



City of South Pasadena

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AGENDA

ADMINISTRATIVE WORKSHOP
SOUTH PASADENA, FLORIDA

TUESDAY, SEPTEMBER 17, 2024
COMMISSION CHAMBERS 9:00 A.M.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

DISCUSSION ITEM

- City Audit Presentation with Peter Schatzel of Wells, Houser & Schatzel, P.A.

ADJOURN

Carley Lewis

Carley Lewis, City Clerk

This meeting is open to the public. Ordinances may be inspected by the public in the office of the City Clerk at City Hall from 8:00 a.m. to 4:00 p.m. Monday through Friday with the exception of holidays. Any person who decides to appeal any decision of the City Commission with respect to any matter considered at this meeting will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The City of South Pasadena is committed to providing reasonable accommodation for access for the disabled. In accordance with the Americans with Disabilities Act and F.S. 286.26, anyone needing assistance with regard to this meeting should contact the City Clerk's Office in writing at least 48 hours prior to the meeting. For more information or assistance please contact the City Clerk's office at 727-347-4171.

CITY OF SOUTH PASADENA

HIGHLIGHTS OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

OVERALL

The City of South Pasadena continues to remain in sound financial condition. This assessment takes into consideration that the City took on bonded indebtedness of \$9,900,000 in fiscal year 2023.

We found the City's accounting records to be accurate and complete. We did not note any unsupportable transactions nor did we have any disagreements with management pertaining to accounting principles. We received the full cooperation and support of the City's staff and they provided assistance whenever requested.

INDEPENDENT AUDITOR'S REPORT – PAGE 1

Independent Auditor's Report - this is the primary report issued by the auditors wherein we express our opinion that the City's financial statements are fairly presented in accordance with generally accepted accounting principles. This is the highest level of assurance that a certified public accountant can give.

FUND LEVEL - BALANCE SHEET – GOVERNMENTAL FUNDS – PAGE 24

- General Fund cash was \$5,170,026 as of 9-30-23, an increase of \$1,053,549 compared to 2022.
- Capital Improvements Fund cash was \$12,753,318 as of 9-30-23, including \$5,711,857 that is restricted for the Penny for Pinellas and \$6,476,348 of unexpended bond proceeds. The cash balance increased \$4,367,396 compared to 2022 and the Penny for Pinellas reserve decreased \$668,041 from 2022.

FUND LEVEL - RESULTS OF OPERATIONS – GOVERNMENTAL FUNDS – PAGES 26 AND 65 TO 68

- The General Fund revenues exceeded expenditures by \$1,483,278 prior to the transfer to the Capital Improvements (CI) Fund of \$213,184. A surplus of \$292,215 was budgeted for 2023 excluding the budgeted transfer to the CI Fund of \$292,215 (page 68). The overall favorable budget variance of \$1,270,094 (page 68) for 2023 between actual results and the amounts budgeted came about partly due to revenues exceeding the budget by \$556,266 (page 66) primarily in the area of intergovernmental revenues (\$180,366) (page 65), interest income (\$166,061) (page 66), and licenses and permits (\$146,006) (page 65). Additionally, actual expenditures were \$634,797 below budget in the areas of: Legislative - \$29,695, Finance and Administration - \$54,882, Fire - \$159,198, Protective Inspections \$64,397, Public Works - \$15,256, Contingencies - \$338,820 and the transfer to the Capital Improvements Fund - \$79,031 (pages 66, 67 and 68).
- General fund revenues increased \$1,538,554 from 2022 (page 66) (Ad valorem taxes - \$897,925, building permits - \$199,513, Pinellas County EMS funding - \$62,939 and interest income \$176,238) (pages 65 and 66). Expenditures increased \$436,598 compared to 2022 (increases: Finance and Administration - \$53,945, Law Enforcement - \$38,400, Fire - \$131,596, Protective Inspections \$124,530, and Public Works \$91,819) (pages 66 and 67).

FUND LEVEL - RESULTS OF OPERATIONS – ENTERPRISE FUNDS – PAGES 29, 82 AND 83

- The Sewer Fund operated at an overall profit of \$51,134 and the Reclaimed Water Fund also operated at an overall profit of \$41,931 (page 29).
- Sewer Fund charges for services decreased \$4,760 from 2022 and were \$2,576 below the amount budgeted (page 82). Sewer expenditures increased \$12,931 compared to 2022 due primarily to an increase in sewer processing charges of \$76,605 (page 82).
- Reclaimed Water revenues increased \$4,886 from 2022 and were \$4,997 above the amount budgeted (page 83). Reclaimed water expenditures increased \$295,582 compared to 2022 due primarily to increases in capital expenditures of \$277,849 and reclaimed water fees paid to Pinellas County in the amount of \$20,715 (page 83).

FIDUCIARY FUND – PAGES 32 AND 70

- The Firefighters' Pension Fund Net Position (fund balance) increased \$719,984 in 2023 to \$7,664,274 (page 32) as a result of an increase in the fair value of investments (combined unrealized and realized gains and losses) of \$561,957. The Firefighters' Pension Fund Net Position decreased \$1,353,004 in 2022 due to a significant decline in the stock market.
- The unfunded net pension liability for the Firefighters' Pension is \$3,965,922 (page 70) as of October 1, 2022 (the measurement date is always one year in arrears). Although not yet reported in the City's annual financial report, the unfunded pension liability as of October 1, 2023 is \$3,545,481 and the plan is 68.4% funded as of that date compared to being 63.7% funded as of October 1, 2022.

AUDITOR'S REPORT ON COMPLIANCE – PAGE 121

- We reported that the City was in compliance with laws and regulations pertaining to finances and that there were no significant weaknesses in internal controls.

CITY OF SOUTH PASADENA								
AUDIT HIGHLIGHTS - SEPTEMBER 30, 2023								
EXECUTIVE SUMMARY OF FINANCIAL POSITION AND RESULTS OF OPERATIONS								
				Capital				
			General	Improvements	Sewer	Reclaimed	2023	2022
			Fund	Fund	Fund	Water Fund	Total	Total
FINANCIAL POSITION AT 9-30-23								
		Cash and investments	\$ 5,170,026	\$ 12,753,318	\$ 2,126,234	\$ 1,778,678	\$ 21,828,256	\$ 16,359,100
		Fund balance excluding amounts not available for operations (prepaids and invested in capital assets)	\$ 4,771,415	\$ 12,188,205	\$ 2,163,318	\$ 1,789,646	\$ 20,912,584	\$ 13,807,197
		Number of months of 2023 operating expenditures in fund balance amount	8.3	N/A	17.1	73.7		
		2022	6.5	N/A	16.3	86.8		
		2021	6.4	N/A	15.5	88.4		
		2020	6.3	N/A	17.4	98.5		
		2019	6.8	N/A	16.0	104.2		
		2018	6.7	N/A	18.2	85.2		
		2017	6.6	N/A	16.0	88.0		
		2016	6.4	N/A	16.8	79.7		
		2015	5.4	N/A	19.0	80.0		
		2014	6.8	N/A	19.2	74.4		
		2013	8.3	N/A	19.2	65.9		
RESULTS OF OPERATIONS YEAR ENDED 9-30-23								
		Total revenues (excluding transfers and bond proceeds)	\$ 8,379,926	\$ 3,455,321	\$ 1,570,124	\$ 333,388	\$ 13,738,759	\$ 9,928,136
		Total expenditures / expenses (excluding transfers)	6,896,648	7,797,203	1,518,990	291,457	16,504,298	9,083,358
		Excess (Deficit) of revenues over expenditures	\$ 1,483,278	\$ (4,341,882)	\$ 51,134	\$ 41,931	\$ (2,765,539)	\$ 844,778
		Prior year excess (deficit):						
		2022	\$ 376,617	\$ 415,169	\$ 59,461	\$ (6,469)	\$ 844,778	
		2021	\$ 259,060	\$ 314,903	\$ (27,694)	\$ (23,727)	\$ 522,542	
		2020	\$ (15,273)	\$ 109,266	\$ 94,136	\$ (6,025)	\$ 182,104	
		2019	\$ 207,399	\$ 488,789	\$ (11,974)	\$ 32,259	\$ 716,473	
		2018	\$ 204,956	\$ 351,755	\$ (28,774)	\$ (3,802)	\$ 524,135	
		2017	\$ 88,450	\$ (446,633)	\$ (127,737)	\$ 6,118	\$ (479,802)	
		2016	\$ 332,846	\$ 235,176	\$ (169,736)	\$ (6,460)	\$ 391,826	
		2015	\$ (471,092)	\$ (54,930)	\$ (114,260)	\$ 9,494	\$ (630,788)	
		2014	\$ (531,159)	\$ 216,069	\$ (112,710)	\$ 14,642	\$ (413,158)	
		2013	\$ (463,396)	\$ (684,564)	\$ (121,128)	\$ 15,585	\$ (1,253,503)	
		Prior 10 Years Total	\$ (388,209)	\$ 529,831	\$ (619,877)	\$ 38,084	\$ (440,171)	
		Prior 10 Years Average	\$ (38,821)	\$ 52,983	\$ (61,988)	\$ 3,808	\$ (44,017)	