

CITY OF PASADENA



CITY OF PASADENA, TEXAS ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023



JEFF WAGNER
MAYOR

**CITY OF PASADENA, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

**PREPARED BY:
OFFICE OF THE CITY CONTROLLER
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CITY CONTROLLER**

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INTRODUCTORY SECTION



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CITY OF PASADENA

OFFICE OF THE CITY CONTROLLER

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March 13, 2024

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, 2023. 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, 2023. 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, 2023. The City's Single Audit Report is separately available.

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

Profile of the Government

The City of Pasadena is the seventeenth-largest city in Texas and the largest suburban city in the Houston metropolitan area. Pasadena is located in southeast Texas, bordering the Houston Ship Channel, and currently has a land area of 59.2 total square miles divided into 15.5 square miles of industrial area and 43.7 square miles of residential/commercial area. Based on the latest information from the Census Bureau, Pasadena's 2022 population is estimated at 147,662, 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. The candidates have to reside physically within his/her District (Councilmember) or the City (the Mayor) for twelve months immediately preceding the day of the election. 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.

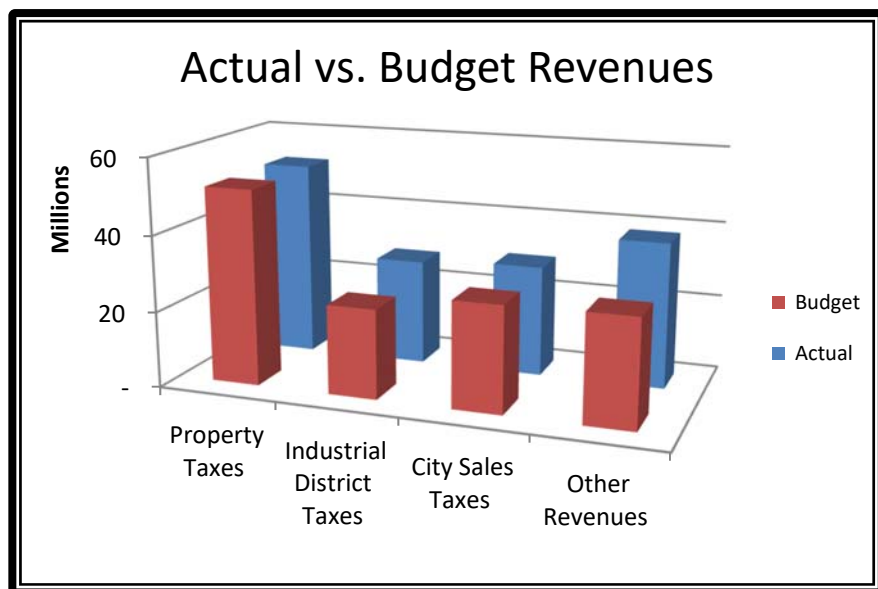
The City of Pasadena provides a full range of municipal services to its residents through a variety of programs and available to all demographics, such as police and fire protection; traffic and municipal courts; sanitation services; construction and maintenance of streets and related infrastructure; 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 77 in the notes to financial statements. As the above graph shows, for the fiscal year 2023, the City's actual revenues have exceeded the budget in property taxes, industrial district taxes, City's sales taxes, and other revenues, which include but is not limited to, health, municipal courts, and parks and recreation.

Local Economy

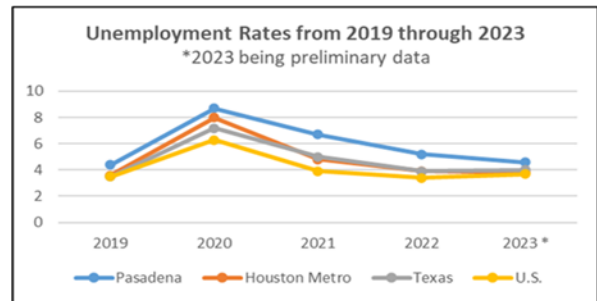
The City benefits from its strategic location, relative affordability, and strong leadership. The City of Pasadena is also a rich industrial area, and its leaders have taken a combination of abundant natural resources, the



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

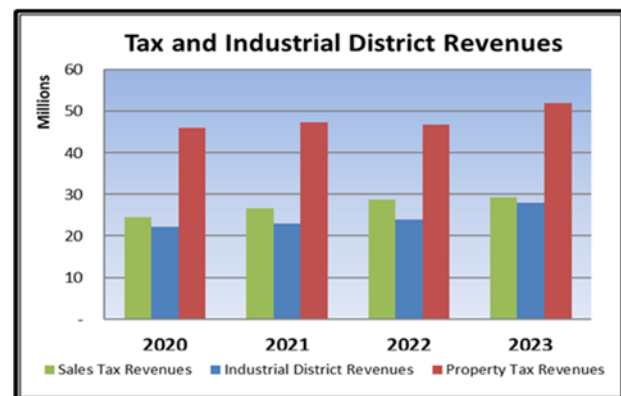
The Port of Houston (the “Port”) is the nation’s largest port for waterborne tonnage and an essential economic engine for the Houston region, the state of Texas, and the U.S. In 2023, the Port successfully added Wharf 6 and three new neo-Panamax ship-to-shore cranes at Bayport terminal. The Houston Ship Channel Expansion (Project 11) is progressing as planned toward its goal of completion. In 2023, the Port of Houston annual Twenty-Foot Equivalent Units (TEUs) recorded a 1.4% growth. The Port processed nearly 3.8 million TEUs for the year resulting in a 4% decrease from its 2022 performance. The Port is consistently ranked first in the U.S. in foreign waterborne tonnage, first in U.S. total foreign and domestic waterborne tonnage, and the second in the U.S. in terms of total foreign cargo value. The modern container terminals and multipurpose facilities can handle virtually any size and type of cargo, connecting world markets to America’s heartland quickly and efficiently. It supports the creation of nearly 1.54 million jobs in Texas and 3.37 million jobs nationwide.

Significant indicators that impact the economic condition are the employment and unemployment statistics. Unemployment in Texas has stabilized since its sharp spike during the pandemic, but it still lags behind the nation’s average. In December 2023, the state preliminary unemployment rate was at 4.0%, ranking Texas as 37th in the nation, increasing from the December 2022 rate of 3.9%. While the Houston Metro area had a preliminary unemployment rate of 3.8%, the Pasadena rate is slightly higher at 4.6%, which is a decrease from 2022 at 5.2%.



The energy landscape, which is the metropolitan area's growth advantage, is changing radically. The invasion of Ukraine in February 2022 and the recent tensions in the Red Sea are adding high uncertainty to the prediction of crude oil prices. The U.S. Energy Information Administration (EIA) forecast that “In 2024, crude oil production in the United States will average 13.1 million barrels per day (b/d) and 13.49 million b/d in 2025.” According to the EIA data, in 2023, the average daily price for West Texas Intermediate, the U.S. crude benchmark, was \$82 per barrel. The EIA is forecasting that the price of Brent crude oil in 2024 will average \$82 per barrel and \$79 per barrel in 2025 based on expectations that global petroleum production and consumption will be relatively balanced.

The City’s fiscal year 2023 total revenues in the governmental funds, excluding other financing sources, increased by 19.14% or \$33,526,537 from \$178,233,097 in 2022 to \$211,759,634 in 2023. In the general fund, the City property tax revenues increased 10.85% or \$5,080,659 from \$46,807,753 in 2022 to \$51,888,412 in 2023. Even though the property tax rate decreased in fiscal year 2023 to \$0.497583 from \$0.515909/\$100, the 14.6% increase in assessed property value to \$13,553,863,884 contributed to the increase in property tax revenues. The property tax rate adopted is the same as the voter-approval tax, and it is lower than the 2022 tax year/2023 fiscal year adopted tax rate of \$0.497583/\$100. For the 2023 tax year or the fiscal year 2024, the Council adopted a property tax rate of \$0.455514/\$100, and the City is projecting to collect approximately \$1,694,962 from new properties.



The Industrial District revenue increased 16.6% or \$3,970,914 from \$23,926,598 in 2022 to \$27,897,512 in 2023. The City negotiated a new Industrial District agreement (the "Agreement") effective for the tax year 2019 or the fiscal year 2020. The new Agreement increased the assessment ratio between the 1st to the 5th years of completion in construction and shortened the length of the Agreement to eight years from the previous Agreement of fifteen years to be more adaptable to the rapid changes in the energy business environment today. The City is projecting the continued growth in the Industrial District assessed value, specifically in new construction. The sales tax revenues, in the general fund only, had an increase of 1.8% or \$513,593 from \$28,739,060 in 2022 to \$29,252,653 in 2023.

According to a recent study by Site Selection, the Houston Metro area population is estimated to grow 8,031,130 from 7,326,336, a 9.62% increase over the next five years. All those people will have to live in and around the Houston area, and Pasadena is a commuter's dream, situated between State Highway 225 and Interstate 45 straddling the Sam Houston Tollway, which allows speedy travel to locations like Downtown Houston, the Texas Medical Center, the Port of Houston, and Galveston Bay. The City has residential real estate options for everyone. As the job market and population grow, so does the demand for affordable living options. The City has many housing options from multi- and single-family living to townhomes and apartment complexes. 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, 2023, about 489 lots have been built. 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 – Black Rock Coffee Bar opened up its doors on April 2023 at 4030 Spencer Highway. The HCA Houston Healthcare open its first freestanding rehabilitation facility, HCA Houston Rehabilitation Hospital Southeast, offering a high level of care for individuals following an extended illness, stroke, surgery, injury, or trauma. KAO Corporation broke ground on a \$250 million new tertiary amine production plant expecting to create 60 new jobs and 300 construction jobs located at 5101 Underwood, Pasadena.

Long-term Financial Planning

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

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

PEDC is dedicated to the promotion of local economic development and to achieve its strategic plan unveiled in 2018 and updated in 2023. The update is to expand on the strategies that are working, revisit strategies that

no longer align with the PEDC's vision, and to recommend new strategies. The updated strategic plan will continue in the path to achieved the following set of six goals - marketing and image, business development, workforce, catalyst projects, tourism/retail, and support structure for economic development.

The following are some of PEDC main projects:

- PEDC continues to work on enhancing the visual appeal and build community identity along major commercial corridors. PEDC has committed \$24.3 million towards Convention Center Facility improvements, and in additions PEDC, through sales tax revenue bonds, is set to fund a \$50 million renovation and expansion of the Pasadena Convention Center and Municipal Fairgrounds. The new multipurpose arena will be about 76,000 square feet with a 7,500-seating capacity.
- PEDC, in collaboration with the City, identified a future greenway trail along Vince Bayou and Little Vince Bayou as a priority project. The entire project scope includes an approximately 3-mile concrete trail that will connect Memorial Park in the north to Strawberry Park in the south and the amenities and bridges identified in the Vince Bayou Greenway Planning Study. The Little Vince Bayou Greenway trail will be a trail network extending between Little Vince and Vince Bayou linking this system to the City of Pasadena City Hall. PEDC has committed \$7.1 million for the Vince Bayou/Little Vince Bayou Greenway Trail. As of September 30, 2023, 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 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, the citizens of Pasadena voted for the Pasadena Crime Control and Prevention District continuation and funding of sales tax for another 10 years. Additional information on these two legally separate entities can be found in the notes to the financial statements. (See Note I. A on page 63).

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

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

The City administers an additional single-member defined benefit OPEB plan. The City plan provides certain healthcare benefits for retired employees. Substantially all of the City's employees become eligible for the health benefits if they reach normal retirement age while working for the City. The City is currently following a pay-as-you-go approach, paying an amount each year equal to the claims paid. This means no assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. Retiree healthcare is accounted for in the health insurance fund, an internal service fund. A separately audited GAAP basis postemployment benefit plan is not available for this program. (See Note V. C. 1 on page 96).

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 99).

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 102 and 107).

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective this fiscal year 2023. The City has implemented GASB Statement No. 96 on 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 62% of principal and interest on the tax-supported debt is scheduled to retire within ten years.

Major Initiatives

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

acquire public safety equipment and acquire and construct public safety facilities for the City's Fire Department, including but not limited to, constructing improvements to Fire Station Numbers 6 and 7 and constructing and equipping a new Fire Administration Facility.

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

In November 2022, the City entered an interlocal agreement with the Harris County for the Vince Bayou Greenway Phase 1. The Parks and Recreation Department applied for the Harris County Precinct 2 Partnership grant and was awarded a 50% match to the Vince Bayou Greenway Project Phase 1 in partnership with the Pasadena Economic Development Corporation and Houston Parks Board.

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 \$738,000 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. The projects were completed as of September 30, 2023.

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 is to receive \$4.98 million in the categories of debris removal, emergency protective measures, buildings and equipment, utilities, and park recreation. The City has received to date a total of \$4.76 million from FEMA as of September 30, 2021, ranging from 90% Federal/10% Local Share of eligible expenditures with parks, recreation, and administration costs remaining in the process. As of September 30, 2023, there are some administrative costs still pending to be reimbursed.
- **(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 \$1.69 million as of September 30, 2021 from FEMA

and the State of Texas, respectively. As of September 30, 2023, 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, 2023, the project is about 55% 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 2023.
- has allocated Community Development Block Grant Mitigation (CDBG-MIT) funds to the State of Texas to be administered by Texas General Land Office. On November 16, 2021, the City accepted the CDBG-MIT grant in the amount of \$47,278,951 for the North Pasadena Harvey Mitigation Drainage Improvements and appropriated a 1% match of \$472,790 for a total of \$47,751,741. As of September 30, 2023 the project is 10% completed.

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. As of September 30, 2023, the City received an additional \$157,633 from FEMA.

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, 2023, 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 2022 (Fiscal Year 2023) 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 reconstructed to meet local codes and standards.

A vast majority of the CDBG allocation focuses on the improvement 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 the Llano Street Paving and Drainage Improvements Phase II Project were completed within the reporting period. The Children and Youth Community Center and Thomas Street Paving and Drainage Improvements Phase II Project are underway and expected to be completed during Program Year 2023 (Fiscal Year 2024).

The City partnered with local agencies and City departments to provide special needs services to foster community welfare, expand opportunity, and address essential needs. CDBG funds were administered through the Madison Jobe Senior Center's Transportation Rides Program to aid in providing resources to elderly and disabled clients to maintain an independent lifestyle and facilitate essential services. The Madison Jobe Senior Center provided 1,800 transportation vouchers to 306 individuals. Additionally, the North Pasadena Community Outreach's Food Pantry Program distributed 6,350 boxes of food to families in need. Lastly, the City's CDBG Program provided 1,932 nights of shelter and supportive services to 156 homeless women and children through the facilitation of services provided by Sarah's House.

The City's ESG Program has provided 3,519 nights of shelter and supportive services to 109 homeless women and children. To further transition to permanent housing, rental assistance and housing stabilization services were provided to 15 households.

Awards and Acknowledgements

The City of Pasadena's Annual Report for the year ended September 30, 2022 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 29th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Julie St. Jean, CPA
City Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pasadena
Texas**

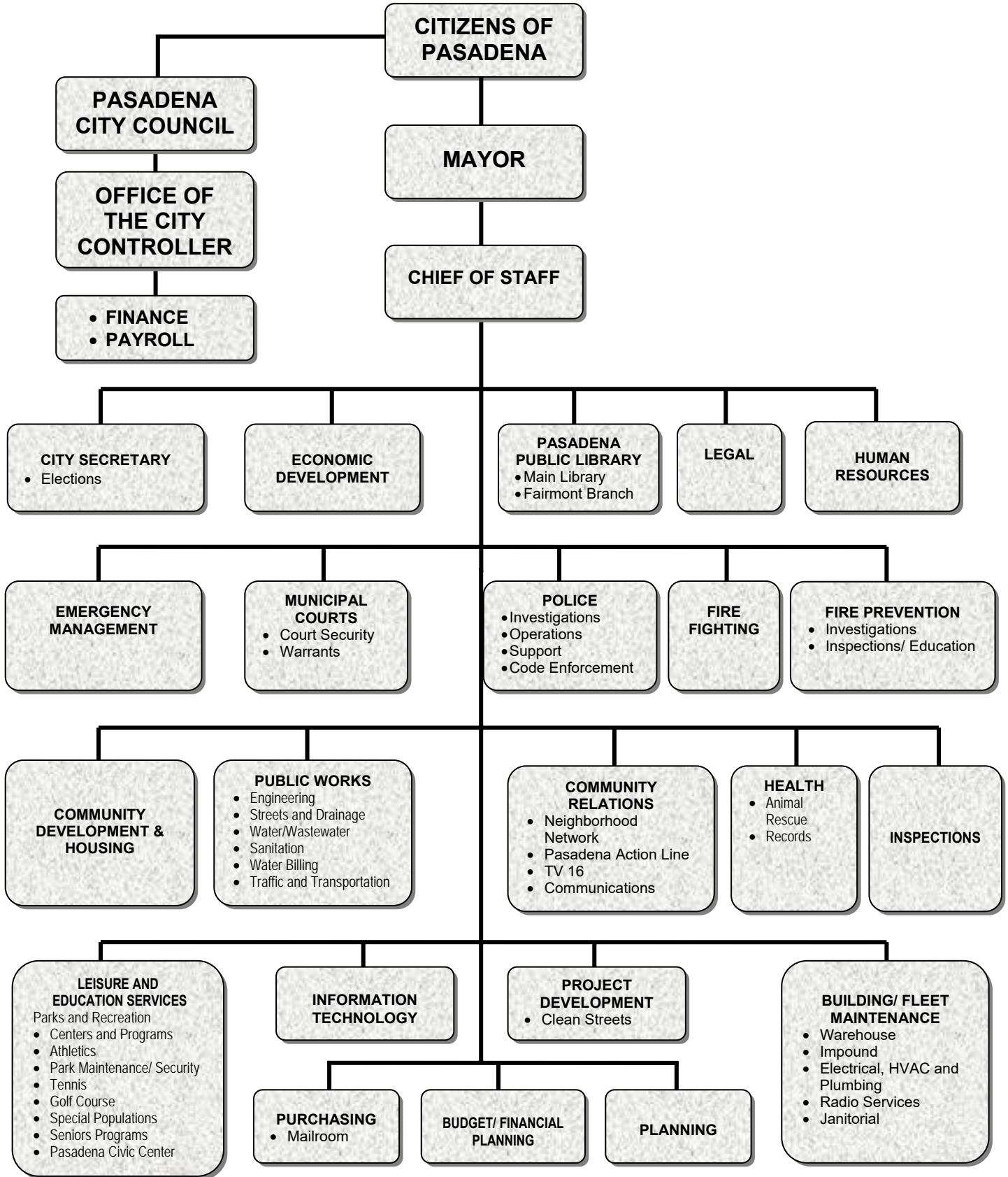
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF PASADENA, TEXAS ORGANIZATION CHART



**CITY OF PASADENA, TEXAS
PRINCIPAL OFFICIALS**

MAYOR

JEFF WAGNER

CHIEF OF STAFF

DANIEL PENNINGTON

BUDGET ADMINISTRATOR

SHERRY WOMACK

CITY COUNCIL

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

CITY CONTROLLER

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

JERRY WRIGHT

FIRE CHIEF

LANNY ARMSTRONG

FIRE MARSHAL

DAVID BRANNON

DIRECTOR OF COMMUNITY RELATIONS

JOSEPH LINDBERG

DIRECTOR OF PLANNING

MELISSA TAMEZ

DIRECTOR OF HEALTH

KATHY PEREZ

DIRECTOR OF PARKS/RECREATION

JED APLACA

DIRECTOR OF ECONOMIC DEVELOPMENT

RICK GUERRERO

PRESIDING JUDGE, MUNICIPAL COURTS

RICHARD RISINGER



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, 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, 2023, 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 opinion.

Change in Accounting Principle

As described in Note I. D. 6. to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 13, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The logo for Belt Harris Pechacek, LLLP features the company name in a stylized, cursive font. The letters 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are in a smaller, simpler cursive font. The 'L' and 'L' at the end are also stylized.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 13, 2024



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



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, 2023. This discussion and analysis includes comparative data for fiscal year 2022. 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, 2023 are as follows:

Government-Wide Financial Statements

The City’s assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,148,547,849 (net position), showing an increase of \$83,905,406 (7.9%), compared to the prior fiscal year of \$1,064,642,443.

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

Net investment in capital assets of \$919,921,118 (80.1%) includes land, improvements, construction in progress, and other capital assets, net of accumulated depreciation, and reduced by outstanding debt and net unspent proceeds related to the construction of capital assets.

Net position of \$105,903,988 (9.2%) is restricted by constraints imposed from outside the City such as debt covenants, laws, and regulations.

Net position of \$122,722,743 (10.7%) 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 \$308,277,335. This compares to the prior fiscal year combined fund balances of \$287,161,529, showing an increase of \$21,115,806 (7.4%). Approximately 33.8% of the fund balances, \$104,590,055, is available for spending at the City’s discretion (unassigned) and 54.1% of the fund balance, \$167,080,272, is restricted for court, law enforcement, economic development, housing services, capital construction, and debt service. The balance of \$35,238,126 (11.4%) is committed for grant management in the amounts of \$9,036,010 for the grant; and \$15,000 for election, recall, and charter revision; and \$26,187,116 is for various capital projects including drainage improvements and sidewalk replacement projects. Assigned fund balance is for purchases on order of \$744,729 and capital construction of \$624,153, totaling \$1,368,882 (0.5%).

At the end of fiscal year, the general fund had a total fund balance of \$105,349,784. The unassigned portion of the fund balance was \$104,590,055 or 89.7% of total general fund expenditures of \$116,545,880. The committed portion of the fund balance was \$15,000. The assigned portion of the fund balance was \$744,729. 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, 2023, the unassigned fund balance exceeded this required balance by \$75,852,715.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the financial statements. The accompanying notes provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the fund financial statements and can be found on pages 63-113.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's OPEB schedule of changes in the City's total healthcare OPEB liability and related ratios, TMRS pension schedule of contributions, TMRS pension schedule of changes in net pension liability and related ratios, TMRS pension methods and assumptions used to determine contribution rates, schedule of changes in the City's total SDBF OPEB liability and related ratios, and Texas Emergency Services Retirement System schedule of contributions and schedule proportionate share of changes in the net pension liability and related ratios. Required supplementary information can be found on pages 117-126 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 131-163.

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 \$1,148,547,849 at fiscal year ended September 30, 2023.

CITY OF PASADENA, TEXAS
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 406,769,880	\$ 396,087,136	\$ 82,917,572	\$ 59,310,825	\$ 489,687,452	\$ 455,397,961
Capital assets	714,505,535	682,455,077	314,087,680	305,176,686	1,028,593,215	987,631,763
Total assets	<u>1,121,275,415</u>	<u>1,078,542,213</u>	<u>397,005,252</u>	<u>364,487,511</u>	<u>1,518,280,667</u>	<u>1,443,029,724</u>
Deferred outflows of resources	53,615,134	23,891,854	6,094,614	4,388,475	59,709,748	28,280,329
Total deferred outflows	<u>53,615,134</u>	<u>23,891,854</u>	<u>6,094,614</u>	<u>4,388,475</u>	<u>59,709,748</u>	<u>28,280,329</u>
Long-term liabilities, outstanding	245,116,726	210,841,505	75,599,840	67,685,616	320,716,566	278,527,121
Other liabilities	68,432,777	70,472,907	19,319,382	14,075,605	87,752,159	84,548,512
Total liabilities	<u>313,549,503</u>	<u>281,314,412</u>	<u>94,919,222</u>	<u>81,761,221</u>	<u>408,468,725</u>	<u>363,075,633</u>
Deferred inflows of resources	18,832,093	40,413,709	2,141,748	3,178,268	20,973,841	43,591,977
Total deferred inflows	<u>18,832,093</u>	<u>40,413,709</u>	<u>2,141,748</u>	<u>3,178,268</u>	<u>20,973,841</u>	<u>43,591,977</u>
Net position:						
Net investment in capital assets	657,764,561	617,888,806	262,156,557	251,190,759	919,921,118	869,079,565
Restricted	103,201,637	101,969,715	2,702,351	2,345,258	105,903,988	104,314,973
Unrestricted	81,542,755	60,847,425	41,179,988	30,400,480	122,722,743	91,247,905
Total net position	<u>\$ 842,508,953</u>	<u>\$ 780,705,946</u>	<u>\$ 306,038,896</u>	<u>\$ 283,936,497</u>	<u>\$ 1,148,547,849</u>	<u>\$ 1,064,642,443</u>

By far, the largest portion of the City's net position, \$919,921,118 (80.1%), reflects its net investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. These assets are used to provide services to citizens; consequently, they are not available to be used for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

This portion of the City's net position increased by \$50,841,553, compared to prior fiscal year of \$869,079,565. Capital assets had a net increase of \$40,961,452, with 78% net increase in the governmental activities and the remaining 22% net increase in the business-type activities. The governmental activities streets and drainage projects included improvement at different detention facilities; annual paving and sidewalk projects including Easthaven, Magnolia, and Llano paving and drainage improvements in the capital projects funds and Vince Bayou Greenway and the Convention Center Improvements both PEDC projects; and the starting construction of Fire Station # 9, to name a few. The major infrastructure projects in the business-type activities were various waterline projects, water storage tank rehabilitation, and City-wide wastewater improvements. Additional information can be found in Note IV. D. on pages 83-85.

The bond debt resulted in a net decrease of \$1,833,999, including a decrease totaling \$8,082,149 for the governmental activities and an increase of \$6,248,150 for business-type activities. The City did issue new debt during this fiscal year, totaling \$10,450,000 for the business-type activities.

The second largest portion of the City's net position, \$105,903,988 (9.2%), represents resources that are subject to external restrictions on how they may be used. This compared to the prior fiscal year of \$104,314,973, showing an increase of \$1,589,015. Overall, the capital projects and economic development functions had a decrease in the amount of \$801,172 from \$78,508,794 to \$77,707,622.

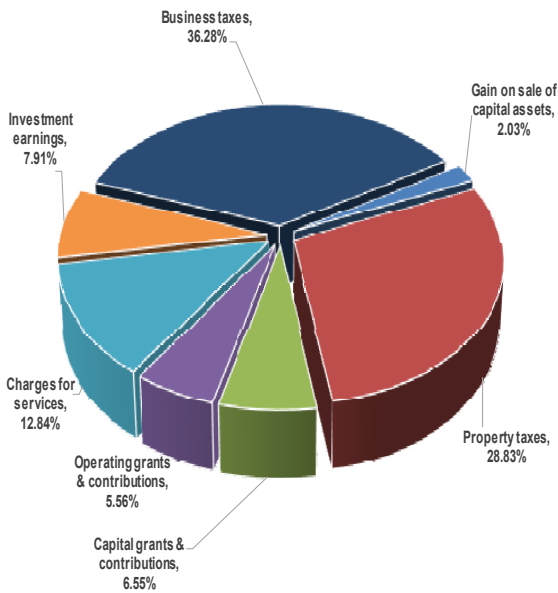
Public works restricted net position decreased by \$366,646 from \$1,573,844 to \$1,207,198 due in part to the general fund owing much less than the prior year of \$1,101,052 to \$734,408 to the special revenue funds.

The third and final portion of the City's net position, \$122,722,743 (10.7%), 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 \$31,474,838, compared to the prior fiscal year of \$91,247,905. 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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 29,221,593	\$ 29,314,126	\$ 55,452,896	\$ 51,187,270	\$ 84,674,489	\$ 80,501,396
Operating grants and contributions	13,241,369	12,135,165	-	-	13,241,369	12,135,165
Capital grants and contributions	14,915,533	7,992,290	-	-	14,915,533	7,992,290
General revenues:						
Property taxes	65,620,204	57,426,443	-	-	65,620,204	57,426,443
Business taxes	80,609,895	75,936,052	-	-	80,609,895	75,936,052
Other taxes/fees	1,972,270	1,958,920	-	-	1,972,270	1,958,920
Investment earnings	17,994,773	2,640,505	2,750,839	356,117	20,745,612	2,996,622
Gain on sale of capital assets	4,613,493	910,677	-	-	4,613,493	910,677
Total Revenues	<u>228,189,130</u>	<u>188,314,178</u>	<u>58,203,735</u>	<u>51,543,387</u>	<u>286,392,865</u>	<u>239,857,565</u>
Expenses:						
General government	23,347,064	20,421,463	-	-	23,347,064	20,421,463
Public safety	68,227,487	55,567,308	-	-	68,227,487	55,567,308
Public works	29,833,528	27,134,492	-	-	29,833,528	27,134,492
Health	6,734,097	6,112,911	-	-	6,734,097	6,112,911
Culture and recreation	21,389,298	18,772,815	-	-	21,389,298	18,772,815
Housing and community development	10,545,014	10,469,720	-	-	10,545,014	10,469,720
Interest on long-term debt	5,420,649	3,287,137	-	-	5,420,649	3,287,137
Water and sewer	-	-	36,990,322	31,573,623	36,990,322	31,573,623
Total Expenses	<u>165,497,137</u>	<u>141,765,846</u>	<u>36,990,322</u>	<u>31,573,623</u>	<u>202,487,459</u>	<u>173,339,469</u>
Increase in net position before transfers	62,691,993	46,548,332	21,213,413	19,969,764	83,905,406	66,518,096
Transfers	(888,986)	5,515,754	888,986	(5,515,754)	-	-
Increase in net position	61,803,007	52,064,086	22,102,399	14,454,010	83,905,406	66,518,096
Net position - beginning	<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>
Net position - ending	<u>\$ 842,508,953</u>	<u>\$ 780,705,946</u>	<u>\$ 306,038,896</u>	<u>\$ 283,936,497</u>	<u>\$ 1,148,547,849</u>	<u>\$ 1,064,642,443</u>

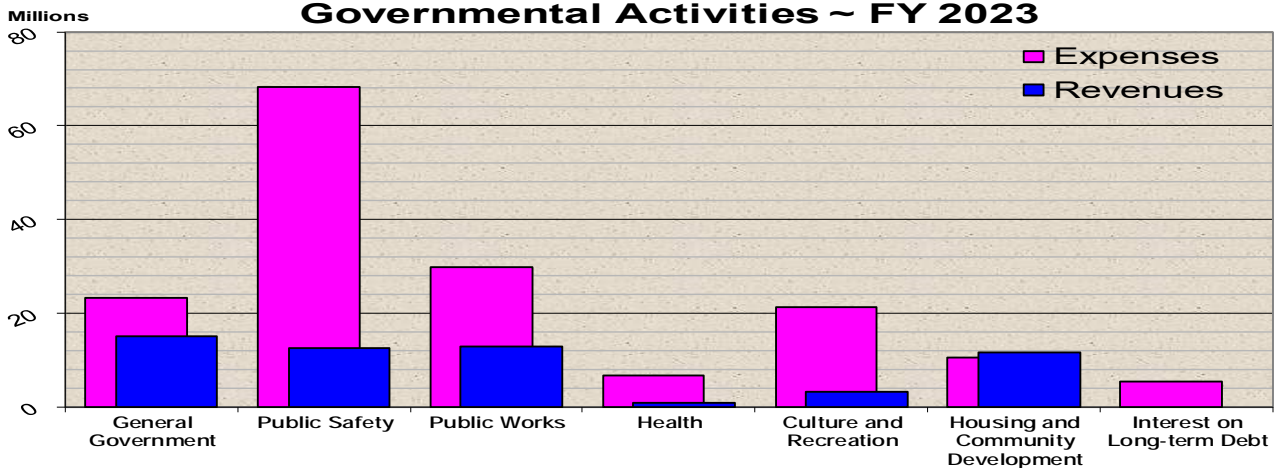


Governmental Activities. Governmental activities increased the City's net position by \$61,803,007 (7.9%). This was impacted by the current economic conditions. The City saw overall revenues increase by \$39,874,952, excluding transfers. Program revenue increased by \$7,936,914 (16.1%) from \$49,441,581 to \$57,378,495. Charges for services decreased by \$92,533 from \$29,314,126 to \$29,221,593. Operating grants and contributions increased by \$1,106,204 and capital grants and contributions increased by \$6,923,243. General government charges for services increased by \$1,017,920. Public Safety charges for services decreased by \$316,241 because of the decrease of the reported revenue of the sale of abandoned auto at the City's auctions. Public works charges for services decreased from \$3,803,257 to \$2,555,654 by the amount of \$1,247,403. Public safety operating grants and contributions increased by \$1,205,159 from \$855,025 to \$2,060,184 partially due to the increase in revenue in the Federal Equitable Sharing of forfeited property Justice Department.

General revenues increased \$12,880,954 (9.5%) from \$135,321,415 to \$148,202,369, excluding transfers, gain on sale of capital assets, and investment earnings, in the governmental activities. Property taxes revenue increased by \$8,193,761 due to the assessment of property taxable value increasing from \$11,825,974,124 to \$13,553,863,884 even though the tax rate decreased by \$0.018326 from \$0.515909 to \$0.497583. Sales taxes increased by \$770,389 because of the economy growing in strength and consumer confidence. The City's interest earnings increased by \$15,354,268 in investment income due to the increase in interest rates.

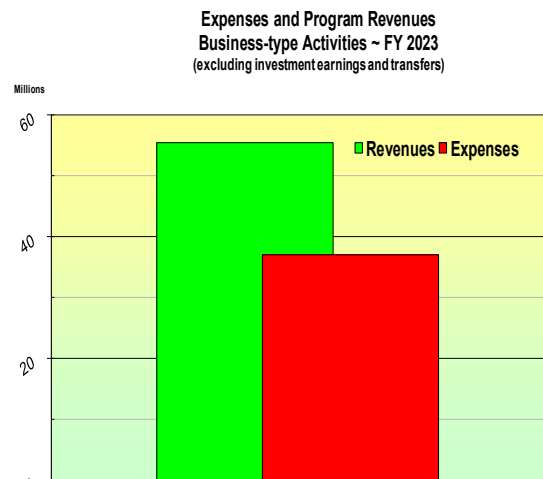
Expenses increased by \$23,731,291 (16.7%). All functions increased. The interest payments increased from \$3,287,137 to \$5,420,649 because of the additional interest payable on the new certificate of obligation. Public safety expenses increased \$12,660,179 from \$55,567,308 to \$68,227,487 mostly due to the increase in the police department's personnel services costs due to increase in new hires through two programs, the Police Service Officer (PSO) hiring incentive policy and Police Officer hiring incentive policy with a sign-on bonus of \$5,000 and \$10,000, respectively. Public works expenses increased by \$2,699,036 from \$27,134,492 to \$29,833,528 due to the increasing cost of engineering services due to the increase number of projects being done by the City. There was an increase of \$75,294 from \$10,469,720 to \$10,545,014 in the Housing and Community Development expenses due to a slight increase in expenses in public services.

Expenses and Program Revenues Governmental Activities ~ FY 2023



Business-type Activities. Business-type activities increased the City’s net position by \$22,102,399. The key elements of this increase include:

The business-type activities saw an increase in expenses of \$5,416,699. Personnel services increased by \$1,276,772 (19.4%) due to more personnel costs than the year before. Last year, personnel services were 22.8% of total operating expenses and currently they are at the same. The business-type activities capital contribution from the Pasadena Economic Development Corporation (PEDC) capital projects fund was \$6,884,986 for waterline improvement rehabilitation projects. This is reported on the Statement of Activities as a capital contribution. Capital assets purchased were capitalized in the water and sewer funds. The water and sewer fund’s current acquisition and construction of capital assets was \$9,261,625 compared to prior year of \$7,463,024. The projects include improvement of Cascade water storage tank, 2023 fire hydrant installation, 2022 Citywide waterline repairs, and Taylor Lake 24” bypass. 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 \$2,381,762 to \$2,213,394, a slight decrease due to the total bond debt in the water and sewer funds.



Revenues, including interest earnings, had an increase of \$6,660,348. Charges for services increased by \$4,265,626. Water revenue increased \$3,158,623 (11.5%) from \$27,514,236 to \$30,672,859 due in part to the CPI increase of 8.5% and the increase water sales. Again, interest earnings increased by \$2,394,722 from \$356,117 to \$2,750,839 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 \$308,277,335. Approximately 33.9% of this amount, or \$104,590,055, 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 (\$18,365,252 or 5.9%)
2. restricted to pay debt service (\$4,727,545 or 1.5%)
3. restricted to pay for certain capital construction (\$143,987,475 or 46.9%)
4. assigned to pay purchases on order (\$744,729 or 0.2%)
5. assigned to pay capital construction (\$624,153 or 0.2%)
6. committed to general government capital construction and recall, election, and charter revision (\$35,238,126 or 11.4%)

The general fund is the principal operating fund of the City of Pasadena. As of September 30, 2023, the general fund reported fund balance of \$105,349,784. This compared to the prior fiscal year of \$97,993,399, showing an increase of \$7,356,385 (7.5%).

The unassigned portion of the general fund's fund balance was \$104,590,055. As a measure of the general fund's liquidity, it is useful to compare this portion of the fund balance to the total general fund expenditures of \$116,545,880 or 89.7%, an increase of 2.1% over last year's percentage of 87.6%.

The City's general fund general property tax collection increased by 10.8%. Industrial district fees had an increase by 16.6% due to the way the current contract is structured, which includes a shared increase or decrease in property values. An indication of the improvement of the economy is sales tax collection. There was an increase in the amount of \$513,593 (1.8%) over last year. Again, investment income increased \$6,143,017 from \$1,068,733 to \$7,211,750 due to the increase in interest rates. Expenditures, excluding transfers out, increased by \$6,150,890 or 5.6%, which was due to the police department increase in costs from \$44,139,693 to \$48,252,300 as a result of the new police sign-on bonuses. The general fund transferred \$20,988,700 more in fiscal year 2023 than the year before which included the transfer to the capital projects funds for projects in the amount of \$27,717,491 and \$4,140,500 to the internal service fund. The increase was due to the general fund funding capital projects including various paving and drainage projects. The transfer amount increased by \$20,270,990; however, the general fund transferred \$1,190,500 more to the internal service fund to ensure a positive unrestricted net position as of September 30, 2023.

The debt service fund has a total fund balance of \$4,727,545, all of which is restricted for the payment of debt service. The increase in fund balance of \$1,072,189 compared to prior fiscal year fund balance of \$3,655,356 was mainly due to the increase property tax assessed values in the City.

The Pasadena Economic Development Corporation fund has a total fund balance of \$77,826,022, all of which is restricted for capital projects and economic development. The decrease in fund balance is \$590,932, or 0.7%, compared to prior fiscal year of \$78,416,954. There was an increase in sales taxes collected by 1.8% over last year, noting again the improving economy. There was an increase in expenditures of \$12,595,446. The majority of projects were in culture and recreation in the total amount of \$13,226,817. The greater part was used on the convention center projects, the Fairmont Parkway drainage, and Little Vince Bayou projects. There was an increase in administrative costs of \$274,630 from \$1,286,407 to \$1,561,037 due to the increase in personnel services. The PEDC increased staff during the year.

The capital projects fund has a total fund balance of \$92,972,722, with \$66,161,453 restricted for capital construction projects; \$26,187,116 committed by the Council, the highest level of decision making for capital construction; and \$624,153 assigned by management for capital construction. The increase in fund balance amounted to \$10,335,579, compared to the prior fiscal year increase of \$47,930,747. The City transferred \$27,717,491 from the general fund to the capital projects funds, as stated above. The capital outlay expenditures in the amount of \$20,649,583 had increased by \$6,664,374 compared to the prior fiscal year of \$13,985,209 with the majority of expenditures concentrated on public works totaling \$13,956,242. Projects under public works, the largest expenditure, included the annual drainage, Burke Street improvements, and sidewalks improvement, to name a few. The City is also constructing a police annex and city marshal service administrative building. It is being funded by the Certificates of Obligation, Series 2018 and 2022.

The grant management fund has a total fund balance of \$15,680,099, of which \$6,644,089 is restricted and \$9,036,010 is committed for specific grant purposes. There was an increase in the fund balance of \$1,668,994. The intergovernmental revenue increased by \$5,727,347 from \$18,240,309 to \$23,967,656 due to the recognizing of \$5,981,814 of ARPA funds.

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

General Fund Budgetary Highlights

The final amended expenditure budget of \$157,862,452, including transfers out, was \$22,546,890 (16.7%) more than the original budget of \$135,315,562.

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

- \$2,976,780 decrease for General Government - included a decrease due to the budget amendment reclassify personnel termination pay to the function where retirements took place during the fiscal year.
- \$2,526,858 increase for Public Safety - included increased costs in police personnel services, as has been stated before.
- \$306,185 increase for Public Works - included an increase in the contractual services in the sanitation department.
- \$174,596 increase in Health - included an increase in the materials and supplies items needed.
- \$448,930 increase in Culture and Recreation – there were small budget changes throughout several departments due to various activities that were put on hold.
- \$149,610 increased for debt service principal and interest payments for a four-year lease agreement for the use of copier equipment.
- \$21,917,491 increase in Other Financing (Uses) – all the additional \$21,917,491 was transferred to the capital project funds for projects listed above.

Even with the above-mentioned amendments, total actual expenditures, including transfers out totaling \$148,403,871, were \$9,458,581 below the final budget. The general government function had a variance of \$4,660,201, specifically in personnel services in the municipal court and contractual services in inspections and other charges. Public safety had a variance of \$1,020,417, with the largest variance in the police department from final budget to actual in the amount of \$718,075 as actual police personnel service were expected to be higher in the amount of \$594,732, and the culture and recreation function had a variance in the amount of \$1,884,980 with various activities being lower due to continued cancelation of activities because of the pandemic.

Actual revenues, including the transfers in, issuance of leases, and sale of capital assets, totaled \$155,760,256, which was over the final budgeted amount of \$138,996,804 by \$16,763,452. The largest favorable variance was in the amount of \$7,084,750 for investment income and \$4,337,512 for fees due to the City's increase in the industrial district collection over the final budget amount.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounted to \$1,028,593,215 (net of accumulated depreciation/amortization). This investment includes land, buildings and building improvements, facilities and other improvements, machinery and equipment, machinery and equipment – leases, infrastructure (streets, bridges, storm drains, and water and sewer systems), automotive, and construction in progress.

The total net increase in the City's investment in capital assets including accumulated depreciation for the current fiscal year was \$40,961,452 (4.1%), compared to prior fiscal year of \$987,631,763. There was an \$32,050,458 (4.7%) net increase for governmental activities and \$8,910,994 (2.9%) net increase for business-type activities.

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

- Continued Browning Subd Drang Imp (D042) - \$147,356 with \$197,356 in progress at the end of the end of the fiscal year.
- Continued Armand Bayou Upper Reaches Project (D056) - \$64,838 with \$1,143,845 in progress at the end of the fiscal year.
- Continued Fairmont Pkwy Drainage Imp (D058) - \$11,425 with \$369,850 in progress at the end of the fiscal year.
- Began Dabney Storm Interconnect Project (D059) - \$106,485 in progress at the end of the fiscal year.
- Continued 2022 Annual Drainage Improvement (D060) - \$621,970 with \$1,026,516 in progress at the end of the fiscal year.

- Began Annual Paving & Drainage Imp. Proj. (D061) - \$326,530 in progress at the end of the fiscal year.
- Continued North Pasadena Harvey Mitigation (D064) - \$3,541,792 with \$4,825,934 in progress at the end of the fiscal year.
- Continued Red Bluff Drainage Improvement (D066) - \$34,323 with \$181,080 in progress at the end of the fiscal year.
- Continued ENVIRO SVCS HMGP (DMEA) - \$36,352 with \$256,263 in progress at the end of the fiscal year.
- Continued HYDR/HYDLGY FEMAHMGP (DMHH) - \$935,312 with \$2,299,982 in progress at the end of the fiscal year.
- Continued Fire Station #6 (F011) - \$206,396 with \$286,041 in progress at the end of the fiscal year.
- Continued Fire Station #7 (F014) - \$201,676 with \$277,901 in progress at the end of the fiscal year.
- Continued Convention Center Infrastructure Imp (M026) - \$111,411 with \$369,440 in progress at the end of the fiscal year.
- Continued Tyler Technologies (M043) - \$5,555 with \$397,202 in progress at the end of the fiscal year.
- Continued City Hall Emergency Power Generator addition (M047) - \$535,089 with \$896,356 in progress at the end of the fiscal year.
- Began City Hall Landscape and Irrigation (M057) - \$7,681 in progress at the end of the fiscal year.
- Continued Campbell Hall Rebuild Project (M058) - \$44,009 with \$48,009 in progress at the end of the fiscal year.
- Continued Tyler Techno. Purchase (M059) - \$819,064 with \$843,064 in progress at the end of the fiscal year.
- Began Animal Shelter Strom Damage Repair (M063) - \$1,812,724 in progress at the end of the fiscal year.
- Began PLTE Network at Convention Center (M064) - \$410,074 in progress at the end of the fiscal year.
- Began Fabrication & Ins of Signage at Con Cent (M065) - \$230,592 in progress at the end of the fiscal year.
- Continued Pasadena Police Annex (P010) - \$788,371 with \$869,740 in progress at the end of the fiscal year.
- Began Police Range Storage Building (P014) - \$84,986 in progress at the end of the fiscal year.
- Began SIM TAC Building (P016) - \$121,501 in progress at the end of the fiscal year.
- Continued Preston/Crenshaw Park (R055) - \$8,195 with \$325,467 in progress at the end of the fiscal year.
- Continued Vince Bayou Greenway (R066) - \$1,296,399 with \$2,797,036 in progress at the end of the fiscal year.
- Began Southmore Ave Park Project (R084) - \$12,000 in progress at the end of the fiscal year.
- Began Little Vince Bayou Greenway Trail (R086) - \$290,363 in progress at the end of the fiscal year.
- Began Pasadena Memorial Plaza Project (R084) - \$87,195 in progress at the end of the fiscal year.
- Began Golf Course-Private Config (R095) - \$108,818 in progress at the end of the fiscal.
- Continued Pasadena Blvd : Harris to 225 (S077) - \$721,064 with \$3,409,574 in progress at the end of the fiscal year.
- Continued Thomas Ave P&D Ph II (S109) - \$1,471,463 with \$1,550,552 in progress at the end of the fiscal year.

- Continued Richey St II (S110) - \$1,388,585 with \$1,636,640 in progress at the end of the fiscal year.
- Continued Corridor Development (S113) - \$5,568 with \$12,124 in progress at the end of fiscal year.
- Continued Burke St. Imp (S114) - \$101,181 with \$457,800 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp (S123) - \$1,421,974 with \$3,648,223 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp Ph I (S126) - \$1,393,084 with \$1,555,633 in progress at the end of the fiscal year.
- Continued Llano St. Paving & Drainage Imp Ph III (S127) - \$710,886 with \$806,919 in progress at the end of the fiscal year.
- Continued Red Bluff Road Phase I (S130) - \$326,177 with \$354,272 in progress at the end of the fiscal year.
- Continued Shaver Street Phase II (S131) - \$384,607 with \$414,542 in progress at the end of the fiscal year.
- Continued Preston Ave. Reconstruction (S132) - \$665,416 with \$806,951 in progress at the end of the fiscal year.
- Continued Shaver Street Phase III (S135) - \$385,491 with \$472,917 in progress at the end of the fiscal year.
- Began 2023 Annual Paving & Drainage Imp. Proj. (S138) - \$1,876,088 in progress at the end of the fiscal year.
- Began 2023 Annual Sidewalk Improvement. (S139) - \$1,260,938 in progress at the end of the fiscal year.
- Continued SH 225 Underpass Lighting (S165) - \$23,344 with \$253,344 in progress at the end of the fiscal year.
- Continued Kolb Roadway Repairs (S167) - \$45,776 with \$53,276 in progress at the end of the fiscal year.
- Continued Traffic Mobility Improvements Ph II (T018) - \$920,873 with \$1,220,482 in progress at the end of the fiscal year.
- Continued Spencer 12" Waterline Ph II (W055) - \$78,965 with \$132,615 in progress at the end of the fiscal year.
- Continued Jenkins Rd Waterline (W061) - \$1,413,633 with \$1,773,388 in progress at the end of the fiscal year.
- Continued Bay Area Water (W062) - \$48,142 with \$138,449 in progress at the end of the fiscal year.
- Began 2020 Citywide Waterline Replacement (W066) - \$725,683 in progress at the end of the fiscal year.
- Began 2023 Citywide Waterline Replacement (W069) - \$725,468 in progress at the end of the fiscal year.
- Continued Cascade Water Storage Tank Rehab (W070) - \$2,409,037 with \$2,615,641 in progress at the end of the fiscal year.
- Began 2023 Fire Hydrant Installation (W072) - \$367,809 in progress at the end of the fiscal year.
- Continued Glenmore & Washington Waterline Improv Project (W075) - \$1,449,189 with \$1,770,863 in progress at the end of the fiscal year.
- Continued Southmore/Preston Waterline Improv Project (W076) - \$2,494,907 with \$2,836,496 in progress at the end of the fiscal year.
- Began Waterline Loop-Pasadena Dis 18" (W080) - \$275,098 in progress at the end of the fiscal year.

- Continued Red Bluff Rd Seabrook 24" Waterline (W081) - \$31,245 with 119,400 in progress at the end of the fiscal year.
- Continued Taylor Lake 24' Bypass Waterline (W083) - \$941,198 with \$972,936 in progress at the end of the fiscal year.
- Began Pasadena Ind Dist. 36" Transm Ph I (W084) - \$147,152 in progress at the end of the fiscal year.
- Began Pasadena Ind Dist. 36" Transm Ph II (W085) - \$89,074 in progress at the end of the fiscal year.
- Began CWA Pump Station Rehabilitation (W086) - \$308,740 in progress at the end of the fiscal year.
- Began Pasadena Industrial District 20" Transm (W087) - \$47,599 in progress at the end of the fiscal year.
- Began Deepwater Well Improvements (W088) - \$9,030 in progress at the end of the fiscal year
- Continued WWTP Consolidation Phase II (WW046) - \$130,570 with \$475,505 in progress at the end of the fiscal year.
- Continued Citywide SS Line Rehabilitation (WW067) - \$83,116 with \$1,318,507 in progress at the end of the fiscal year.
- Began Sanitary Sewer Rehabilitation Project (WW069) - \$1,018,064 in progress at the end of the fiscal year.
- Continued American Rescue Plan Administration (WW074) - \$640,565 with \$1,563,244 in progress at the end of the fiscal year.
- Continued Vince Bayou WWTP UV Project (WW083) - \$351,297 with \$535,546 in progress at the end of the fiscal year.
- Continued Vince Bayou WWTP-Wet Weather Project (WW084) - \$14,695 with \$45,004 in progress at the end of the fiscal year.
- Continued El Cary Est Inflow & Infiltration Reduce (WW085) - \$110,970 with \$118,635 in progress at the end of the fiscal year.
- Began Golden Acres WWTP Line Imp (WW087) - \$56,350 in progress at the end of the fiscal year.

CAPITAL ASSETS
(net of depreciation/amortization)
September 30, 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 147,758,200	\$ 147,758,200	\$ 1,624,352	\$ 1,624,352	\$ 149,382,552	\$ 149,382,552
Buildings and building improvements	86,157,972	87,728,930	1,425,578	1,461,985	87,583,550	89,190,915
Facilities and other improvements	36,265,360	24,770,058	9,750,678	10,043,396	46,016,038	34,813,454
Machinery and equipment	17,703,276	16,878,967	2,119,325	1,778,530	19,822,601	18,657,497
Machinery and equipment-leases	527,493	-	-	-	527,493	-
Infrastructure	337,178,255	330,648,801	264,567,633	270,486,224	601,745,888	601,135,025
Automotive equipment	20,297,200	20,470,145	7,122	7,889	20,304,322	20,478,034
Construction in progress	68,617,779	54,199,976	34,592,992	19,774,310	103,210,771	73,974,286
Totals	<u>\$ 714,505,535</u>	<u>\$ 682,455,077</u>	<u>\$ 314,087,680</u>	<u>\$ 305,176,686</u>	<u>\$ 1,028,593,215</u>	<u>\$ 987,631,763</u>

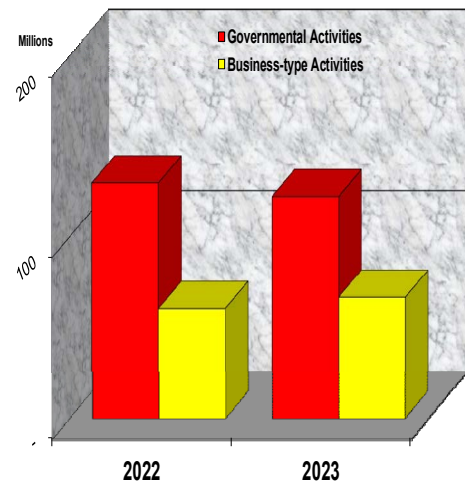
Additional information on the City of Pasadena's capital assets can be found in Note IV. D, on pages 83-85 in the notes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$190,358,744. Of this amount, \$122,885,496 represents debt backed and paid for by the full faith and credit of the City. The remaining \$67,473,248 represents debt either secured by the net revenues of the City's water and sewer operations or by the full faith and credit of the City, but will be paid from the City's water and sewer operations.

The overall debt decreased by \$1,300,584 (0.6%) during the current fiscal year. Please refer to note IV. H. on pages 90-93 in the notes to the financial statements for further information on the City's long-term debt. In addition, the statistical section of this report has various schedules on the City's debt capacity to help citizens and investors to assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Outstanding Debt ~ 2022 vs. 2023



CITY OF PASADENA'S LONG TERM DEBT September 30, 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General, certificate, and other obligations including refunding	\$122,352,081	\$130,434,230	\$67,473,248	\$61,225,098	\$189,825,329	\$191,659,328
Leases	533,415	-	-	-	533,415	-
Total	\$122,885,496	\$130,434,230	\$67,473,248	\$61,225,098	\$190,358,744	\$191,659,328

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 \$1,237,228,437, 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 2023) was 4.6%, down from 5.2% for the previous December per the Bureau of Labor Statistics.

- The fiscal year 2024 adopted budget for the general fund revenue of \$150,345,966, including the transfer in and sales of capital assets, is expected to decrease 1.1% or \$1,656,874 when compared to the estimated revenue of \$152,002,840 for the current fiscal year. However, the actual revenue of \$155,042,076 for the fiscal year 2023 exceeded the 2023 estimated revenue amount by 2.0% or \$3,039,236.
- The taxable value increased 12.6% or \$1.6 billion to \$14.3 billion in the fiscal year 2024 from \$12.7 billion in the fiscal year 2023. The Council adopted an effective tax rate of \$0.455514/\$100 for the fiscal

year 2024, which is a decrease of 8.4% or \$.042069/\$100 than the fiscal year 2023 tax rate of \$0.497583/\$100. The effective tax rate (no new revenue) generated the same amount of tax levy for properties taxed in both fiscal years of 2023 and 2022; however, in fiscal year 2024, the voter approved rate was used, and as a result, the tax levy would increased 3.38% and \$1,694,962 from new property.

- The assessed valuation of the Industrial District was not yet available when the 2024 budget was adopted in September 2023. The fiscal year 2024 budgeted amount of \$27,607,000 was estimated higher than fiscal year 2023. The assessed valuation for the fiscal year 2024 is now available, and the adjusted billable revenue was \$28,974,778, an increase by 3.9% or \$1,077,266 when compared to the actual current year industrial fee revenue of \$27,897,512 for the fiscal year 2023.
- With the national economy remaining the same, the budgeted sales tax revenue of \$30,200,000 for the fiscal year 2024 compared to \$29,400,000 as the estimated revenue for the fiscal year 2023. The actual sales tax revenue of \$29,252,653 turned out a bit lower than expected by \$147,347.
- The water and sewer revenue is meant to cover the City's cost in providing water and sewer service and to make debt payments. The 2024 budget of \$54,188,150 under the modified accrual basis reflected a decrease of 1% or \$576,466 when compared to the estimated revenue of \$54,764,616 for the fiscal year 2023.

These indicators were taken into account when adopting the general fund budget for fiscal year 2024. Revenues in the general fund are budgeted in the amount of \$150,345,966, including transfers and sales of capital assets, which is an increase of \$11,349,162 over the final fiscal year 2023 budget of \$138,996,804 (including transfers in and sale of capital assets). The actual revenue, including transfers and sale of capital assets, was \$155,760,256 for fiscal year 2023; indicating the fiscal year 2024 budget was in line.

Expenditures are budgeted to decrease by 4.8%, or \$7,516,486 in comparison to the final budgeted expenditures of fiscal year 2023. 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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pasadena Crime Control and Prevention District
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,526,700	\$ 1,554,323	\$ 4,081,023	\$ -
Investments	177,080,321	57,915,475	234,995,796	14,053,735
Receivables (net of allowances for uncollectible)	11,072,027	9,736,218	20,808,245	2,520,801
Due from primary government	-	-	-	106,018
Internal balances	5,251,793	(5,251,793)	-	-
Inventories	1,072,589	-	1,072,589	-
Prepaid items	2,881,255	-	2,881,255	-
Deposits	328,000	-	328,000	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	532,178	11,024,971	11,557,149	-
Investments	202,279,502	7,938,378	210,217,880	-
Intergovernmental receivables	3,745,515	-	3,745,515	-
Capital assets not being depreciated:				
Land	147,758,200	1,624,352	149,382,552	-
Construction in progress	68,617,779	34,592,992	103,210,771	-
Capital assets net of accumulated depreciation/amortization:				
Leases	527,493	-	527,493	-
Buildings and building improvements	86,157,972	1,425,578	87,583,550	-
Facilities and other improvements	36,265,360	9,750,678	46,016,038	-
Machinery and equipment	17,703,276	2,119,325	19,822,601	-
Infrastructure	337,178,255	264,567,633	601,745,888	-
Automotive	20,297,200	7,122	20,304,322	-
TOTAL ASSETS	1,121,275,415	397,005,252	1,518,280,667	16,680,554
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charges on:				
Refunding bonds	524,012	1,830,388	2,354,400	-
Deferred outflows on:				
TMRS pension	42,065,369	3,085,349	45,150,718	-
Fire pension	1,247,912	-	1,247,912	-
Healthcare OPEB	9,129,826	1,126,325	10,256,151	-
SDBF OPEB	648,015	52,552	700,567	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 53,615,134	\$ 6,094,614	\$ 59,709,748	\$ -

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Pasadena Crime</u> <u>Control and</u> <u>Prevention District</u>
	<u>Activities</u>	<u>Activities</u>		
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	\$ 7,550,847	\$ 5,798,814	\$ 13,349,661	\$ 313,388
Accrued payroll payable	3,185,905	275,622	3,461,527	332,513
Accrued interest payable	600,906	-	600,906	-
Due to component unit	106,018	-	106,018	-
Liabilities payable from restricted assets	11,564,615	2,592,177	14,156,792	-
Customer deposits	-	5,497,837	5,497,837	-
Unearned revenue	33,886,082	557,771	34,443,853	-
Noncurrent liabilities:				
Due within one year	11,538,404	4,597,161	16,135,565	-
Due in more than one year	245,116,726	75,599,840	320,716,566	-
TOTAL LIABILITIES	313,549,503	94,919,222	408,468,725	645,901
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows on:				
TMRS pension	1,012,983	104,537	1,117,520	-
Fire pension	12,436	-	12,436	-
Healthcare OPEB	15,736,088	1,906,048	17,642,136	-
SDBF OPEB	1,617,675	131,163	1,748,838	-
Leases	452,911	-	452,911	-
TOTAL DEFERRED INFLOWS OF RESOURCES	18,832,093	2,141,748	20,973,841	-
<u>NET POSITION</u>				
Net investment in capital assets	657,764,561	262,156,557	919,921,118	-
Restricted for:				
Debt service	5,099,858	2,702,351	7,802,209	-
Capital projects and economic development	77,707,622	-	77,707,622	-
Public safety	5,433,497	-	5,433,497	16,034,653
Public works	1,207,198	-	1,207,198	-
Housing and community development	2,881,311	-	2,881,311	-
Cultural and recreation	7,518,871	-	7,518,871	-
Other purpose	3,353,280	-	3,353,280	-
Unrestricted	81,542,755	41,179,988	122,722,743	-
TOTAL NET POSITION	\$ 842,508,953	\$ 306,038,896	\$ 1,148,547,849	\$ 16,034,653

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, 2023**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 23,347,064	\$ 15,045,262	\$ 91,971	\$ -
Public safety	68,227,487	7,176,462	2,060,184	3,398,254
Public works	29,833,528	2,555,654	784,869	10,237,315
Health	6,734,097	1,016,123	-	-
Culture and recreation	21,389,298	3,340,508	23,736	10,248
Housing and community development	10,545,014	87,584	10,280,609	1,269,716
Interest on long-term debt	5,420,649	-	-	-
Total governmental activities	165,497,137	29,221,593	13,241,369	14,915,533
Business-type activities:				
Water and sewer system	36,990,322	55,452,896	-	-
TOTAL PRIMARY GOVERNMENT	\$ 202,487,459	\$ 84,674,489	\$ 13,241,369	\$ 14,915,533
Component unit:				
Pasadena Crime Control and Prevention District	\$ 13,816,434	\$ -	\$ -	\$ -

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
\$ (8,209,831)	\$ -	\$ (8,209,831)	\$ -
(55,592,587)	-	(55,592,587)	-
(16,255,690)	-	(16,255,690)	-
(5,717,974)	-	(5,717,974)	-
(18,014,806)	-	(18,014,806)	-
1,092,895	-	1,092,895	-
(5,420,649)	-	(5,420,649)	-
(108,118,642)	-	(108,118,642)	-
-	18,462,574	18,462,574	-
(108,118,642)	18,462,574	(89,656,068)	-
			13,816,434
65,620,204	-	65,620,204	-
27,929,937	-	27,929,937	-
43,878,979	-	43,878,979	14,382,298
8,800,979	-	8,800,979	-
1,972,270	-	1,972,270	-
82,582,165	-	82,582,165	14,382,298
8,568,445	2,750,839	11,319,284	-
9,426,328	-	9,426,328	683,760
4,613,493	-	4,613,493	-
(888,986)	888,986	-	-
169,921,649	3,639,825	173,561,474	15,066,058
61,803,007	22,102,399	83,905,406	1,249,624
780,705,946	283,936,497	1,064,642,443	14,785,029
\$ 842,508,953	\$ 306,038,896	\$ 1,148,547,849	\$ 16,034,653

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,526,700	\$ -	\$ -	\$ -
Investments	148,755,353	-	-	-
Receivables (net of allowance for uncollectible)	7,790,843	268,269	2,559,163	400
Due from other funds	64,367	974,886	-	30,085,257
Restricted assets				
Cash and cash equivalents	-	-	96,541	-
Investments	-	3,856,703	76,850,935	68,046,681
Receivables (net of allowance for uncollectible)	-	-	-	-
TOTAL ASSETS	<u>\$ 159,137,263</u>	<u>\$ 5,099,858</u>	<u>\$ 79,506,639</u>	<u>\$ 98,132,338</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6,250,371	\$ 47,378	\$ -	\$ -
Accrued payroll payable	2,944,147	-	-	-
Due to other funds	42,411,313	-	-	-
Due to component unit	106,018	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue - other	-	-	-	-
Liabilities payable from restricted assets	-	-	1,680,617	5,159,616
TOTAL LIABILITIES	<u>51,711,849</u>	<u>47,378</u>	<u>1,680,617</u>	<u>5,159,616</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	1,094,563	324,935	-	-
Unavailable revenue - industrial district fees	113,850	-	-	-
Unavailable revenue - grant	-	-	-	-
Deferred inflows - leases	452,911	-	-	-
Unavailable revenue - electrical franchise	414,306	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,075,630</u>	<u>324,935</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Restricted	-	4,727,545	77,826,022	66,161,453
Committed	15,000	-	-	26,187,116
Assigned	744,729	-	-	624,153
Unassigned	104,590,055	-	-	-
TOTAL FUND BALANCES	<u>105,349,784</u>	<u>4,727,545</u>	<u>77,826,022</u>	<u>92,972,722</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 159,137,263</u>	<u>\$ 5,099,858</u>	<u>\$ 79,506,639</u>	<u>\$ 98,132,338</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mail room, and risk management in regards to workers' compensation claims; general liability insurance, and health care benefits to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

NET POSITION OF GOVERNMENTAL ACTIVITIES

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 2,526,700
-	-	148,755,353
-	-	10,618,675
7,628,447	1,456,118	40,209,075
382,571	53,066	532,178
43,524,461	10,000,722	202,279,502
3,260,636	484,879	3,745,515
\$ 54,796,115	\$ 11,994,785	\$ 408,666,998
\$ -	\$ -	\$ 6,297,749
-	-	2,944,147
48	-	42,411,361
-	-	106,018
189,428	-	189,428
33,886,045	37	33,886,082
4,450,797	273,585	11,564,615
38,526,318	273,622	97,399,400
-	-	1,419,498
-	-	113,850
589,698	-	589,698
-	-	452,911
-	-	414,306
589,698	-	2,990,263
6,644,089	11,721,163	167,080,272
9,036,010	-	35,238,126
-	-	1,368,882
-	-	104,590,055
15,680,099	11,721,163	308,277,335
\$ 54,796,115	\$ 11,994,785	
		682,712,206
		2,537,352
		63,669,349
		(214,687,289)
		\$ 842,508,953

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, 2023

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects
REVENUES				
General property taxes	\$ 51,888,412	\$ 13,487,230	\$ -	\$ -
Business taxes and fees				
Industrial district fees	27,897,512	-	-	-
Sales taxes	29,252,653	-	14,626,326	-
Franchise fees	8,586,351	-	-	-
Other taxes and fees	368,178	-	-	-
Total business taxes and fees	66,104,694	-	14,626,326	-
Licenses and permits	2,280,350	-	-	-
Municipal court fines	3,240,577	-	-	-
Charges for services	14,524,910	-	-	-
Intergovernmental	416,117	-	-	-
Program income	-	-	-	-
Contribution from outside sources	-	-	-	12,600
Miscellaneous	1,756,896	-	6,086	-
Investment income	7,211,750	170,822	3,532,522	3,257,513
TOTAL REVENUES	147,423,706	13,658,052	18,164,934	3,270,113
EXPENDITURES				
Current:				
General government	19,977,335	-	-	2,442
Public safety	55,201,234	-	-	-
Public works	17,870,403	-	1,561,037	-
Health	6,101,460	-	-	-
Culture and recreation	17,245,838	-	-	-
Housing and community development	-	-	-	-
Debt Service:				
Principal	132,892	6,930,000	-	-
Interest	16,718	5,655,863	-	-
Capital Outlay:				
General government	-	-	-	3,520,700
Public safety	-	-	-	2,421,916
Public works	-	-	3,968,012	13,956,242
Culture and recreation	-	-	13,226,817	750,725
TOTAL EXPENDITURES	116,545,880	12,585,863	18,755,866	20,652,025
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	30,877,826	1,072,189	(590,932)	(17,381,912)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	-	-	27,717,491
Transfers out	(31,857,991)	-	-	-
Issuance - lease	666,307	-	-	-
Sale of capital assets	4,670,243	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	(23,521,441)	-	-	27,717,491
NET CHANGE IN FUND BALANCES	7,356,385	1,072,189	(590,932)	10,335,579
FUND BALANCES, BEGINNING	97,993,399	3,655,356	78,416,954	82,637,143
FUND BALANCES, ENDING	\$ 105,349,784	\$ 4,727,545	\$ 77,826,022	\$ 92,972,722

Grant Management	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 65,375,642
-	-	27,897,512
-	-	43,878,979
-	183,958	8,770,309
-	1,604,092	1,972,270
-	1,788,050	82,519,070
-	2,740	2,283,090
-	349,333	3,589,910
-	-	14,524,910
23,967,656	301,233	24,685,006
68,919	-	68,919
-	-	12,600
-	299,427	2,062,409
2,038,209	427,262	16,638,078
26,074,784	3,168,045	211,759,634
-	145,869	20,125,646
1,689,668	1,235,587	58,126,489
10,218,629	-	29,650,069
-	-	6,101,460
33,984	512,998	17,792,820
12,463,509	-	12,463,509
-	-	7,062,892
-	-	5,672,581
-	-	3,520,700
-	-	2,421,916
-	-	17,924,254
-	-	13,977,542
24,405,790	1,894,454	194,839,878
1,668,994	1,273,591	16,919,756
-	-	30,717,491
-	-	(31,857,991)
-	-	666,307
-	-	4,670,243
-	-	4,196,050
1,668,994	1,273,591	21,115,806
14,011,105	10,447,572	287,161,529
\$ 15,680,099	\$ 11,721,163	\$ 308,277,335

The accompanying notes are an integral part of the financial statements



**CITY OF PASADENA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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)	\$	21,115,806
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.		31,959,666
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, and donations) is a decrease to net position.		(189,644)
Revenues in the statement of activities that do not provide current financial resources are deferred as revenues in the funds.		897,355
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.		5,591,169
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.		(5,208,262)
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.		7,636,917
Change in net position of governmental activities (page 43)	\$	61,803,007

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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 51,541,170	\$ 51,541,170	\$ 51,888,412	\$ 347,242
Business taxes and fees				
Industrial district fees	23,560,000	23,560,000	27,897,512	4,337,512
Sales taxes	27,945,219	27,945,219	29,252,653	1,307,434
Franchise fees	8,392,600	8,392,600	8,586,351	193,751
Other taxes and fees	310,000	310,000	368,178	58,178
Total business taxes and fees	<u>60,207,819</u>	<u>60,207,819</u>	<u>66,104,694</u>	<u>5,896,875</u>
Licenses and permits	2,449,870	2,449,870	2,280,350	(169,520)
Municipal court fines	3,033,000	3,033,000	3,240,577	207,577
Charges for services	12,327,850	12,327,850	14,524,910	2,197,060
Intergovernmental	246,495	246,575	416,117	169,542
Miscellaneous	1,123,150	1,445,150	1,756,896	311,746
Investment income	127,000	127,000	7,211,750	7,084,750
TOTAL REVENUES	<u>131,056,354</u>	<u>131,378,434</u>	<u>147,423,706</u>	<u>16,045,272</u>
EXPENDITURES				
Current				
General Government				
City council	215,779	227,489	207,338	20,151
Mayor	735,790	740,690	708,271	32,419
Budget and financial planning	866,365	897,185	866,881	30,304
Municipal court	2,670,885	2,617,091	2,300,193	316,898
City controller	2,365,194	2,365,194	2,068,853	296,341
Tax	635,470	657,574	657,553	21
Purchasing	583,438	587,928	579,847	8,081
Legal	1,802,157	1,261,629	1,228,880	32,749
City secretary	468,959	486,086	372,291	113,795
Elections	204,650	244,650	151,239	93,411
Human resources	1,071,511	1,077,517	1,032,064	45,453
Civil service	62,515	62,515	43,600	18,915
City marshal	1,561,322	1,561,952	1,485,740	76,212
Community relations	1,286,435	1,298,399	1,243,337	55,062
Pasadena action line	481,463	500,428	499,074	1,354
Planning	665,057	710,557	550,719	159,838
Economic development liaison	561,504	560,004	521,921	38,083
Neighborhood network	606,093	677,743	488,576	189,167
Inspections	2,227,474	2,452,961	2,134,304	318,657
Property management	1,305,604	804,438	758,360	46,078
City hall	714,065	724,889	619,693	105,196
Facilities management	321,163	291,563	195,676	95,887
Impound/storage	340,934	345,179	318,141	27,038
Other charges	5,860,489	3,483,875	944,784	2,539,091
Total General Government	<u>27,614,316</u>	<u>24,637,536</u>	<u>19,977,335</u>	<u>4,660,201</u>
Public Safety				
Emergency preparedness	1,086,760	1,100,260	1,088,319	11,941
Fire fighting	3,458,242	3,369,341	3,196,182	173,159
Fire prevention	1,864,115	1,860,615	1,825,887	34,728
Police	46,464,642	48,970,375	48,252,300	718,075
Code enforcement	821,034	921,060	838,546	82,514
Total Public Safety	<u>53,694,793</u>	<u>56,221,651</u>	<u>55,201,234</u>	<u>1,020,417</u>
Public Works				
Engineering	2,662,103	2,719,263	2,471,771	247,492
Street lighting and signals	1,350,000	1,192,075	1,095,946	96,129
Sanitation	9,545,925	9,938,925	9,562,183	376,742
Street and bridge	3,362,238	3,379,588	2,885,813	493,775
Traffic and transportation	1,987,213	1,983,813	1,854,690	129,123
Total Public Works	<u>\$ 18,907,479</u>	<u>\$ 19,213,664</u>	<u>\$ 17,870,403</u>	<u>\$ 1,343,261</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health				
Health	\$ 2,826,907	\$ 2,977,724	\$ 2,824,869	\$ 152,855
Animal rescue and assistance	3,649,679	3,673,458	3,276,591	396,867
Total Health	6,476,586	6,651,182	6,101,460	549,722
Culture and Recreation				
Parks	4,016,565	4,301,329	4,022,275	279,054
Recreation	4,656,793	4,610,870	3,900,434	710,436
Clean streets	2,123,015	2,127,248	1,946,341	180,907
Golf course	1,442,478	1,539,063	1,186,817	352,246
Multi-purpose center	641,282	639,458	575,845	63,613
Civic center	783,930	821,734	817,651	4,083
Senior center - Madison Jobe	807,414	816,914	762,295	54,619
Museum	166,818	166,880	117,608	49,272
Library	4,043,593	4,107,322	3,916,572	190,750
Total Culture and Recreation	18,681,888	19,130,818	17,245,838	1,884,980
Debt Service				
Principal	-	132,892	132,892	-
Interest	-	16,718	16,718	-
Total Debt Service	-	149,610	149,610	-
TOTAL EXPENDITURES	125,375,062	126,004,461	116,545,880	9,458,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,681,292	5,373,973	30,877,826	25,503,853
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	(9,940,500)	(31,857,991)	(31,857,991)	-
Issuance - lease	-	-	666,307	666,307
Sale of capital assets	40,000	4,618,370	4,670,243	51,873
TOTAL OTHER FINANCING (USES)	(6,900,500)	(24,239,621)	(23,521,441)	718,180
NET CHANGE IN FUND BALANCES	(1,219,208)	(18,865,648)	7,356,385	26,222,033
FUND BALANCES - BEGINNING	90,933,304	97,993,399	97,993,399	-
FUND BALANCES - ENDING	\$ 89,714,096	\$ 79,127,751	\$ 105,349,784	\$ 26,222,033

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 553,584	\$ 553,584
Investment income	3,300	3,300	119,162	115,862
TOTAL REVENUES	3,300	3,300	672,746	669,446
EXPENDITURES				
Current				
Public Safety				
Contractual services	123,000	123,000	19,974	103,026
Materials and supplies	192,000	199,196	111,880	87,316
Capital outlay	-	145,273	-	145,273
TOTAL EXPENDITURES	315,000	467,469	131,854	335,615
NET CHANGE IN FUND BALANCE	(311,700)	(464,169)	540,892	1,005,061
FUND (PROGRAM) BALANCE - BEGINNING	2,144,547	2,246,051	2,246,051	-
FUND (PROGRAM) BALANCE - ENDING	\$ 1,832,847	\$ 1,781,882	\$ 2,786,943	\$ 1,005,061

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, 2023

	<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	\$ -	\$ -	\$ 599	\$ 599
Investment income	750	750	25,311	24,561
TOTAL REVENUES	750	750	25,910	25,160
EXPENDITURES				
Current				
Public Safety				
Contractual services	58,000	58,000	44,261	13,739
Materials and supplies	73,000	73,000	8,627	64,373
TOTAL EXPENDITURES	131,000	131,000	52,888	78,112
NET CHANGE IN FUND BALANCE	(130,250)	(130,250)	(26,978)	103,272
FUND (PROGRAM) BALANCE - BEGINNING	530,619	560,628	560,628	-
FUND (PROGRAM) BALANCE - ENDING	\$ 400,369	\$ 430,378	\$ 533,650	\$ 103,272

The accompanying notes are an integral part of the financial statements

**CITY OF PASADENA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,554,323	\$ -
Investments		
TexPool	57,864,004	28,324,968
CLASS	51,471	-
Receivables (net of allowances for uncollectible)	9,736,218	453,352
Due from other funds	1,857,444	409,209
Inventory, at cost	-	1,072,589
Prepaid items	-	1,199,008
Restricted assets		
Cash and cash equivalents	11,024,971	-
Investments		
Texpool	2,971,844	-
CLASS	4,966,534	-
Total Current Assets	90,026,809	31,459,126
Noncurrent Assets		
Deposits	-	328,000
Capital assets		
Land	1,624,352	602
Buildings and building improvements	4,090,119	2,480,236
Accumulated depreciation - buildings and building improvements	(2,664,541)	(1,885,016)
Facilities and other improvements	14,475,810	188,004
Accumulated depreciation - facilities and other improvements	(4,725,132)	(98,924)
Machinery and equipment	12,669,350	14,720,543
Accumulated depreciation - machinery and equipment	(10,550,025)	(8,642,989)
Infrastructure	412,697,709	41,746
Accumulated depreciation - Infrastructure	(148,130,076)	(33,364)
Automotive	101,728	53,299,368
Accumulated depreciation - automotive	(94,606)	(33,002,168)
Construction in progress	34,592,992	6,407,538
Net capital assets	314,087,680	33,475,576
Total Noncurrent Assets	314,087,680	33,803,576
TOTAL ASSETS	\$ 404,114,489	\$ 65,262,702
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred charges on:		
Refunding bonds	\$ 1,830,388	\$ -
Deferred outflows on:		
Contribution subsequent to the measurement date pension - TMRS	495,851	464,636
Deferred outflows on difference between expected and actual - pension TMRS	2,279,639	1,998,688
Changes in actuarial assumptions pension - TMRS	603	608
Difference between expected and actual experience - OPEB	382,500	95,707
Changes in actuarial assumptions - OPEB	630,268	282,931
Contributions subsequent to the measurement date - OPEB	113,557	28,414
Changes in actuarial assumptions - OPEB-SDBF	44,101	42,621
Contribution subsequent to the measurement date - OPEB-SDBF	8,451	8,169
Difference between expected and actual economic experience pension - TMRS	309,256	217,817
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 6,094,614	\$ 3,139,591

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 5,798,814	\$ 1,253,098
Accrued payroll payable	275,622	241,758
Due to other funds	-	64,367
Claims payable	-	773,969
Compensated absences payable	162,161	178,714
Customer deposits	5,497,837	-
Liabilities payable from restricted assets		
Accounts payable	1,867,510	-
Unearned revenue	557,771	-
Retainage payable	455,174	-
Accrued interest payable	269,493	-
Bonds payable	4,435,000	-
Total Current Liabilities	19,319,382	2,511,906
Noncurrent Liabilities		
Bonds payable (including unamortized premiums)	63,038,248	-
Claims payable	-	515,980
Compensated absences payable	1,459,444	1,608,423
OPEB GASB 75 liability	6,755,435	2,683,150
SDBF OPEB liability	275,932	266,557
Net pension liability	4,070,781	3,378,182
Total Noncurrent Liabilities	75,599,840	8,452,292
TOTAL LIABILITIES	94,919,222	10,964,198
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows on:		
Difference between expected and actual of pension - TMRS	104,537	72,024
Change in assumption SDBF	102,616	99,195
Difference between expected and actual experience SDBF	28,547	27,595
Assumption OPEB	1,497,142	406,533
Difference between expected and actual experience OPEB	408,906	272,636
TOTAL DEFERRED INFLOWS OF RESOURCES	2,141,748	877,983
<u>NET POSITION</u>		
Net investment in capital assets	262,156,557	33,475,576
Restricted for debt service	2,702,351	-
Unrestricted	48,289,225	23,084,536
TOTAL NET POSITION	313,148,133	\$ 56,560,112
Adjustments to reflect the consolidation of internal service fund activities related to enterprise fund	(7,109,237)	
Net position of business-type activities	\$ 306,038,896	

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, 2023

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
OPERATING REVENUES		
Charges for sales and services	\$ 55,452,896	\$ 40,444,441
OPERATING EXPENSES		
Personnel services	7,872,585	6,903,250
Contractual services	9,854,259	2,283,662
Material and supplies	1,529,337	5,287,167
Maintenance charges	1,139,624	1,994,475
Sewer and water payments - Clear Lake Water Authority and City of Seabrook	114,194	-
Operating, maintenance and water charges - Southeast Water Purification Plant	6,685,778	-
Insurance/reinsurance premiums	-	7,697,256
Claims and legal expenses	-	15,457,355
Administration fees	-	535,147
Miscellaneous	42,150	842,874
Depreciation	7,235,617	4,342,201
TOTAL OPERATING EXPENSES	34,473,544	45,343,387
OPERATING INCOME (LOSS)	20,979,352	(4,898,946)
NONOPERATING REVENUES (EXPENSES)		
Gain on sale and retirement of capital assets	-	209,394
Investment income	2,750,839	1,356,695
Interest expense on bonds	(2,213,394)	-
Amortization	227,386	-
Issuance costs	(131,255)	-
TOTAL NONOPERATING REVENUES	633,576	1,566,089
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	21,612,928	(3,332,857)
CAPITAL CONTRIBUTIONS	6,884,986	3,433,759
TRANSFERS IN	-	7,136,500
TRANSFERS (OUT)	(5,996,000)	-
CHANGES IN NET POSITION	22,501,914	7,237,402
TOTAL NET POSITION - BEGINNING	290,646,219	49,322,710
TOTAL NET POSITION - ENDING	\$ 313,148,133	\$ 56,560,112
CHANGES IN NET POSITION	\$ 22,501,914	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	(399,515)	
Change in net position of business-type activities (page 43)	\$ 22,102,399	

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, 2023**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from interfund services	\$ -	\$ 36,742,795
Cash received from customers and users	53,498,757	6,896,395
Cash payments to suppliers for goods and services	(16,094,639)	(9,708,288)
Cash payments to employees for services	(7,571,728)	(6,556,844)
Cash payments for insurance premiums, liability claims, and administration	-	(26,629,141)
	29,832,390	744,917
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers (to)/from other funds		
General fund	-	4,140,500
General fund	(3,000,000)	-
Health insurance fund	(1,000,000)	-
Water and sewer system fund	-	2,996,000
Maintenance fund	(1,996,000)	-
	(5,996,000)	7,136,500
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from sale of capital assets	-	366,554
Bond issuance costs	(131,255)	-
Acquisition and construction of capital assets	(9,261,625)	(3,028,285)
Proceeds received on the issuance of certificates of obligation bonds	10,450,000	-
Principal paid on capital debt	(3,745,000)	-
Interest paid on capital debt	(2,232,544)	-
	(4,920,424)	(2,661,731)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(34,454,265)	(31,922,514)
Proceeds from sale and maturities of investments	23,960,417	25,346,133
Investment income received	2,750,839	1,356,695
	(7,743,009)	(5,219,686)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,172,957	-
CASH AND CASH EQUIVALENTS - BEGINNING	1,406,337	-
CASH AND CASH EQUIVALENTS - ENDING	\$ 12,579,294	\$ -
CLASSIFIED AS:		
Current assets	\$ 1,554,323	\$ -
Restricted assets	11,024,971	-
	\$ 12,579,294	\$ -

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer System	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 20,979,352	\$ (4,898,946)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	7,235,617	4,342,201
Changes in assets and liabilities		
(Increase) in accounts receivable	(2,048,476)	(64,300)
(Increase) decrease in due from other funds	(209,086)	3,201,325
(Increase) in prepaid items	-	(376,761)
(Increase) in inventory	-	(123,314)
Decrease in deposits	-	56,000
(Increase) in pension/OPEB-related deferred outflows and inflows, net	(2,972,123)	(3,815,601)
Increase (decrease) in accounts and claims payable	3,924,713	(579,973)
Increase (decrease) in accrued payroll liabilities	22,006	(3,969)
Increase in unearned revenue	557,771	-
(Decrease) in compensated absences payable	(259,001)	(59,070)
Increase in net pension liability	4,991,581	4,677,323
(Decrease) in due to other funds	(1,002,695)	(1,157,721)
(Decrease) in total OPEB liability	(1,481,606)	(452,277)
Increase in customer deposits	94,337	-
Total Adjustments	8,853,038	5,643,863
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 29,832,390	\$ 744,917
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contribution of capital assets from the government	\$ 6,884,986	\$ 3,374,199
Contribution of capital assets from outside sources	\$ -	\$ 59,560

The accompanying notes are an integral part of the financial statements



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

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**CITY OF PASADENA, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental Funds

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

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

Proprietary Funds

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

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

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

Focus on Major Funds

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

The City reports the following major funds:

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

Additionally, the City also reports the following fund type:

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

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

1. Cash, Cash Equivalents, and Investments

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

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

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

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

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

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property taxes receivable are shown net of an allowance for uncollectible. The property tax receivable allowance is approximately equal to 70% of outstanding property taxes at September 30, 2023, less the revenues collected subsequently within 60 days after year end.

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

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

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

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

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

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

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

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

5. Leases

Lessee:

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

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

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

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

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

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

Lessor:

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

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

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

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

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

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

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

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

As of September 30, 2023 the City had two SBITAs, however, the SBITAs are still in the initial implementation stages as of September 30, 2023. Per GASB 96 amounts spent are reported as a prepaid expense totaling \$1,682,247.

7. Deferred Outflows/Inflows of Resources

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

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

Deferred outflows/inflows of resources are amortized as follows:

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

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

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

8. Pensions

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

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

9. Other Post-Employment Benefits

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

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

10. Compensated Absences

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

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

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

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

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

11. Bond Premiums/Discounts and Issuance Costs

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

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

12. Fund Balance (Equity)

a. Fund Balance Descriptions

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

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

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

b. Fund Balance Summary

A summary of the nature and purpose of fund balances at September 30, 2023 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	\$ -	\$ -	\$ -	\$ -	\$ 3,369,907	\$ 1,327,821	\$ 720,276	\$ -	\$ 377,056	\$ 2,425,153	\$ 5,795,060	
Economic development and other purposes	-	-	-	-	-	1,986,709	-	7,309,301	-	9,296,010	9,296,010	
Housing services	-	-	-	-	2,801,392	-	-	-	-	-	2,801,392	
Capital construction and economic development	-	-	77,826,022	66,161,453	472,790	-	-	-	-	-	144,460,265	
Debt service	-	4,727,545	-	-	-	-	-	-	-	-	4,727,545	
Total restricted	-	4,727,545	77,826,022	66,161,453	6,644,089	3,314,530	720,276	7,309,301	377,056	11,721,163	167,080,272	
Committed to:												
Election, recall and charter revision	15,000	-	-	-	-	-	-	-	-	-	15,000	
Capital construction	-	-	-	26,187,116	9,036,010	-	-	-	-	-	35,223,126	
Total committed	15,000	-	-	26,187,116	9,036,010	-	-	-	-	-	35,238,126	
Assigned to:												
Capital construction	-	-	-	624,153	-	-	-	-	-	-	624,153	
Purchases on order for:												
General facilities	131,175	-	-	-	-	-	-	-	-	-	131,175	
Law enforcement	94,538	-	-	-	-	-	-	-	-	-	94,538	
Public recreation	372,386	-	-	-	-	-	-	-	-	-	372,386	
Public health	54,026	-	-	-	-	-	-	-	-	-	54,026	
Other purposes	92,604	-	-	-	-	-	-	-	-	-	92,604	
Total assigned	744,729	-	-	624,153	-	-	-	-	-	-	1,368,882	
Unassigned	104,590,055	-	-	-	-	-	-	-	-	-	104,590,055	
Total	\$ 105,349,784	\$ 4,727,545	\$ 77,826,022	\$ 92,972,722	\$ 15,680,099	\$ 3,314,530	\$ 720,276	\$ 7,309,301	\$ 377,056	\$ 11,721,163	\$ 308,277,335	

The amount restricted by enabling legislation was \$11,721,163.

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 \$214,687,289 difference are as follows:

Bonds and other payables	\$ 113,505,000
Other long-term debt	
Add: bond premiums	8,847,081
Less: deferred charges on refunded bonds	(524,012)
Accrued interest payable	600,906
Compensated absences	27,643,353
Lease	533,415
Arbitrage	805,416
Net pension liability	51,025,628
Less: Deferred outflows on pension	(40,631,532)
Plus: Deferred inflows on pension	953,397
Other post employment benefits	44,700,834
Less: Deferred outflows on OPEB	(9,319,999)
Plus: Deferred inflows on OPEB	16,547,802
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities.	<u>\$ 214,687,289</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 \$63,669,349 difference are as follows:

Net position of the internal service funds	\$ 56,560,112
Add: Internal receivable representing charges less the cost to business-type activities - prior year	6,709,722
Add: Internal receivable representing charges less the cost to business-type activities - current year	399,515
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities.	<u>\$ 63,669,349</u>

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

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

The detail of this \$31,959,666 difference is as follows:

Capital outlay	\$ 43,724,363
Capital contribution	2,676,653
Depreciation/amortization expense	<u>(14,441,350)</u>
Net adjustment to an increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 31,959,666</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 \$5,591,169 difference is as follows:

Debt issued or incurred:	
Lease	\$ (666,307)
Arbitrage	(805,416)
Principal repayments:	
General obligation debt	5,975,000
Certificates of obligation debt	955,000
Lease	<u>132,892</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 5,591,169</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 \$5,208,262 difference is as follows:

Compensated absences	\$ 34,023
Other post employment benefits	11,385,216
Deferred outflows from OPEB	(2,278,506)
Deferred inflows from OPEB	(10,244,018)
Pensions	(65,348,534)
Deferred outflows from pension	30,454,453
Deferred inflows from pension	29,731,756
Accrued interest	212,150
Amortization of bond premiums	1,152,149
Amortization of deferred amounts on refunding	<u>(306,951)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (5,208,262)</u>

Another element of that reconciliation states that “internal service funds are used by management to charge the costs of technical services, warehouse, fleet, facilities operations, mail room, and risk management in regards to workers’ compensation claims, general liability insurance, and health care benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.” The detail of this \$7,636,917 difference is as follows:

Change in net position of the internal service funds	\$ 7,237,402
Add: Loss from charges from business-type activities	399,515
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ 7,636,917

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 \$629,399 excluding transfers out. The general fund revenue budget increased in the amount of \$322,080 excluding transfers in and sale of capital assets. Transfers out under other financing uses were increased from \$9,940,500 to \$31,857,991. The total increase of \$21,917,491 includes the amount of \$27,717,491 budgeted to the capital projects fund for capital projects, \$3,390,500 was transferred to the maintenance fund, and the general liability insurance fund received \$750,000. In the original budget, \$750,000 was budgeted to the general liability insurance fund, \$3,390,500 to maintenance fund, and \$5,800,000 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 \$2,526,858 or 4.7% with an anticipated increase in the police department in the amount of \$2,505,733, with the largest increase in personnel services in the amount of \$1,596,321 due to the amount of term-pay for leaving police. The general government original budget decreased by \$2,976,780 or 10.8% with a decrease in term-pay from the general government to public safety.

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 2023 results for both budgeted and non-budgeted grant programs under the grant management fund:

	<u>Revenues</u>	<u>Expenditures</u>
Budgeted grant programs:		
Federal equitable sharing of forfeited property:		
Justice Department	\$ 672,746	\$ 131,854
Treasury Department	25,910	52,888
Nonbudgeted grant programs:		
Various grants	13,615,883	11,757,539
HUD Section 8 housing choice vouchers	9,628,376	9,688,732
FEMA DHAP program	16,828	-
FEMA DHAP IKE	34,557	-
FEMA HMGP	91,971	786,264
HUD Emergency shelter program	25,641	25,641
HUD CDBG entitlement program	1,729,938	1,729,938
HUD HOME investment partnerships program	232,934	232,934
Total grant management fund - actual	<u>\$26,074,784</u>	<u>\$ 24,405,790</u>

C. Excess of Expenditures over Appropriations

For the fiscal year ended September 30, 2023, 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, 2023, the carrying amount of the City's deposits with financial institutions, including blended component units, is \$15,559,231, excluding \$78,941 for petty cash and tax holding. The City's bank balance is the sum of all accounts, which totals \$16,279,658, and the market values of pledged securities, excluding FDIC, were \$33,121,543. The pledged securities are held by a third-party custodian in the City's name.

Investments

As of September 30, 2023, the City had the following investments:

Investment Type	Fair Value			Weighted Average Maturity (Years)
	Primary Government	Blended Component Unit	Discretely Presented	
		Pasadena Economic Development Corporation	Component Unit Pasadena Crime Control and Prevention District	
TexPool Local Government Investment Pools	\$ 210,722,041	\$ 76,554,339	\$ 14,053,735	0.08
LOGIC Local Government Investment Pools	1,363,124	-	-	0.10
CLASS Local Government Investment Pools	156,277,575	296,597	-	0.13
Total Fair Value	<u>\$ 368,362,740</u>	<u>\$ 76,850,936</u>	<u>\$ 14,053,735</u>	
Portfolio Weighted Average Maturity				0.10

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

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

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

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

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

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

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term securities.

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

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective 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 Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value.

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

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

The Appraisal District has certified the assessment of City's property taxable value for tax year 2022 in the amount of \$13,553,863,884. The City Council adopted the following tax rate per \$100 of 2022 taxable value for the current fiscal year ended September 30, 2023.

Purpose	Tax Rate
General government	\$ 0.394344
Debt service	0.103239
	<u>\$ 0.497583</u>

2. Receivables

Receivables as of September 30, 2023 for the City's individual major and nonmajor funds and water and sewer system and internal service funds, including allowance for uncollectible accounts, are as follows:

	General	Debt Service	Pasadena Economic Development Corporation	Capital Projects	Grant Management	Nonmajor Governmental Funds	Water and Sewer System	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total
Receivables												
Property taxes	\$ 2,871,551	\$ 868,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,739,820
Sales taxes	5,118,677	-	2,559,163	-	-	-	-	-	-	-	-	7,677,840
Accounts	2,741,971	-	-	400	-	-	10,368,866	19,158	3,000	56,220	374,974	13,564,589
Leases	462,217	-	-	-	-	-	-	-	-	-	-	462,217
Less: allowance for uncollectible	(3,403,573)	(600,000)	-	-	-	-	(632,648)	-	-	-	-	(4,636,221)
	<u>7,790,843</u>	<u>268,269</u>	<u>2,559,163</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>9,736,218</u>	<u>19,158</u>	<u>3,000</u>	<u>56,220</u>	<u>374,974</u>	<u>20,808,245</u>
Intergovernmental - restricted	-	-	-	-	3,213,728	483,130	-	-	-	-	-	3,696,858
Accounts restricted	-	-	-	-	46,908	1,749	-	-	-	-	-	48,657
Net total receivables	<u>\$ 7,790,843</u>	<u>\$ 268,269</u>	<u>\$ 2,559,163</u>	<u>\$ 400</u>	<u>\$ 3,260,636</u>	<u>\$ 484,879</u>	<u>\$ 9,736,218</u>	<u>\$ 19,158</u>	<u>\$ 3,000</u>	<u>\$ 56,220</u>	<u>\$ 374,974</u>	<u>\$ 24,553,760</u>

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

	<u>Unearned</u>
Unearned revenue (Grant management)	\$ 33,886,045
Unearned revenue (Nonmajor governmental)	37
Total unearned revenue for governmental funds	<u>\$ 33,886,082</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 agreements.

	Debt Service	Pasadena Economic Development Corporation	Capital Projects	Grant Management	Nonmajor Governmental Funds	Water and Sewer Enterprise	Total
Cash and cash equivalents	\$ -	\$ 96,541	\$ -	\$ 382,571	\$ 53,066	\$ 11,024,971	\$ 11,557,149
Investments	3,856,703	76,850,935	68,046,681	43,524,461	10,000,722	7,938,378	210,217,880
Intergovernmental receivables	-	-	-	3,213,728	483,130	-	3,696,858
Accounts receivables	-	-	-	46,908	1,749	-	48,657
	<u>\$3,856,703</u>	<u>\$ 76,947,476</u>	<u>\$ 68,046,681</u>	<u>\$ 47,167,668</u>	<u>\$10,538,667</u>	<u>\$ 18,963,349</u>	<u>\$ 225,520,544</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, 2023 was as follows:

1. Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$147,758,200	\$ -	\$ -	\$147,758,200
Construction in progress	54,199,976	53,248,361	(38,830,558)	68,617,779
Total capital assets, not being depreciated	<u>201,958,176</u>	<u>53,248,361</u>	<u>(38,830,558)</u>	<u>216,375,979</u>
Capital assets, being depreciated:				
Buildings and building improvements	123,529,322	761,117	-	124,290,439
Facilities and other improvements	32,277,104	12,600,309	-	44,877,413
Machinery and equipment	53,751,822	3,385,068	(414,437)	56,722,453
Infrastructure	569,095,316	15,786,411	-	584,881,727
Automotive equipment	52,442,300	3,589,894	(2,732,826)	53,299,368
Total capital assets being depreciated	<u>831,095,864</u>	<u>36,122,799</u>	<u>(3,147,263)</u>	<u>864,071,400</u>
Less accumulated depreciation for:				
Building and building improvements	(35,800,392)	(2,332,075)	-	(38,132,467)
Facilities and other improvements	(7,507,046)	(1,105,007)	-	(8,612,053)
Machinery and equipment	(36,872,855)	(2,342,777)	196,455	(39,019,177)
Infrastructure	(238,446,515)	(9,256,957)	-	(247,703,472)
Automotive equipment	(31,972,155)	(3,607,923)	2,577,910	(33,002,168)
Total accumulated depreciation	<u>(350,598,963)</u>	<u>(18,644,739)</u>	<u>2,774,365</u>	<u>(366,469,337)</u>
Total capital assets, being depreciated, net	<u>480,496,901</u>	<u>17,478,060</u>	<u>(372,898)</u>	<u>497,602,063</u>
Lease right-of-use assets:				
Machinery and equipment	-	666,307	-	666,307
Total lease right-of-use assets	<u>-</u>	<u>666,307</u>	<u>-</u>	<u>666,307</u>
Less accumulated amortization for:				
Machinery and equipment	-	(138,814)	-	(138,814)
Total accumulated amortization	<u>-</u>	<u>(138,814)</u>	<u>-</u>	<u>(138,814)</u>
Total lease right-of-use assets, net	<u>-</u>	<u>527,493</u>	<u>-</u>	<u>527,493</u>
Governmental activities capital assets, net	<u>\$682,455,077</u>	<u>\$ 71,253,914</u>	<u>\$ (39,203,456)</u>	<u>\$714,505,535</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	19,774,310	15,524,065	(705,383)	34,592,992
Total capital assets, not being depreciated	21,398,662	15,524,065	(705,383)	36,217,344
Capital assets, being depreciated:				
Buildings and building improvements	4,090,119	-	-	4,090,119
Facilities and other improvements	14,475,810	-	-	14,475,810
Machinery and equipment	12,046,803	622,547	-	12,669,350
Infrastructure	411,992,326	705,383	-	412,697,709
Automotive equipment	101,728	-	-	101,728
Total capital assets being depreciated	442,706,786	1,327,930	-	444,034,716
Less accumulated depreciation for:				
Building and building improvements	(2,628,134)	(36,407)	-	(2,664,541)
Facilities and other improvements	(4,432,414)	(292,718)	-	(4,725,132)
Machinery and equipment	(10,268,273)	(281,752)	-	(10,550,025)
Infrastructure	(141,506,102)	(6,623,974)	-	(148,130,076)
Automotive equipment	(93,839)	(767)	-	(94,606)
Total accumulated depreciation	(158,928,762)	(7,235,618)	-	(166,164,380)
Total capital assets, being depreciated, net	283,778,024	(5,907,688)	-	277,870,336
Business-type activities capital assets, net	<u>\$305,176,686</u>	<u>\$ 9,616,377</u>	<u>\$ (705,383)</u>	<u>\$314,087,680</u>

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

Governmental activities:

General Government	\$ 855,313
Public Safety	2,327,197
Public Works	8,883,147
Health	122,070
Culture and Recreation	2,253,625
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	4,342,201
	<u>\$ 18,783,553</u>

Business-type activities

Water and Sewer System

\$ 7,235,618

E. Leases

a. City as Lessor

The City, as a lessor, has entered into a lease agreement for the Corrigan Center. The Corrigan Center lease is a lease between the City and the Harris County Hospital District. The agreement is a lease that is subject to termination in 2027. The City receives monthly payments of \$11,725. The City recognized lease revenues of \$132,564 and interest revenues of \$12,028. As of fiscal year-end, the City's receivable for lease payments was \$462,217 and the balance of deferred inflows from leases was \$452,911.

b. City as Lessee

During the current fiscal year, the City of Pasadena entered into a four-year lease agreement as lessee for the acquisition and use of copier equipment. An initial lease liability was recorded in the amount of \$666,307 during the current fiscal year. As of September 30, 2023, the value of the lease liability was \$533,415. The City of Pasadena is required to make monthly principal and interest payments of \$14,961. The lease has an interest rate of 3.72%. The equipment has a four-year estimated useful life. The value of the right-to-use lease asset as of the end of the current fiscal year was \$666,307 and had accumulated amortization of \$138,814.

The future principal and interest lease payments as of September 30, 2023:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 162,443	\$ 17,092	\$ 179,535
2025	168,589	10,946	179,535
2026	174,970	4,565	179,535
2027	27,413	114	27,527
	<u>\$ 533,415</u>	<u>\$ 32,717</u>	<u>\$ 566,132</u>

F. Construction Commitments

The City's commitments with contractors as of September 30, 2023 are as follows:

Projects	Project Appropriation	Spent-to-Date
<u>Drainage</u>		
D042 Browning Subd Drang Imp(190)	\$ 234,480	\$ 197,356
D056 Armand Bayou Upper Reaches Proj(098,833)	13,047,552	1,143,845
D058 Fairmont Pkwy Dmg Imp (PEDC)	450,000	369,850
D059 Dabney Storm Interconnect Project(190)	211,215	106,485
D060 2022 Annual Drainage Improvement(190)	1,042,700	1,026,516
D061 Annual Paving & Drainage Imp. Proj.(190)	1,142,151	326,530
D064 North Pasadena Harvey Mitigation	24,102,786	4,825,934
D066 Red Bluff Drainage Impr	\$ 1,340,883	\$ 181,080

Projects	Project	Appropriation	Spent-to-Date
<u>Drainage Continued</u>			
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	256,263
DMFW	DM FLOOD WARNING SYS PRJ	60,000	30,897
DMHH	HYDR/HYDLGY FEMAHMGP(930,190)	3,697,857	2,299,982
DMSW	SWPPP FEMA HMGP(930)	110,000	77,000
		<u>57,090,454</u>	<u>18,822,794</u>
<u>Fire Services</u>			
F011	Fire Station #6	413,894	286,041
F014	Fire Station #7	395,465	277,901
		<u>809,359</u>	<u>563,942</u>
<u>Municipal Facilities</u>			
M008	North Pasadena Redevelopmt (PEDC,064)	12,500,778	200,724
M025	Convention Center Facility Imprv (PEDC)	2,510,424	521,984
M026	Convention Cntr Infrastrctre Imprv(PEDC)	5,300,000	369,440
M027	Convention Center Hotel Project(PEDC)	125,000	30,350
M041	Demolition/Developmt-Old City Hall(833)	950,943	883,328
M043	Municipal Court Comp System (833)	425,960	397,202
M047	City Hall Emerg Pwr Generator Addition(833,935)	1,606,925	896,356
M057	City Hall Landscape and Irrigation(290)	14,000	7,681
M058	Campbell Hall Rebuild Project (PEDC)	380,000	48,009
M059	Tyler Techno. Purchase (190,290)	4,274,359	843,064
M063	Animal Shelter Strom Damage Repair(190)	3,245,656	1,812,724
M064	PLTE Network at Convention Center	431,600	410,074
M065	Fabrication & Ins of Signage at Con Cent(PEDC)	288,200	230,592
		<u>\$ 32,053,844</u>	<u>\$ 6,651,529</u>

Projects	Project Appropriation	Spent-to-Date	
<u>Police</u>			
P010	Pasadena Police Annex	\$ 1,341,000	\$ 869,740
P014	Police Range Storage Building	149,794	84,986
P016	SIM TAC Building	180,000	121,501
	1,670,794	1,076,227	
<u>Parks</u>			
R055	Preston/Crenshaw Park (PEDC)	376,340	325,467
R066	Vince Bayou Greenway (PEDC)	6,597,277	2,797,036
R077	Multi-Purpose Ctr Roof Replacemt (830)	108,812	104,583
R079	Golf Course Entrance Impro. Project (833)	78,085	40,332
R084	Southmore Ave Park Project (834)	49,550	12,000
R086	Little Vince Bayou Greenway Trail (PEDC)	518,130	290,363
R094	Pasadena Memorial Plaza Project	300,000	87,195
R095	Golf Course-Private Lte Config (PEDC)	246,679	108,818
	8,274,873	3,765,793	
<u>Streets</u>			
S054	Fairway Plaza Acquisition/Ext (PEDC)	1,230,000	128,229
S074	Gateway Sign (PEDC)	580,097	220,560
S077	Pasadena Blvd:Harris to 225 (PEDC)(HC)	8,750,000	3,409,574
S107	Shaw St(Carl-McMasters)(PEDC)(833)	4,847,942	4,721,778
S108	Red Bluff Eval(225-SpcrHwy)(833)	545,000	490,500
S109	Thomas Ave Paving & Dmge Ph II (833)	1,764,829	1,550,552
S110	Richey II (S.More to S.Houston)(PEDC)	3,560,248	1,636,640
S113	Corridor Development (PEDC)	992,769	12,124
S114	Burke Street Improv (832,833)	573,560	457,800
S123	Llano St. Paving&Dmge II (190,900)	3,963,243	3,648,223
S126	Llano St. Paving&Dmge I (900)	2,314,362	1,553,633
S127	Llano St. Paving&Dmge III (900)	1,439,318	806,919
S130	Red Bluff Road Phase I (834)	1,065,000	354,272
S131	Shaver Street Phase II (834)	1,150,000	414,542
S132	Preston Ave. Reconstruction (834)	8,672,889	806,951
S135	Shaver Street Phase III (834)	756,000	472,917
S138	2023 Annual Paving & Drainage Imp. Proj. (190)	2,283,238	1,876,088
S139	2023 Annual Sidewalk Impr. (190)	1,464,488	1,260,938
S165	SH 225 Underpass Lighting (9950)	543,296	253,344
S167	Kolb Roadway Repairs (190)	157,515	53,276
	46,653,793	24,128,859	
<u>Traffic</u>			
T018	Traffic Mobility Imprvmts Ph II (PEDC)	1,820,631	1,220,482
	\$ 1,820,631	\$ 1,220,482	

Projects	Project	Appropriation	Spent-to-Date
<u>Water</u>			
W027	Bay Area/Port Rd Inter Impro(390) (-HC)	\$ 188,401	\$ 105,342
W047	Shaw Waterline Improvemts (390)	188,320	133,224
W055	Spencer 12" Waterline Ph II(320)(390)	1,194,891	132,615
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	1,773,388
W062	BayArea Blvd Wtr Sys Press Imp(390,PEDC)	700,630	138,449
W066	2020 Citywide Waterline Replacement(390)	1,404,252	725,683
W069	2023 Citywide Waterline Replacement (390)	1,731,670	725,468
W070	Cascade Water Storage Tank Rehab	4,481,100	2,615,641
W072	2023 Fire Hydrant Installation	442,760	367,809
W075	Glenmore & Washington Waterline Improv Proj(320)	2,911,265	1,770,863
W076	Southmore/Preston Waterline Improv Proj(320)	3,976,358	2,836,496
W077	Crenshaw PRV Building Improvements	69,700	22,795
W080	Waterline Loop-Pasadena Dis 18" (PEDC)	815,760	275,098
W081	Red Bluff Rd Seabrook 24" Waterline (390)	119,410	119,400
W083	Taylor Lake 24' By Pass Waterline (320,390)	1,151,688	972,936
W084	Pasadena Ind Dist 36" Transm Ph I (PEDC)	605,985	147,152
W085	Pasadena Ind Dist 36" Transm Ph II (PEDC)	599,725	89,074
W086	CWA Pump Station Rehabilitation (PEDC)	641,485	308,740
W087	Pasadena Industrial District 20" Transm (PEC)	152,805	47,599
W088	Deepwater Well Improvements (390)	166,665	9,030
		<u>24,713,779</u>	<u>14,114,895</u>
<u>Wastewater</u>			
WW046	WWTP CONSOLIDATION PHASE II (320,390)	509,605	475,505
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	1,318,507
WW069	Sanitary Sewer Rehabilitation Project (390)	1,545,450	1,018,064
WW072	Golden Acres 24"Force Main PH II (320)	233,253	162,257
WW074	American Rescue Plan Administration (390)	4,926,850	1,563,244
WW083	Vince Bayou WWTP UV Protect (320,390)	4,391,811	535,546
WW085	EI Cary Est Inflow & Infiltration Reduct (390)	225,600	118,635
WW087	Golden Acres WWTP Line Imp (315,320,390)	113,860	56,350
		<u>\$ 15,779,930</u>	<u>\$ 7,051,556</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, 2023 is as follows:

1. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Amount</u>
General	* General liability insurance	\$ 57,818	
	* Health Insurance	<u>6,549</u>	64,367
Debt service	General		974,886
Capital projects	General		30,085,257
Grant Management	General		7,628,447
** Special charge allocation	General		1,408,920
** State Foreited Property	General Fund	7,254	
	Grant Management	<u>48</u>	7,302
** Hotel and Motel Tax	General		18,302
** Abandoned Motor Vehicles	General		21,594
Water and sewer	General		1,857,444
* Maintenance	General		406,154
* Workers' Compensation	General		3,055
	Total		<u><u>\$ 42,475,728</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>\$ 106,018</u></u>

3. Interfund Transfers:

Fund Financial Statements

Transfer out:	Transfer In:				Total
	General	Capital Projects	* Maintenance	* General Liability Insurance	
General	\$ -	\$ 27,717,491	\$ 3,390,500	\$ 750,000	\$ 31,857,991
Water and Sewer System	3,000,000	-	1,996,000	1,000,000	5,996,000
Total	<u>\$ 3,000,000</u>	<u>\$ 27,717,491</u>	<u>\$ 5,386,500</u>	<u>\$ 1,750,000</u>	<u>\$ 37,853,991</u>

* Internal service funds

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

Government-Wide Financial Statements

During the fiscal year, the transfer activities between the governmental and business-type activities totaled \$888,986 and can be summarized as follows:

- The amount of \$5,996,000 was transferred into the governmental activities from the business-type activities.
- Capital assets in the amount of \$6,884,986 were transferred into the business-type activities from the governmental activities.

H. Long-Term Debt

1. Governmental Activities

General Obligation Refunding Bonds and Certificates of Obligation

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

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

	Interest %	Maturity	Purpose	Installments	Amount
\$16,690,000 GO Refunding, 2012A	2.00 - 5.00	2/15/2025	Governmental type	\$145,000 to \$1,840,000	\$ 2,765,000
\$12,525,000 GO Refunding, 2015	2.00 - 5.00	2/15/2027	Governmental type	\$755,000 to \$1,830,000	3,925,000
\$17,405,000 GO Refunding, 2016A	2.00 - 5.00	2/15/2028	Governmental type	\$265,000 to \$2,065,000	9,670,000
\$19,175,000 COB, 2017	2.00 - 4.00	2/15/2037	Governmental type	\$195,000 to \$1,635,000	17,375,000
\$33,945,000 COB, 2018	2.00 - 5.00	2/15/2038	Governmental type	\$400,000 to \$2,765,000	31,650,000
\$48,120,000 COB, 2022	4.00 - 5.00	2/15/2042	Governmental type	\$710,000 to \$4,090,000	48,120,000
					<u>\$ 113,505,000</u>

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

Fiscal Year Ending September 30,	Principal	Interest	Total
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	5,590,000	3,428,338	9,018,338
2029-2033	29,960,000	13,260,063	43,220,063
2034-2038	35,140,000	6,443,850	41,583,850
2039-2042	15,420,000	1,264,600	16,684,600
	<u>\$ 113,505,000</u>	<u>\$ 40,955,903</u>	<u>\$ 154,460,903</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	\$ 39,815,000
\$ 16,305,000 COB, 2017	2.00 - 4.00	2/15/2037	Water and sewer	\$195,000 to \$1,635,000	13,260,000
\$ 10,450,000 COB, 2023	0.00 - 0.00	2/15/2043	Water and sewer	\$520,000 to \$525,000	10,450,000
					<u>\$ 63,525,000</u>

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Bonds and COs		CO's from Direct Placements		Total
	Principal	Interest	Principal	Interest*	
2024	\$ 3,915,000	\$ 2,061,494	\$ 520,000	\$ -	\$ 6,496,494
2025	4,110,000	1,867,894	520,000	-	6,497,894
2026	4,315,000	1,664,669	520,000	-	6,499,669
2027	4,525,000	1,451,419	520,000	-	6,496,419
2028	4,730,000	1,247,644	520,000	-	6,497,644
2029-2033	26,665,000	3,221,322	2,600,000	-	32,486,322
2034-2038	4,815,000	303,700	2,625,000	-	7,743,700
2039-2043	-	-	2,625,000	-	2,625,000
	<u>\$ 53,075,000</u>	<u>\$ 11,818,142</u>	<u>\$ 10,450,000</u>	<u>\$ -</u>	<u>\$ 75,343,142</u>

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

3. Legal Debt Margin

At September 30, 2023, the City's legal debt margin was \$1,237,228,439 which equates to 10% of the City's property taxable value, totaling \$1,355,386,388 less \$118,157,949 (the amount of bonded debt outstanding) netted with the amount available in the debt service fund.

4. Rebatable Arbitrage

Arbitrage rebate rules, under the Internal Revenue Code Section 148 and related Treasury Regulations, require generally that a tax-exempt bond issuer forward to the federal government any profits made from investing bond proceeds at a yield above the bond yield, when investing in a taxable market. Payments based on cumulative profits earned by bonds are due, in general, every five years. At September 30, 2023, arbitrage rebate of \$805,416 was accrued for governmental activities.

5. Changes in Long-Term Liabilities

Governmental Activities:

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Beginning	Additions/ Reclassification	Refunding/ Reductions	Ending	Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable supported by property taxes:					
General obligation and refunding bonds	\$ 22,335,000	\$ -	\$ (5,975,000)	\$ 16,360,000	\$ 4,745,000
Certificates of obligation bonds	98,100,000	-	(955,000)	97,145,000	2,895,000
	120,435,000	-	(6,930,000)	113,505,000	7,640,000
Add: Premiums on debt issuances	9,999,230	-	(1,152,149)	8,847,081	-
Total Bonds Payable	130,434,230	-	(8,082,149)	122,352,081	7,640,000
Claims	1,442,998	11,938,002	(12,091,051)	1,289,949	773,969
Compensated absences	29,703,348	11,328,822	(11,412,252)	29,619,918	2,961,992
Arbitrage Rebate	-	805,416	-	805,416	
Lease Liability	-	666,307	(132,892)	533,415	162,443
Total OPEB Liability					
Healthcare	54,683,106	3,524,584	(13,958,146)	44,249,544	-
SDBF	4,804,928	293,828	(1,697,759)	3,400,997	-
Net pension liability (asset)					
TMRS	-	51,930,517	-	51,930,517	-
TESRS	539,029	2,156,164	(221,900)	2,473,293	-
Governmental activities Long-term liabilities	\$ 221,607,639	\$ 82,643,640	\$ (47,596,149)	\$ 256,655,130	\$ 11,538,404

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, 2023, \$1,787,137 of internal service funds' compensated absences, \$6,327,889 of net pension and other post-employment benefits, and \$1,289,949 in claims payable are included in the above amounts.

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

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

Business-Type Activities:

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Beginning	Additions/ Reclassification	Refunding/ Reductions	Ending	Due Within One Year
Business-type activities:					
Bonds payable					
General obligation refunding bonds	\$ 42,905,000	\$ -	\$ (3,090,000)	\$ 39,815,000	\$ 3,230,000
Certificates of obligation bonds	13,915,000	-	(655,000)	13,260,000	685,000
Certificates of obligations from direct placements	-	10,450,000	-	10,450,000	520,000
	56,820,000	10,450,000	(3,745,000)	63,525,000	4,435,000
Add: Premiums on debt issuances	4,405,098	-	(456,850)	3,948,248	-
Total bonds payable	61,225,098	10,450,000	(4,201,850)	67,473,248	4,435,000
Compensated absences	1,880,606	571,595	(830,596)	1,621,605	162,161
Total OPEB Liability					
Healthcare	8,123,209	462,052	(1,829,826)	6,755,435	-
SDBF	389,764	23,824	(137,656)	275,932	-
Net pension liability - TMRS	-	4,070,781	-	4,070,781	-
Business-type activities Long-term liabilities	\$ 71,618,677	\$ 15,578,252	\$ (6,999,928)	\$ 80,197,001	\$ 4,597,161

During the current fiscal year, the City received approval from the Texas Water Development Board ("TWDB") for financial assistance from the TWDB to the City in the amount of \$10,999,860 (the "Loan"), consisting of the City's Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2023, in the amount of \$10,450,000 (the "Certificates"), and grant funding in the amount of \$549,860. The City issued a private placement memorandum relating to \$10,450,000 Combination Tax and Surplus Revenue Certificates of Obligation Taxable, Series 2023 purchased by the Texas Water Development Board for the purpose of paying, in whole or in part, contractual obligations to be incurred to plan, acquire, construct, and equip a flood control improvement project in the City known generally as the Golden Acres Wastewater Treatment Plant diversion project, paying all or a portion of the legal, fiscal and engineering fees in connection therewith, and paying costs of issuance.

The City's outstanding certificates of obligation from direct placement related to business-type activities of \$10,450,000 are secured by the pledge of ad valorem taxes and surplus revenues. However, the current policy of the City is to pay all of the debt service on the Certificates of Obligation from Waterworks and Sewer System surplus revenues. The Certificates of Obligation shall not bear any interest; consequently, no interest shall ever be paid on the Certificates of Obligation. The outstanding Certificates of Obligation from direct placement related to business-type activities of \$10,450,000 contain a provision that in an event of defaults the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, conditions or obligation prescribed in the Ordinance.

The City does not have any unused line of credit.

V. OTHER INFORMATION

A. Risk Management

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

Liabilities/Property

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

Workers' Compensation

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

Unemployment Insurance

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

Health and Dental Insurance

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

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

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

	<u>Workers'</u> <u>Compensation</u>	<u>Health/Dental</u> <u>Insurance</u>
<u>Current Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the current fiscal year	\$ 25,000	\$ 1,417,998
Incurred claims and claim adjustment expenses:		
Provisions for insured events of the current fiscal year	-	15,387,277
Increase (Decrease) in provision for insured events-prior years	27,105	(3,476,380)
Total incurred claims and claim adjustment expenses	<u>27,105</u>	<u>11,910,897</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events-		
Current fiscal year	-	14,117,275
Prior fiscal years	32,156	(2,058,380)
Total payments	<u>32,156</u>	<u>12,058,895</u>
Total unpaid claims and claim adjustment expenses at end of current fiscal year	<u>\$ 19,949</u>	<u>\$ 1,270,000</u>
<u>Prior Fiscal Year</u>		
Unpaid claims and claim adjustment expenses at the beginning of the prior 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 prior fiscal year	<u>\$ 25,000</u>	<u>\$ 1,417,998</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, 2022:

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

Total OPEB Liability

The City's total healthcare OPEB liability of \$51,004,979 was measured as of December 31, 2022. 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, rolled forward to a measurement date of December 31, 2022, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual entry-age normal
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.
Healthcare trend rates	Non-Medicare: initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 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 80% for eligible post-65 retirees.

Other Information:

Notes	The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. 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%.
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Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 2,820,762
Interest on the total OPEB Liability	1,165,874
Difference between expected and actual experience	(525,284)
Changes of assumptions	(13,554,694)
Benefit payments	<u>(1,707,994)</u>
Net Changes	(11,801,336)
Beginning Balance	62,806,315
Ending Balance	<u>\$ 51,004,979</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 4.05%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's total healthcare OPEB liability	\$ 56,603,942	\$ 51,004,979	\$ 46,145,360

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	\$ 46,935,890	\$ 51,004,979	\$ 55,871,393

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

For the year ended September 30, 2023, the City recognized healthcare OPEB expense of \$2,806,880. 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	\$ 3,300,260	\$ 5,051,276
Changes in actuarial assumptions	5,976,108	12,590,860
Contributions subsequent to the measurement date	979,783	-
Total	<u>\$ 10,256,151</u>	<u>\$ 17,642,136</u>

\$979,783 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, 2024. Amounts reported as deferred outflows/inflows of resources related to healthcare OPEB liability will be recognized in healthcare OPEB expense as follows:

<u>Year ended September 30:</u>	<u>Healthcare OPEB Expense</u>
2024	\$ (1,179,756)
2025	(1,265,095)
2026	(1,449,058)
2027	(1,066,191)
2028	(753,306)
Thereafter	(2,652,362)
Total	<u>\$ (8,365,768)</u>

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

Plan Description

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

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit 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, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	636
Inactive employees entitled to, but not yet receiving, benefits	137
Active employees	<u>983</u>
	<u><u>1,756</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 \$3,676,929 was measured as of December 31, 2022 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, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. 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, 2022.

Note: The actuarial assumptions used in the December 31, 2022 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	\$ 221,053
Interest on total SDBF/OPEB liability	96,599
Difference between expected and actual experience	(86,078)
Changes of assumptions	(1,638,811)
Benefit payments*	(110,526)
Net Changes	(1,517,763)
Beginning Balance	5,194,692
Ending Balance	\$ 3,676,929

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

The discount rate changed from 1.84% to 4.05%. 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 (3.05%)</u>	<u>Discount Rate (4.05%)</u>	<u>1% Increase in Discount Rate (5.05%)</u>
City's total SDBF OPEB liability	\$ 4,313,865	\$ 3,676,929	\$ 3,170,523

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

For the year ended September 30, 2023, the City recognized SDBF OPEB expense of \$118,633. 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	\$ -	\$ 380,625
Changes in actuarial assumptions	587,886	1,368,213
Contributions subsequent to the measurement date	112,681	-
	<u>\$ 700,567</u>	<u>\$ 1,748,838</u>

\$112,681 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, 2024. Amounts reported as deferred outflows/inflows of resources related to SDBF OPEB will be recognized in SDBF OPEB expense as follows:

<u>Fiscal Year Ended September 30</u>	<u>SDBF OPEB Expense Amount</u>
2024	\$ (203,845)
2025	(192,781)
2026	(271,850)
2027	(332,827)
2028	(159,649)
Thereafter	-
Total	<u>\$ (1,160,952)</u>

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

The City recognized aggregate total OPEB expenses/expenditures of \$2,925,513 during the fiscal year ending September 30, 2023 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 909 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, 2022 valuation and measurement date, for the City were as follows:

Deposit Rate: **7%**

Matching Ratio (City to Employee): **2 to 1**

A member is vested after **5 yrs.**

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

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	848
Inactive employees entitled to, but not yet receiving, benefits	384
Active employees	<u>983</u>
	<u><u>2,215</u></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 13.97% and 13.25%, including 0.28% and 0.44% of supplemental death benefits, (which is reported in this report as OPEB) in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$9,906,623 and were greater than to the required contributions.

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2022, 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, 2022 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 males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational 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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public & Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
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 12/31/2021	\$ 529,955,917	\$ 547,037,793	\$ (17,081,876)
Changes for the year:			
Service cost	11,391,121	-	11,391,121
Interest	35,228,451	-	35,228,451
Difference between expected and actual experience	975,831	-	975,831
Contributions - employer	-	9,488,149	(9,488,149)
Contributions - employee	-	4,853,731	(4,853,731)
Net investment income	-	(39,896,443)	39,896,443
Benefit payments, including refunds of employee contributions	(27,496,992)	(27,496,992)	-
Administrative expense	-	(345,547)	345,547
Other changes	-	412,339	(412,339)
Net changes	<u>20,098,411</u>	<u>(52,984,763)</u>	<u>73,083,174</u>
Balance at 12/31/2022	<u>\$ 550,054,328</u>	<u>\$ 494,053,030</u>	<u>\$ 56,001,298</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)	<u>\$ 126,557,144</u>	<u>\$ 56,001,298</u>	<u>\$ (2,619,484)</u>

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, 2023, the City recognized pension expense of \$15,429,724.

At September 30, 2023, 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	\$ 3,690,373	\$ 1,117,520
Changes in actuarial assumptions	8,550	-
Difference between projected and actual investment earnings	34,191,887	-
Contributions subsequent to the measurement date	7,259,908	-
Total	<u>\$ 45,150,718</u>	<u>\$ 1,117,520</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$7,259,908 will be recognized as a reduction to the net pension liability for the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended September 30:</u>	<u>Pension Expense</u>
2024	\$ 2,684,816
2025	9,449,715
2026	9,179,741
2027	15,459,018
2028	-
Thereafter	-
Total	<u>\$ 36,773,290</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, 2022, 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, 2022, TESRS membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,991
Terminated members entitled to, but not yet receiving the benefits	1,813
Current active members (vested and nonvested)	<u>3,379</u>
	<u>9,183</u>

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of TESRS, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). The City contributes \$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, 2022 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

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

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

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by Board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2022, total contributions (dues, prior service, and interest on prior service financing) of \$293,235 were paid by the City. The State appropriated \$1,262,763 for the fiscal year ending August 31, 2022.

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

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

Actuarial Assumptions

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

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

Mortality rates were based on the 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 4.61%) and by adding expected inflation (3.00%). In addition, the final 7.5% assumption was selected by "rounding down".

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

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

Discount Rate

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

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

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

	<u>1% Decrease in</u> <u>Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in</u> <u>Discount Rate (8.5%)</u>
City's net TESRS pension liability/(asset)	\$ 3,879,925	\$ 2,473,293	\$ 1,334,222

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

At September 30, 2023, the City reported a liability of \$2,473,293 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	\$ 2,473,293
State's proportionate share that is associated with the City*	642,017
Total	<u>\$ 3,115,310</u>

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

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022. GASB Statement No. 68 requires the net pension liability to be measured as of a date no earlier than the end of the employer's prior fiscal year. TESRS did not roll forward (nor did they provide the necessary information for the participants to roll forward) the net pension liability to be measured as of a date no earlier than the end of the City's prior fiscal year. While the City acknowledges that the measurement date does not fall within this 12-month period, the City elected to honor the conservatism principle and report a net pension liability measured as of August 31, 2022. The City used the assumption that any differences in the net pension liability measured as of August 31, 2022 versus September 30, 2022 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, 2021 through August 31, 2022.

At August 31, 2022, the employer's proportion of the collective net pension liability was 6.028%, which was an increase of 0.997% from its proportion measured as of August 31, 2021.

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, 2022, the City recognized pension expense of \$522,603. The City recognized on-behalf revenues (expenses) of \$473,078 calculated by taking the State's total contributions to TESRS multiplied by the City's proportionate share.

At September 30, 2023, 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	\$ 94,149	\$ -
Changes in actuarial assumptions	-	12,436
Net difference between projected and actual investment earnings	912,113	-
Contributions subsequent to the measurement date	241,650	-
Total	<u>\$ 1,247,912</u>	<u>\$ 12,436</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$241,650 will be recognized as a reduction to the net pension liability for the year ended September 30, 2024. 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>
2024	\$ 286,760
2025	178,015
2026	185,868
2027	343,183
2028	-
Thereafter	-
Total	<u>\$ 993,826</u>

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

The City recognized aggregate total pension expense of \$15,952,327 during the fiscal year ending September 30, 2023 related to the City's TMRS (\$15,429,727 total pension expense) and TESRS (\$522,603 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, 2023, the program reserve in the amount of \$261,517 is held by HUD on behalf of City of Pasadena Housing Authority.

G. Hurricane Harvey

On August 25, 2017, the Federal Emergency Management Agency (FEMA) granted Governor Greg Abbott's request for a Presidential Disaster Declaration which allowed the City to apply for the Federal Public Assistance Grant. The City incurred substantial expenditures, planning and preparing for Hurricane 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 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.

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, 2023, the City has expended \$6,904,492.

I. Subsequent Event

On October 25, 2023, the Pasadena Economic Development Corporation, a blended component unit of the City of Pasadena, issued a Sales Tax Revenue Bonds, Series 2023 in the amount of \$49,500,000 with interest rate of the bonds ranging from 5.00% to 5.25% and the last maturity of August 15, 2053. The purpose of the issuance is to pay the costs of (i) construction, expansion, and improvements to the City of Pasadena Convention Center; and (ii) for paying costs of issuance of the Bonds



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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, 2022 (1)

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

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

Notes to Required Supplementary Information:

Changes of assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022, 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
Actuarially determined contribution	\$ 7,605,747	\$ 7,622,892	\$ 8,512,614	\$ 8,700,395
Contributions in relation to the actuarially determined contribution	\$ 7,605,747	\$ 7,622,892	\$ 8,512,614	\$ 8,700,395
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 55,384,915	\$ 58,987,632	\$ 63,307,908	\$ 63,001,076
Contributions as a percentage of covered payroll	13.73%	12.92%	13.45%	13.81%

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

September 30,				
2019	2020	2021	2022	2023
\$ 9,114,228	\$ 10,346,997	\$ 9,298,019	\$ 9,257,101	\$ 9,520,287
\$ 9,114,228	\$ 10,346,997	\$ 9,298,019	\$ 9,257,101	\$ 9,906,623
\$ -	\$ -	\$ -	\$ -	\$ (386,336)
\$ 67,171,083	\$ 76,883,843	\$ 69,922,435	\$68,170,344	\$ 72,913,180
13.57%	13.46%	13.30%	13.58%	13.59%

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

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

Measurement Year (1)

2018	2019	2020	2021	2022
\$ 10,395,914	\$ 10,913,194	\$ 13,119,669	\$ 11,531,933	\$ 11,391,121
29,453,672	30,714,091	32,061,718	34,032,784	35,228,451
(1,510,678)	(1,675,256)	8,175,575	(1,582,055)	975,831
-	63,710	-	-	-
(19,364,953)	(20,484,373)	(21,823,908)	(24,900,330)	(27,496,992)
18,973,955	19,531,366	31,533,054	19,082,332	20,098,411
440,835,210	459,809,165	479,340,531	510,873,585	529,955,917
\$ 459,809,165	\$ 479,340,531	\$ 510,873,585	\$ 529,955,917	\$ 550,054,328
\$ 8,917,844	\$ 9,043,896	\$ 10,702,447	\$ 9,248,751	\$ 9,488,149
4,493,236	4,707,776	5,565,920	4,890,872	4,853,731
(12,797,053)	63,100,209	35,225,023	64,336,088	(39,896,443)
(19,364,953)	(20,484,373)	(21,823,908)	(24,900,330)	(27,496,992)
(247,396)	(356,693)	(228,063)	(297,831)	(345,547)
(12,926)	(10,715)	(8,898)	2,039	412,339
(19,011,248)	56,000,100	29,432,521	53,279,589	(52,984,763)
427,336,831	408,325,583	464,325,683	493,758,204	547,037,793
\$ 408,325,583	\$ 464,325,683	\$ 493,758,204	\$ 547,037,793	\$ 494,053,030
\$ 51,483,582	\$ 15,014,848	\$ 17,115,381	\$ (17,081,876)	\$ 56,001,298
88.80%	96.87%	96.65%	103.22%	89.82%
\$ 64,093,184	\$ 67,240,876	\$ 79,513,143	\$ 69,805,888	\$ 69,078,961
80.33%	22.33%	21.53%	-24.47%	81.07%

**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	23 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	2022
Total OPEB Liability						
Service cost	\$ 120,784	\$ 141,005	\$ 127,758	\$ 198,783	\$ 181,495	\$ 221,053
Interest (on the total OPEB liability)	127,845	128,635	137,955	121,373	104,825	96,599
Difference between expected and actual experience	-	(148,237)	(199,991)	(60,652)	(323,322)	(86,078)
Change of assumptions	283,672	(243,192)	637,916	663,484	144,023	(1,638,811)
Benefit payments	(38,142)	(38,456)	(40,345)	(47,708)	(125,651)	(110,526)
Net Change in Total OPEB Liability	\$ 494,159	\$ (160,245)	\$ 663,293	\$ 875,280	\$ (18,630)	\$ (1,517,763)
Beginning total OPEB liability	3,340,835	3,834,994	3,674,749	4,338,042	5,213,322	5,194,692
Ending Total OPEB Liability	\$ 3,834,994	\$ 3,674,749	\$ 4,338,042	\$ 5,213,322	\$ 5,194,692	\$ 3,676,929
Covered Employee Payroll	\$ 63,570,724	\$ 64,093,184	\$ 67,240,876	\$ 79,513,143	\$ 69,805,888	\$ 69,078,961
Total OPEB Liability as a Percentage of Covered Employee Payroll	6.03%	5.73%	6.45%	6.56%	7.44%	5.32%

(1) Only six years of information is currently available. The City will build this schedule over the next four-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 1.84% to 4.05%.

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

Change in Benefits

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

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

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

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

September 30,

2018	2019	2020	2021	2022	2023
\$ 211,926	\$ 202,902	\$ 214,050	\$ 232,350	\$ 221,900	\$ 241,650
211,926	202,902	214,050	232,350	221,900	241,650
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
118	111	114	113	118	116
\$ 1,796	\$ 1,828	\$ 1,878	\$ 2,056	\$ 1,880	\$ 2,083

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

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

(1) Only nine years of information is currently available. The City will build this schedule over the next one-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, 2023**

ASSETS

Cash and cash equivalents	\$	2,526,700
Investments		
TexPool		66,035,391
LOGIC CLASS A		621,070
CLASS		82,098,892
		148,755,353
Receivables (net, where applicable, of allowances for uncollectible)		
General property taxes		871,550
Accounts receivable		6,919,293
		7,790,843
Due from other funds		64,367
TOTAL ASSETS	\$	159,137,263

LIABILITIES

Accounts payable	\$	6,250,371
Accrued payroll payable		2,944,147
Due to other funds		42,411,313
Due to component unit		106,018
		51,711,849

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes		1,094,563
Unavailable revenue - industrial district fees		113,850
Deferred inflows - leases		452,911
Unavailable revenue - electrical franchise		414,306
		2,075,630

FUND BALANCES

Committed		15,000
Assigned		744,729
Unassigned		104,590,055
		105,349,784
TOTAL FUND BALANCES		105,349,784
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$	159,137,263



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**CITY OF PASADENA, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

REVENUES

General property taxes	\$ 51,888,412
Business taxes and fees	
Industrial district fees	27,897,512
Sales taxes	29,252,653
Franchise fees	8,586,351
Other taxes and fees	368,178
Total business taxes and fees	66,104,694
Licenses and permits	2,280,350
Municipal court fines	3,240,577
Charges for services	14,524,910
Intergovernmental	416,117
Miscellaneous	1,756,896
Investment income	7,211,750
TOTAL REVENUES	147,423,706

EXPENDITURES

Current	
General government	19,977,335
Public safety	55,201,234
Public works	17,870,403
Health	6,101,460
Culture and recreation	17,245,838
Debt service	
Principal	132,892
Interest	16,718
TOTAL EXPENDITURES	116,545,880

**EXCESS OF REVENUES OVER
EXPENDITURES**

30,877,826

OTHER FINANCING SOURCES (USES)

Operating transfers in (out)	
Water and sewer system	3,000,000
General liability insurance fund	(750,000)
Capital projects fund	(27,717,491)
Maintenance fund	(3,390,500)
Issuance - lease	666,307
Sale of capital assets	4,670,243
TOTAL OTHER FINANCING (USES)	(23,521,441)

NET CHANGE IN FUND BALANCE

7,356,385

FUND BALANCE - BEGINNING

97,993,399

FUND BALANCE - ENDING

\$ 105,349,784

**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, 2023**

	<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	\$ 50,841,170	\$ 50,841,170	\$ 50,923,168	\$ 81,998
Penalty and interest	700,000	700,000	965,244	265,244
Total General Property Taxes	51,541,170	51,541,170	51,888,412	347,242
Business Taxes and Fees				
Industrial district fees	23,560,000	23,560,000	27,897,512	4,337,512
Sales tax	27,945,219	27,945,219	29,252,653	1,307,434
Franchise fees	8,392,600	8,392,600	8,586,351	193,751
Other taxes				
Mixed drink tax	310,000	310,000	368,178	58,178
Total Business Taxes and Fees	60,207,819	60,207,819	66,104,694	5,896,875
Licenses and Permits				
Business types	2,269,000	2,269,000	2,121,919	(147,081)
Occupational types	111,370	111,370	112,364	994
Non-business types	69,500	69,500	46,067	(23,433)
Total Licenses and Permits	2,449,870	2,449,870	2,280,350	(169,520)
Municipal Court Fines and Fees	3,033,000	3,033,000	3,240,577	207,577
Charges for Services				
Ellington municipal golf course	823,250	823,250	1,145,337	322,087
Recreational activities	137,000	137,000	148,355	11,355
Swimming pool	96,000	96,000	266,674	170,674
Tennis court	6,000	6,000	5,868	(132)
Civic center	476,000	476,000	665,938	189,938
Other centers	31,500	31,500	44,214	12,714
Miscellaneous	574,000	574,000	635,339	61,339
Solid waste collection	9,439,500	9,439,500	10,802,935	1,363,435
Health services	364,600	364,600	543,763	179,163
Library services	10,000	10,000	2,150	(7,850)
Property management	370,000	370,000	264,337	(105,663)
Total Charges for Services	12,327,850	12,327,850	14,524,910	2,197,060
Intergovernmental				
Fire protection	95,000	95,000	94,902	(98)
COVID HC SCAP	-	-	157,633	157,633
Harvey - Disaster Grant	-	80	80	-
Reimbursement from other agencies	120,000	120,000	133,161	13,161
TxDOT - traffic signal maintenance	30,495	30,495	29,712	(783)
Restitution - Harris County	1,000	1,000	629	(371)
Total Intergovernmental	246,495	246,575	416,117	169,542
Miscellaneous	1,123,150	1,445,150	1,756,896	311,746
Investment Income	127,000	127,000	7,211,750	7,084,750
TOTAL REVENUES	\$ 131,056,354	\$ 131,378,434	\$ 147,423,706	\$ 16,045,272

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current				
<u>General Government</u>				
City Council				
Personnel services	\$ 96,389	\$ 96,389	\$ 96,246	\$ 143
Contractual services	52,605	53,669	39,321	14,348
Materials and supplies	15,550	22,646	16,986	5,660
Maintenance charges	51,235	54,785	54,785	-
	215,779	227,489	207,338	20,151
Mayor				
Personnel services	624,000	624,000	606,860	17,140
Contractual services	35,384	45,384	36,487	8,897
Materials and supplies	9,530	9,530	3,225	6,305
Maintenance charges	66,876	61,776	61,699	77
	735,790	740,690	708,271	32,419
Budget and Financial Planning				
Personnel services	793,987	824,807	824,807	-
Contractual services	41,021	41,021	17,745	23,276
Materials and supplies	15,550	15,550	9,216	6,334
Maintenance charges	15,807	15,807	15,113	694
	866,365	897,185	866,881	30,304
Municipal Court				
Personnel services	2,097,483	2,097,483	1,828,523	268,960
Contractual services	279,054	225,187	196,231	28,956
Materials and supplies	62,160	62,160	43,307	18,853
Maintenance charges	232,188	232,261	232,132	129
	2,670,885	2,617,091	2,300,193	316,898
City Controller				
Personnel services	2,049,012	2,049,012	1,854,912	194,100
Contractual services	192,409	192,409	99,158	93,251
Materials and supplies	44,251	44,251	35,645	8,606
Maintenance charges	79,522	79,522	79,138	384
	\$ 2,365,194	\$ 2,365,194	\$ 2,068,853	\$ 296,341

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, 2023**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Tax				
Contractual services	\$ 635,450	\$ 657,554	\$ 657,553	\$ 1
Materials and supplies	20	20	-	20
	635,470	657,574	657,553	21
Purchasing				
Personnel services	512,077	516,567	516,565	2
Contractual services	14,188	14,188	8,319	5,869
Materials and supplies	8,785	8,785	7,488	1,297
Maintenance charges	48,388	48,388	47,475	913
	583,438	587,928	579,847	8,081
Legal				
Personnel services	986,530	995,502	995,500	2
Contractual services	709,693	162,693	161,813	880
Materials and supplies	37,240	37,240	5,460	31,780
Maintenance charges	68,694	66,194	66,107	87
	1,802,157	1,261,629	1,228,880	32,749
City Secretary				
Personnel services	363,902	363,902	290,823	73,079
Contractual services	48,450	48,450	13,039	35,411
Materials and supplies	7,130	7,130	1,903	5,227
Maintenance charges	49,477	45,877	45,799	78
Capital outlay	-	20,727	20,727	-
	468,959	486,086	372,291	113,795
Elections				
Materials and supplies	203,500	243,500	151,101	92,399
Maintenance charges	1,150	1,150	138	1,012
	204,650	244,650	151,239	93,411
Human Resources				
Personnel services	866,903	870,894	870,894	-
Contractual services	72,403	72,403	43,491	28,912
Materials and supplies	47,877	47,877	31,341	16,536
Maintenance charges	84,328	86,343	86,338	5
	1,071,511	1,077,517	1,032,064	45,453
Civil Service				
Materials and supplies	60,015	60,015	41,257	18,758
Maintenance charges	2,500	2,500	2,343	157
	\$ 62,515	\$ 62,515	\$ 43,600	\$ 18,915

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
City Marshall				
Personnel services	\$ 1,291,649	\$ 1,291,649	\$ 1,254,204	\$ 37,445
Contractual services	19,605	19,605	12,562	7,043
Materials and supplies	52,583	52,583	20,862	31,721
Maintenance charges	197,485	198,115	198,112	3
	1,561,322	1,561,952	1,485,740	76,212
Community Relations				
Personnel services	955,055	971,009	971,009	-
Contractual services	127,659	127,659	104,967	22,692
Materials and supplies	49,002	49,002	16,639	32,363
Maintenance charges	154,719	150,729	150,722	7
	1,286,435	1,298,399	1,243,337	55,062
Pasadena Action Line				
Personnel services	452,586	457,590	457,590	-
Contractual services	1,928	3,878	3,860	18
Materials and supplies	4,342	16,342	15,006	1,336
Maintenance charges	22,607	22,618	22,618	-
	481,463	500,428	499,074	1,354
Planning				
Personnel services	473,768	523,768	466,072	57,696
Contractual services	116,462	116,462	23,718	92,744
Materials and supplies	15,440	15,440	6,122	9,318
Maintenance charges	59,387	54,887	54,807	80
	665,057	710,557	550,719	159,838
Economic Development Liaison				
Personnel services	510,371	510,371	479,586	30,785
Contractual services	5,500	5,500	3,379	2,121
Materials and supplies	6,500	6,500	1,368	5,132
Maintenance charges	39,133	37,633	37,588	45
	\$ 561,504	\$ 560,004	\$ 521,921	\$ 38,083

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, 2023**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government, Continued				
Neighborhood Network				
Personnel services	\$ 393,360	\$ 393,360	\$ 313,612	\$ 79,748
Contractual services	155,226	225,226	138,443	86,783
Materials and supplies	27,809	27,809	5,175	22,634
Maintenance charges	29,698	31,348	31,346	2
	606,093	677,743	488,576	189,167
Inspections				
Personnel services	1,571,536	1,571,536	1,352,386	219,150
Contractual services	312,059	537,291	519,826	17,465
Materials and supplies	23,229	23,229	19,839	3,390
Maintenance charges	203,785	204,040	203,948	92
Capital outlay	116,865	116,865	38,305	78,560
	2,227,474	2,452,961	2,134,304	318,657
Property Management				
Personnel services	383,421	426,521	426,443	78
Contractual services	649,424	273,158	272,541	617
Materials and supplies	62,628	62,628	17,502	45,126
Maintenance charges	210,131	42,131	41,874	257
	1,305,604	804,438	758,360	46,078
City Hall				
Contractual services	534,713	534,713	455,840	78,873
Materials and supplies	90,034	90,034	63,712	26,322
Maintenance charges	89,318	94,533	94,532	1
Capital outlay	-	5,609	5,609	-
	714,065	724,889	619,693	105,196
Facilities Management				
Materials and supplies	204,874	204,874	122,288	82,586
Other charges	76,287	76,287	62,989	13,298
Capital outlay	40,002	10,402	10,399	3
	321,163	291,563	195,676	95,887
Impound/Storage				
Personnel services	319,678	319,678	296,051	23,627
Contractual services	4,909	4,909	3,020	1,889
Materials and supplies	5,085	5,085	3,565	1,520
Maintenance charges	11,262	15,507	15,505	2
	340,934	345,179	318,141	27,038
Other Charges				
Personnel services	4,261,144	2,491,131	-	2,491,131
Contractual services	292,500	161,500	160,823	677
Materials and supplies	155,495	18,355	9,430	8,925
Other charges	1,054,000	33,539	20,347	13,192
Other uses	97,350	97,350	72,877	24,473
Capital outlay	-	682,000	681,307	693
	5,860,489	3,483,875	944,784	2,539,091
Total General Government	\$ 27,614,316	\$ 24,637,536	\$ 19,977,335	\$ 4,660,201

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety				
Emergency Preparedness				
Personnel services	\$ 698,072	\$ 715,372	\$ 715,309	\$ 63
Contractual services	98,033	98,033	91,613	6,420
Materials and supplies	23,813	23,813	18,384	5,429
Maintenance charges	266,842	263,042	263,013	29
	1,086,760	1,100,260	1,088,319	11,941
Fire Fighting				
Personnel services	345,532	345,532	343,413	2,119
Contractual services	1,404,485	1,257,485	1,246,475	11,010
Materials and supplies	634,500	634,501	474,479	160,022
Maintenance charges	972,640	1,002,530	1,002,522	8
Capital outlay	101,085	129,293	129,293	-
	3,458,242	3,369,341	3,196,182	173,159
Fire Prevention				
Personnel services	1,342,720	1,342,720	1,330,189	12,531
Contractual services	101,963	101,963	86,326	15,637
Materials and supplies	58,070	58,070	51,542	6,528
Maintenance charges	361,362	357,862	357,830	32
	1,864,115	1,860,615	1,825,887	34,728
Police				
Personnel services	40,905,089	42,501,410	41,906,678	594,732
Contractual services	535,758	536,586	435,064	101,522
Materials and supplies	338,440	390,562	377,459	13,103
Maintenance charges	4,685,355	4,743,461	4,734,743	8,718
Capital outlay	-	798,356	798,356	-
	46,464,642	48,970,375	48,252,300	718,075
Code Enforcement				
Personnel services	-	-	-	-
Contractual services	308,457	308,457	284,970	23,487
Materials and supplies	264,299	364,299	319,386	44,913
Maintenance charges	39,031	39,031	24,918	14,113
Capital outlay	209,247	209,273	209,272	1
	821,034	921,060	838,546	82,514
Total Public Safety	\$ 53,694,793	\$ 56,221,651	\$ 55,201,234	\$ 1,020,417

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, 2023**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Works				
Engineering				
Personnel services	\$ 1,867,859	\$ 1,867,859	\$ 1,767,329	\$ 100,530
Contractual services	572,445	599,445	467,258	132,187
Materials and supplies	42,864	67,864	53,094	14,770
Maintenance charges	178,935	184,095	184,090	5
	2,662,103	2,719,263	2,471,771	247,492
Street Lighting and Signals				
Contractual services	1,350,000	1,192,075	1,095,946	96,129
	1,350,000	1,192,075	1,095,946	96,129
Sanitation				
Personnel services	2,833,719	2,833,719	2,604,353	229,366
Contractual services	6,079,033	6,472,033	6,471,801	232
Materials and supplies	331,800	331,800	186,494	145,306
Maintenance charges	301,373	301,373	299,535	1,838
	9,545,925	9,938,925	9,562,183	376,742
Street and Bridge				
Personnel services	2,211,431	2,211,431	1,982,263	229,168
Contractual services	82,960	86,760	54,930	31,830
Materials and supplies	465,911	465,911	374,236	91,675
Maintenance charges	386,386	399,936	399,936	-
Capital outlay	215,550	215,550	74,448	141,102
	3,362,238	3,379,588	2,885,813	493,775
Traffic and Transportation				
Personnel services	970,082	970,082	954,350	15,732
Contractual services	410,103	410,103	350,419	59,684
Materials and supplies	298,867	298,867	284,348	14,519
Maintenance charges	124,501	121,101	121,005	96
Capital outlay	183,660	183,660	144,568	39,092
	1,987,213	1,983,813	1,854,690	129,123
Total Public Works	\$ 18,907,479	\$ 19,213,664	\$ 17,870,403	\$ 1,343,261

EXPENDITURES**Health****Health**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Personnel services	\$ 1,183,654	\$ 1,183,654	\$ 1,157,858	\$ 25,796
Contractual services	1,493,882	1,508,882	1,384,761	124,121
Materials and supplies	20,614	156,431	154,602	1,829
Maintenance charges	128,757	128,757	127,648	1,109
	2,826,907	2,977,724	2,824,869	152,855

Animal Rescue and Assistance

Personnel services	2,653,626	2,653,626	2,407,450	246,176
Contractual services	332,588	332,588	236,913	95,675
Materials and supplies	287,129	287,129	235,614	51,515
Maintenance charges	314,999	319,099	319,065	34
Capital outlay	61,337	81,016	77,549	3,467
	3,649,679	3,673,458	3,276,591	396,867

Total Health

	6,476,586	6,651,182	6,101,460	549,722
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Culture and Recreation**Parks**

Personnel services	2,310,096	2,254,775	2,110,932	143,843
Contractual services	357,145	535,145	500,027	35,118
Materials and supplies	284,681	379,689	350,941	28,748
Maintenance charges	734,761	781,611	781,582	29
Capital outlay	329,882	350,109	278,793	71,316
	4,016,565	4,301,329	4,022,275	279,054

Recreation

Personnel services	2,619,485	2,622,485	2,242,813	379,672
Contractual services	530,613	502,804	402,561	100,243
Materials and supplies	458,196	442,585	375,565	67,020
Maintenance charges	375,180	386,749	386,423	326
Other charges	116,448	116,183	113,425	2,758
Capital outlay	556,871	540,064	379,647	160,417
	\$ 4,656,793	\$ 4,610,870	\$ 3,900,434	\$ 710,436

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, 2023**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Culture and Recreation, Continued				
Clean Streets				
Personnel services	\$ 1,411,174	\$ 1,411,174	\$ 1,352,637	\$ 58,537
Contractual services	327,300	327,300	233,092	94,208
Materials and supplies	90,680	91,868	69,758	22,110
Maintenance charges	281,861	284,906	284,904	2
Capital outlay	12,000	12,000	5,950	6,050
	2,123,015	2,127,248	1,946,341	180,907
Golf Course				
Personnel services	645,550	700,870	670,350	30,520
Contractual services	149,791	149,791	102,796	46,995
Materials and supplies	510,439	510,439	235,719	274,720
Maintenance charges	136,698	177,963	177,952	11
	1,442,478	1,539,063	1,186,817	352,246
Multi-Purpose Center				
Personnel services	440,639	440,639	400,785	39,854
Contractual services	40,709	40,709	30,775	9,934
Materials and supplies	45,701	45,701	36,159	9,542
Maintenance charges	56,308	54,008	53,998	10
Other charges	16,925	16,925	12,652	4,273
Capital outlay	41,000	41,476	41,476	-
	641,282	639,458	575,845	63,613
Civic Center				
Personnel services	454,356	456,905	456,897	8
Contractual services	110,050	111,750	111,747	3
Materials and supplies	14,300	14,300	10,230	4,070
Maintenance charges	205,224	238,779	238,777	2
	783,930	821,734	817,651	4,083
Senior Center - Madison Jobe				
Personnel services	567,750	582,150	582,116	34
Contractual services	62,576	62,576	35,076	27,500
Materials and supplies	57,226	57,226	30,925	26,301
Maintenance charges	86,738	81,838	81,785	53
Other charges	33,124	33,124	32,393	731
	807,414	816,914	762,295	54,619
Museum				
Personnel services	114,125	114,125	94,089	20,036
Contractual services	20,602	20,602	2,250	18,352
Materials and supplies	14,100	14,100	6,624	7,476
Maintenance charges	10,991	11,053	11,053	-
Other charges	7,000	7,000	3,592	3,408
	\$ 166,818	\$ 166,880	\$ 117,608	\$ 49,272

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Library				
Personnel services	\$ 2,794,529	\$ 2,794,529	\$ 2,698,920	\$ 95,609
Contractual services	239,164	269,269	260,370	8,899
Materials and supplies	398,433	453,521	371,247	82,274
Maintenance charges	466,489	492,489	492,181	308
Capital outlay	144,978	97,514	93,854	3,660
	4,043,593	4,107,322	3,916,572	190,750
Total Culture and Recreation	18,681,888	19,130,818	17,245,838	1,884,980
Debt Service				
Principal	-	132,892	132,892	-
Interest	-	16,718	16,718	-
	-	149,610	149,610	-
TOTAL EXPENDITURES	125,375,062	126,004,461	116,545,880	9,458,581
EXCESS REVENUES OVER EXPENDITURES	5,681,292	5,373,973	30,877,826	25,503,853
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
Maintenance fund	(3,390,500)	(3,390,500)	(3,390,500)	-
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	(5,800,000)	(27,717,491)	(27,717,491)	-
Issuance - lease	-	-	666,307	666,307
Sale of capital assets	40,000	4,618,370	4,670,243	51,873
	(6,900,500)	(24,239,621)	(23,521,441)	718,180
TOTAL OTHER FINANCING (USES)	(6,900,500)	(24,239,621)	(23,521,441)	718,180
NET CHANGE IN FUND BALANCES	(1,219,208)	(18,865,648)	7,356,385	26,222,033
FUND BALANCE - BEGINNING	90,933,304	97,993,399	97,993,399	-
FUND BALANCE - ENDING	\$ 89,714,096	\$ 79,127,751	\$ 105,349,784	\$ 26,222,033



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.



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**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes				
Ad valorem taxes	\$ 12,765,863	\$ 12,765,863	\$ 13,487,230	\$ 721,367
Investment income	4,000	4,000	170,822	166,822
TOTAL REVENUES	12,769,863	12,769,863	13,658,052	888,189
EXPENDITURES				
Debt service				
Principal	6,930,000	6,930,000	6,930,000	-
Interest	5,655,863	5,655,863	5,655,863	-
Fiscal charges	5,000	5,000	-	5,000
Other charges	12,000	12,000	-	12,000
TOTAL EXPENDITURES	12,602,863	12,602,863	12,585,863	17,000
EXCESS REVENUES OVER EXPENDITURES	167,000	167,000	1,072,189	905,189
NET CHANGE IN FUND BALANCE	167,000	167,000	1,072,189	905,189
FUND BALANCES - BEGINNING	4,199,257	3,655,356	3,655,356	-
FUND BALANCES - ENDING	\$ 4,366,257	\$ 3,822,356	\$ 4,727,545	\$ 905,189



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).

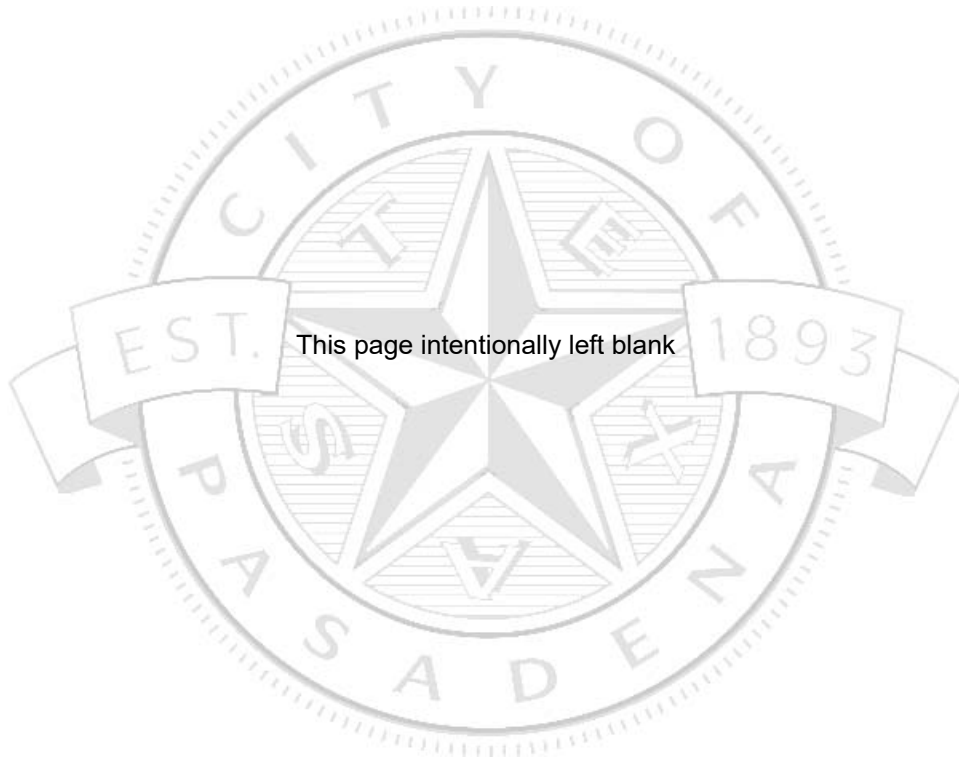
1% Public, Educational, and Governmental Access Channel fee (PEG Fee) (Sec 66.006) collected to be spent on capital cost items for PEG Channel Access facilities.

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, 2023**

	<u>Special Revenue</u>				<u>Total Funds</u>
	<u>Special Charge Allocation</u>	<u>State Forfeited Property</u>	<u>Hotel and Motel Tax</u>	<u>Abandoned Motor Vehicles and Property</u>	
<u>ASSETS</u>					
Due from other funds	\$ 1,408,920	\$ 7,302	\$ 18,302	\$ 21,594	\$ 1,456,118
Restricted assets					
Cash and cash equivalents	-	53,066	-	-	53,066
Investments	2,011,628	686,191	6,901,369	401,534	10,000,722
Receivables (net of allowances of uncollectibles)					
Intergovernmental	46,966	1,749	-	-	48,715
Accounts	-	-	436,164	-	436,164
TOTAL ASSETS	<u>\$ 3,467,514</u>	<u>\$ 748,308</u>	<u>\$ 7,355,835</u>	<u>\$ 423,128</u>	<u>\$ 11,994,785</u>
<u>LIABILITIES</u>					
Liabilities payable from restricted assets					
Accounts payable	\$ 147,887	\$ 28,032	\$ 41,195	\$ 39,828	\$ 256,942
Accrued payroll payable	5,060	-	5,339	6,244	16,643
Unearned revenue	37	-	-	-	37
	<u>152,984</u>	<u>28,032</u>	<u>46,534</u>	<u>46,072</u>	<u>273,622</u>
TOTAL LIABILITIES	<u>152,984</u>	<u>28,032</u>	<u>46,534</u>	<u>46,072</u>	<u>273,622</u>
<u>FUND BALANCES</u>					
Restricted	3,314,530	720,276	7,309,301	377,056	11,721,163
TOTAL FUND BALANCES	<u>3,314,530</u>	<u>720,276</u>	<u>7,309,301</u>	<u>377,056</u>	<u>11,721,163</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,467,514</u>	<u>\$ 748,308</u>	<u>\$ 7,355,835</u>	<u>\$ 423,128</u>	<u>\$ 11,994,785</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, 2023**

	<u>Special Revenue</u>				<u>Total Funds</u>
	<u>Special Charge Allocation</u>	<u>State Forfeited Property</u>	<u>Hotel and Motel Tax</u>	<u>Abandoned Motor Vehicles and Property</u>	
REVENUES					
Business taxes and fees					
Franchise fees	\$ 183,958	\$ -	\$ -	\$ -	\$ 183,958
Other taxes	-	-	1,604,092	-	1,604,092
Licenses and permits	2,740	-	-	-	2,740
Municipal court fines	349,333	-	-	-	349,333
Intergovernmental	232,794	68,439	-	-	301,233
Miscellaneous	5,688	-	-	293,739	299,427
Investment income	87,054	34,738	287,358	18,112	427,262
TOTAL REVENUES	861,567	103,177	1,891,450	311,851	3,168,045
EXPENDITURES					
Current					
General government					
Contractual services	122,985	-	-	-	122,985
Materials and supplies	17,434	-	-	-	17,434
Capital outlay	5,450	-	-	-	5,450
Public safety					
Personnel services	120,319	-	-	161,665	281,984
Contractual services	111,095	67,290	-	291,734	470,119
Materials and supplies	193,298	103,337	-	18,635	315,270
Other charges	-	45,191	-	43,649	88,840
Capital outlay	61,180	18,194	-	-	79,374
Culture and recreation					
Personnel services	-	-	149,178	-	149,178
Contractual services	-	-	183,653	-	183,653
Materials and supplies	-	-	180,167	-	180,167
TOTAL EXPENDITURES	631,761	234,012	512,998	515,683	1,894,454
NET CHANGES IN FUND BALANCES	229,806	(130,835)	1,378,452	(203,832)	1,273,591
FUND BALANCES - BEGINNING	3,084,724	851,111	5,930,849	580,888	10,447,572
FUND BALANCES - ENDING	\$ 3,314,530	\$ 720,276	\$ 7,309,301	\$ 377,056	\$ 11,721,163

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Franchise fees	\$ 215,000	\$ 215,000	\$ 183,958	\$ (31,042)
Licenses and permits	2,500	2,500	2,740	240
Municipal court fines	308,200	308,200	349,333	41,133
Intergovernmental	237,300	237,300	232,794	(4,506)
Miscellaneous	6,500	6,500	5,688	(812)
Investment income	2,862	2,862	87,054	84,192
TOTAL REVENUES	<u>772,362</u>	<u>772,362</u>	<u>861,567</u>	<u>89,205</u>
EXPENDITURES				
Current				
General government				
Personnel services	2,462	2,462	-	2,462
Contractual services	150,350	150,350	122,985	27,365
Materials and supplies	126,772	126,772	17,434	109,338
Capital outlay	170,450	209,964	5,450	204,514
Public safety				
Personnel services	160,107	160,107	120,319	39,788
Contractual services	207,265	207,265	111,095	96,170
Materials and supplies	241,510	241,510	193,298	48,212
Capital outlay	91,500	91,500	61,180	30,320
TOTAL EXPENDITURES	<u>1,150,416</u>	<u>1,189,930</u>	<u>631,761</u>	<u>558,169</u>
NET CHANGES IN FUND BALANCES	(378,054)	(417,568)	229,806	647,374
FUND BALANCES - BEGINNING	<u>2,751,776</u>	<u>3,084,724</u>	<u>3,084,724</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,373,722</u>	<u>\$ 2,667,156</u>	<u>\$ 3,314,530</u>	<u>\$ 647,374</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, 2023

	<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	\$ -	\$ -	\$ 68,439	\$ 68,439
Investment income	1,380	1,380	34,738	33,358
TOTAL REVENUES	1,380	1,380	103,177	101,797
EXPENDITURES				
Current				
Public safety				
Contractual services	96,000	96,000	67,290	28,710
Materials and supplies	128,476	128,476	103,337	25,139
Other charges	120,000	120,000	45,191	74,809
Capital outlay	50,000	50,000	18,194	31,806
TOTAL EXPENDITURES	394,476	394,476	234,012	160,464
NET CHANGES IN FUND BALANCES	(393,096)	(393,096)	(130,835)	262,261
FUND BALANCES - BEGINNING	724,824	851,111	851,111	-
FUND BALANCES - ENDING	\$ 331,728	\$ 458,015	\$ 720,276	\$ 262,261

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes	\$ 1,258,000	\$ 1,258,000	\$ 1,604,092	\$ 346,092
Investment income	3,300	3,300	287,358	284,058
TOTAL REVENUES	<u>1,261,300</u>	<u>1,261,300</u>	<u>1,891,450</u>	<u>630,150</u>
EXPENDITURES				
Current				
Culture and recreation				
Personnel services	145,610	149,178	149,178	-
Contractual services	190,806	190,807	183,653	7,154
Materials and supplies	259,338	255,768	180,167	75,601
Other charges	154,350	154,350	-	154,350
Capital outlay	229,041	229,041	-	229,041
TOTAL EXPENDITURES	<u>979,145</u>	<u>979,144</u>	<u>512,998</u>	<u>466,146</u>
NET CHANGES IN FUND BALANCES	282,155	282,156	1,378,452	1,096,296
FUND BALANCES - BEGINNING	<u>5,263,797</u>	<u>5,930,849</u>	<u>5,930,849</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 5,545,952</u>	<u>\$ 6,213,005</u>	<u>\$ 7,309,301</u>	<u>\$ 1,096,296</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 405,000	\$ 405,000	\$ 293,739	\$ (111,261)
Investment income	500	500	18,112	17,612
TOTAL REVENUES	405,500	405,500	311,851	(93,649)
EXPENDITURES				
Current				
Public safety				
Personnel services	154,662	161,665	161,665	-
Contractual services	241,000	292,001	291,734	267
Materials and supplies	30,500	30,500	18,635	11,865
Other charges	45,000	45,000	43,649	1,351
TOTAL EXPENDITURES	471,162	529,166	515,683	13,483
NET CHANGES IN FUND BALANCES	(65,662)	(123,666)	(203,832)	(80,166)
FUND BALANCES - BEGINNING	455,906	580,888	580,888	-
FUND BALANCES - ENDING	\$ 390,244	\$ 457,222	\$ 377,056	\$ (80,166)

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, 2023**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
ASSETS					
Current Assets					
Investments - TexPool	\$ 13,813,702	\$ 3,892,956	\$ 4,552,456	\$ 6,065,854	\$ 28,324,968
Accounts receivable	19,158	3,000	56,220	374,974	453,352
Due from other funds					
General	406,154	3,055	-	-	409,209
Inventory, at cost	1,072,589	-	-	-	1,072,589
Prepaid items	-	-	1,199,008	-	1,199,008
Total Current Assets	15,311,603	3,899,011	5,807,684	6,440,828	31,459,126
Noncurrent Assets					
Deposits	-	11,000	-	317,000	328,000
Capital Assets					
Land	602	-	-	-	602
Buildings and building improvements	2,480,236	-	-	-	2,480,236
Accumulated depreciation - buildings and building improvements	(1,885,016)	-	-	-	(1,885,016)
Facilities and other improvements	188,004	-	-	-	188,004
Accumulated depreciation - facilities and other improvements	(98,924)	-	-	-	(98,924)
Machinery and equipment	14,720,543	-	-	-	14,720,543
Accumulated depreciation - machinery and equipment	(8,642,989)	-	-	-	(8,642,989)
Infrastructure	41,746	-	-	-	41,746
Accumulated depreciation - infrastructure	(33,364)	-	-	-	(33,364)
Automotive equipment	53,299,368	-	-	-	53,299,368
Accumulated depreciation - automotive equipment	(33,002,168)	-	-	-	(33,002,168)
Construction in progress	6,407,538	-	-	-	6,407,538
Net Capital Assets	33,475,576	-	-	-	33,475,576
Total Noncurrent Assets	33,475,576	11,000	-	317,000	33,803,576
TOTAL ASSETS	48,787,179	3,910,011	5,807,684	6,757,828	65,262,702
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on:					
Contribution subsequent to the measurement date pension - TMRS	464,636	-	-	-	464,636
Deferred outflows on difference between expected and actual pension - TMRS	1,998,688	-	-	-	1,998,688
Changes in actuarial assumptions pension - TMRS	608	-	-	-	608
Difference between expected and actual experience - OPEB	95,707	-	-	-	95,707
Changes in actuarial assumptions - OPEB	282,931	-	-	-	282,931
Contributions subsequent to the measurement date - OPEB	28,414	-	-	-	28,414
Changes in actuarial assumptions - OPEB SDBF	42,621	-	-	-	42,621
Contribution subsequent to the measurement date - OPEB-SDBF	8,169	-	-	-	8,169
Difference between expected and actual economic experience pension - TMRS	217,817	-	-	-	217,817
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,139,591	\$ -	\$ -	\$ -	\$ 3,139,591

	<u>Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>General Liability Insurance</u>	<u>Health Insurance</u>	<u>Total Funds</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 803,967	\$ 6,632	\$ 195,208	\$ 247,291	\$ 1,253,098
Accrued payroll payable	233,442	4,153	-	4,163	241,758
Due to other funds					
General	-	-	57,818	6,549	64,367
Claims payable	-	11,969	-	762,000	773,969
Compensated absences payable	178,714	-	-	-	178,714
Total Current Liabilities	1,216,123	22,754	253,026	1,020,003	2,511,906
Noncurrent Liabilities					
Claims payable	-	7,980	-	508,000	515,980
Compensated absences payable	1,608,423	-	-	-	1,608,423
OPEB GASB 75 liability	2,683,150	-	-	-	2,683,150
OPEB SDBF liability	266,557	-	-	-	266,557
Net pension liability	3,378,182	-	-	-	3,378,182
Total Noncurrent Liabilities	7,936,312	7,980	-	508,000	8,452,292
TOTAL LIABILITIES	9,152,435	30,734	253,026	1,528,003	10,964,198
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on:					
Difference between expected and actual of pension - TMRS	72,024	-	-	-	72,024
Change in assumption - OPEB-SDBF	99,195	-	-	-	99,195
Difference between expected and actual experience - OPEB-SDBF	27,595	-	-	-	27,595
Changes in assumption OPEB	406,533	-	-	-	406,533
Difference between expected and actual experience OPEB	272,636	-	-	-	272,636
TOTAL DEFERRED INFLOWS OF RESOURCES	877,983	-	-	-	877,983
NET POSITION					
Investment in capital assets	33,475,576	-	-	-	33,475,576
Unrestricted	8,420,776	3,879,277	5,554,658	5,229,825	23,084,536
TOTAL NET POSITION	\$ 41,896,352	\$ 3,879,277	\$ 5,554,658	\$ 5,229,825	\$ 56,560,112



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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, 2023**

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
OPERATING REVENUES					
Charges for sales and services	\$ 16,606,117	\$ 1,368,795	\$ 1,389,271	\$ 21,080,258	\$ 40,444,441
OPERATING EXPENSES					
Personnel services	6,795,891	107,359	-	-	6,903,250
Contractual services	2,118,726	38,936	-	126,000	2,283,662
Materials and supplies	5,068,443	218,724	-	-	5,287,167
Maintenance charges	1,994,475	-	-	-	1,994,475
Insurance/reinsurance premiums	-	827,708	2,294,152	4,575,396	7,697,256
Claim and legal expenses	-	27,104	820,678	14,609,573	15,457,355
Administration fees	-	-	-	535,147	535,147
Miscellaneous	-	-	-	842,874	842,874
Depreciation	4,342,201	-	-	-	4,342,201
TOTAL OPERATING EXPENSES	20,319,736	1,219,831	3,114,830	20,688,990	45,343,387
OPERATING INCOME (LOSS)	(3,713,619)	148,964	(1,725,559)	391,268	(4,898,946)
NONOPERATING REVENUES					
Gain on sale of capital assets	209,394	-	-	-	209,394
Investment income	635,602	150,384	231,209	339,500	1,356,695
TOTAL NONOPERATING REVENUES	844,996	150,384	231,209	339,500	1,566,089
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS					
	(2,868,623)	299,348	(1,494,350)	730,768	(3,332,857)
Capital contributions	3,433,759	-	-	-	3,433,759
Transfers in	5,386,500	-	1,750,000	-	7,136,500
CHANGES IN NET POSITION	5,951,636	299,348	255,650	730,768	7,237,402
TOTAL NET POSITION - BEGINNING	35,944,716	3,579,929	5,299,008	4,499,057	49,322,710
TOTAL NET POSITION - ENDING	\$ 41,896,352	\$ 3,879,277	\$ 5,554,658	\$ 5,229,825	\$ 56,560,112

CITY OF PASADENA, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from interfund services	\$ 19,759,984	\$ 1,364,244	\$ 1,423,060	\$ 14,195,507	\$ 36,742,795
Cash received from customers and users	-	-	-	6,896,395	6,896,395
Cash payments to suppliers for goods and services	(9,708,288)	-	-	-	(9,708,288)
Cash payments to employees for services	(6,450,808)	(107,223)	-	1,187	(6,556,844)
Cash payments for insurance premiums, liability claims, and administration	-	(1,123,004)	(3,481,695)	(22,024,442)	(26,629,141)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,600,888	134,017	(2,058,635)	(931,353)	744,917
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers from other funds					
General	3,390,500	-	750,000	-	4,140,500
Water and sewer system	1,996,000	-	1,000,000	-	2,996,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	5,386,500	-	1,750,000	-	7,136,500
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from sale of capital assets	366,554	-	-	-	366,554
Acquisition and construction of capital assets	(3,028,285)	-	-	-	(3,028,285)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,661,731)	-	-	-	(2,661,731)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(11,349,134)	(1,299,108)	(2,212,521)	(17,061,751)	(31,922,514)
Proceeds from sale and maturities of investments	4,387,875	1,014,707	2,289,947	17,653,604	25,346,133
Investment income received	635,602	150,384	231,209	339,500	1,356,695
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(6,325,657)	(134,017)	308,635	931,353	(5,219,686)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	-	-	-	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	-	-	-	-	-
CASH AND CASH EQUIVALENTS - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -

	Maintenance	Workers' Compensation Insurance	General Liability Insurance	Health Insurance	Total Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (3,713,619)	\$ 148,964	\$ (1,725,559)	\$ 391,268	\$ (4,898,946)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	4,342,201	-	-	-	4,342,201
Changes in assets and liabilities					
(Increase) decrease in accounts receivable	(16,724)	(3,000)	(56,220)	11,644	(64,300)
(Increase) in prepaids	-	-	(376,761)	-	(376,761)
Decrease (increase) in due from other funds	3,170,591	(3,055)	33,789	-	3,201,325
(Increase) in pension/OPEB related deferred outflows and inflows, net	(3,815,601)	-	-	-	(3,815,601)
(Increase) in inventory	(123,314)	-	-	-	(123,314)
Decrease in deposits	-	3,000	-	53,000	56,000
(Decrease) increase in accounts and claims payable	(403,330)	(10,532)	56,662	(222,773)	(579,973)
(Decrease) Increase in accrued payroll payable	(5,292)	136	-	1,187	(3,969)
(Decrease) in compensated absences payable	(59,070)	-	-	-	(59,070)
Increase in net pension liability	4,677,323	-	-	-	4,677,323
(Decrease) in total OPEB liability	(452,277)	-	-	-	(452,277)
(Decrease) increase in due to other funds	-	(1,496)	9,454	(1,165,679)	(1,157,721)
Total Adjustments	7,314,507	(14,947)	(333,076)	(1,322,621)	5,643,863
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,600,888	\$ 134,017	\$ (2,058,635)	\$ (931,353)	\$ 744,917

**NONCASH INVESTING, CAPITAL,
AND FINANCING ACTIVITIES**

Contribution of capital assets from the government	\$ 3,374,199	\$ -	\$ -	\$ -	\$ 3,374,199
Capital assets donated from outside source	\$ 59,560	\$ -	\$ -	\$ -	\$ 59,560



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STATISTICAL SECTION

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

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I. Financial Trends

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

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II. Revenue Capacity

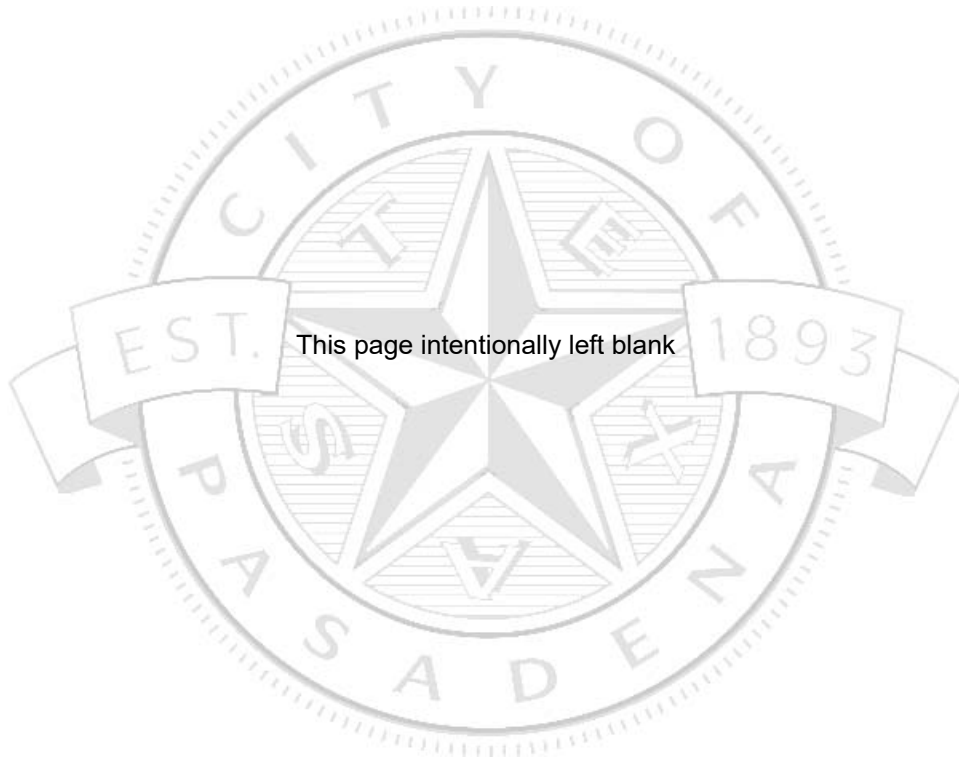
These schedules contain trend information to help the reader assess the government's most significant local revenue sources, which are water and sewer system charges for services and the property tax.

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

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

CITY OF PASADENA, TEXAS
NET POSITION BY COMPONENT

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 481,756,248	\$ 499,187,584	\$ 520,604,774	\$ 538,867,914
Restricted	55,218,439	55,408,353	55,591,891	62,927,934
Unrestricted	25,026,501	24,391,603	21,560,862	(12,496,375)
Total governmental activities net position	<u>\$ 562,001,188</u>	<u>\$ 578,987,540</u>	<u>\$ 597,757,527</u>	<u>\$ 589,299,473</u>
Business-type activities				
Net investment in capital assets	\$ 176,526,854	\$ 207,484,738	\$ 215,490,421	\$ 220,294,968
Restricted	2,298,834	2,108,767	2,053,361	2,267,462
Unrestricted	28,113,976	11,952,768	12,859,321	11,869,171
Total business-type activities net position	<u>\$ 206,939,664</u>	<u>\$ 221,546,273</u>	<u>\$ 230,403,103</u>	<u>\$ 234,431,601</u>
Primary government				
Net investment in capital assets	\$ 658,283,102	\$ 706,672,322	\$ 736,095,195	\$ 759,162,882
Restricted	57,517,273	57,517,120	57,645,252	65,195,396
Unrestricted	53,140,477	36,344,371	34,420,183	(627,204)
Total primary government net position	<u>\$ 768,940,852</u>	<u>\$ 800,533,813</u>	<u>\$ 828,160,630</u>	<u>\$ 823,731,074</u>

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

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 549,356,319	\$ 573,374,729	\$ 586,924,489	\$ 601,279,000	\$ 617,888,806	\$ 657,764,561
72,167,450	77,672,948	87,855,586	91,338,428	101,969,715	103,201,637
(5,486,534)	2,876,373	11,175,898	36,024,432	60,847,425	81,542,755
<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>	<u>\$ 842,508,953</u>
\$ 226,186,707	\$ 237,717,289	\$ 243,101,366	\$ 247,130,956	\$ 251,190,759	\$ 262,156,557
2,602,184	2,834,629	2,844,849	2,538,409	2,345,258	2,702,351
14,050,268	9,835,327	10,379,141	19,813,122	30,400,480	41,179,988
<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>	<u>\$ 306,038,896</u>
\$ 775,543,026	\$ 811,092,018	\$ 830,025,855	\$ 848,409,956	\$ 869,079,565	\$ 919,921,118
74,769,634	80,507,577	90,700,435	93,876,837	104,314,973	105,903,988
8,563,734	12,711,700	21,555,039	55,837,554	91,247,905	122,722,743
<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>	<u>\$ 1,148,547,849</u>

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

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 20,070,338	\$ 17,122,766	\$ 20,888,643	\$ 22,756,730
Public safety	47,153,867	48,403,071	51,631,147	55,497,066
Public works	23,789,663	23,367,837	23,608,280	25,898,493
Health	3,873,409	4,013,432	4,209,705	4,901,819
Culture and recreation	15,853,285	16,579,672	17,650,996	19,232,324
Housing and community development	7,922,281	7,512,375	7,985,634	8,804,281
Interest and fiscal agent fees on long-term debt	3,564,479	3,439,836	2,627,998	2,097,954
Total governmental activities expenses	<u>122,227,322</u>	<u>120,438,989</u>	<u>128,602,403</u>	<u>139,188,667</u>
Business-type activities				
Water and sewer	31,443,569	30,561,782	30,062,074	32,993,854
Total business-type activities expenses	<u>31,443,569</u>	<u>30,561,782</u>	<u>30,062,074</u>	<u>32,993,854</u>
Total primary government expenses	<u>\$ 153,670,891</u>	<u>\$ 151,000,771</u>	<u>\$ 158,664,477</u>	<u>\$ 172,182,521</u>
Program Revenues				
Governmental activities:				
Charges for service				
General government	\$ 11,987,529	\$ 10,021,968	\$ 10,003,780	\$ 10,185,899
Public safety	8,355,481	8,236,938	8,368,016	7,893,379
Other activities	4,858,171	5,653,162	5,781,731	5,316,136
Operating grants and contributions	10,491,952	8,214,522	9,158,177	9,852,748
Capital grants and contributions	13,955,703	11,569,987	9,563,828	5,282,526
Total governmental activities program revenues	<u>49,648,836</u>	<u>43,696,577</u>	<u>42,875,532</u>	<u>38,530,688</u>
Business-type activities:				
Charges for services:				
Water and sewer	36,618,566	39,079,938	39,681,159	41,915,812
Total business-type activities program revenues	<u>36,618,566</u>	<u>39,079,938</u>	<u>39,681,159</u>	<u>41,915,812</u>
Total primary government program revenues	<u>\$ 86,267,402</u>	<u>\$ 82,776,515</u>	<u>\$ 82,556,691</u>	<u>\$ 80,446,500</u>
Net (Expense)/Revenue				
Governmental activities	\$ (72,578,486)	\$ (76,742,412)	\$ (85,726,871)	\$ (100,657,979)
Business-type activities	5,174,997	8,518,156	9,619,085	8,921,958
Total primary government net (expense)	<u>\$ (67,403,489)</u>	<u>\$ (68,224,256)</u>	<u>\$ (76,107,786)</u>	<u>\$ (91,736,021)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
General property taxes	\$ 36,899,872	\$ 38,799,792	\$ 42,155,738	\$ 45,677,186
Industrial district fees	17,177,327	17,284,062	17,774,342	16,936,513
Sales taxes	30,472,024	31,439,633	32,350,927	31,811,860
Utility taxes	9,270,311	9,260,543	9,609,456	9,322,212
Other taxes/fees	1,000,102	1,059,717	1,227,928	1,641,838
Investment earnings				
Unrestricted	46,788	73,803	344,184	737,464
Restricted	30,622	44,421	192,234	497,892
Gain on sale of capital assets	-	1,826,646	-	149,093
Transfers	(6,011,207)	(6,059,853)	842,049	1,912,789
Total governmental activities	<u>88,885,839</u>	<u>93,728,764</u>	<u>104,496,858</u>	<u>108,686,847</u>
Business-type activities:				
Investment earnings				
Unrestricted	9,763	12,802	62,105	164,287
Restricted	1,486	3,657	17,689	34,578
Gain on sale of capital assets	200,325	12,141	-	17,950
Transfers	6,011,207	6,059,853	(842,049)	(1,912,789)
Total business-type activities	<u>6,222,781</u>	<u>6,088,453</u>	<u>(762,255)</u>	<u>(1,695,974)</u>
Total primary government	<u>\$ 95,108,620</u>	<u>\$ 99,817,217</u>	<u>\$ 103,734,603</u>	<u>\$ 106,990,873</u>
Change in Net Position				
Governmental activities	\$ 16,307,353	\$ 16,986,352	\$ 18,769,987	\$ 8,028,868
Business-type activities	11,397,778	14,606,609	8,856,830	7,225,984
Total primary government	<u>\$ 27,705,131</u>	<u>\$ 31,592,961</u>	<u>\$ 27,626,817</u>	<u>\$ 15,254,852</u>

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

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

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 22,314,761	\$ 24,232,165	\$ 23,821,001	\$ 21,404,451	\$ 20,421,463	\$ 23,347,064	
54,984,996	64,439,246	68,981,220	59,153,733	55,567,308	68,227,487	
27,196,488	27,409,484	29,606,592	27,583,558	27,134,492	29,833,528	
4,956,796	5,814,364	6,541,684	5,709,263	6,112,911	6,734,097	
19,670,659	20,570,645	19,652,656	18,817,481	18,772,815	21,389,298	
8,544,976	9,961,106	8,829,802	11,235,737	10,469,720	10,545,014	
2,689,213	3,896,638	3,193,943	2,867,582	3,287,137	5,420,649	
<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>	<u>165,497,137</u>	
33,635,459	34,994,334	34,992,695	32,153,043	31,573,623	36,990,322	
<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>36,990,322</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>	<u>\$ 202,487,459</u>	
\$ 12,423,053	\$ 13,907,080	\$ 14,404,980	\$ 13,457,287	\$ 14,027,342	\$ 15,045,262	
8,065,867	9,270,016	8,577,499	6,765,420	7,492,703	7,176,462	
12,108,708	7,754,844	9,627,260	11,340,393	7,794,081	6,999,869	
11,735,785	13,880,327	18,122,791	15,783,286	12,135,165	13,241,369	
3,811,672	9,908,321	5,837,270	4,757,024	7,992,290	14,915,533	
<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>	<u>57,378,495</u>	
44,569,349	45,862,291	44,994,585	49,450,010	51,187,270	55,452,896	
<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>55,452,896</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>	<u>\$ 112,831,391</u>	
\$ (92,212,804)	\$ (101,603,060)	\$ (104,057,098)	\$ (94,668,395)	\$ (92,324,265)	\$ (108,118,642)	
10,933,890	10,867,957	10,001,890	17,296,967	19,613,647	18,462,574	
<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>	<u>\$ (89,656,068)</u>	
\$ 49,398,264	\$ 56,805,649	\$ 58,081,871	\$ 59,786,241	\$ 57,426,443	\$ 65,620,204	
17,936,515	19,592,150	22,159,160	23,121,354	23,810,452	27,929,937	
34,350,493	36,102,015	36,668,916	39,898,942	43,108,590	43,878,979	
8,965,253	10,618,612	8,986,793	8,619,880	9,017,010	8,800,979	
2,117,329	6,413,158	1,349,373	1,603,920	1,958,920	1,972,270	
1,440,976	2,451,017	1,211,354	93,011	1,222,627	8,568,445	
1,438,947	2,996,975	1,177,530	62,944	1,417,878	9,426,328	
-	-	1,918,524	-	910,677	4,613,493	
3,302,789	4,510,299	4,535,500	4,167,990	5,515,754	(888,986)	
<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>	<u>169,921,649</u>	
414,341	1,181,038	471,721	28,154	356,117	2,750,839	
362,116	-	-	-	-	-	
-	9,390	-	-	-	-	
(3,302,789)	(4,510,299)	(4,535,500)	(4,167,990)	(5,515,754)	888,986	
<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>3,639,825</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>	<u>\$ 173,561,474</u>	
\$ 26,737,762	\$ 37,886,815	\$ 32,031,923	\$ 42,685,887	\$ 52,064,086	\$ 61,803,007	
8,407,558	7,548,086	5,938,111	13,157,131	14,454,010	22,102,399	
<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>	<u>\$ 83,905,406</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General property taxes	\$ 36,899,872	\$ 38,799,792	\$ 42,155,738	\$ 45,677,186
Industrial district fees	17,177,327	17,284,062	17,774,342	16,936,513
Sales taxes	30,472,024	31,439,633	32,350,927	31,811,860
Franchise fees	9,270,311	9,260,543	9,609,456	9,322,212
Other taxes/fees	1,000,102 (1)	1,059,717	1,227,928	1,641,838
	<u>\$ 94,819,636</u>	<u>\$ 97,843,747</u>	<u>\$ 103,118,391</u>	<u>\$ 105,389,609</u>

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 49,398,264	\$ 56,805,649	\$ 58,081,871	\$ 59,786,241	\$ 57,426,443	\$ 65,620,204
17,936,515	19,592,150	22,159,160	23,121,354	23,810,452	27,929,937
34,350,493	36,102,015	36,668,916	39,898,942	43,108,590	43,878,979
8,965,253	10,618,612	8,986,793	8,619,880	9,017,010	8,800,979
2,117,329	6,413,158	1,349,373	1,603,920	1,958,920	1,972,270
<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>	<u>\$ 148,202,369</u>

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Committed	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Assigned	23,915,771	199,868	516,191	466,821
Unassigned	27,382,553	44,276,264	46,689,035	36,958,917
Total general fund	<u>\$ 51,313,324</u>	<u>\$ 44,491,132</u>	<u>\$ 47,220,226</u>	<u>\$ 37,440,738</u>
All Other Governmental Funds				
Restricted	\$ 65,238,024	\$ 60,624,443	\$ 63,469,227	\$ 69,931,255
Committed	10,034,023	15,328,098	7,254,969	5,592,139
Assigned	-	-	4,035,135	331,603
Total all other governmental funds	<u>\$ 75,272,047</u>	<u>\$ 75,952,541</u>	<u>\$ 74,759,331</u>	<u>\$ 75,854,997</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
459,491	976,270	1,018,704	1,143,181	1,306,065	744,729
<u>51,242,428</u>	<u>65,238,310</u>	<u>70,302,245</u>	<u>85,485,181</u>	<u>96,672,334</u>	<u>104,590,055</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>	<u>\$ 105,349,784</u>
\$ 95,728,413	\$ 120,709,698	\$ 107,962,427	\$ 105,050,358	\$ 165,643,468	\$ 167,080,272
3,425,236	9,397,939	10,871,393	20,809,498	22,392,543	35,223,126
<u>331,603</u>	<u>331,603</u>	<u>4,029,552</u>	<u>4,571,515</u>	<u>1,132,119</u>	<u>624,153</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>	<u>\$ 202,927,551</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes and fees	\$ 95,059,433	\$ 97,786,566	\$ 102,187,545	\$ 105,371,432
Licenses and permits	2,428,726	2,498,776	3,008,170	2,555,428
Municipal court fines	6,505,416	6,148,378	6,030,277	5,558,805
Charges for services	9,586,071	9,755,077	9,734,403	9,849,361
Intergovernmental	22,518,118	19,032,196	12,643,378	12,830,088
Investment earnings	71,505	109,206	480,439	1,068,122
Contribution from outside sources	871,137	218,727	717,303	14,100
Program income	327,540	176,096	153,963	64,977
Miscellaneous	902,691	1,145,954	1,050,477	1,310,868
Total revenues	138,270,637	136,870,976	136,005,955	138,623,181
Expenditures				
General government	15,386,204	15,414,838	16,769,769	21,385,858
Public safety	41,719,857	43,153,975	43,695,603	47,275,723
Public works	25,086,686	23,878,916	17,148,365	16,757,188
Health	3,520,728	3,734,963	3,753,196	4,561,561
Culture and recreation	13,467,999	14,171,327	14,753,557	16,622,709
Housing and community development	11,247,201	8,567,002	8,948,301	10,745,960
Capital outlay	4,712,504	21,173,978	19,932,875	22,002,333
Debt service				
Principal	7,650,000	7,880,000	8,864,312	7,822,613
Interest	3,785,622	3,345,373	2,722,813	2,571,489
Payment to refunding bond escrow agent	-	4,829,110	1,822,973	-
Other charges	-	301,303	269,693	-
Total expenditures	126,576,801	146,450,785	138,681,457	149,745,434
Excess (deficiency) of revenues over (under) expenditures	11,693,836	(9,579,809)	(2,675,502)	(11,122,253)
Other Financing Sources (Uses)				
Refunding bonds issued	-	15,646,063	17,405,000	-
Payment to refunding bond escrow agent	-	(13,627,529)	(18,378,549)	-
Bonds issued	-	-	-	1,000,000
Premiums on bonds issued	-	1,614,726	3,070,454	-
Transfers in	2,259,026	18,501,785	10,036,352	15,619,883
Transfers out	(4,415,553)	(21,316,745)	(8,717,352)	(14,316,038)
Sale of capital assets	5,845,152	2,619,811	795,481	134,586
Insurance recovery	2,182,554	-	-	-
Total other financing sources (uses)	5,871,179	3,438,111	4,211,386	2,438,431
Net change in fund balances	\$ 17,565,015	\$ (6,141,698)	\$ 1,535,884	\$ (8,683,822)
Debt service as a percentage of noncapital expenditures	9.86%	9.17%	9.84%	8.21%

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 113,950,666	\$ 129,068,908	\$ 127,216,833	\$ 132,868,645	\$ 134,861,409	\$ 147,894,712	
2,592,498	3,321,937	2,226,684	2,671,446	2,485,185	2,283,090	
4,715,725	5,037,628	4,027,583	3,206,195	3,457,151	3,589,910	
10,678,209	12,169,009	11,469,303	11,936,678	13,052,793	14,524,910	
20,056,516	22,337,994	25,236,311	24,346,885	19,906,981	24,685,006	
2,506,938	4,935,079	2,183,368	144,767	2,486,611	16,638,078	
17,800	12,700	12,600	12,600	12,600	12,600	
94,809	90,393	213,009	55,464	52,844	68,919	
2,004,351	1,956,123	1,817,106	1,939,605	1,917,523	2,062,409	
<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>	<u>211,759,634</u>	
17,881,609	19,064,478	21,213,589	19,206,089	19,196,235	20,125,646	
46,187,874	51,666,025	60,102,784	54,646,168	55,366,590	58,126,489	
17,720,250	25,034,792	21,939,122	18,451,497	21,530,344	29,650,069	
4,542,989	4,962,410	5,877,526	5,554,531	5,884,637	6,101,460	
16,463,245	16,830,755	16,280,078	18,287,528	16,511,374	17,792,820	
10,187,469	11,394,571	8,859,785	13,157,302	12,930,369	12,463,509	
18,758,668	28,368,030	32,575,378	16,894,198	18,859,222	37,844,412	
7,015,914	8,757,613	7,858,142	8,183,830	7,803,640	7,062,892	
2,864,605	3,950,253	3,861,712	3,537,119	3,110,903	5,672,581	
-	-	-	-	-	-	
273,307	430,221	-	-	523,130	-	
<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>	<u>194,839,878</u>	
14,721,582	8,470,623	(4,165,319)	19,264,023	16,516,653	16,919,756	
-	-	-	-	-	-	
-	-	-	-	-	-	
19,175,000	33,945,000	-	-	48,120,000	-	
1,098,280	2,485,221	-	-	5,304,305	-	
4,869,790	13,563,188	7,286,670	16,175,168	10,920,412	30,717,491	
(2,619,790)	(13,000,384)	(6,036,670)	(13,925,168)	(10,870,412)	(31,857,991)	
52,806	3,001	1,465	1,361,389	95,838	4,670,243	
608,768	-	444,355	-	-	666,307	
<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>4,196,050</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>	<u>\$ 21,115,806</u>	
8.06%	9.43%	8.39%	8.52%	7.93%	8.43%	

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General property taxes	\$ 37,144,601	\$ 38,755,245	\$ 42,039,511	\$ 45,307,747
Industrial district fees	17,172,395	17,271,428	17,364,338	17,283,049
Sales taxes	30,472,024	31,439,633	32,350,927	31,811,860
Franchise fees	9,270,311	9,260,543	9,204,841	9,326,938
Other taxes	1,000,102	1,059,717	1,227,928	1,641,838
	<u>\$ 95,059,433</u>	<u>\$ 97,786,566</u>	<u>\$ 102,187,545</u>	<u>\$ 105,371,432</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 50,169,950	\$ 56,308,920	\$ 58,070,473	\$ 59,751,639	\$ 57,233,927	\$ 65,375,642
17,947,752	19,626,203	22,141,278	22,994,264	23,926,598	27,897,512
34,350,493	36,102,015	36,668,916	39,898,942	43,108,590	43,878,979
9,365,142	10,618,612	8,986,793	8,619,880	8,633,374	8,770,309
2,117,329	6,413,158	1,349,373	1,603,920	1,958,920	1,972,270
<u>\$ 113,950,666</u>	<u>\$ 129,068,908</u>	<u>\$ 127,216,833</u>	<u>\$ 132,868,645</u>	<u>\$ 134,861,409</u>	<u>\$ 147,894,712</u>

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

2023						
Consumers	Consumption (per month)	Annualized Consumption	Billed Amount	Rank	% of Water/Sewer Revenues	% of All System Fund Revenues
City of Seabrook	48,172.3	578,068.0	\$ 1,872,186	1	3.23%	3.20%
Evonik (Peroxy Chem)	21,514.8	258,177.5	1,045,793	2	1.80%	1.79%
Nestle Waters North America	12,201.6	146,419.2	587,336	3	1.01%	1.01%
Chevron Phillips	6,617.4	79,409.3	549,142	4	0.95%	0.94%
Pasadena Independent School District	6,001.3	72,016.0	650,709	5	1.12%	1.11%
Mosaic (Sandridge) Apartments	5,411.6	64,939.4	564,796	6	0.97%	0.97%
Suez Treatment	5,145.5	61,746.0	627,354	7	1.08%	1.07%
Brighton Hill Manor Apartments	4,627.5	55,529.8	487,198	8	0.84%	0.83%
Columbia Bayshore Hospital	3,642.8	43,713.5	469,929	9	0.81%	0.80%
CG Roxane	3,375.6	40,507.1	327,089	10	0.56%	0.56%
Focus	-	-	-	-	-	-
Lyondell	-	-	-	-	-	-
CCI-B Genoa Red Bluff	-	-	-	-	-	-
Mbmi Apartments	-	-	-	-	-	-
Minh Food Company	-	-	-	-	-	-
Total	<u>116,710.4</u>	<u>1,400,525.8</u>	<u>\$ 7,181,532</u>		<u>12.37%</u>	<u>12.28%</u>

Source: Prepared by the City's Water Department.

2014

Consumption (per month)	Annualized Consumption	Billed Amount	Rank	% of Water/Sewer Revenues	% of All System Fund Revenues
47,962.6	575,550.6	\$ 437,496	1	1.29%	1.28%
-	-	-	-	-	-
8,408.1	100,897.5	850,196	2	0.90%	0.90%
-	-	-	-	-	-
7,381.8	88,581.0	301,598	3	2.57%	2.57%
-	-	-	-	-	-
-	-	-	-	-	-
4,327.3	51,927.6	392,164	8	0.97%	0.97%
3,197.9	38,374.6	347,287	9	0.63%	0.63%
-	-	-	-	-	-
5,327.5	63,930.2	456,338	4	1.20%	1.20%
5,256.3	63,075.6	355,924	5	0.90%	0.90%
4,897.4	58,768.4	531,008	6	1.16%	1.16%
4,341.6	52,098.7	336,005	7	1.05%	1.05%
3,039.3	36,472.0	586,244	10	0.98%	0.98%
<u>94,139.8</u>	<u>1,129,676.2</u>	<u>\$ 4,594,260</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,							
			2014		2015		2016		2017	
			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	\$10.75	\$10.75	\$10.75	\$10.75
	7,000	next 5.0	-	-	-	-	-	-	-	-
	8,000	next 6.0	2.75	2.75	2.75	2.75	3.00	3.00	3.00	3.00
	9,000	next 2.0	-	-	-	-	-	-	-	-
	10,000	next 2.0	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.50
	10,001	over 10.0	-	-	-	-	-	-	-	-
	12,000	next 2.0	3.25	3.50	3.25	3.50	4.00	4.00	4.00	4.00
	30,000	next 18.0	4.00	3.50	4.00	3.50	5.00	4.00	5.00	4.00
	30,001	over 30.0	4.50	3.50	4.50	3.50	5.50	4.00	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
	6,000	next 4.0	-	-	-	-	-	-	-	-
	7,000	next 5.0	-	-	-	-	-	-	-	-
	10,000	next 8.0	2.16	1.37	2.16	1.37	2.50	2.50	2.50	2.50
	10,001	over 10.0	-	-	-	-	-	-	-	-
	12,000	next 2.0	3.25	3.00	3.25	3.00	3.50	3.50	3.50	3.50
	12,000	next 5.0	-	-	-	-	-	-	-	-
	30,000	next 18.0	4.00	3.50	4.00	3.50	5.00	4.00	5.00	4.00
	30,001	over 30.0	4.50	3.50	4.50	3.50	5.50	4.00	5.50	4.00
Commercial	2,000	up to 2.0	8.59	8.00	8.59	8.00	12.59	12.00	12.59	12.00
	10,000	next 8.0	2.75	3.00	2.75	3.00	3.25	3.00	3.25	3.00
	18,000	next 8.0	-	-	-	-	-	-	-	-
	20,000	next 10.0	3.00	3.25	3.00	3.25	3.75	3.30	3.75	3.30
	26,000	next 8.0	-	-	-	-	-	-	-	-
	30,000	next 10.0	3.25	3.50	3.25	3.50	4.00	3.55	4.00	3.55
	30,001	over 30.0	-	-	-	-	-	-	-	-
	34,000	next 8.0	-	-	-	-	-	-	-	-
	40,000	next 10.0	4.50	4.00	4.50	4.00	4.50	3.80	4.50	3.80
	44,000	next 10.0	-	-	-	-	-	-	-	-
	44,001	over 44.0	-	-	-	-	-	-	-	-
	50,000	next 10.0	4.50	4.15	4.50	4.15	4.50	4.05	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	9.50	9.50	9.50	9.50
	5,000	next 3.0	2.75	2.75	2.75	2.75	3.25	3.00	3.25	3.00
	10,000	next 5.0	3.00	3.25	3.00	3.25	3.50	3.50	3.50	3.50
	10,001	over 10.0	-	-	-	-	-	-	-	-
	12,000	next 2.0	3.25	3.50	3.25	3.50	4.25	4.00	4.25	4.00
	30,000	next 18.0	4.00	3.50	4.00	3.50	5.00	4.00	5.00	4.00
	30,001	over 30.0	4.50	3.50	4.50	3.50	5.50	4.00	5.50	4.00
Sprinklers	2,000	up to 2.0	9.59	-	9.59	-	14.00	-	14.00	-
	10,000	next 8.0	3.25	-	3.25	-	4.00	-	4.00	-
	28,000	next 18.0	4.00	-	4.00	-	5.00	-	5.00	-
	28,001	over 28.0	4.50	-	4.50	-	6.00	-	6.00	-

Source: Prepared by the City's Water Department.

Fiscal Year Ended September 30,

2018		2019		2020		2021		2022		2023	
Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates	Water Rates	Sewer Rates
\$10.97	\$10.97	\$11.22	\$11.22	\$11.42	\$11.42	\$11.42	\$11.42	\$11.94	\$11.94	\$12.96	\$12.96
-	-	-	-	-	-	-	-	-	-	-	3.61
3.06	3.06	3.13	3.13	3.19	3.19	3.19	3.19	3.33	3.33	3.62	-
-	-	-	-	-	-	-	-	-	-	-	4.22
3.57	3.57	3.65	3.65	3.72	3.72	3.72	3.72	3.89	3.89	4.22	-
-	-	-	-	-	-	-	-	-	-	-	4.82
4.08	4.08	4.17	4.17	4.25	4.25	4.25	4.25	4.44	4.44	4.82	-
5.10	5.10	5.10	4.17	5.19	4.25	5.19	4.25	5.56	4.44	6.03	-
5.61	5.61	5.61	4.17	5.71	4.25	5.71	4.25	6.11	4.44	6.63	-
6.72	5.09	6.87	5.21	6.99	5.30	6.99	5.30	7.33	5.55	7.95	6.02
-	-	-	-	-	-	-	-	-	-	-	3.02
-	-	-	-	-	-	-	-	-	-	3.02	-
2.55	2.55	2.61	2.61	2.66	2.66	2.66	2.66	2.78	2.78	-	4.22
-	-	-	-	-	-	-	-	-	-	-	4.82
3.57	3.57	3.65	3.65	3.72	3.72	3.72	3.72	3.89	3.89	-	-
-	-	-	-	-	-	-	-	-	-	4.22	-
5.10	4.08	5.22	4.17	5.31	4.25	5.31	4.25	5.56	4.44	6.03	-
5.61	5.61	5.61	4.17	5.71	4.25	5.71	4.25	6.11	4.44	6.63	-
12.84	12.24	13.14	12.52	13.38	12.75	13.38	12.75	13.90	13.33	15.18	14.46
3.32	3.06	3.40	3.13	3.46	3.19	3.46	3.19	3.62	3.33	3.92	3.61
-	-	-	-	-	-	-	-	-	-	-	3.98
3.83	3.37	3.92	3.45	3.99	3.51	3.99	3.51	4.17	3.67	4.52	-
-	-	-	-	-	-	-	-	-	-	-	4.27
4.08	3.62	4.17	3.70	4.25	3.77	4.25	3.77	4.44	3.94	4.82	-
-	-	-	-	-	-	-	-	-	-	5.42	-
-	-	-	-	-	-	-	-	-	-	-	4.58
4.55	3.88	4.65	3.97	4.73	4.04	4.73	4.04	5.00	4.22	-	-
-	-	-	-	-	-	-	-	-	-	-	4.88
-	-	-	-	-	-	-	-	-	-	-	5.00
4.55	4.10	4.65	4.19	4.73	4.27	4.73	4.27	5.00	4.50	-	-
4.55	4.15	4.65	4.25	4.73	4.33	4.73	4.33	5.00	4.61	-	-
9.69	9.69	9.91	9.91	10.09	10.09	10.09	10.09	10.55	10.55	11.45	11.45
3.32	3.06	3.32	3.06	3.38	3.12	3.38	3.12	3.60	3.33	3.92	3.61
3.57	3.57	3.57	3.57	3.63	3.63	3.63	3.63	3.89	3.89	4.22	4.22
-	-	-	-	-	-	-	-	-	-	-	4.82
4.34	4.08	4.34	4.08	4.42	4.15	4.42	4.15	4.72	4.44	5.12	-
5.10	4.08	5.10	4.08	5.19	4.15	5.19	4.15	5.56	4.44	6.03	-
5.61	4.08	5.61	4.08	5.71	4.15	5.71	4.15	6.11	4.44	6.63	-
14.28	-	14.61	-	14.87	-	14.87	-	15.56	-	16.88	-
4.08	-	4.17	-	4.25	-	4.25	-	4.44	-	4.82	-
5.10	-	5.10	-	5.19	-	5.19	-	5.56	-	6.03	-
6.12	-	6.12	-	6.23	-	6.23	-	6.67	-	7.23	-

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

	Fiscal Year Ended September 30,			
	2014	2015	2016	2017
	2013 Tax Year	2014 Tax Year	2015 Tax Year	2016 Tax Year
Assessed Value of Taxable Property				
Real Property				
Real Residential	\$ 3,872,765,988	\$ 4,099,197,425	\$ 4,437,264,879	\$ 4,801,040,252
Real Commercial	1,534,186,202	1,724,550,745	1,882,514,422	2,104,704,433
Real Industrial	162,926,484	159,908,910	209,572,611	163,121,239
Real Agriculture	188,270	184,971	178,264	174,043
Real Vacant	143,130,709	159,066,568	159,267,801	162,772,196
Real Acreage Undeveloped	41,471,437	52,404,929	48,308,431	43,056,354
Real Farm and Ranch Improved	252,079	251,507	276,657	304,322
Total Real Property	5,754,921,169	6,195,565,055	6,737,383,065	7,275,172,839
Less: Exemptions	(798,795,765)	(826,800,278)	(865,038,283)	(912,947,500)
Net Total Real Property	4,956,125,404	5,368,764,777	5,872,344,782	6,362,225,339
Other Property				
Oil Gas and Mineral Reserves	-	-	-	-
Real and Tangible Personal - Utility	234,003	406,911	407,011	406,544
Gas Companies	9,007,545	9,650,985	10,335,973	12,317,323
Electric Companies	61,544,486	58,880,213	57,137,279	61,384,866
Telephone Companies	12,137,483	11,620,085	10,927,075	11,279,634
Railroad	1,639,650	1,835,930	2,018,640	2,162,940
Pipelines	37,023,276	48,033,250	50,440,617	50,120,569
Inventory	24,752,105	24,902,586	26,789,396	29,168,367
Major Cable TV Systems	13,071,100	13,833,260	14,288,850	15,472,020
Tangible Personal Commercial	551,411,132	585,993,827	674,994,577	696,606,477
Tangible Personal Industrial	1,176,456,318	936,387,584	729,540,148	760,780,633
Tangible Personal Other - Mobile Homes	15,146,856	14,582,987	14,958,005	14,308,581
Residential Inventory - Vacant	-	-	-	-
Governmental Exemption	-	-	-	-
Charitable Exemption	2,033,915	1,911,572	1,914,822	1,907,665
Religious Exemption	-	-	-	-
Private School Exempt	17,839,420	17,839,420	17,839,420	17,839,420
Miscellaneous Exempt	705,880	712,254	718,082	718,993
Agricultural	-	-	-	-
Low-Moderate Income Housing	-	-	-	-
Unknown	-	-	-	-
Improving Prop-Housing w/Volunteer Labor	262,987	479,025	180,466	-
Economic Devel Svcs to Local Community	301,508	385,458	386,379	392,693
Other Exempt	787,048,320	804,209,783	866,099,527	883,706,307
Total Other Property	2,710,615,984	2,531,665,130	2,478,976,267	2,558,573,032
Less: Exemptions	(1,401,752,949)	(1,217,268,714)	(1,030,217,604)	(999,768,796)
Net Total Other Property	1,308,863,035	1,314,396,416	1,448,758,663	1,558,804,236
Total Property	8,465,537,153	8,727,230,185	9,216,359,332	9,833,745,871
Less: Total Exemptions	(2,200,548,714)	(2,044,068,992)	(1,895,255,887)	(1,912,716,296)
Total Assessed Value of Taxable Property	\$ 6,264,988,439	\$ 6,683,161,193	\$ 7,321,103,445	\$ 7,921,029,575
Total Actual Value of Taxable Property	\$ 6,264,988,439	\$ 6,683,161,193	\$ 7,321,103,445	\$ 7,921,029,575
Total Direct Tax Rate Per \$100	\$ 0.591593	\$ 0.576904	\$ 0.575388	\$ 0.575388

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

(2) Harris Central Appraisal District Certified Tax Roll as of September 8, 2023.

Fiscal Year Ended September 30,

2018	2019	2020	2021	2022	2023 (2)
2017 Tax Year	2018 Tax Year	2019 Tax Year	2020 Tax Year	2021 Tax Year	2022 Tax Year
\$ 5,216,450,255	\$ 5,432,053,439	\$ 6,030,017,970	\$ 6,594,218,098	\$ 6,977,656,458	\$ 7,966,418,804
2,292,894,922	2,522,237,422	2,797,689,438	3,071,709,482	3,198,052,374	3,551,610,432
259,068,236	311,132,429	648,763,941	720,549,416	630,755,545	759,354,931
172,013	201,898	193,840	188,210	199,213	222,428
165,840,846	167,671,843	185,865,930	168,139,341	187,275,927	190,998,628
65,400,460	56,662,873	59,849,706	40,766,174	39,224,731	35,726,602
334,754	507,736	539,695	575,995	615,925	653,649
8,000,161,486	8,490,467,640	9,722,920,520	10,596,146,716	11,033,780,173	12,504,985,474
(950,691,089)	(1,000,278,706)	(1,079,875,270)	(1,140,682,015)	(1,196,565,559)	(1,302,120,752)
7,049,470,397	7,490,188,934	8,643,045,250	9,455,464,701	9,837,214,614	11,202,864,722
-	-	7,175,170	21,322,460	10,608,770	6,508,740
406,019	495,029	-	-	-	-
13,109,983	13,411,853	14,537,239	16,837,002	17,892,852	20,474,592
61,503,698	64,781,607	72,432,189	73,880,727	79,743,663	96,934,650
11,537,505	11,171,007	12,350,356	11,735,970	11,878,476	12,227,491
2,301,400	2,444,700	2,543,770	2,671,660	2,892,480	3,096,250
54,052,943	55,365,334	59,210,618	60,943,805	61,437,302	71,322,062
29,622,033	30,714,967	34,382,796	40,136,743	37,326,514	40,956,012
14,589,260	17,308,050	18,261,030	21,018,120	22,882,270	23,798,750
719,461,700	745,403,874	759,091,423	827,365,705	839,564,599	917,583,830
892,809,207	948,676,201	915,629,782	947,516,866	953,081,737	1,302,109,061
14,784,917	14,142,635	15,189,955	15,886,762	16,804,263	17,807,421
-	-	-	-	-	-
-	-	-	-	-	-
2,553,957	2,596,095	3,519,312	2,063,945	2,053,641	1,058,120
-	-	-	-	-	-
36,157,374	40,241,025	42,119,145	42,224,174	41,140,110	45,096,871
814,532	845,219	831,399	811,964	815,062	860,787
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
388,627	391,679	407,137	404,307	406,623	459,192
1,008,233,881	1,127,560,912	1,199,514,435	1,208,462,759	1,217,843,086	1,261,469,301
2,862,327,036	3,075,550,187	3,157,195,756	3,293,282,969	3,316,371,448	3,821,763,130
(1,192,395,693)	(1,294,550,578)	(1,338,678,127)	(1,309,793,080)	(1,327,611,938)	(1,470,763,968)
1,669,931,343	1,780,999,609	1,818,517,629	1,983,489,889	1,988,759,510	2,350,999,162
10,862,488,522	11,566,017,827	12,880,116,276	13,889,429,685	14,350,151,621	16,326,748,604
(2,143,086,782)	(2,294,829,284)	(2,418,553,397)	(2,450,475,095)	(2,524,177,497)	(2,772,884,720)
\$ 8,719,401,740	\$ 9,271,188,543	\$ 10,461,562,879	\$ 11,438,954,590	\$ 11,825,974,124	\$ 13,553,863,884
\$ 8,719,401,740	\$ 9,271,188,543	\$ 10,461,562,879	\$ 11,438,954,590	\$ 11,825,974,124	\$ 13,553,863,884
\$ 0.575388	\$ 0.615446	\$ 0.570342	\$ 0.533677	\$ 0.515909	\$ 0.497583

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
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
2023	2022	0.3943	0.1032	0.4976	0.2600	1.1146	1.2822

Source: Harris Central Appraisal District.

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

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

Overlapping Rates (1)

La Porte ISD	Pasadena ISD	(2) Harris County	Harris County Department of Education	San Jacinto College District	Total Direct and Overlapping Rates
1.3300	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
1.2565	1.3353	0.5305	0.0050	0.1556	6.4373

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

<u>Property Taxpayer</u>	<u>Fiscal Year Ended September 30, 2023</u>			<u>Fiscal Year Ended September 30, 2014</u>		
	<u>2022 Tax Year</u>		<u>% of Taxable Assessed Value</u>	<u>2013 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	\$ 303,136,779	1	2.24%	\$ -	-	-
Bay Bluff LP	185,230,958	2	1.37%	42,855,106	8	0.68%
Phillips 66 Co.	180,723,485	3	1.33%	56,099,199	5	0.90%
CenterPoint Energy	171,593,463	4	1.27%	73,991,991	2	1.18%
GATX Terminals Kinder	138,404,427	5	1.02%	40,184,690	10	0.64%
LIT Industrial LP	130,368,861	6	0.96%	-	-	-
PEPF Red Bluff LLC	119,608,604	7	0.88%	-	-	-
GSMV Village on the Lake Owner LLC	116,619,646	8	0.86%	-	-	-
Calpine Operating	105,524,730	9	0.78%	125,636,030	1	2.01%
Kinder Morgan	93,770,765	10	0.69%	-	-	-
PRSI Trading	-	-	-	69,549,070	3	1.11%
Shell Oil Co.	-	-	-	56,314,763	4	0.90%
Boeing Co.	-	-	-	48,101,707	6	0.77%
KIR Pasadena	-	-	-	48,099,578	7	0.77%
Wal-Mart	-	-	-	42,255,270	9	0.67%
Subtotal	<u>1,544,981,718</u>		<u>11.40%</u>	<u>603,087,404</u>		<u>9.63%</u>
Other Taxpayers	<u>12,008,882,166</u>		<u>88.60%</u>	<u>5,661,901,035</u>		<u>90.37%</u>
Total	<u>\$ 13,553,863,884</u>		<u>100.00%</u>	<u>\$ 6,264,988,439</u>		<u>100.00%</u>

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

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

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

Fiscal Year Ended September 30,	Tax Year	Tax Rate / \$100	Total Tax Levy for Fiscal Year	Collections/(Refunds)				
				Amount	Percentage of Levy	in Subsequent Years	Amount	Percentage of Levy
2014	2013	0.5916	\$ 36,683,714	\$ 36,231,129	98.77%	\$ 397,399	\$ 36,628,528	99.85%
2015	2014	0.5769	38,047,078	37,619,372	98.88%	365,377	37,984,749	99.84%
2016	2015	0.5754	41,644,439	41,198,200	98.93%	382,879	41,581,079	99.85%
2017	2016	0.5754	45,118,895	44,280,747	98.14%	762,646	45,043,393	99.83%
2018	2017	0.5754	48,664,380	48,025,807	98.69%	545,915	48,571,722	99.81%
2019	2018	0.6154	54,999,397	55,129,294	100.24%	(268,275)	54,861,019	99.75%
2020	2019	0.5703	57,108,697	56,975,572	99.77%	(378,427)	56,597,145	99.10%
2021	2020	0.5337	58,087,596	58,709,043	101.07%	(1,067,863)	57,641,180	99.23%
2022	2021	0.5159	58,933,439	58,660,541	99.54%	(180,452)	58,480,089	99.23%
2023	2022	0.4976	65,838,774	64,591,526	98.11%	-	64,591,526	98.11%

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

<u>Fiscal Year Ended September 30,</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities				
General Obligation Bonds	\$ 27,835,000	\$ 17,475,000	\$ 2,025,000	\$ 1,035,000
General Obligation Refunding Bonds	42,009,458	55,201,099	69,391,828	62,927,351
General Obligation and Refunding Bonds	12,896,876	2,102,603	-	-
Certificates of Obligation	4,430,000	4,130,000	310,000	-
Combination Tax and Revenue Certificates of Obligation	-	-	-	-
Leases Payable	-	-	-	-
Blended Component Unit - Pasadena Economic Development Corporation				
Sales Tax Notes	-	-	-	1,000,000
Sales Tax Revenue Bonds	2,667,467	1,801,955	906,443	-
	<u>89,838,801</u>	<u>80,710,657</u>	<u>72,633,271</u>	<u>64,962,351</u>
Business-Type Activities				
Waterworks and Sewer System Revenue Bonds	53,693,635	53,445,465	488,169	-
Waterworks and Sewer System Revenue Refunding Bonds	11,268,996	9,166,441	6,983,886	4,726,332
Combination Tax and Revenue Certificates of Obligation	-	-	-	-
General Obligation Refunding Bonds	14,539,259	13,055,250	66,108,784	64,256,796
General Obligation and Refunding Bonds	4,085,278	-	-	-
	<u>83,587,168</u>	<u>75,667,156</u>	<u>73,580,839</u>	<u>68,983,128</u>
Total Primary Government	<u>\$ 173,425,969</u>	<u>\$ 156,377,813</u>	<u>\$ 146,214,110</u>	<u>\$ 133,945,479</u>
Percentage of Personal Income	5.64%	4.94%	4.57%	4.03%
Per Capita	\$ 1,135	\$ 1,016	\$ 951	\$ 873
(1) Population	152,735	153,887	153,784	153,351
(1) Per Capita Personal Income	\$ 20,146	\$ 20,590	\$ 20,805	\$ 21,692
(1) Personal Income (amount expressed in thousands)	\$ 3,076,999	\$ 3,168,533	\$ 3,199,476	\$ 3,326,490

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

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

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56,388,209	48,567,368	40,475,996	32,088,938	24,365,507	17,690,756
-	-	-	-	-	-
-	-	-	-	-	-
19,946,595	55,426,862	54,646,907	53,836,952	106,068,723	104,661,325
-	-	-	-	-	533,415
1,000,000	-	-	-	-	-
-	-	-	-	-	-
77,334,804	103,994,230	95,122,903	85,925,890	130,434,230	122,885,496
-	-	-	-	-	-
2,388,777	-	-	-	-	-
16,664,513	16,006,648	15,338,784	15,290,919	14,603,054	24,350,190
61,938,110	59,766,122	55,412,547	50,452,391	46,622,044	43,123,058
-	-	-	-	-	-
80,991,400	75,772,770	70,751,331	65,743,310	61,225,098	67,473,248
\$ 158,326,204	\$ 179,767,000	\$ 165,874,234	\$ 151,669,200	\$ 191,659,328	\$ 190,358,744
4.65%	5.10%	4.66%	4.24%	5.08%	5.05%
\$ 1,031	\$ 1,173	\$ 1,096	\$ 998	\$ 1,290	\$ 1,289
153,520	153,219	153,219	151,950	148,626	147,662
\$ 22,178	\$ 22,993	\$ 23,526	\$ 23,534	\$ 25,381	\$ 27,913
\$ 3,404,767	\$ 3,522,964	\$ 3,558,976	\$ 3,575,991	\$ 3,772,277	\$ 4,121,689

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

Fiscal Year Ended September 30,	(1)	Less: Amounts		(2)	Percentage		Per Capita
	General Bonded Debt	Restricted to Repaying Principal	Total	Assessed Value of Property	of Assessed Value of Property	(3) Population	
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
2023	189,825,329	(4,727,545)	185,097,784	13,553,863,884	1.37%	147,662	1,254

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

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

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

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

CITY OF PASADENA, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Fiscal Year Ended September 30, 2023

<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	9/30/2023	\$1,977,981,319	2.17%	\$ 42,922,195
Harris County Flood Control District	9/30/2023	1,009,015,000	2.17%	21,895,626
Harris County Hospital District	9/30/2023	70,970,000	2.17%	1,540,049
Port of Houston Authority	9/30/2023	445,749,397	2.17%	9,672,762
Clear Lake City Water Authority	9/30/2023	138,245,000	20.04%	27,704,298
Clear Creek Independent School District	9/30/2023	993,980,000	5.35%	53,177,930
Deer Park Independent School District	9/30/2023	323,435,000	21.99%	71,123,357
La Porte Independent School District	9/30/2023	346,855,000	6.86%	23,794,253
Pasadena Independent School District	9/30/2023	760,255,000	38.86%	295,435,093
San Jacinto College District	9/30/2023	537,657,427	15.85%	85,218,702
Harris County Dept. of Education	9/30/2023	13,865,000	2.17%	300,871
Subtotal, overlapping debt				632,785,134
Add - City direct debt				122,885,496
Total direct and overlapping debt				<u>\$ 755,670,630</u>

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**

Fiscal Year Ended September 30,	2014	2015	2016	2017
Debt limit				
Tax Year	2013	2014	2015	2016
Assessed value based on tax year (1)	<u>\$6,264,988,439</u>	<u>\$6,683,161,193</u>	<u>\$7,321,103,445</u>	<u>\$7,921,029,575</u>
10% of assessed value	626,498,844	668,316,119	732,110,345	792,102,958
Less: net debt applicable to limit				
Debt to be repaid from ad valorem tax	87,243,801	78,908,702	71,726,828	63,962,351
Less: amount available in debt service fund	<u>(6,272,408)</u>	<u>(1,783,393)</u>	<u>(1,493,541)</u>	<u>(2,060,784)</u>
	80,971,393	77,125,309	70,233,287	61,901,567
Legal Debt Margin	<u>\$ 545,527,451</u>	<u>\$ 591,190,810</u>	<u>\$ 661,877,058</u>	<u>\$ 730,201,391</u>
Total net debt applicable to the limit as a percentage of debt limit	12.92%	11.54%	9.59%	7.81%

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2017	2018	2019	2020	2021	2022
<u>\$8,719,401,740</u>	<u>\$9,271,188,543</u>	<u>\$ 10,461,562,879</u>	<u>\$ 11,438,954,590</u>	<u>\$ 11,825,974,124</u>	<u>\$ 13,553,863,884</u>
871,940,174	927,118,854	1,046,156,288	1,143,895,459	1,182,597,412	1,355,386,388
76,334,804	103,994,230	95,122,903	85,925,890	130,434,230	122,885,496
<u>(2,339,765)</u>	<u>(3,039,922)</u>	<u>(3,490,412)</u>	<u>(4,116,848)</u>	<u>(3,655,356)</u>	<u>(4,727,545)</u>
73,995,039	100,954,308	91,632,491	81,809,042	126,778,874	118,157,951
<u>\$ 797,945,135</u>	<u>\$ 826,164,546</u>	<u>\$ 954,523,797</u>	<u>\$ 1,062,086,417</u>	<u>\$ 1,055,818,538</u>	<u>\$ 1,237,228,437</u>
8.49%	10.89%	8.76%	7.15%	10.72%	8.72%

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	
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
2023	55,452,896	27,237,927	28,214,969	3,745,000	2,213,394	4.74

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)
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%
2023	147,662	4,121,689	27,913	31.7	48,726	4.6%

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

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

<u>Employer</u>	<u>2023</u>			<u>2014</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	7,525	1	10.32%	5,800	1	6.20%
Turner Industries*	3,364	2	4.61%	-	-	-
San Jacinto College	2,334	3	3.20%	2,924	3	3.12%
The Boeing Company*	2,268	4	3.11%	2,300	4	2.46%
HCA Houston Healthcare	1,384	5	1.90%	-	-	-
Lyondell Chemical Co*	1,175	6	1.61%	-	-	-
Kaneka North America	1,111	7	1.52%	-	-	-
City of Pasadena **	1,082	8	1.48%	1,040	10	1.11%
University of Houston-Clear Lake	889	9	1.22%	-	-	-
Pinnacle ART*	438	10	0.60%	-	-	-
Dorsett Brothers Concrete Supply, Inc	-	-	-	3,400	2	3.63%
Shell - Deer Park	-	-	-	1,400	6	1.50%
Mundy Company	-	-	-	1,500	5	1.60%
Zachry Industries Inc.	-	-	-	1,400	7	1.50%
SGS Petroleum Service Corp	-	-	-	1,127	8	1.20%
Silver Eagle Distributors, L.P.	-	-	-	1,100	9	1.18%
	<u>21,570</u>		<u>29.57%</u>	<u>21,991</u>		<u>23.50%</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Council	7	7	8	8	8	8	8	8	8	8
Mayor	2	2	2	3	4	4	4	4	4	4
Budget and Financial Planning	4	3	4	5	4	3	4	5	6	6
Municipal Court	32	32	35	36	35	37	32	32	32	31
City Controller	15	15	16	15	16	17	17	15	14	15
Purchasing	3	4	4	4	5	5	5	5	5	5
Legal	7	6	8	7	8	9	7	7	7	7
City Secretary	4	4	4	4	5	4	4	4	3	2
Human Resources	7	7	7	8	7	11	10	10	10	10
City Marshal	7	7	7	8	10	11	10	10	10	11
Community Relations	9	9	8	7	9	9	9	8	8	8
Pasadena Action Line	6	6	5	7	6	6	6	6	6	6
Planning	2	4	4	8	4	5	5	5	4	5
Planning/Development Administration	-	-	-	-	-	-	-	-	-	-
Neighborhood Network	2	1	2	4	5	5	4	4	5	4
Inspections	18	17	15	18	17	17	17	16	16	18
Project Development	2	-	1	1	3	3	3	3	3	3
Impound/Storage	6	6	6	6	4	5	6	4	5	5
Economic Development Liaison	2	2	2	2	3	5	5	5	3	4
Public Safety										
Emergency Preparedness	3	3	5	5	6	6	6	5	6	6
Fire Fighting	6	10	8	8	8	7	3	3	3	3
Fire Prevention	11	12	12	14	14	13	12	15	15	14
Police	349	353	349	362	363	376	378	368	363	386
Code Enforcement	-	8	7	8	14	14	13	11	10	9
Public Works										
Engineering	24	24	21	16	15	15	14	15	15	16
Sanitation	40	37	41	41	38	36	41	42	37	32
Street and Bridge	31	31	36	33	33	29	31	32	29	30
Traffic and Transportation	10	10	12	12	12	12	11	10	11	12
Health										
Health	11	11	12	12	15	15	14	15	14	15
Animal Rescue and Assistance	23	26	29	30	30	36	37	35	35	35
Culture and Recreation										
Leisure Services Administration	3	3	3	2	4	4	4	5	6	6
Parks	39	40	39	41	39	38	39	34	40	43
Recreation	62	94	38	39	51	44	33	33	48	49
Clean Streets	20	18	19	20	19	18	17	19	19	16
Golf Course	6	5	5	3	7	8	7	7	10	11
Multi-Purpose Center	8	8	7	9	9	9	9	8	7	9
Civic Center	9	7	10	6	6	7	8	8	8	7
Senior Center - Madison Jobe	4	5	6	6	6	7	9	9	8	9
Library	54	51	45	48	45	40	40	39	42	37
Water and Sewer System	114	121	115	115	109	113	106	105	90	97
Maintenance	82	83	83	66	82	80	79	83	77	76
Health Insurance	1	1	-	-	-	-	1	2	-	-
Grant Management	18	16	16	9	14	14	14	14	12	12
TOTAL CITY POSITIONS	1,063	1,109	1,056	1,056	1,092	1,105	1,082	1,068	1,054	1,082

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,			
	2014	2015	2016	2017
Function				
Public Safety				
Police				
Arrests	10,970	9,890	10,496	9,081
Accident reports	3,693	4,143	4,200	3,917
Citations issued	73,062	64,210	67,603	64,330
Calls for service	63,488	65,515	75,847	77,466
Public Works				
Refuse collection				
Refuse collected Type 1 (tons/day)	107	110	112	112
Refuse collected Type 2 (cubic yards/day)	178	185	211	256 (4)
Mulching collected (cubic yards/day)	72	56	48	60 (4)
Recyclables collected (tons/day)	6.23	6.62	7.00	6.00
Health				
Number of food permits issued	1,373	1,936	1,503	1,730
Number of health inspections	2,719	2,315	2,663	2,954
Culture and Recreation				
Convention Center				
Number of Events	172	196	188	183
Library				
Visitors	(1)	356,240	280,992 (2)	413,292 (3)
Water and Sewer System				
Average daily consumption (millions of gallons)	17.80	18.80	17.62	17.30
Total Consumption (billions of gallons)	6,900.00	6,800.00	6,449.37	6,316.06
Average daily Waste Water Plant Flow (millions of gallons)	12.60	14.20	13.50	11.80
Total Waste Water Plant Flow (millions of gallons)	4,573.59	5,172.20	4,926.12	4,274.09

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.

Fiscal Year Ended September 30,

2018	2019	2020	2021	2022	2023
8,067 (5)	8,155	5,784	3,849	4,087	4,748
4,390 (5)	4,114	3,202	3,744	4,023	3,492
57,367 (5)	59,047	46,456	25,709	25,459	27,440
91,265 (5)	84,880	94,346	97,720	109,497	117,297
113	111	120	122	105	174
380 (4)	220	218	248	209	242
82 (4)	116	119	156	110	110
6.00	7.00	7.00	8.00	6.00	5.00
1,828	1,616	1,683	1,180	1,974	2,033
3,367	3,487	3,157	3,415	4,167	4,718
192	211	110 (6)	214	190	143
397,098	354,402	94,045 (6)	87,663 (6)	143,786 (6)	137,822 (6)
17.44	17.26	18.69	23.61	18.84	20.59
6,374.22	6,304.78	6,824.73	6,960.71	6,877.12	7,516.44
12.37	13.32	12.01	13.18	10.23	10.78
4,500.81	4,859.34	4,394.48	4,824.20	3,733.37	3,930.05

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

Function / Program	Fiscal Year Ended September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	181	171	172	182	197	197	201	199	190	180
Fire stations	10	10	10	10	10	10	10	10	10	10
Public Works										
Streets (miles)	522	523	524	525	521	520	520	520	520	520
Streetlights	7,584	7,565	7,560	7,628	7,699	7,751	7,886	7,921	7,970	7,993
Traffic signals	194	194	196	196	203	207	207	208	209	213
Sanitation										
Collection trucks	27	20	18	18	20	20	20	31	31	31
Culture and Recreation										
Parks	48	48	48	48	48	48	44	44	45	47
Parks acreage	1,180	1,180	1,180	1,180	1,180	1,180	1,179	1,180	1,190	1,206
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	15	15	15	15	15	15	15	15	15	15
Community centers	8	8	8	8	8	8	8	8	8	8
Water and Sewer System										
Water										
Water mains (miles)	479	480	481	487	487	488	488	500	502	532
Fire hydrants	2,327	2,314	2,314	2,315	2,314	2,314	2,314	2,354	2,342	3,027
Maximum daily capacity (millions of gallons)	24	26	25	22	22	26	26	35 *	35 *	35
Sewer										
Sanitary sewers (miles)	405	406	407	407	407	408	408	408	408	421
Storm sewers (miles)	406	406	409	409	409	410	410	416	416	417
Maximum daily treatment capacity (millions of gallons)	24	24	24	24	24	24	24	24	24	24

Source: Various City departments

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

* Storage capacity increased in 2021.

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

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023



JEFF WAGNER
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CITY OF PASADENA, TEXAS

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