTEN
CARY BASS
THOMAS SCHOENBEIN

CITY CONTROLLER

JULIE ST. JEAN, CPA

CITY SECRETARY

AMANDA MUELLER

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

MELISSA TAMEZ

DIRECTOR OF HEALTH

KATHY PEREZ-ASHTON

DIRECTOR OF PARKS/RECREATION

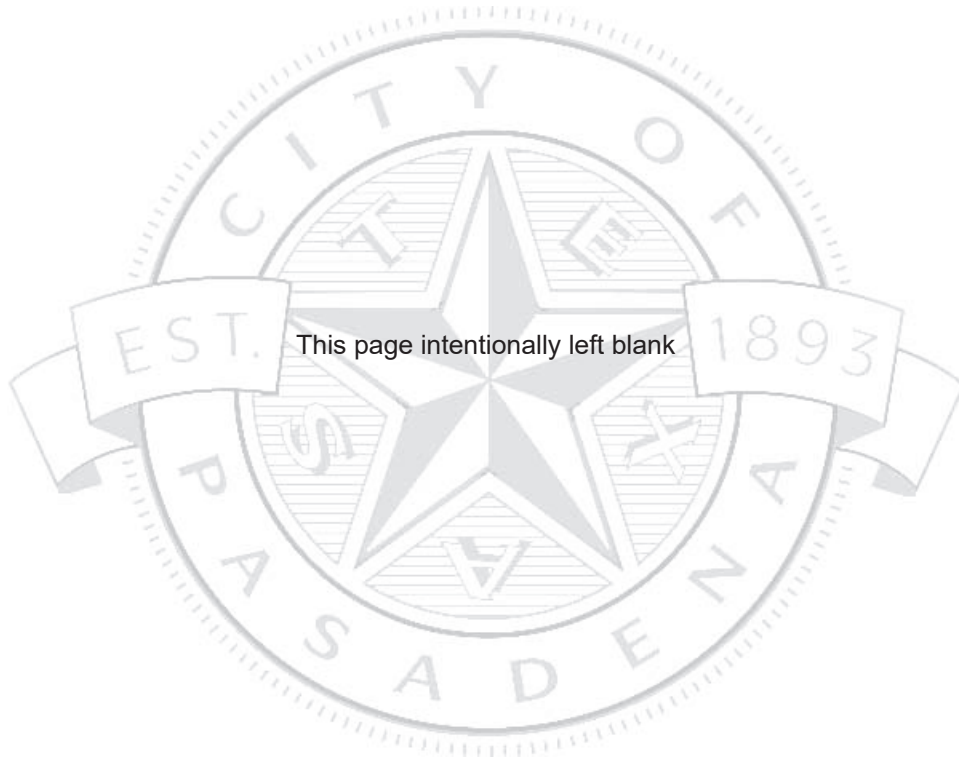
JED APLACA

DIRECTOR OF ECONOMIC DEVELOPMENT

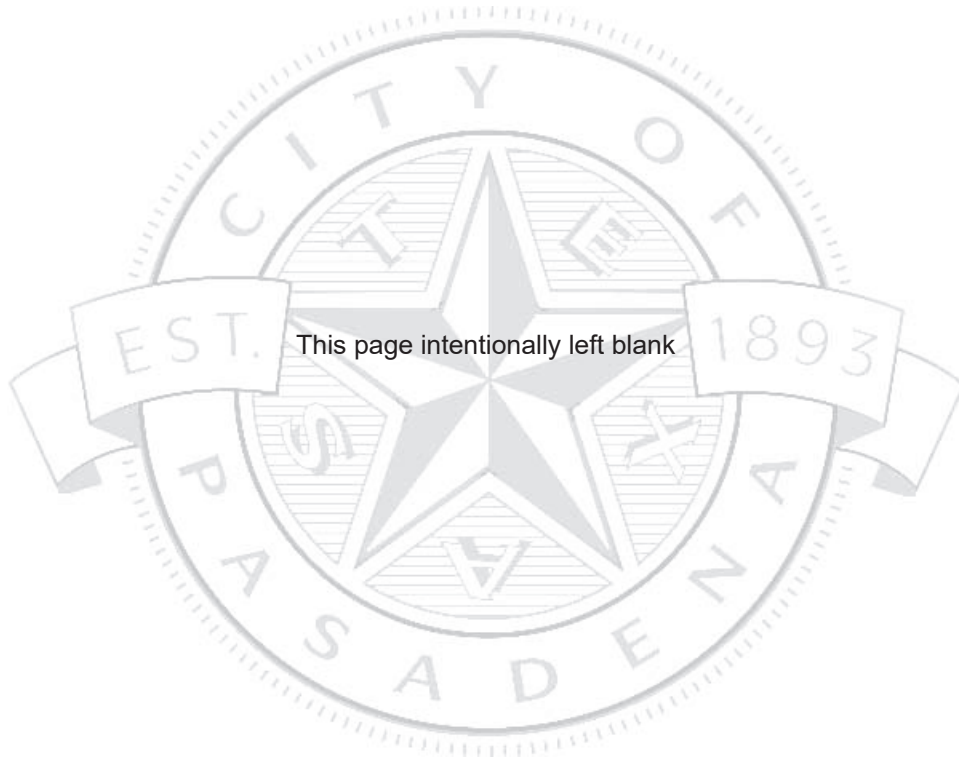
RICK GUERRERO

PRESIDING JUDGE, MUNICIPAL COURTS

RICHARD RISINGER



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, 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.

Basis for Opinions

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

Change in Accounting Principle

As described in Note I. D. 5. to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

Responsibility of Management 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 and for the design, implementation,

and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

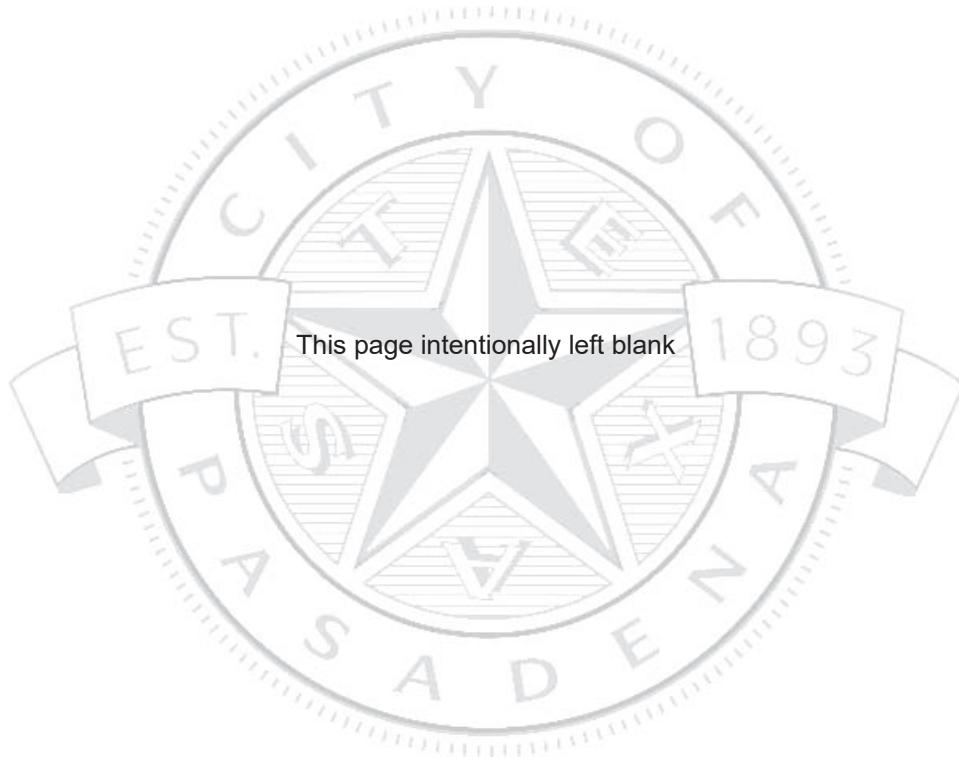
In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 23, 2023



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pasadena's (the "City") Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial performance of the City for the fiscal year ended September 30, 2022. This discussion and analysis includes comparative data for fiscal year 2021. 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, 2022 are as follows:

Government-Wide Financial Statements

The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,064,642,443 (net position), showing an increase of \$66,518,096 (6.7%), compared to the prior fiscal year of \$998,124,347. Total net position of the City is comprised of the following:

Net investment in capital assets of \$869,079,565 (81.6%) includes land, improvements, construction in progress, and other capital assets, net of accumulated depreciation, and reduced by outstanding debt and net unspent proceeds related to the construction of capital assets.

Net position of \$136,721,892 (12.9%) is restricted by constraints imposed from outside the City such as debt covenants, laws, and regulations.

Net position of \$58,840,986 (5.5%) 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 \$287,161,529. This compares to the prior fiscal year combined fund balances of \$217,074,733, showing an increase of \$70,086,796 (32%). Approximately 33.7% of the fund balances, \$96,672,334, is available for spending at the City's discretion (unassigned) and 57.7% of the fund balance, \$165,643,468, is restricted for court, law enforcement, economic development, housing services, capital construction, and debt service. The balance of \$22,407,543 (7.8%) is committed for capital construction in the amounts of \$7,701,190 for the grant HMGP the City's matching portion and \$15,000 for election, recall, and charter revision. The \$14,691,353 is for various capital projects including drainage improvements and sidewalk replacement projects. Assigned is for purchases on order of \$1,306,065 and capital construction of \$1,132,119, totaling \$2,438,184 (0.8%).

At the end of fiscal year, the general fund had a total fund balance of \$97,993,399. The unassigned portion of the fund balance was \$96,672,334 or 87.6% of total general fund expenditures of \$110,394,990. The committed portion of the fund balance was \$15,000. The assigned portion of the fund balance was \$1,306,065. The City has a policy that requires the unassigned portion of the fund balance to be the equivalent of 90-days of regular general fund operating expenditures. At the end of September 30, 2022, the unassigned fund balance exceeded this required balance by \$69,451,652.

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 63-109.

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 113-119 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 125-157.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,064,642,443 at fiscal year ended September 30, 2022.

CITY OF PASADENA, TEXAS
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 396,087,136	\$ 282,773,852	\$ 59,310,825	\$ 51,051,263	\$ 455,397,961	\$ 333,825,115
Capital assets	682,455,077	669,362,975	305,176,686	303,780,709	987,631,763	973,143,684
Total assets	<u>1,078,542,213</u>	<u>952,136,827</u>	<u>364,487,511</u>	<u>354,831,972</u>	<u>1,443,029,724</u>	<u>1,306,968,799</u>
Deferred outflows of resources	23,891,854	23,975,064	4,388,475	4,562,653	28,280,329	28,537,717
Total deferred outflows	<u>23,891,854</u>	<u>23,975,064</u>	<u>4,388,475</u>	<u>4,562,653</u>	<u>28,280,329</u>	<u>28,537,717</u>
Long-term liabilities, outstanding	210,841,505	176,876,596	67,685,616	72,795,692	278,527,121	249,672,288
Other liabilities	70,472,907	48,291,910	14,075,605	15,183,057	84,548,512	63,474,967
Total liabilities	<u>281,314,412</u>	<u>225,168,506</u>	<u>81,761,221</u>	<u>87,978,749</u>	<u>363,075,633</u>	<u>313,147,255</u>
Deferred inflows of resources	40,413,709	22,301,525	3,178,268	1,933,389	43,591,977	24,234,914
Total deferred inflows	<u>40,413,709</u>	<u>22,301,525</u>	<u>3,178,268</u>	<u>1,933,389</u>	<u>43,591,977</u>	<u>24,234,914</u>
Net position:						
Net investment in capital assets	617,888,806	601,279,000	251,190,759	247,130,956	869,079,565	848,409,956
Restricted	134,376,634	91,338,428	2,345,258	2,538,409	136,721,892	93,876,837
Unrestricted	28,440,506	36,024,432	30,400,480	19,813,122	58,840,986	55,837,554
Total net position	<u>\$ 780,705,946</u>	<u>\$ 728,641,860</u>	<u>\$ 283,936,497</u>	<u>\$ 269,482,487</u>	<u>\$ 1,064,642,443</u>	<u>\$ 998,124,347</u>

By far, the largest portion of the City's net position, \$869,079,565 (81.6%), reflects its net investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. These assets are used to provide services to citizens; consequently, they are not available to be used for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

This portion of the City's net position increased by \$20,669,609, compared to prior fiscal year of \$848,409,956. Capital assets had a net increase of \$14,488,079, with 90% net increase in the governmental activities and the remaining 10% net increase in the business-type activities. The governmental activities streets and drainage projects included improvement at different detention facilities; Pasadena Boulevard; Harris to 225, Vince Bayou Greenway both PEDC projects; and the continuing of construction of new Fire Station # 6 and #7, to name a few. The major infrastructure projects in the business-type activities were various waterline projects, water storage tank rehab, and City-wide wastewater improvements. Additional information can be found in Note IV. D. pages 80-81.

The bond debt resulted in a net increase of \$39,990,128, including an increase totaling \$44,508,340 for the governmental activities and a decrease of \$4,518,212 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, \$136,721,892 (12.9%), represents resources that are subject to external restrictions on how they may be used. This compared to the prior fiscal year of \$93,876,837, showing an increase of \$42,845,055. Overall, the capital projects and economic development functions had an increase in the amount of \$26,532,817 from \$69,484,283 to \$96,017,100 partially because the Pasadena Economic Development Corporation's increase in sales tax revenue without being spent during the year.

Public works restricted net position increased by \$13,271,267 from \$3,201,190 to \$16,472,457 due in part to the general fund owing \$8,298,477 to the special revenue.

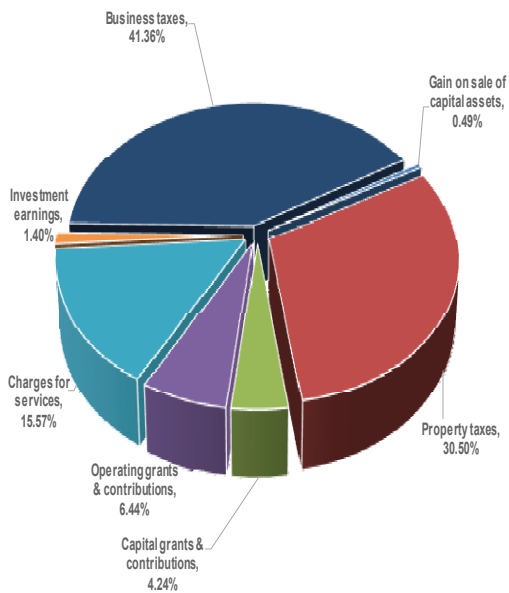
The third and final portion of the City's net position, \$58,840,986 (5.5%), represents unrestricted resources that can be used to meet the City's ongoing obligations to citizens and creditors. This portion of net position

increased by \$3,003,432, compared to the prior fiscal year of \$55,837,554. 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	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 29,314,126	\$ 31,563,100	\$ 51,187,270	\$ 49,450,010	\$ 80,501,396	\$ 81,013,110
Operating grants and contributions	12,135,165	15,783,286	-	-	12,135,165	15,783,286
Capital grants and contributions	7,992,290	4,757,024	-	-	7,992,290	4,757,024
General revenues:						
Property taxes	57,426,443	59,786,241	-	-	57,426,443	59,786,241
Business taxes	75,936,052	71,640,176	-	-	75,936,052	71,640,176
Other taxes/fees	1,958,920	1,603,920	-	-	1,958,920	1,603,920
Investment earnings	2,640,505	155,955	356,117	28,154	2,996,622	184,109
Gain on sale of capital assets	910,677	-	-	-	910,677	-
Total Revenues	188,314,178	185,289,702	51,543,387	49,478,164	239,857,565	234,767,866
Expenses:						
General government	20,421,463	21,404,451	-	-	20,421,463	21,404,451
Public safety	55,567,308	59,153,733	-	-	55,567,308	59,153,733
Public works	27,134,492	27,583,558	-	-	27,134,492	27,583,558
Health	6,112,911	5,709,263	-	-	6,112,911	5,709,263
Culture and recreation	18,772,815	18,817,481	-	-	18,772,815	18,817,481
Housing and community development	10,469,720	11,235,737	-	-	10,469,720	11,235,737
Interest on long-term debt	3,287,137	2,867,582	-	-	3,287,137	2,867,582
Water and sewer	-	-	31,573,623	32,153,043	31,573,623	32,153,043
Total Expenses	141,765,846	146,771,805	31,573,623	32,153,043	173,339,469	178,924,848
Increase in net position before transfers	46,548,332	38,517,897	19,969,764	17,325,121	66,518,096	55,843,018
Transfers	5,515,754	4,167,990	(5,515,754)	(4,167,990)	-	-
Increase in net position	52,064,086	42,685,887	14,454,010	13,157,131	66,518,096	55,843,018
Net position - beginning	728,641,860	685,955,973	269,482,487	256,325,356	998,124,347	942,281,329
Net position - ending	\$ 780,705,946	\$ 728,641,860	\$ 283,936,497	\$ 269,482,487	\$ 1,064,642,443	\$ 998,124,347

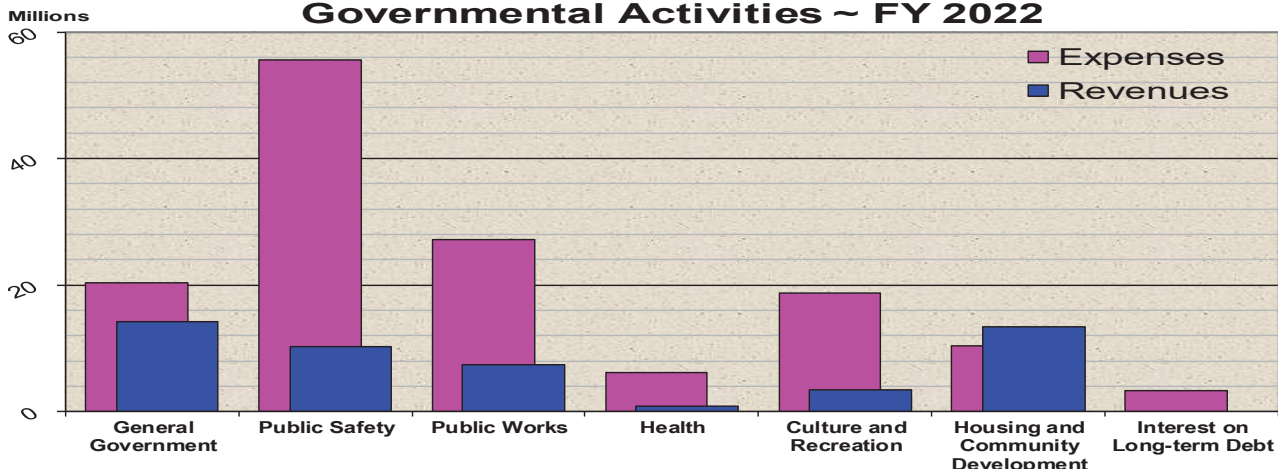


Governmental Activities. Governmental activities increased the City’s net position by \$52,064,086 (7.1%). This was impacted by the current economic conditions. The City saw overall revenues increase by \$3,024,476, excluding transfers. Program revenue decreased by \$2,661,829 (5.1%) from \$52,103,410 to \$49,441,581. Charges for services decreased by \$2,248,974 from \$31,563,100 to \$29,314,126. Operating grants and contributions decreased by \$3,648,121 and capital grants and contributions increased by \$3,235,266. General government charges for services increased by \$570,055. Public Safety charges for services increased by \$727,283 because of the increase of the sale of abandoned auto at the City’s auctions, the increase of child safety collections and with the municipal courts opening to full time after COVID-19 fines collected have increased by 7.5%. Public works charges for services decreased from \$7,940,485 to \$3,803,257 by the amount of \$4,137,228. Public safety operating grants and contributions decreased by \$3,410,308 from \$4,265,333 to \$855,025 partially due to the reimbursement from Harris County under the CRF for the prior fiscal year came in at \$3,074,726, with no reimbursement due or collected in fiscal year 2022.

There was a \$2,291,078 (1.7%) increase in general revenues, excluding transfers, gain on sale of capital assets, and investment earnings, in the governmental activities. General property taxes decreased by \$2,359,798 due to refunds made by Harris County tax collector for protests that weren’t settled during COVID-19. It should be noted that the property value from tax year 2020 to 2021 did increase from \$11,438,954,590 to \$11,825,974,124. Sales taxes increased by \$3,209,648 because of the economy growing in strength and consumer confidence. The City’s interest earnings increased by \$2,484,550 in investment income due to the increase in interest rates.

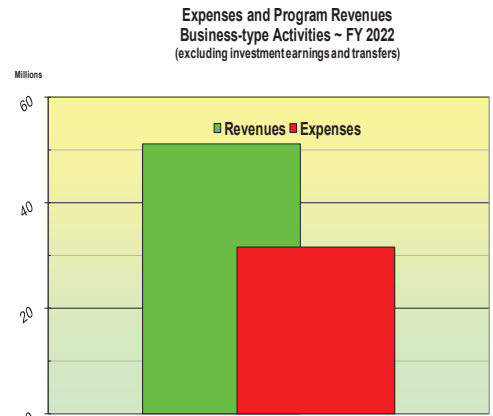
Expenses decreased by \$5,005,958 (3.4%). All functions decreased except the Health department and interest on long term debt. Contractual services increased due to the increase of ambulance services by 8.6% from \$85,667 to \$93,049 per month. The interest payments increased from \$2,867,582 to \$3,287,137 because of the additional accrued interest payable on the new certificate of obligation. Public safety expenses, decreased \$3,585,425 from \$59,153,733 to \$55,567,308 mostly due to the decrease in the police departments personnel services costs decrease due to Uri winter storm in fiscal year 2021 and the emergency pay. Public works expenses decreased by \$449,066 from \$27,583,558 to \$27,134,492 for a decreased costs due to the PEDC spending less in public works but more in culture and recreation. There was a decrease of \$766,017 from \$11,235,737 to \$10,469,720 in the Housing and Community Development expenses due to a decrease in expenses in public services.

Expenses and Program Revenues Governmental Activities ~ FY 2022



Business-type Activities. Business-type activities increased the City’s net position by \$14,454,010. The key elements of this increase include:

The business-type activities saw a decrease in expenses of \$579,420. Personnel services decreased by \$785,184 (10.6%) again due to less personnel costs than the year before. Last year, personnel services were 25% of total operating expenses and currently they are at 22.8%. The business-type activities capital contribution from the Pasadena Economic Development Corporation (PEDC) capital projects fund was \$937,246 for lift stations rehabilitation projects. This is reported on the Statement of Activities as capital contribution. Capital assets purchased were capitalized in the water and sewer funds. The water and sewer funds current acquisition and construction of capital assets was \$7,463,024 compared to prior year of \$9,974,548. The projects include improvement of 12” waterlines on Spencer, Preston, Southmore and Cascade water storage tank. This is reported on the Statement of Net Position. Interest expense on bonds included in water and sewer system expense on the Statement of Activities went from \$2,576,738 to \$2,381,762; a slight decrease due to the total bond debt in the water and sewer funds.



Revenues, including interest earnings, had an increase of \$2,065,223. Charges for services increased by \$1,737,260. Water revenue increased \$2,191,995 (8.7%) from \$25,322,241 to \$27,514,236 due in part to the CPI increase of 4.5% and the increase water sales. Again, interest earnings increased by \$327,963 from \$28,154 to \$356,117 due to higher interest rates nationwide.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

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

As of the end of the current fiscal year, the City reported combined ending fund balances of \$287,161,529. Approximately 33.7% of this amount, or \$96,672,334, 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 (\$16,757,487 or 5.8%)
2. restricted to pay debt service (\$3,655,356 or 1.3%)
3. restricted to pay for certain capital construction (\$145,230,625 or 50.6%)
4. assigned to pay purchases on order (\$1,306,065 or 0.4%)
5. assigned to pay capital construction (\$1,132,119 or 0.4%)
6. committed to general government capital construction and recall, election, and charter revision (\$22,407,543 or 7.8%)

The general fund is the principal operating fund of the City of Pasadena. As of September 30, 2022, the general fund reported fund balance of \$97,993,399. This compared to the prior fiscal year of \$86,643,362, showing an increase of \$11,350,037 (13%).

The unassigned portion of the general fund’s fund balance was \$96,672,334. 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 \$110,394,990 or 87.6%, an increase of 8.9% over last year’s percentage of 78.7%.

The City's general fund general property tax collection decreasing by 1.3%. Industrial district fees had an increase by 4.1% 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 \$2,139,765 (8%) over last year. Expenditures, excluding transfers out, increased by \$1,753,030 or 1.6% which was due to the purchase of a new fire truck by the fire fighting department in the amount of \$2,677,532. The general fund transferred \$3,055,877 less in fiscal year 2022 than the year before which included the transfer to the capital projects funds for projects in the amount of \$7,446,501, the transfer to the grant management fund in the amount of \$472,790, and \$2,950,000 to the internal service fund. The decrease was due to the general fund funding capital projects including various paving and drainage projects. The transfer amount decreased by \$5,706,667 however, the general fund transferred \$2,200,000 more to the internal service fund to ensure a positive unrestricted net position as of September 30, 2022.

The debt service fund has a total fund balance of \$3,655,356, all of which is restricted for the payment of debt service. The decrease in fund balance of \$461,492 compared to prior fiscal year fund balance of \$4,116,848 was mainly due to the prior year refunds due to the success of protests for property values in the City which hadn't been settled since COVID-19 in 2020.

The Pasadena Economic Development Corporation fund has a total fund balance of \$78,416,954, all of which is restricted for capital projects and economic development. The increase in fund balance of \$8,767,019, or 12.6%, compared to prior fiscal year of \$69,649,935. There was an increase in sales taxes collected by 8% over last year, noting again the improving economy. There was a slight decrease in expenditures of \$136,759. The majority of projects were in culture and recreation in the total amount of \$3,844,424. The greater part was used on the convention center projects, and the Fairmont Parkway drainage and Little Vince Bayou projects. There was a decrease in administrative costs of \$212,766 from \$1,499,173 to \$1,286,407 due to the decrease in personnel services. The PEDC did not have a full staff during the year due to vacant positions.

The capital projects fund has a total fund balance of \$82,637,143, with \$66,813,671 restricted for capital construction projects; \$14,691,353 committed by the Council, the highest level of decision making for capital construction; and \$1,132,119 assigned by management for capital construction. The increase in fund balance amounted to \$47,930,747, compared to the prior fiscal year increase of \$6,254,945. The City transferred \$7,446,501 from the general fund to the capital projects funds, as stated above. The capital outlay expenditures in the amount of \$13,985,209 had increased by \$1,889,017 compared to the prior fiscal year of \$12,096,192 with the majority of expenditures concentrated on public works totaling \$11,139,147. Projects under public works, the largest expenditures, included the annual drainage, Wafer improvements, and sidewalks improvement, to name a few. The City is also constructing a police annex and city marshal service administrative building. It is being funded by the Certificates of Obligation, Series 2022.

The grant management fund has a total fund balance of \$14,011,105, of which \$6,309,915 is restricted and \$7,701,190 is committed for specific grant purposes. There was an increase in the fund balance of \$1,280,371. The intergovernmental revenue increased by \$2,742,476 from \$15,497,833 to \$18,240,309 due to HAP equity increased by \$1,242,867. In fiscal year 2021, there was a total of 11,569 voucher units released and in fiscal year 2022 there was 11,685 causing the increase. The revenue increased by \$2,950,617 for various grants funds from \$1,977,660 to \$4,928,277.

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 \$134,694,601, including transfers out, was \$10,711,967 (8.6%) more than the original budget of \$123,982,634.

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

- \$112,738 increase for General Government - included an increase in other charges of \$99,747 due to the budget amendment reclassing personnel termination pay to the function where retirements took place during the fiscal year.
- \$3,392,741 increase for Public Safety - included increased costs in fire-fighting purchase of a fire truck, as been stated before.
- \$286,672 increase for Public Works - included an increase in the contractual services in the sanitation department.
- \$218,800 increase in Health - included an increase in the materials and supplies items needed.
- \$581,725 increase in Culture and Recreation – there were small budget changes throughout several departments due to various activities that were put on hold.
- \$6,119,291 increase in Other Financing (Uses) – an additional \$3,446,501 was transferred to the capital project funds for projects listed above and \$2,200,000 was transferred to the maintenance fund to ensure unrestricted net position was positive. Also, \$472,790 the City's matching portion was transferred to the grant management fund.

Even with the above-mentioned amendments, total actual expenditures, including transfers out totaling \$121,264,281, were \$13,430,320 below the final budget. The general government function had a variance of \$4,694,037, specifically in personnel services in the municipal court and contractual services in inspections and other charges. Public safety had a variance of \$3,870,267, with the largest variance in the police department from final budget to actual in the amount of \$3,086,017 as actual police personnel service were expected to be higher due to overtime in the amount of \$2,931,378, and the culture and recreation function had a variance in the amount of \$2,729,353 with recreation being \$1,161,581 lower due to continued cancelation of recreation activities because of the pandemic.

Actual revenues, including the transfers in and sale of capital assets, totaled \$132,614,318, which was over the final budgeted amount of \$123,079,198 by \$9,535,120. The largest favorable variance was in the amount of \$7,983,168 for business taxes and fees due to the City's increase in the sales tax collection over the final budget amount of \$6,239,060.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022 amounted to \$987,631,763 (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 \$14,488,079 (1.5%), compared to prior fiscal year of \$973,143,684. There was an \$13,092,102 (1.9%) increase for governmental activities and \$1,395,977 (0.4%) increase for business-type activities.

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

- Continued Channel/Detention BW8-Crenshaw (D037) - \$15,438 with \$557,561 construction in progress at the end of the fiscal year.
- Continued Partnership Park (D039) - \$917,942 with \$1,255,432 in progress at the end of the fiscal year.
- Continued Golden Acres Detention (D044) - \$528,324 with \$1,045,369 in progress at the end of the fiscal year.
- Continued 2021 Annual Drainage Imp (D046) - \$1,046,542 with 1,338,648 in progress at the end of the fiscal year.
- Continued Armand Bayou Upper Reaches Project (D056) - \$494,731 with \$1,079,007 in progress at the end of the fiscal year.
- Continued Fairmont Pkwy Drainage Imp (D058) - \$176,255 with \$358,425 in progress at the end of the fiscal year.
- Began 2022 Annual Drainage Improvement (D060) - \$404,546 in progress at the end of the fiscal year.

- Began North Pasadena Harvey Mitigation (D064) - \$1,284,142 in progress at the end of the fiscal year.
- Began Red Bluff Drainage Impr (D066) - \$146,758 in progress at the end of the fiscal year.
- Continued Fire Station #6 (F011) - \$49,645 with \$79,645 in progress at the end of the fiscal year.
- Continued Fire Station #7 (F014) - \$46,225 with \$76,225 in progress at the end of the fiscal year.
- Continued Convention Center Infrastructure Imp (M026) - \$171,091 with \$258,029 in progress at the end of the fiscal year.
- Continued Tyler Technologies (M043) - \$10,168 with \$391,648 in progress at the end of the fiscal year.
- Continued City Hall Emergency Power Generator addition (M047) - \$184,062 with \$361,267 in progress at the end of the fiscal year.
- Began City Hall Air Handlers and Automation Pr (M053) - \$253,859 in progress at the end of the fiscal year.
- Began Campbell Hall Rebuild Project (M058) - \$4,000 in progress at the end of the fiscal year.
- Began Convention Center Site Imp. Phase III (M061) - \$107,786 at the end of the fiscal year.
- Began Pasadena Police Annex (P010) - \$81,368 at the end of the fiscal year.
- Continued Holly Bay Splash Pad Installation (R045) - \$69,994 with \$208,447 in progress at the end of the fiscal year.
- Continued Preston/Crenshaw Park (R055) - \$274,605 with \$317,272 in progress at the end of the fiscal year.
- Continued Vince Bayou Greenway (R066) - \$1,457,275 with \$1,500,637 in progress at the end of the fiscal year.
- Began El Jardin Beach Park Impr. (R070) - \$527,304 in progress at the end of the fiscal year.
- Began Golf Course Entrance Impro. Project (R079) \$40,332 in progress at the end of the fiscal year.
- Continued Wafer Improvements (S047) - \$1,258,401 with \$2,184,115 in progress at the end of the fiscal year.
- Continued Gateway Sign (S074) - \$10,267 with \$220,560 in progress at the end of the fiscal year.
- Continued Shaw St (S107) - \$2,013,154 with \$4,721,778 in progress at the end of the fiscal year.
- Continued Thomas Ave P&D Ph II (S109) - \$19,329 with \$79,089 in progress at the end of the fiscal year.
- Continued Richey St II (S110) - \$36,950 with \$248,055 in progress at the end of the fiscal year.
- Began Corridor Development (S113) - \$6,556 in progress at the end of fiscal year.
- Continued Burke St. Imp (S114) - \$248,917 with \$356,619 in progress at the end of the fiscal year.
- Continued East Haven Paving & Drainage Imp (S118) - \$50,602 with \$185,478 in progress at the end of the fiscal year.
- Continued Magnolia Paving & Drainage Imp (S119) - \$454,655 with \$537,595 in progress at the end of the fiscal year.
- Continued Tilden Dr. Paving & Drainage Imp (S120) - \$812,186 with \$906,083 in progress at the end of the fiscal year.
- Continued Polk Ave. Paving & Drainage Imp (S121) - \$612,482 with \$675,187 in progress at the end of the fiscal year.
- Continued Kansas St. Paving & Drainage Imp (S122) - \$115,425 with \$966,858 in progress at the end of the fiscal year.

- Continued Llano St. Paving & Drainage Imp (S123) - \$2,183,503 with \$2,226,249 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp Ph I (S126) - \$141,048 with \$160,549 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp Ph III (S127) - \$85,533 with \$96,033 in progress at the end of the fiscal year.
- Began Red Bluff Road Phase I (S130) - \$28,095 in progress at the end of the fiscal year.
- Began Shaver Street Phase II (S131) - \$29,935 in progress at the end of the fiscal year.
- Began Preston Ave. Reconstruction (S132) - \$141,535 in progress at the end of the fiscal year.
- Began Shaver Street Phase III (S135) - \$87,426 in progress at the end of the fiscal year.
- Continued 2022 Annual Paving Improvements (S136) - \$434,476 with \$442,546 in progress at the end of the fiscal year.
- Continued SH225 Gateway Monument (S144) - \$379,502 with 407,834 in progress at the end of the fiscal year.
- Began SH 225 Underpass Lighting (S165) - \$230,000 in progress at the end of the fiscal year.
- Began 2022 Annual Sidewalk Impr. Phase II (S166) - \$339,134 in progress at the end of the fiscal year.
- Began Kolb Roadway Repairs (S167) - \$7,500 in progress at the end of the fiscal year.
- Continued Hydr/HydIgy FEMA HMGP (DMHH) - \$142,380 with \$1,364,670 in progress at the end of the fiscal year.
- Began Traffic Mobility Imprvmts Ph II (T018) - \$299,609 in progress at the end of the fiscal year.
- Continued Jenkins Rd Waterline (W061) - \$63,540 with \$359,755 in progress at the end of the fiscal year.
- Continued Bay Area Water (W062) - \$32,826 with \$90,308 in progress at the end of the fiscal year.
- Began Cascade Water Storage Tank Rehab (W070) - \$206,605 in progress at the end of the fiscal year.
- Continued Glenmore & Washington Waterline Improv Project (W075) - \$290,097 with \$321,674 in progress at the end of the fiscal year.
- Continued Southmore/Preston Waterline Improv Project (W076) - \$163,119 with \$341,589 in progress at the end of the fiscal year.
- Continued Crenshaw PRV Building Improvements (W077) - \$11,771 with \$22,795 in progress at the end of the fiscal year.
- Began Sycamore Water Well Imp Project (W079) - \$15,205 in progress at the end of the fiscal year.
- Began Red Bluff Rd Seabrook 24' Waterline (W081) - \$88,155 in progress at the end of the fiscal year.
- Began Taylor Lake 24' Bypass Waterline (W083) - \$31,738 in progress at the end of the fiscal year.
- Continued Golden Acres 24' Force Main (WW049) - \$16,250 with \$162,500 in progress at the end of the fiscal year.
- Continued 2020 Citywide Sanitary Sewer Rehab (WW064) - \$1,041,036 with \$1,585,395 in progress at the end of the fiscal year.
- Continued Citywide SS Line Rehabilitation (WW067) - \$680,063 with \$1,235,391 in progress at the end of the fiscal year.
- Began Golden Acres 24' Force Main PH II (WW072) - \$40,564 with \$162,257 in progress at the end of the fiscal year.

- Began Vince Bayou WWTP UV Project (WW083) - \$184,249 in progress at the end of the fiscal year.
- Began Vince Bayou WWTP-Wet Weather Project (WW084) - \$30,309 in progress at the end of the fiscal year.
- Began El Cary Est Inflow & Infiltration Reduct (WW085) - \$7,665 in progress at the end of the fiscal year.

**CAPITAL ASSETS
(net of depreciation)
September 30, 2022**

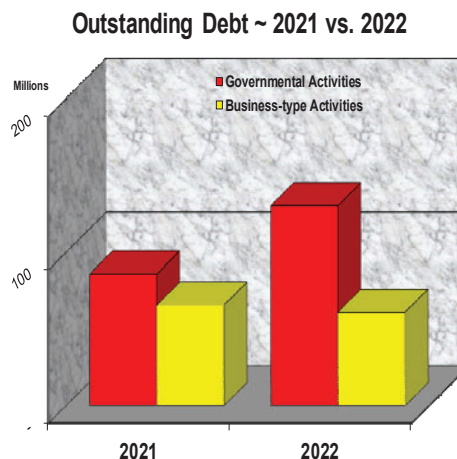
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 147,758,200	\$ 147,758,200	\$ 1,624,352	\$ 1,624,352	\$ 149,382,552	\$ 149,382,552
Buildings and building improvements	87,728,930	89,698,147	1,461,985	1,498,393	89,190,915	91,196,540
Facilities and other improvements	24,770,058	21,010,839	10,043,396	9,426,425	34,813,454	30,437,264
Machinery and equipment	16,878,967	15,006,237	1,778,530	1,714,146	18,657,497	16,720,383
Infrastructure	330,648,801	335,494,343	270,486,224	268,474,028	601,135,025	603,968,371
Automotive equipment	20,470,145	20,647,671	7,889	8,655	20,478,034	20,656,326
Construction in progress	54,199,976	39,747,538	19,774,310	21,034,710	73,974,286	60,782,248
Totals	\$ 682,455,077	\$ 669,362,975	\$ 305,176,686	\$ 303,780,709	\$ 987,631,763	\$ 973,143,684

Additional information on the City of Pasadena's capital assets can be found in Note IV, D, pages 80-81 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 \$191,659,328. Of this amount, \$130,434,230 represents debt backed and paid for by the full faith and credit of the City. The remaining \$61,225,098 represents debt either secured by the net revenues of the City's water and sewer operations or by the full faith and credit of the City, but will be paid from the City's water and sewer operations.

The overall debt increased by \$39,990,128 (26.37%) attributable to the issuance of Certificates of Obligation Bonds, Series 2022 during the current fiscal year. Please refer to note IV. H on pages 86-89 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, 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
General, certificate, and other obligations including refunding	\$130,434,230	\$ 85,925,890	\$61,225,098	\$65,743,310	\$ 191,659,328	\$ 151,669,200
Total	<u>\$130,434,230</u>	<u>\$ 85,925,890</u>	<u>\$61,225,098</u>	<u>\$65,743,310</u>	<u>\$ 191,659,328</u>	<u>\$ 151,669,200</u>

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10% of its total assessed valuation. The current debt limitation for the City is \$1,055,818,538, 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 2022) was 5.2%, down from 6.7% for the previous December per the Bureau of Labor Statistics.

- The fiscal year 2023 adopted budget for the general fund revenue of \$134,096,354, including the transfer in and sales of capital assets, is expected to increase 3.4% or \$4,353,910 when compared to the estimated revenue of \$129,742,444 for the current fiscal year. However, the actual revenue of \$132,614,318 for the fiscal year 2022 exceeded the 2022 estimated revenue amount by 2.2% or \$2,871,874.
- The taxable value increased 18.7% or \$2B to \$12.7B in the fiscal year 2023 from \$10.7B in the fiscal year 2022. The Council adopted an effective tax rate of \$0.497583/\$100 for the fiscal year 2023, which is a decrease of 3.5% or \$.0183/\$100 than the fiscal year 2022 tax rate of \$0.515909/\$100. The effective tax rate (no new revenue) generated the same amount of tax levy for properties taxed in both fiscal years of 2022 and 2021, however, in fiscal year 2023, the voter approved rate was used, which and as a result, the tax levy would increase 7.79% and \$653,886 from new property.
- The assessed valuation of the Industrial District was not yet available when the 2023 budget was adopted in September 2022. The fiscal year 2023 budgeted amount of \$23,000,000 was estimated higher than fiscal year 2022. The assessed valuation for the fiscal year 2023 is now available, and the estimated billable revenue was \$27,712,285, an increase by 20.5% or \$4,712,285 when compared to the actual current year industrial fee revenue of \$23,926,598 for the fiscal year 2022.
- With the national economy remaining the same, the budgeted sales tax revenue of \$22,500,000 for the fiscal year 2023 compared to \$27,131,280 as the estimated revenue for the fiscal year 2022. The actual sales tax revenue of \$28,739,060 turned out a bit stronger than expected by 5.9% or \$1,607,780.
- The water and sewer revenue is to cover the City's cost in providing water and sewer service and to make debt payments. The 2023 budget of \$49,005,200 under the modified accrual basis reflected a decrease of 5% or \$2,344,60 when compared to the estimated revenue of \$46,660,600 for the fiscal year 2022.

These indicators were taken into account when adopting the general fund budget for fiscal year 2023. Revenues in the general fund are budgeted in the amount of \$134,096,354, including transfers and sales of

capital assets, which is a decrease of \$598,247 over the final fiscal year 2022 budget of \$134,694,601 (including transfers in and sale of capital assets). The revenue decreases were mainly immaterial at the time the budget was prepared.

Expenditures are budgeted to decrease by 0.4%, or \$598,247 in comparison to the final budgeted expenditures of fiscal year 2022. This decrease is due to an anticipated reduction of funds transferred to the capital projects funds from the general fund.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF PASADENA, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,714,531	\$ 1,406,337	\$ 3,120,868	\$ -
Investments	151,799,907	47,376,729	199,176,636	13,120,564
Receivables (net of allowances for uncollectible)	10,821,244	7,687,742	18,508,986	2,402,383
Due from primary government	-	-	-	28,110
Internal balances	6,064,059	(6,064,059)	-	-
Inventories	949,275	-	949,275	-
Prepaid items	822,247	-	822,247	-
Deposits	384,000	-	384,000	-
TMRS net pension asset	16,161,076	920,800	17,081,876	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	686,326	-	686,326	-
Investments	203,100,065	7,983,276	211,083,341	-
Intergovernmental receivables	3,584,406	-	3,584,406	-
Capital assets not being depreciated:				
Land	147,758,200	1,624,352	149,382,552	-
Construction in progress	54,199,976	19,774,310	73,974,286	-
Capital assets net of accumulated depreciation:				
Buildings and building improvements	87,728,930	1,461,985	89,190,915	-
Facilities and other improvements	24,770,058	10,043,396	34,813,454	-
Machinery and equipment	16,878,967	1,778,530	18,657,497	-
Infrastructure	330,648,801	270,486,224	601,135,025	-
Automotive	20,470,145	7,889	20,478,034	-
TOTAL ASSETS	1,078,542,213	364,487,511	1,443,029,724	15,551,057
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charges on:				
Refunding bonds	830,963	2,059,852	2,890,815	-
Deferred outflows on:				
TMRS pension	10,694,257	851,254	11,545,511	-
Fire pension	221,900	-	221,900	-
Healthcare OPEB	11,260,915	1,405,697	12,666,612	-
SDBF OPEB	883,819	71,672	955,491	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 23,891,854	\$ 4,388,475	\$ 28,280,329	\$ -

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
LIABILITIES				
Accounts payable and other current liabilities	\$ 7,750,479	\$ 3,874,182	\$ 11,624,661	\$ 464,695
Accrued payroll payable	3,011,933	253,616	3,265,549	301,333
Accrued interest payable	813,058	-	813,058	-
Due to component unit	28,110	-	28,110	-
Liabilities payable from restricted assets	7,818,859	611,246	8,430,105	-
Customer deposits	-	5,403,500	5,403,500	-
Unearned revenue	40,284,334	-	40,284,334	-
Noncurrent liabilities:				
Due within one year	10,766,134	3,933,061	14,699,195	-
Due in more than one year	210,841,505	67,685,616	278,527,121	-
TOTAL LIABILITIES	281,314,412	81,761,221	363,075,633	766,028
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on:				
TMRS pension	32,593,065	2,479,321	35,072,386	-
Fire pension	526,814	-	526,814	-
Healthcare OPEB	6,236,037	660,651	6,896,688	-
SDBF OPEB	472,318	38,296	510,614	-
Leases	585,475	-	585,475	-
TOTAL DEFERRED INFLOWS OF RESOURCES	40,413,709	3,178,268	43,591,977	-
NET POSITION				
Net investment in capital assets	617,888,806	251,190,759	869,079,565	-
Restricted for:				
Debt service	3,985,675	2,345,258	6,330,933	-
Capital projects and economic development	96,017,100	-	96,017,100	-
Public safety	5,948,122	-	5,948,122	14,785,029
Public works	16,472,457	-	16,472,457	-
Housing and community development	3,053,127	-	3,053,127	-
Cultural and recreation	6,019,292	-	6,019,292	-
Other purpose	2,880,861	-	2,880,861	-
Unrestricted	28,440,506	30,400,480	58,840,986	-
TOTAL NET POSITION	\$ 780,705,946	\$ 283,936,497	\$ 1,064,642,443	\$ 14,785,029

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, 2022**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 20,421,463	\$ 14,027,342	\$ 186,611	\$ -
Public safety	55,567,308	7,492,703	855,025	1,861,820
Public works	27,134,492	3,803,257	10,505	3,642,207
Health	6,112,911	831,534	-	-
Culture and recreation	18,772,815	3,062,580	269,200	55,000
Housing and community development	10,469,720	96,710	10,813,824	2,433,263
Interest on long-term debt	3,287,137	-	-	-
Total governmental activities	141,765,846	29,314,126	12,135,165	7,992,290
Business-type activities:				
Water and sewer system	31,573,623	51,187,270	-	-
TOTAL PRIMARY GOVERNMENT	\$ 173,339,469	\$ 80,501,396	\$ 12,135,165	\$ 7,992,290
Component unit:				
Pasadena Crime Control and Prevention District	\$ 11,198,758	\$ -	\$ -	\$ -

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
\$ (6,207,510)	\$ -	\$ (6,207,510)	\$ -
(45,357,760)	-	(45,357,760)	-
(19,678,523)	-	(19,678,523)	-
(5,281,377)	-	(5,281,377)	-
(15,386,035)	-	(15,386,035)	-
2,874,077	-	2,874,077	-
(3,287,137)	-	(3,287,137)	-
(92,324,265)	-	(92,324,265)	-
-	19,613,647	19,613,647	-
(92,324,265)	19,613,647	(72,710,618)	-
			11,198,758
57,426,443	-	57,426,443	-
23,810,452	-	23,810,452	-
43,108,590	-	43,108,590	14,180,303
9,017,010	-	9,017,010	-
1,958,920	-	1,958,920	-
77,894,972	-	77,894,972	14,180,303
1,222,627	356,117	1,578,744	-
1,417,878	-	1,417,878	93,767
910,677	-	910,677	-
5,515,754	(5,515,754)	-	-
144,388,351	(5,159,637)	139,228,714	14,274,070
52,064,086	14,454,010	66,518,096	3,075,312
728,641,860	269,482,487	998,124,347	11,709,717
\$ 780,705,946	\$ 283,936,497	\$ 1,064,642,443	\$ 14,785,029

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,714,531	\$ -	\$ -	\$ -
Investments	130,051,320	-	-	-
Receivables (net of allowance for uncollectible)	7,761,983	248,240	2,420,169	1,800
Due from other funds	1,173,724	51,553	-	17,773,664
Restricted assets				
Cash and cash equivalents	-	-	10,234	-
Investments	-	3,685,882	76,908,053	68,777,672
Receivables (net of allowance for uncollectible)	-	-	-	-
TOTAL ASSETS	\$ 140,701,558	\$ 3,985,675	\$ 79,338,456	\$ 86,553,136
<u>LIABILITIES</u>				
Accounts payable	\$ 6,018,057	\$ 52,400	\$ -	\$ -
Accrued payroll payable	2,766,206	-	-	-
Due to other funds	31,948,233	-	-	-
Due to component unit	28,110	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue - other	-	-	-	-
Liabilities payable from restricted assets	-	-	921,502	3,915,993
TOTAL LIABILITIES	40,760,606	52,400	921,502	3,915,993
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	897,017	277,919	-	-
Unavailable revenue - industrial district fees	81,425	-	-	-
Deferred inflows - leases	585,475	-	-	-
Unavailable revenue - electrical franchise	383,636	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,947,553	277,919	-	-
<u>FUND BALANCES</u>				
Restricted	-	3,655,356	78,416,954	66,813,671
Committed	15,000	-	-	14,691,353
Assigned	1,306,065	-	-	1,132,119
Unassigned	96,672,334	-	-	-
TOTAL FUND BALANCES	97,993,399	3,655,356	78,416,954	82,637,143
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 140,701,558	\$ 3,985,675	\$ 79,338,456	\$ 86,553,136

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
- Internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mail room, and risk management in regards to workers' compensation claims; general liability insurance, and health care benefits to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.
- Net pension asset are not reported in the current period and, therefore, are not reported in the funds net pension asset \$14,861,935 and deferred outflows \$9,955,179 less deferred inflows (\$30,158,336).
- Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

NET POSITION OF GOVERNMENTAL ACTIVITIES

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 1,714,531
-	-	130,051,320
-	-	10,432,192
8,378,122	1,537,061	28,914,124
623,029	53,063	686,326
45,178,661	8,549,797	203,100,065
3,154,627	429,779	3,584,406
\$ 57,334,439	\$ 10,569,700	\$ 378,482,964
\$ -	\$ -	\$ 6,070,457
-	-	2,766,206
-	-	31,948,233
-	-	28,110
179,764	-	179,764
40,284,297	37	40,284,334
2,859,273	122,091	7,818,859
43,323,334	122,128	89,095,963
-	-	1,174,936
-	-	81,425
-	-	585,475
-	-	383,636
-	-	2,225,472
6,309,915	10,447,572	165,643,468
7,701,190	-	22,407,543
-	-	2,438,184
-	-	96,672,334
14,011,105	10,447,572	287,161,529
\$ 57,334,439	\$ 10,569,700	

650,942,184

1,639,997

56,032,432

(5,341,222)

(209,728,974)

\$ 780,705,946

The accompanying notes are an integral part of the financial statements

CITY OF PASADENA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
REVENUES				
General property taxes	\$ 46,807,753	\$ 10,426,174	\$ -	\$ -
Business taxes and fees				
Industrial district fees	23,926,598	-	-	-
Sales taxes	28,739,060	-	14,369,530	-
Franchise fees	8,422,163	-	-	-
Other taxes and fees	347,972	-	-	-
Total business taxes and fees	<u>61,435,793</u>	<u>-</u>	<u>14,369,530</u>	<u>-</u>
Licenses and permits	2,482,555	-	-	-
Municipal court fines	3,129,283	-	-	-
Charges for services	13,052,793	-	-	-
Intergovernmental	254,404	-	-	1,042,239
Program income	-	-	-	-
Contribution from outside sources	-	-	-	12,600
Miscellaneous	1,287,166	-	30,140	-
Investment income	<u>1,068,733</u>	<u>25,756</u>	<u>527,769</u>	<u>514,562</u>
TOTAL REVENUES	<u>129,518,480</u>	<u>10,451,930</u>	<u>14,927,439</u>	<u>1,569,401</u>
EXPENDITURES				
Current:				
General government	18,983,135	-	-	-
Public safety	53,194,082	-	-	-
Public works	16,644,470	-	1,286,407	-
Health	5,884,637	-	-	-
Culture and recreation	15,688,666	-	-	-
Housing and community development	-	-	-	-
Debt Service:				
Principal	-	7,803,640	-	-
Interest	-	3,110,903	-	-
Underwriter/issuance costs	-	-	-	523,130
Capital Outlay:				
General government	-	-	-	790,893
Public safety	-	-	-	165,937
Public works	-	-	1,029,589	11,139,147
Culture and recreation	-	-	3,844,424	1,889,232
TOTAL EXPENDITURES	<u>110,394,990</u>	<u>10,914,543</u>	<u>6,160,420</u>	<u>14,508,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,123,490</u>	<u>(462,613)</u>	<u>8,767,019</u>	<u>(12,938,938)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	1,121	-	7,446,501
Transfers out	(10,869,291)	-	-	(1,121)
Bonds issued	-	-	-	48,120,000
Premiums on bonds issued	-	-	-	5,304,305
Sale of capital assets	<u>95,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(7,773,453)</u>	<u>1,121</u>	<u>-</u>	<u>60,869,685</u>
NET CHANGE IN FUND BALANCES	<u>11,350,037</u>	<u>(461,492)</u>	<u>8,767,019</u>	<u>47,930,747</u>
FUND BALANCES, BEGINNING	<u>86,643,362</u>	<u>4,116,848</u>	<u>69,649,935</u>	<u>34,706,396</u>
FUND BALANCES, ENDING	<u>\$ 97,993,399</u>	<u>\$ 3,655,356</u>	<u>\$ 78,416,954</u>	<u>\$ 82,637,143</u>

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 57,233,927
-	-	23,926,598
-	-	43,108,590
-	211,211	8,633,374
-	1,610,948	1,958,920
-	1,822,159	77,627,482
-	2,630	2,485,185
-	327,868	3,457,151
-	-	13,052,793
18,240,309	370,029	19,906,981
52,844	-	52,844
-	-	12,600
-	600,217	1,917,523
289,053	60,738	2,486,611
18,582,206	3,183,641	178,233,097
-	213,100	19,196,235
1,160,948	1,011,560	55,366,590
3,599,467	-	21,530,344
-	-	5,884,637
83,841	738,867	16,511,374
12,930,369	-	12,930,369
-	-	7,803,640
-	-	3,110,903
-	-	523,130
-	-	790,893
-	-	165,937
-	-	12,168,736
-	-	5,733,656
17,774,625	1,963,527	161,716,444
807,581	1,220,114	16,516,653
472,790	-	10,920,412
-	-	(10,870,412)
-	-	48,120,000
-	-	5,304,305
-	-	95,838
472,790	-	53,570,143
1,280,371	1,220,114	70,086,796
12,730,734	9,227,458	217,074,733
\$ 14,011,105	\$ 10,447,572	\$ 287,161,529

The accompanying notes are an integral part of the financial statements



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**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, 2022**

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)	\$	70,086,796
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.		11,492,496
Revenues in the statement of activities that do not provide current financial resources are deferred as revenues in the funds.		460,006
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.		(45,620,665)
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.		9,209,551
Internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mailroom, and risk management in regards to workers' compensation claims; general liability insurance, and health care benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		6,435,902
Change in net position of governmental activities (page 43)	\$	<u>52,064,086</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 48,001,907	\$ 48,001,907	\$ 46,807,753	\$ (1,194,154)
Business taxes and fees				
Industrial district fees	22,915,000	22,915,000	23,926,598	1,011,598
Sales taxes	22,500,000	22,500,000	28,739,060	6,239,060
Franchise fees	7,737,600	7,737,600	8,422,163	684,563
Other taxes and fees	300,025	300,025	347,972	47,947
Total business taxes and fees	<u>53,452,625</u>	<u>53,452,625</u>	<u>61,435,793</u>	<u>7,983,168</u>
Licenses and permits	2,290,575	2,290,575	2,482,555	191,980
Municipal court fines	2,610,100	2,610,100	3,129,283	519,183
Charges for services	12,066,300	12,066,300	13,052,793	986,493
Intergovernmental	239,946	250,452	254,404	3,952
Miscellaneous	1,066,500	1,295,739	1,287,166	(8,573)
Investment income	101,500	101,500	1,068,733	967,233
TOTAL REVENUES	<u>119,829,453</u>	<u>120,069,198</u>	<u>129,518,480</u>	<u>9,449,282</u>
EXPENDITURES				
Current				
General Government				
City council	230,573	230,573	192,099	38,474
Mayor	702,778	753,704	738,317	15,387
Budget and financial planning	853,806	853,550	790,941	62,609
Municipal court	2,563,989	2,564,065	2,352,562	211,503
City controller	2,367,730	2,370,536	2,204,539	165,997
Tax	635,470	635,470	603,032	32,438
Purchasing	579,942	579,942	562,442	17,500
Legal	1,303,706	1,473,293	1,362,847	110,446
City secretary	507,106	517,813	482,980	34,833
Elections	1,500	1,500	938	562
Human resources	1,065,554	1,065,554	1,014,064	51,490
Civil service	56,076	56,076	38,238	17,838
City marshal	1,529,915	1,541,482	1,440,960	100,522
Community relations	1,269,401	1,278,713	1,234,615	44,098
Pasadena action line	470,956	472,736	451,714	21,022
Planning	657,836	657,837	525,224	132,613
Economic development liaison	551,174	551,174	477,288	73,886
Neighborhood network	592,499	608,569	557,570	50,999
Inspections	2,133,248	2,161,494	1,697,605	463,889
Property management	1,377,875	1,039,476	750,258	289,218
City hall	857,366	923,679	809,351	114,328
Facilities management	248,077	232,332	131,400	100,932
Impound/storage	342,797	342,797	284,824	57,973
Other charges	2,665,060	2,764,807	279,327	2,485,480
Total General Government	<u>23,564,434</u>	<u>23,677,172</u>	<u>18,983,135</u>	<u>4,694,037</u>
Public Safety				
Emergency preparedness	1,051,638	1,051,638	1,019,973	31,665
Fire fighting	3,508,745	6,193,153	5,586,412	606,741
Fire prevention	1,824,073	1,824,911	1,762,588	62,323
Police	46,525,315	47,225,710	44,139,693	3,086,017
Code enforcement	761,837	768,937	685,416	83,521
Total Public Safety	<u>53,671,608</u>	<u>57,064,349</u>	<u>53,194,082</u>	<u>3,870,267</u>
Public Works				
Engineering	2,304,876	2,398,417	2,250,161	148,256
Street lighting and signals	1,350,000	1,350,000	1,137,754	212,246
Sanitation	9,154,594	9,346,475	9,116,893	229,582
Street and bridge	3,105,150	3,106,400	2,763,915	342,485
Traffic and transportation	1,910,990	1,910,990	1,375,747	535,243
Total Public Works	<u>\$ 17,825,610</u>	<u>\$ 18,112,282</u>	<u>\$ 16,644,470</u>	<u>\$ 1,467,812</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health				
Health	\$ 2,674,146	\$ 2,761,713	\$ 2,573,157	\$ 188,556
Animal rescue and assistance	3,660,542	3,791,775	3,311,480	480,295
Total Health	6,334,688	6,553,488	5,884,637	668,851
Culture and Recreation				
Parks	4,127,119	4,243,581	3,537,237	706,344
Recreation	4,139,113	4,382,511	3,220,930	1,161,581
Clean streets	1,982,657	2,005,735	1,952,476	53,259
Golf course	1,290,252	1,409,837	969,170	440,667
Multi-purpose center	617,362	620,241	496,095	124,146
Civic center	809,514	815,272	813,065	2,207
Senior center - Madison Jobe	768,542	781,499	714,968	66,531
Museum	168,158	169,835	127,604	42,231
Library	3,933,577	3,989,508	3,857,121	132,387
Total Culture and Recreation	17,836,294	18,418,019	15,688,666	2,729,353
TOTAL EXPENDITURES	119,232,634	123,825,310	110,394,990	13,430,320
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	596,819	(3,756,112)	19,123,490	22,879,602
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	(4,750,000)	(10,869,291)	(10,869,291)	-
Sale of capital assets	10,000	10,000	95,838	85,838
TOTAL OTHER FINANCING (USES)	(1,740,000)	(7,859,291)	(7,773,453)	85,838
NET CHANGE IN FUND BALANCES	(1,143,181)	(11,615,403)	11,350,037	22,965,440
FUND BALANCES - BEGINNING	71,212,468	86,643,362	86,643,362	-
FUND BALANCES - ENDING	\$ 70,069,287	\$ 75,027,959	\$ 97,993,399	\$ 22,965,440

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 326,635	\$ 326,635
Program income	1,500	1,500	15,560	14,060
TOTAL REVENUES	1,500	1,500	342,195	340,695
EXPENDITURES				
Current				
Public Safety				
Contractual services	123,000	123,000	41,628	81,372
Materials and supplies	109,000	109,000	65,663	43,337
TOTAL EXPENDITURES	232,000	232,000	107,291	124,709
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(230,500)	(230,500)	234,904	465,404
FUND (PROGRAM) BALANCE - BEGINNING	1,987,999	2,011,147	2,011,147	-
FUND (PROGRAM) BALANCE - ENDING	\$ 1,757,499	\$ 1,780,647	\$ 2,246,051	\$ 465,404

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 43,136	\$ 43,136
Program income	500	500	4,193	3,693
TOTAL REVENUES	500	500	47,329	46,829
EXPENDITURES				
Current				
Public Safety				
Contractual services	68,000	69,286	57,248	12,038
Materials and supplies	73,000	76,239	3,422	72,817
TOTAL EXPENDITURES	141,000	145,525	60,670	84,855
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(140,500)	(145,025)	(13,341)	131,684
FUND (PROGRAM) BALANCE - BEGINNING	559,194	573,969	573,969	-
FUND (PROGRAM) BALANCE - ENDING	\$ 418,694	\$ 428,944	\$ 560,628	\$ 131,684

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds	
	Water and Sewer System			
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$	1,406,337	\$	-
Investments				
TexPool		47,327,661		21,748,587
CLASS		49,068		-
Receivables (net of allowances for uncollectible)		7,687,742		389,052
Due from other funds		1,648,358		3,610,534
Inventory, at cost		-		949,275
Prepaid items		-		822,247
Restricted assets				
Investments				
Texpool		2,633,901		-
CLASS		5,349,375		-
Total Current Assets		66,102,442		27,519,695
Noncurrent Assets				
Deposits		-		384,000
TMRS net pension assets		920,800		1,299,141
Capital assets				
Land		1,624,352		602
Buildings and building improvements		4,090,119		2,480,236
Accumulated depreciation - buildings and building improvements		(2,628,134)		(1,857,765)
Facilities and other improvements		14,475,810		188,004
Accumulated depreciation - facilities and other improvements		(4,432,414)		(94,421)
Machinery and equipment		12,046,803		13,194,668
Accumulated depreciation - machinery and equipment		(10,268,273)		(8,123,654)
Infrastructure		411,992,326		41,746
Accumulated depreciation - Infrastructure		(141,506,102)		(31,640)
Automotive		101,728		52,442,300
Accumulated depreciation - automotive		(93,839)		(31,972,155)
Construction in progress		19,774,310		5,244,972
Net capital assets		305,176,686		31,512,893
Total Noncurrent Assets		306,097,486		33,196,034
TOTAL ASSETS	\$	372,199,928	\$	60,715,729
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charges on:				
Refunding bonds	\$	2,059,852	\$	-
Deferred outflows on:				
Contribution subsequent to the measurement date pension - TMRS		472,743		456,323
Changes in actuarial assumptions pension - TMRS		1,545		1,491
Changes in actuarial assumptions - OPEB		812,875		328,622
Contributions subsequent to the measurement date - OPEB		143,191		35,829
Changes in actuarial assumptions - OPEB-SDBF		65,675		63,476
Contribution subsequent to the measurement date - OPEB-SDBF		5,997		5,797
Difference between expected and actual economic experience pension - TMRS		376,966		281,264
Difference between expected and actual experience - OPEB		449,631		112,505
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	4,388,475	\$	1,285,307

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 3,874,182	\$ 1,680,022
Accrued payroll payable	253,616	245,727
Due to other funds	1,002,695	1,222,088
Claims payable	-	865,800
Compensated absences payable	188,061	184,621
Customer deposits	5,403,500	-
Liabilities payable from restricted assets		
Accounts payable	322,603	-
Accrued interest payable	288,643	-
Bonds payable	3,745,000	-
Total Current Liabilities	15,078,300	4,198,258
Noncurrent Liabilities		
Bonds payable (including unamortized premiums)	57,480,098	-
Claims payable	-	577,198
Compensated absences payable	1,692,545	1,661,586
OPEB GASB 75 liability	8,123,209	3,025,389
SDBF OPEB liability	389,764	376,595
Total Noncurrent Liabilities	67,685,616	5,640,768
TOTAL LIABILITIES	82,763,916	9,839,026
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows on:		
Difference between expected and actual of pension - TMRS	168,212	131,691
Change in assumption SDBF	5,258	5,082
Difference between expected and actual experience SDBF	33,038	31,938
Assumption OPEB	163,751	72,898
Difference between expected and actual experience OPEB	496,900	294,653
Deferred inflow on investment - pension TMRS	2,311,109	2,303,038
TOTAL DEFERRED INFLOWS OF RESOURCES	3,178,268	2,839,300
<u>NET POSITION</u>		
Net investment in capital assets	251,190,759	31,512,893
Restricted for debt service	2,345,258	-
Unrestricted	37,110,202	17,809,817
TOTAL NET POSITION	290,646,219	\$ 49,322,710
Adjustments to reflect the consolidation of internal service fund activities related to enterprise fund	(6,709,722)	
Net position of business-type activities	\$ 283,936,497	

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, 2022

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
OPERATING REVENUES		
Charges for sales and services	\$ 51,187,270	\$ 39,249,081
OPERATING EXPENSES		
Personnel services	6,595,813	5,958,211
Contractual services	7,523,045	2,062,042
Material and supplies	1,057,374	5,155,590
Maintenance charges	1,084,073	1,962,507
Sewer and water payments - Clear Lake Water Authority and City of Seabrook	121,591	-
Operating, maintenance and water charges - Southeast Water Purification Plant	5,384,927	-
Insurance/reinsurance premiums	-	7,245,210
Claims and legal expenses	-	16,745,202
Administration fees	-	539,788
Miscellaneous	204,207	873,615
Depreciation	6,996,351	4,541,336
TOTAL OPERATING EXPENSES	28,967,381	45,083,501
OPERATING INCOME (LOSS)	22,219,889	(5,834,420)
NONOPERATING REVENUES (EXPENSES)		
(Loss) gain on sale and retirement of capital assets	(7,942)	798,541
Investment income	356,117	153,894
Interest expense on bonds	(2,381,762)	-
Amortization	227,388	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,806,199)	952,435
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	20,413,690	(4,881,985)
CAPITAL CONTRIBUTIONS	937,246	4,470,961
TRANSFERS IN	-	6,403,000
TRANSFERS (OUT)	(6,453,000)	-
CHANGES IN NET POSITION	14,897,936	5,991,976
TOTAL NET POSITION - BEGINNING	275,748,283	43,330,734
TOTAL NET POSITION - ENDING	\$ 290,646,219	\$ 49,322,710
CHANGES IN NET POSITION	\$ 14,897,936	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	(443,926)	
Change in net position of business-type activities (page 43)	\$ 14,454,010	

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, 2022**

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water and Sewer System</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from interfund services	\$ -	\$ 28,381,104
Cash received from customers and users	50,938,014	7,614,981
Cash payments to suppliers for goods and services	(15,119,580)	(8,832,211)
Cash payments to employees for services	(7,243,778)	(6,707,280)
Cash payments for insurance premiums, liability claims, and administration	-	(25,913,954)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	28,574,656	(5,457,360)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers (to)/from other funds		
General fund	-	3,203,000
General fund	(3,000,000)	-
Water and sewer system fund	-	3,200,000
Maintenance fund	(2,453,000)	-
General liability insurance fund	(1,000,000)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(6,453,000)	6,403,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from sale of capital assets	-	990,647
Acquisition and construction of capital assets	(7,463,024)	(1,862,087)
Principal paid on capital debt	(4,061,361)	-
Interest paid on capital debt	(2,405,968)	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(13,930,353)	(871,440)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(31,508,987)	(24,100,211)
Proceeds from sale and maturities of investments	23,048,612	23,872,117
Investment income received	356,117	153,894
NET CASH (USED) BY INVESTING ACTIVITIES	(8,104,258)	(74,200)
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,045	-
CASH AND CASH EQUIVALENTS - BEGINNING	1,319,292	-
CASH AND CASH EQUIVALENTS - ENDING	\$ 1,406,337	\$ -

	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)	\$ 22,219,889	\$ (5,834,420)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	6,996,351	4,541,336
Changes in assets and liabilities		
(Increase) in accounts receivable	(510,863)	(54,821)
Decrease (increase) in due from other funds	273,305	(3,182,144)
(Increase) in prepaid items	-	(82,021)
(Increase) in inventory	-	(398,170)
(increase) in deposits	-	(11,000)
Decrease in pension-related deferred outflows	1,399,902	1,359,753
(Decrease) increase in accounts and claims payable	(1,019,958)	461,506
Increase in accrued payroll liabilities	14,172	6,661
(Decrease) in compensated absences payable	(227,065)	(22,382)
(Decrease) in net pension liability	(2,363,030)	(2,280,957)
Increase (decrease) in due to other funds	1,002,290	(148,557)
Increase in other postemployment benefits	738,364	183,750
Increase in customer deposits	261,607	-
(Decrease) increase in pension-related deferred inflows	(210,308)	4,106
Total Adjustments	6,354,767	377,060
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 28,574,656	\$ (5,457,360)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contribution of capital assets from the government	\$ 937,246	\$ 4,470,961

The accompanying notes are an integral part of the financial statements



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

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**CITY OF PASADENA, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, less the revenues collected subsequently within 60 days after year end.

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

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

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

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

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

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

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

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

5. Leases

Lessor:

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

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

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

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

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

Lease activity will be reported in the City's financial statements and footnotes in accordance with the requirements outlined in GASB 87. All lease contracts new or existing entered-into by the City, both as a lessee and lessor, should be reported to the City Controller's Office 30 days before lease execution/renewal.

Lease Threshold - Intangible right-to-use lease assets (a capital asset category) associated with leases of the City should be capitalized according to the following threshold: \$100,000 or greater in future lease payments through the lease term. If the City is a lessee in a leasing arrangement, the intangible right-to-use lease asset should be capitalized if greater than or equal to the threshold above. Assets with remaining lease payments below the threshold should be expensed as payments are made. This threshold should only be applied once upon entering into a lease agreement as defined by GASB Statement 87.

6. Deferred Outflows/Inflows of Resources

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

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/OPEB activities are amortized over the average of the expected service lives of pension/OPEB, 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.
- Deferred inflows from leases are amortized over the life of the lease term on a straight-line basis.

At the fund level, the City has only two types of items, which arises only under a modified accrual basis of accounting that 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, industrial district fees, plus other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

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

7. 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.

8. 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.

9. 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.

10. 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.

11. Fund Balance (Equity)

a. Fund Balance Descriptions

1. **Non-spendable** – indicates the portion of a fund balance that cannot be spent because it is (1) not in a spendable form (such as inventories and prepaid amounts) or (2) legally or contractually required to be maintained intact.
2. **Restricted** – indicates that portion of a fund balance for which external constraints are placed on the use of resources that are either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
3. **Committed** – indicates the portion of a fund balance that is internally imposed by the local governmental officials. The highest level of decision-making authority for the City is the Mayor and City Council. The commitment must be made prior to year-end

and is through an ordinance.

4. **Assigned** – indicates the portion of a fund balance that sets limits as a result of the intended use of the funds. This can be expressed by the City Council and/or by department directors to which the City Council delegated the authority through approval of budget appropriation. Assignments can be made at any time.
5. **Unassigned** – represents amounts that are available for any purpose i.e., residual net resources. The general fund is the only fund that reports a positive unassigned fund balance.

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

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

b. Fund Balance Summary

A summary of the nature and purpose of fund balances at September 30, 2022 is as follows:

	Governmental Fund Balances					Non-major Special Revenue Funds					Total	
	General	Debt Service	Pasadena Economic Development	Capital Projects	Grant Management	Special Charge Allocation	State Forfeited Property	Hotel and Motel Tax	Abandoned Motor Vehicles and Property	Total Non major Special Revenue		
Fund balances:												
Restricted for:												
Law enforcement	\$ -	\$ -	\$ -	\$ -	\$ 3,499,552	\$ 1,410,036	\$ 851,111	\$ -	\$ 580,888	\$ 2,842,035	\$ 6,341,587	
Economic development and other purposes	-	-	-	-	-	1,674,688	-	5,930,849	-	7,605,537	7,605,537	
Housing services	-	-	-	-	2,810,363	-	-	-	-	-	2,810,363	
Capital construction and economic development	-	-	78,416,954	66,813,671	-	-	-	-	-	-	145,230,625	
Debt service	-	3,655,356	-	-	-	-	-	-	-	-	3,655,356	
Total restricted	-	3,655,356	78,416,954	66,813,671	6,309,915	3,084,724	851,111	5,930,849	580,888	10,447,572	165,643,468	
Committed to:												
Election, recall and charter revision	15,000	-	-	-	-	-	-	-	-	-	15,000	
Capital construction	-	-	-	14,691,353	7,701,190	-	-	-	-	-	22,392,543	
Total committed	15,000	-	-	14,691,353	7,701,190	-	-	-	-	-	22,407,543	
Assigned to:												
Capital construction	-	-	-	1,132,119	-	-	-	-	-	-	1,132,119	
Purchases on order for:												
General facilities	330,005	-	-	-	-	-	-	-	-	-	330,005	
Law enforcement	180,739	-	-	-	-	-	-	-	-	-	180,739	
Public recreation	296,719	-	-	-	-	-	-	-	-	-	296,719	
Public health	97,577	-	-	-	-	-	-	-	-	-	97,577	
Other purposes	401,025	-	-	-	-	-	-	-	-	-	401,025	
Total assigned	1,306,065	-	-	1,132,119	-	-	-	-	-	-	2,438,184	
Unassigned	96,672,334	-	-	-	-	-	-	-	-	-	96,672,334	
Total	\$ 97,993,399	\$ 3,655,356	\$ 78,416,954	\$ 82,637,143	\$ 14,011,105	\$ 3,084,724	\$ 851,111	\$ 5,930,849	\$ 580,888	\$ 10,447,572	\$ 287,161,529	

The amount restricted by enabling legislation was \$10,447,572.

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 \$209,728,974 difference are as follows:

Bonds and other payables	\$ 120,435,000
Other long-term debt	
Add: bond premiums	9,999,230
Less: deferred charges on refunded bonds	(830,963)
Accrued interest payable	813,058
Compensated absences	27,677,377
Net pension liability	539,029
Less: Deferred outflows on pension	(221,900)
Plus: Deferred inflows on pension	526,814
Other post employment benefits	56,086,050
Less: Deferred outflows on OPEB	(11,598,505)
Plus: Deferred inflows on OPEB	6,303,784
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities.	<u>\$ 209,728,974</u>

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

The details of this \$56,032,432 difference are as follows:

Net position of the internal service funds	\$ 49,322,710
Add: Internal receivable representing charges less the cost to business-type activities - prior year	6,265,796
Add: Internal receivable representing charges less the cost to business-type activities - current year	443,926
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.	<u>\$ 56,032,432</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 \$11,492,496 difference is as follows:

Capital outlay	\$ 24,042,763
Capital contribution	1,465,728
Depreciation expense	(14,015,995)
Net adjustment to an increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 11,492,496</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 \$45,620,665 difference is as follows:

Debt issued or incurred:	
Certificates of obligation bonds	\$ (48,120,000)
Plus: Premium	(5,304,305)
Principal repayments:	
General obligation debt	6,918,640
Certificates of obligation debt	885,000
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (45,620,665)</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 \$9,209,551 difference is as follows:

Compensated absences	\$ 670,875
Other post employment benefits	(5,442,013)
Deferred outflows from OPEB	1,835,462
Deferred inflows from OPEB	1,159,679
Pensions	30,224,111
Deferred outflows from pension	(1,507,452)
Deferred inflows from pension	(18,078,007)
Accrued interest	(391,647)
Amortization of bond premiums	1,112,324
Amortization of deferred amounts on refunding	(373,781)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 9,209,551</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 \$6,435,902 difference is as follows:

Change in net position of the internal service funds	\$ 5,991,976
Add: Loss from charges from business-type activities	443,926
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 6,435,902</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

- At least thirty days prior to the end of each fiscal year, the Mayor submits to the Council a proposed budget presenting a complete financial plan for the ensuing fiscal year.
- Such budget is prepared and a public hearing is held thereon in the manner prescribed by the Laws of the State of Texas relating to budgets in cities and towns.

- The budget is adopted through the passage of an ordinance no later than the twenty-seventh day of the last month of the fiscal year. Should the Council take no final action on or prior to such day, the budget, as submitted, is deemed to have been officially adopted by the Council. No budget is adopted or appropriations made unless the total of estimated revenues, income, and funds available is equal to or in excess of such budget or appropriations, except in an emergency.

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

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

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to designate that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances or purchases on order outstanding at the fiscal year end are reported as assigned fund balance unless encumbered amounts for specific purposes for which resources already have been restricted and do not constitute expenditures or liabilities because the assignment will be honored during the subsequent year. Encumbrances assigned to purchases on order can be found in note I. D. 11b, Fund Balance Summary.

During the current fiscal year, the general fund expenditure budget increased in the amount of \$4,592,676 excluding transfer out. The general fund revenue budget increased in the amount of \$239,745 excluding transfer in and sale of capital assets. Transfers out under other financing sources were increased from \$4,750,000 to \$10,869,291. The total increase of \$6,119,291 includes the amount of \$7,446,501 budgeted to the capital projects fund for capital projects, \$2,200,200 was transferred to the maintenance fund, \$472,790 was transferred to the grant management fund, and the general liability insurance fund received \$750,000. In the original budget, \$750,000 was budgeted to the general liability insurance fund and \$4,000,000 to the capital project funds for annual capital projects. The remaining items had not been budgeted under the original budget but approved by Council as a budget amendment. There was an increase in public safety in the amount of \$3,392,741 or 6.3% with an anticipated increase in the fire fighting department in the amount of \$2,684,408, with the largest increase in capital outlay in the amount of \$2,677,532 due to the purchase of a new fire truck. The public works original budget increased by \$286,672 or 1.6% with an increase in sanitation under contractual services of \$191,881. There was an increase in fuel surcharge for Waste Management monthly costs.

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 2022 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	\$ 342,195	\$ 107,291	\$ -
Treasury Department	47,329	60,670	-
Nonbudgeted grant programs:			
Various grants	4,928,277	4,676,295	472,790
HUD Section 8 housing choice vouchers	9,391,150	9,064,862	-
FEMA DHAP program	2,537	-	-
FEMA DHAP IKE	5,211	-	-
HUD Emergency shelter program	120,801	120,801	-
HUD CDBG entitlement program	3,203,586	3,203,586	-
HUD HOME investment partnerships program	183,594	183,594	-
CDBGDR Harvey	357,526	357,526	-
Total grant management fund - actual	<u>\$18,582,206</u>	<u>\$ 17,774,625</u>	<u>\$ 472,790</u>

C. Excess of Expenditures over Appropriations

For the fiscal year ended September 30, 2022, 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, 2022, the carrying amount of the City's deposits with financial institutions, including blended component units, is \$3,725,841, excluding \$81,353 for petty cash and tax holding. The City's bank balance is the sum of all accounts, which totals \$4,584,949, and the market values of pledged securities, excluding FDIC, were \$17,792,777. The pledged securities are held by a third-party custodian in the City's name.

Investments

As of September 30, 2022, 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	\$ 188,712,489	\$ 76,625,309	\$ 13,120,564	0.07
LOGIC Local Government Investment Pools	1,299,806	-	-	0.05
CLASS Local Government Investment Pools	143,339,629	282,744	-	0.08
Total Fair Value	<u>\$ 333,351,924</u>	<u>\$ 76,908,053</u>	<u>\$ 13,120,564</u>	
Portfolio Weighted Average Maturity				0.07

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 2021 in the amount of \$11,825,974,124. The City Council adopted the following tax rate per \$100 of 2021 taxable value for the current fiscal year ended September 30, 2022.

Purpose	Tax Rate
General government	\$ 0.421393
Debt service	0.094516
	\$ 0.515909

2. Receivables

Receivables as of September 30, 2022 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	Maintenance	Health Insurance	Total
Receivables										
Property taxes	\$ 2,523,228	\$ 778,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,301,468
Sales taxes	4,840,663	-	2,420,169	-	-	-	-	-	-	7,260,832
Accounts	2,787,837	-	-	1,800	-	-	8,189,318	2,434	386,618	11,368,007
Leases	590,889	-	-	-	-	-	-	-	-	590,889
Less: allowance for uncollectible	(2,980,634)	(530,000)	-	-	-	-	(501,576)	-	-	(4,012,210)
	7,761,983	248,240	2,420,169	1,800	-	-	7,687,742	2,434	386,618	18,508,986
Intergovernmental - restricted	-	-	-	-	3,125,438	429,779	-	-	-	3,555,217
Accounts restricted	-	-	-	-	29,189	-	-	-	-	29,189
Net total receivables	\$ 7,761,983	\$ 248,240	\$ 2,420,169	\$ 1,800	\$ 3,154,627	\$ 429,779	\$ 7,687,742	\$ 2,434	\$ 386,618	\$ 22,093,392

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

	Unearned
Unearned revenue (Grant management)	\$ 40,284,297
Unearned revenue (Nonmajor governmental)	37
Total unearned revenue for governmental funds	<u>\$ 40,284,334</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.

	Debt Service	Pasadena Economic Development Corporation	Capital Projects	Grant Management	Nonmajor Governmental Funds	Water and Sewer Enterprise	Total
Cash and cash equivalents	\$ -	\$ 10,234	\$ -	\$ 623,029	\$ 53,063	\$ -	\$ 686,326
Investments	3,685,882	76,908,053	68,777,672	45,178,661	8,549,797	7,983,276	211,083,341
Intergovernmental receivables	-	-	-	3,125,438	429,779	-	3,555,217
Accounts receivables	-	-	-	29,189	-	-	29,189
	<u>\$3,685,882</u>	<u>\$ 76,918,287</u>	<u>\$ 68,777,672</u>	<u>\$ 48,956,317</u>	<u>\$ 9,032,639</u>	<u>\$ 7,983,276</u>	<u>\$ 215,354,073</u>
	(1)	(3)	(3)	(2)	(2)	(1) and (3)	

RESTRICTED ASSETS



■ Debt Service	■ Pasadena Economic Development Corporation
■ Capital Projects	■ Grant Management
■ Nonmajor Governmental Funds	■ Water and Sewer Enterprise

D. Capital Assets

Capital asset activity of the City (the primary government) for the fiscal year ended September 30, 2022 was as follows:

1. Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$147,758,200	\$ -	\$ -	\$147,758,200
Construction in progress	39,747,538	29,228,738	(14,776,300)	54,199,976
Total capital assets, not being depreciated	<u>187,505,738</u>	<u>29,228,738</u>	<u>(14,776,300)</u>	<u>201,958,176</u>
Capital assets, being depreciated:				
Buildings and building improvements	123,175,823	353,499	-	123,529,322
Facilities and other improvements	27,568,094	4,709,010	-	32,277,104
Machinery and equipment	49,751,540	4,060,589	(60,307)	53,751,822
Infrastructure	564,723,756	4,371,560	-	569,095,316
Automotive equipment	51,975,356	3,918,117	(3,451,173)	52,442,300
Total capital assets being depreciated	<u>817,194,569</u>	<u>17,412,775</u>	<u>(3,511,480)</u>	<u>831,095,864</u>
Less accumulated depreciation for:				
Building and building improvements	(33,477,676)	(2,322,716)	-	(35,800,392)
Facilities and other improvements	(6,557,255)	(949,791)	-	(7,507,046)
Machinery and equipment	(34,745,303)	(2,169,361)	41,809	(36,872,855)
Infrastructure	(229,229,413)	(9,217,102)	-	(238,446,515)
Automotive equipment	(31,327,685)	(3,898,362)	3,253,892	(31,972,155)
Total accumulated depreciation	<u>(335,337,332)</u>	<u>(18,557,332)</u>	<u>3,295,701</u>	<u>(350,598,963)</u>
Total capital assets, being depreciated, net	<u>481,857,237</u>	<u>(1,144,557)</u>	<u>(215,779)</u>	<u>480,496,901</u>
Governmental activities capital assets, net	<u>\$669,362,975</u>	<u>\$ 28,084,181</u>	<u>\$ (14,992,079)</u>	<u>\$682,455,077</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	21,034,710	8,298,560	(9,558,960)	19,774,310
Total capital assets, not being depreciated	22,659,062	8,298,560	(9,558,960)	21,398,662
Capital assets, being depreciated:				
Buildings and building improvements	4,090,119	-	-	4,090,119
Facilities and other improvements	13,607,372	868,438	-	14,475,810
Machinery and equipment	11,768,164	312,157	(33,518)	12,046,803
Infrastructure	403,512,251	8,480,075	-	411,992,326
Automotive equipment	146,780	-	(45,052)	101,728
Total capital assets being depreciated	433,124,686	9,660,670	(78,570)	442,706,786
Less accumulated depreciation for:				
Building and building improvements	(2,591,726)	(36,408)	-	(2,628,134)
Facilities and other improvements	(4,180,947)	(251,467)	-	(4,432,414)
Machinery and equipment	(10,054,018)	(239,831)	25,576	(10,268,273)
Infrastructure	(135,038,223)	(6,467,879)	-	(141,506,102)
Automotive equipment	(138,125)	(766)	45,052	(93,839)
Total accumulated depreciation	(152,003,039)	(6,996,351)	70,628	(158,928,762)
Total capital assets, being depreciated, net	281,121,647	2,664,319	(7,942)	283,778,024
Business-type activities capital assets, net	<u>\$303,780,709</u>	<u>\$ 10,962,879</u>	<u>\$ (9,566,902)</u>	<u>\$305,176,686</u>

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

Governmental activities:

General Government	\$ 708,074
Public Safety	2,283,803
Public Works	8,830,699
Health	115,281
Culture and Recreation	2,078,139
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>4,541,336</u>
	<u>\$ 18,557,332</u>

Business-type activities

Water and Sewer System	<u>\$ 6,996,351</u>
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E. City as Lessor

The City, as a lessor, has entered into a lease agreement for the Corrigan Center. The Corrigan Center lease is a lease between the City and the Harris County Hospital District. The agreement is a lease that is subject to termination in 2027. The City receives monthly payments of \$11,725. The City recognized lease revenues of \$132,564 and interest revenues of \$13,550. As of fiscal year-end, the City's receivable for lease payments was \$590,889 and the balance of deferred inflows from leases was \$585,475.

F. Construction Commitments

The City's commitments with contractors as of September 30, 2022 are as follows:

Projects	Project	Appropriation	Spent-to-Date
<u>Drainage</u>			
D037	Channl B113 Imp & Det (197,190, 8**)	\$ 1,269,856	\$ 557,561
D039	Ptnr Park(Spencer Village)DRNG(097,190,817)	1,824,236	1,255,432
D044	GAcres/Bliss Meadow Detention(097,190,817,832,833)	1,355,155	1,045,369
D046	2021 Annual Drainage Improvements(190)	1,555,200	1,338,648
D056	Armand Bayou Upper Reaches Proj(098,833)	1,736,149	1,079,007
D058	Fairmont Pkwy Dmg Imp (PEDC)	450,000	358,425
D060	2022 Annual Drainage Improvement (190)	1,042,700	404,546
D064	North Pasadena Harvey Mitigation	47,751,741	1,284,142
D066	Red Bluff Drainage Impr	1,290,883	146,758
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	241,601
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	30,897
DMHH	HYDR/HYDLGY FEMAHMGP(930)	1,507,050	1,364,670
DMSW	SWPPP FEMA HMGP(930)	110,000	77,000
		<u>71,603,800</u>	<u>17,143,421</u>
<u>Fire Services</u>			
F011	Fire Station #6	413,894	79,645
F014	Fire Station #7	395,465	76,225
		<u>\$ 809,359</u>	<u>\$ 155,870</u>

Municipal Facilities

M008	North Pasadena Redevelopmt (PEDC,064)	\$ 10,895,427	\$ 200,724
M025	Convention Center Facility Imprv (PEDC)	10,141,984	521,984
M026	Convention Cntr Infrastrctre Imprv(PEDC)	5,300,000	258,029
M027	Convention Center Hotel Project(PEDC)	125,000	30,350
M041	Demolition/Developmt-Old City Hall(833)	950,943	883,328
M043	Municipal Court Comp System (833)	425,960	391,648
M047	City Hall Emerg Pwr Generator Addition(833,935)	1,606,925	361,267
M053	City Hall Air Handlers and Automation Pr	671,083	253,859
M058	Campbell Hall Rebuild Project (PEDC)	380,000	4,000
M061	Convention Center Site Imp. Phase II (PEDC)	1,100,000	107,786
		<u>31,597,321</u>	<u>3,012,975</u>

Police

P010	Pasadena Police Annex	1,329,000	81,368
		<u>1,329,000</u>	<u>81,368</u>

Parks

R045	Holly Bay Splash Pad (830)	316,425	208,447
R055	Preston/Crenshaw Park (PEDC)	376,340	317,272
R066	Vince Bayou Greenway (PEDC)	7,115,407	1,500,637
R070	El Jardin Beach Park Imp (190)	766,565	527,304
R079	Golf Course Entrance Impro. Project (833)	78,085	40,332
		<u>8,652,822</u>	<u>2,593,992</u>

Streets

S047	Wafer Pave&Drnge PH II (068,190,8**)	2,496,816	2,184,115
S054	Fairway Plaza Acqisition/Ext (PEDC)	1,230,000	128,229
S074	Gateway Sign (PEDC)	580,097	220,560
S077	Pasadena Blvd:Harris to 225 (PEDC)(HC)	11,750,000	2,688,510
S107	Shaw St(Carl-McMasters)(PEDC)(833)	4,799,626	4,721,778
S108	Red Bluff Eval(225-SpcrHwy)(833)	545,000	490,500
S109	Thomas Ave Paving & Drnge Ph II (833)	103,967	79,089
S110	Richey II (S.More to S.Houston)(PEDC)	3,560,248	248,055
S113	Corridor Development (PEDC)	17,710	6,556
S114	Burke Sreet Improv (832,833)	573,560	356,619
S118	EastHaven Paving&Drnge Imp (900)	1,658,909	185,478
S119	Magnolia Paving&Drnge Imp (900)	1,164,821	537,595
S120	Tilden Dr. Paving&Drnge Imp (900)	1,060,930	906,083
S121	Polk Ave Paving&Drnge Imp (900)	728,435	675,187
S122	Kansas St. Paving&Drnge Imp (190,900)	987,773	966,858
S123	Llano St. Paving&Drnge II (190,900)	3,963,243	2,226,249
S126	Llano St. Paving&Drnge I (900)	199,350	160,549
S127	Llano St. Paving&Drnge III (900)	128,695	96,033
S130	Red Bluff Road Phase I (834)	1,065,000	28,095
S131	Shaver Street Phase II (834)	1,150,000	29,935
S132	Preston Ave. Reconstruction (834)	1,374,000	141,535
S135	Shaver Street Phase III (834)	756,000	87,426
S136	2022 Annual Paving Improvements(190)	912,079	442,546
S144	SH225 Gateway Monument (PEDC)	426,052	407,834
S165	SH 225 Underpass Lighting (9950)	500,000	230,000
S166	2022 Annual Sidewalk Impr. Phase II (190)	517,309	339,134
S167	Kolb Roadway Repairs (190)	40,000	7,500
		<u>\$ 42,289,619</u>	<u>\$ 18,592,047</u>

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<u>Traffic</u>			
T018	Traffic Mobility Imprvmts Ph II (PEDC)	\$ 1,820,631	\$ 299,609
		<u>1,820,631</u>	<u>299,609</u>
<u>Water</u>			
W027	Bay Area/Port Rd Inter Impro(390) (-HC)	188,401	105,342
W047	Shaw Waterline Improvmts (390)	188,320	133,224
W055	Spencer 12" Waterline Ph II(320)(390)	142,950	53,650
W058	SE Mtr Sta PhII(301,315,320,390)(-COH)	901,314	780,000
W059	SE Wtr Transmission Line Proj Hou(390)	46,748	18,093
W061	Jenkins Rd Wtrline Imp Proj (320)	2,222,850	359,755
W062	BayArea Blvd Wtr Sys Press Imp(390,PEDC)	700,630	90,308
W070	Cascade Water Storage Tank Rehab	4,391,100	206,605
W075	Glenmore & Washington Waterline Improv Proj(320)	417,000	321,674
W076	Southmore/Preston Waterline Improv Proj(320)	410,253	341,589
W077	Crenshaw PRV Building Improvements	69,700	22,795
W079	Sycamore Water Well Imp Project	50,000	15,205
W081	Red Bluff Rd Seabrook 24" Waterline	119,410	88,155
W083	Taylor Lake 24' By Pass Waterline	1,151,688	31,738
		<u>11,000,363</u>	<u>2,568,132</u>
<u>Wastewater</u>			
WW022	Llan/RBf/Elln/Wyt/LA/PasLft St(PSCC+390)	543,997	533,932
WW046	WWTP CONSOLIDATION PHASE II (320,390)	509,605	344,935
WW049	Golden Acres 24' Force Main (320)	232,505	162,500
WW063	Bay Area Ind Pk WW LS,Frcmain Imp	427,160	55,552
WW064	2020 Citywide Sanitary Sewer Rehab (390)	1,755,826	1,585,395
WW067	Citywide SS Line Rehabilitation(390)	1,418,010	1,235,391
WW072	Golden Acres 24"Force Main PH II (320)	233,253	162,257
WW083	Vince Bayou WWTP UV Protect	462,606	184,249
WW084	Vince Bayou WWTP-Wet Weather Proj	38,088	30,309
WW085	EI Cary Est Inflow & Infiltration Reduct	225,600	7,665
		<u>\$ 5,846,649</u>	<u>\$ 4,302,187</u>

G. Interfund Receivables, Payables, and Transfers

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

The composition of interfund balances as of September 30, 2022 is as follows:

1. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	* Workers' compensation insurance	1,496
	* Health Insurance	1,172,228
		<u>\$ 1,173,724</u>
Debt service	General	51,553
Capital projects	General	17,773,664
Grant Management	General	8,378,122
** Special charge allocation	General	1,206,123
** Hotel and Motel Tax	General	13,113
** Abandoned Motor Vehicles	General	317,825
Water and sewer	General	1,648,358
* Maintenance	General	2,525,686
	* General liability insurance	48,364
	Water and sewer	1,002,695
		<u>3,576,745</u>
* General Liability Insurance	General	33,789
	Total	<u><u>\$ 34,173,016</u></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><u>\$ 28,110</u></u>

3. Interfund Transfers:

Fund Financial Statements

Transfer out:	Transfer In:						Total
	General	Debt Service	Capital Projects	Grant Management	* Maintenance	* General Liability Insurance	
General	\$ -	\$ -	\$ 7,446,501	\$ 472,790	\$ 2,200,000	\$ 750,000	\$ 10,869,291
Capital Projects	-	1,121	-	-	-	-	1,121
Water and Sewer System	3,000,000	-	-	-	2,453,000	1,000,000	6,453,000
Total	<u>\$ 3,000,000</u>	<u>\$ 1,121</u>	<u>\$ 7,446,501</u>	<u>\$ 472,790</u>	<u>\$ 4,653,000</u>	<u>\$ 1,750,000</u>	<u>\$ 17,323,412</u>

* Internal service funds

Transfers are used to move unrestricted and restricted funds from the general, capital projects, and water and sewer system funds to finance various activities that the City must account for capital projects 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 \$5,515,754 and can be summarized as follows:

- The amount of \$6,453,000 was transferred out to the governmental activities from the business-type activities.
- Capital assets in the amount of \$937,246 were transferred into the business-type activities from the governmental activities.

H. Long-Term Debt

1. Governmental Activities

General Obligation Refunding Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation to provide funds for the construction and improvement of the City's infrastructure (i.e., streets, drainage, water and sewer systems, public safety, recreation, and culture facilities). In the past, the City has also refunded certain issues of general obligation bonds to take advantage of lower interest rates and even out debt payments. The original total amount of general obligation refunding bonds and certificates of obligation issued in prior years is \$119,770,000.

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

	Interest %	Maturity	Purpose	Installments	Amount
\$20,030,000 GO Refunding, 2012	2.50 - 4.00	2/15/2023	Governmental type	\$435,000 to \$2,385,000	\$ 1,385,000
\$16,690,000 GO Refunding, 2012A	2.00 - 5.00	2/15/2025	Governmental type	\$145,000 to \$1,840,000	4,550,000
\$12,525,000 GO Refunding, 2015	2.00 - 5.00	2/15/2027	Governmental type	\$755,000 to \$1,830,000	4,945,000
\$17,405,000 GO Refunding, 2016A	2.00 - 5.00	2/15/2028	Governmental type	\$265,000 to \$2,065,000	11,455,000
\$19,175,000 COB, 2017	2.00 - 4.00	2/15/2037	Governmental type	\$195,000 to \$1,635,000	17,865,000
\$33,945,000 COB, 2018	2.00 - 5.00	2/15/2038	Governmental type	\$400,000 to \$2,765,000	32,115,000
\$48,120,000 COB, 2022	4.00 - 5.00	2/15/2042	Governmental type	\$710,000 to \$4,090,000	48,120,000
					<u>\$ 120,435,000</u>

During the current fiscal year, the City issued a \$48,120,000 Combination Tax and Revenue Certificates of Obligation, Series 2022 to pay for (i) acquire and construct improvements to streets, sidewalks, related drainage, and traffic facilities (including the possible purchase of equipment deemed appropriate to construct such improvements) at various locations in the City, including but not limited to Preston Avenue, Red Bluff Road and Shaver Street, (b) constructing and equipping a new Pasadena Police Annex and acquiring furniture and equipment for the Annex, (c) construct improvements to and acquire equipment for City Parks, (d) acquire public safety equipment and acquire and construct public safety facilities for the City's Fire Department, including but not limited to constructing improvements to Fire Station Numbers 6 and 7 and constructing and equipping a new Fire Administration Facility, (collectively, the "Projects"), (ii) pay all or a portion of the legal, fiscal and engineering fees in connection with the Projects, (iii) purchase land related to any of such Projects, if any, and (iv) pay costs related to issuance of the Certificates.

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
2023	\$ 6,930,000	\$ 5,655,863	\$ 12,585,863
2024	7,640,000	4,622,763	12,262,763
2025	6,985,000	4,280,188	11,265,188
2026	6,395,000	3,970,213	10,365,213
2027	6,375,000	3,685,888	10,060,888
2028-2032	29,035,000	14,564,663	43,599,663
2033-2037	35,405,000	7,829,244	43,234,244
2038-2042	21,670,000	2,002,944	23,672,944
	<u>\$ 120,435,000</u>	<u>\$ 46,611,766</u>	<u>\$ 167,046,766</u>

2. Business-Type Activities

General Obligation Refunding Bonds and Certificates of Obligation

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

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

	Interest %	Maturity	Purpose	Installments	Amount
\$ 50,210,000 GO Refunding Bonds, 2016	2.00 - 5.00	2/15/2033	Refunding	\$440,000 to \$4,755,000	\$42,905,000
\$ 16,305,000 COB, 2017	2.00 - 4.00	2/15/2037	Water and sewer	\$195,000 to \$1,635,000	13,915,000
					<u>\$ 56,820,000</u>

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	4,315,000	1,664,669	5,979,669
2027	4,525,000	1,451,419	5,976,419
2028-2032	25,655,000	4,232,344	29,887,344
2033-2037	10,555,000	540,322	11,095,322
	<u>\$ 56,820,000</u>	<u>\$ 14,050,686</u>	<u>\$ 70,870,686</u>

3. Legal Debt Margin

At September 30, 2022, the City's legal debt margin was \$1,055,818,538 which equates to 10% of City's property taxable value, totaling \$1,182,597,412 less \$126,778,874 (the amount of bonded debt outstanding) netted with the amount available in the debt service fund.

4. Rebatable Arbitrage

The City is taking the approach of treating rebatable arbitrage as a claim. For the interim computation period through September 30, 2022, the City has no cumulative rebate liability.

5. Changes in Long-Term Liabilities

Governmental Activities:

Long-term liability activity for the year ended September 30, 2022 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	\$ 29,253,640	\$ -	\$ (6,918,640)	\$ 22,335,000	\$ 5,975,000
Certificates of obligation bonds	50,865,000	48,120,000	(885,000)	98,100,000	955,000
	80,118,640	48,120,000	(7,803,640)	120,435,000	6,930,000
Add: Premiums on debt issuances	5,807,250	5,304,305	(1,112,325)	9,999,230	-
Total Bonds Payable	85,925,890	53,424,305	(8,915,965)	130,434,230	6,930,000
Claims	1,603,227	8,335,705	(8,495,934)	1,442,998	865,800
Compensated absences	30,408,625	10,119,813	(10,825,090)	29,703,348	2,970,334
Total OPEB Liability					
Healthcare	49,040,110	7,644,165	(2,001,169)	54,683,106	-
SDBF	4,822,161	398,067	(415,300)	4,804,928	-
Net pension liability (asset)					
TMRS	15,673,151	-	(15,673,151)	-	-
TESRS	1,209,870	37,538	(708,379)	539,029	-
Governmental activities					
Long-term liabilities	\$ 188,683,034	\$ 79,959,593	\$ (47,034,988)	\$ 221,607,639	\$ 10,766,134

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, 2022, \$1,846,207 of internal service funds' compensated absences, \$3,401,984 of other post-employment benefits, and \$1,442,998 in claims payable are included in the above amounts.

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

Business-Type Activities:

Long-term liability activity for the year ended September 30, 2022 was as follows:

	Beginning	Additions/ Reclassification	Refunding/ Reductions	Ending	Due Within One Year
Business-type activities:					
Bonds payable					
General obligation refunding bonds	\$ 46,326,361	\$ -	\$ (3,421,361)	\$ 42,905,000	\$ 3,090,000
Certificates of obligation bonds	14,555,000	-	(640,000)	13,915,000	655,000
	60,881,361	-	(4,061,361)	56,820,000	3,745,000
Add: Premiums on debt issuances	4,861,949	-	(456,851)	4,405,098	-
Total bonds payable	65,743,310	-	(4,518,212)	61,225,098	3,745,000
Compensated absences	2,107,671	581,369	(808,434)	1,880,606	188,061
Total OPEB Liability					
Healthcare	7,383,448	1,003,080	(263,319)	8,123,209	-
SDBF	391,161	32,276	(33,673)	389,764	-
Net pension liability (asset)	1,442,230	-	(1,442,230)	-	-
Business-type activities Long-term liabilities	\$ 77,067,820	\$ 1,616,725	\$ (7,065,868)	\$ 71,618,677	\$ 3,933,061

V. OTHER INFORMATION

A. Risk Management

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

Liabilities/Property

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

Workers' Compensation

The City became fully insured in its workers' compensation program effective April 1, 2004. Prior to this date, the City was self-insured. The City used Employers General Insurance Group, Inc. as its third-party administrator for claims administration, investigation, subrogation, and adjustment for all claims incurred before April 1, 2004 until December 31, 2006. As of January 1, 2007, Texas Municipal League (TML) became the City's third-party administrator. Stop-loss insurance for individual claims had been purchased from Safety National Casualty and Midwest Employers; stop-loss attachment point is between \$300,000 through \$375,000 for each claim until the run-off is completed. After April 1, 2004, the City became a member of the Texas Municipal League Intergovernmental Risk Pool. The City pays a premium based on the City's total payroll and past

loss experience. As a member of the pool, stop loss insurance is no longer needed. The City includes the Pasadena Volunteer Fire Department in its workers' compensation program.

Unemployment Insurance

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

Health and Dental Insurance

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

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

Plan B or C offer a wide range of medical care, services, and supplies depending on the needs of the employees. The two dental insurance plans are a PPO and HHMO, fully insured plan provided through MetLife as of January 1, 2017.

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

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

Unpaid Claims Liability

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

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

	Workers' Compensation	Health/Dental Insurance
<u>Current Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the current fiscal year	\$ 34,228	\$ 1,568,999
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	12,206,390
Increase (Decrease) in provision for insured events-prior years	10,920	(3,881,605)
Total incurred claims and claim adjustment expenses	<u>10,920</u>	<u>8,324,785</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	10,788,392
Prior fiscal years	20,148	(2,312,606)
Total payments	<u>20,148</u>	<u>8,475,786</u>
Total unpaid claims and claim adjustment expenses at end of current fiscal year	<u>\$ 25,000</u>	<u>\$ 1,417,998</u>
<u>Prior Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the prior fiscal year	\$ 8,480	\$ 1,031,900
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	12,089,423
Increase/(Decrease) in provision for insured events-prior years	137,237	(3,091,020)
Total incurred claims and claim adjustment expenses	<u>137,237</u>	<u>8,998,403</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	10,520,424
Prior fiscal years	111,489	(2,059,120)
Total payments	<u>111,489</u>	<u>8,461,304</u>
Total unpaid claims and claim adjustment expenses at end of prior fiscal year	<u>\$ 34,228</u>	<u>\$ 1,568,999</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. F.

2. Litigation

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

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

3. Federal and State Grants

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

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

1. Other Post-Employment Benefits and Retiree Healthcare Benefits

Plan Description

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

Benefits

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

The following provides a summary of the number of participants in the plan as of December 31, 2021:

Inactive employees or beneficiaries currently receiving benefits	256
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	<u>989</u>
	<u>1,245</u>

Total OPEB Liability

The City’s total healthcare OPEB liability of \$62,806,315 was measured as of December 31, 2021. The actuarial valuation was performed as of December 31, 2021.

Actuarial Assumptions and Other Inputs

The total healthcare OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless other specified:

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 published through 2019 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 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. Additionally, the methodology for determining service cost was changed such that the attribution period for the accumulation of service costs is now based only on employment with the City of Pasadena and the election rate for the Medicare Supplement plan was lowered from 90% to 80%.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 2,518,193
Interest on the total OPEB Liability	1,131,008
Difference between expected and actual experience	4,458,694
Changes of assumptions	539,350
Benefit payments	<u>(2,264,488)</u>
Net Changes	6,382,757
Beginning Balance	<u>56,423,558</u>
Ending Balance	<u><u>\$ 62,806,315</u></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 1.84%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in <u>Discount Rate (0.84%)</u>	<u>Discount Rate (1.84%)</u>	1% Increase in <u>Discount Rate (2.84%)</u>
City's total healthcare OPEB liability	<u>\$ 70,448,936</u>	<u>\$ 62,806,315</u>	<u>\$ 56,238,350</u>

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

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

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's total healthcare OPEB liability	\$ 57,794,336	\$ 62,806,315	\$ 68,854,175

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

For the year ended September 30, 2022, the City recognized healthcare OPEB expense of \$4,298,536. The City reported deferred outflows/inflows of resources related to healthcare OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 3,879,477	\$ 5,810,496
Changes in actuarial assumptions	7,551,665	1,086,192
Contributions subsequent to the measurement date	1,235,470	-
Total	<u>\$ 12,666,612</u>	<u>\$ 6,896,688</u>

\$1,235,470 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, 2023. Amounts reported as deferred outflows/inflows of resources related to healthcare OPEB liability will be recognized in healthcare OPEB expense as follows:

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, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	620
Inactive employees entitled to, but not yet receiving, benefits	136
Active employees	<u>1,005</u>
	<u><u>1,761</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 \$5,194,692 was measured as of December 31, 2021 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, 2021 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	1.84%
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, 2021.

Note: The actuarial assumptions used in the December 31, 2021 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	\$ 181,495
Interest on total SDBF/OPEB liability	104,825
Difference between expected and actual experience	(323,322)
Changes of assumptions	144,023
Benefit payments*	(125,651)
	Net Changes (18,630)
Beginning Balance	5,213,322
	Ending Balance \$ 5,194,692

* 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 2.00% to 1.84%. 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 (0.84%)</u>	<u>Discount Rate (1.84%)</u>	<u>1% Increase in Discount Rate (2.84%)</u>
City's total SDBF OPEB liability	\$ 6,228,148	\$ 5,194,692	\$ 4,376,841

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

For the year ended September 30, 2022, the City recognized SDBF OPEB expense of \$419,526. 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	\$ -	\$ 440,514
Changes in actuarial assumptions	875,532	70,100
Contributions subsequent to the measurement date	79,959	-
	<u>\$ 955,491</u>	<u>\$ 510,614</u>

\$79,959 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, 2023. Amounts reported as deferred outflows/inflows of resources related to SDBF OPEB will be recognized in SDBF OPEB expense as follows:

Fiscal Year Ended September 30	SDBF OPEB Expense Amount
2023	\$ 114,029
2024	109,203
2025	120,267
2026	41,198
2027	(19,779)
Thereafter	-
Total	<u>\$ 364,918</u>

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

The City recognized aggregate total OPEB expenses/expenditures of \$4,718,062 during the fiscal year ending September 30, 2022 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 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multi-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.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, 2021 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	817
Inactive employees entitled to, but not yet receiving, benefits	368
Active employees	<u>1,005</u>
	<u>2,190</u>

Contributions

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

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 13.54% and 13.97%, including 0.30% and 0.28% of supplemental death benefits, (which is reported in this report as OPEB) in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$9,257,101, and were equal to the required contributions.

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used on December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined 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, the actuary 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 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public & Private Mkts	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2020	\$ 510,873,585	\$ 493,758,204	\$ 17,115,381
Changes for the year:			
Service cost	11,531,933	-	11,531,933
Interest	34,032,784	-	34,032,784
Difference between expected and actual experience	(1,582,055)	-	(1,582,055)
Contributions - employer	-	9,248,751	(9,248,751)
Contributions - employee	-	4,890,872	(4,890,872)
Net investment income	-	64,336,088	(64,336,088)
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(24,900,330)	(24,900,330)	-
Administrative expense	-	(297,831)	297,831
Other changes	-	2,039	(2,039)
Net changes	19,082,332	53,279,589	(34,197,257)
Balance at 12/31/2021	<u>\$ 529,955,917</u>	<u>\$ 547,037,793</u>	<u>\$ (17,081,876)</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/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in	1% Increase in	
	<u>Discount Rate (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>Discount Rate (7.75%)</u>
City's net TMRS pension liability/(asset)	\$ 51,435,354	\$ (17,081,876)	\$ (73,996,764)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2022, the City recognized pension income of \$2,778,927.

At September 30, 2022, 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	\$ 4,681,739	\$ 2,049,800
Changes in actuarial assumptions	22,340	-
Difference between projected and actual investment earnings	-	33,022,586
Contributions subsequent to the measurement date	6,841,432	-
Total	<u>\$ 11,545,511</u>	<u>\$ 35,072,386</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$6,841,432 will be recognized as a reduction to the net pension liability for the year ended September 30, 2023. 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>	Pension Expense
2023	\$ (4,928,850)
2024	(12,899,761)
2025	(6,134,862)
2026	(6,404,834)
2027	-
Thereafter	-
Total	<u>\$ (30,368,307)</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, 2021, there were 239-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, 2021, TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,843
Terminated members entitled but not yet receiving them	1,706
Current active members (vested and nonvested)	3,571
	<hr/>
	9,120
	<hr/>

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of TESRS, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). The City contributes \$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 contribution to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percentage of the Part

One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2020 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, 2021, total contributions (dues, prior service, and interest on prior service financing) of \$241,546 were paid by the City. The State appropriated \$1,329,224 for the fiscal year ending August 31, 2021.

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

The most recently completed biennial actuarial valuation as of August 31, 2020 stated the TESRS has an adequate contribution arrangement of the benefits provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions for the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as need in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System’s administrative expenses.

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	8/31/2020
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Open
Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with an 80%/120% corridor on market value
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation
Projected Salary Increases	N/A
Includes Inflation at	3.00%
Cost of Living Adjustments	None

Mortality rates were based on the SubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019. The long-term expected rate of return on pension plan

investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.6%) and by adding expected inflation (3.00%). In addition, the final 7.5% assumption was selected by “rounding down”.

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

Asset Class	Target Allocation	Long -Term Expected Net Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small cap domestic	10%	5.94%
Developed international	15%	6.15%
Emerging markets	5%	7.25%
Global Infrastructure	5%	6.41%
Real Estate	10%	4.48%
Multi asset income	5%	3.84%
Fixed income	30%	1.99%
Cash	<u>0.0%</u>	0.00%
Total	100.0%	
Weighted Average		4.60%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

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

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's net TERS pension liability/(asset)	\$ 1,761,746	\$ 539,029	\$ (277,211)

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

At September 30, 2022, the City reported a liability of \$539,029 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	\$ 539,029
State's proportionate share that is associated with the City*	<u>149,230</u>
Total	<u>\$ 688,259</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, 2020. 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, 2020. The City used the assumption that any differences in the net pension liability measured as of August 31, 2020 versus September 30, 2021 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, 2019 through August 31, 2020.

At August 31, 2021, the employer's proportion of the collective net pension liability was 5.031%, which was an increase of 0.232% from its proportion measured as of August 31, 2020.

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

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

For the measurement year ended August 31, 2021, the City recognized pension expense of \$628. The City recognized on-behalf revenues (expenses) of (\$4,649) calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2022, 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	\$ -	\$ 21,324
Changes in actuarial assumptions	-	736
Net difference between projected and actual investment earnings	-	504,754
Contributions subsequent to the measurement date	221,900	-
Total	<u>\$ 221,900</u>	<u>\$ 526,814</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$221,900 will be recognized as a reduction to the net pension liability for the year ended September 30, 2023. 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>
2023	\$ (142,381)
2024	(87,685)
2025	(165,453)
2026	(131,295)
2027	-
Thereafter	-
Total	<u>\$ (526,814)</u>

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

The City recognized aggregate total pension (revenue)/expenses of (\$2,778,299) during the fiscal year ending September 30, 2022 related to the City's TMRS (\$2,778,927 total pension revenue) and TESRS (\$628 total pension expense) pension plans.

E. Deferred Compensation Plan

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

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

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

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

As of September 30, 2022, the program reserve in the amount of \$88,989 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), determine 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 to 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. As of September 30, 2022 the City has received reimbursement of all \$8,427,045 the City was eligible to receive.

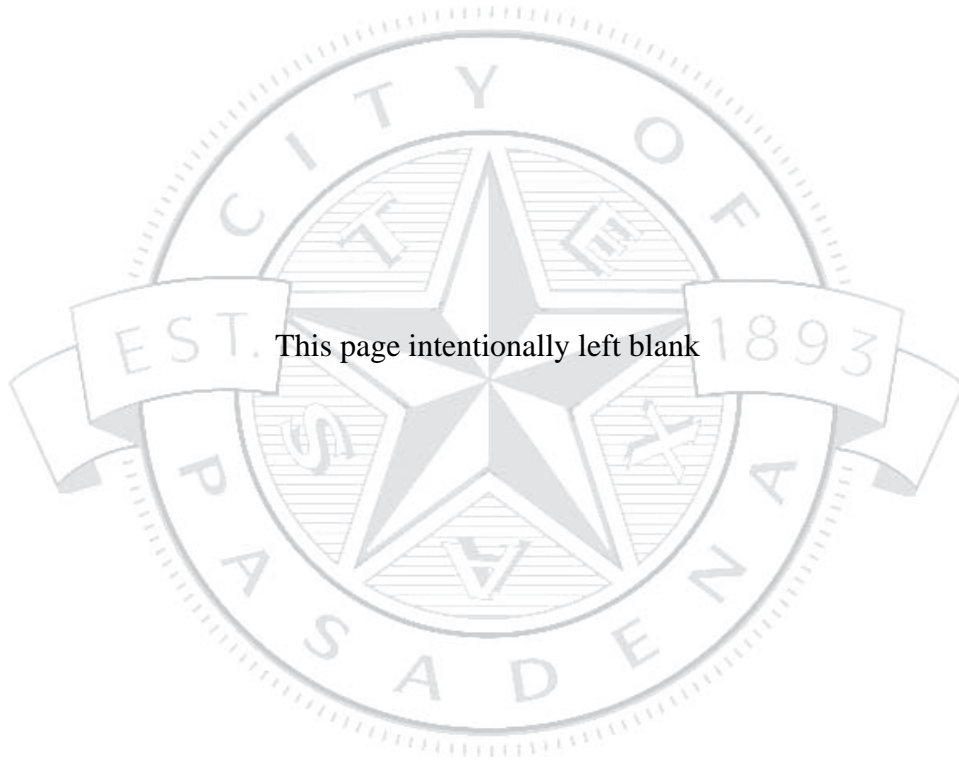
American Rescue Plan Act ("ARPA")

On March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law. Under ARPA, the State and Local Fiscal Recovery Fund ("SLFRF") provided additional funding to state and local governments for response and recovery from the Pandemic. The City was awarded a total of \$40,199,596, which was received in two separate payments of \$20,099,798 each. As of September 30, 2022, the City has expended \$922,678.

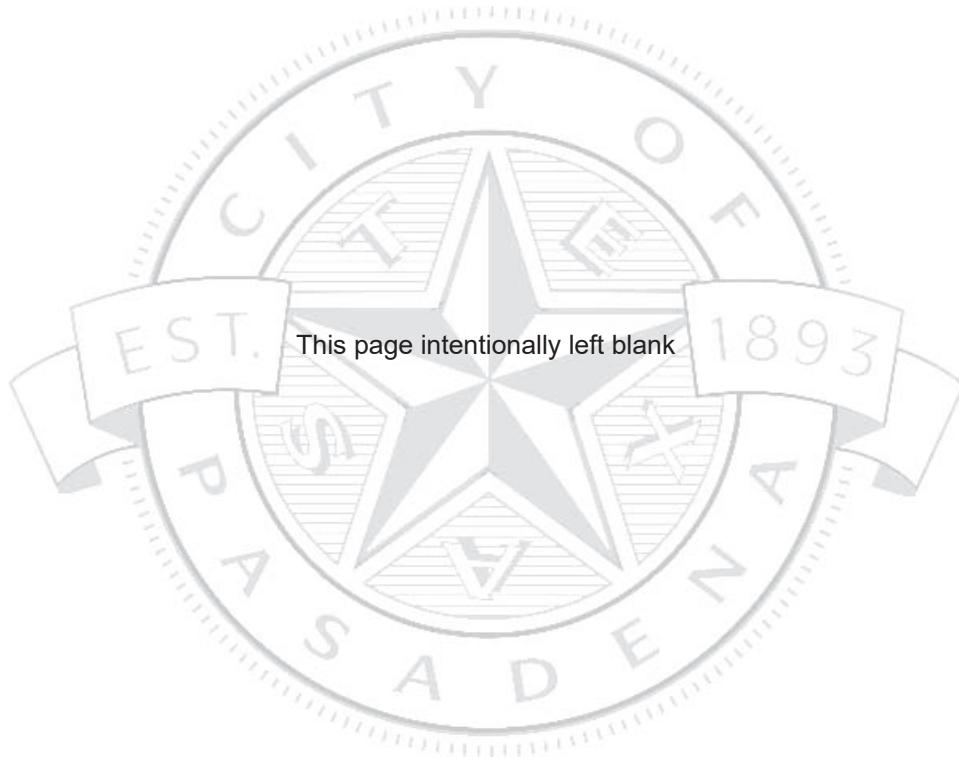
I. **Restatement**

The City has restated beginning assets and deferred inflows of resources for the general fund and governmental activities for implementation of GASB 87, *Leases*. The restatement had no effect on beginning fund balance/net positions.

	<u>General Fund</u>	<u>Governmental Activities</u>
Prior year ending fund balance/net position as reported	\$ 86,643,362	\$ 728,641,860
Leases receivable	718,039	718,039
Deferred inflows of resources - leases	(718,039)	(718,039)
Restated Beginning Fund Balance/Net Position	<u>\$ 86,643,362</u>	<u>\$ 728,641,860</u>



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF PASADENA, TEXAS
SCHEDULE OF CHANGES IN THE CITY'S TOTAL HEALTHCARE OPEB
LIABILITY AND RELATED RATIOS
Measurement Year Ended December 31, 2021 (1)

	December 31,				
	2017	2018	2019	2020	2021
Total OPEB Liability					
Service cost	\$ 1,780,094	\$ 2,056,979	\$ 2,070,006	\$ 2,097,026	\$ 2,518,193
Interest (on the total OPEB liability)	1,825,079	1,736,527	1,931,236	1,402,377	1,131,008
Difference between expected and actual experience	-	(325,506)	(8,364,900)	(720,162)	4,458,694
Change of assumptions	2,714,917	(2,242,884)	4,719,565	4,320,360	539,350
Benefit payments	(2,127,408)	(1,668,203)	(1,611,385)	(1,246,142)	(2,264,488)
Net Change in Total OPEB Liability	\$ 4,192,682	\$ (443,087)	\$ (1,255,478)	\$ 5,853,459	\$ 6,382,757
Beginning total OPEB liability	48,075,982	52,268,664	51,825,577	50,570,099	56,423,558
Ending Total OPEB Liability	\$ 52,268,664	\$ 51,825,577	\$ 50,570,099	\$ 56,423,558	\$ 62,806,315
Covered Employee Payroll	\$ 53,078,074	\$ 57,776,646	\$ 59,528,914	\$ 61,629,979	\$ 61,441,872
Total OPEB Liability as a Percentage of Covered Employee Payroll	98.48%	89.70%	84.95%	91.55%	102.22%

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

Notes to Required Supplementary Information:

Changes of assumptions reflect a change in the discount rate each period 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021, revised TMRS demographic assumptions, and updates to both the health care trend and election rate assumptions.

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

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

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

	September 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 7,605,747	\$ 7,622,892	\$ 8,512,614	\$ 8,700,395	\$ 9,114,228	\$ 10,346,997	\$ 9,298,019	\$ 9,257,101
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>	<u>\$ 9,298,019</u>	<u>\$ 9,257,101</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 55,384,915	\$ 58,987,632	\$ 63,307,908	\$ 63,001,076	\$ 67,171,083	\$ 76,883,843	\$ 69,922,435	\$ 68,170,344
Contributions as a percentage of covered payroll	13.73%	12.92%	13.45%	13.81%	13.57%	13.46%	13.30%	13.58%

(1) GASB 68 requires ten fiscal years of data to be provided in this schedule, only eight 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	2020	2021
Total pension liability								
Service cost	\$ 7,815,620	\$ 8,664,210	\$ 9,425,461	\$ 10,336,600	\$ 10,395,914	\$ 10,913,194	\$ 13,119,669	\$ 11,531,933
Interest (on the total pension liability)	25,468,655	26,426,824	26,908,444	28,169,848	29,453,672	30,714,091	32,061,718	34,032,784
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)	8,175,575	(1,582,055)
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)	(21,823,908)	(24,900,330)
Net change in total pension liability	13,715,136	20,853,892	19,325,670	18,634,629	18,973,955	19,531,366	31,533,054	19,082,332
Total pension liability - beginning	368,305,883	382,021,019	402,874,911	422,200,581	440,835,210	459,809,165	479,340,531	510,873,585
Total pension liability - ending (a)	\$ 382,021,019	\$ 402,874,911	\$ 422,200,581	\$ 440,835,210	\$ 459,809,165	\$ 479,340,531	\$ 510,873,585	\$ 529,955,917
Plan Fiduciary Net Position								
Contributions - employer	\$ 7,624,193	\$ 7,531,271	\$ 7,339,257	\$ 8,685,783	\$ 8,917,844	\$ 9,043,896	\$ 10,702,447	\$ 9,248,751
Contributions - employee	3,761,701	3,892,097	4,045,262	4,452,307	4,493,236	4,707,776	5,565,920	4,890,872
Net investment income	20,317,406	545,817	24,588,550	52,889,591	(12,797,053)	63,100,209	35,225,023	64,336,088
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)	(21,823,908)	(24,900,330)
Administrative expense	(212,141)	(332,466)	(277,733)	(274,143)	(247,396)	(356,693)	(228,063)	(297,831)
Other	(17,442)	(16,421)	(14,963)	(13,893)	(12,926)	(10,715)	(8,898)	2,039
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	29,432,521	53,279,589
Plan fiduciary net position - beginning	355,192,124	369,914,315	363,880,489	381,672,794	427,336,831	408,325,583	464,325,683	493,758,204
Plan fiduciary net position - ending (b)	\$ 369,914,315	\$ 363,880,489	\$ 381,672,794	\$ 427,336,831	\$ 408,325,583	\$ 464,325,683	\$ 493,758,204	\$ 547,037,793
Net pension liability (asset) - ending (a) - (b)	\$ 12,106,704	\$ 38,994,422	\$ 40,527,787	\$ 13,498,379	\$ 51,483,582	\$ 15,014,848	\$ 17,115,381	\$ (17,081,876)
Plan fiduciary net position as a percentage of total pension liability	96.83%	90.32%	90.40%	96.94%	88.80%	96.87%	96.65%	103.22%
Covered payroll	\$ 53,729,371	\$ 55,504,230	\$ 57,789,461	\$ 63,570,724	\$ 64,093,184	\$ 67,240,876	\$ 79,513,143	\$ 69,805,888
Net pension liability (asset) as a percentage of covered payroll	22.53%	70.25%	70.13%	21.23%	80.33%	22.33%	21.53%	-24.47%

(1) GASB 68 requires ten fiscal years of data to be provided in this schedule; only eight 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	25 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	2020	2021
Total OPEB Liability					
Service cost	\$ 120,784	\$ 141,005	\$ 127,758	\$ 198,783	\$ 181,495
Interest (on the total OPEB liability)	127,845	128,635	137,955	121,373	104,825
Difference between expected and actual experience	-	(148,237)	(199,991)	(60,652)	(323,322)
Change of assumptions	283,672	(243,192)	637,916	663,484	144,023
Benefit payments	(38,142)	(38,456)	(40,345)	(47,708)	(125,651)
Net Change in Total OPEB Liability	\$ 494,159	\$ (160,245)	\$ 663,293	\$ 875,280	\$ (18,630)
Beginning total OPEB liability	3,340,835	3,834,994	3,674,749	4,338,042	5,213,322
Ending Total OPEB Liability	\$ 3,834,994	\$ 3,674,749	\$ 4,338,042	\$ 5,213,322	\$ 5,194,692
Covered Employee Payroll	\$ 63,570,724	\$ 64,093,184	\$ 67,240,876	\$ 79,513,143	\$ 69,805,888
Total OPEB Liability as a Percentage of Covered Employee Payroll	6.03%	5.73%	6.45%	6.56%	7.44%

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

Notes to Required Supplementary Information:

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

Changes in Assumptions

The discount rate changed from 2.00% to 1.84%.

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	2021	2022
Contractually required contribution	\$ 214,235	\$ 202,225	\$ 184,932	\$ 199,188	\$ 211,926	\$ 202,902	\$ 214,050	\$ 232,350	\$ 221,900
Contributions in relation to the contractually required contribution	214,235	202,225	184,932	199,188	211,926	202,902	214,050	232,350	221,900
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<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	113	118
Contributions per active member	\$ 2,021	\$ 1,907	\$ 1,622	\$ 1,486	\$ 1,796	\$ 1,828	\$ 1,878	\$ 2,056	\$ 1,880

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

(2) There is no compensation for active members. Number of active members is used as of August 2021 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	2021	2022
City's proportion of the net pension liability	4.706%	4.281%	4.037%	4.118%	4.425%	4.528%	4.799%	5.031%
City's proportionate share of the net pension liability	\$ 855,158	\$ 1,142,706	\$ 1,175,787	\$ 988,456	\$ 958,032	\$ 1,283,487	\$ 1,209,870	\$ 539,029
State's proportionate share of the net pension liability	287,462	396,097	406,481	323,681	265,888	380,717	344,898	149,230
Total	\$ 1,142,620	\$ 1,538,803	\$ 1,582,268	\$ 1,312,137	\$ 1,223,920	\$ 1,664,204	\$ 1,554,768	\$ 688,259
Number of active members (2)	106	114	134	118	111	114	113	118
City's Net Pension Liability per Active Member	\$ 8,068	\$ 10,024	\$ 8,775	\$ 8,377	\$ 8,631	\$ 11,259	\$ 10,707	\$ 4,568
Plan fiduciary net position as a percentage of the total pension liability	83.50%	76.90%	76.30%	81.40%	84.26%	80.20%	83.20%	93.10%

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

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

Notes to Required Supplementary Information:

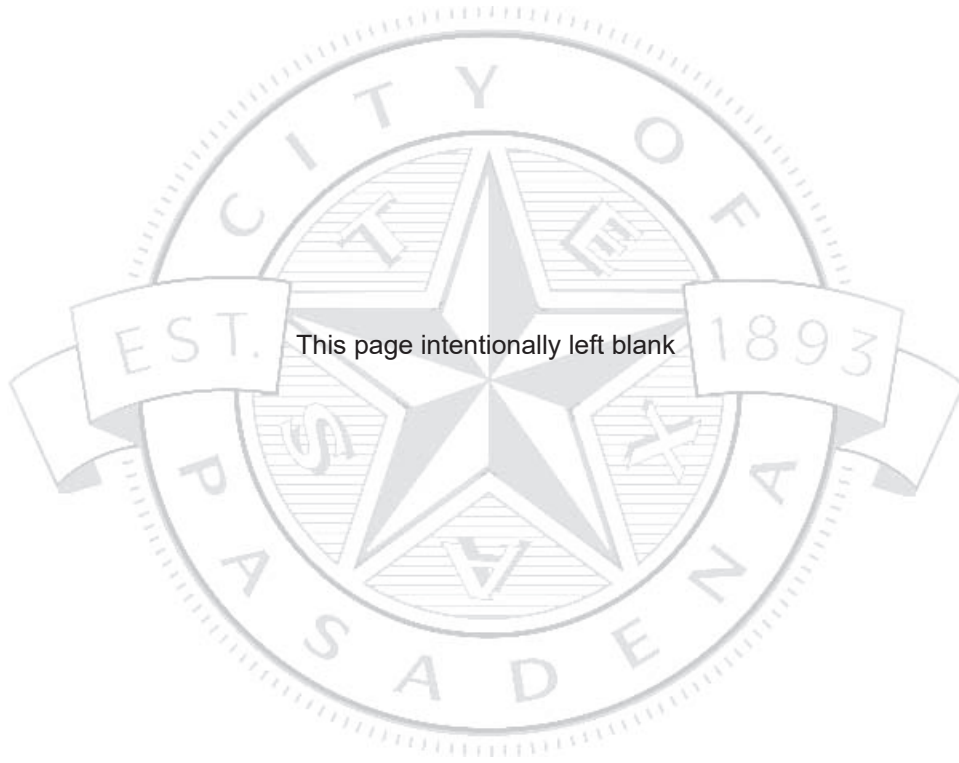
Defined Benefit Pension Plan

Changes in benefit terms:

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

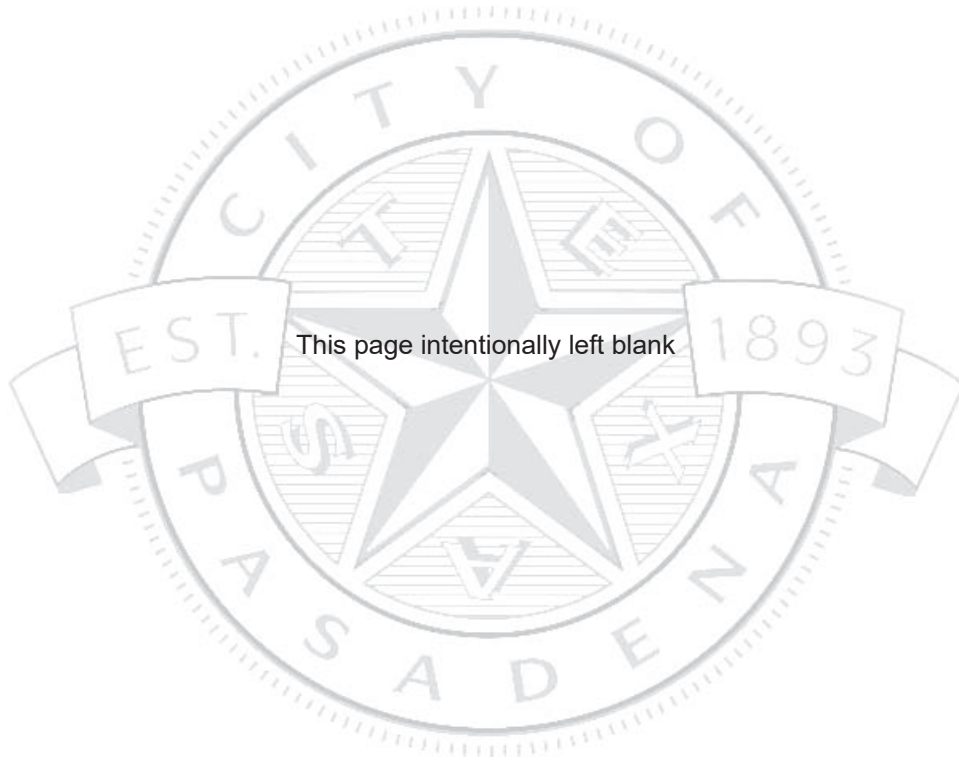


**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



GENERAL FUND

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



**CITY OF PASADENA, TEXAS
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2022**

ASSETS

Cash and cash equivalents	\$ 1,714,531
Investments	
TexPool	61,186,908
LOGIC CLASS A	592,222
CLASS	68,272,190
	130,051,320
Receivables (net, where applicable, of allowances for uncollectible)	
General property taxes	763,229
Accounts receivable	6,998,754
	7,761,983
Due from other funds	1,173,724
TOTAL ASSETS	\$ 140,701,558

LIABILITIES

Accounts payable	\$ 6,018,057
Accrued payroll payable	2,766,206
Due to other funds	31,948,233
Due to component unit	28,110
	40,760,606

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	897,017
Unavailable revenue - industrial district fees	81,425
Deferred inflows - leases	585,475
Unavailable revenue - electrical franchise	383,636
	1,947,553

FUND BALANCES

Committed	15,000
Assigned	1,306,065
Unassigned	96,672,334
	97,993,399
TOTAL FUND BALANCES	97,993,399
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 140,701,558



**CITY OF PASADENA, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

General property taxes	\$ 46,807,753
Business taxes and fees	
Industrial district fees	23,926,598
Sales taxes	28,739,060
Franchise fees	8,422,163
Other taxes and fees	347,972
Total business taxes and fees	61,435,793
Licenses and permits	2,482,555
Municipal court fines	3,129,283
Charges for services	13,052,793
Intergovernmental	254,404
Miscellaneous	1,287,166
Investment income	1,068,733

TOTAL REVENUES **129,518,480**

EXPENDITURES

Current	
General government	18,983,135
Public safety	53,194,082
Public works	16,644,470
Health	5,884,637
Culture and recreation	15,688,666

TOTAL EXPENDITURES **110,394,990**

EXCESS OF REVENUES OVER EXPENDITURES **19,123,490**

OTHER FINANCING SOURCES (USES)

Operating transfers in (out)	
Water and sewer system	3,000,000
General liability insurance fund	(750,000)
Capital projects fund	(7,446,501)
Pasadena second century corporation fund	(2,200,000)
Grant management fund	(472,790)
Sale of capital assets	95,838

TOTAL OTHER FINANCING (USES) **(7,773,453)**

NET CHANGE IN FUND BALANCE **11,350,037**

FUND BALANCE - BEGINNING **86,643,362**

FUND BALANCE - ENDING **\$ 97,993,399**

**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, 2022**

	<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	\$ 47,476,907	\$ 47,476,907	\$ 46,090,959	\$ (1,385,948)
Penalty and interest	525,000	525,000	716,794	191,794
Total General Property Taxes	48,001,907	48,001,907	46,807,753	(1,194,154)
Business Taxes and Fees				
Industrial district fees	22,915,000	22,915,000	23,926,598	1,011,598
Sales tax	22,500,000	22,500,000	28,739,060	6,239,060
Franchise fees	7,737,600	7,737,600	8,422,163	684,563
Other taxes				
Mixed drink tax	300,000	300,000	347,972	47,972
Bingo tax	25	25	-	(25)
Total Business Taxes and Fees	53,452,625	53,452,625	61,435,793	7,983,168
Licenses and Permits				
Business types	2,118,250	2,118,250	2,301,812	183,562
Occupational types	103,325	103,325	115,533	12,208
Non-business types	69,000	69,000	65,210	(3,790)
Total Licenses and Permits	2,290,575	2,290,575	2,482,555	191,980
Municipal Court Fines and Fees				
	2,610,100	2,610,100	3,129,283	519,183
Charges for Services				
Ellington municipal golf course	785,000	785,000	1,082,084	297,084
Recreational activities	127,050	127,050	140,525	13,475
Swimming pool	278,000	278,000	70,738	(207,262)
Tennis court	7,500	7,500	5,881	(1,619)
Civic center	377,500	377,500	522,683	145,183
Other centers	50,250	50,250	62,999	12,749
Miscellaneous	621,000	621,000	592,853	(28,147)
Solid waste collection	9,042,500	9,042,500	9,880,371	837,871
Health services	416,500	416,500	360,172	(56,328)
Library services	10,000	10,000	9,773	(227)
Property management	351,000	351,000	324,714	(26,286)
Total Charges for Services	12,066,300	12,066,300	13,052,793	986,493
Intergovernmental				
Fire protection	100,000	100,000	92,137	(7,863)
Harvey - Disaster Grant	-	10,506	10,506	-
Reimbursement from other agencies	53,000	53,000	122,941	69,941
TxDOT - traffic signal maintenance	30,946	30,946	28,088	(2,858)
Emergency management performance grant	55,000	55,000	-	(55,000)
Restitution - Harris County	1,000	1,000	732	(268)
Total Intergovernmental	239,946	250,452	254,404	3,952
Miscellaneous				
	1,066,500	1,295,739	1,287,166	(8,573)
Investment Income				
	101,500	101,500	1,068,733	967,233
TOTAL REVENUES	\$ 119,829,453	\$ 120,069,198	\$ 129,518,480	\$ 9,449,282

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current				
<u>General Government</u>				
City Council				
Personnel services	\$ 105,305	\$ 105,305	\$ 96,214	\$ 9,091
Contractual services	52,565	52,565	36,980	15,585
Materials and supplies	15,043	15,043	8,579	6,464
Maintenance charges	57,660	57,660	50,326	7,334
	230,573	230,573	192,099	38,474
Mayor				
Personnel services	600,298	651,224	651,224	-
Contractual services	32,502	32,502	30,628	1,874
Materials and supplies	9,511	9,511	7,134	2,377
Maintenance charges	60,467	60,467	49,331	11,136
	702,778	753,704	738,317	15,387
Budget and Financial Planning				
Personnel services	773,095	773,095	745,456	27,639
Contractual services	48,339	48,340	16,138	32,202
Materials and supplies	14,969	14,712	13,057	1,655
Maintenance charges	17,403	17,403	16,290	1,113
	853,806	853,550	790,941	62,609
Municipal Court				
Personnel services	1,999,702	1,999,702	1,827,101	172,601
Contractual services	254,030	254,030	227,919	26,111
Materials and supplies	57,213	57,213	52,163	5,050
Maintenance charges	253,044	253,120	245,379	7,741
	2,563,989	2,564,065	2,352,562	211,503
City Controller				
Personnel services	2,043,795	2,043,795	1,969,592	74,203
Contractual services	192,409	192,409	108,036	84,373
Materials and supplies	44,251	44,251	36,926	7,325
Maintenance charges	87,275	90,081	89,985	96
	\$ 2,367,730	\$ 2,370,536	\$ 2,204,539	\$ 165,997

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, 2022**

EXPENDITURES General Government, Continued	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Tax				
Contractual services	\$ 635,450	\$ 635,450	\$ 603,032	\$ 32,418
Materials and supplies	20	20	-	20
	635,470	635,470	603,032	32,438
Purchasing				
Personnel services	497,923	497,923	496,570	1,353
Contractual services	23,669	23,669	11,432	12,237
Materials and supplies	7,230	7,230	5,691	1,539
Maintenance charges	51,120	51,120	48,749	2,371
	579,942	579,942	562,442	17,500
Legal				
Personnel services	962,522	962,522	919,914	42,608
Contractual services	232,362	401,949	363,777	38,172
Materials and supplies	37,240	37,240	11,408	25,832
Maintenance charges	71,582	71,582	67,748	3,834
	1,303,706	1,473,293	1,362,847	110,446
City Secretary				
Personnel services	399,707	410,414	410,413	1
Contractual services	48,500	48,500	22,216	26,284
Materials and supplies	5,330	5,330	1,942	3,388
Maintenance charges	53,569	53,569	48,409	5,160
	507,106	517,813	482,980	34,833
Elections				
Contractual services	1,000	1,000	938	62
Materials and supplies	500	500	-	500
	1,500	1,500	938	562
Human Resources				
Personnel services	839,782	839,782	820,750	19,032
Contractual services	81,673	81,673	57,104	24,569
Materials and supplies	57,040	57,040	49,328	7,712
Maintenance charges	87,059	87,059	86,882	177
	1,065,554	1,065,554	1,014,064	51,490
Civil Service				
Contractual services	52,234	52,234	36,132	16,102
Materials and supplies	3,842	3,842	2,106	1,736
	\$ 56,076	\$ 56,076	\$ 38,238	\$ 17,838

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
City Marshall				
Personnel services	\$ 1,274,127	\$ 1,274,127	\$ 1,213,703	\$ 60,424
Contractual services	22,405	22,405	11,161	11,244
Materials and supplies	45,982	45,982	17,128	28,854
Maintenance charges	187,401	198,968	198,968	-
	1,529,915	1,541,482	1,440,960	100,522
Community Relations				
Personnel services	930,662	930,662	910,394	20,268
Contractual services	127,659	127,659	125,779	1,880
Materials and supplies	50,629	50,629	28,680	21,949
Maintenance charges	160,451	169,763	169,762	1
	1,269,401	1,278,713	1,234,615	44,098
Pasadena Action Line				
Personnel services	440,866	440,866	422,100	18,766
Contractual services	1,928	3,708	3,708	-
Materials and supplies	4,342	4,342	2,364	1,978
Maintenance charges	23,820	23,820	23,542	278
	470,956	472,736	451,714	21,022
Planning				
Personnel services	463,543	463,544	416,313	47,231
Contractual services	116,277	116,277	46,970	69,307
Materials and supplies	15,910	15,910	8,015	7,895
Maintenance charges	62,106	62,106	53,926	8,180
	657,836	657,837	525,224	132,613
Economic Development Liaison				
Personnel services	498,906	498,906	436,679	62,227
Contractual services	5,500	5,500	3,598	1,902
Materials and supplies	6,500	6,500	1,033	5,467
Maintenance charges	40,268	40,268	35,978	4,290
	\$ 551,174	\$ 551,174	\$ 477,288	\$ 73,886

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, 2022**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Neighborhood Network				
Personnel services	\$ 382,750	\$ 393,391	\$ 393,390	\$ 1
Contractual services	154,097	154,097	119,665	34,432
Materials and supplies	30,258	30,258	13,692	16,566
Maintenance charges	25,394	30,823	30,823	-
	592,499	608,569	557,570	50,999
Inspections				
Personnel services	1,452,275	1,452,275	1,343,524	108,751
Contractual services	246,959	264,705	41,321	223,384
Materials and supplies	18,229	18,229	13,263	4,966
Maintenance charges	198,892	198,892	197,842	1,050
Capital outlay	216,893	227,393	101,655	125,738
	2,133,248	2,161,494	1,697,605	463,889
Property Management				
Personnel services	372,745	372,745	365,998	6,747
Contractual services	634,558	418,631	193,794	224,837
Materials and supplies	87,863	87,863	32,022	55,841
Maintenance charges	282,709	42,709	40,916	1,793
Capital outlay	-	117,528	117,528	-
	1,377,875	1,039,476	750,258	289,218
City Hall				
Contractual services	504,357	504,357	414,475	89,882
Materials and supplies	83,743	89,243	64,798	24,445
Maintenance charges	127,366	154,039	154,039	-
Capital outlay	141,900	176,040	176,039	1
	857,366	923,679	809,351	114,328
Facilities Management				
Materials and supplies	147,464	148,810	68,325	80,485
Other charges	40,817	60,726	40,511	20,215
Capital outlay	59,796	22,796	22,564	232
	248,077	232,332	131,400	100,932
Impound/Storage				
Contractual services	319,303	319,303	263,569	55,734
Materials and supplies	4,909	4,909	3,762	1,147
Maintenance charges	5,086	5,086	4,147	939
	342,797	342,797	284,824	57,973
Other Charges				
Contractual services	2,065,715	2,304,686	-	2,304,686
Materials and supplies	292,500	292,500	145,677	146,823
Other charges	155,495	16,503	16,503	-
Other uses	54,000	53,768	40,918	12,850
	2,665,060	2,764,807	279,327	2,485,480
Total General Government	\$ 23,564,434	\$ 23,677,172	\$ 18,983,135	\$ 4,694,037

EXPENDITURES**Public Safety****Emergency Preparedness**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Personnel services	\$ 678,770	\$ 678,770	\$ 667,627	\$ 11,143
Contractual services	80,692	80,692	71,470	9,222
Materials and supplies	22,755	22,755	14,651	8,104
Maintenance charges	269,421	269,421	266,225	3,196
	1,051,638	1,051,638	1,019,973	31,665

Fire Fighting

Personnel services	336,969	336,969	330,825	6,144
Contractual services	1,401,027	1,401,027	1,155,374	245,653
Materials and supplies	620,228	620,229	301,449	318,780
Maintenance charges	982,116	988,991	988,990	1
Capital outlay	168,405	2,845,937	2,809,774	36,163
	3,508,745	6,193,153	5,586,412	606,741

Fire Prevention

Personnel services	1,301,484	1,301,484	1,278,283	23,201
Contractual services	98,529	99,367	95,233	4,134
Materials and supplies	55,597	55,597	52,051	3,546
Maintenance charges	348,463	348,463	337,021	11,442
Capital outlay	20,000	20,000	-	20,000
	1,824,073	1,824,911	1,762,588	62,323

Police

Personnel services	41,131,611	41,672,266	38,740,888	2,931,378
Contractual services	530,082	573,395	529,405	43,990
Materials and supplies	335,373	351,909	304,579	47,330
Maintenance charges	4,528,249	4,546,772	4,483,453	63,319
Capital outlay	-	81,368	81,368	-
	46,525,315	47,225,710	44,139,693	3,086,017

Code Enforcement

Personnel services	267,764	267,764	258,566	9,198
Contractual services	249,977	249,977	194,923	55,054
Materials and supplies	45,230	45,230	25,964	19,266
Maintenance charges	198,866	205,966	205,963	3
	761,837	768,937	685,416	83,521

Total Public Safety

	\$ 53,671,608	\$ 57,064,349	\$ 53,194,082	\$ 3,870,267
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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, 2022**

EXPENDITURES	Budgeted Amounts		Actual	Variance with
Public Works	Original	Final	Amounts	Final Budget
Engineering				
Personnel services	\$ 1,758,921	\$ 1,758,921	\$ 1,714,044	\$ 44,877
Contractual services	342,357	427,157	325,867	101,290
Materials and supplies	28,434	28,623	26,534	2,089
Maintenance charges	175,164	183,716	183,716	-
	2,304,876	2,398,417	2,250,161	148,256
Street Lighting and Signals				
Contractual services	1,350,000	1,350,000	1,137,754	212,246
	1,350,000	1,350,000	1,137,754	212,246
Sanitation				
Personnel services	2,880,063	2,880,063	2,716,803	163,260
Contractual services	5,671,440	5,863,321	5,863,171	150
Materials and supplies	329,500	329,500	269,876	59,624
Maintenance charges	273,591	273,591	267,043	6,548
	9,154,594	9,346,475	9,116,893	229,582
Street and Bridge				
Personnel services	2,174,175	2,174,175	2,020,400	153,775
Contractual services	65,700	65,700	56,640	9,060
Materials and supplies	442,350	442,350	312,468	129,882
Maintenance charges	357,925	359,175	359,173	2
Capital outlay	65,000	65,000	15,234	49,766
	3,105,150	3,106,400	2,763,915	342,485
Traffic and Transportation				
Personnel services	977,289	977,289	851,557	125,732
Contractual services	365,926	365,926	202,603	163,323
Materials and supplies	302,941	302,941	185,892	117,049
Maintenance charges	121,434	121,434	119,645	1,789
Capital outlay	143,400	143,400	16,050	127,350
	1,910,990	1,910,990	1,375,747	535,243
Total Public Works	\$ 17,825,610	\$ 18,112,282	\$ 16,644,470	\$ 1,467,812

EXPENDITURES**Health****Health**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Personnel services	\$ 1,154,570	\$ 1,154,570	\$ 1,082,950	\$ 71,620
Contractual services	1,375,545	1,375,545	1,263,379	112,166
Materials and supplies	18,716	106,283	101,632	4,651
Maintenance charges	125,315	125,315	125,196	119
	2,674,146	2,761,713	2,573,157	188,556

Animal Rescue and Assistance

Personnel services	2,645,521	2,645,521	2,353,500	292,021
Contractual services	334,569	384,080	308,312	75,768
Materials and supplies	287,037	316,777	245,618	71,159
Maintenance charges	336,708	341,312	341,301	11
Capital outlay	56,707	104,085	62,749	41,336
	3,660,542	3,791,775	3,311,480	480,295

Total Health

	6,334,688	6,553,488	5,884,637	668,851
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Culture and Recreation**Parks**

Personnel services	2,279,471	2,279,472	1,889,826	389,646
Contractual services	326,060	504,060	349,256	154,804
Materials and supplies	248,203	396,843	362,465	34,378
Maintenance charges	718,987	811,614	811,614	-
Capital outlay	554,398	251,592	124,076	127,516
	4,127,119	4,243,581	3,537,237	706,344

Recreation

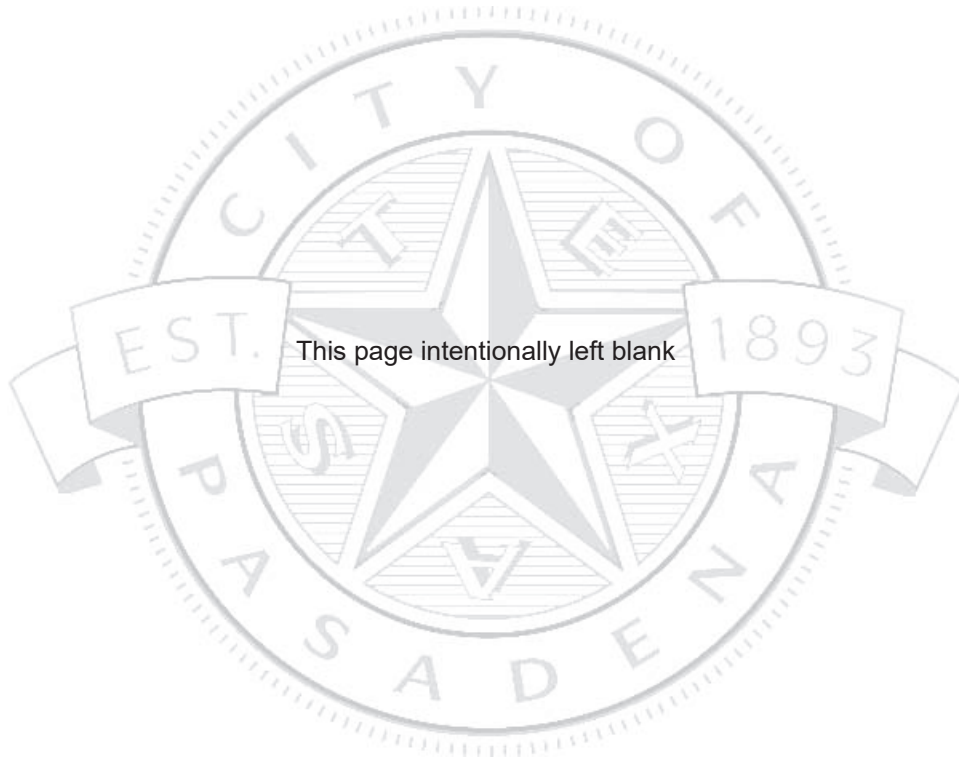
Personnel services	2,613,200	2,613,200	1,921,662	691,538
Contractual services	479,838	479,838	365,688	114,150
Materials and supplies	427,829	427,829	331,647	96,182
Maintenance charges	410,569	451,401	420,038	31,363
Other charges	106,448	106,448	81,442	25,006
Capital outlay	101,229	303,795	100,453	203,342
	\$ 4,139,113	\$ 4,382,511	\$ 3,220,930	\$ 1,161,581

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, 2022**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture and Recreation, Continued				
Clean Streets				
Personnel services	\$ 1,374,146	\$ 1,374,146	\$ 1,372,993	\$ 1,153
Contractual services	247,300	247,300	214,177	33,123
Materials and supplies	74,247	74,247	55,553	18,694
Maintenance charges	252,964	276,042	276,042	-
Capital outlay	34,000	34,000	33,711	289
	1,982,657	2,005,735	1,952,476	53,259
Golf Course				
Personnel services	548,297	580,057	493,878	86,179
Contractual services	125,477	145,477	124,806	20,671
Materials and supplies	470,219	470,219	151,790	318,429
Maintenance charges	146,259	146,259	135,031	11,228
Capital outlay	-	67,825	63,665	4,160
	1,290,252	1,409,837	969,170	440,667
Multi-Purpose Center				
Personnel services	449,122	449,122	343,548	105,574
Contractual services	40,209	40,209	35,487	4,722
Materials and supplies	47,840	47,840	35,373	12,467
Maintenance charges	65,405	68,284	68,283	1
Other charges	14,786	14,786	13,404	1,382
	617,362	620,241	496,095	124,146
Civic Center				
Personnel services	443,999	443,999	443,253	746
Contractual services	107,286	112,198	112,198	-
Materials and supplies	13,636	13,636	12,175	1,461
Maintenance charges	244,593	245,439	245,439	-
	809,514	815,272	813,065	2,207
Senior Center - Madison Jobe				
Personnel services	524,250	532,677	532,676	1
Contractual services	62,980	62,980	33,709	29,271
Materials and supplies	56,822	56,822	19,825	36,997
Maintenance charges	91,366	95,896	95,896	-
Other charges	33,124	33,124	32,862	262
	768,542	781,499	714,968	66,531
Museum				
Personnel services	116,246	116,246	97,527	18,719
Contractual services	18,925	20,602	9,212	11,390
Materials and supplies	14,100	14,100	8,243	5,857
Maintenance charges	11,887	11,887	11,887	-
Other charges	7,000	7,000	735	6,265
	\$ 168,158	\$ 169,835	\$ 127,604	\$ 42,231

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Library				
Personnel services	\$ 2,734,800	\$ 2,734,800	\$ 2,617,220	\$ 117,580
Contractual services	255,762	268,959	264,804	4,155
Materials and supplies	403,393	403,454	393,992	9,462
Maintenance charges	493,703	503,376	503,277	99
Capital outlay	45,919	78,919	77,828	1,091
	3,933,577	3,989,508	3,857,121	132,387
Total Culture and Recreation	17,836,294	18,418,019	15,688,666	2,729,353
TOTAL EXPENDITURES	119,232,634	123,825,310	110,394,990	13,430,320
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	596,819	(3,756,112)	19,123,490	22,879,602
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Maintenance fund	-	(2,200,000)	(2,200,000)	-
Water and sewer system fund	3,000,000	3,000,000	3,000,000	-
General liability Insurance fund	(750,000)	(750,000)	(750,000)	-
Capital projects fund	(4,000,000)	(7,446,501)	(7,446,501)	-
Grant management fund	-	(472,790)	(472,790)	-
Sale of capital assets	10,000	10,000	95,838	85,838
TOTAL OTHER FINANCING (USES)	(1,740,000)	(7,859,291)	(7,773,453)	85,838
NET CHANGE IN FUND BALANCES	(1,143,181)	(11,615,403)	11,350,037	22,965,440
FUND BALANCE - BEGINNING	71,212,468	86,643,362	86,643,362	-
FUND BALANCE - ENDING	\$ 70,069,287	\$ 75,027,959	\$ 97,993,399	\$ 22,965,440

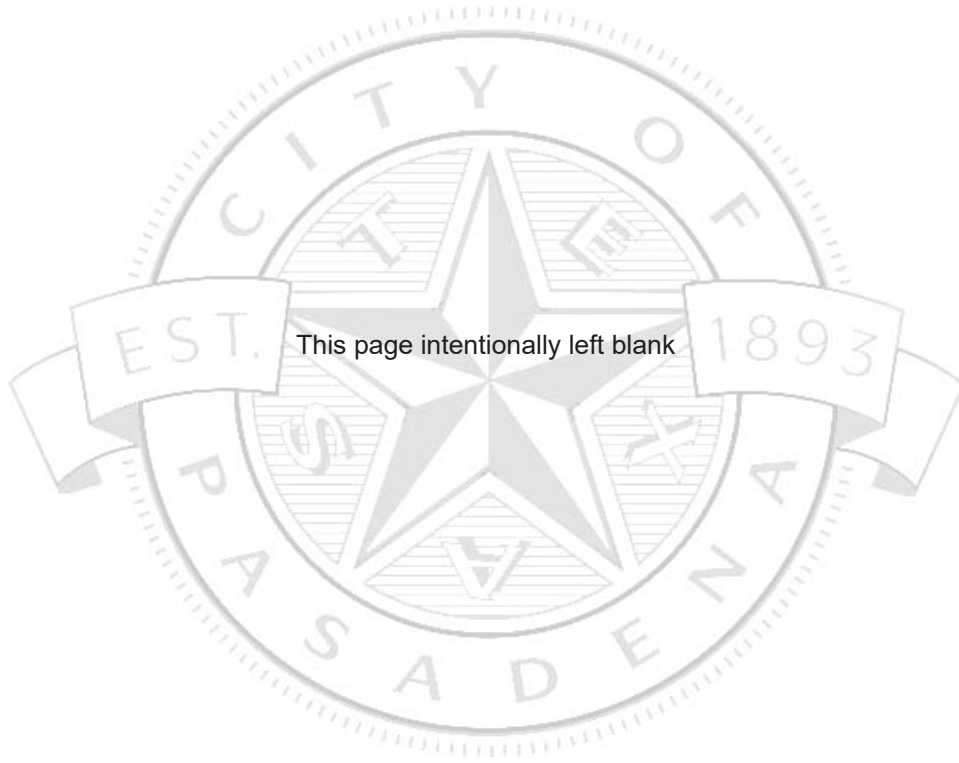


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MAJOR FUND

DEBT SERVICE FUND

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



CITY OF PASADENA, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<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	\$ 11,185,241	\$ 11,185,241	\$ 10,426,174	\$ (759,067)
Investment income	2,200	2,200	25,756	23,556
TOTAL REVENUES	11,187,441	11,187,441	10,451,930	(735,511)
EXPENDITURES				
Debt service				
Principal	7,803,640	7,803,640	7,803,640	-
Interest	3,196,001	3,196,001	3,110,903	85,098
Fiscal charges	4,900	4,900	-	4,900
Other charges	11,525	11,525	-	11,525
TOTAL EXPENDITURES	11,016,066	11,016,066	10,914,543	101,523
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	171,375	171,375	(462,613)	(633,988)
OTHER FINANCING SOURCES (USES)				
Transfers in - capital projects fund	-	-	1,121	1,121
TOTAL OTHER FINANCING SOURCES	-	-	1,121	1,121
NET CHANGE IN FUND BALANCE	171,375	171,375	(461,492)	(632,867)
FUND BALANCES - BEGINNING	3,990,503	4,116,848	4,116,848	-
FUND BALANCES - ENDING	\$ 4,161,878	\$ 4,288,223	\$ 3,655,356	\$ (632,867)



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NONMAJOR GOVERNMENTAL FUNDS Special Revenue Funds

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

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

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

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

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

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

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

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

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

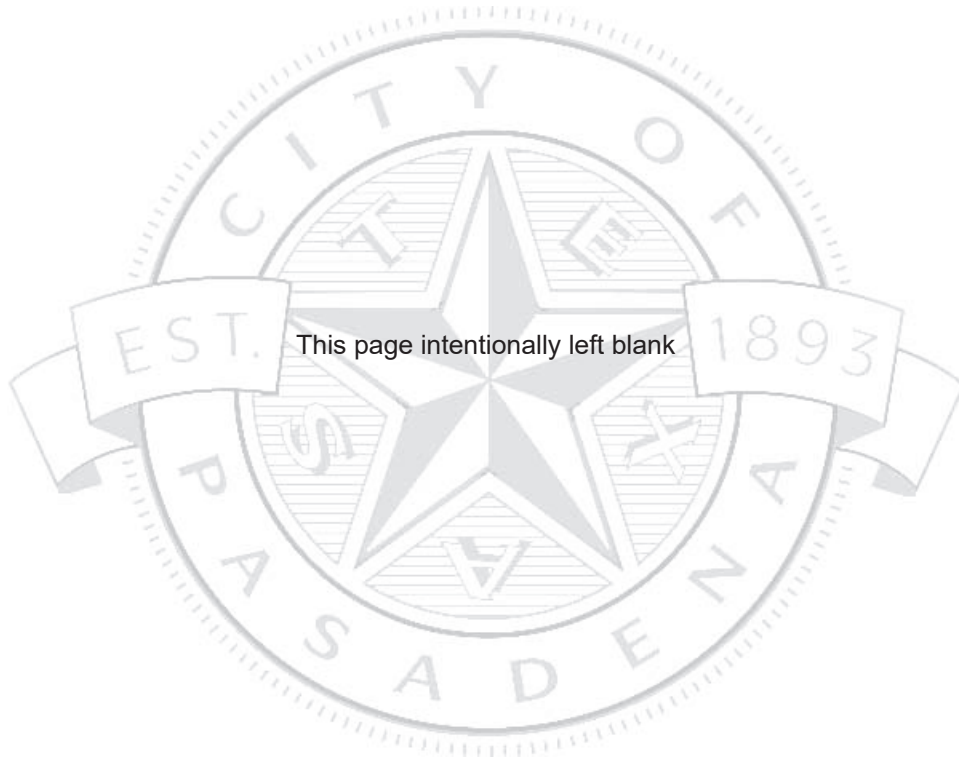
1% Public, Educational, and Governmental Access Channel fee (PEG Fee) (Sec 66.006) collected to be spent on capital cost items for PEG Channel Access facilities.

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

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

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

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



**CITY OF PASADENA, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022**

	<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>	
<u>ASSETS</u>					
Due from other funds	\$ 1,206,123	\$ -	\$ 13,113	\$ 317,825	\$ 1,537,061
Restricted assets					
Cash and cash equivalents	-	53,063	-	-	53,063
Investments	1,836,040	816,955	5,601,723	295,079	8,549,797
Receivables (net of allowances of uncollectibles)					
Intergovernmental	64,739	-	-	-	64,739
Accounts	-	-	365,040	-	365,040
TOTAL ASSETS	<u>\$ 3,106,902</u>	<u>\$ 870,018</u>	<u>\$ 5,979,876</u>	<u>\$ 612,904</u>	<u>\$ 10,569,700</u>
<u>LIABILITIES</u>					
Liabilities payable from restricted assets					
Accounts payable	\$ 17,825	\$ 18,907	\$ 43,870	\$ 26,258	\$ 106,860
Accrued payroll payable	4,316	-	5,157	5,758	15,231
Unearned revenue	37	-	-	-	37
	<u>22,178</u>	<u>18,907</u>	<u>49,027</u>	<u>32,016</u>	<u>122,128</u>
TOTAL LIABILITIES	<u>22,178</u>	<u>18,907</u>	<u>49,027</u>	<u>32,016</u>	<u>122,128</u>
<u>FUND BALANCES</u>					
Restricted	<u>3,084,724</u>	<u>851,111</u>	<u>5,930,849</u>	<u>580,888</u>	<u>10,447,572</u>
TOTAL FUND BALANCES	<u>3,084,724</u>	<u>851,111</u>	<u>5,930,849</u>	<u>580,888</u>	<u>10,447,572</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,106,902</u>	<u>\$ 870,018</u>	<u>\$ 5,979,876</u>	<u>\$ 612,904</u>	<u>\$ 10,569,700</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, 2022**

	<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	\$ 211,211	\$ -	\$ -	\$ -	\$ 211,211
Other taxes	-	-	1,610,948	-	1,610,948
Licenses and permits	2,630	-	-	-	2,630
Municipal court fines	327,868	-	-	-	327,868
Intergovernmental	241,310	128,719	-	-	370,029
Miscellaneous	5,344	-	-	594,873	600,217
Investment income	13,505	5,911	38,666	2,656	60,738
TOTAL REVENUES	801,868	134,630	1,649,614	597,529	3,183,641
EXPENDITURES					
Current					
General government					
Personnel services	2,011	-	-	-	2,011
Contractual services	122,628	-	-	-	122,628
Materials and supplies	74,672	-	-	-	74,672
Capital outlay	13,789	-	-	-	13,789
Public safety					
Personnel services	104,581	-	-	147,195	251,776
Contractual services	127,869	86,499	-	223,367	437,735
Materials and supplies	105,030	76,079	-	21,563	202,672
Other charges	-	32,550	-	44,181	76,731
Capital outlay	-	42,646	-	-	42,646
Culture and recreation					
Personnel services	-	-	140,207	-	140,207
Contractual services	-	-	199,064	-	199,064
Materials and supplies	-	-	95,468	-	95,468
Other charges	-	-	6,419	-	6,419
Capital outlay	-	-	297,709	-	297,709
TOTAL EXPENDITURES	550,580	237,774	738,867	436,306	1,963,527
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	251,288	(103,144)	910,747	161,223	1,220,114
FUND BALANCES - BEGINNING	2,833,436	954,255	5,020,102	419,665	9,227,458
FUND BALANCES - ENDING	\$ 3,084,724	\$ 851,111	\$ 5,930,849	\$ 580,888	\$ 10,447,572

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Franchise fees	\$ 225,000	\$ 225,000	\$ 211,211	\$ (13,789)
Licenses and permits	3,000	3,000	2,630	(370)
Municipal court fines	255,000	192,000	327,868	135,868
Intergovernmental	250,500	250,500	241,310	(9,190)
Miscellaneous	6,300	5,300	5,344	44
Investment income	870	870	13,505	12,635
TOTAL REVENUES	<u>740,670</u>	<u>676,670</u>	<u>801,868</u>	<u>125,198</u>
EXPENDITURES				
Current				
General government				
Personnel services	5,194	5,194	2,011	3,183
Contractual services	125,211	137,903	122,628	15,275
Materials and supplies	126,525	126,525	74,672	51,853
Capital outlay	250,000	250,000	13,789	236,211
Public safety				
Personnel services	155,889	156,433	104,581	51,852
Contractual services	201,901	201,357	127,869	73,488
Materials and supplies	204,453	204,453	105,030	99,423
Capital outlay	50,000	50,000	-	50,000
TOTAL EXPENDITURES	<u>1,119,173</u>	<u>1,131,865</u>	<u>550,580</u>	<u>581,285</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(378,503)	(455,195)	251,288	706,483
FUND BALANCES - BEGINNING	<u>1,888,053</u>	<u>2,833,436</u>	<u>2,833,436</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,509,550</u>	<u>\$ 2,378,241</u>	<u>\$ 3,084,724</u>	<u>\$ 706,483</u>

CITY OF PASADENA, TEXAS
STATE FORFEITED PROPERTY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 128,719	\$ 128,719
Investment income	750	750	5,911	5,161
TOTAL REVENUES	750	750	134,630	133,880
EXPENDITURES				
Current				
Public safety				
Contractual services	96,500	96,500	86,499	10,001
Materials and supplies	122,044	122,044	76,079	45,965
Other charges	120,000	120,000	32,550	87,450
Capital outlay	50,000	50,000	42,646	7,354
TOTAL EXPENDITURES	388,544	388,544	237,774	150,770
(DEFICIENCY) OF REVENUES				
(UNDER) EXPENDITURES	(387,794)	(387,794)	(103,144)	284,650
FUND BALANCES - BEGINNING	943,490	954,255	954,255	-
FUND BALANCES - ENDING	\$ 555,696	\$ 566,461	\$ 851,111	\$ 284,650

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,610,948	\$ 610,948
Investment income	5,000	5,000	38,666	33,666
TOTAL REVENUES	<u>1,005,000</u>	<u>1,005,000</u>	<u>1,649,614</u>	<u>644,614</u>
EXPENDITURES				
Current				
Culture and recreation				
Personnel services	140,379	140,378	140,207	171
Contractual services	207,026	235,026	199,064	35,962
Materials and supplies	195,061	195,061	95,468	99,593
Other charges	154,350	154,350	6,419	147,931
Capital outlay	766,129	2,766,129	297,709	2,468,420
TOTAL EXPENDITURES	<u>1,462,945</u>	<u>3,490,944</u>	<u>738,867</u>	<u>2,752,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(457,945)</u>	<u>(2,485,944)</u>	<u>910,747</u>	<u>3,396,691</u>
FUND BALANCES - BEGINNING	<u>6,315,723</u>	<u>5,020,102</u>	<u>5,020,102</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 5,857,778</u>	<u>\$ 2,534,158</u>	<u>\$ 5,930,849</u>	<u>\$ 3,396,691</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 315,000	\$ 315,000	\$ 594,873	\$ 279,873
Investment income	225	225	2,656	2,431
TOTAL REVENUES	<u>315,225</u>	<u>315,225</u>	<u>597,529</u>	<u>282,304</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	148,162	148,162	147,195	967
Contractual services	241,000	241,000	223,367	17,633
Materials and supplies	39,500	39,500	21,563	17,937
Other charges	45,000	45,000	44,181	819
TOTAL EXPENDITURES	<u>473,662</u>	<u>473,662</u>	<u>436,306</u>	<u>37,356</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(158,437)	(158,437)	161,223	319,660
FUND BALANCES - BEGINNING	<u>330,359</u>	<u>419,665</u>	<u>419,665</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 171,922</u>	<u>\$ 261,228</u>	<u>\$ 580,888</u>	<u>\$ 319,660</u>

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, 2022**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
<u>ASSETS</u>					
Current Assets					
Investments - TexPool	\$ 6,852,443	\$ 3,608,555	\$ 4,629,882	\$ 6,657,707	\$ 21,748,587
Accounts receivable	2,434	-	-	386,618	389,052
Due from other funds					
General	2,525,686	-	33,789	-	2,559,475
General liability insurance	48,364	-	-	-	48,364
Water and sewer system	1,002,695	-	-	-	1,002,695
Inventory, at cost	949,275	-	-	-	949,275
Prepaid items	-	-	822,247	-	822,247
Total Current Assets	11,380,897	3,608,555	5,485,918	7,044,325	27,519,695
Noncurrent Assets					
Deposits	-	14,000	-	370,000	384,000
TMRS net pension asset	1,299,141	-	-	-	1,299,141
Capital Assets					
Land	602	-	-	-	602
Buildings and building improvements	2,480,236	-	-	-	2,480,236
Accumulated depreciation - buildings and building improvements	(1,857,765)	-	-	-	(1,857,765)
Facilities and other improvements	188,004	-	-	-	188,004
Accumulated depreciation - facilities and other improvements	(94,421)	-	-	-	(94,421)
Machinery and equipment	13,194,668	-	-	-	13,194,668
Accumulated depreciation - machinery and equipment	(8,123,654)	-	-	-	(8,123,654)
Infrastructure	41,746	-	-	-	41,746
Accumulated depreciation - infrastructure	(31,640)	-	-	-	(31,640)
Automotive equipment	52,442,300	-	-	-	52,442,300
Accumulated depreciation - automotive equipment	(31,972,155)	-	-	-	(31,972,155)
Construction in progress	5,244,972	-	-	-	5,244,972
Net Capital Assets	31,512,893	-	-	-	31,512,893
Total Noncurrent Assets	32,812,034	14,000	-	370,000	33,196,034
TOTAL ASSETS	44,192,931	3,622,555	5,485,918	7,414,325	60,715,729
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows on:					
Contribution subsequent to the measurement date pension - TMRS	456,323	-	-	-	456,323
Changes in actuarial assumptions pension - TMRS	1,491	-	-	-	1,491
Changes in actuarial assumptions - OPEB	328,622	-	-	-	328,622
Contributions subsequent to the measurement date - OPEB	35,829	-	-	-	35,829
Changes in actuarial assumptions - OPEB-SDBF	63,476	-	-	-	63,476
Contribution subsequent to the measurement date - OPEB-SDBF	5,797	-	-	-	5,797
Difference between expected and actual economic experience pension - TMRS	281,264	-	-	-	281,264
Deferred outflow on expected and actual - OPEB	112,505	-	-	-	112,505
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,285,307	\$ -	\$ -	\$ -	\$ 1,285,307

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 1,207,297	\$ 12,113	\$ 138,546	\$ 322,066	\$ 1,680,022
Accrued payroll payable	238,734	4,017	-	2,976	245,727
Due to other funds					
General	-	1,496	-	1,172,228	1,173,724
Maintenance	-	-	48,364	-	48,364
Claims payable	-	15,000	-	850,800	865,800
Compensated absences payable	184,621	-	-	-	184,621
Total Current Liabilities	1,630,652	32,626	186,910	2,348,070	4,198,258
Noncurrent Liabilities					
Claims payable	-	10,000	-	567,198	577,198
Compensated absences payable	1,661,586	-	-	-	1,661,586
OPEB GASB 75 liability	3,025,389	-	-	-	3,025,389
OPEB SDBF liability	376,595	-	-	-	376,595
Total Noncurrent Liabilities	5,063,570	10,000	-	567,198	5,640,768
TOTAL LIABILITIES	6,694,222	42,626	186,910	2,915,268	9,839,026
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on:					
Investment on pension TMRS	131,691	-	-	-	131,691
Change in assumption SDBF	5,082	-	-	-	5,082
Difference between expected and actual experience SDBF	31,938	-	-	-	31,938
Assumption OPEB	72,898	-	-	-	72,898
Difference between expected actual experience OPEB	294,653	-	-	-	294,653
Deferred inflow on investment - pension TMRS	2,303,038	-	-	-	2,303,038
TOTAL DEFERRED INFLOWS OF RESOURCES	2,839,300	-	-	-	2,839,300
NET POSITION					
Net investment in capital assets	31,512,893	-	-	-	31,512,893
Unrestricted	4,431,823	3,579,929	5,299,008	4,499,057	17,809,817
TOTAL NET POSITION	\$ 35,944,716	\$ 3,579,929	\$ 5,299,008	\$ 4,499,057	\$ 49,322,710



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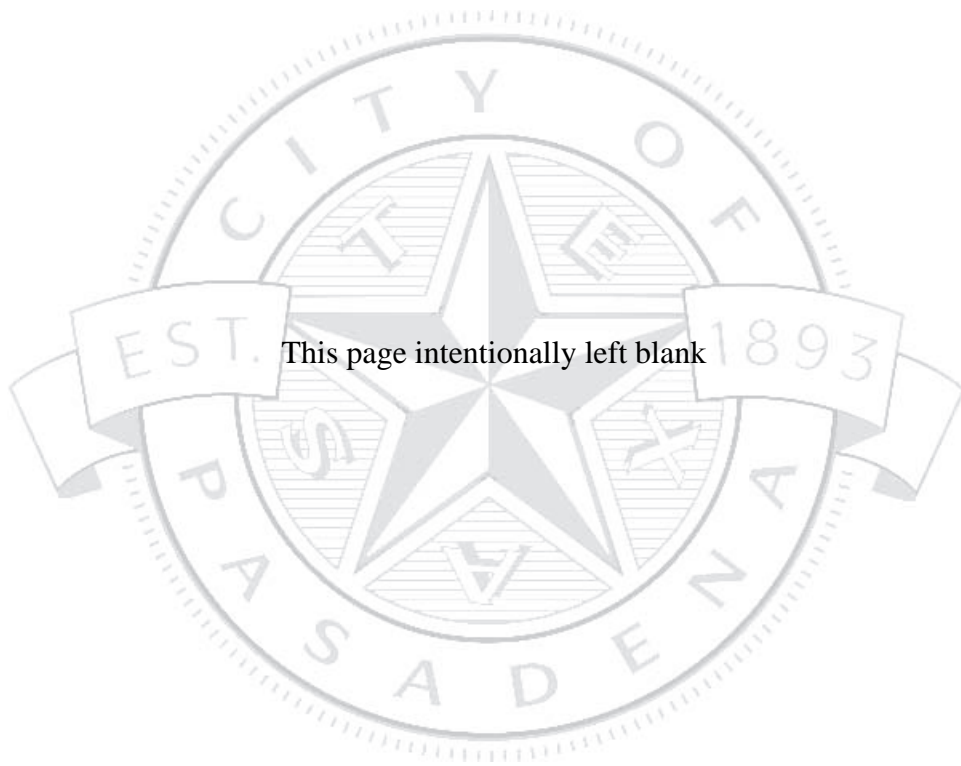
CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
OPERATING REVENUES					
Charges for sales and services	\$ 16,235,839	\$ 1,116,171	\$ 280,556	\$ 21,616,515	\$ 39,249,081
OPERATING EXPENSES					
Personnel services	5,879,719	78,492	-	-	5,958,211
Contractual services	1,905,217	30,825	-	126,000	2,062,042
Materials and supplies	5,122,156	33,434	-	-	5,155,590
Maintenance charges	1,962,507	-	-	-	1,962,507
Insurance/reinsurance premiums	-	762,136	2,101,883	4,381,191	7,245,210
Claim and legal expenses	-	10,919	769,435	15,964,848	16,745,202
Administration fees	-	-	-	539,788	539,788
Miscellaneous	-	-	-	873,615	873,615
Depreciation	4,541,336	-	-	-	4,541,336
TOTAL OPERATING EXPENSES	19,410,935	915,806	2,871,318	21,885,442	45,083,501
OPERATING INCOME (LOSS)	(3,175,096)	200,365	(2,590,762)	(268,927)	(5,834,420)
NONOPERATING REVENUES					
Gain on sale of capital assets	798,541	-	-	-	798,541
Investment income	47,504	22,435	35,547	48,408	153,894
TOTAL NONOPERATING REVENUES	846,045	22,435	35,547	48,408	952,435
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS					
	(2,329,051)	222,800	(2,555,215)	(220,519)	(4,881,985)
Capital contributions	4,470,961	-	-	-	4,470,961
Transfers in	4,653,000	-	1,750,000	-	6,403,000
CHANGES IN NET POSITION	6,794,910	222,800	(805,215)	(220,519)	5,991,976
TOTAL NET POSITION - BEGINNING	29,149,806	3,357,129	6,104,223	4,719,576	43,330,734
TOTAL NET POSITION - ENDING	\$ 35,944,716	\$ 3,579,929	\$ 5,299,008	\$ 4,499,057	\$ 49,322,710

CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from interfund services	\$ 13,085,050	\$ 1,116,475	\$ 246,767	\$ 13,932,812	\$ 28,381,104
Cash received from customers and users	-	-	-	7,614,981	7,614,981
Cash payments to suppliers for goods and services	(8,832,211)	-	-	-	(8,832,211)
Cash payments to employees for services	(6,615,355)	(78,572)	-	(13,353)	(6,707,280)
Cash payments for insurance premiums, liability claims, and administration	-	(845,794)	(3,064,336)	(22,003,824)	(25,913,954)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,362,516)	192,109	(2,817,569)	(469,384)	(5,457,360)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers from other funds					
General	2,453,000	-	750,000	-	3,203,000
Water and sewer system	2,200,000	-	1,000,000	-	3,200,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	4,653,000	-	1,750,000	-	6,403,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from sale of capital assets	990,647	-	-	-	990,647
Acquisition and construction of capital assets	(1,862,087)	-	-	-	(1,862,087)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(871,440)	-	-	-	(871,440)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(4,013,306)	(1,000,827)	(1,888,685)	(17,197,393)	(24,100,211)
Proceeds from sale and maturities of investments	2,546,758	786,283	2,920,707	17,618,369	23,872,117
Investment income received	47,504	22,435	35,547	48,408	153,894
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,419,044)	(192,109)	1,067,569	469,384	(74,200)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	-	-	-	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	-	-	-	-	-
CASH AND CASH EQUIVALENTS - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -

	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)	\$ (3,175,096)	\$ 200,365	\$ (2,590,762)	\$ (268,927)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	4,541,336	-	-	4,541,336
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	(2,434)	-	16,335	(68,722)
(Increase) in prepaids	-	-	(82,021)	(82,021)
(Increase) in due from other funds	(3,148,355)	-	(33,789)	(3,182,144)
Decrease in pension related deferred outflows	1,359,753	-	-	1,359,753
(Increase) in inventory	(398,170)	-	-	(398,170)
(Increase) in deposits	-	(11,000)	-	(11,000)
Increase (decrease) in accounts and claims payable	555,839	2,520	(87,382)	(9,471)
Increase (decrease) in accrued payroll payable	20,094	(80)	-	(13,353)
(Decrease) in compensated absences payable	(22,382)	-	-	(22,382)
(Decrease) in net pension liability	(2,280,957)	-	-	(2,280,957)
Increase in other post employment benefits	183,750	-	-	183,750
Increase (decrease) in due to other funds	-	304	(39,950)	(108,911)
Increase in pension related deferred inflows	4,106	-	-	4,106
Total Adjustments	812,580	(8,256)	(226,807)	(200,457)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (2,362,516)	\$ 192,109	\$ (2,817,569)	\$ (469,384)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets from the government	\$ 4,470,961	\$ -	\$ -	\$ 4,470,961



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STATISTICAL SECTION

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

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.

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Governmental Activities Tax Revenues by Source.....	166
Fund Balances of Governmental Funds	168
Changes in Fund Balances of Governmental Funds	170
General Governmental Tax Revenues by Source	172

II. Revenue Capacity

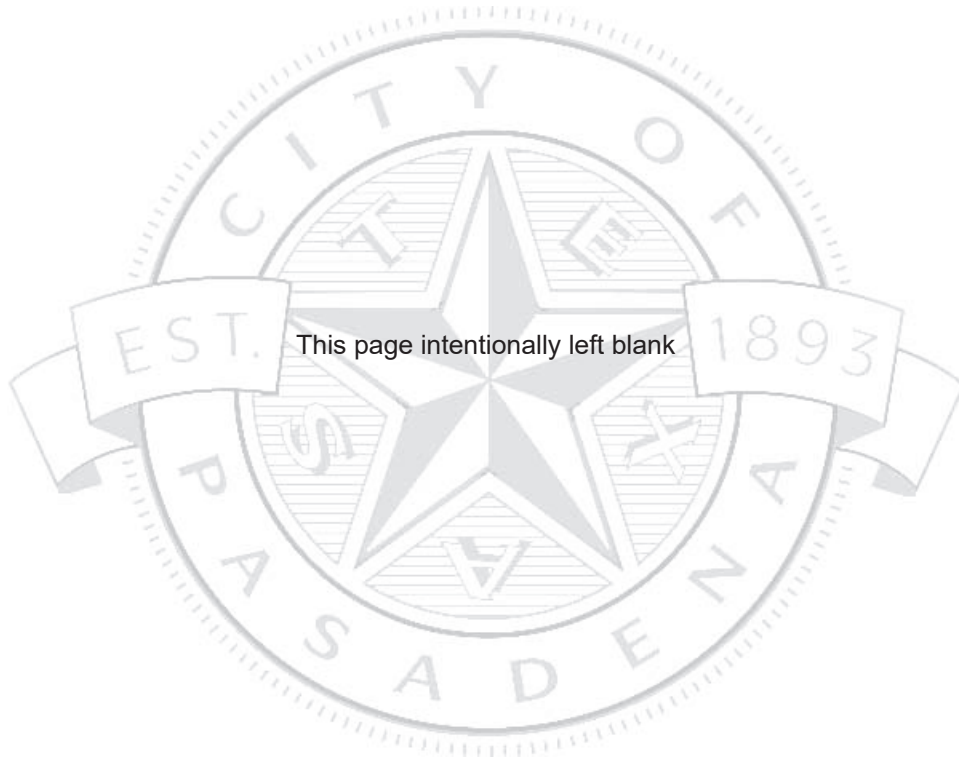
These schedules contain trend information to help the reader assess the government's most significant local revenue sources, which are water and sewer system charges for services and the property tax.

Water and Sewer System Principal Customers.....	174
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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.

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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.

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Principal Employers 192

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 193
Operating Indicators by Function 194
Capital Asset Statistics by Function 196

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

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 483,252,803	\$ 481,756,248	\$ 499,187,584	\$ 520,604,774
Restricted	46,905,633	55,218,439	55,408,353	55,591,891
Unrestricted	23,545,604	25,026,501	24,391,603	21,560,862
Total governmental activities net position	<u>\$ 553,704,040</u>	<u>\$ 562,001,188</u>	<u>\$ 578,987,540</u>	<u>\$ 597,757,527</u>
Business-type activities				
Net investment in capital assets	\$ 163,652,579	\$ 176,526,854	\$ 207,484,738	\$ 215,490,421
Restricted	2,339,483	2,298,834	2,108,767	2,053,361
Unrestricted	30,178,589	28,113,976	11,952,768	12,859,321
Total business-type activities net position	<u>\$ 196,170,651</u>	<u>\$ 206,939,664</u>	<u>\$ 221,546,273</u>	<u>\$ 230,403,103</u>
Primary government				
Net investment in capital assets	\$ 646,905,382	\$ 658,283,102	\$ 706,672,322	\$ 736,095,195
Restricted	49,245,116	57,517,273	57,517,120	57,645,252
Unrestricted	53,724,193	53,140,477	36,344,371	34,420,183
Total primary government net position	<u>\$ 749,874,691</u>	<u>\$ 768,940,852</u>	<u>\$ 800,533,813</u>	<u>\$ 828,160,630</u>

- (1) As a result of implementing GASB Statement No. 65, net position was restated as of October 1, 2013.
- (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 in 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 2013 to 2016.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 538,867,914	\$ 549,356,319	\$ 573,374,729	\$ 586,924,489	\$ 601,279,000	\$ 617,888,806
62,927,934	72,167,450	77,672,948	87,855,586	91,338,428	134,376,634
(12,496,375)	(5,486,534)	2,876,373	11,175,898	36,024,432	28,440,506
<u>\$ 589,299,473</u>	<u>\$ 616,037,235</u>	<u>\$ 653,924,050</u>	<u>\$ 685,955,973</u>	<u>\$ 728,641,860</u>	<u>\$ 780,705,946</u>
\$ 220,294,968	\$ 226,186,707	\$ 237,717,289	\$ 243,101,366	\$ 247,130,956	\$ 251,190,759
2,267,462	2,602,184	2,834,629	2,844,849	2,538,409	2,345,258
11,869,171	14,050,268	9,835,327	10,379,141	19,813,122	30,400,480
<u>\$ 234,431,601</u>	<u>\$ 242,839,159</u>	<u>\$ 250,387,245</u>	<u>\$ 256,325,356</u>	<u>\$ 269,482,487</u>	<u>\$ 283,936,497</u>
\$ 759,162,882	\$ 775,543,026	\$ 811,092,018	\$ 830,025,855	\$ 848,409,956	\$ 869,079,565
65,195,396	74,769,634	80,507,577	90,700,435	93,876,837	136,721,892
(627,204)	8,563,734	12,711,700	21,555,039	55,837,554	58,840,986
<u>\$ 823,731,074</u>	<u>\$ 858,876,394</u>	<u>\$ 904,311,295</u>	<u>\$ 942,281,329</u>	<u>\$ 998,124,347</u>	<u>\$ 1,064,642,443</u>

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

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 17,825,589	\$ 20,070,338	\$ 17,122,766	\$ 20,888,643
Public safety	48,354,722	47,153,867	48,403,071	51,631,147
Public works	21,579,683	23,789,663	23,367,837	23,608,280
Health	3,493,148	3,873,409	4,013,432	4,209,705
Culture and recreation	15,492,340	15,853,285	16,579,672	17,650,996
Housing and community development	9,324,100	7,922,281	7,512,375	7,985,634
Interest and fiscal agent fees on long-term debt	3,877,613	3,564,479	3,439,836	2,627,998
Total governmental activities expenses	<u>119,947,195</u>	<u>122,227,322</u>	<u>120,438,989</u>	<u>128,602,403</u>
Business-type activities				
Water and sewer	30,765,422	31,443,569	30,561,782	30,062,074
Total business-type activities expenses	<u>30,765,422</u>	<u>31,443,569</u>	<u>30,561,782</u>	<u>30,062,074</u>
Total primary government expenses	<u>\$ 150,712,617</u>	<u>\$ 153,670,891</u>	<u>\$ 151,000,771</u>	<u>\$ 158,664,477</u>
Program Revenues				
Governmental activities:				
Charges for service				
General government	\$ 9,022,279	\$ 11,987,529	\$ 10,021,968	\$ 10,003,780
Public safety	7,880,922	8,355,481	8,236,938	8,368,016
Other activities	5,058,845	4,858,171	5,653,162	5,781,731
Operating grants and contributions	11,579,631	10,491,952	8,214,522	9,158,177
Capital grants and contributions	7,769,209	13,955,703	11,569,987	9,563,828
Total governmental activities program revenues	<u>41,310,886</u>	<u>49,648,836</u>	<u>43,696,577</u>	<u>42,875,532</u>
Business-type activities:				
Charges for services:				
Water and sewer	37,235,536	36,618,566	39,079,938	39,681,159
Capital grants and contributions	147,596	-	-	-
Total business-type activities program revenues	<u>37,383,132</u>	<u>36,618,566</u>	<u>39,079,938</u>	<u>39,681,159</u>
Total primary government program revenues	<u>\$ 78,694,018</u>	<u>\$ 86,267,402</u>	<u>\$ 82,776,515</u>	<u>\$ 82,556,691</u>
Net (Expense)/Revenue				
Governmental activities	\$ (78,636,309)	\$ (72,578,486)	\$ (76,742,412)	\$ (85,726,871)
Business-type activities	6,617,710	5,174,997	8,518,156	9,619,085
Total primary government net expense	<u>\$ (72,018,599)</u>	<u>\$ (67,403,489)</u>	<u>\$ (68,224,256)</u>	<u>\$ (76,107,786)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
General property taxes	\$ 35,501,359	\$ 36,899,872	\$ 38,799,792	\$ 42,155,738
Industrial district fees	17,548,408	17,177,327	17,284,062	17,774,342
Sales taxes	27,938,085	30,472,024	31,439,633	32,350,927
Utility taxes	8,932,383	9,270,311	9,260,543	9,609,456
Other taxes/fees	716,284	1,000,102	1,059,717	1,227,928
Investment earnings				
Unrestricted	89,748	46,788	73,803	344,184
Restricted	65,620	30,622	44,421	192,234
Gain on sale of capital assets	63,864	-	1,826,646	-
Transfers	1,668,346	(6,011,207)	(6,059,853)	842,049
Total governmental activities	<u>92,524,097</u>	<u>88,885,839</u>	<u>93,728,764</u>	<u>104,496,858</u>
Business-type activities:				
Investment earnings				
Unrestricted	23,752	9,763	12,802	62,105
Restricted	3,947	1,486	3,657	17,689
Gain on sale of capital assets	-	200,325	12,141	-
Transfers	(1,668,346)	6,011,207	6,059,853	(842,049)
Total business-type activities	<u>(1,640,647)</u>	<u>6,222,781</u>	<u>6,088,453</u>	<u>(762,255)</u>
Total primary government	<u>\$ 90,883,450</u>	<u>\$ 95,108,620</u>	<u>\$ 99,817,217</u>	<u>\$ 103,734,603</u>
Change in Net Position				
Governmental activities	\$ 13,887,788	\$ 16,307,353	\$ 16,986,352	\$ 18,769,987
Business-type activities	4,977,063	11,397,778	14,606,609	8,856,830
Total primary government	<u>\$ 18,864,851</u>	<u>\$ 27,705,131</u>	<u>\$ 31,592,961</u>	<u>\$ 27,626,817</u>

- (1) As a result of implementing GASB Statement No. 65, net position was restated as of October 1, 2013.
- (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 in 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 2013 to 2016.

		Fiscal Year					
		2017	2018	2019	2020	2021	2022
\$	22,756,730	\$ 22,314,761	\$ 24,232,165	\$ 23,821,001	\$ 21,404,451	\$ 20,421,463	
	55,497,066	54,984,996	64,439,246	68,981,220	59,153,733	55,567,308	
	25,898,493	27,196,488	27,409,484	29,606,592	27,583,558	27,134,492	
	4,901,819	4,956,796	5,814,364	6,541,684	5,709,263	6,112,911	
	19,232,324	19,670,659	20,570,645	19,652,656	18,817,481	18,772,815	
	8,804,281	8,544,976	9,961,106	8,829,802	11,235,737	10,469,720	
	2,097,954	2,689,213	3,896,638	3,193,943	2,867,582	3,287,137	
	<u>139,188,667</u>	<u>140,357,889</u>	<u>156,323,648</u>	<u>160,626,898</u>	<u>146,771,805</u>	<u>141,765,846</u>	
	32,993,854	33,635,459	34,994,334	34,992,695	32,153,043	31,573,623	
	<u>32,993,854</u>	<u>33,635,459</u>	<u>34,994,334</u>	<u>34,992,695</u>	<u>32,153,043</u>	<u>31,573,623</u>	
\$	<u>172,182,521</u>	<u>173,993,348</u>	<u>191,317,982</u>	<u>195,619,593</u>	<u>178,924,848</u>	<u>173,339,469</u>	
\$	10,185,899	\$ 12,423,053	\$ 13,907,080	\$ 14,404,980	\$ 13,457,287	\$ 14,027,342	
	7,893,379	8,065,867	9,270,016	8,577,499	6,765,420	7,492,703	
	5,316,136	12,108,708	7,754,844	9,627,260	11,340,393	7,794,081	
	9,852,748	11,735,785	13,880,327	18,122,791	15,783,286	12,135,165	
	5,282,526	3,811,672	9,908,321	5,837,270	4,757,024	7,992,290	
	<u>38,530,688</u>	<u>48,145,085</u>	<u>54,720,588</u>	<u>56,569,800</u>	<u>52,103,410</u>	<u>49,441,581</u>	
	41,915,812	44,569,349	45,862,291	44,994,585	49,450,010	51,187,270	
	-	-	-	-	-	-	
	<u>41,915,812</u>	<u>44,569,349</u>	<u>45,862,291</u>	<u>44,994,585</u>	<u>49,450,010</u>	<u>51,187,270</u>	
\$	<u>80,446,500</u>	<u>92,714,434</u>	<u>100,582,879</u>	<u>101,564,385</u>	<u>101,553,420</u>	<u>100,628,851</u>	
\$	(100,657,979)	\$ (92,212,804)	\$ (101,603,060)	\$ (104,057,098)	\$ (94,668,395)	\$ (92,324,265)	
	8,921,958	10,933,890	10,867,957	10,001,890	17,296,967	19,613,647	
\$	<u>(91,736,021)</u>	<u>(81,278,914)</u>	<u>(90,735,103)</u>	<u>(94,055,208)</u>	<u>(77,371,428)</u>	<u>(72,710,618)</u>	
\$	45,677,186	\$ 49,398,264	\$ 56,805,649	\$ 58,081,871	\$ 59,786,241	\$ 57,426,443	
	16,936,513	17,936,515	19,592,150	22,159,160	23,121,354	23,810,452	
	31,811,860	34,350,493	36,102,015	36,668,916	39,898,942	43,108,590	
	9,322,212	8,965,253	10,618,612	8,986,793	8,619,880	9,017,010	
	1,641,838	2,117,329	6,413,158	1,349,373	1,603,920	1,958,920	
	737,464	1,440,976	2,451,017	1,211,354	93,011	1,222,627	
	497,892	1,438,947	2,996,975	1,177,530	62,944	1,417,878	
	149,093	-	-	1,918,524	-	910,677	
	1,912,789	3,302,789	4,510,299	4,535,500	4,167,990	5,515,754	
	<u>108,686,847</u>	<u>118,950,566</u>	<u>139,489,875</u>	<u>136,089,021</u>	<u>137,354,282</u>	<u>144,388,351</u>	
	164,287	414,341	1,181,038	471,721	28,154	356,117	
	34,578	362,116	-	-	-	-	
	17,950	-	9,390	-	-	-	
	(1,912,789)	(3,302,789)	(4,510,299)	(4,535,500)	(4,167,990)	(5,515,754)	
	<u>(1,695,974)</u>	<u>(2,526,332)</u>	<u>(3,319,871)</u>	<u>(4,063,779)</u>	<u>(4,139,836)</u>	<u>(5,159,637)</u>	
\$	<u>106,990,873</u>	<u>116,424,234</u>	<u>136,170,004</u>	<u>132,025,242</u>	<u>133,214,446</u>	<u>139,228,714</u>	
\$	8,028,868	\$ 26,737,762	\$ 37,886,815	\$ 32,031,923	\$ 42,685,887	\$ 52,064,086	
	7,225,984	8,407,558	7,548,086	5,938,111	13,157,131	14,454,010	
\$	<u>15,254,852</u>	<u>35,145,320</u>	<u>45,434,901</u>	<u>37,970,034</u>	<u>55,843,018</u>	<u>66,518,096</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General property taxes	\$ 35,501,359	\$ 36,899,872	\$ 38,799,792	\$ 42,155,738
Industrial district fees	17,548,408	17,177,327	17,284,062	17,774,342
Sales taxes	27,938,085	30,472,024	31,439,633	32,350,927
Franchise fees	8,932,383	9,270,311	9,260,543	9,609,456
Other taxes/fees	716,284	1,000,102 (1)	1,059,717	1,227,928
	<u>\$ 90,636,519</u>	<u>\$ 94,819,636</u>	<u>\$ 97,843,747</u>	<u>\$ 103,118,391</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 45,677,186	\$ 49,398,264	\$ 56,805,649	\$ 58,081,871	\$ 59,786,241	\$ 57,426,443
16,936,513	17,936,515	19,592,150	22,159,160	23,121,354	23,810,452
31,811,860	34,350,493	36,102,015	36,668,916	39,898,942	43,108,590
9,322,212	8,965,253	10,618,612	8,986,793	8,619,880	9,017,010
1,641,838	2,117,329	6,413,158	1,349,373	1,603,920	1,958,920
<u>\$ 105,389,609</u>	<u>\$ 112,767,854</u>	<u>\$ 129,531,584</u>	<u>\$ 127,246,113</u>	<u>\$ 133,030,337</u>	<u>\$ 135,321,415</u>

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Committed	\$ 1,733,497	\$ 15,000	\$ 15,000	\$ 15,000
Assigned	605,417	23,915,771	199,868	516,191
Unassigned	47,741,413	27,382,553	44,276,264	46,689,035
Total general fund	<u>\$ 50,080,327</u>	<u>\$ 51,313,324</u>	<u>\$ 44,491,132</u>	<u>\$ 47,220,226</u>
All Other Governmental Funds				
Restricted	\$ 58,940,029	\$ 65,238,024	\$ 60,624,443	\$ 63,469,227
Committed	-	10,034,023	15,328,098	7,254,969
Assigned	-	-	-	4,035,135
Total all other governmental funds	<u>\$ 58,940,029</u>	<u>\$ 75,272,047</u>	<u>\$ 75,952,541</u>	<u>\$ 74,759,331</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
466,821	459,491	976,270	1,018,704	1,143,181	1,306,065
36,958,917	51,242,428	65,238,310	70,302,245	85,485,181	96,672,334
<u>\$ 37,440,738</u>	<u>\$ 51,716,919</u>	<u>\$ 66,229,580</u>	<u>\$ 71,335,949</u>	<u>\$ 86,643,362</u>	<u>\$ 97,993,399</u>
\$ 69,931,255	\$ 95,728,413	\$ 120,709,698	\$ 107,962,427	\$ 105,050,358	\$ 165,643,468
5,592,139	3,425,236	9,397,939	10,871,393	20,809,498	22,392,543
331,603	331,603	331,603	4,029,552	4,571,515	1,132,119
<u>\$ 75,854,997</u>	<u>\$ 99,485,252</u>	<u>\$ 130,439,240</u>	<u>\$ 122,863,372</u>	<u>\$ 130,431,371</u>	<u>\$ 189,168,130</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes and fees	\$ 90,787,936	\$ 95,059,433	\$ 97,786,566	\$ 102,187,545
Licenses and permits	2,317,936	2,428,726	2,498,776	3,008,170
Municipal court fines	5,992,141	6,505,416	6,148,378	6,030,277
Charges for services	9,507,936	9,586,071	9,755,077	9,734,403
Intergovernmental	16,291,635	22,518,118	19,032,196	12,643,378
Investment earnings	137,918	71,505	109,206	480,439
Contribution from outside sources	1,362,099	871,137	218,727	717,303
Program income	145,534	327,540	176,096	153,963
Miscellaneous	1,375,816	902,691	1,145,954	1,050,477
Total revenues	127,918,951	138,270,637	136,870,976	136,005,955
Expenditures				
General government	15,001,760	15,386,204	15,414,838	16,769,769
Public safety	42,780,930	41,719,857	43,153,975	43,695,603
Public works	15,081,752	25,086,686	23,878,916	17,148,365
Health	3,109,669	3,520,728	3,734,963	3,753,196
Culture and recreation	12,632,871	13,467,999	14,171,327	14,753,557
Housing and community development	9,699,937	11,247,201	8,567,002	8,948,301
Capital outlay	7,265,134	4,712,504	21,173,978	19,932,875
Debt service				
Principal	7,565,000	7,650,000	7,880,000	8,864,312
Interest	3,952,598	3,785,622	3,345,373	2,722,813
Payment to refunding bond escrow agent	-	-	4,829,110	1,822,973
Other charges	242,921	-	301,303	269,693
Total expenditures	117,332,572	126,576,801	146,450,785	138,681,457
Excess (deficiency) of revenues over (under) expenditures	10,586,379	11,693,836	(9,579,809)	(2,675,502)
Other Financing Sources (Uses)				
Refunding bonds issued	16,690,000	-	15,646,063	17,405,000
Payment to refunding bond escrow agent	(18,931,383)	-	(13,627,529)	(18,378,549)
Bonds issued	-	-	-	-
Premiums on bonds issued	2,493,667	-	1,614,726	3,070,454
Transfers in	2,942,518	2,259,026	18,501,785	10,036,352
Transfers out	(4,622,319)	(4,415,553)	(21,316,745)	(8,717,352)
Sale of capital assets	139,788	5,845,152	2,619,811	795,481
Insurance recovery	1,223,378	2,182,554	-	-
Total other financing sources (uses)	(64,351)	5,871,179	3,438,111	4,211,386
Net change in fund balances	\$ 10,522,028	\$ 17,565,015	\$ (6,141,698)	\$ 1,535,884
Debt service as a percentage of noncapital expenditures	10.78%	9.86%	9.17%	9.84%

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 105,371,432	\$ 113,950,666	\$ 129,068,908	\$ 127,216,833	\$ 132,868,645	\$ 134,861,409	
2,555,428	2,592,498	3,321,937	2,226,684	2,671,446	2,485,185	
5,558,805	4,715,725	5,037,628	4,027,583	3,206,195	3,457,151	
9,849,361	10,678,209	12,169,009	11,469,303	11,936,678	13,052,793	
12,830,088	20,056,516	22,337,994	25,236,311	24,346,885	19,906,981	
1,068,122	2,506,938	4,935,079	2,183,368	144,767	2,486,611	
14,100	17,800	12,700	12,600	12,600	12,600	
64,977	94,809	90,393	213,009	55,464	52,844	
1,310,868	2,004,351	1,956,123	1,817,106	1,939,605	1,917,523	
<u>138,623,181</u>	<u>156,617,512</u>	<u>178,929,771</u>	<u>174,402,797</u>	<u>177,182,285</u>	<u>178,233,097</u>	
21,385,858	17,881,609	19,064,478	21,213,589	19,206,089	19,196,235	
47,275,723	46,187,874	51,666,025	60,102,784	54,646,168	55,366,590	
16,757,188	17,720,250	25,034,792	21,939,122	18,451,497	21,530,344	
4,561,561	4,542,989	4,962,410	5,877,526	5,554,531	5,884,637	
16,622,709	16,463,245	16,830,755	16,280,078	18,287,528	16,511,374	
10,745,960	10,187,469	11,394,571	8,859,785	13,157,302	12,930,369	
22,002,333	18,758,668	28,368,030	32,575,378	16,894,198	18,859,222	
7,822,613	7,015,914	8,757,613	7,858,142	8,183,830	7,803,640	
2,571,489	2,864,605	3,950,253	3,861,712	3,537,119	3,110,903	
-	-	-	-	-	-	
-	273,307	430,221	-	-	523,130	
<u>149,745,434</u>	<u>141,895,930</u>	<u>170,459,148</u>	<u>178,568,116</u>	<u>157,918,262</u>	<u>161,716,444</u>	
(11,122,253)	14,721,582	8,470,623	(4,165,319)	19,264,023	16,516,653	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,000,000	19,175,000	33,945,000	-	-	48,120,000	
-	1,098,280	2,485,221	-	-	5,304,305	
15,619,883	4,869,790	13,563,188	7,286,670	16,175,168	10,920,412	
(14,316,038)	(2,619,790)	(13,000,384)	(6,036,670)	(13,925,168)	(10,870,412)	
134,586	52,806	3,001	1,465	1,361,389	95,838	
-	608,768	-	444,355	-	-	
<u>2,438,431</u>	<u>23,184,854</u>	<u>36,996,026</u>	<u>1,695,820</u>	<u>3,611,389</u>	<u>53,570,143</u>	
<u>\$ (8,683,822)</u>	<u>\$ 37,906,436</u>	<u>\$ 45,466,649</u>	<u>\$ (2,469,499)</u>	<u>\$ 22,875,412</u>	<u>\$ 70,086,796</u>	
8.21%	8.06%	9.43%	8.39%	8.52%	8.01%	

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General property taxes	\$ 35,262,542	\$ 37,144,601	\$ 38,755,245	\$ 42,039,511
Industrial district fees	17,755,534	17,172,395	17,271,428	17,364,338
Sales taxes	27,938,085	30,472,024	31,439,633	32,350,927
Franchise fees	9,030,691	9,270,311	9,260,543	9,204,841
Other taxes	801,084	1,000,102	1,059,717	1,227,928
	<u>\$ 90,787,936</u>	<u>\$ 95,059,433</u>	<u>\$ 97,786,566</u>	<u>\$ 102,187,545</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 45,307,747	\$ 50,169,950	\$ 56,308,920	\$ 58,070,473	\$ 59,751,639	\$ 57,233,927
17,283,049	17,947,752	19,626,203	22,141,278	22,994,264	23,926,598
31,811,860	34,350,493	36,102,015	36,668,916	39,898,942	43,108,590
9,326,938	9,365,142	10,618,612	8,986,793	8,619,880	8,633,374
1,641,838	2,117,329	6,413,158	1,349,373	1,603,920	1,958,920
\$ 105,371,432	\$ 113,950,666	\$ 129,068,908	\$ 127,216,833	\$ 132,868,645	\$ 134,861,409

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

2022						
Consumers	Consumption (per month)	Annualized Consumption	Billed Amount	Rank	% of Water/Sewer Revenues	% of All System Fund Revenues
City of Seabrook	51,778.4	621,341.3	\$ 1,738,615	1	3.36%	3.36%
Evonik (Peroxy Chem)	23,183.5	278,202.3	1,164,007	2	2.25%	2.25%
Nestle Waters North America	11,641.2	139,694.2	505,576	3	0.98%	0.98%
Pasadena Independent School District	6,387.2	76,646.3	613,511	4	1.19%	1.19%
Victoria Village Apartments	4,567.4	54,808.4	427,080	5	0.83%	0.82%
Mosaic (Sandridge) Apartments	4,370.8	52,449.5	425,301	6	0.82%	0.82%
Brighton Hill Manor Apartments	4,249.4	50,993.3	409,274	7	0.79%	0.79%
Chevron Phillips	4,144.8	49,737.5	307,995	8	0.60%	0.59%
Suez Treatment	4,030.7	48,367.8	455,116	9	0.88%	0.88%
Columbia Bayshore Hospital	3,381.8	40,581.8	379,145	10	0.73%	0.73%
Mbmi Apartments	-	-	-	-	-	-
CCI-B Genoa Red Bluff	-	-	-	-	-	-
Focus	-	-	-	-	-	-
San Jacinto College	-	-	-	-	-	-
Lyondell	-	-	-	-	-	-
Total	<u>117,735.2</u>	<u>1,412,822.4</u>	<u>\$ 6,425,620</u>		<u>12.43%</u>	<u>12.41%</u>

Source: Prepared by the City's Water Department.

2013

Consumption (per month)	Annualized Consumption	Billed Amount	Rank	% of Water/Sewer Revenues	% of All System Fund Revenues
54,211.2	650,534.5	\$ 479,238	1	1.29%	1.28%
-	-	-	-	-	-
6,583.9	79,007.2	334,588	3	0.90%	0.90%
7,855.7	94,268.9	958,220	2	2.57%	2.57%
-	-	-	-	-	-
-	-	-	-	-	-
4,561.6	54,739.0	361,819	6	0.97%	0.97%
-	-	-	-	-	-
-	-	-	-	-	-
3,084.8	37,017.8	234,587	10	0.63%	0.63%
4,998.3	59,979.2	390,590	5	1.05%	1.05%
4,056.8	48,681.2	432,759	8	1.16%	1.16%
5,291.1	63,492.7	448,707	4	1.20%	1.20%
3,460.5	41,525.4	365,110	9	0.98%	0.98%
4,357.6	52,291.0	335,109	7	0.90%	0.90%
<u>98,461.5</u>	<u>1,181,536.9</u>	<u>\$ 4,340,727</u>		<u>11.65%</u>	<u>11.64%</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,							
			2013		2014		2015		2016	
			Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates
Residential	2,000	up to 2.0	\$10.50	\$8.00	\$10.50	\$8.00	\$10.50	\$8.00	\$10.75	\$10.75
	8,000	next 6.0	2.75	2.75	2.75	2.75	2.75	2.75	3.00	3.00
	10,000	next 2.0	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
	12,000	next 2.0	3.25	3.50	3.25	3.50	3.25	3.50	4.00	4.00
	30,000	next 18.0	4.00	3.50	4.00	3.50	4.00	3.50	5.00	4.00
	30,001	over 30.0	4.50	3.50	4.50	3.50	4.50	3.50	5.50	4.00
Residential => 65	2,000	up to 2.0	6.59	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	2.50	2.50
	12,000	next 2.0	3.25	3.00	3.25	3.00	3.25	3.00	3.50	3.50
	30,000	next 18.0	4.00	3.50	4.00	3.50	4.00	3.50	5.00	4.00
	30,001	over 30.0	4.50	3.50	4.50	3.50	4.50	3.50	5.50	4.00
Commercial	2,000	up to 2.0	8.59	8.00	8.59	8.00	8.59	8.00	12.59	12.00
	10,000	next 8.0	2.75	3.00	2.75	3.00	2.75	3.00	3.25	3.00
	20,000	next 10.0	3.00	3.25	3.00	3.25	3.00	3.25	3.75	3.30
	30,000	next 10.0	3.25	3.50	3.25	3.50	3.25	3.50	4.00	3.55
	40,000	next 10.0	4.50	4.00	4.50	4.00	4.50	4.00	4.50	3.80
	50,000	next 10.0	4.50	4.15	4.50	4.15	4.50	4.15	4.50	4.05
	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	8.50	8.00	8.50	8.00	8.50	8.00	9.50	9.50
	5,000	next 3.0	2.75	2.75	2.75	2.75	2.75	2.75	3.25	3.00
	10,000	next 5.0	3.00	3.25	3.00	3.25	3.00	3.25	3.50	3.50
	12,000	next 2.0	3.25	3.50	3.25	3.50	3.25	3.50	4.25	4.00
	30,000	next 18.0	4.00	3.50	4.00	3.50	4.00	3.50	5.00	4.00
	30,001	over 30.0	4.50	3.50	4.50	3.50	4.50	3.50	5.50	4.00
Sprinklers	2,000	up to 2.0	9.59	-	9.59	-	9.59	-	14.00	-
	10,000	next 8.0	3.25	-	3.25	-	3.25	-	4.00	-
	28,000	next 18.0	4.00	-	4.00	-	4.00	-	5.00	-
	28,001	over 28.0	4.50	-	4.50	-	4.50	-	6.00	-

Source: Prepared by the City's Water Department.

Fiscal Year Ended September 30,

2017		2018		2019		2020		2021		2022	
Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates
\$10.75	\$10.75	\$10.97	\$10.97	\$11.22	\$11.22	\$11.42	\$11.42	\$11.42	\$11.42	\$11.94	\$11.94
3.00	3.00	3.06	3.06	3.13	3.13	3.19	3.19	3.19	3.19	3.33	3.33
3.50	3.50	3.57	3.57	3.65	3.65	3.72	3.72	3.72	3.72	3.89	3.89
4.00	4.00	4.08	4.08	4.17	4.17	4.25	4.25	4.25	4.25	4.44	4.44
5.00	4.00	5.10	5.10	5.10	4.17	5.19	4.25	5.19	4.25	5.56	4.44
5.50	4.00	5.61	5.61	5.61	4.17	5.71	4.25	5.71	4.25	6.11	4.44
6.59	4.99	6.72	5.09	6.87	5.21	6.99	5.30	6.99	5.30	7.33	5.55
2.50	2.50	2.55	2.55	2.61	2.61	2.66	2.66	2.66	2.66	2.78	2.78
3.50	3.50	3.57	3.57	3.65	3.65	3.72	3.72	3.72	3.72	3.89	3.89
5.00	4.00	5.10	4.08	5.22	4.17	5.31	4.25	5.31	4.25	5.56	4.44
5.50	4.00	5.61	5.61	5.61	4.17	5.71	4.25	5.71	4.25	6.11	4.44
12.59	12.00	12.84	12.24	13.14	12.52	13.38	12.75	13.38	12.75	13.90	13.33
3.25	3.00	3.32	3.06	3.40	3.13	3.46	3.19	3.46	3.19	3.62	3.33
3.75	3.30	3.83	3.37	3.92	3.45	3.99	3.51	3.99	3.51	4.17	3.67
4.00	3.55	4.08	3.62	4.17	3.70	4.25	3.77	4.25	3.77	4.44	3.94
4.50	3.80	4.55	3.88	4.65	3.97	4.73	4.04	4.73	4.04	5.00	4.22
4.50	4.05	4.55	4.10	4.65	4.19	4.73	4.27	4.73	4.27	5.00	4.50
4.50	4.15	4.55	4.15	4.65	4.25	4.73	4.33	4.73	4.33	5.00	4.61
9.50	9.50	9.69	9.69	9.91	9.91	10.09	10.09	10.09	10.09	10.55	10.55
3.25	3.00	3.32	3.06	3.32	3.06	3.38	3.12	3.38	3.12	3.60	3.33
3.50	3.50	3.57	3.57	3.57	3.57	3.63	3.63	3.63	3.63	3.89	3.89
4.25	4.00	4.34	4.08	4.34	4.08	4.42	4.15	4.42	4.15	4.72	4.44
5.00	4.00	5.10	4.08	5.10	4.08	5.19	4.15	5.19	4.15	5.56	4.44
5.50	4.00	5.61	4.08	5.61	4.08	5.71	4.15	5.71	4.15	6.11	4.44
14.00	-	14.28	-	14.61	-	14.87	-	14.87	-	15.56	-
4.00	-	4.08	-	4.17	-	4.25	-	4.25	-	4.44	-
5.00	-	5.10	-	5.10	-	5.19	-	5.19	-	5.56	-
6.00	-	6.12	-	6.12	-	6.23	-	6.23	-	6.67	-

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

	Fiscal Year Ended September 30,			
	2013	2014	2015	2016
	2012 Tax Year	2013 Tax Year	2014 Tax Year	2015 Tax Year
Assessed Value of Taxable Property				
Real Property				
Real Residential	\$ 3,852,056,577	\$ 3,872,765,988	\$ 4,099,197,425	\$ 4,437,264,879
Real Commercial	1,328,287,594	1,534,186,202	1,724,550,745	1,882,514,422
Real Industrial	170,231,894	162,926,484	159,908,910	209,572,611
Real Agriculture	227,549	188,270	184,971	178,264
Real Vacant	127,123,041	143,130,709	159,066,568	159,267,801
Real Acreage Undeveloped	37,424,971	41,471,437	52,404,929	48,308,431
Real Farm and Ranch Improved	248,262	252,079	251,507	276,657
Total Real Property	5,515,599,888	5,754,921,169	6,195,565,055	6,737,383,065
Less: Exemptions	(792,375,980)	(798,795,765)	(826,800,278)	(865,038,283)
Net Total Real Property	4,723,223,908	4,956,125,404	5,368,764,777	5,872,344,782
Other Property				
Oil Gas and Mineral Reserves	1,100	-	-	-
Real and Tangible Personal - Utility	234,003	234,003	406,911	407,011
Gas Companies	7,635,305	9,007,545	9,650,985	10,335,973
Electric Companies	54,036,712	61,544,486	58,880,213	57,137,279
Telephone Companies	12,681,172	12,137,483	11,620,085	10,927,075
Railroad	1,474,440	1,639,650	1,835,930	2,018,640
Pipelines	35,354,411	37,023,276	48,033,250	50,440,617
Inventory	28,837,389	24,752,105	24,902,586	26,789,396
Major Cable TV Systems	12,539,470	13,071,100	13,833,260	14,288,850
Tangible Personal Commercial	541,207,611	551,411,132	585,993,827	674,994,577
Tangible Personal Industrial	1,182,300,519	1,176,456,318	936,387,584	729,540,148
Tangible Personal Other - Mobile Homes	15,604,926	15,146,856	14,582,987	14,958,005
Governmental Exemption	598,471,214	-	-	-
Charitable Exemption	28,122,328	2,033,915	1,911,572	1,914,822
Religious Exemption	121,779,281	-	-	-
Private School Exempt	17,427,256	17,839,420	17,839,420	17,839,420
Miscellaneous Exempt	879,116	705,880	712,254	718,082
Low-Moderate Income Housing	338,200	-	-	-
Improving Prop-Housing w/Volunteer Labor	-	262,987	479,025	180,466
Economic Devel Svcs to Local Community	-	301,508	385,458	386,379
Other Exempt	-	787,048,320	804,209,783	866,099,527
Total Other Property	2,658,924,453	2,710,615,984	2,531,665,130	2,478,976,267
Less: Exemptions	(1,356,134,366)	(1,401,752,949)	(1,217,268,714)	(1,030,217,604)
Net Total Other Property	1,302,790,087	1,308,863,035	1,314,396,416	1,448,758,663
Total Property	8,174,524,341	8,465,537,153	8,727,230,185	9,216,359,332
Less: Total Exemptions	(2,148,510,346)	(2,200,548,714)	(2,044,068,992)	(1,895,255,887)
Total Assessed Value of Taxable Property	\$ 6,026,013,995	\$ 6,264,988,439	\$ 6,683,161,193	\$ 7,321,103,445
Total Actual Value of Taxable Property	\$ 6,026,013,995	\$ 6,264,988,439	\$ 6,683,161,193	\$ 7,321,103,445
Total Direct Tax Rate Per \$ 100	\$ 0.591593	\$ 0.591593	\$ 0.576904	\$ 0.575388

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,

2017	2018	2019	2020	2021	2022
2016 Tax Year	2017 Tax Year	2018 Tax Year	2019 Tax Year	2020 Tax Year	2021 Tax Year
\$ 4,801,040,252	\$ 5,216,450,255	\$ 5,432,053,439	\$ 6,030,017,970	\$ 6,594,218,098	\$ 6,977,656,458
2,104,704,433	2,292,894,922	2,522,237,422	2,797,689,438	3,071,709,482	3,198,052,374
163,121,239	259,068,236	311,132,429	648,763,941	720,549,416	630,755,545
174,043	172,013	201,898	193,840	188,210	199,213
162,772,196	165,840,846	167,671,843	185,865,930	168,139,341	187,275,927
43,056,354	65,400,460	56,662,873	59,849,706	40,766,174	39,224,731
304,322	334,754	507,736	539,695	575,995	615,925
7,275,172,839	8,000,161,486	8,490,467,640	9,722,920,520	10,596,146,716	11,033,780,173
(912,947,500)	(950,691,089)	(1,000,278,706)	(1,079,875,270)	(1,140,682,015)	(1,196,565,559)
6,362,225,339	7,049,470,397	7,490,188,934	8,643,045,250	9,455,464,701	9,837,214,614
-	-	-	7,175,170	21,322,460	10,608,770
406,544	406,019	495,029	-	-	-
12,317,323	13,109,983	13,411,853	14,537,239	16,837,002	17,892,852
61,384,866	61,503,698	64,781,607	72,432,189	73,880,727	79,743,663
11,279,634	11,537,505	11,171,007	12,350,356	11,735,970	11,878,476
2,162,940	2,301,400	2,444,700	2,543,770	2,671,660	2,892,480
50,120,569	54,052,943	55,365,334	59,210,618	60,943,805	61,437,302
29,168,367	29,622,033	30,714,967	34,382,796	40,136,743	37,326,514
15,472,020	14,589,260	17,308,050	18,261,030	21,018,120	22,882,270
696,606,477	719,461,700	745,403,874	759,091,423	827,365,705	839,564,599
760,780,633	892,809,207	948,676,201	915,629,782	947,516,866	953,081,737
14,308,581	14,784,917	14,142,635	15,189,955	15,886,762	16,804,263
-	-	-	-	-	-
1,907,665	2,553,957	2,596,095	3,519,312	2,063,945	2,053,641
-	-	-	-	-	-
17,839,420	36,157,374	40,241,025	42,119,145	42,224,174	41,140,110
718,993	814,532	845,219	831,399	811,964	815,062
-	-	-	-	-	-
-	-	-	-	-	-
392,693	388,627	391,679	407,137	404,307	406,623
883,706,307	1,008,233,881	1,127,560,912	1,199,514,435	1,208,462,759	1,217,843,086
2,558,573,032	2,862,327,036	3,075,550,187	3,157,195,756	3,293,282,969	3,316,371,448
(999,768,796)	(1,192,395,693)	(1,294,550,578)	(1,338,678,127)	(1,309,793,080)	(1,327,611,938)
1,558,804,236	1,669,931,343	1,780,999,609	1,818,517,629	1,983,489,889	1,988,759,510
9,833,745,871	10,862,488,522	11,566,017,827	12,880,116,276	13,889,429,685	14,350,151,621
(1,912,716,296)	(2,143,086,782)	(2,294,829,284)	(2,418,553,397)	(2,450,475,095)	(2,524,177,497)
\$ 7,921,029,575	\$ 8,719,401,740	\$ 9,271,188,543	\$ 10,461,562,879	\$ 11,438,954,590	\$ 11,825,974,124
\$ 7,921,029,575	\$ 8,719,401,740	\$ 9,271,188,543	\$ 10,461,562,879	\$ 11,438,954,590	\$ 11,825,974,124
\$ 0.575388	\$ 0.575388	\$ 0.615446	\$ 0.570342	\$ 0.533677	\$ 0.515909

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
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
2021	2020	0.4233	0.1104	0.5337	0.2600	1.2659	1.3496
2022	2021	0.4214	0.0945	0.5159	0.2600	1.1797	1.3496

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
1.3300	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
1.2697	1.3830	0.5992	0.0050	0.1694	6.8354
1.2565	1.3812	0.5814	0.0050	0.1680	6.6972

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

<u>Property Taxpayer</u>	<u>Fiscal Year Ended September 30, 2022</u>			<u>Fiscal Year Ended September 30, 2013</u>		
	<u>2021 Tax Year</u>		<u>% of Taxable Assessed Value</u>	<u>2012 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	\$ 287,400,869	1	2.43%	\$ -	-	-
Bay Bluff LP	157,353,652	2	1.33%	-	-	0.00%
Phillips 66 Co.	157,105,730	3	1.33%	-	-	-
CenterPoint Energy	146,884,294	4	1.24%	61,328,176	3	1.02%
GATX Terminals Kinder	142,927,270	5	1.21%	41,025,160	10	0.68%
LIT Industrial LP	116,931,201	6	0.99%	-	-	-
PEPF Red Bluff LLC	109,347,238	7	0.92%	-	-	-
Kinder Morgan	99,354,659	8	0.84%	-	-	-
KIR Pasadena	73,848,973	9	0.62%	48,099,578	5	0.80%
Haldor Topsoe Inc	70,906	10	0.00%	-	-	0.00%
Calpine Operating	-	-	-	111,449,400	1	1.85%
Shell Oil Co.	-	-	-	62,380,606	2	1.04%
Conoco Phillips Co	-	-	-	48,450,511	4	0.80%
Valero Energy Corp	-	-	-	47,817,600	6	0.79%
The Boeing Co.	-	-	-	45,818,356	7	0.76%
NA Industries	-	-	-	41,439,847	8	0.69%
Wal-Mart	-	-	-	41,228,173	9	0.68%
Subtotal	<u>1,291,224,792</u>		<u>10.92%</u>	<u>549,037,407</u>		<u>9.11%</u>
Other Taxpayers	<u>10,534,749,332</u>		<u>89.08%</u>	<u>5,476,976,588</u>		<u>90.89%</u>
Total	<u>\$ 11,825,974,124</u>		<u>100.00%</u>	<u>\$ 6,026,013,995</u>		<u>100.00%</u>

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**

Fiscal Year Ended September 30,	Tax Year	Tax Rate / \$100	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date			
				Amount	Percentage of Levy	Collections/(Refunds) in Subsequent Years			Percentage of Levy
						Amount	Amount	Percentage	
2013	2012	0.5916	\$ 34,493,201	\$ 34,147,313	99.00%	\$ 267,827	\$ 34,415,140	99.77%	
2014	2013	0.5916	36,684,431	36,231,129	98.76%	388,831	36,619,960	99.82%	
2015	2014	0.5769	38,046,454	37,619,372	98.88%	361,191	37,980,563	99.83%	
2016	2015	0.5754	41,645,744	41,198,200	98.93%	368,030	41,566,230	99.81%	
2017	2016	0.5754	45,119,547	44,280,747	98.14%	740,510	45,021,257	99.78%	
2018	2017	0.5754	49,020,748	48,025,807	97.97%	846,307	48,872,114	99.70%	
2019	2018	0.6154	55,344,765	55,129,294	99.61%	23,237	55,152,531	99.65%	
2020	2019	0.5703	57,807,815	56,975,572	98.56%	247,957	57,223,529	98.99%	
2021	2020	0.5337	59,758,197	58,709,043	98.24%	465,711	59,174,754	99.02%	
2022	2021	0.5159	59,588,782	58,660,541	98.44%	-	58,660,541	98.44%	

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

Fiscal Year Ended September 30,	2013	2014	2015	2016
Governmental Activities				
General Obligation Bonds	\$ 30,152,196	\$ 27,835,000	\$ 17,475,000	\$ 2,025,000
General Obligation Refunding Bonds	45,303,868	42,009,458	55,201,099	69,391,828
General Obligation and Refunding Bonds	14,336,973	12,896,876	2,102,603	-
Certificates of Obligation	4,720,000	4,430,000	4,130,000	310,000
Combination Tax and Revenue Certificates of Obligation	-	-	-	-
Blended Component Unit - Pasadena Second Century Corporation				
Sales Tax Notes	-	-	-	-
Sales Tax Revenue Bonds	3,507,979	2,667,467	1,801,955	906,443
	98,021,016	89,838,801	80,710,657	72,633,271
Business-Type Activities				
Waterworks and Sewer System Revenue Bonds	53,846,804	53,693,635	53,445,465	488,169
Waterworks and Sewer System Revenue Refunding Bonds	12,441,550	11,268,996	9,166,441	6,983,886
Combination Tax and Revenue Certificates of Obligation	-	-	-	-
General Obligation Refunding Bonds	17,459,587	14,539,259	13,055,250	66,108,784
General Obligation and Refunding Bonds	4,112,109	4,085,278	-	-
	87,860,050	83,587,168	75,667,156	73,580,839
Total Primary Government	\$ 185,881,066	\$ 173,425,969	\$ 156,377,813	\$ 146,214,110
Percentage of Personal Income	6.01%	5.64%	4.94%	4.57%
Per Capita	\$ 1,221	\$ 1,135	\$ 1,016	\$ 951
(1) Population	152,272	152,735	153,887	153,784
(1) Per Capita Personal Income	\$ 20,305	\$ 20,146	\$ 20,590	\$ 20,805
(1) Personal Income (amount expressed in thousands)	\$ 3,091,883	\$ 3,076,999	\$ 3,168,533	\$ 3,199,476

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

(1) See the Schedule of Demographic and Economic Statistics on page 191 for personal income and population data.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,035,000	\$ -	\$ -	\$ -	\$ -	\$ -
62,927,351	56,388,209	48,567,368	40,475,996	32,088,938	24,365,507
-	-	-	-	-	-
-	-	-	-	-	-
-	19,946,595	55,426,862	54,646,907	53,836,952	106,068,723
1,000,000	1,000,000	-	-	-	-
-	-	-	-	-	-
<u>64,962,351</u>	<u>77,334,804</u>	<u>103,994,230</u>	<u>95,122,903</u>	<u>85,925,890</u>	<u>130,434,230</u>
-	-	-	-	-	-
4,726,332	2,388,777	-	-	-	-
-	16,664,513	16,006,648	15,338,784	15,290,919	14,603,054
64,256,796	61,938,110	59,766,122	55,412,547	50,452,391	46,622,044
-	-	-	-	-	-
<u>68,983,128</u>	<u>80,991,400</u>	<u>75,772,770</u>	<u>70,751,331</u>	<u>65,743,310</u>	<u>61,225,098</u>
<u>\$ 133,945,479</u>	<u>\$ 158,326,204</u>	<u>\$ 179,767,000</u>	<u>\$ 165,874,234</u>	<u>\$ 151,669,200</u>	<u>\$ 191,659,328</u>
4.03%	4.65%	5.10%	4.66%	4.24%	5.08%
\$ 873	\$ 1,031	\$ 1,173	\$ 1,096	\$ 998	\$ 1,290
153,351	153,520	153,219	153,219	151,950	148,626
\$ 21,692	\$ 22,178	\$ 22,993	\$ 23,526	\$ 23,534	\$ 25,381
\$ 3,326,490	\$ 3,404,767	\$ 3,522,964	\$ 3,558,976	\$ 3,575,991	\$ 3,772,277

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
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
2021	151,669,200	(4,116,848)	147,552,352	11,438,954,590	1.29%	151,950	971
2022	191,659,328	(3,655,356)	188,003,972	11,825,974,124	1.59%	148,626	1,265

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

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

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

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

CITY OF PASADENA, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Fiscal Year Ended September 30, 2022

<u>Government Unit</u>	<u>Taxing Body (as of)</u>	<u>Outstanding Principal Debt</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Harris County	9/30/2022	\$1,863,542,125	2.02%	\$ 37,643,551
Harris County Flood Control District	9/30/2022	807,875,000	2.02%	16,319,075
Harris County Hospital District	9/30/2022	76,385,000	2.02%	1,542,977
Port of Houston Authority	9/30/2022	469,434,397	2.02%	9,482,575
Clear Lake City Water Authority	9/30/2022	117,475,000	20.09%	23,600,728
Clear Creek Independent School District	9/30/2022	1,011,865,000	4.57%	46,242,231
Deer Park Independent School District	9/30/2022	340,780,000	22.49%	76,641,422
La Porte Independent School District	9/30/2022	299,085,000	5.83%	17,436,656
Pasadena Independent School District	9/30/2022	792,040,000	40.61%	321,647,444
San Jacinto College District	9/30/2022	551,322,427	18.51%	102,049,781
Harris County Dept. of Education	9/30/2022	20,185,000	2.02%	407,737
Subtotal, overlapping debt				653,014,175
Add - City direct debt				130,434,230
Total direct and overlapping debt				\$ 783,448,405

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit				
Tax Year	2012	2013	2014	2015
Assessed value based on tax year	\$6,026,013,995	\$6,264,988,439	\$6,683,161,193	\$7,321,103,445
10% of assessed value	602,601,400	626,498,844	668,316,119	732,110,345
Less: net debt applicable to limit				
Debt to be repaid from ad valorem tax	91,952,482	87,243,801	78,908,702	71,726,828
Less: amount available in debt service fund	(5,219,578)	(6,272,408)	(1,783,393)	(1,493,541)
	86,732,904	80,971,393	77,125,309	70,233,287
Legal Debt Margin	\$ 515,868,496	\$ 545,527,451	\$ 591,190,810	\$ 661,877,058
Total net debt applicable to the limit as a percentage of debt limit	14.39%	12.92%	11.54%	9.59%

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
2016	2017	2018	2019	2020	2021
\$7,921,029,575	\$8,719,401,740	\$9,271,188,543	\$ 10,461,562,879	\$ 11,438,954,590	\$ 11,825,974,124
792,102,958	871,940,174	927,118,854	1,046,156,288	1,143,895,459	1,182,597,412
63,962,351	76,334,804	103,994,230	95,122,903	85,925,890	130,434,230
(2,060,784)	(2,339,765)	(3,039,922)	(3,490,412)	(4,116,848)	(3,655,356)
61,901,567	73,995,039	100,954,308	91,632,491	81,809,042	126,778,874
\$ 730,201,391	\$ 797,945,135	\$ 826,164,546	\$ 954,523,797	\$ 1,062,086,417	\$ 1,055,818,538
7.81%	8.49%	10.89%	8.76%	7.15%	10.72%

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	
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
2021	49,450,010	22,691,878	26,758,132	4,551,170	2,576,738	3.75
2022	51,187,270	21,971,030	29,216,240	4,061,361	2,381,762	4.53

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)
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	23,526	31.3	53,291	8.7% (4)
2021	151,950	3,575,991	23,534	31.6	52,878	6.7% (4)
2022	148,626	3,772,277	25,381	32.3	50,614	5.2%

Data sources:

(1) Bureau of the Census - 2019/2020 latest information available

(2) Bureau of Labor Statistics / FY2022

(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>2022</u>			<u>2013</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	7,789	1	10.54%	5,800	1	6.25%
Turner Industries*	3,364	2	4.55%	-	-	-
San Jacinto College	2,650	3	3.58%	2,924	3	3.15%
The Boeing Company*	2,334	4	3.16%	2,300	4	2.48%
University of Houston-Clear Lake	1,489	5	2.01%	-	-	-
HCA Houston Healthcare*	1,473	6	1.99%	-	-	-
Lyondell Chemical Co*	1,175	7	1.59%	-	-	-
Kaneka North America	1,111	8	1.50%	-	-	-
City of Pasadena **	1,054	9	1.43%	1,030	10	1.11%
Pinnacle ART*	438	10	0.59%	-	-	-
Dorsett Brothers Concrete Supply, Inc	-	-	-	3,400	2	3.67%
Shell - Deer Park	-	-	-	1,400	7	1.51%
Mundy Company	-	-	-	1,500	5	1.62%
Zachry Industries Inc.	-	-	-	1,400	6	1.51%
SGS Petroleum Service Corp	-	-	-	1,127	8	1.21%
Silver Eagle Distributors, L.P.	-	-	-	1,100	9	1.19%
	<u>22,877</u>		<u>30.95%</u>	<u>21,981</u>		<u>23.70%</u>

* Based on last fiscal year records.

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

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
City Council	7	7	7	8	8	8	8	8	8	8
Mayor	2	2	2	2	3	4	4	4	4	4
Budget and Financial Planning	2	4	3	4	5	4	3	4	5	6
Municipal Court	34	32	32	35	36	35	37	32	32	32
City Controller	15	15	15	16	15	16	17	17	15	14
Purchasing	4	3	4	4	4	5	5	5	5	5
Legal	7	7	6	8	7	8	9	7	7	7
City Secretary	4	4	4	4	4	5	4	4	4	3
Human Resources	7	7	7	7	8	7	11	10	10	10
City Marshal	7	7	7	7	8	10	11	10	10	10
Community Relations	8	9	9	8	7	9	9	9	8	8
Pasadena Action Line	6	6	6	5	7	6	6	6	6	6
Planning	5	2	4	4	8	4	5	5	5	4
Planning/Development Administration	1	-	-	-	-	-	-	-	-	-
Neighborhood Network	1	2	1	2	4	5	5	4	4	5
Inspections	15	18	17	15	18	17	17	17	16	16
Project Development	3	2	-	1	1	3	3	3	3	3
Impound/Storage	6	6	6	6	6	4	5	6	4	5
Economic Development Liaison	2	2	2	2	2	3	5	5	5	3
Public Safety										
Emergency Preparedness	3	3	3	5	5	6	6	6	5	6
Fire Fighting	10	6	10	8	8	8	7	3	3	3
Fire Prevention	10	11	12	12	14	14	13	12	15	15
Police	335	349	353	349	362	363	376	378	368	363
Code Enforcement	-	-	8	7	8	14	14	13	11	10
Public Works										
Engineering	17	24	24	21	16	15	15	14	15	15
Sanitation	39	40	37	41	41	38	36	41	42	37
Street and Bridge	32	31	31	36	33	33	29	31	32	29
Traffic and Transportation	9	10	10	12	12	12	12	11	10	11
Health										
Health	11	11	11	12	12	15	15	14	15	14
Animal Rescue and Assistance	22	23	26	29	30	30	36	37	35	35
Culture and Recreation										
Leisure Services Administration	4	3	3	3	2	4	4	4	5	6
Parks	42	39	40	39	41	39	38	39	34	40
Recreation	64	62	94	38	39	51	44	33	33	48
Clean Streets	19	20	18	19	20	19	18	17	19	19
Golf Course	6	6	5	5	3	7	8	7	7	10
Multi-Purpose Center	8	8	8	7	9	9	9	9	8	7
Civic Center	7	9	7	10	6	6	7	8	8	8
Senior Center - Madison Jobe	4	4	5	6	6	6	7	9	9	8
Library	53	54	51	45	48	45	40	40	39	42
Water and Sewer System	119	114	121	115	115	109	113	106	105	90
Maintenance	78	82	83	83	66	82	80	79	83	77
Health Insurance	1	1	1	-	-	-	-	1	2	-
Grant Management	16	18	16	16	9	14	14	14	14	12
TOTAL CITY POSITIONS	<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>	<u>1,068</u>	<u>1,054</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,			
	2013	2014	2015	2016
Function				
Public Safety				
Police				
Arrests	11,185	10,970	9,890	10,496
Accident reports	3,520	3,693	4,143	4,200
Citations issued	69,888	73,062	64,210	67,603
Calls for service	84,146	63,488	65,515	75,847
Public Works				
Refuse collection				
Refuse collected Type 1 (tons/day)	105	107	110	112
Refuse collected Type 2 (cubic yards/day)	179	178	185	211
Mulching collected (cubic yards/day)	83	72	56	48
Recyclables collected (tons/day)	7.31	6.23	6.62	7.00
Health				
Number of food permits issued	1,219	1,373	1,936	1,503
Number of health inspections	2,675	2,719	2,315	2,663
Culture and Recreation				
Convention Center				
Number of Events	158	172	196	188
Library				
Visitors	(1)	(1)	356,240	280,992
Water and Sewer System				
Average daily consumption (millions of gallons)	18.90	17.80	18.80	17.62
Total Consumption (billions of gallons)	7,100.00	6,900.00	6,800.00	6,449.37
Average daily Waste Water Plant Flow (millions of gallons)	11.57	12.60	14.20	13.50
Total Waste Water Plant Flow (millions of gallons)	4,212.54	4,573.59	5,172.20	4,926.12

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,

2017	2018	2019	2020	2021	2022
9,081	8,067 (5)	8,155	5,784	3,849	4,087
3,917	4,390 (5)	4,114	3,202	3,744	4,023
64,330	57,367 (5)	59,047	46,456	25,709	25,459
77,466	91,265 (5)	84,880	94,346	97,720	109,497
112	113	111	120	122	105
256	380 (4)	220	218	248	209
60	82 (4)	116	119	156	110
6.00	6.00	7.00	7.00	8.00	6.00
1,730	1,828	1,616	1,683	1,180	1,974
2,954	3,367	3,487	3,157	3,415	4,167
183	192	211	110 (6)	214	190
413,292	397,098	354,402	94,045 (6)	87,663 (6)	143,786
17.30	17.44	17.26	18.69	23.61	18.84
6,316.06	6,374.22	6,304.78	6,824.73	6,960.71	6,877.12
11.80	12.37	13.32	12.01	13.18	10.23
4,274.09	4,500.81	4,859.34	4,394.48	4,824.20	3,733.37

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

Function / Program	Fiscal Year Ended September 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	181	181	171	172	182	197	197	201	199	190
Fire stations	10	10	10	10	10	10	10	10	10	10
Public Works										
Streets (miles)	522	522	523	524	525	521	520	520	520	520
Streetlights	7,590	7,584	7,565	7,560	7,628	7,699	7,751	7,886	7,921	7,970
Traffic signals	195	194	194	196	196	203	207	207	208	209
Sanitation										
Collection trucks	25	27	20	18	18	20	20	20	31	31
Culture and Recreation										
Parks	47	48	48	48	48	48	48	44	44	45
Parks acreage	1,120	1,180	1,180	1,180	1,180	1,180	1,180	1,179	1,180	1,190
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)	476	479	480	481	487	487	488	488	500	502
Fire hydrants	2,327	2,327	2,314	2,314	2,315	2,314	2,314	2,314	2,354	2,342
Maximum daily capacity (millions of gallons)	26	24	26	25	22	22	26	26	35 *	35
Sewer										
Sanitary sewers (miles)	404	405	406	407	407	407	408	408	408	408
Storm sewers (miles)	340	406	406	409	409	409	410	410	416	416
Maximum daily treatment capacity (millions of gallons)	24	24	24	24	24	24	24	24	24	24

Source: Various City departments

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

* Storage capacity increased in 2021.

CITY OF PASADENA, TEXAS
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022



JEFF WAGNER
MAYOR

CITY OF PASADENA, TEXAS

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