



CITY OF WEST COVINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

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CITY OF WEST COVINA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2021

Prepared by
Finance Department

City of West Covina
Annual Comprehensive Financial Report
Year Ended June 30, 2021

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INTRODUCTORY SECTION



Finance Department

February 22, 2022

To the Members of the City Council, the City Manager, and the Citizens of the City of West Covina:

It is a pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of West Covina (City) for the fiscal year ended June 30, 2021. This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. 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's assets from loss, theft, or misuse and to 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The auditors have issued an unmodified opinion on these financial statements. Their report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City of West Covina is located in the San Gabriel Valley, 20 miles east of downtown Los Angeles and 15 miles north of Orange County. Incorporated as a general law city in 1923, the City's 16 square miles flourished with walnut groves and orange groves for many decades. The post-World War II building boom rapidly transformed the City, which experienced a significant population increase between 1950 and 1960, from less than 5,000 to more than 50,000 citizens. Subsequent to this rapid population increase, the City has continued to grow at a steady pace with a current population in excess of 109,000.

The City's location and access to major freeways makes West Covina close to many visitor attractions and an ideal business and commercial center. The City has over 32,000 housing units and offers the amenities of a big city location with a high standard of living for its community.

Under the Council-Manager form of government, the five City Council members are elected by districts to overlapping four-year terms. The City Council selects a Mayor from one of its members each November to serve a one-year term. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services to its citizens, including police, fire and emergency medical; construction and maintenance of streets, traffic signalization and other infrastructure; planning and building safety; and social, recreational and cultural activities and events. The City offers sixteen parks, four community centers, a Sports Complex, and a county operated library. The City is financially accountable for the Successor Agency to the former Redevelopment Agency of the City of West Covina, a financing authority, and a housing authority, which are combined within the City's financial statements. Additional information regarding all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as a foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget for all funds. The budget appropriations are prepared by fund, function, and department. The City Manager is authorized to transfer budgeted amounts within departments to assure adequate and proper standards of service. Budgetary revisions, including supplemental appropriations which increase total appropriations in individual funds must be approved by the City Council.

Economic Outlook and Major Objectives

From early in its history, the City of West Covina has been noted as a city of beautiful homes. Through its General Plan, the City Council strives to maintain the City's high-quality residential base and living environment. The City's identity is defined by carefully designed entry point elements, landmark areas, and open space areas.

Known as the headquarters of the East San Gabriel Valley, the City strives to maintain a prosperous business and commercial climate. Despite the current challenging financial and economic environment, West Covina derives significant economic stability from the City's three major commercial districts: Plaza West Covina, Eastland Center, and The Lakes.

The California State Auditor has identified several risks in the City's financial condition, including a major unfunded pension liability, general fund expenditures that have exceeded revenues, and high turnover and reductions in staff in recent years. The City of West Covina continues work to secure the financial future of the City while safeguarding the delivery of great public services. This requires stewardship and a willingness to consider all alternatives in service provision.

The City of West Covina will continue to strive to provide the highest level of service to its residents and businesses, so the community can thrive.

Short-term and Long-term Financial Planning

Annually, the City adopts a budget covering operating revenues and expenditures, labor usage, capital expenditures, and other sources and uses of funds. For financial planning purposes, the City conducts comprehensive citywide financial forecasting in conjunction with its revenue consultants and other sources.

During the past few years, the City has utilized a range of temporary and permanent cost reduction initiatives, economic development, and revenue generation priorities, outside grants, and the use of fiscal reserves as necessary. As a result, the City has weathered the effects of the recession while providing critical services to the public in areas such as public safety, facility maintenance, parks maintenance, and infrastructure improvement. On June 5, 2018, the City Council adopted a fund balance policy to maintain a minimum unassigned fund balance of 17% of the General Fund operating expenditures.

Awards and Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report. These are extremely challenging times for local government in which many difficult decisions must be made. Credit also must be given to City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Stephanie Sikkema
Finance Director

CITY OF WEST COVINA

CITY OFFICIALS

JUNE 30, 2021

CITY COUNCIL

Letty Lopez-Viado, Mayor
Dario Castellanos, Mayor Pro Tem
Rosario Diaz
Brian Tabatabai
Tony Wu

ELECTED OFFICIALS

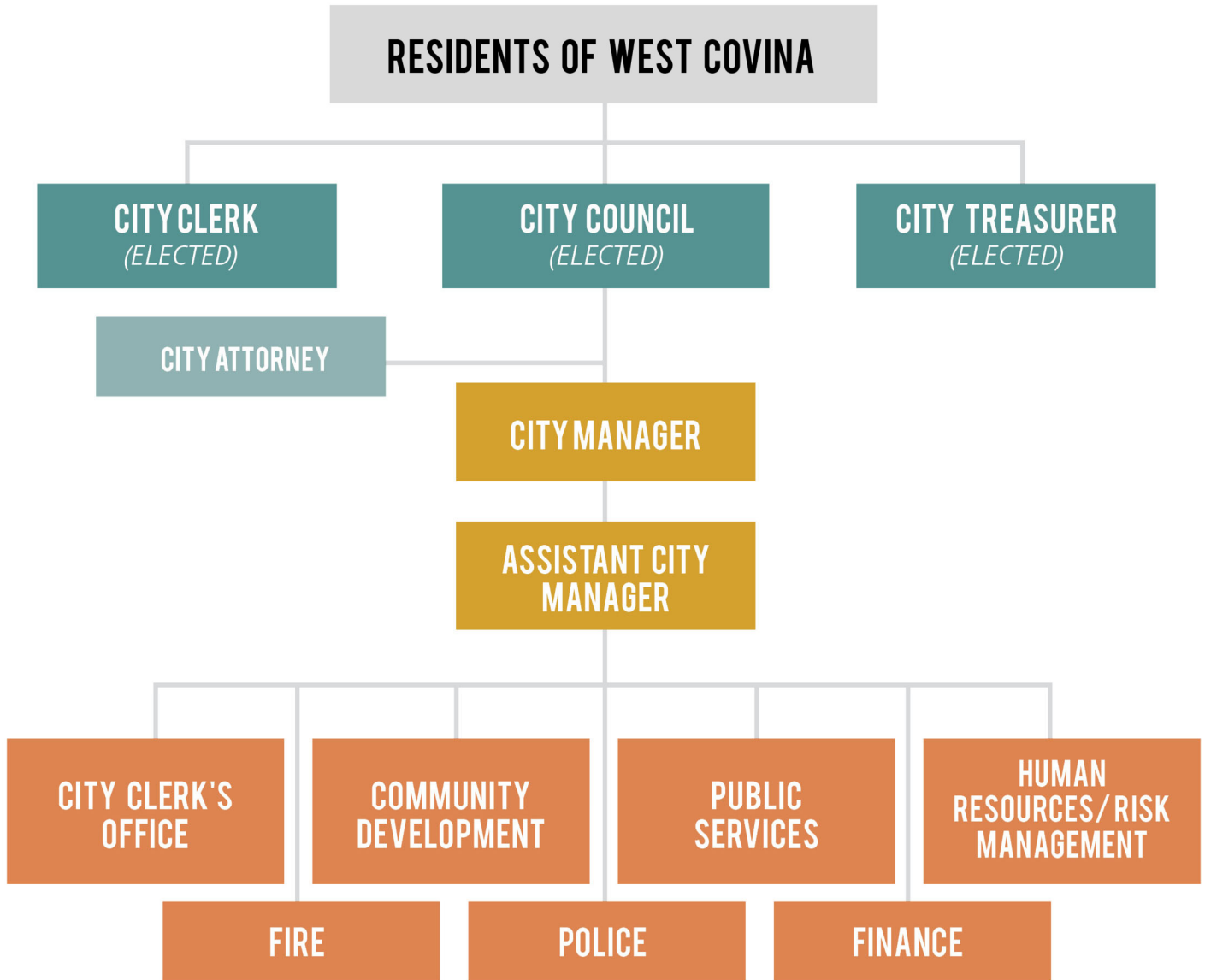
Nickolas S. Lewis, City Clerk
Colleen B. Rozatti, City Treasurer

CITY MANAGER

David N. Carmany

EXECUTIVE MANAGEMENT TEAM

Paulina Morales, Assistant City Manager / Public Services Director
Thomas P. Duarte, City Attorney
Lisa Sherrick, Assistant City Clerk
Robbeyn Bird, Finance Director
Vincent Capelle, Fire Chief
Helen Tran, Human Resources Director
Vacant Position, Community Development Director
Richard Bell, Police Chief



FINANCIAL SECTION



Independent Auditor's Report

The Honorable City Council
City of West Covina, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of West Covina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina, California, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplementary information as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of the City of West Covina'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Van Lant + Fankhaed, LLP

February 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the City of West Covina (the City) provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. The information presented herein should be considered in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

FINANCIAL HIGHLIGHTS

- As of June 30, 2021, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was a deficit of \$26.4 million.
- The City's total net position decreased \$7.5 million from the prior year. This is mostly due to an increase in long-term debt related to the issuance of the 2020 Lease Revenue Bonds of \$204.1 million. The increase to debt is offset with increase to Deferred Outflows of Resources relating to pension and OPEB liabilities totaling approximately \$179.4.
- The City's total governmental funds reported combined ending fund balances of \$127.1 million, an increase of \$42.7 million in comparison with the prior fiscal year of \$84.4 million. The increase is comprised of changes in fund balance of \$41.8 and a restatement of \$0.9 million. Of the \$127.1 million fund balance, \$4.0 million, or 3.2%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of \$92.2 million or 72.5% is spendable for restricted purposes. The assigned fund balance of \$9.7 million, or 7.6%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of \$21.2 million, or 16.7%, represents the City's fund balance reserves.
- The City's business-type computer service enterprise activity (West Covina Service Group) had an operating gain for fiscal year (FY) 2020-21 of \$282,448, compared with a \$82,266 operating gain in FY 2019-20. The total net position for the computer service enterprise fund as of June 30, 2021 is 38,329. The net position in the prior year was (\$244,119).

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.
- The *governmental funds* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.

- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities that are operated like a business, such as the West Covina Service Group, the City's computer service enterprise.
- *Fiduciary fund* statements provide information about the fiduciary relationships – like the custodial funds of the City – in which the City acts solely as an *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Reporting the City as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the City as a whole. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. The City's net position is one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax or sales tax base and the condition of the City's roads, to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services such as public safety, streets and roads, economic development and parks and recreation, are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds. These activities include the City's computer service enterprise operation.

The government-wide financial statements include the West Covina Housing Authority, the West Covina Public Financing Authority, the Parking Authority of the City of West Covina and the West Covina Community Services Foundation (component units), along with the City of West Covina (the primary government). Although legally separate, these component units are important because the City is financially accountable for them.

The activities of the Successor Agency of the former redevelopment agency can be found in the Fiduciary Fund Section of the Financial Statements in the Private Purpose Trust Fund.

Reporting the City's Most Significant Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other current financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* in reconciliations on the pages following the fund financial statements in this report.
- *Proprietary funds* – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in separate fiduciary funds. These activities are not included in the government-wide financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2021, net position for the City was a deficit balance of \$26.4 million. Compared to the prior year, the net position of the City decreased by \$7.5 million.

The City's net position of a deficit of \$26.4 million is made up of three components: Net investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. The largest portion of the City's net position, \$139.5 million, reflects its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the community. As such, these assets are not available for spending. In addition, \$89.2 million of the City's net position represents resources that are subject to external restrictions on how they

may be used. The remaining deficit balance of unrestricted net position of \$255.2 million is a result of the implementation of GASB 68 and GASB 75.

The table below reflects the Statement of Net Position for the fiscal year ended June 30, 2021, with the comparative data for the fiscal year ended June 30, 2020:

Table 1
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 162,856,719	\$ 105,277,948	\$ 74,510	\$ (46,057)	\$ 162,931,229	\$ 105,231,891
Capital assets	184,406,014	189,635,902	-	-	184,406,014	189,635,902
Total assets	<u>347,262,733</u>	<u>294,913,850</u>	<u>74,510</u>	<u>(46,057)</u>	<u>347,337,243</u>	<u>294,867,793</u>
Deferred Outflows of Resources:						
Pension related	191,680,785	22,698,850	-	-	191,680,785	22,698,850
OPEB related	15,255,037	4,879,260	-	-	15,255,037	4,879,260
	<u>206,935,822</u>	<u>27,578,110</u>	<u>-</u>	<u>-</u>	<u>206,935,822</u>	<u>27,578,110</u>
Liabilities:						
Long-term debt outstanding	551,727,178	322,543,812	18,573	63,620	551,745,751	322,607,432
Other liabilities	22,167,977	8,822,639	17,608	134,442	22,185,585	8,957,081
Total liabilities	<u>573,895,155</u>	<u>331,366,451</u>	<u>36,181</u>	<u>198,062</u>	<u>573,931,336</u>	<u>331,564,513</u>
Deferred Inflows of Resources:						
Pension related	2,260,873	3,293,071	-	-	2,260,873	3,293,071
OPEB related	4,509,801	6,474,959	-	-	4,509,801	6,474,959
	<u>6,770,674</u>	<u>9,768,030</u>	<u>-</u>	<u>-</u>	<u>6,770,674</u>	<u>9,768,030</u>
Net Position:						
Net investment in capital assets	139,507,563	140,572,511	-	-	139,507,563	140,572,511
Restricted	89,220,841	65,969,665	-	-	89,220,841	65,969,665
Unrestricted	<u>(255,195,678)</u>	<u>(225,184,697)</u>	<u>38,329</u>	<u>(244,119)</u>	<u>(255,157,349)</u>	<u>(225,428,816)</u>
Total net position	<u>\$ (26,467,274)</u>	<u>\$ (18,642,521)</u>	<u>\$ 38,329</u>	<u>\$ (244,119)</u>	<u>\$ (26,428,945)</u>	<u>\$ (18,886,640)</u>

Changes in Net Position

The City's total revenues of \$107.5 million for governmental activities are \$8.7 million less than the expenses of \$116.2 million. The decrease is a result of expenditures, the largest being public safety, that are higher than the slow-growing revenues.

A summary of the government-wide statement of activities for the year ended June 30, 2021, with the comparative data for the fiscal year ended June 30, 2020, is as follows:

Table 2
Changes in Net Position

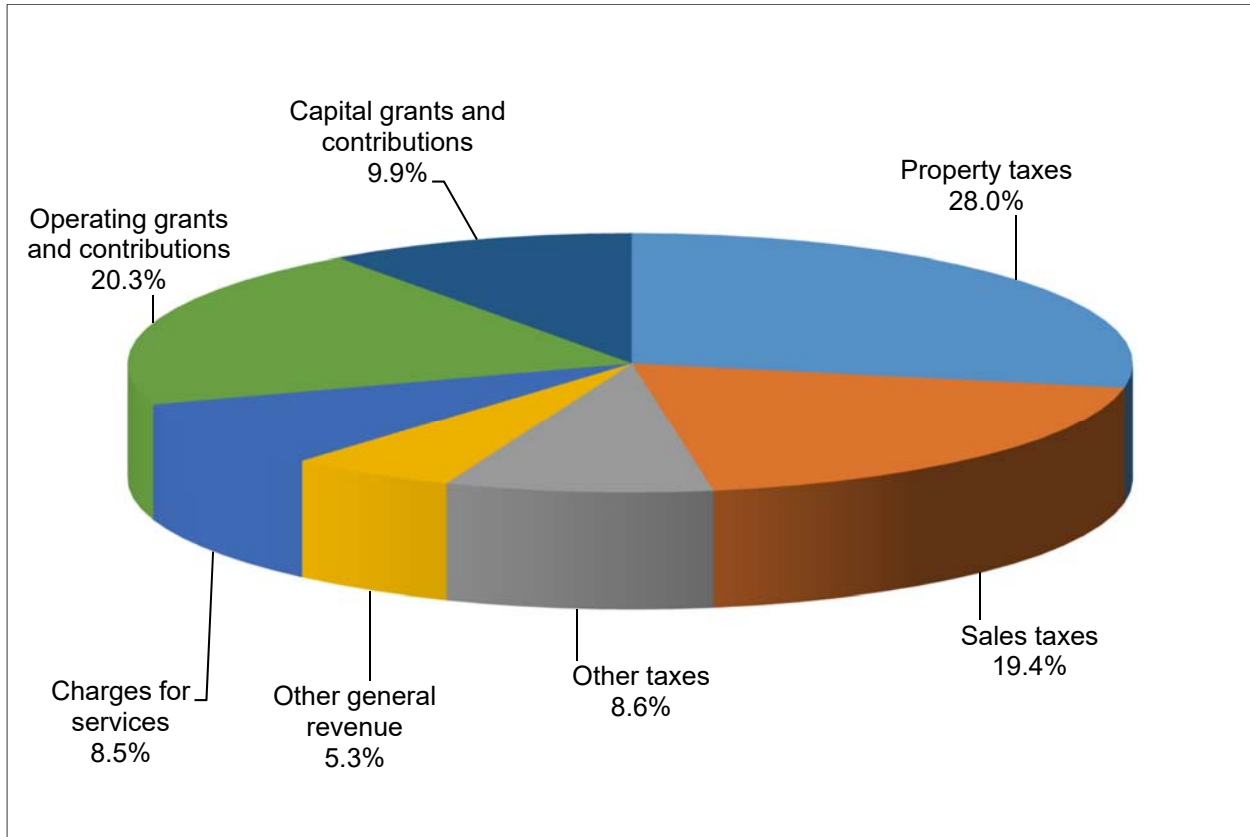
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 9,186,452	\$ 15,927,105	\$ 758,120	\$ 1,249,195	\$ 9,944,572	\$ 17,176,300
Operating contributions and grants	21,764,524	19,989,920	-	-	21,764,524	19,989,920
Capital contributions and grants	10,621,147	582,023	-	-	10,621,147	582,023
General revenues:						
Property taxes	30,108,110	27,422,706	-	-	30,108,110	27,422,706
Sales taxes	20,858,803	17,033,647	-	-	20,858,803	17,033,647
Other taxes	9,215,630	9,471,804	-	-	9,215,630	9,471,804
Other general revenues	5,743,964	9,927,609	-	63,710	5,743,964	9,991,319
Total revenues	107,498,630	100,354,814	758,120	1,312,905	108,256,750	101,667,719
Expenses						
General government	\$ 18,929,254	\$ 7,781,252	-	-	18,929,254	7,781,252
Public safety	62,479,977	72,653,866	-	-	62,479,977	72,653,866
Public works	17,212,496	23,649,892	-	-	17,212,496	23,649,892
Community services	7,675,178	9,418,860	-	-	7,675,178	9,418,860
Community development	1,568,283	1,394,131	-	-	1,568,283	1,394,131
Interest expense	8,354,304	1,874,899	-	-	8,354,304	1,874,899
Computer service	-	-	475,672	1,230,639	475,672	1,230,639
Total expenses	116,219,492	116,772,900	475,672	1,230,639	116,695,164	118,003,539
Increase (decrease) in net position	(8,720,862)	(16,418,086)	282,448	82,266	(8,438,414)	(16,335,820)
Beginning net position	(18,642,521)	(2,224,435)	(244,119)	(326,385)	(18,886,640)	(2,550,820)
Restatement of net position	896,109	-	-	-	896,109	-
Ending net position	<u>\$ (26,467,274)</u>	<u>\$ (18,642,521)</u>	<u>\$ 38,329</u>	<u>\$ (244,119)</u>	<u>\$ (26,428,945)</u>	<u>\$ (18,886,640)</u>

Governmental Activities

Some of the more significant changes in the revenues and expenses of the City's governmental activities presented above are as follows:

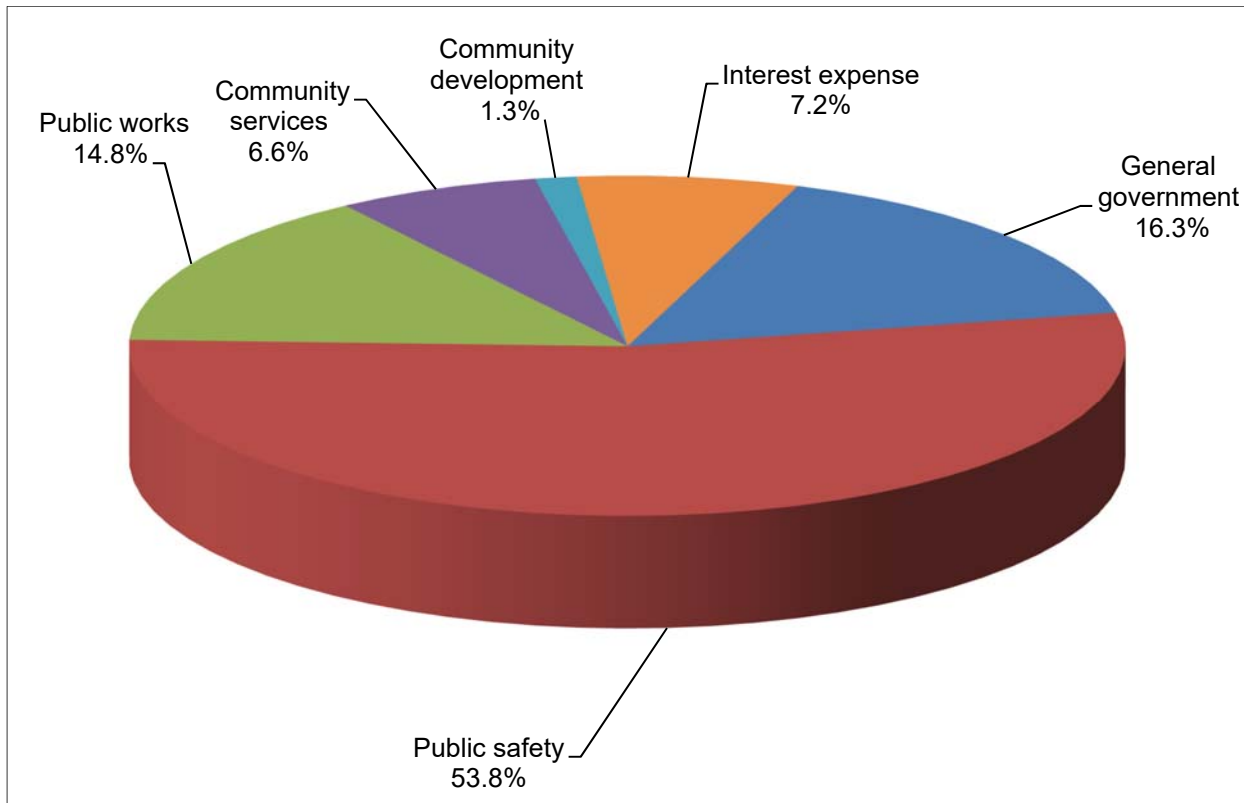
- Charges for services decreased by \$6.7 million, primarily due to regrouping; several revenue accounts grouped in Charges for Services in FY 2019-20 are properly grouped to Operating Grants and Contributions in FY 2020-21.
- Operating contributions and grants increased by \$1.8 million, primarily due to an increase in COVID-19 Relief funds received in Fiscal Year 2020-21 in the amount of \$1.3 million.
- Capital contributions and grants increased by \$10.0 million due to regrouping; several revenue accounts grouped in Operating Grants and Contributions in FY 2019-20 are properly reclassified to Capital Grants and contributions in FY 2020-21.
- Property taxes, the City's largest revenue source, increased \$2.7 million primarily due to an increase in the assessed valuation.
- Sales Tax increased \$3.8 million, reflecting the recovery from the height of the pandemic shutdown. FY 2020-21 realized large gains in sales in the areas of autos-transportation, when compared to FY 2019-20.
- Other taxes, which consists of franchise taxes, transient occupancy taxes and other taxes, decreased by \$0.3 million, primarily due to a \$0.2 million decrease in transient occupancy taxes. There has been a decline in travel due to COVID-19 pandemic restrictions that have affected tourism worldwide.
- Other general revenues decreased by \$4.2 million, primarily due to regrouping; accounts grouped in General Interest Income in FY 2019-20 are properly grouped under the Functions/Programs in FY 2020-21.
- There was an overall decrease in expenses of \$1.3 million, primarily due to a reduction in spending overall to offset the negative fiscal impact from the pandemic and a reduction of nearly \$0.8 million in the West Covina Service Group.

Revenues by Source – Governmental Activities



The most significant revenues of the governmental activities are property taxes (\$30.1 million), sales tax (\$20.9 million) and other taxes (\$9.2 million). Program revenues are \$41.6 million of the total revenues of the governmental activities, which include charges for services (\$9.2 million), operating contributions and grants (\$21.8 million), and capital grants and contributions (\$10.6 million).

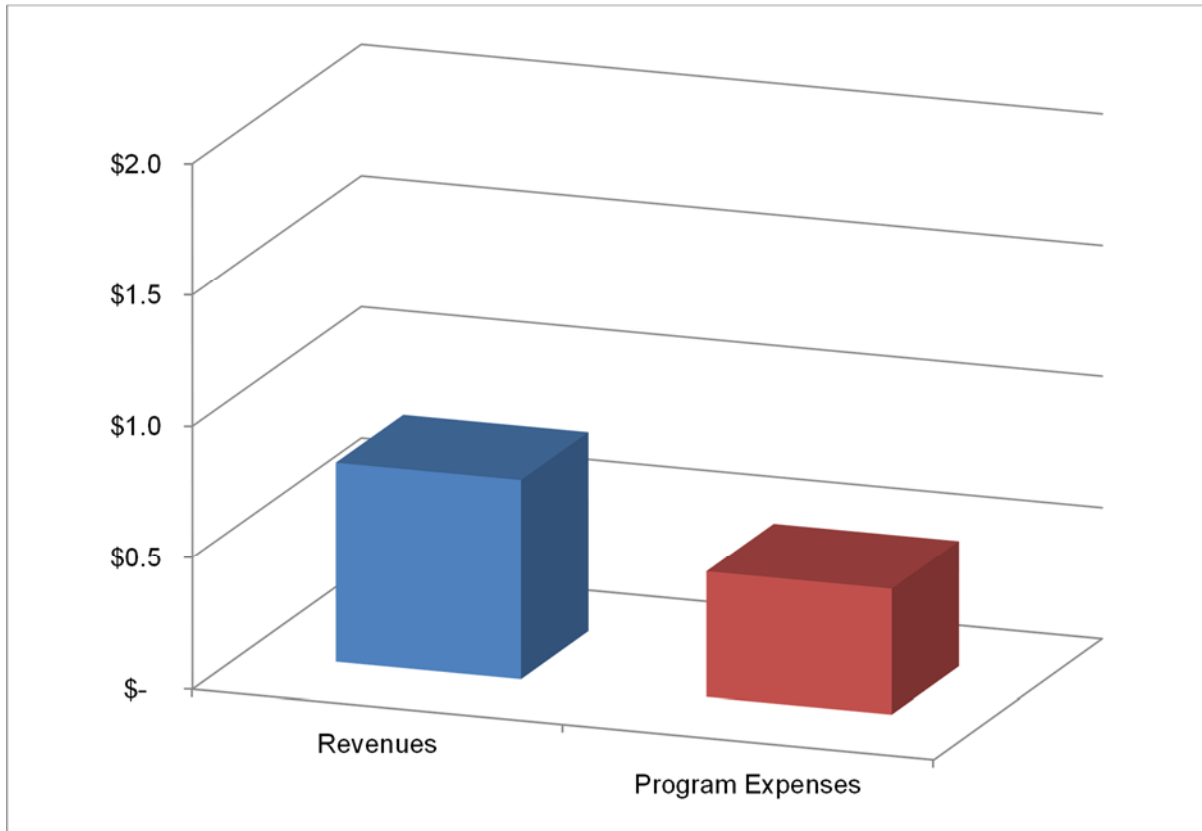
Expenses by Function – Governmental Activities



The City's expenses cover a range of services whose expenses were as follows: Public safety (\$62.5 million), public works (\$17.2 million), community services (\$7.7 million), general government (\$18.9 million), interest expense (\$8.4 million) and community development (\$1.6 million). These expenses include capital outlays which are now reflected in the City's capital assets.

Business-Type Activities

The business-type activity is the West Covina Service Group, which provides dispatch and records management software and services to other police departments.



The business-type activity's expenses decreased by \$754,967, or 61%, from the prior fiscal year. Charges for services and other revenues decreased by \$491,075 or 39.3% in FY 2020-21 causing the increase in net position of \$282,448.

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21.5 million, while total fund balance was \$25.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31.5% of total general fund expenditures, while total fund balance represents 37.4% of that same amount. The non-spendable portion of fund balance in the amount of \$4.0 million mainly consists of Land Held for Resale in the amount of \$3.0 million and of amounts currently owed to the City by the former redevelopment agency in the amount of \$0.6 million.

The reasons for significant changes in the revenues and expenditures of the City's General Fund from the prior year are as follows:

- Total revenues, exclusive of fund transfers in, increased \$2.1 million while total operating expenditures, exclusive of fund transfers out, decreased \$0.9 million.
- Total taxes were up \$6.1 million (11.3%) from the prior year. Property taxes increased by \$2.7 million (9.8%) and sales tax revenues decreased by \$3.8 million (22.5%).
- Investment income decreased by \$2.3 million from the prior year due primarily to lower interest rates.

The **West Covina Housing Authority Fund** provides for low and moderate income activities that were previously provided by the redevelopment agency. The Authority has outstanding loans receivable of \$14.6 million and is due \$0.9 million from the Successor Agency for amounts borrowed by the former redevelopment agency to fund the SERAF payments and 20% of the loans made to the former redevelopment agency by the City.

The **State Gas Tax Fund** accounts for tax collected on fuel to fund maintenance and repair of the States' highways and roads. The fund finished the fiscal year with a total fund balance of \$5.7 million.

GENERAL FUND BUDGET

There were numerous budget amendments throughout the fiscal year mostly due to clean up items, but the net effect to the General Fund budget was \$8 million. Taxes in total exceeded the budget by \$8,692,939, primarily from secured property taxes and sales tax received during the fiscal year. The City budgeted conservatively for these sources of revenue as it may fluctuate from year to year.

CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 48,606,495	\$ 47,212,535	\$ -	\$ -	\$ 48,606,495	\$ 47,212,535
Buildings and improvements	64,756,230	66,803,771	-	-	64,756,230	66,803,771
Equipment and vehicles	7,613,323	8,635,313	-	-	7,613,323	8,635,313
Infrastructure	43,944,658	49,625,180	-	-	43,944,658	49,625,180
Rights of way	14,376,498	14,376,498	-	-	14,376,498	14,376,498
Construction in progress	5,150,186	2,982,605	-	-	5,150,186	2,982,605
Total	\$ 184,447,390	\$ 189,635,902	\$ -	\$ -	\$ 184,447,390	\$ 189,635,902

The major additions to capital assets during the year ended June 30, 2021 were as follows:

- Construction in progress had a net increase of \$2.2 million. The \$5.2 million currently in progress includes the following:
 - Traffic Signal Modifications (\$128,000)
 - Various Street Projects (\$2.7 million)
 - Shadow Oak Park Playground (\$329,000)
 - Energy Efficient Project (\$255,000)
 - Facility Repairs/Improvements (\$1.5 million)
- Completed fixed asset additions of \$4.4 million included:
 - Cameron Park land addition and new park space (\$1.5 million)
 - Replacement of vehicles and major equipment (\$789,000)
 - Street Rehabilitation Projects (\$1.5 million)
 - Various Facility Repairs/Improvements (\$275,000)
 - Police Radio Upgrades (\$189,000)
 - Fire Emergency Care Upgrades (\$132,000)

Additional information on the City's capital assets can be found in Note 7 of this report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had debt outstanding of \$551.7 million. Of this amount, \$242.4 million represents outstanding bonds and \$309.3 million represents other debt such as compensated absences payable, claims and judgments payable, capital lease obligations, and the net pension and OPEB liabilities. All of the outstanding bonds are lease revenue bonds secured by leases from the General Fund.

Outstanding Bonds

	Governmental Activities	
	2021	2020
Lease Revenue Bonds	\$ 242,391,403	\$ 39,699,508
Total	<u>\$ 242,391,403</u>	<u>\$ 39,699,508</u>

Additional information on the City's long-term debt can be found in Note 8 of this report.

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 show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, at City of West Covina, 1444 West Garvey Avenue South, West Covina, California 91790.

BASIC FINANCIAL STATEMENTS

**City of West Covina
Statement of Net Position
June 30, 2021**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 108,491,345	\$ -	\$ 108,491,345
Cash and Investments with Fiscal Agents	18,990,338	-	18,990,338
Receivables:			
Accounts	837,541	296,763	1,134,304
Taxes	5,730,251	-	5,730,251
Interest	63,505	-	63,505
Notes and Loans	14,626,990	-	14,626,990
Other	2,175,236	-	2,175,236
Due from Other Agencies	638,002	-	638,002
Internal Balances	222,253	(222,253)	-
Prepaid Items	133,372	-	133,372
Inventory	40,179	-	40,179
Advances to Successor Agency	1,484,058	-	1,484,058
Land Held for Resale	3,007,802	-	3,007,802
Restricted Cash and Investments	6,415,847	-	6,415,847
Capital Assets, Not Being Depreciated	68,133,179	-	68,133,179
Capital Assets, Net of Accumulated Deprecation	116,272,835	-	116,272,835
Total Assets	<u>347,262,733</u>	<u>74,510</u>	<u>347,337,243</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Items	15,255,037	-	15,255,037
Pension Related Items	191,680,785	-	191,680,785
Total Deferred Outflows of Resources	<u>206,935,822</u>	<u>-</u>	<u>206,935,822</u>
LIABILITIES			
Accounts Payable	4,579,716	14,569	4,594,285
Other Accrued Liabilities	3,011,820	3,039	3,014,859
Interest Payable	3,140,172	-	3,140,172
Deposits Payable	1,601,318	-	1,601,318
Unearned Revenue	9,834,951	-	9,834,951
Noncurrent Liabilities:			
Total OPEB Liability	76,070,626	-	76,070,626
Net Pension Liability	201,901,907	-	201,901,907
Due Within One Year	7,958,655	18,573	7,977,228
Due in More Than One Year	265,795,990	-	265,795,990
Total Liabilities	<u>573,895,155</u>	<u>36,181</u>	<u>573,931,336</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Items	4,509,801	-	4,509,801
Pension Related Items	2,260,873	-	2,260,873
Total Deferred Inflows of Resources	<u>6,770,674</u>	<u>-</u>	<u>6,770,674</u>
NET POSITION			
Net Investment in Capital Assets	139,507,563	-	139,507,563
Restricted for:			
Affordable Housing	24,008,323	-	24,008,323
Debt Service	19,899,380	-	19,899,380
Pension Trust	9,440	-	9,440
Community Services	1,172,271	-	1,172,271
Public Safety	7,773,492	-	7,773,492
Public Works	36,363,229	-	36,363,229
Unrestricted	(255,200,972)	38,329	(255,162,643)
Total Net Position	<u>\$ (26,467,274)</u>	<u>\$ 38,329</u>	<u>\$ (26,428,945)</u>

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Activities
Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 18,934,548	\$ 312,112	\$ 1,308,784	\$ 2,612
Public Safety	62,479,977	3,718,158	5,086,114	32,151
Public Works	17,212,496	4,458,831	10,339,861	6,166,566
Community Services	7,669,884	697,351	5,029,765	4,419,818
Community Development	1,568,283	-	-	-
Interest on Long-Term Debt	8,354,304	-	-	-
Total Governmental Activities	<u>116,219,492</u>	<u>9,186,452</u>	<u>21,764,524</u>	<u>10,621,147</u>
Business-type Activities:				
Computer Service	475,672	758,120	-	-
Total Business-type Activities	<u>475,672</u>	<u>758,120</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 116,695,164</u>	<u>\$ 9,944,572</u>	<u>\$ 21,764,524</u>	<u>\$ 10,621,147</u>

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Transient Occupancy Taxes

Other Taxes

Other Revenues

Gain/ (Loss) on Disposal of Capital Assets

Investment Income

Transfers In/(Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Restatement of Net Position

Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (17,311,040)	\$ -	\$ (17,311,040)
(53,643,554)	-	(53,643,554)
3,752,762	-	3,752,762
2,477,050	-	2,477,050
(1,568,283)	-	(1,568,283)
<u>(8,354,304)</u>	<u>-</u>	<u>(8,354,304)</u>
<u>(74,647,369)</u>	<u>-</u>	<u>(74,647,369)</u>
-	282,448	282,448
-	<u>282,448</u>	<u>282,448</u>
<u>(74,647,369)</u>	<u>282,448</u>	<u>(74,364,921)</u>
30,108,110	-	30,108,110
20,858,803	-	20,858,803
4,644,360	-	4,644,360
1,305,663	-	1,305,663
3,265,607	-	3,265,607
1,620,479	-	1,620,479
3,900,000	-	3,900,000
223,485	-	223,485
-	-	-
<u>65,926,507</u>	<u>-</u>	<u>65,926,507</u>
(8,720,862)	282,448	(8,438,414)
(18,642,521)	(244,119)	(18,886,640)
896,109	-	896,109
<u>\$ (26,467,274)</u>	<u>\$ 38,329</u>	<u>\$ (26,428,945)</u>

**City of West Covina
Balance Sheet
Governmental Funds
June 30, 2021**

	General	Special Revenue		
		West Covina Housing Authority	State Gas Tax	ARPA
ASSETS				
Cash and Investments	\$ 19,269,897	\$ 8,505,735	\$ 7,018,773	\$ 9,783,014
Cash and Investments with Fiscal Agent	-	-	-	-
Restricted Cash	9,440	12,050	-	-
Receivables, net:				
Accounts	479,703	-	-	-
Taxes	5,259,591	-	-	-
Interest	63,505	-	-	-
Notes and Loans	-	14,626,990	-	-
Other	1,419,196	7,212	358,426	-
Due from Other Agencies	-	-	-	-
Due from Other Funds	832,744	-	-	-
Advances to Successor Agency	588,948	895,110	-	-
Avances to Other Funds	279,529	-	-	-
Prepaid Items	133,372	-	-	-
Land Held for Resale	3,007,802	-	-	-
Total Assets	\$ 31,343,727	\$ 24,047,097	\$ 7,377,199	\$ 9,783,014
LIABILITIES				
Accounts Payable	\$ 1,209,405	\$ 24,313	\$ 1,552,443	\$ -
Accrued Liabilities	2,576,155	14,461	98,840	-
Deposits Payable	1,600,978	-	-	-
Unearned Revenue	22,473	-	-	9,783,014
Due to Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Total Liabilities	5,409,011	38,774	1,651,283	9,783,014
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	446,639	-	-	-
Total Deferred Inflows of Resources	446,639	-	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	4,009,651	-	-	-
Restricted	9,440	24,008,323	5,725,916	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	21,468,986	-	-	-
Total Fund Balances (Deficits)	25,488,077	24,008,323	5,725,916	-
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 31,343,727	\$ 24,047,097	\$ 7,377,199	\$ 9,783,014

The accompanying notes are an integral part of this statement.

<u>Debt Service</u>		
<u>Citywide Debt</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
\$ 912,639	\$ 47,243,998	\$ 92,734,056
18,990,338	-	18,990,338
-	6,283,500	6,304,990
153	357,685	837,541
-	470,660	5,730,251
-	-	63,505
-	-	14,626,990
-	390,402	2,175,236
-	536,952	536,952
-	-	832,744
-	-	1,484,058
-	-	279,529
-	-	133,372
-	-	3,007,802
<u>\$ 19,903,130</u>	<u>\$ 55,283,197</u>	<u>\$ 147,737,364</u>
\$ 3,750	\$ 1,691,156	\$ 4,481,067
-	320,411	3,009,867
-	340	1,601,318
-	29,464	9,834,951
-	548,039	548,039
-	279,529	279,529
<u>3,750</u>	<u>2,868,939</u>	<u>19,754,771</u>
-	390,391	837,030
-	390,391	837,030
-	-	4,009,651
19,899,380	42,564,544	92,207,603
-	-	-
-	9,687,492	9,687,492
-	(228,169)	21,240,817
<u>19,899,380</u>	<u>52,023,867</u>	<u>127,145,563</u>
<u>\$ 19,903,130</u>	<u>\$ 55,283,197</u>	<u>\$ 147,737,364</u>

City of West Covina
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Fund balances of governmental funds \$ 127,145,563

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.

Capital Assets	439,037,185	
Accumulated Depreciation	<u>(255,305,452)</u>	183,731,733

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 837,030

Interest Payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the funds. (3,140,172)

Long term liabilities are not due and payable in the current period and are not reported in the funds.

Bonds Payable (including premiums)		(242,391,403)
Loans Payable		(6,602,048)
Compensated Absences		(3,915,668)
Notes Payable		(8,104,843)
Net Pension Liability		(201,901,907)
Total OPEB Liability		(76,070,626)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Outflows Related to Pensions		191,680,785
Deferred Inflows Related to Pensions		(2,260,873)
Deferred Outflows Related to OPEB		15,255,037
Deferred Inflows Related to OPEB		(4,509,801)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 3,779,919

Net position of governmental activities \$ (26,467,274)

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	Special Revenue		ARPA
		West Covina Housing Authority	State Gas Tax	
REVENUES				
Taxes	\$ 59,832,639	\$ -	\$ 1,966,902	\$ -
Special Assessments	-	-	-	-
Licenses and Permits	1,528,117	-	-	-
Fines and Forfeitures	380,169	-	-	-
Investment Income	(633,939)	385,983	19,411	-
Rental Income	952,185	-	-	-
Revenue from Other Agencies	2,999,183	-	2,090,987	-
Charges for Services	6,243,487	-	444	-
Other Revenues	1,690,578	98,802	-	-
Total Revenues	72,992,419	484,785	4,077,744	-
EXPENDITURES				
Current:				
General Government	6,823,237	-	2,979	-
Public Safety	55,278,177	181,450	-	-
Public Works	4,220,203	-	3,636,308	-
Community Services	1,508,777	-	-	-
Community Development	398,262	786,828	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt Issuance Costs	-	-	-	-
Total Expenditures	68,228,656	968,278	3,639,287	-
Excess (Deficiency) of Revenues over Expenditures	4,763,763	(483,493)	438,457	-
OTHER FINANCING SOURCES (USES)				
Transfer In	186,796,578	-	567,148	-
Transfer Out	(13,408,972)	-	-	-
Sale of Capital Assets	-	-	-	-
Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	173,387,606	-	567,148	-
SPECIAL ITEM				
Payment towards Unfunded Pension Liability	(172,543,016)	-	-	-
Net Change in Fund Balances	5,608,353	(483,493)	1,005,605	-
Fund Balances, Beginning	19,675,324	24,491,816	4,720,311	-
Prior Period Adjustments	204,400	-	-	-
Fund Balances, Ending	\$ 25,488,077	\$ 24,008,323	\$ 5,725,916	\$ -

The accompanying notes are an integral part of this statement.

<u>Debt Service</u>		
<u>Citywide Debt</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
\$ -	\$ 10,697,069	\$ 72,496,610
-	6,837,731	6,837,731
-	-	1,528,117
-	-	380,169
85,015	125,019	(18,511)
-	-	952,185
2,220,769	4,312,853	11,623,792
-	132,287	6,376,218
-	996,378	2,785,758
<u>2,305,784</u>	<u>23,101,337</u>	<u>102,962,069</u>
9,795	79,296	6,915,307
36,523	4,794,595	60,290,745
-	7,500,267	15,356,778
-	4,658,667	6,167,444
-	383,193	1,568,283
1,928,918	500,000	2,428,918
5,419,621	-	5,419,621
1,083,165	-	1,083,165
<u>8,478,022</u>	<u>17,916,018</u>	<u>99,230,261</u>
<u>(6,172,238)</u>	<u>5,185,319</u>	<u>3,731,808</u>
4,502,868	5,486,973	197,353,567
(186,582,240)	(1,329,037)	(201,320,249)
-	3,900,000	3,900,000
204,095,000	6,602,048	210,697,048
<u>22,015,628</u>	<u>14,659,984</u>	<u>210,630,366</u>
-	-	(172,543,016)
15,843,390	19,845,303	41,819,158
4,055,990	31,486,855	84,430,296
-	691,709	896,109
<u>\$ 19,899,380</u>	<u>\$ 52,023,867</u>	<u>\$ 127,145,563</u>

City of West Covina
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net change in fund balances-total governmental funds \$ 41,819,158

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Expenditures	6,471,973
Depreciation Expense	(11,515,461)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 636,561

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows:

Principal Paid on Notes Payable	1,078,918
Principal Paid on Bonds Payable	1,350,000
Principal Paid on Capital Lease Payable	180,122
Amortization of Premium on Lease Revenue Bonds	53,105
Issuance of Lease Revenue Bonds	(204,095,000)
Issuance of Loans Payable	(6,602,048)

Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the period. (2,987,788)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures:

Net Change in Employee Leave Benefits	(58,763)
Net Change in Net Pension Liability	(6,750,521)
Net Change in Total OPEB Liability	(14,777,599)
Net Change in Deferred Outflows Pension Related Amounts	168,981,935
Net Change in Deferred Inflows Pension Related Amounts	1,032,198
Net Change in Deferred Outflows OPEB Related Amounts	10,375,777
Net Change in Deferred Inflows OPEB Related Amounts	1,965,158

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 4,121,413

Change in net position of governmental activities \$ (8,720,862)

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Net Position
Proprietary Funds
June 30, 2021**

	Business-type Activities <u>Computer Service Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ -	\$ 15,757,289
Restricted Cash and Investments	-	110,857
Accounts Receivable, Net	296,763	-
Due from Other Agencies	-	101,050
Inventories	-	40,179
Total Current Assets	<u>296,763</u>	<u>16,009,375</u>
Noncurrent Assets:		
Capital Assets, Not Being Depreciated	-	-
Capital Assets, Net of Accumulated Depreciation	-	674,281
Total Noncurrent Assets	<u>-</u>	<u>674,281</u>
Total Assets	<u>296,763</u>	<u>16,683,656</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	14,569	98,649
Other Accrued Liabilities	3,039	1,953
Due to Other Funds	222,253	62,452
Current Portion of Long-Term Liabilities:		
Compensated Absences	18,573	-
Claims Payable	-	-
Total Current Liabilities	<u>258,434</u>	<u>163,054</u>
Noncurrent Liabilities:		
Compensated Absences	-	200
Claims Payable	-	12,740,483
Total Noncurrent Liabilities	<u>-</u>	<u>12,740,683</u>
Total Liabilities	<u>258,434</u>	<u>12,903,737</u>
NET POSITION		
Net Investment in Capital Assets	-	674,281
Unrestricted	38,329	3,105,638
Total Net Position	<u>\$ 38,329</u>	<u>\$ 3,779,919</u>

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities	Governmental Activities
	Computer Service Enterprise Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 758,120	\$ 5,070,697
Rental Income	-	266,386
Other Revenues	-	88,604
	<u>758,120</u>	<u>5,425,687</u>
OPERATING EXPENSES		
Personnel Services	154,214	150,391
Cost of Sales, Services, and Operations	321,458	1,740,639
Depreciation	-	186,400
Insurance and Claims Paid	-	3,194,721
	<u>475,672</u>	<u>5,272,151</u>
Operating Income (Loss)	<u>282,448</u>	<u>153,536</u>
NONOPERATING REVENUES (EXPENSES)		
Investment Income	-	1,195
Gain/ (Loss) on Disposal of Capital Assets	-	-
	<u>-</u>	<u>1,195</u>
Income Before Contributions and Transfers	282,448	154,731
Transfers In	-	3,966,682
Transfers Out	-	-
	<u>282,448</u>	<u>4,121,413</u>
Change in Net Position	282,448	4,121,413
Total Net Position, Beginning	<u>(244,119)</u>	<u>(341,494)</u>
Total Net Position, Ending	<u>\$ 38,329</u>	<u>\$ 3,779,919</u>

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021**

	Business-type Activities Computer Service Enterprise Fund	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 934,005	\$ -
Cash Received from User Departments	-	5,819,455
Cash Paid to Suppliers for Goods and Services	(432,564)	(5,816,006)
Cash Paid to Employees for Services	(204,989)	(149,027)
Net Cash from Operating Activities	296,452	(145,578)
Cash Flows from Noncapital Financing Activities		
Cash Paid (to) from Other Funds	(296,452)	3,966,682
Net Cash from Noncapital Financing Activities	(296,452)	3,966,682
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	-	-
Proceeds from the Sale of Assets	-	-
Net Cash from Capital and Related Financing Activities	-	-
Cash Flows from Investing Activities		
Interest on Investments	-	1,195
Net Cash from Investing Activities	-	1,195
Net Increase (Decrease) in Cash and Cash Equivalents		3,822,299
Cash and Cash Equivalents, Beginning of Year	-	12,045,847
Cash and Cash Equivalents, End of Year	\$ -	\$ 15,868,146
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 282,448	\$ 153,536
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		186,400
Other Revenues	-	-
(Increase) Decrease in Accounts Receivable	163,841	393,768
(Increase) Decrease in Due from Other Agencies	12,044	-
(Increase) Decrease in Inventory and Prepaid Items	-	(9,706)
Increase (Decrease) in Accounts Payable	(111,106)	(432,520)
Increase (Decrease) in Accrued Liabilities	(5,728)	1,364
Increase (Decrease) in Compensated Absences	(45,047)	-
Increase (Decrease) in Claims and Judgments	-	(438,420)
Net Cash Provided (Used) by Operating Activities	\$ 296,452	\$ (145,578)

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Net Position
Fiduciary Funds
June 30, 2021**

	Successor Agency Private-purpose Trust Fund	Pension Trust Funds	Custodial Funds
ASSETS			
Cash and Investments	\$ 4,063,756	\$ 531,464	\$ 2,820
Cash and Investments with Fiscal Agent	7,053,103		-
Restricted Cash and Investments	5,571,251	-	-
Receivables, Net:			
Taxes	615,985	-	-
Interest	1,937	-	-
Assessments	9,115,000	-	-
Due from City of West Covina	8,104,843	-	-
Land Held for Resale	54,279		
	<u>34,580,154</u>	<u>531,464</u>	<u>2,820</u>
Total Assets			
LIABILITIES			
Accounts Payable	48,490	-	2,820
Accrued Liabilities	545,019	-	-
Interest Payable	267,579	-	-
Due to Other Governments	201,460	-	-
Advances from City of West Covina	1,484,058	-	-
Long-term Liabilities:			
Due to County Auditor Controller	8,104,843	-	-
Due within One Year	5,684,975	-	-
Due in More than One Year	92,173,646	-	-
	<u>108,510,070</u>	<u>-</u>	<u>2,820</u>
Total Liabilities			
NET POSITION			
Held in Trust for:			
Successor Agency	(73,929,916)	-	-
Pension Benefits	-	531,464	-
	<u>\$ (73,929,916)</u>	<u>\$ 531,464</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2021**

	Successor Agency Private-purpose Trust Fund	Pension Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Taxes and assessments collected for others	\$ 10,772,810	\$ -	\$ -
Employer Contributions	-	132,030	-
Investment Earnings:			
Interest Income	312,844	114,836	-
Total Additions	<u>11,085,654</u>	<u>246,866</u>	<u>-</u>
DEDUCTIONS			
Program Administration	4,498,648	-	-
Administrative Costs	11,399,892	12,134	-
Benefit Distributions	-	252,998	-
Interest and Fiscal Charges	878,156	-	-
Total Deductions	<u>16,776,696</u>	<u>265,132</u>	<u>-</u>
Change in Net Position	(5,691,042)	(18,266)	-
Net Position - Beginning of Year	<u>(68,238,874)</u>	<u>549,730</u>	<u>-</u>
Net Position - End of Year	<u>\$ (73,929,916)</u>	<u>\$ 531,464</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of West Covina, California (the City) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A) Financial Reporting Entity

The City was incorporated on February 23, 1923 under the general laws of the State of California. The accompanying financial statements present the City and its component units; entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Because each component unit meets the above-mentioned criteria, included within the financial reporting entity of the City are the City of West Covina Housing Authority, the West Covina Public Financing Authority, the Parking Authority of the City of West Covina, and the West Covina Community Services Foundation, Inc.

A brief description of each component unit follows:

West Covina Housing Authority

The West Covina Housing Authority (the Housing Authority) was formed on January 17, 2012 and is responsible for the administration of providing affordable housing in the City. The Housing Authority is administered by a Board which consists of members of the City Council. The transactions of the Housing Authority are reported as a special revenue fund is a blended component unit of the City.

West Covina Public Financing Authority

The West Covina Public Financing Authority (the Authority) was created by a joint powers agreement between the City and the Community Development Commission of the City on June 1, 1990. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Authority is administered by the Board who are the members of the City Council. The Authority's sole source of income is installment sale, loan and lease payments received from the City and former Community Development Commission (the Commission) which are used to meet the debt service requirements on debt issues. The Authority is blended into the debt service fund of the City.

The Parking Authority of the City of West Covina

The Parking Authority of the City of West Covina (the Parking Authority) was formed under the provision of the government code of the State of California for the purpose of financing and constructing parking facilities for lease to the City. The City Council acts as the governing body of the Parking Authority and is able to impose its will on the Parking Authority. It is a component unit of the City, and the financial statements of the Parking Authority are included within the financial statements of the City using the blended method. The Parking Authority has been inactive since 1999.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The West Covina Community Services Foundation, Inc.

The West Covina Community Services Foundation, Inc. (the Foundation) was established on July 26, 2005 as a nonprofit public benefit corporation. It was organized and operates exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Foundation is administered by the Board of Directors who are the members of the City Council. The Foundation is blended into the special revenue funds of the City.

Since the City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. Except for the Housing Authority, these component units do not issue component unit financial statements.

Separate financial statements for the Housing Authority can be obtained from the City of West Covina, City Hall.

B) Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide Financial Statements
- Fund financial statements
- Notes to financial statements

Government-wide Financial Statements:

Government-wide financial statements display information about the reporting government as a whole except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. Interfund services provided and used are not eliminated in the process of consolidation.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Generally Accepted Accounting Principles.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than as an expenditure.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar programs are recognized as revenue as soon as all eligibility requirements imposed by providers have been met.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds; each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements represent assets held by the City in a custodial capacity for other individuals or organizations in the private purpose trust, pension trust, and custodial funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Significant revenues subject to the criteria include taxes, licenses and permits, and intergovernmental revenues. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Revenues, expenditures, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Generally Accepted Accounting Principles. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Therefore, recognition of governmental fund type revenue represented by receivables is reported as deferred inflows of resources until they meet the "availability" criteria.

Sales taxes, property taxes, franchise taxes, revenue from other agencies, rental income, occupancy taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government. The availability period for all revenues is 60 days.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures rather than as a reduction of a fund liability.

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, the proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability rather than as an expenditure.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The City's fiduciary private purpose and pension trust funds are accounted for using the economic resources measurement focus and accrual basis of accounting. The private purpose trust fund accounts for the assets held by the City for the Successor Agency to the former Community Development Commission of the City. The pension trust fund account for assets and activities of the Public Agency Retirement System Enhancement and Supplemental Retirement defined benefit pension plans. The City's fiduciary custodial accounts for assets held for the benefit of others. Because these funds are not available for use by the City, fiduciary funds are not included in the governmental-wide statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are combined and are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Classifications

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. This fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund

The *West Covina Housing Authority Special Revenue Fund* is used to account for assets and related income received from the former Community Development Commission to be used for the administration of providing affordable housing in the City.

The *State Gas Tax Special Revenue Fund* accounts for the City's proportionate share of gas tax monies collected by the State of California and Proposition 1B monies which are used for street construction and maintenance.

The *ARPA Special Revenue Fund* accounts for the grant funds received from the American Rescue Plan Act.

The *Citywide Debt Service Fund* accounts for the payments of principal, interest, and related costs on the City long-term debt issues.

The City reports the following major proprietary funds:

The *Computer Service Enterprise Fund* is used to account for operations that are financed and operated in a manner similar to private business enterprises. The City's enterprise fund is used to account for computer services provided by the Police Department to other public agencies.

Additionally, the City reports the following fund types:

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The *Internal Service Funds* are used to account for vehicle and equipment maintenance and replacement, for the City's self-insurance programs, and for retirement health savings plans for qualified City employees. Departments of the City are charged for the services provided or benefits received from these funds.

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has two types of fiduciary funds, a custodial fund and a private-purpose trust fund. Agency funds are used to account for the assets held for distribution by the City as an agent for another entity for which the City has custodial responsibility and accounts for the flow of assets. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary funds:

Successor Agency Private Purpose Trust Fund – accounts for assets and liabilities transferred in fiscal year 2012 from the Redevelopment Agency of the City of West Covina to the Successor Agency Trust Fund.

Pension Trust Fund – These funds are used to account for the assets and activities of the Public Agency Retirement System Retirement Enhancement and Supplemental Retirement plans.

Custodial Funds – account for funds in which the City is acting as a custodian for another agency. The specific nature of the activities reported in the custodial funds are the West Covina Mall Community Facilities District and the West Covina Tourism Marketing District.

C) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. *Investment income* earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

D) Inventories

Inventory is stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The City uses the consumption method of accounting for inventory.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E) Prepaid Items

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

F) Notes and Loans Receivable

The accompanying financial statements report certain loans receivable for loans made to private developers, private homeowners, and other parties. Where applicable, an allowance for doubtful accounts has been recorded to reflect management’s best estimate of probable losses associated with non-repayment.

G) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received within 60 days after year end. The property tax calendar is as follows:

Property Tax Calendar		County Remittance Dates and Percentages	
Lien date	January 1	December	40% Advance
Levy date	July 1	January	10% Advance
Due date	November 1 and February 1	February	Collection No. 1
Delinquent dates	December 10 and April 10	April	35% Advance
		May	Collection No. 2
		July	Collection No. 3

H) Claims and Judgements

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to yearend and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City’s self-insurance activities.

I) Compensated Absences Payable

A liability is recorded for unused vacation and similar compensatory leave balances since the employees’ entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The General Fund and Computer Service Enterprise Fund typically have been used to liquidate the liability for compensated absences.

J) Capital Assets

Capital assets greater than \$5,000 and infrastructure greater than \$100,000 are capitalized and recorded at cost or at an estimated fair value of the assets at the time of acquisition where complete historical records do not exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets include public domain infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, medians, sewer and storm drains.

Depreciation has been provided using the straight-line method over the estimated useful life of the assets in the government-wide financial statements and in the fund financial statements of the proprietary and the private-purpose trust funds. Depreciation starts the year following acquisition.

For capital assets, depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Governmental Activities

Infrastructure - pavement	25 years
Infrastructure - other	20 - 75 years
Buildings	20 - 50 years
Improvements other than buildings	20 - 50 years
Equipment and Vehicles	5 - 25 years

Business-type Activities

Equipment and Machinery	5 - 25 years
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K) Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred.

In the Fund Financial Statements, proprietary fund types recognize the interest payable when the liability is incurred.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has certain items that qualify for reporting in this category: deferred outflows relating to the City's net pension and OPEB liabilities.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for certain items under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities.

M) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) and Public Agency Retirement System plans (PARS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, 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.

Generally accepted accounting principles require that the reported results for pensions must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used for CalPERS:

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

The following timeframes are used for PARS:

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2019 Valuation Date; June 30, 2020 Measurement Date; and July 1, 2019 through June 30, 2020 Measurement Period.

O) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

P) Fund Balance

Nonspendable Fund Balance: These include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, e.g., the principal of an endowment fund. Examples of "not in spendable form" include inventory, prepaid amounts, long-term notes and loans, property held for resale and other items not expected to be converted to cash. However, if the proceeds from the eventual sale or liquidation of the items would be considered restricted, committed or assigned (as defined further on) then these amounts would be included in the restricted, committed or assigned instead of the nonspendable classification. A debt service reserve fund held by a trustee is an example of fund balance in nonspendable form that is classified as restricted instead of nonspendable since the reserve is eventually liquidated to make the final debt service principal payment.

Restricted Fund Balance: Amounts that have externally enforceable limitations on use. The limitations on use can be imposed by creditors, grantors, or contributors as well as by constitutional provisions, enabling legislation, laws and government regulations.

Committed Fund Balance: Amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance: Amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council (Council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. Additional formal action does not normally have to be taken for the removal of an assignment.

Unassigned Fund Balance: These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances. For all funds other than the General Fund, amounts expended in excess of resources that are restricted, committed, or assigned, negative unassigned fund balance may be necessary to report.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Q) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements), as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

R) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 108,491,345
Cash and Investments with Fiscal Agents	18,990,338
Restricted Cash and Investments	6,415,847
Statement of Fiduciary Net Position:	
Cash and Investments	4,598,040
Cash and Investments with Fiscal Agents	7,053,103
Restricted Cash and Investments	<u>5,571,251</u>
Total Cash and Investments	<u><u>151,119,924</u></u>

Cash and investments as of June 30, 2021 consist of the following:

Cash on Hand	\$ 16,850
Deposits with Financial Institutions	22,945,621
Investments	<u>128,157,453</u>
Total Cash and Investments	<u><u>151,119,924</u></u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. This table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that addresses interest rate risk and concentrations of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City and investments in the City's retirement enhancement and supplemental retirement defined benefit pension trust funds that are in the Public Agency Retirement Plans (PARS Trust Pool), rather than the general provisions of the California Government Code or the City's investment policy.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

2) CASH AND INVESTMENTS - Continued

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Government Sponsored Agency Securities	Yes	5 years	None	None
Municipal Securities	Yes	5 years	30%	5%
Supranationals	Yes	5 years	30%	10%
Medium-Term Notes	Yes	5 years	30%	5%
Collateralized Certificate of Deposit	Yes	5 years	25%	25%
Negotiable Certificates of Deposit	Yes	5 years	30%	30%
Banker's Acceptance	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	5%
Asset Backed Securities	Yes	5 years	20%	20%
Money Market Mutual Funds	Yes	N/A	20%	10%
Repurchase Agreements	Yes	100 days	20%	20%
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	\$75,000,000

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are generally authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Investment Types Authorized by State Law	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	None
Municipal Securities	5 years	30%	None
Supranationals	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Collateralized Certificate of Deposit	5 years	25%	None
Negotiable Certificates of Deposit	5 years	30%	None
Banker's Acceptance	180 days	None	None
Commercial Paper	270 days	25%	5%
Money Market Mutual Funds	5 years	20%	10%
Repurchase Agreements	100 days	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Pension Trust Agreements

Investments of pension trust fund contributions held by the trustee are governed by the trust agreements. The City selected an investment strategy allowed by the trust agreements with the objective of providing current income and moderated capital appreciation. The strategic ranges for the investment strategy selected by the City are as follows:

5%	Cash
45%	Fixed Income
48.50%	Equities
1.50%	REIT

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			
	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months
Los Angeles County Investment Pool	\$ 26,848,514	\$ 26,848,514	\$ -	\$ -
Local Agency Investment Fund	76,259,480	76,259,480	-	-
Money Market Mutual Funds	226,942	226,942	-	-
U.S Government Agency Securities	113,256	113,256	-	-
PARS Trust Pool	540,904	540,904	-	-
Held by Bond Trustees:				
Collateralized Investment Agreement	5,002,670	5,002,670	-	-
Money Market Mutual Funds	19,165,687	19,165,687	-	-
Total	\$ 128,157,453	\$ 128,157,453	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating as of year-end by Standard and Poor's or Moody's or Fitch for each investment type:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

2) CASH AND INVESTMENTS – Continued

Investment Type	Amount	Minimum Legal Rating	AAA	Unrated
Los Angeles County Investment Pool	\$ 26,848,514	N/A	\$ -	\$ 26,848,514
Local Agency Investment Fund	76,259,480	N/A	-	76,259,480
Money Market Mutual Funds	226,942	A	226,942	-
U.S Government Agency Securities	113,256	N/A	-	113,256
PARS Trust Pool	540,904	N/A	-	540,904
Held by Bond Trustees:				
Collateralized Investment Agreement	5,002,670	N/A	-	5,002,670
Money Market Mutual Funds	19,165,687	A	19,165,687	-
Total	\$ 128,157,453		\$ 19,392,629	\$ 108,764,824

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There was no investments in any one issuer (other than U.S. Government Agencies, Supranationals, Money Market Funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. All the City's deposits are either federally insured or collateralized as of June 30, 2021. Investments held by bond trustee are selected under the terms of the applicable trust agreement. The trustee acquires the investment and holds the investment on behalf of the reporting government.

Investment in County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool (LACIP) that is regulated by the California Government Code and the Los Angeles County Board of Supervisors under the oversight of the Los Angeles County Treasurer-Tax Collector. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's pro-rata share of the fair value provided by LACIP for the entire LACIP portfolio. The balance for withdrawal is based on the accounting records maintained by LACIP, which are recorded on an amortized cost basis.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

2) CASH AND INVESTMENTS – Continued

Fair Value of Investments

Investments (except those that may be reported at amortized cost) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2021 are described below.

Based upon the fair value measurements, the City held the following investments as of June 30, 2021:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
U.S. Government Agency Securities	113,256	-	113,256	-
Total	\$ 113,256	\$ -	\$ 113,256	\$ -

US Government Agency Securities categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from

Interfund receivable and payable balances at June 30, 2021 were as follows:

Payable Fund	Receivable Fund
	General Fund
Non-major Governmental Funds	\$ 548,039
Computer Service Enterprise Fund	222,253
Internal Service Funds	62,452
Total Fund Balances	\$ 832,744

These interfund payables represent temporary loans to cover negative cash balances.

Advances to/from

Advances of \$279,529 between the General Fund and the Auto Plaza Improvement District non-major special revenue fund are for cash advanced for the replacement of the reader board sign at the Auto Plaza.

Interfund transfers for the year ended June 30, 2021 are as follows:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

TRANSFERS OUT	TRANSFERS IN					Total
	General Fund	State Gas Tax Fund	Citywide Debt	Non-major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 567,148	\$ 4,502,868	\$ 4,372,274	\$3,966,682	\$ 13,408,972
Citywide Debt	185,582,240	-	-	1,000,000	-	186,582,240
Non-major Governmental Funds	1,214,338	-	-	114,699	-	1,329,037
	<u>\$ 186,796,578</u>	<u>\$ 567,148</u>	<u>\$ 4,502,868</u>	<u>\$ 5,486,973</u>	<u>\$3,966,682</u>	<u>\$ 201,320,249</u>

The General Fund transferred \$567,148 to the State Gas Tax Fund for an SB1 project. The General Fund transferred \$4,502,868 to the Citywide Debt Service Fund for debt service payments. The General Fund transferred \$4,372,274 to the Non-major Governmental Funds for various projects and operating expenditures. The General Fund transferred \$3,966,682 to the Internal Service Fund for deficits in the self-insurance fund. The Citywide Debt Service Fund transferred \$185,582,240 to the General Fund to pay the unfunded liability payments for the Miscellaneous and Safety CalPERS pension plans. In addition, the Citywide Debt Service Fund transferred \$1,000,000 to the Non-major Governmental Funds for various projects. The Non-major Governmental Funds transferred \$1,214,338 to the General Fund to reimburse capital expenses and park property acquisition.

4) LONG-TERM RECEIVABLES FROM SUCCESSOR AGENCY

Prior to the dissolution of the Commission's redevelopment activities on February 1, 2012, the City authorized several advances to be used for completing redevelopment projects throughout the community. As a result of the dissolution, the liabilities related to these advances were transferred to the Successor Agency. See Note 18 and 19 for additional information.

The long-term amounts due from the Successor Agency at June 30, 2021 were as follows:

- a) The General Fund had made the several advances to the Commission totaling \$8,100,000 for administrative and capital improvement construction costs (General Advance). Eighty percent (80%) of the balance is reported in the General Fund and the remaining twenty percent (20%) of the balance is reported in the West Covina Housing Authority Special Revenue Fund.
- b) In May 2010, the Commission made an advance of \$6,529,308 from the Low and Moderate-Income Housing Capital Projects Fund to the Citywide Project Area Debt Service Fund to satisfy the Commission's Supplemental Educational Revenue Augmentation Fund (SERAF) obligation as required by Assembly Bill ABX4-26. The advance bears no interest. In May 2011, the Commission made an advance of \$1,344,269 from the Low and Moderate-Income Housing Capital Projects Fund to the Citywide Project Area Debt Service Fund to satisfy the SERAF obligation as required by Assembly Bill ABX4-26. The advance bears no interest and must be repaid by August 1, 2022. Effective February 1, 2012, the Commission's redevelopment activities were dissolved, and the receivable side of these advances was retained by the Housing Authority.

The "Dissolution Act" (AB 1x26 as amended by AB 1484) outlines the method of repayment for the General Advances and the SERAF Advances by the Successor Agency.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

4) LONG-TERM RECEIVABLES FROM SUCCESSOR AGENCY - Continued

The Dissolution Act sets a defined schedule by which the general advances may be repaid. The repayment schedule is to span a reasonable term of years, with outstanding balances incurring interest at a rate not to exceed that earned by the funds deposited into the Local Agency Investment Fund (LAIF). Repayment of the general advances is subject to additional repayment limitations. Repayment commenced in the 2015-2016 fiscal year, annual payments are capped as determined by a specific formula, repayment of the general advances is on a lower payment priority than other obligations of the Successor Agency, and twenty percent (20%) of the repayment amount must be deposited in the LMIHF for the benefit of the Housing Authority. Total general advance and SERAF advance repayments made in the fiscal year 2020-21 were \$647,886 and \$2,742,187, respectively.

The outstanding balances at June 30, 2021 were as follows:

General Advances	\$	736,186
SERAF Advances		747,872
Total Advances to Successor Agency		\$ 1,484,058

5) NOTES AND LOANS RECEIVABLE

The following notes and loans receivable were outstanding as of June 30, 2021:

Housing Rehabilitation	\$	353,888
First Time Homebuyer Loans		177,447
Housing Preservation Program		673,382
Home Improvement Program		688,913
Lark Ellen Towers		6,472,664
Executive Lodge Apartments Limited Partnership		6,355,378
West Covina Senior Villas, LLC		2,833,333
West Covina Senior Villas II, LP		8,513,884
Other Loans		608,196
Less: Allowance for Doubtful Accounts		(12,050,095)
Total Governmental Funds		\$ 14,626,990

Several housing rehabilitation loans totaling \$353,888 have been made to qualified applicants using Community Development Block Grants received by the City and housing set-aside funds of the former Commission's redevelopment activities. These loans bear interest up to 5% and are repaid when title to the property changes. The City has included 5% of the balance in the allowance for doubtful accounts.

The Housing Authority has loans to first-time home buyers totaling \$177,447. Loans are secured by second trust deeds and bear interest at 5%. Principal and interest are deferred for five years and are due monthly in years 6 through 30. The City has included 5% of the balance in the allowance for doubtful accounts.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

5) NOTES AND LOANS RECEIVABLE - Continued

The Housing Authority also has housing preservation loans to qualified applicants using housing set-aside funds totaling \$673,382. Principal and interest are deferred for ten years; after the tenth year loans bear interest at 5%. Loans are repaid after the tenth year or when title to the property changes. The City has included 5% of the balance in the allowance for doubtful accounts.

Several housing improvement loans totaling \$688,913 have been made to qualified applicants. The loans are secured by second trust deeds. The City has included 5% of the balance in the allowance for doubtful accounts.

In May 1997, the Commission loaned \$4,270,000 to Lark Ellen Towers. The loan was transferred to the Housing Authority from the dissolved former Commission. The loan is secured by a deed of trust. The loan accrues interest at 3% per annum and requires annual payments equal to the maximum of \$35,000 or 50% of net profits earned by the project. The outstanding principal and accrued interest at June 30, 2021 was \$6,472,664.

In April 1998, the Commission loaned \$5,622,300 to Executive Lodge Apartments Limited Partnership (Promenade Apartments project). The loan was transferred to the Housing Authority from the dissolved former Commission. The loan is secured by a deed of trust. The loan was amended and restated on April 1, 2017, with a principal of \$6,056,621 accruing interest at 2.82% compounded annually and requires annual payments equal to 50% of "Available Cash Flow". The outstanding principal and accrued interest at June 30, 2021 was \$6,355,378.

In May 2002, the Commission loaned \$4,360,000 to West Covina Senior Villas, LLC. The loan is secured by a deed of trust. The loan does not accrue interest. The loan requires annual payments of \$141,667 through May 2032 that are forgiven by the City unless the borrower defaults on the agreement. The outstanding principal at June 30, 2021 was \$2,833,333. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

In May 2009, the Commission entered into an agreement with West Covina Senior Villas II, L.P. to provide \$8,600,000 for the acquisition of real property in the City and construction and maintenance of an approximately 65-unit apartment complex to be rented to low income and very low income senior citizens. The loan is secured by a deed of trust. The loan does not accrue interest and is forgiven so long as the borrower does not default on the loan. The outstanding principal at June 30, 2021 was \$8,513,884. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

Other notes consist of affordable housing loans of \$400,000. The notes do not accrue interest and are forgiven unless the borrower sells or refinances the property. Additionally, the balance included a note of \$208,196 for low income housing which accrues no interest and is forgivable if the owner maintains the low and moderate income housing status. The outstanding principal of these loans combined at June 30, 2021 was \$608,196. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

6) LAND HELD FOR RESALE

Land held for resale is valued at the lower of cost or the sales price per contract with the developer. The land held for resale at June 30, 2021 was comprised of land to be used as open space or a municipal golf course in the amount of \$3,007,802.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

7) CAPITAL ASSETS

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 47,212,535	\$ 1,492,856	\$ (98,896)	\$ 48,606,495
Rights of Way	14,376,498	-	-	14,376,498
Construction in Progress	2,982,605	3,862,331	(1,694,750)	5,150,186
Total Capital Assets, Not Being Depreciated	<u>64,571,638</u>	<u>5,355,187</u>	<u>(1,793,646)</u>	<u>68,133,179</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	115,724,610	274,766	-	115,999,376
Equipment and Vehicles	34,335,472	1,151,100	-	35,486,572
Infrastructure - Pavement	197,037,263	1,372,562	-	198,409,825
Infrastructure - Other	24,153,423	153,380	-	24,306,803
Total Capital Assets Being Depreciated	<u>371,250,768</u>	<u>2,951,808</u>	<u>-</u>	<u>374,202,576</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(48,920,839)	(2,322,307)	-	(51,243,146)
Equipment and Vehicles	(25,700,159)	(2,173,090)	-	(27,873,249)
Infrastructure - Pavement	(153,010,093)	(6,769,708)	-	(159,779,801)
Infrastructure - Other	(18,555,413)	(436,756)	-	(18,992,169)
Total Accumulated Depreciation	<u>(246,186,504)</u>	<u>(11,701,861)</u>	<u>-</u>	<u>(257,888,365)</u>
Net Capital Assets Being Depreciated	<u>125,064,264</u>	<u>(8,750,053)</u>	<u>-</u>	<u>116,314,211</u>
Governmental Activities, Capital Assets	<u>\$ 189,635,902</u>	<u>\$ (3,394,866)</u>	<u>\$ (1,793,646)</u>	<u>\$ 184,447,390</u>

Depreciation expense was charged to the following functions for governmental activities in the Statement of Activities:

General Government	\$ 720,708
Public Safety	1,151,022
Public Works	8,327,691
Community Services	1,502,440
	<u>\$ 11,701,861</u>

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Equipment and Vehicles	\$ 1,059,120	\$ -	\$ -	\$ 1,059,120
Less Accumulated Depreciation:				
Equipment and Vehicles	(1,059,120)	-	-	(1,059,120)
Net Capital Assets Being Depreciated	-	-	-	-
Business-type Activities, Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

8) LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2021 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing:					
Notes Payable	\$ 9,183,761	\$ -	\$ (1,078,918)	\$ 8,104,843	\$ 578,918
Capital Lease	180,122	-	(180,122)	-	-
Loans Payable	-	6,602,048	-	6,602,048	190,381
2006 Lease Revenue Bonds	15,400,000	-	(515,000)	14,885,000	585,000
2018 Lease Revenue Bonds	23,025,000	-	(835,000)	22,190,000	870,000
Premium on Bonds	1,274,508	-	(53,105)	1,221,403	53,105
2020 Lease Revenue Bonds	-	204,095,000	-	204,095,000	3,645,000
Compensated Absences	3,857,105	3,531,541	(3,472,778)	3,915,868	2,036,251
Net Pension Liability	195,151,386	6,750,521	-	201,901,907	-
Total OPEB Liability	61,293,027	17,287,237	(2,509,638)	76,070,626	-
Claims Payable	13,178,903	1,521,315	(1,959,735)	12,740,483	-
Total	\$ 322,543,812	\$ 239,787,662	\$ (10,604,296)	\$ 551,727,178	\$ 7,958,655
Business-type Activities:					
Compensated Absences	\$ 63,620	\$ 30,172	\$ (75,219)	\$ 18,573	\$ 18,573
Total	\$ 63,620	\$ 30,172	\$ (75,219)	\$ 18,573	\$ 18,573

The liability for compensated absences, Total OPEB, and Net Pension are generally liquidated by the General Fund and internal service funds.

Notes Payable – Direct Borrowing

Successor Agency Note

On December 4, 2015, the City and Successor Agency entered into a settlement agreement with the California Department of Finance (DOF) regarding the Other Funds Due Diligence Review. The agreement requires the City to repay the Successor Agency \$11,578,351 for transfers that did not represent enforceable obligations. The Successor Agency will then remit these funds to the Los Angeles County Auditor-Controller for allocation to the affected taxing entities. The amount of the note must be repaid through biannual payments in the amount of \$289,459 each January 15th and June 15th until the loan is repaid in full on June 15, 2035. There is no interest charged on this repayment. The outstanding balance as of June 30, 2021 was \$8,104,843.

The following represents the future annual debt service requirements:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

8) LONG-TERM LIABILITIES - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 578,918	\$ 201,136	\$ 780,054
2023	578,918	196,993	775,911
2024	578,918	192,605	771,523
2025	578,918	186,786	765,704
2026	578,918	179,661	758,579
2027 - 2031	2,894,590	788,164	3,682,754
2032 - 2035	2,315,663	214,400	2,530,063
Totals	<u>\$ 8,104,843</u>	<u>\$ 1,959,745</u>	<u>\$ 10,064,588</u>

Energy Efficiency Loans Payable – Direct Borrowing

Solar Equipment Loan

In May 2021, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment and improvements (solar) with an aggregate principal borrowing of \$3,386,950. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.60% and are due and payable semi-annually on May 13th and November 13th each year, maturing on May 13, 2041. The General Fund will generally be responsible for making the debt service payments annually.

Non-Solar Equipment Loans

In May 2021, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment including lighting and HVAC (non-solar) with an aggregate principal borrowing of \$3,215,098. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.05% and are due and payable semi-annually on May 13th and November 13th each year, maturing on May 13, 2036. The General Fund will generally be responsible for making the debt service payments annually.

The annual debt service requirements on the Energy Efficiency Loans Payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 190,381	\$ 218,430	\$ 408,811
2023	266,072	211,558	477,630
2024	257,766	202,994	460,760
2025	280,485	194,431	474,916
2026	304,402	185,147	489,549
2027 - 2031	1,639,354	773,095	2,412,449
2032 - 2036	2,004,698	483,737	2,488,435
2037 - 2041	1,658,890	165,883	1,824,773
Totals	<u>6,602,048</u>	<u>2,435,275</u>	<u>9,037,323</u>

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

8) LONG-TERM LIABILITIES - Continued

Lease Revenue Bonds

2006 Lease Revenue Bonds, Series A and B (Big League Dreams Project)

In September 2006, the City issued \$10,710,000 of Lease Revenue Bonds, Series A and \$7,295,000 of taxable Lease Revenue Bonds, Series B to provide financing for facilities and infrastructure related to the Big League Dreams sports park. The Series A bonds mature annually through June 1, 2036, in amounts ranging from \$80,000 to \$1,270,000, with interest rates that range from 4.0% to a maximum of 5.0% over the term of the bonds. The Series B bonds mature annually through June 1, 2036, in amounts ranging from \$115,000 to \$550,000, with interest rates that range from 5.39% to a maximum of 6.07% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded at June 30, 2021. The outstanding principal balance as of June 30, 2021 was \$14,885,000.

The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 585,000	\$ 804,327	\$ 1,389,327
2023	660,000	772,557	1,432,557
2024	695,000	736,880	1,431,880
2025	730,000	699,295	1,429,295
2026	770,000	659,802	1,429,802
2027	820,000	618,100	1,438,100
2028	860,000	573,622	1,433,622
2029	905,000	526,930	1,431,930
2030	950,000	477,775	1,427,775
2031	1,005,000	426,155	1,431,155
2032	1,060,000	371,518	1,431,518
2033	1,120,000	313,864	1,433,864
2034	1,180,000	252,942	1,432,942
2035	1,725,000	188,699	1,913,699
2036	1,820,000	96,885	1,916,885
Totals	<u>\$ 14,885,000</u>	<u>\$ 7,519,351</u>	<u>\$ 22,404,351</u>

2018 Lease Revenue Refunding Bonds, Series A and B

On November 20, 2018, the City issued \$19,310,000 of Lease Revenue Bonds, Series A and \$4,855,000 of taxable Lease Revenue Bonds, Series B to provide financing for the advance refunding of the City's 2002 Lease Revenue Bonds Series A, 2004 Lease Revenue Bonds Series A&B, and the 2013 Lease Revenue Refunding Bonds Series A. The Series A bonds mature annually through May 1, 2044, in amounts ranging from \$460,000 to \$125,000, with interest rates that range from 4.0% to a maximum of 5.0% over the term of the bonds. The Series B bonds mature annually through May 1, 2030, in amounts ranging from \$345,000 to \$500,000, with interest rates that range from 2.953% to a maximum of 4.469% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded as of June 30, 2021. The outstanding principal balance as of June 30, 2021 was \$22,190,000.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

8) LONG-TERM LIABILITIES - Continued

The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 870,000	\$ 991,076	\$ 1,861,076
2023	910,000	952,011	1,862,011
2024	950,000	910,569	1,860,569
2025	990,000	866,750	1,856,750
2026	1,040,000	820,871	1,860,871
2027 - 2031	5,930,000	3,323,880	9,253,880
2032 - 2036	7,390,000	1,776,200	9,166,200
2037 - 2041	3,750,000	331,200	4,081,200
2042 - 2044	360,000	29,200	389,200
Total	<u>\$ 22,190,000</u>	<u>\$ 10,001,757</u>	<u>\$ 32,191,757</u>

2020 Lease Revenue Bonds, Series A

On July 23, 2020, the City issued \$204,095,000 of Lease Revenue Bonds, Series A (taxable) to provide financing to pay the City's unfunded pension liabilities to CalPERS, to establish a reserve fund, and pay issuance costs. The Series A bonds mature annually through August 1, 2044, in amounts ranging from \$3,645,000 to \$16,105,000, with interest rates that range from 1.747% to a maximum of 3.892% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded as of June 30, 2021. The outstanding principal balance as of June 30, 2021 was \$204,095,000. The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 3,645,000	\$ 7,049,885	\$ 10,694,885
2023	3,925,000	6,981,799	10,906,799
2024	4,210,000	6,904,083	11,114,083
2025	4,525,000	6,813,563	11,338,563
2026	4,560,000	6,711,662	11,271,662
2027 - 2031	28,370,000	31,451,914	59,821,914
2032 - 2036	40,055,000	25,987,515	66,042,515
2037 - 2041	55,805,000	17,115,632	72,920,632
2042 - 2045	59,000,000	4,765,754	63,765,754
Total	<u>\$ 204,095,000</u>	<u>\$ 113,781,807</u>	<u>\$ 317,876,807</u>

Claims Payable

Claims payable are typically paid from the City's Internal Service Self-Insurance Fund. There is no fixed payment schedule for claims liabilities.

Compensated Absences

The liability of \$3,915,868 represents the governmental activities portion of total unpaid vacation and compensation time earned by employees of the City. There is no fixed payment schedule for earned but unpaid compensated absences. The General Fund typically has been used to liquidate the liability for compensated absences. The liability of \$18,573 represents the business-type activity portion of total unpaid vacation and compensation time earned by employees of the City. There is no fixed payment schedule for earned but unpaid compensated absences.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

9) SELF-INSURANCE

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Internal Service Self-Insurance Fund is used to account for and finance its uninsured risks of loss.

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

As of July 1, 2020, the City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

The City participates in the excess workers' compensation and excess general liability programs of the Authority.

Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of \$1,000,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Excess Workers' Compensation Program

The City has a retained limit of \$1,000,000 per occurrence for workers' compensation claims. The Authority's pooled retention is \$1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of West Covina participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of West Covina. Coverage is on a claims-made basis. There is a \$250,000 deductible, with a limit of \$5 million per member.

Property Insurance

The City of West Covina participates in the All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is \$97,026,667. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

9) SELF-INSURANCE - Continued

Crime Insurance

The City of West Covina participates in the Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is \$3,000,000, and the deductible is \$2,500.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

The claims and judgments liability reported in the Internal Service Self-Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$12,740,483 as of June 30, 2021.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

Changes in the claims and judgments payable amounts for the past two fiscal years for the Self-Insurance Fund are as follows:

Year Ended June 30,	Beginning of Year	Claims and Changes in Estimates	Claim Payments	End of Year
2021	\$ 13,178,903	\$ 1,521,315	\$ 1,959,735	\$ 12,740,483
2020	10,056,183	8,147,744	5,025,024	13,178,903

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

10) NON-CITY OBLIGATION DEBT

Emanate Health, a California nonprofit public benefit corporation (Corporation), has requested that the California Statewide Communities Development Authority (CSCDA) participate in the issuance of one or more series of revenue bonds (Bonds) in an aggregate principal amount not to exceed \$260,000,000, for the acquisition, construction, equipping, improvement, renovation, rehabilitation and/or remodeling of hospital, health care and related facilities (Project) to be owned and operated by the Corporation or one of its affiliates.

For each component of the Project, the issuance of the Bonds by the CSCDA must be approved by the applicable city in which the component of the Project is located before construction can begin. One component of the Project consists of the construction of two separate buildings at the Queen of the Valley Hospital campus located in West Covina.

On May 19, 2020, the City Council approved the issuance of the Bonds and Refunding Bonds by the CSCDA for the purposes of financing and/or refinancing the Project via the adoption of the resolution number 2020-26.

11) FUND BALANCE CLASSIFICATIONS

The City's governmental fund balances at June 30, 2021, are presented below:

	General Fund	West Covina Housing Authority	State Gas Tax	ARPA	Citywide Debt	Other Governmental Funds	Total
Nonspendable:							
Prepaid Items	\$ 133,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,372
Advances to Successor Agency	588,948	-	-	-	-	-	588,948
Advances to Other Funds	279,529	-	-	-	-	-	279,529
Land Held for Resale	3,007,802	-	-	-	-	-	3,007,802
Restricted for:							
Affordable Housing	-	24,008,323	-	-	-	-	24,008,323
Debt Service	-	-	-	-	19,899,380	-	19,899,380
Pension Trust	9,440	-	-	-	-	-	9,440
Community Services	-	-	-	-	-	2,809,029	2,809,029
Public Safety	-	-	-	-	-	7,773,492	7,773,492
Public Works	-	-	5,725,916	-	-	31,982,022	37,707,938
Assigned:							
Capital Improvement	-	-	-	-	-	9,687,492	9,687,492
Unassigned	21,468,986	-	-	-	-	(228,168)	21,240,818
Total Fund Balances	\$ 25,488,077	\$ 24,008,323	\$ 5,725,916	\$ -	\$ 19,899,380	\$ 52,023,867	\$ 127,145,563

12) DEFICIT FUND BALANCES

The following funds reported deficits in fund balances/net position as of June 30, 2021:

<u>Non-Major Special Revenue Governmental Funds:</u>	<u>Deficit Balance</u>
Transportation Development Act Fund	\$ 60,457
Auto Plaza Improvement District	109,936
Measure H	57,776

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

12) DEFICIT FUND BALANCES - Continued

The deficit of \$60,457 and \$57,776 in the Transportation Development Act and Measure H Fund, respectively, are the results of expenditures incurred prior to reimbursement from grantors. The deficits will be eliminated through future grant revenues. The Auto Plaza Improvement District deficit of \$57,776 will be reduced as the fund pays back the advance from the General Fund.

13) PENSION PLAN SUMMARY

The City currently has a total of two pension plans administered by CalPERS and two retirement enhancement plans administered by PARS. The pension plans consist of a miscellaneous agent plan and a safety agent plan (see Note 14 for a full description of the plans). The retirement enhancement plan consists of an EPMC replacement supplemental retirement plan and a supplemental retirement plan for executive staff and City Council (see Note 15 for a full description of the plans). The summary of the pension related liability, deferred inflows of resources and deferred outflows of resources are as follows:

	Miscellaneous Plan	Safety Plan	EPMC	EXEC	Total
Deferred Outflows of Resources	\$ 42,116,926	\$ 149,096,249	\$ 377,650	\$ 89,960	\$ 191,680,785
Deferred Inflows of Resources	358,535	1,834,180	68,158	-	2,260,873
Pension Liability	47,701,389	148,639,757	1,121,237	4,439,524	201,901,907

14) EMPLOYEE RETIREMENT PLANS

General Information about the Pension Plans

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous and Safety Plans, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: The Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plans' June 30, 2019 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

14) EMPLOYEE RETIREMENT PLAN – Continued

The Plans' provisions in effect at June 30, 2021, are summarized as follows:

	Miscellaneous			
	Prior to January 1, 2011	On or after January 1, 2011	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2.0% @ 55	2.5% @ 55	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-67+	50-67+	50-67+	52-67+
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)	(1)
Required employee contribution rates	0%	8.00%	7%	6.25%
Required employer contribution rates	9.236% + \$3,396,933	9.236%	9.236%	9.236%
	Safety			
	Prior to July 1, 2012	Prior to January 1, 2013	On or after January 1, 2013	
Hire date				
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57	
Benefit vesting schedule	5 years service	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	monthly for life	
Retirement age	50 & up	50-55+	50-57+	
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)	
Required employee contribution rates	9%	9%	12.75%	
Required employer contribution rates	21.949% + \$10,090,945	21.949%	21.949%	

(1) - Depending on years of service

*New hires who are already enrolled in CalPERS are eligible for benefits under the Tier II, and other new hires are enrolled in the PEPRA rate plans.

Employees Covered: At June 30, 2021 (June 30, 2019 valuation date), the following number of employees were covered by the benefit terms for the Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	445	347
Inactive employees entitled to but not yet receiving benefits	277	70
Active employees	126	152
Total	848	569

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

14) EMPLOYEE RETIREMENT PLAN – Continued

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability

The City’s net pension liability for the Plans is measured as the total pension liability, less the pension plans’ fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)
Post Retirement Benefit Increase	(3)

- (1) Depending on age, service and type of employment
- (2) Derived using CalPERS’ Membership Data for all Funds.
- (3) The lesser contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

14) EMPLOYEE RETIREMENT PLAN – Continued

Long-term Expected Rate of Return - 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous and Safety Plans are as follows:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

14) EMPLOYEE RETIREMENT PLAN – Continued

	Miscellaneous		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (June 30, 2020 reporting date)	\$ 161,363,763	\$ 115,332,254	\$ 46,031,509
Changes in the year:			
Service cost	1,230,251	-	1,230,251
Interest on the total pension liability	11,161,901	-	11,161,901
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(956,094)	-	(956,094)
Changes in assumptions	-	-	-
Contributions from the employer	-	3,588,307	(3,588,307)
Contributions from employees	-	658,924	(658,924)
Net investment income	-	5,681,537	(5,681,537)
Benefit payments, including refunds	(9,824,549)	(9,824,549)	-
Administrative/other expense	-	(162,590)	162,590
Net changes	1,611,509	(58,371)	1,669,880
Balance at June 30, 2020 (June 30, 2021 reporting date)	\$ 162,975,272	\$ 115,273,883	\$ 47,701,389

	Safety		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (June 30, 2020 reporting date)	\$ 396,192,719	\$ 251,509,957	\$ 144,682,762
Changes in the year:			
Service cost	5,180,535	-	5,180,535
Interest on the total pension liability	27,556,923	-	27,556,923
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(2,269,271)	-	(2,269,271)
Changes in assumptions	-	-	-
Contributions from the employer	-	12,592,111	(12,592,111)
Contributions from employees	-	1,806,665	(1,806,665)
Net investment income	-	12,466,983	(12,466,983)
Benefit payments, including refunds	(22,204,388)	(22,204,388)	-
Administrative/other expense	-	(354,567)	354,567
Net changes	8,263,799	4,306,804	3,956,995
Balance at June 30, 2020 (June 30, 2021 reporting date)	\$ 404,456,518	\$ 255,816,761	\$ 148,639,757

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

**City of West Covina
Notes to Financial Statements
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14) EMPLOYEE RETIREMENT PLAN – Continued

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 67,441,876	\$ 201,618,362
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 47,701,389	\$ 148,639,757
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 31,334,486	\$ 105,031,919

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$4,774,157 for the Miscellaneous Plan and \$18,842,303 for the Safety Plan. At June 30, 2021, the City reported deferred outflows and deferred inflows for the Miscellaneous and Safety Plans from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 41,343,285	\$ -	\$ 146,564,102	\$ -
Differences between actual and expected experience	-	358,535	702,480	1,560,124
Changes in assumptions	-	-	-	274,056
Net differences between projected and actual earnings on plan investments	773,641	-	1,829,667	-
Total	<u>\$ 42,116,926</u>	<u>\$ 358,535</u>	<u>\$ 149,096,249</u>	<u>\$ 1,834,180</u>

The \$41,343,285 and \$146,564,102 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	<u>Deferred Outflows/Inflows of Resources, Net</u>	
	<u>Miscellaneous</u>	<u>Safety</u>
2022	\$ (924,592)	\$ (1,472,867)
2023	283,003	(389)
2024	587,511	1,134,267
2025	469,184	1,036,956
2026	-	-
Thereafter	-	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2021.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS)

A) General Information about the EPMC Replacement Supplemental Pension Plan

Plan Description and Benefits Provided

Effective November 1, 2007, the City established an agent multiple-employer defined benefit plan to supplement the current CalPERS retirement benefits that is to be administered for the City by the Public Agency Retirement System (PARS), a third-party administrator. The plan meets the requirements of a pension trust under California Government Code. Phase II Systems is the PARS Trust Administrator. The plan does not issue separate financial reports.

The EPMC Replacement Plan was established to replace a long-standing benefit for city employees no longer allowed by CalPERS. The plan provides for a benefit in an amount equal to the member's years of service, times the member's final pay, times the CalPERS age factor, times .70% for miscellaneous employees (times .89% for safety employees). At the time of retirement, employees will make an election to receive either a lump sum payment or receive ongoing stipends over their lifetime.

Employees shall be eligible to receive benefits under this plan if he or she meets all of the following requirements under one of the following tiers:

Tier 1

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Classified as a department head or city council, employee represented by the Confidential Employees' Association, General Employees' Association, West Covina Maintenance and Crafts Employees' Association, Mid-Management Employees' Association and Non-Sworn Support Employees' Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment.
- Has terminated employment with the City and concurrently retired under
- CalPERS under a regular service retirement and remains in retired status under CalPERS.
- Has applied for benefits under this plan.

Tier 2

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Fire safety employee on or after July 1, 2004 but hired prior to July 1, 2012.
- Police management employee on or after July 1, 2004 but hired prior to December 31, 2012, or an employee hired prior to January 1, 2013 who promotes or transfers to police management position on or after January 1, 2013.
- Not represented by the West Covina Police Officers Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

- Has terminated employment with the City and concurrently retired under CalPERS under a regular service retirement, and remains in retired status under CalPERS.
- Has applied for benefits under this plan.

Contributions - The City makes all contributions to these plans. Participants do not make any contributions. The actuarially required contribution is determined on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is funding the plan to pay the benefit payments payable each year. The City's contribution for the year ended June 30, 2021 was \$52,666.

Employees Covered

At June 30, 2019, the valuation date, the following employees were covered by the benefit terms for the plan:

	EPMC
Inactive employees or beneficiaries currently receiving benefits	39
Active employees	109
Total	148

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	EPMC
Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.00%
Inflation	2.75%
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generation with scale MP-2019

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Discount Rate

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary performs complex projections of future benefit payments and asset values.

The following circumstances were included in the evaluation of sufficiency for the City:

- Annual contributions of 0.7% of payroll (closed group basis) are assumed (beginning with 2015/16).
- Benefit payments are annually withdrawn from the Trust until assets are exhausted and then benefit payments made directly by the City.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 6.25%.
- The actuarial assumptions do not change.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the actuary's opinion that a depletion date projection is not appropriate. Therefore, the discount rate is based on the projected portion of the Total Pension Liability funded by the Fiduciary Net Position in each future year. For the funded portion, the long-term expected rate of return on pension plan investments (6.25%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2020, measurement date (2.67%) was used. The discount rate used (2.67%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The table bellows reflects the long-term expected real rate of return by asset class:

Asset Class	Target Allocation	Expected Real Rate of Return
Equity	58%	4.82%
REITs	2%	3.76%
Fixed Income	35%	1.47%
Cash	5%	0.06%
Total	<u>100.00%</u>	

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current retirees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. The City chose the Bond Buyer General Obligation 20-Bond Index resulting in the use of a 2.67% discount rate (single equivalent rate of return) in calculating the pension liability.

Changes in the Net Pension Liability

The changes in the net pension liability for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (June 30, 2020 reporting date)	\$ 1,092,902	\$ 141,856	\$ 951,046
Changes in the year:			
Service cost	30,564	-	30,564
Interest on the total pension liability	41,806	-	41,806
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	146,898	-	146,898
Contributions from the employer	-	56,957	(56,957)
Net investment income	-	2,908	(2,908)
Benefit payments, including refunds	(103,008)	(103,008)	-
Administrative/other expense	-	(10,788)	10,788
Net changes	116,260	(53,931)	170,191
Balance at June 30, 2020 (June 30, 2021 reporting date)	\$ 1,209,162	\$ 87,925	\$ 1,121,237

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability (asset) of the City for the Plan, calculated using the discount rate for the Plan, 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 or 1-percentage point higher than the current rate:

1% Decrease		1.67%
Net Pension Liability	\$	1,271,453
Current Discount Rate		2.67%
Net Pension Liability	\$	1,121,237
1% Increase		3.67%
Net Pension Liability	\$	999,183

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$135,514 for the Plan. At June 30, 2021, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 52,666	\$ -
Differences between actual and expected experience	83,803	14,400
Changes in assumptions	237,757	53,758
Net differences between projected and actual earnings on plan investments	3,424	-
Total	\$ 377,650	\$ 68,158

The \$52,666 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending	EPMC
June 30,	
2022	\$ 55,744
2023	48,130
2024	44,260
2025	43,762
2026	41,954
Thereafter	22,976

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2021.

B) Supplemental Retirement Plan for Executive Staff and City Council Pension Plan

Plan Description and Benefits Provided

Effective November 1, 2007, the City established a agent multiple-employer defined benefit plan to supplement the current CalPERS retirement benefits that is to be administered for the City by with the Public Agency Retirement System (PARS), a third-party administrator. The plan meets the requirements of a pension trust under California Government Code. Phase II Systems is the PARS Trust Administrator. The plan does not issue separate financial reports and is closed to new hires.

This agent multiple-employer defined benefit pension plan is separated into three tiers.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Tier 1 (full-time non-safety Department Head and the City Manager) and Tier 2 (City Council) provides an additional retirement amount to miscellaneous department heads, City Manager and City Council in an amount equal to the amount of \$823 per month. This benefit amount increases each year by CPI, up to 2%. In order to be eligible for this benefit, participants must have five years of service with the City and must retire into PERS from the City.

Tier 3 (City Manager) provides an increased retirement benefit to a former City Manager consistent with the terms of his contract. It will convert the retirement formula for all years of prior CalPERS service at non-West Covina agencies to the CalPERS 2.5% @ 55 formula currently in place with the City of West Covina.

Contributions

All three tiers are combined for funding purposes in this plan. The City makes all contributions to these plans. Participants do not make any contributions. The actuarially required contribution is determined on a pay as you go funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is funding the plan to pay the benefit payments payable each year. The City's contribution for the year ended June 30, 2021 was \$79,364.

Employees Covered

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms for the plan:

	Supplemental
Inactive employees or beneficiaries currently receiving benefits	11
Active employees	1
Total	12

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

	Supplemental
Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	3.63%
Inflation	2.75%
Salary Increase	3.00%
Benefit Increase	2.00%
Mortality	CalPERS 1997-2015 Experience Study
Investment Rate of Return	6.25%

Discount Rate

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) and 68 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the City:

- The City ceased contributions and withdrawals from the Trust. The City will pay benefits directly to retirees until the trust is sufficient, on an expected basis, to pay all remaining benefits.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 6.25%.
- The actuarial assumptions do not change.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the actuary's opinion that a depletion date projection is not appropriate. Therefore, the discount rate is based on the projected portion of the Total Pension Liability funded by the Fiduciary Net Position in each future year. For the funded portion, the long-term expected rate of return on pension plan investments (6.25%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2019, measurement date, (3.50%) was used. The discount rate used (3.63%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The table below reflects the long-term expected real rate of return by asset class:

Asset Class	Target Allocation	Expected Real Rate of Return
Equity	58%	4.82%
REITs	2%	3.76%
Fixed Income	35%	1.47%
Cash	5%	0.06%
Total	<u>100.00%</u>	

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current retirees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. The City chose the Bond Buyer General Obligation 20-Bond Index resulting in the use of a 3.63% discount rate (single equivalent rate of return) in calculating the pension liability.

Changes in the Net Pension Liability

The changes in the net pension liability, with a measurement date of June 30, 2020, for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (June 30, 2020 reporting date)	\$ 4,020,306	\$ 534,237	\$ 3,486,069
Changes in the year:			
Service cost	14,068	-	14,068
Interest on the total pension liability	143,620	-	143,620
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	879,137	-	879,137
Contributions from the employer	-	77,814	(77,814)
Net investment income	-	15,031	(15,031)
Benefit payments, including refunds	(155,804)	(155,804)	-
Administrative/other expense	-	(9,475)	9,475
Net changes	<u>881,021</u>	<u>(72,434)</u>	<u>953,455</u>
Balance at June 30, 2020 (June 30, 2021 reporting date)	<u>\$ 4,901,327</u>	<u>\$ 461,803</u>	<u>\$ 4,439,524</u>

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability (asset) of the City for the Plan, calculated using the discount rate for the Plan, 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 or 1-percentage point higher than the current rate:

1% Decrease		1.36%	
Net Pension Liability	\$	5,351,973	
Current Discount Rate		2.36%	
Net Pension Liability	\$	4,439,524	
1% Increase		3.36%	
Net Pension Liability	\$	3,725,913	

For the year ended June 30, 2021, the City recognized pension expense of \$1,023,170. At June 30, 2021, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 79,364	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	10,596	-
Total	\$ 89,960	\$ -

The \$79,364 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending	
June 30,	Supplemental
2022	\$ 786
2023	3,293
2024	3,460
2025	3,057
2026	-
Thereafter	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2021.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

16) DEFINED CONTRIBUTION RETIREMENT PLAN

During the 1991-1992 fiscal year, the City established the West Covina Part-Time Retirement Plan, a defined contribution retirement plan, for all non-benefited, part-time employees in accordance with Internal Revenue Code Section 457, to conform to Section 3121(b)(7)(F) of the Internal Revenue Code added by the Omnibus Budget Reconciliation Act of 1990. The plan is administered by Nationwide Retirement Solutions. The plan was established by the authority of the City Council who retains the authority to amend the plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of the contributions.

Part-time, non-benefited, non-persable employees of the City must participate in the plan. During 2012-13, 195 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Contribution levels into the deferred compensation plan were established by City Council resolution at 0% for the City and 7.5% for non-benefited, non-persable part-time employees.

During the year, total required and actual contributions amounted to \$70,471 and covered payroll for the year ended June 30, 2021 totaled \$505,371. No contributions were made by the City and employees contributed \$70,471 (7.72% of current covered payroll). Total plan assets at June 30, 2021 were \$539,634. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

17) OTHER POST EMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Descriptions

Medical - The City administers a single-employer defined benefit plan which provides healthcare benefits to eligible retirees and their dependents in accordance with various labor agreements. City paid amounts are capped at varying amounts depending on employee's bargaining unit, as follows:

- Police:
 - \$1,005 per month for employees hired before July 1, 2012, with five years of sworn service or hired after July 1, 2012, with more than twenty years of sworn service
 - PEMHCA minimum amount (\$122 and \$125 per month in calendar years 2015 and 2016, respectively) for employees hired after July 1, 2012, with less than twenty years of sworn service
- Fire:
 - \$1,005 per month for employees hired before July 1, 2012, with five years of sworn service
 - EMHCA minimum amount (\$122 and \$125 per month in calendar years 2015 and 2016, respectively) for employees hired after July 1, 2012

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

17) OTHER POST EMPLOYMENT BENEFITS - Continued

- Miscellaneous:
 - PEMHCA minimum amount (\$122 and \$125 per month in calendar years 2015 and 2016, respectively).

Life Insurance - Eligible retirees, in accordance with various labor agreements, receive life insurance benefits from the City as follows:

- \$500 Confidential/Exempt, General, Maintenance and Non-Sworn Safety bargaining units
- \$10,000 Executive Management, Mid-Management, Police Management (retired after September 1, 2006), Fire Management and Fire bargaining units
- \$10,500 Police bargaining unit

Employees Covered by Benefit Terms - As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active Employees	275
Inactive employees entitled to, but not yet receiving benefits	258
Retirees or spouses of retirees currently receiving benefits	35
Total	568

Contributions - The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and bargaining unit requirements is based on a pay-as-you-go basis (i.e. as medical insurance premiums become due). For fiscal year ended June 30, 2021, the City contributed \$2,520,250 to the plan, including \$2,070,250, for current premiums (100% of total premiums), and \$450,000 of implied subsidy premiums.

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS 1997-2015 Experience Study
Health Care Trend Rate	Non-Medicare - 7.25% for 2021, 4% ultimate Medicare - 6.3% for 2021, 4% ultimate
PEMHCA Minimum Increase	4.25% Annually
Inflation Rate	2.75%
Salary Changes	3.00%
Discount Rate	2.21% at June 30, 2020 3.50% at June 30, 2019

Discount Rate - The discount rate used to measure the total OPEB liability was 2.21% at June 30, 2020.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

17) OTHER POST EMPLOYMENT BENEFITS – Continued

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2020 (2019 Measurement Date)	\$ 61,293,027
Changes in the year:	
Service cost	1,575,501
Interest on the total OPEB liability	2,156,480
Changes of assumptions	13,555,256
Benefit payments, including refunds	(2,509,638)
Net changes	14,777,599
Balance at June 30, 2021 (2020 Measurement Date)	\$ 76,070,626

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Total OPEB liability (asset)	\$ 89,956,168	\$ 76,070,626	\$ 65,215,431

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's Total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability (asset)	\$ 71,089,972	\$ 76,070,626	\$ 81,873,347

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

The Plan Fiduciary Net Position was \$0 at the June 30, 2020 measurement date, as the City is not prefunding with an OPEB trust. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is amortized using the straight-line method over 5 years, while all other amounts are amortized over the expected average remaining service lifetime (EARSL) of plan participants, which was 5.1 years as of the 2019 valuation date.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

17) OTHER POST EMPLOYMENT BENEFITS – Continued

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$4,956,914. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 2,520,250	\$ -
Changes of Assumptions	12,734,787	3,403,718
Net differences between expected and actual experience	-	1,106,083
Total	\$ 15,255,037	\$ 4,509,801

The \$2,520,250 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2022	\$ 1,217,713
2023	1,460,486
2024	2,518,624
2025	2,762,372
2026	265,791
Thereafter	-

18) COMMITMENTS AND CONTINGENCIES

- A) In 1989, in order to assist in the expansion of the Fashion Plaza shopping center, the City enacted an ordinance to allow the Redevelopment Agency of the City of West Covina (the predecessor to the West Covina Community Development Commission) to receive the sales tax generated as a result of the expansion project. At the same time, the City enacted an ordinance providing a credit for sales tax payable by the developer in the amount equal to the sales tax due to the redevelopment agency. These sales tax ordinances and related agreements between the City and the Agency essentially transferred the sales tax increment due to the Fashion Plaza expansion project from the City to the Agency.

- B) On July 25, 2005, the Board of Directors of the former West Covina Community Development Commission adopted Resolution No. 2005-50. By this resolution, the Board of Directors authorized the Commission to reimburse the City of West Covina over a period of 17 years for the sales tax revenue that had essentially been shifted from the City to the Agency. These budgeted interfund transfers between the primary government of the City of West Covina and the former Community Development Commission will be recorded in the fiscal year that they result in a flow of current financial resources, as required by the measurement focus prescribed for governmental funds. As a result of the dissolution of the Redevelopment Agency, the Department of Finance has deemed this agreement as an unenforceable obligation.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

19) SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the Commission's former non-housing redevelopment activities were transferred to the City in its fiduciary capacity as the Successor Agency to the Redevelopment Agency of the City of West Covina on February 1, 2012, as a result of the dissolution of California redevelopment agencies. These assets and liabilities and any activities related to them are reported in the City's fiduciary private-purpose trust fund financial statements. Disclosures related to these assets and liabilities are as follows:

Assessment Receivable

In connection with the Commission's issuance of its \$51,220,000 1996 Special Tax Refunding Bonds, \$32,520,000 in assessments receivable was recorded. The assessment is an annual special tax levied on the Community Facilities District No.1989-1 in an amount sufficient to ensure payment of the debt service on the 1996 Special Tax Refunding Bonds. This special tax supplements sales and property tax increment revenues that also support the debt service on the bonds. The assessments receivable outstanding as of June 30, 2021 was \$9,115,000.

Due from the City of West Covina

As part of the dissolution process, AB1484 required the Successor Agency to have due diligence reviews of both the low and moderate-income housing funds and all other funds to be completed by October 15, 2012, and January 15, 2013, to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. The Successor Agency remitted \$1,891,166 to the County Auditor-Controller (CAC) on December 19, 2012, for the low and moderate-income housing funds due diligence review.

The due diligence review for all other funds was finalized with the final letter of determination issued by the DOF on April 24, 2013. The DOF determined that the principal and interest payments made by the former Community Development Commission totaling \$12,205,531 on various loans from the City of West Covina for the period January 1, 2011, to June 30, 2012, were on loans not made within the first two years of the formation of the former redevelopment agency. The DOF ordered the Successor Agency to remit \$11,578,351 to the CAC within five days from the date of the letter.

City management, in consultation with its legal counsel, did not agree with the DOF's decision and filed a lawsuit to contest the decision. The City also did not remit the payments that were disallowed to the CAC. In December 2015, the City entered into a settlement agreement, which requires the City to repay the \$11,578,351 over a period of 20 years. See additional details on the long-term payable in Note 8. As the City repays the Successor Agency, the Successor Agency will remit the amounts collected to the CAC. The City reported a long-term liability of \$8,104,843 (reported as part of notes payable) in the governmental activities and a receivable of \$8,104,843 in the Successor Agency related to the DOF's determination at June 30, 2021.

Land Held for Resale

Land held for resale is valued at the lower of cost or the sales price per contract with the developer. The land held for resale at June 30, 2021 was comprised of BKK Project in the amount of \$54,279.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

19) SUCCESSOR AGENCY DISCLOSURES – Continued

Long-Term Liabilities

Changes in long-term liabilities for the Successor Agency are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
1996 Special Tax Bonds	\$ 12,695,000	\$ -	\$ (3,735,000)	\$ 8,960,000	\$ 4,055,000
Tax Allocation Bonds:					
Series 2017, Refunding	10,315,000	-	(1,865,000)	8,450,000	1,615,000
Premium	209,648	-	(14,975)	194,673	14,975
Developer Agreement Payable	72,652,056	7,601,892	-	80,253,948	-
Total	<u>\$ 95,871,704</u>	<u>\$ 7,601,892</u>	<u>\$ (5,614,975)</u>	<u>\$ 97,858,621</u>	<u>\$ 5,684,975</u>

1996 Special Tax Bonds

In 1996, the Community Development Commission issued \$51,220,000 of Special Tax Refunding Bonds comprised of \$9,980,000 of serial bonds and \$41,240,000 of term bonds to finance public parking facilities, street and other improvements located in or adjacent to the Community Development Commission Community Facilities District. The serial bonds matured during the fiscal year ended June 30, 2007. The term bonds bear interest at a rate from 5.75% to 6.0% payable semiannually and are due September 1, 2022. The term bonds are not subject to optional redemption; mandatory redemption begins September 1, 2007, then annually thereafter through September 1, 2022. Interest is payable semiannually on March 1 and September 1 of each year. The bonds are secured by and payable from a portion of the revenues derived from an annual special tax to be levied against all taxable real property within the Special Assessment District. In addition, the Commission has pledged certain other incremental revenues generated within the District consisting of property taxes and sales taxes. In addition, the reserve requirement of \$5,002,670 was fully funded at June 30, 2021. There was a bond call on March 1, 2016, for \$425,000. The outstanding principal balance of the bonds at June 30, 2021 was \$8,960,000.

The future debt service requirements for the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 4,055,000	\$ 415,950	\$ 4,470,950
2023	4,905,000	147,150	5,052,150
Totals	<u>\$ 8,960,000</u>	<u>\$ 563,100</u>	<u>\$ 9,523,100</u>

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021**

19) SUCCESSOR AGENCY DISCLOSURES – Continued

2017 Tax Allocation Revenue Refunding Bonds

On February 14, 2017, the Successor Agency issued Tax Allocation Revenue Refunding bonds, Series 2017A (Tax-Exempt) and 2017B (Federally Taxable). These bonds refinanced the 1998 Housing Set-Aside Tax Allocation Bonds Series A & B, the 2001 Housing Set-Aside Tax Allocation Revenue Bonds, the 2002 Tax Allocation Refunding Bonds and the 1999 Taxable Variable Rate Demand Tax Allocation Bonds. The bonds are payable from and secured solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority as set forth in the Agency Indenture. The interest on the Series A bonds is payable semiannually on September 1 and March 1 of each year at interest rates ranging from 2% to 5%. The principal of the Series A bonds is due annually throughout 2026, in amounts ranging from \$400,000 to \$670,000. The interest on the Series B bonds is payable semiannually on September 1 and March 1 of each year at interest rates ranging from 1% to 3.75%. The principal of the Series B bonds is due annually throughout 2032, in amounts ranging from \$145,000 to \$1,215,000. The required reserve of \$1,537,074 at June 30, 2021 was fully funded. The principal balance of outstanding bonds at June 30, 2021 was \$8,450,000.

The future debt service requirements for the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,615,000	\$ 253,006	\$ 1,868,006
2023	1,425,000	205,613	1,630,613
2024	1,255,000	160,406	1,415,406
2025	1,290,000	117,281	1,407,281
2026	1,200,000	78,007	1,278,007
2027	145,000	58,409	203,409
2028	415,000	48,700	463,700
2029	425,000	33,469	458,469
2030	435,000	17,344	452,344
2031	150,000	6,375	156,375
2032	95,000	1,781	96,781
Totals	<u>\$ 8,450,000</u>	<u>\$ 980,391</u>	<u>\$ 9,430,391</u>

Developer Agreement Payable

On June 26, 1989, the Commission entered into an agreement with a developer to share certain future tax revenues generated by the Community Facilities District. Since 1992, the developer's share of revenues totaled \$55,372,039, the unpaid balance accrues interest at a rate of 10%. The Commission has made payments to the developer totaling \$21,678,037. The balance outstanding at June 30, 2021 was \$80,253,948.

20) IMPLEMENTATION OF GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2021

20) IMPLEMENTATION OF GASB PRONOUNCEMENTS - Continued

GASB 87 - Leases: This Statement 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

21) SPECIAL ITEM

The City made additional contributions to the unfunded pension liabilities of the CalPERS Safety and Miscellaneous Plans totaling \$172,543,016 using bond proceeds from the 2020 Lease Revenue Bonds.

22) RESTATEMENT OF NET POSITION/PRIOR PERIOD ADJUSTMENTS

A restatement of \$896,109 was made in the Statement of Activities – Governmental Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to recognize revenues earned as of July 1, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 52,367,400	\$ 51,139,700	\$ 59,832,639	\$ 8,692,939
Licenses and Permits	1,312,950	1,297,950	1,528,117	230,167
Fines and Forfeitures	533,000	533,000	380,169	(152,831)
Investment Income	400,000	400,000	(633,939)	(1,033,939)
Rental Income	988,054	988,054	952,185	(35,869)
Revenue from Other Agencies	1,012,500	3,101,300	2,999,183	(102,117)
Charges for Services	5,327,600	5,232,600	6,243,487	1,010,887
Other Revenues	3,200,639	2,900,639	1,690,578	(1,210,061)
	<u>65,142,143</u>	<u>65,593,243</u>	<u>72,992,419</u>	<u>7,399,176</u>
EXPENDITURES				
Current:				
General Government	4,764,352	9,242,602	6,823,237	2,419,365
Public Safety	51,481,855	52,670,266	55,278,177	(2,607,911)
Public Works	4,000,287	4,044,655	4,220,203	(175,548)
Community Services	2,929,245	2,797,810	1,508,777	1,289,033
Community Development	452,384	336,434	398,262	(61,828)
	<u>63,628,123</u>	<u>69,091,767</u>	<u>68,228,656</u>	<u>863,111</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,514,020</u>	<u>(3,498,524)</u>	<u>4,763,763</u>	<u>8,262,287</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	106,302	186,902,886	186,796,578	(106,308)
Transfers Out	(1,620,322)	(2,786,582)	(13,408,972)	(10,622,390)
	<u>(1,514,020)</u>	<u>184,116,304</u>	<u>173,387,606</u>	<u>(10,728,698)</u>
SPECIAL ITEM				
Payment towards Unfunded Pension Liability	-	(172,543,016)	(172,543,016)	-
Net Change in Fund Balances	-	8,074,764	5,608,353	(2,466,411)
Fund Balances, Beginning	19,675,324	19,675,324	19,675,324	-
Prior Period Adjustment	-	-	204,400	204,400
Fund Balances, Ending	<u>\$ 19,675,324</u>	<u>\$ 27,750,088</u>	<u>\$ 25,488,077</u>	<u>\$ (2,262,011)</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - West Covina Housing Authority Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 385,983	\$ 385,983
Other Revenues	310,000	-	98,802	98,802
Total Revenues	<u>310,000</u>	<u>-</u>	<u>484,785</u>	<u>484,785</u>
EXPENDITURES				
Current:				
Public Safety	204,251	204,251	181,450	22,801
Community Development	1,364,598	1,079,598	786,828	292,770
Total Expenditures	<u>1,568,849</u>	<u>1,283,849</u>	<u>968,278</u>	<u>315,571</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,258,849)</u>	<u>(1,283,849)</u>	<u>(483,493)</u>	<u>800,356</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,258,849)	(1,283,849)	(483,493)	800,356
Fund Balance, Beginning	<u>24,491,816</u>	<u>24,491,816</u>	<u>24,491,816</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 23,232,967</u>	<u>\$ 23,207,967</u>	<u>\$ 24,008,323</u>	<u>\$ 800,356</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State Gas Tax Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,041,970	\$ 2,041,970	\$ 1,966,902	\$ (75,068)
Investment Income	-	-	19,411	19,411
Revenue from Other Agencies	2,695,312	2,695,312	2,090,987	(604,325)
Charges for Services	4,432	4,432	444	(3,988)
	<u>4,741,714</u>	<u>4,741,714</u>	<u>4,077,744</u>	<u>(663,970)</u>
EXPENDITURES				
Current:				
General Government	3,000	3,000	2,979	21
Public Works	4,638,315	5,480,404	3,636,308	1,844,096
	<u>4,641,315</u>	<u>5,483,404</u>	<u>3,639,287</u>	<u>1,844,117</u>
Excess (Deficiency) of Revenues over Expenditures	<u>100,399</u>	<u>(741,690)</u>	<u>438,457</u>	<u>1,180,147</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	567,148	567,148	-
Transfers Out	-	-	-	-
	<u>-</u>	<u>567,148</u>	<u>567,148</u>	<u>-</u>
Net Change in Fund Balance	100,399	(174,542)	1,005,605	1,180,147
Fund Balance, Beginning	<u>4,720,311</u>	<u>4,720,311</u>	<u>4,720,311</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,820,710</u>	<u>\$ 4,545,769</u>	<u>\$ 5,725,916</u>	<u>\$ 1,180,147</u>

**City of West Covina
Notes to Required Supplementary Information
Year Ended June 30, 2021**

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in June of each year the City Manager to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June of the fiscal year. After adoption of the final budget, transfers of appropriations within the general fund departments may be done by the City Manager. Budget transfers within a department/fund may be done by department heads. Budget modifications between funds and increases or decreases to a fund's overall budget must be approved by the City Council. Numerous properly authorized amendments are made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g. purchase orders) is employed by the City.

A budget was not adopted for the ARPA Special Revenue Fund due to the timing of receiving the funds. In addition, the City did not adopt a budget for the following non-major governmental Funds: General Plan Update Special Revenue Fund, Art In Public Places Special Revenue Fund, CASP Training Special Revenue Fund, Sportsplex Special Revenue Fund, and Future Street Improvements Capital Projects Fund.

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net Pension
Liability and Related Ratios - Last 10 Years*
CalPERS Pension Plan - Miscellaneous**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 1,230,251	\$ 1,488,940	\$ 1,598,999
Interest on total pension liability	11,161,901	11,031,185	10,735,301
Changes in assumptions	-	-	(792,110)
Differences between expected and actual experience	(956,094)	1,166,025	884,485
Benefit payments, including refunds	(9,824,549)	(9,388,384)	(9,225,744)
Net change in total pension liability	1,611,509	4,297,766	3,200,931
Total pension liability - beginning	161,363,763	157,065,997	153,865,066
Total pension liability - ending (a)	<u>\$ 162,975,272</u>	<u>\$ 161,363,763</u>	<u>\$ 157,065,997</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 3,588,307	\$ 3,041,783	\$ 2,610,696
Contributions - employee	658,924	597,814	785,970
Net investment income	5,681,537	7,327,093	9,216,240
Benefit payments	(9,824,549)	(9,388,384)	(9,225,744)
Net Plan to Plan Resource Movement	-	-	(266)
Administrative/Other Expense	(162,590)	(80,969)	(172,889)
Other Miscellaneous Income/Expense	-	-	(328,320)
Net change in plan fiduciary net position	(58,371)	1,497,337	2,885,687
Plan fiduciary net position - beginning	115,332,254	113,834,917	110,949,230
Plan fiduciary net position - ending (b)	<u>\$ 115,273,883</u>	<u>\$ 115,332,254</u>	<u>\$ 113,834,917</u>
Net pension liability - ending (a) - (b)	<u>\$ 47,701,389</u>	<u>\$ 46,031,509</u>	<u>\$ 43,231,080</u>
Plan fiduciary net position as a percentage of the total pension liability	70.73%	71.47%	72.48%
Covered payroll	\$ 7,843,755	\$ 8,498,816	\$ 12,173,646
Net pension liability as percentage of covered payroll	608.14%	541.62%	355.12%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period			
2017	2016	2015	2014
\$ 1,568,756	\$ 1,395,164	\$ 1,454,757	\$ 1,653,769
10,499,411	10,423,152	10,180,561	9,849,865
8,138,458	-	(2,336,836)	-
(1,086,666)	(568,485)	(134,455)	-
(8,527,256)	(8,197,448)	(7,534,397)	(6,835,867)
10,592,703	3,052,383	1,629,630	4,667,767
143,272,363	140,219,980	138,590,350	133,922,583
<u>\$ 153,865,066</u>	<u>\$ 143,272,363</u>	<u>\$ 140,219,980</u>	<u>\$ 138,590,350</u>

\$ 2,449,585	\$ 1,871,710	\$ 1,507,469	\$ 1,441,234
788,064	819,011	714,712	921,495
11,531,815	590,110	2,500,142	17,189,513
(8,527,256)	(8,197,448)	(7,534,397)	(6,835,867)
-	(4,880)	307	-
(154,821)	(66,948)	(123,626)	-
-	-	-	-
6,087,387	(4,988,445)	(2,935,393)	12,716,375
104,861,843	109,850,288	112,785,681	100,069,306
<u>\$ 110,949,230</u>	<u>\$ 104,861,843</u>	<u>\$ 109,850,288</u>	<u>\$ 112,785,681</u>
<u>\$ 42,915,836</u>	<u>\$ 38,410,520</u>	<u>\$ 30,369,692</u>	<u>\$ 25,804,669</u>

72.11%	73.19%	78.34%	81.38%
\$ 14,062,225	\$ 9,349,710	\$ 9,381,292	\$ 10,025,879
305.19%	410.82%	323.73%	257.38%

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net Pension
Liability and Related Ratios - Last 10 Years*
CalPERS Pension Plan - Safety**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 5,180,535	\$ 5,573,847	\$ 5,300,363
Interest on total pension liability	27,556,923	26,959,893	26,141,448
Changes in assumptions	-	-	(1,644,342)
Differences between expected and actual experience	(2,269,271)	706,038	2,470,547
Benefit payments, including refunds	(22,204,388)	(21,231,071)	(20,444,515)
Net change in total pension liability	8,263,799	12,008,707	11,823,501
Total pension liability - beginning	396,192,719	384,184,012	372,360,511
Total pension liability - ending (a)	<u>\$ 404,456,518</u>	<u>\$ 396,192,719</u>	<u>\$ 384,184,012</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 12,592,111	\$ 11,176,490	\$ 10,515,780
Contributions - employee	1,806,665	1,731,882	1,830,019
Net investment income	12,466,983	15,909,762	19,582,552
Benefit payments	(22,204,388)	(21,231,071)	(20,444,515)
Net Plan to Plan Resource Movement	-	-	(568)
Administrative/Other Expense	(354,567)	(174,192)	(364,120)
Other Miscellaneous Income/Expense	-	568	(691,471)
Net change in plan fiduciary net position	4,306,804	7,413,439	10,427,677
Plan fiduciary net position - beginning	251,509,957	244,096,518	233,668,841
Plan fiduciary net position - ending (b)	<u>\$ 255,816,761</u>	<u>\$ 251,509,957</u>	<u>\$ 244,096,518</u>
Net pension liability - ending (a) - (b)	<u>\$ 148,639,757</u>	<u>\$ 144,682,762</u>	<u>\$ 140,087,494</u>
Plan fiduciary net position as a percentage of the total pension liability	63.25%	63.48%	63.54%
Covered payroll	\$ 16,447,485	\$ 16,283,859	\$ 14,051,195
Net pension liability as percentage of covered payroll	903.72%	888.50%	996.98%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period			
2017	2016	2015	2014
\$ 5,376,792	\$ 4,729,431	\$ 4,604,800	\$ 4,824,545
25,330,388	24,899,740	24,117,128	23,426,151
21,000,606	-	(5,858,071)	-
(2,764,123)	(145,882)	(1,760,971)	-
(19,858,900)	(18,951,025)	(17,865,208)	(17,362,607)
29,084,763	10,532,264	3,237,678	10,888,089
343,275,748	332,743,484	329,505,806	318,617,717
<u>\$ 372,360,511</u>	<u>\$ 343,275,748</u>	<u>\$ 332,743,484</u>	<u>\$ 329,505,806</u>

\$ 10,058,079	\$ 8,387,165	\$ 7,339,064	\$ 6,403,118
1,818,024	1,660,160	1,628,630	2,416,548
23,916,665	1,179,228	5,057,426	34,775,710
(19,858,900)	(18,951,025)	(17,865,208)	(17,362,607)
-	4,880	10,338	-
(321,946)	(137,683)	(254,287)	-
-	-	-	-
15,611,922	(7,857,275)	(4,084,037)	26,232,769
218,056,919	225,914,194	229,998,231	203,765,462
<u>\$ 233,668,841</u>	<u>\$ 218,056,919</u>	<u>\$ 225,914,194</u>	<u>\$ 229,998,231</u>
<u>\$ 138,691,670</u>	<u>\$ 125,218,829</u>	<u>\$ 106,829,290</u>	<u>\$ 99,507,575</u>

62.75%	63.52%	67.89%	69.80%
\$ 17,084,933	\$ 17,288,458	\$ 16,517,686	\$ 16,974,682
811.78%	724.29%	646.76%	586.21%

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net Pension
Liability and Related Ratios - Last 10 Years*
PARS Pension Plan - EPMC**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 30,564	\$ 29,665	\$ 29,701
Interest on total pension liability	41,806	46,211	46,463
Changes in assumptions	146,898	90,640	10,475
Differences between expected and actual experience	-	45,697	-
Benefit payments, including refunds	(103,008)	(80,968)	(56,554)
Net change in total pension liability	116,260	131,245	30,085
Total pension liability - beginning	1,092,902	961,657	931,572
Total pension liability - ending (a)	<u>\$ 1,209,162</u>	<u>\$ 1,092,902</u>	<u>\$ 961,657</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 56,957	\$ 62,350	\$ 60,056
Contributions - employee	-	-	-
Net investment income	2,908	6,567	8,234
Benefit payments	(103,008)	(80,968)	(56,554)
Net Plan to Plan Resource Movement	-	-	-
Administrative/Other Expense	(10,788)	(769)	(775)
Other Miscellaneous Income/Expense	-	-	-
Net change in plan fiduciary net position	(53,931)	(12,820)	10,961
Plan fiduciary net position - beginning	141,856	154,676	143,715
Plan fiduciary net position - ending (b)	<u>\$ 87,925</u>	<u>\$ 141,856</u>	<u>\$ 154,676</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,121,237</u>	<u>\$ 951,046</u>	<u>\$ 806,981</u>
Plan fiduciary net position as a percentage of the total pension liability	7.27%	12.98%	16.08%
Covered Employee payroll	\$ 10,222,450	\$ 14,447,921	\$ 15,855,534
Net pension liability as percentage of covered employee payroll	10.97%	6.58%	5.09%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: None.

Changes in Assumptions: In 2020, the discount rate was updated to _____. In 2019, the discount rate was updated to 3.90% and the mortality improvement scale was updated to Scale MP- 2019. In 2018, the discount rate used to measure the total pension liability was 4.86 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 3.90 percent to 4.98 percent. In 2016, amounts reported reflect an adjustment of the discount rate from 3.50 percent to 3.90 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 4.80 percent to 3.50 percent. In 2014, amounts reported were based on the 4.80 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period				
	2017	2016	2015	2014
\$	35,733	\$ 40,000	\$ 36,000	\$ 36,000
	35,268	32,000	28,000	36,000
	(85,060)	(37,000)	200,000	-
	98,508	-	(72,000)	-
	(42,877)	(91,000)	(9,000)	(64,000)
	41,572	(56,000)	183,000	8,000
	890,000	946,000	763,000	755,000
\$	<u>931,572</u>	<u>\$ 890,000</u>	<u>\$ 946,000</u>	<u>\$ 763,000</u>

\$	61,019	\$ 56,000	\$ 56,000	\$ 65,000
	-	-	-	-
	10,029	(1,000)	3,000	12,000
	(42,877)	(91,000)	(9,000)	(64,000)
	-	-	-	-
	(9,456)	(1,000)	(7,000)	(3,000)
	-	-	-	-
	18,715	(37,000)	43,000	10,000
	125,000	162,000	119,000	109,000
\$	<u>143,715</u>	<u>\$ 125,000</u>	<u>\$ 162,000</u>	<u>\$ 119,000</u>
\$	<u>787,857</u>	<u>\$ 765,000</u>	<u>\$ 784,000</u>	<u>\$ 644,000</u>

	15.43%	14.04%	17.12%	15.60%
n/a	\$ 13,388,000	n/a	n/a	n/a
n/a	5.71%	n/a	n/a	n/a

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net Pension
Liability and Related Ratios - Last 10 Years*
PARS Pension Plan - Executive Staff**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 14,068	\$ 11,963	\$ 12,235
Interest on total pension liability	143,620	133,267	130,692
Changes in assumptions	879,137	281,983	(101,877)
Differences between expected and actual experience	-	477,904	-
Benefit payments, including refunds	(155,804)	(152,749)	(139,056)
Net change in total pension liability	881,021	752,368	(98,006)
Total pension liability - beginning	4,020,306	3,267,938	3,365,944
Total pension liability - ending (a)	<u>\$ 4,901,327</u>	<u>\$ 4,020,306</u>	<u>\$ 3,267,938</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 77,814	\$ 78,102	\$ 74,100
Contributions - employee	-	-	-
Net investment income	15,031	31,817	36,931
Benefit payments	(155,804)	(152,749)	(139,056)
Net Plan to Plan Resource Movement	-	-	-
Administrative/Other Expense	(9,475)	(3,109)	(3,379)
Other Miscellaneous Income/Expense	-	-	-
Net change in plan fiduciary net position	(72,434)	(45,939)	(31,404)
Plan fiduciary net position - beginning	534,237	580,176	611,580
Plan fiduciary net position - ending (b)	<u>\$ 461,803</u>	<u>\$ 534,237</u>	<u>\$ 580,176</u>
Net pension liability - ending (a) - (b)	<u>\$ 4,439,524</u>	<u>\$ 3,486,069</u>	<u>\$ 2,687,762</u>
Plan fiduciary net position as a percentage of the total pension liability	9.42%	13.29%	17.75%
Covered Employee payroll	\$ 219,555	\$ 179,572	\$ 172,512
Net pension liability as percentage of covered employee payroll	2022.06%	1941.32%	1558.01%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: None.

Changes in Assumptions: In 2019, the discount rate was updated to 3.63% and the mortality improvement scale was updated to Scale MP-2019. In 2018, the discount rate used to measure the total pension liability was 4.16 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 6.25 percent to 3.95 percent. In 2016, amounts reported reflect an adjustment of the discount rate from 4.70 percent to 6.25 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 5.55 percent to 4.70 percent. In 2014, amounts reported were based on the 5.55 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period			
2017	2016	2015	2014
\$ 20,388	\$ 30,000	\$ 116,000	\$ 112,000
161,327	141,000	178,000	168,000
803,038	(455,000)	346,000	-
(111,492)	-	(643,000)	-
(136,317)	(137,000)	(104,000)	(82,000)
736,944	(421,000)	(107,000)	198,000
2,629,000	3,050,000	3,157,000	2,959,000
<u>\$ 3,365,944</u>	<u>\$ 2,629,000</u>	<u>\$ 3,050,000</u>	<u>\$ 3,157,000</u>

\$ 73,467	\$ 78,000	\$ 78,000	\$ 59,000
-	-	-	-
49,861	9,000	13,000	75,000
(136,317)	(137,000)	(104,000)	(82,000)
-	-	-	-
(8,431)	(4,000)	(6,000)	(6,000)
-	-	-	-
(21,420)	(54,000)	(19,000)	46,000
633,000	687,000	706,000	660,000
<u>\$ 611,580</u>	<u>\$ 633,000</u>	<u>\$ 687,000</u>	<u>\$ 706,000</u>
<u>\$ 2,754,364</u>	<u>\$ 1,996,000</u>	<u>\$ 2,363,000</u>	<u>\$ 2,451,000</u>

18.17%	24.08%	22.52%	22.36%
n/a	\$ 143,000	n/a	n/a
n/a	1395.80%	n/a	n/a

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan – Miscellaneous Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 3,887,907	\$ (41,343,286)	\$ (37,455,379)	\$ 6,699,270	617.13%
2020	3,588,349	(3,588,349)	-	7,843,755	45.75%
2019	3,041,539	(3,041,539)	-	8,498,816	35.79%
2018	2,610,696	(2,610,696)	-	12,173,646	21.45%
2017	2,449,585	(2,449,585)	-	14,062,225	17.42%
2016	1,871,710	(1,871,710)	-	9,349,710	20.02%
2015	1,507,469	(1,507,469)	-	9,381,292	16.07%

**Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan – Safety Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 14,008,612	\$ (149,096,249)	\$(135,087,637)	\$ 17,133,244	81.76%
2020	12,592,730	(12,592,730)	-	16,447,485	76.56%
2019	11,174,096	(11,174,096)	-	16,289,859	68.60%
2018	10,515,780	(10,515,780)	-	14,051,195	74.84%
2017	10,058,079	(10,058,079)	-	17,084,933	58.87%
2016	8,387,165	(8,387,165)	-	17,288,458	48.51%
2015	7,339,064	(7,339,064)	-	16,517,686	44.43%

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Plan Contributions
PARS Pension Plan - EPMC
Last 10 Years***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ 173,000	\$ (52,666)	120,334	\$ 7,202,240	0.73%
2020	134,000	(56,957)	77,043	10,222,450	0.56%
2019	134,000	(62,350)	71,650	14,447,921	0.43%
2018	104,000	(60,056)	43,944	n/a	n/a
2017	105,000	(66,000)	39,000	n/a	n/a
2016	105,000	(59,000)	46,000	13,737,000	0.43%
2015	82,000	(56,000)	26,000	n/a	n/a

**Schedule of Plan Contributions
PARS Pension Plan - Executive Staff
Last 10 Years***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ 488,000	\$ (79,364)	408,636	\$ 269,281	0.00%
2020	313,000	(77,814)	235,186	219,555	35.44%
2019	314,000	(78,102)	235,898	179,572	43.49%
2018	278,000	(74,100)	203,900	n/a	n/a
2017	279,000	(73,000)	206,000	96,000	76.04%
2016	439,000	(78,000)	361,000	n/a	n/a
2015	439,000	(78,000)	361,000	n/a	n/a

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30
Last 10 Years***

	Measurement Period			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 1,575,501	\$ 1,545,500	\$ 1,619,250	\$ 1,913,541
Interest on total OPEB liability	2,156,480	2,285,257	2,158,673	1,889,517
Changes in assumptions	13,555,256	2,887,380	(2,524,608)	(7,040,369)
Changes in benefits	-	-	-	-
Differences between expected and actual experience	-	(1,738,131)	-	-
Benefit payments, including refunds	(2,509,638)	(2,384,056)	(2,470,254)	(2,467,893)
Net change in total OPEB liability	14,777,599	2,595,950	(1,216,939)	(5,705,204)
Total OPEB liability - beginning	61,293,027	58,697,077	59,914,016	65,619,220
Total OPEB liability - ending (a)	<u>\$ 76,070,626</u>	<u>\$ 61,293,027</u>	<u>\$ 58,697,077</u>	<u>\$ 59,914,016</u>
Covered - employee payroll	33,069,467	26,672,215	28,239,505	26,527,000
Total OPEB liability as a percentage of covered-employee payroll	223.14%	221.54%	200.84%	219.29%

* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Citywide Debt Service Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 40,000	\$ 85,015	\$ 45,015
Revenue from Other Agencies	2,023,978	2,220,769	196,791
Total Revenues	<u>2,063,978</u>	<u>2,305,784</u>	<u>241,806</u>
EXPENDITURES			
Current:			
General Government	626,715	9,795	616,920
Public Safety	-	36,523	(36,523)
Debt Service:			
Principal	1,928,918	1,928,918	-
Interest	5,419,622	5,419,621	1
Debt Issuance Costs	1,083,165	1,083,165	-
Total Expenditures	<u>9,058,420</u>	<u>8,478,022</u>	<u>580,398</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,994,442)</u>	<u>(6,172,238)</u>	<u>822,204</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,502,868	4,502,868	-
Transfers Out	(186,582,240)	(186,582,240)	-
Issuance of Debt	204,095,000	204,095,000	-
Total Other Financing Sources (Uses)	<u>22,015,628</u>	<u>22,015,628</u>	<u>-</u>
Net Change in Fund Balances	15,021,186	15,843,390	822,204
Fund Balance, Beginning	<u>4,055,990</u>	<u>4,055,990</u>	
Fund Balance, Ending	<u><u>\$ 19,077,176</u></u>	<u><u>\$ 19,899,380</u></u>	<u><u>\$ 822,204</u></u>

OTHER GOVERNMENTAL FUNDS

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2021**

Special Revenue Funds

Drug Enforcement Rebate

This fund accounts for the City's portion of revenue received from drug asset seizures. The revenue is used to enhance the police programs.

Air Quality Improvement

This fund accounts for the City's portion of motor vehicle registration fees collected under AB 2766. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks and buses. Money is distributed to the cities based on population, and additional discretionary grants are made based on specific requests.

Integrated Waste Management

This fund accounts for landfill local enforcement agency activities and waste management programs, other than AB939.

Proposition A

This fund accounts for the 0.5% sales tax collected in Los Angeles County which is used for transportation programs and projects.

Proposition C

This fund accounts for gasoline taxes which are restricted for transportation programs and projects.

Police Donations

This fund accounts for donations received and expenditures related to various police programs.

Transportation Development Act

This fund accounts for regional Transportation Development Act funds received from Los Angeles County which are used for local streets and roads.

AB939

This fund accounts for programs to reduce solid waste deposits in local landfills, pursuant to AB939.

Various Grants

This fund accounts for various Federal, State of California, and local grants that are restricted to expenditures for specific programs and projects.

Community Development Block Grant (CDBG)

This fund accounts for the activities of the Community Development Block Grant received from the U.S. Department of Housing and Urban Development.

SAFER Grant

This fund accounts for personnel costs that are reimbursable through the Staffing for Adequate Fire and Emergency Response (SAFER) Grant.

Inmate Welfare

This fund accounts for any money, refund, rebate or commission received from a telephone call from inmates while incarcerated to meet the requirements of California Penal Code: Part 3; Title 4; Chapter 1; Section 4025. The monies are to be expended for the benefit, education, and welfare of inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of the jail facilities.

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2021**

Special Revenue Funds - Continued

Public Safety Augmentation

This fund accounts for sales tax revenue legally restricted for public safety. Revenue is used to augment police operations.

COPS/SLESA

This fund accounts for revenue from the State restricted for supplementing police operations.

Park CESF

This fund is to account for coronavirus emergency supplemental funding received and expenditures in preventing, preparing for, and responding to the event.

Maintenance District #1

The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Maintenance District #2

The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Coastal Sage Shrub

This community facilities district was formed to provide for the restoration and ongoing maintenance of sensitive environmental habitat within the development area of a former landfill, including habitat for endangered species such as the California gnatcatcher (*Poliioptila californica*).

Maintenance District #4

The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Maintenance District #6

The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Maintenance District #7

The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Citywide Maintenance District

Revenue for the fund comes from annual special benefit assessments from property owners who benefit from covered improvements. This fund provides the majority of funding for the City's street lighting system and street tree program.

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2021**

Special Revenue Funds - Continued

Sewer Maintenance

This fund supports the City's street sweeping program and maintenance of the City's sewer system. The City also provides services to the City of Covina through this fund.

Auto Plaza Improvement District

This fund is an assessment district supported by six of West Covina's automobile dealers to fund the construction, maintenance and operations of a reader board adjacent to Interstate 10.

General Plan Update

This fund accounts for the General Plan and Zoning Code Update Surcharge which is designated to be used for future plan updates.

Measure W

This fund accounts for the special parcel tax on all property owners in Los Angeles County approved November 2018. This tax raises funds to pay for stormwater projects including the infrastructure and any associated programs to capture, treat and recycle rainwater.

Charter PEG

This fund accounts for monies received from the City's cable television franchisee for a one-time litigation settlement and for cable-related capital expenditures.

Art in Public Places

This fund accounts for development fees paid in lieu of acquisition and installation of approved artwork in a development with expenditures restricted to acquisition, installation, maintenance and repair of artworks at approved sites.

West Covina Community Services Foundation

This fund accounts for activity of the West Covina Community Services Foundation, a 501(c) (3) nonprofit organization.

Measure R

This fund accounts for sales tax revenues collected in Los Angeles County to provide transportation related projects and programs.

Measure M

Under Measure M, the City receives a portion of a ½ cent sales tax levied in Los Angeles County to provide transportation related projects and programs. The City uses Measure M Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction, traffic monitoring systems, and congestion management and planning.

Measure A

Under Measure A, the City receives a portion of a 1.5 cent per square foot parcel tax levied in Los Angeles County to help fund new parks and maintain existing ones. The City uses Measure A Funds for certain capital projects related to parks, such as rebuilding restrooms, updating park parking lots, and the purchase of new playground equipment.

Community Corrections

This fund is used to account for grant activity from the Board of State and Community Corrections.

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2021**

Special Revenue Funds - Continued

Measure H

This funding accounts for funding received and expenditures related to prevent and combat homelessness.

CASP Training

This fund accounts for funding received and expenditure incurred to support jailer mental health awareness training programs.

Sportsplex

This fund accounts for activity at the West Covina Sportsplex, a recreation facility which amenities include softball fields, a pavilion, playgrounds, and restaurants.

Capital Projects Funds

City Capital Projects

This fund accounts for all capital expenditures not being accounted for in the capital projects described below or in other fund types.

Construction Tax

This fund accounts for monies received from developers based on the construction of dwelling units and used primarily to construct public domain assets.

Information Technology

The funds paid into this fund are to be used for information technology capital outlay projects.

Development Impact Fees

This fund accounts for fees received from residential developers to help fund the purchase/replacement of vehicles/equipment along with the repairs and improvements of city facilities.

Park Development

This fund accounts for park fees received from residential developers to be used for new park construction.

Future Street Improvements

This fund accounts for monies paid in-lieu of street rehabilitation improvements.

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021**

	Special Revenue				
	Drug Enforcement Rebate	Air Quality Improvement	Integrated Waste Management	Proposition A	Proposition C
ASSETS					
Cash and Investments	\$ 5,920,861	\$ 452,600	\$ -	\$ 498,668	\$ 1,760,318
Cash and Investments with Fiscal Agent	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Other	-	35,194	-	-	-
Due from Other Agencies	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	\$ 5,920,861	\$ 487,794	\$ -	\$ 498,668	\$ 1,760,318
LIABILITIES					
Accounts Payable	\$ 157,748	\$ -	\$ -	\$ -	\$ 217,242
Other Accrued Liabilities	4,367	-	-	-	2,570
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	162,115	-	-	-	219,812
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE (DEFICITS)					
Restricted	5,758,746	487,794	-	498,668	1,540,506
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	5,758,746	487,794	-	498,668	1,540,506
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 5,920,861	\$ 487,794	\$ -	\$ 498,668	\$ 1,760,318

Special Revenue

Police Donations	Transportation Development Act	AB939	Various Grants	Community Development Block Grant	SAFER Grant	Inmate Welfare
\$ 35,447	\$ -	\$ 811,237	\$ 1,348,663	\$ -	\$ -	\$ 10,938
-	-	-	-	-	-	-
-	-	-	-	3,614	-	-
-	-	-	28,731	-	-	-
-	-	-	-	-	-	-
-	-	66,938	-	117,415	-	-
-	60,457	-	350,525	-	-	-
-	-	-	-	-	-	-
<u>\$ 35,447</u>	<u>\$ 60,457</u>	<u>\$ 878,175</u>	<u>\$ 1,727,919</u>	<u>\$ 121,029</u>	<u>\$ -</u>	<u>\$ 10,938</u>
\$ -	\$ -	\$ -	\$ 255,455	\$ 61,676	\$ -	\$ -
-	-	1,248	195,151	13,402	-	-
-	-	-	-	340	-	-
-	-	-	29,464	-	-	-
-	60,457	-	-	45,611	-	-
-	-	-	-	-	-	-
-	60,457	1,248	480,070	121,029	-	-
-	60,457	-	96,797	-	-	-
-	60,457	-	96,797	-	-	-
35,447	-	876,927	1,151,052	-	-	10,938
-	-	-	-	-	-	-
-	(60,457)	-	-	-	-	-
<u>35,447</u>	<u>(60,457)</u>	<u>876,927</u>	<u>1,151,052</u>	<u>-</u>	<u>-</u>	<u>10,938</u>
<u>\$ 35,447</u>	<u>\$ 60,457</u>	<u>\$ 878,175</u>	<u>\$ 1,727,919</u>	<u>\$ 121,029</u>	<u>\$ -</u>	<u>\$ 10,938</u>

Continued

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021**

	Special Revenue				
	Public Safety Augmentation	COPS/SLESA	Park CESF	Maintenance District #1	Maintenance District #2
ASSETS					
Cash and Investments	\$ 239,275	\$ 648,070	\$ -	\$ 2,973,580	\$ 757,707
Cash and Investments with Fiscal Agent	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	232,533	98,681	-	9,996	2,755
Other	-	-	-	-	-
Due from Other Agencies	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	\$ 471,808	\$ 746,751	\$ -	\$ 2,983,576	\$ 760,462
LIABILITIES					
Accounts Payable	\$ -	\$ 10,594	\$ -	\$ 19,695	\$ 6,389
Other Accrued Liabilities	26,717	-	-	6,547	1,213
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	26,717	10,594	-	26,242	7,602
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	76,680	98,681	-	-	-
Total Deferred Inflows of Resources	76,680	98,681	-	-	-
FUND BALANCE (DEFICITS)					
Restricted	368,411	637,476	-	2,957,334	752,860
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	368,411	637,476	-	2,957,334	752,860
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 471,808	\$ 746,751	\$ -	\$ 2,983,576	\$ 760,462

Special Revenue

Coastal Sage Shrub	Maintenance District #4	Maintenance District #6	Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District
\$ 412,994	\$ 2,232,595	\$ 255,092	\$ 367,572	\$ 1,400,344	\$ 8,895,718	\$ 166,368
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,562	3,870	2,745	28,760	67,496	8,262
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 412,994</u>	<u>\$ 2,248,157</u>	<u>\$ 258,962</u>	<u>\$ 370,317</u>	<u>\$ 1,429,104</u>	<u>\$ 8,963,214</u>	<u>\$ 174,630</u>
\$ 7,343	\$ 98,703	\$ 11,496	\$ 17,397	\$ 204,180	\$ 25,624	\$ 5,037
-	2,006	583	482	1,781	55,455	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	279,529
<u>7,343</u>	<u>100,709</u>	<u>12,079</u>	<u>17,879</u>	<u>205,961</u>	<u>81,079</u>	<u>284,566</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
405,651	2,147,448	246,883	352,438	1,223,143	8,882,135	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(109,936)
<u>405,651</u>	<u>2,147,448</u>	<u>246,883</u>	<u>352,438</u>	<u>1,223,143</u>	<u>8,882,135</u>	<u>(109,936)</u>
<u>\$ 412,994</u>	<u>\$ 2,248,157</u>	<u>\$ 258,962</u>	<u>\$ 370,317</u>	<u>\$ 1,429,104</u>	<u>\$ 8,963,214</u>	<u>\$ 174,630</u>

Continued

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021**

	Special Revenue				
	General Plan Update	Measure W	Charter PEG	Art in Public Places	West Covina Community Services Found.
ASSETS					
Cash and Investments	\$ 537,260	\$ 1,158,725	\$ 30,658	\$ 297,823	\$ 309,260
Cash and Investments with Fiscal Agent	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Other	-	-	-	-	-
Due from Other Agencies	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	\$ 537,260	\$ 1,158,725	\$ 30,658	\$ 297,823	\$ 309,260
LIABILITIES					
Accounts Payable	\$ -	\$ 28,608	\$ 1,915	\$ -	\$ 2,903
Other Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	-	28,608	1,915	-	2,903
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE (DEFICITS)					
Restricted	537,260	1,130,117	28,743	297,823	306,357
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	537,260	1,130,117	28,743	297,823	306,357
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 537,260	\$ 1,158,725	\$ 30,658	\$ 297,823	\$ 309,260

Special Revenue

Measure R	Measure M	Measure A	Community Corrections	Measure H	CASP Training Fund	Sportsplex
\$ 3,370,469	\$ 4,050,144	\$ -	\$ 2,088	\$ -	\$ 80,884	\$ 106,864
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	328,954	-	-	-	-
-	-	-	-	168,280	2,575	-
-	-	-	-	57,776	-	-
-	-	-	-	-	-	-
<u>\$ 3,370,469</u>	<u>\$ 4,050,144</u>	<u>\$ 328,954</u>	<u>\$ 2,088</u>	<u>\$ 226,056</u>	<u>\$ 83,459</u>	<u>\$ 106,864</u>
\$ 54,168	\$ 1,948	\$ 30,006	\$ -	\$ 80,028	\$ -	\$ 106,864
5,780	105	-	-	3,004	-	-
-	-	-	-	-	-	-
-	-	298,947	-	143,024	-	-
-	-	-	-	-	-	-
<u>59,948</u>	<u>2,053</u>	<u>328,953</u>	<u>-</u>	<u>226,056</u>	<u>-</u>	<u>106,864</u>
-	-	-	-	57,776	-	-
-	-	-	-	57,776	-	-
3,310,521	4,048,091	1	2,088	-	83,459	-
-	-	-	-	-	-	-
-	-	-	-	(57,776)	-	-
<u>3,310,521</u>	<u>4,048,091</u>	<u>1</u>	<u>2,088</u>	<u>(57,776)</u>	<u>83,459</u>	<u>-</u>
<u>\$ 3,370,469</u>	<u>\$ 4,050,144</u>	<u>\$ 328,954</u>	<u>\$ 2,088</u>	<u>\$ 226,056</u>	<u>\$ 83,459</u>	<u>\$ 106,864</u>

Continued

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021**

	Capital Projects				
	City	Construction Tax	Information Technology	Development Impact Fees	Park Development
ASSETS					
Cash and Investments	\$ 3,620,702	\$ 259,736	\$ 219,440	\$ 477,206	\$ 3,303,442
Cash and Investments with Fiscal Agent	-	-	-	-	-
Restricted Cash and Investments	6,279,886	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Other	-	-	-	-	-
Due from Other Agencies	68,194	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 9,968,782</u>	<u>\$ 259,736</u>	<u>\$ 219,440</u>	<u>\$ 477,206</u>	<u>\$ 3,303,442</u>
LIABILITIES					
Accounts Payable	\$ 281,290	\$ -	\$ 4,847	\$ -	\$ -
Other Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>281,290</u>	<u>-</u>	<u>4,847</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICITS)					
Restricted	-	259,736	214,593	477,206	3,303,442
Assigned	9,687,492	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>9,687,492</u>	<u>259,736</u>	<u>214,593</u>	<u>477,206</u>	<u>3,303,442</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	<u>\$ 9,968,782</u>	<u>\$ 259,736</u>	<u>\$ 219,440</u>	<u>\$ 477,206</u>	<u>\$ 3,303,442</u>

Capital Projects	
Future Street Improvements	Total
\$ 231,250	\$ 47,243,998
-	-
-	6,283,500
-	357,685
-	470,660
-	390,402
-	536,952
-	-
<u>\$ 231,250</u>	<u>\$ 55,283,197</u>
\$ -	\$ 1,691,156
-	320,411
-	340
-	29,464
-	548,039
-	279,529
<u>-</u>	<u>2,868,939</u>
-	390,391
<u>-</u>	<u>390,391</u>
231,250	42,564,544
-	9,687,492
-	(228,169)
<u>231,250</u>	<u>52,023,867</u>
<u>\$ 231,250</u>	<u>\$ 55,283,197</u>

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2021

	Special Revenue				
	Drug Enforcement Rebate	Air Quality Improvement	Integrated Waste Management	Proposition A	Proposition C
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 2,379,112	\$ 1,804,338
Special Assessments	-	-	-	-	-
Investment Income	20,056	1,216	-	900	6,301
Revenue from Other Agencies	1,136,669	172,248	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	1,156,725	173,464	-	2,380,012	1,810,639
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	2,117,563	-	-	-	-
Public Works	-	1,981	-	-	622,789
Community Services	-	-	-	1,844,605	1,196,214
Community Development	-	-	-	-	25,520
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	2,117,563	1,981	-	1,844,605	1,844,523
Excess (Deficiency) of Revenues Over Expenditures	(960,838)	171,483	-	535,407	(33,884)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	11,073	-	-
Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	11,073	-	-
Net Change in Fund Balances	(960,838)	171,483	11,073	535,407	(33,884)
Fund Balances - Beginning	6,719,584	316,311	(11,073)	(36,739)	1,574,390
Prior Period Adjustments	-	-	-	-	-
Fund Balances - Ending	\$ 5,758,746	\$ 487,794	\$ -	\$ 498,668	\$ 1,540,506

Special Revenue

Police Donations	Transportation Development Act	AB939	Various Grants	Community Development Block Grant	SAFER Grant	Inmate Welfare
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
122	-	2,610	384	-	-	33
-	-	-	1,269,473	808,986	-	-
-	-	-	-	-	-	2,422
1,300	-	261,712	197,431	129,061	-	-
1,422	-	264,322	1,467,288	938,047	-	2,455
-	-	-	-	-	-	-
2,320	-	-	546,454	-	-	-
-	-	95,795	312,415	-	-	-
-	-	-	554,179	234,666	-	-
-	-	-	-	303,744	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,320	-	95,795	1,413,048	538,410	-	-
(898)	-	168,527	54,240	399,637	-	2,455
-	-	-	1,442,765	70,270	-	-
(22)	-	-	-	-	(10)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(22)	-	-	1,442,765	70,270	(10)	-
(920)	-	168,527	1,497,005	469,907	(10)	2,455
36,367	(60,457)	708,400	(345,953)	(469,907)	10	8,483
-	-	-	-	-	-	-
\$ 35,447	\$ (60,457)	\$ 876,927	\$ 1,151,052	\$ -	\$ -	\$ 10,938

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2021

	Special Revenue				
	Public Safety Augmentation	COPS/SLESA	Park CESF	Maintenance District #1	Maintenance District #2
REVENUES					
Taxes	\$ 834,745	\$ -	\$ -	\$ 623,785	\$ 222,194
Special Assessments	-	-	-	-	-
Investment Income	1,130	2,032	-	9,341	2,351
Revenue from Other Agencies	-	253,970	23,910	-	-
Charges for Services	-	-	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	835,875	256,002	23,910	633,126	224,545
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	996,719	55,263	23,769	-	-
Public Works	-	-	-	292,959	115,010
Community Services	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	996,719	55,263	23,769	292,959	115,010
Excess (Deficiency) of Revenues Over Expenditures	(160,844)	200,739	141	340,167	109,535
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(9,000)
Sale of Capital Assets	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(9,000)
Net Change in Fund Balances	(160,844)	200,739	141	340,167	100,535
Fund Balances - Beginning	529,255	436,737	(141)	2,617,167	652,325
Prior Period Adjustments	-	-	-	-	-
Fund Balances - Ending	\$ 368,411	\$ 637,476	\$ -	\$ 2,957,334	\$ 752,860

Special Revenue

Coastal Sage Shrub	Maintenance District #4	Maintenance District #6	Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District
\$ 107,360	\$ -	\$ -	\$ -	\$ -	\$ 350,196	\$ 115,616
-	1,020,481	154,799	173,983	1,769,426	3,719,042	-
1,328	7,102	797	1,136	4,856	25,498	530
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>108,688</u>	<u>1,027,583</u>	<u>155,596</u>	<u>175,119</u>	<u>1,774,282</u>	<u>4,094,736</u>	<u>116,146</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
65,703	1,095,923	146,288	145,177	1,945,713	1,771,368	-
-	-	-	-	-	-	-
-	-	-	-	-	-	53,929
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>65,703</u>	<u>1,095,923</u>	<u>146,288</u>	<u>145,177</u>	<u>1,945,713</u>	<u>1,771,368</u>	<u>53,929</u>
<u>42,985</u>	<u>(68,340)</u>	<u>9,308</u>	<u>29,942</u>	<u>(171,431)</u>	<u>2,323,368</u>	<u>62,217</u>
-	9,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
42,985	(59,340)	9,308	29,942	(171,431)	2,323,368	62,217
362,666	2,206,788	237,575	322,496	1,394,574	6,558,767	(172,153)
-	-	-	-	-	-	-
<u>\$ 405,651</u>	<u>\$ 2,147,448</u>	<u>\$ 246,883</u>	<u>\$ 352,438</u>	<u>\$ 1,223,143</u>	<u>\$ 8,882,135</u>	<u>\$ (109,936)</u>

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2021

	Special Revenue				
	General Plan Update	Measure W	Charter PEG	Art in Public Places	West Covina Community Services Found.
REVENUES					
Taxes	\$ -	\$ 1,328,840	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Investment Income	-	1,133	190	1,008	758
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	129,865	-	-	-	-
Other Revenues	-	-	-	-	42,800
Total Revenues	129,865	1,329,973	190	1,008	43,558
EXPENDITURES					
Current:					
General Government	-	-	79,296	-	-
Public Safety	-	-	-	-	-
Public Works	-	199,856	-	-	-
Community Services	-	-	-	-	19,026
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	-	199,856	79,296	-	19,026
Excess (Deficiency) of Revenues Over Expenditures	129,865	1,130,117	(79,106)	1,008	24,532
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	129,865	1,130,117	(79,106)	1,008	24,532
Fund Balances - Beginning	-	-	107,849	296,815	281,825
Prior Period Adjustments	407,395	-	-	-	-
Fund Balances - Ending	<u>\$ 537,260</u>	<u>\$ 1,130,117</u>	<u>\$ 28,743</u>	<u>\$ 297,823</u>	<u>\$ 306,357</u>

Special Revenue

Measure R	Measure M	Measure A	Community Corrections	Measure H	CASP Training Fund	Sportsplex
\$ 1,355,129	\$ 1,535,411	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
10,790	11,636	-	7	-	-	-
-	-	328,955	-	299,497	19,145	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,365,919</u>	<u>1,547,047</u>	<u>328,955</u>	<u>7</u>	<u>299,497</u>	<u>19,145</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	198	294,738	-	-
561,666	-	-	-	-	-	106,864
401,737	79,286	328,954	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>963,403</u>	<u>79,286</u>	<u>328,954</u>	<u>198</u>	<u>294,738</u>	<u>-</u>	<u>106,864</u>
<u>402,516</u>	<u>1,467,761</u>	<u>1</u>	<u>(191)</u>	<u>4,759</u>	<u>19,145</u>	<u>(106,864)</u>
-	-	-	-	-	-	106,864
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	106,864
402,516	1,467,761	1	(191)	4,759	19,145	-
2,908,005	2,580,330	-	2,279	(62,535)	-	-
-	-	-	-	-	64,314	-
<u>\$ 3,310,521</u>	<u>\$ 4,048,091</u>	<u>\$ 1</u>	<u>\$ 2,088</u>	<u>\$ (57,776)</u>	<u>\$ 83,459</u>	<u>\$ -</u>

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2021

	Capital Projects				
	City	Construction Tax	Information Technology	Development Impact Fees	Park Development
REVENUES					
Taxes	\$ -	\$ 40,343	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Investment Income	-	855	-	-	10,919
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	-	-	61,664	79,710	211,450
Total Revenues	-	41,198	61,664	79,710	222,369
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	757,571	-	-	-	-
Public Works	-	-	5,878	-	14,882
Community Services	-	-	-	-	-
Community Development	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	500,000
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	757,571	-	5,878	-	514,882
Excess (Deficiency) of Revenues Over Expenditures	(757,571)	41,198	55,786	79,710	(292,513)
OTHER FINANCING SOURCES (USES)					
Transfers In	3,847,001	-	-	-	-
Transfers Out	(183,496)	-	-	(101,713)	(1,034,796)
Sale of Capital Assets	-	-	-	-	3,900,000
Issuance of Debt	6,602,048	-	-	-	-
Total Other Financing Sources (Uses)	10,265,553	-	-	(101,713)	2,865,204
Net Change in Fund Balances	9,507,982	41,198	55,786	(22,003)	2,572,691
Fund Balances - Beginning	179,510	218,538	158,807	499,209	730,751
Prior Period Adjustments	-	-	-	-	-
Fund Balances - Ending	\$ 9,687,492	\$ 259,736	\$ 214,593	\$ 477,206	\$ 3,303,442

Capital Projects	
Future Street	
Improvements	Total
\$ -	\$ 10,697,069
-	6,837,731
-	125,019
-	4,312,853
-	132,287
11,250	996,378
11,250	23,101,337
-	79,296
-	4,794,595
-	7,500,267
-	4,658,667
-	383,193
-	500,000
-	-
-	-
-	17,916,018
11,250	5,185,319
-	5,486,973
-	(1,329,037)
-	3,900,000
-	6,602,048
-	14,659,984
11,250	19,845,303
-	31,486,855
220,000	691,709
\$ 231,250	\$ 52,023,867

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Drug Enforcement Rebate Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 20,056	\$ 20,056
Revenues from Other Agencies	-	1,136,669	1,136,669
Total Revenues	-	1,156,725	1,156,725
EXPENDITURES			
Current:			
Public Safety	5,284,121	2,117,563	3,166,558
Total Expenditures	5,284,121	2,117,563	3,166,558
Excess (Deficiency) of Revenues over Expenditures	(5,284,121)	(960,838)	4,323,283
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(5,284,121)	(960,838)	4,323,283
Fund Balance, Beginning	6,719,584	6,719,584	-
Fund Balance, Ending	\$ 1,435,463	\$ 5,758,746	\$ 4,323,283

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Air Quality Improvement Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 1,216	\$ 1,216
Revenue from Other Agencies	354,200	172,248	(181,952)
Total Revenues	<u>354,200</u>	<u>173,464</u>	<u>(180,736)</u>
EXPENDITURES			
Current:			
Public Works	52,101	1,981	50,120
Total Expenditures	<u>52,101</u>	<u>1,981</u>	<u>50,120</u>
Excess (Deficiency) of Revenues over Expenditures	<u>302,099</u>	<u>171,483</u>	<u>(130,616)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	302,099	171,483	(130,616)
Fund Balance, Beginning	<u>316,311</u>	<u>316,311</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 618,410</u>	<u>\$ 487,794</u>	<u>\$ (130,616)</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Integrated Waste Management Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Protection	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	11,073	11,073
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	11,073	11,073
Net Change in Fund Balances	-	11,073	11,073
Fund Balance, Beginning	(11,073)	(11,073)	-
Fund Balance, Ending	<u>\$ (11,073)</u>	<u>\$ -</u>	<u>\$ 11,073</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Proposition A Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 2,384,800	\$ 2,379,112	\$ (5,688)
Investment Income	10,000	900	(9,100)
Total Revenues	<u>2,394,800</u>	<u>2,380,012</u>	<u>(14,788)</u>
EXPENDITURES			
Current:			
Community Services	<u>2,323,938</u>	<u>1,844,605</u>	<u>479,333</u>
Total Expenditures	<u>2,323,938</u>	<u>1,844,605</u>	<u>479,333</u>
Excess (Deficiency) of Revenues over Expenditures	<u>70,862</u>	<u>535,407</u>	<u>464,545</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	70,862	535,407	464,545
Fund Balance, Beginning	<u>(36,739)</u>	<u>(36,739)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 34,123</u>	<u>\$ 498,668</u>	<u>\$ 464,545</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Proposition C Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 2,008,263	\$ 1,804,338	\$ (203,925)
Investment Income	-	6,301	6,301
Total Revenues	<u>2,008,263</u>	<u>1,810,639</u>	<u>(197,624)</u>
EXPENDITURES			
Current:			
Public Works	1,038,395	622,789	415,606
Community Services	1,476,103	1,196,214	279,889
Community Development	70,940	25,520	45,420
Total Expenditures	<u>2,585,438</u>	<u>1,844,523</u>	<u>740,915</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(577,175)</u>	<u>(33,884)</u>	<u>543,291</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(577,175)	(33,884)	543,291
Fund Balance, Beginning	<u>1,574,390</u>	<u>1,574,390</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 997,215</u>	<u>\$ 1,540,506</u>	<u>\$ 543,291</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Police Donations Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 122	\$ 122
Other Revenues	1,300	1,300	-
Total Revenues	<u>1,300</u>	<u>1,422</u>	<u>122</u>
EXPENDITURES			
Current:			
Public Safety	29,085	2,320	26,765
Total Expenditures	<u>29,085</u>	<u>2,320</u>	<u>26,765</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(27,785)</u>	<u>(898)</u>	<u>26,887</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(23)	(22)	1
Total Other Financing Sources (Uses)	<u>(23)</u>	<u>(22)</u>	<u>1</u>
Net Change in Fund Balances	(27,808)	(920)	26,888
Fund Balance, Beginning	<u>36,367</u>	<u>36,367</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,559</u>	<u>\$ 35,447</u>	<u>\$ 26,888</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Transportation Development Act Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	82,000	-	(82,000)
Total Revenues	82,000	-	(82,000)
EXPENDITURES			
Current:			
Public Works	70,000	-	70,000
Total Expenditures	70,000	-	70,000
Excess (Deficiency) of Revenues over Expenditures	12,000	-	(12,000)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	12,000	-	(12,000)
Fund Balance, Beginning	(60,457)	(60,457)	-
Fund Balance, Ending	<u>\$ (48,457)</u>	<u>\$ (60,457)</u>	<u>\$ (12,000)</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - AB 939 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 2,000	\$ 2,610	\$ 610
Other Revenues	170,760	261,712	90,952
Total Revenues	<u>172,760</u>	<u>264,322</u>	<u>91,562</u>
EXPENDITURES			
Current:			
Public Works	194,717	95,795	98,922
Total Expenditures	<u>194,717</u>	<u>95,795</u>	<u>98,922</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(21,957)</u>	<u>168,527</u>	<u>190,484</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(21,957)	168,527	190,484
Fund Balance, Beginning	<u>708,400</u>	<u>708,400</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 686,443</u>	<u>\$ 876,927</u>	<u>\$ 190,484</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Various Grants Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 384	\$ 384
Revenue from Other Agencies	3,449,844	1,269,473	(2,180,371)
Other Revenues	80,460	197,431	116,971
Total Revenues	<u>3,530,304</u>	<u>1,467,288</u>	<u>(2,063,016)</u>
EXPENDITURES			
Current:			
Public Safety	747,687	546,454	201,233
Public Works	1,313,620	312,415	1,001,205
Community Services	1,369,506	554,179	815,327
Total Expenditures	<u>3,430,813</u>	<u>1,413,048</u>	<u>2,017,765</u>
Excess (Deficiency) of Revenues over Expenditures	<u>99,491</u>	<u>54,240</u>	<u>(45,251)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	515,021	1,442,765	927,744
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>515,021</u>	<u>1,442,765</u>	<u>927,744</u>
Net Change in Fund Balances	614,512	1,497,005	882,493
Fund Balance, Beginning	<u>(345,953)</u>	<u>(345,953)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 268,559</u>	<u>\$ 1,151,052</u>	<u>\$ 882,493</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Revenues from Other Agencies	2,068,139	808,986	(1,259,153)
Other Revenues	41,654	129,061	87,407
Total Revenues	<u>2,109,793</u>	<u>938,047</u>	<u>(1,171,746)</u>
EXPENDITURES			
Current:			
Community Services	461,605	234,666	226,939
Community Development	2,441,433	303,744	2,137,689
Total Expenditures	<u>2,903,038</u>	<u>538,410</u>	<u>2,364,628</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(793,245)</u>	<u>399,637</u>	<u>1,192,882</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	70,270	70,270
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>70,270</u>	<u>70,270</u>
Net Change in Fund Balances	(793,245)	469,907	1,263,152
Fund Balance, Beginning	<u>(469,907)</u>	<u>(469,907)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (1,263,152)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,263,152</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - SAFER Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Revenues from Other Agencies	\$ -	\$ -	\$ -
Other Revenues	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Safety		-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(11)	(10)	1
Total Other Financing Sources (Uses)	(11)	(10)	1
Net Change in Fund Balances	(11)	(10)	1
Fund Balance, Beginning	10	10	-
Fund Balance, Ending	\$ (1)	\$ -	\$ 1

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Inmate Welfare Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 33	\$ 33
Charges for Services	1,000	2,422	1,422
Total Revenues	<u>1,000</u>	<u>2,455</u>	<u>1,455</u>
EXPENDITURES			
Current:			
Public Safety	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>2,455</u>	<u>2,455</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	2,455	2,455
Fund Balance, Beginning	<u>8,483</u>	<u>8,483</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,483</u>	<u>\$ 10,938</u>	<u>\$ 2,455</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Public Safety Augmentation Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 823,667	\$ 834,745	\$ 11,078
Investment Income	-	1,130	1,130
Total Revenues	<u>823,667</u>	<u>835,875</u>	<u>12,208</u>
EXPENDITURES			
Current:			
Public Safety	<u>793,636</u>	<u>996,719</u>	<u>(203,083)</u>
Total Expenditures	<u>793,636</u>	<u>996,719</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>30,031</u>	<u>(160,844)</u>	<u>12,208</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	30,031	(160,844)	(190,875)
Fund Balance, Beginning	<u>529,255</u>	<u>529,255</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 559,286</u></u>	<u><u>\$ 368,411</u></u>	<u><u>\$ (190,875)</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - COPS/SLESA Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 2,032	\$ 2,032
Revenue from Other Agencies	161,021	253,970	92,949
Total Revenues	<u>161,021</u>	<u>256,002</u>	<u>94,981</u>
EXPENDITURES			
Current:			
Public Safety	192,420	55,263	137,157
Total Expenditures	<u>192,420</u>	<u>55,263</u>	<u>137,157</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(31,399)</u>	<u>200,739</u>	<u>232,138</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(31,399)	200,739	232,138
Fund Balance, Beginning	<u>436,737</u>	<u>436,737</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 405,338</u></u>	<u><u>\$ 637,476</u></u>	<u><u>\$ 232,138</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Parks CESF Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	-	23,910	23,910
Total Revenues	-	23,910	23,910
EXPENDITURES			
Current:			
Public Safety	58,260	23,769	34,491
Total Expenditures	58,260	23,769	34,491
Excess (Deficiency) of Revenues over Expenditures	(58,260)	141	58,401
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(58,260)	141	58,401
Fund Balance, Beginning	(141)	(141)	-
Fund Balance, Ending	\$ (58,401)	\$ -	\$ 58,401

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #1 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 502,809	\$ 623,785	\$ 120,976
Investment Income	16,000	9,341	(6,659)
Total Revenues	<u>518,809</u>	<u>633,126</u>	<u>114,317</u>
EXPENDITURES			
Current:			
Public Works	394,254	292,959	101,295
Total Expenditures	<u>394,254</u>	<u>292,959</u>	<u>101,295</u>
Excess (Deficiency) of Revenues over Expenditures	<u>124,555</u>	<u>340,167</u>	<u>215,612</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	124,555	340,167	215,612
Fund Balance, Beginning	<u>2,617,167</u>	<u>2,617,167</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,741,722</u></u>	<u><u>\$ 2,957,334</u></u>	<u><u>\$ 215,612</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #2 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 145,981	\$ 222,194	\$ 76,213
Investment Income	5,000	2,351	(2,649)
Total Revenues	<u>150,981</u>	<u>224,545</u>	<u>73,564</u>
EXPENDITURES			
Current:			
Public Works	179,700	115,010	64,690
Total Expenditures	<u>179,700</u>	<u>115,010</u>	<u>64,690</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(28,719)</u>	<u>109,535</u>	<u>138,254</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(9,000)	(9,000)	-
Total Other Financing Sources (Uses)	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balances	(37,719)	100,535	138,254
Fund Balance, Beginning	652,325	652,325	-
Fund Balance, Ending	<u>\$ 614,606</u>	<u>\$ 752,860</u>	<u>\$ 138,254</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Coastal Sage Shrub Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 110,731	\$ 107,360	\$ (3,371)
Investment Income	2,000	1,328	(672)
Total Revenues	<u>112,731</u>	<u>108,688</u>	<u>(4,043)</u>
EXPENDITURES			
Current:			
Public Works	<u>98,161</u>	<u>65,703</u>	<u>32,458</u>
Total Expenditures	<u>98,161</u>	<u>65,703</u>	<u>32,458</u>
Excess (Deficiency) of Revenues over Expenditures	<u>14,570</u>	<u>42,985</u>	<u>28,415</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(9,000)</u>	<u>-</u>	<u>9,000</u>
Total Other Financing Sources (Uses)	<u>(9,000)</u>	<u>-</u>	<u>9,000</u>
Net Change in Fund Balances	5,570	42,985	37,415
Fund Balance, Beginning	<u>362,666</u>	<u>362,666</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 368,236</u></u>	<u><u>\$ 405,651</u></u>	<u><u>\$ 37,415</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #4 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	\$ 1,042,060	\$ 1,020,481	\$ (21,579)
Investment Income	15,000	7,102	(7,898)
Total Revenues	<u>1,057,060</u>	<u>1,027,583</u>	<u>(29,477)</u>
EXPENDITURES			
Current:			
Public Works	<u>1,099,509</u>	<u>1,095,923</u>	<u>3,586</u>
Total Expenditures	<u>1,099,509</u>	<u>1,095,923</u>	<u>3,586</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(42,449)</u>	<u>(68,340)</u>	<u>(25,891)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	9,000	9,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Net Change in Fund Balances	(33,449)	(59,340)	(25,891)
Fund Balance, Beginning	<u>2,206,788</u>	<u>2,206,788</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,173,339</u></u>	<u><u>\$ 2,147,448</u></u>	<u><u>\$ (25,891)</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #6 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	\$ 1,042,060	\$ 154,799	\$ (887,261)
Investment Income	15,000	797	(14,203)
Total Revenues	<u>1,057,060</u>	<u>155,596</u>	<u>(901,464)</u>
EXPENDITURES			
Current:			
Public Works	1,099,509	146,288	953,221
Total Expenditures	<u>1,099,509</u>	<u>146,288</u>	<u>953,221</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(42,449)</u>	<u>9,308</u>	<u>51,757</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(42,449)	9,308	51,757
Fund Balance, Beginning	<u>237,575</u>	<u>237,575</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 195,126</u></u>	<u><u>\$ 246,883</u></u>	<u><u>\$ 51,757</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #7 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	\$ 171,949	\$ 173,983	\$ 2,034
Investment Income	1,800	1,136	(664)
Total Revenues	<u>173,749</u>	<u>175,119</u>	<u>1,370</u>
EXPENDITURES			
Current:			
Public Works	<u>177,552</u>	<u>145,177</u>	<u>32,375</u>
Total Expenditures	<u>177,552</u>	<u>145,177</u>	<u>32,375</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,803)</u>	<u>29,942</u>	<u>33,745</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,803)	29,942	33,745
Fund Balance, Beginning	<u>322,496</u>	<u>322,496</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 318,693</u></u>	<u><u>\$ 352,438</u></u>	<u><u>\$ 33,745</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Citywide Maintenance District Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	\$ 1,693,012	\$ 1,769,426	\$ 76,414
Investment Income	8,000	4,856	(3,144)
Total Revenues	<u>1,701,012</u>	<u>1,774,282</u>	<u>73,270</u>
EXPENDITURES			
Current:			
Public Works	<u>2,711,443</u>	<u>1,945,713</u>	<u>765,730</u>
Total Expenditures	<u>2,711,443</u>	<u>1,945,713</u>	<u>765,730</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,010,431)</u>	<u>(171,431)</u>	<u>839,000</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,010,431)	(171,431)	839,000
Fund Balance, Beginning	<u>1,394,574</u>	<u>1,394,574</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 384,143</u></u>	<u><u>\$ 1,223,143</u></u>	<u><u>\$ 839,000</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Sewer Maintenance Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 210,000	\$ 350,196	\$ 140,196
Special Assessments	3,740,010	3,719,042	(20,968)
Investment Income	20,000	25,498	5,498
Total Revenues	<u>3,970,010</u>	<u>4,094,736</u>	<u>124,726</u>
EXPENDITURES			
Current:			
Public Works	<u>6,648,043</u>	<u>1,771,368</u>	<u>4,876,675</u>
Total Expenditures	<u>6,648,043</u>	<u>1,771,368</u>	<u>4,876,675</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,678,033)</u>	<u>2,323,368</u>	<u>5,001,401</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,678,033)	2,323,368	5,001,401
Fund Balance, Beginning	<u>6,558,767</u>	<u>6,558,767</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 3,880,734</u></u>	<u><u>\$ 8,882,135</u></u>	<u><u>\$ 5,001,401</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Auto Plaza Improvement District Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 115,668	\$ 115,616	\$ (52)
Investment Income	1,000	530	(470)
Total Revenues	<u>116,668</u>	<u>116,146</u>	<u>(522)</u>
EXPENDITURES			
Current:			
Community Development	<u>68,561</u>	<u>53,929</u>	<u>14,632</u>
Total Expenditures	<u>68,561</u>	<u>53,929</u>	<u>14,632</u>
Excess (Deficiency) of Revenues over Expenditures	<u>48,107</u>	<u>62,217</u>	<u>14,110</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	48,107	62,217	14,110
Fund Balance, Beginning	<u>(172,153)</u>	<u>(172,153)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (124,046)</u></u>	<u><u>\$ (109,936)</u></u>	<u><u>\$ 14,110</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure W Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,370,000	\$ 1,328,840	\$ (41,160)
Investment Income	-	1,133	1,133
Total Revenues	<u>1,370,000</u>	<u>1,329,973</u>	<u>(40,027)</u>
EXPENDITURES			
Current:			
Public Works	1,290,152	199,856	1,090,296
Total Expenditures	<u>1,290,152</u>	<u>199,856</u>	<u>1,090,296</u>
Excess (Deficiency) of Revenues over Expenditures	<u>79,848</u>	<u>1,130,117</u>	<u>1,050,269</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	79,848	1,130,117	1,050,269
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	<u><u>\$ 79,848</u></u>	<u><u>\$ 1,130,117</u></u>	<u><u>\$ 1,050,269</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Charter PEG Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	190	190
Total Revenues	-	190	190
EXPENDITURES			
Current:			
General Government	107,579	79,296	28,283
Total Expenditures	107,579	79,296	28,283
Excess (Deficiency) of Revenues over Expenditures	(107,579)	(79,106)	28,473
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(107,579)	(79,106)	28,473
Fund Balance, Beginning	107,849	107,849	-
Fund Balance, Ending	<u>\$ 270</u>	<u>\$ 28,743</u>	<u>\$ 28,473</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - West Covina Community Svcs. Found. Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 758	\$ 758
Other Revenues	103,616	42,800	(60,816)
Total Revenues	<u>103,616</u>	<u>43,558</u>	<u>(60,058)</u>
EXPENDITURES			
Current:			
Community Services	230,043	19,026	211,017
Total Expenditures	<u>230,043</u>	<u>19,026</u>	<u>211,017</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(126,427)</u>	<u>24,532</u>	<u>150,959</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(126,427)	24,532	150,959
Fund Balance, Beginning	<u>281,825</u>	<u>281,825</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 155,398</u></u>	<u><u>\$ 306,357</u></u>	<u><u>\$ 150,959</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure R Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,656,988	\$ 1,355,129	\$ (301,859)
Investment Income	15,000	10,790	(4,210)
Total Revenues	<u>1,671,988</u>	<u>1,365,919</u>	<u>(306,069)</u>
EXPENDITURES			
Current:			
Public Works	583,190	561,666	21,524
Community Services	1,847,444	401,737	1,445,707
Total Expenditures	<u>2,430,634</u>	<u>963,403</u>	<u>1,467,231</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(758,646)</u>	<u>402,516</u>	<u>1,161,162</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(758,646)	402,516	1,161,162
Fund Balance, Beginning	<u>2,908,005</u>	<u>2,908,005</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,149,359</u></u>	<u><u>\$ 3,310,521</u></u>	<u><u>\$ 1,161,162</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure M Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,607,051	\$ 1,535,411	\$ (71,640)
Investment Income	15,000	11,636	(3,364)
Total Revenues	<u>1,622,051</u>	<u>1,547,047</u>	<u>(75,004)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Community Services	1,560,423	79,286	1,481,137
Total Expenditures	<u>1,560,423</u>	<u>79,286</u>	<u>1,481,137</u>
Excess (Deficiency) of Revenues over Expenditures	<u>61,628</u>	<u>1,467,761</u>	<u>1,406,133</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	61,628	1,467,761	1,406,133
Fund Balance, Beginning	<u>2,580,330</u>	<u>2,580,330</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,641,958</u></u>	<u><u>\$ 4,048,091</u></u>	<u><u>\$ 1,406,133</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure A Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	339,332	328,955	(10,377)
Total Revenues	<u>339,332</u>	<u>328,955</u>	<u>(10,377)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Community Services	339,332	328,954	10,378
Total Expenditures	<u>339,332</u>	<u>328,954</u>	<u>10,378</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1	1
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Community Corrections Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 7	\$ 7
Revenue from Other Agencies	-	-	-
Total Revenues	<u>-</u>	<u>7</u>	<u>7</u>
EXPENDITURES			
Current:			
Public Safety	2,271	198	2,073
Total Expenditures	<u>2,271</u>	<u>198</u>	<u>2,073</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,271)</u>	<u>(191)</u>	<u>2,080</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,271)	(191)	2,080
Fund Balance, Beginning	<u>2,279</u>	<u>2,279</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 8</u></u>	<u><u>\$ 2,088</u></u>	<u><u>\$ 2,080</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure H Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Revenue from Other Agencies	313,000	299,497	(13,503)
Total Revenues	<u>313,000</u>	<u>299,497</u>	<u>(13,503)</u>
EXPENDITURES			
Current:			
Public Safety	626,715	294,738	331,977
Community Services	-	-	-
Total Expenditures	<u>626,715</u>	<u>294,738</u>	<u>331,977</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(313,715)</u>	<u>4,759</u>	<u>318,474</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(313,715)	4,759	318,474
Fund Balance, Beginning	<u>(62,535)</u>	<u>(62,535)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (376,250)</u></u>	<u><u>\$ (57,776)</u></u>	<u><u>\$ 318,474</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - City Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Safety	5,060,763	757,571	4,303,192
Total Expenditures	5,060,763	757,571	4,303,192
Excess (Deficiency) of Revenues over Expenditures	(5,060,763)	(757,571)	4,303,192
OTHER FINANCING SOURCES (USES)			
Transfers In	5,060,763	3,847,001	(1,213,762)
Transfers Out	(179,510)	(183,496)	(3,986)
Issuance of Debt	-	6,602,048	6,602,048
Total Other Financing Sources (Uses)	4,881,253	10,265,553	5,384,300
Net Change in Fund Balances	(179,510)	9,507,982	9,687,492
Fund Balance, Beginning	179,510	179,510	-
Fund Balance, Ending	\$ -	\$ 9,687,492	\$ 9,687,492

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Construction Tax Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 70,000	\$ 40,343	\$ (29,657)
Investment Income	-	855	855
Total Revenues	<u>70,000</u>	<u>41,198</u>	<u>(28,802)</u>
EXPENDITURES			
Current:			
Public Works	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>50,000</u>	<u>41,198</u>	<u>(8,802)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	50,000	41,198	(8,802)
Fund Balance, Beginning	<u>218,538</u>	<u>218,538</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 268,538</u></u>	<u><u>\$ 259,736</u></u>	<u><u>\$ (8,802)</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Information Technology Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Revenue from Other Agencies	\$ 310,000	\$ -	\$ (310,000)
Other Revenues	-	61,664	61,664
Total Revenues	<u>310,000</u>	<u>61,664</u>	<u>(248,336)</u>
EXPENDITURES			
Current:			
Public Works	<u>310,000</u>	<u>5,878</u>	<u>304,122</u>
Total Expenditures	<u>310,000</u>	<u>5,878</u>	<u>304,122</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>55,786</u>	<u>55,786</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	55,786	55,786
Fund Balance, Beginning	<u>158,807</u>	<u>158,807</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 158,807</u></u>	<u><u>\$ 214,593</u></u>	<u><u>\$ 55,786</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Development Impact Fees Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Other Revenues	-	79,710	79,710
Total Revenues	-	79,710	79,710
EXPENDITURES			
Current:			
Public Works	514,882	-	514,882
Total Expenditures	514,882	-	514,882
Excess (Deficiency) of Revenues over Expenditures	(514,882)	79,710	594,592
OTHER FINANCING SOURCES (USES)			
Transfers In	(1,034,796)	-	1,034,796
Transfers Out	3,900,000	(101,713)	(4,001,713)
Total Other Financing Sources (Uses)	2,865,204	(101,713)	(2,966,917)
Net Change in Fund Balances	2,350,322	(22,003)	(2,372,325)
Fund Balance, Beginning	499,209	499,209	-
Fund Balance, Ending	<u>\$ 2,849,531</u>	<u>\$ 477,206</u>	<u>\$ (2,372,325)</u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Park Development Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 10,919	\$ 10,919
Other Revenues	-	211,450	211,450
Total Revenues	-	222,369	222,369
EXPENDITURES			
Current:			
Public Works	514,882	14,882	500,000
Debt Service:			
Principal	500,000	500,000	-
Total Expenditures	1,014,882	514,882	500,000
Excess (Deficiency) of Revenues over Expenditures	(1,014,882)	(292,513)	722,369
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,034,796)	(1,034,796)	-
Sale of Capital Assets	3,900,000	3,900,000	-
Total Other Financing Sources (Uses)	2,865,204	2,865,204	-
Net Change in Fund Balances	1,850,322	2,572,691	722,369
Fund Balance, Beginning	730,751	730,751	-
Fund Balance, Ending	<u>\$ 2,581,073</u>	<u>\$ 3,303,442</u>	<u>\$ 722,369</u>

INTERNAL SERVICE FUNDS

**City of West Covina
Internal Service Funds
Year Ended June 30, 2021**

INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursement basis.

Fleet Management

This fund provides maintenance on materials and supplies for City vehicles and other gasoline or diesel powered equipment.

Self-Insurance

This fund accounts for the use of funds that are charged to departments for the administration and payment of claims under the City's self-insured general liability and workers' compensation programs.

Retiree Health Savings Plan

This fund accounts for the set aside lump sum benefits for retiring employees.

Vehicle Replacement

This fund provides for replacement of City vehicles.

City of West Covina
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	Vehicle Replacement	Totals
ASSETS					
Current Assets:					
Cash and Investments	\$ 205,349	\$ 15,206,572	\$ 345,368	\$ -	\$ 15,757,289
Restricted Cash and Investments	-	110,857	-	-	110,857
Accounts Receivable	100,000	1,050	-	-	101,050
Inventories	40,179	-	-	-	40,179
Total Current Assets	<u>345,528</u>	<u>15,318,479</u>	<u>345,368</u>	<u>-</u>	<u>16,009,375</u>
Noncurrent Assets:					
Capital Assets, Depreciable, Net	105,648	-	-	568,633	674,281
Total Noncurrent Assets	<u>105,648</u>	<u>-</u>	<u>-</u>	<u>568,633</u>	<u>674,281</u>
Total Assets	<u>451,176</u>	<u>15,318,479</u>	<u>345,368</u>	<u>568,633</u>	<u>16,683,656</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	93,341	5,308	-	-	98,649
Other Accrued Liabilities	1,953	-	-	-	1,953
Due to Other Funds	-	-	-	62,452	62,452
Current Portion of Long-Term Liabilities:					
Compensated Absences	-	-	-	-	-
Claims Payable	-	-	-	-	-
Total Current Liabilities	<u>95,294</u>	<u>5,308</u>	<u>-</u>	<u>62,452</u>	<u>163,054</u>
Noncurrent Liabilities:					
Compensated Absences	200	-	-	-	200
Claims Payable	-	12,740,483	-	-	12,740,483
Total Noncurrent Liabilities	<u>200</u>	<u>12,740,483</u>	<u>-</u>	<u>-</u>	<u>12,740,683</u>
Total Liabilities	<u>95,494</u>	<u>12,745,791</u>	<u>-</u>	<u>62,452</u>	<u>12,903,737</u>
NET POSITION					
Net Investment in Capital Assets	105,648	-	-	568,633	674,281
Unrestricted	250,034	2,572,688	345,368	(62,452)	3,105,638
Total Net Position	<u>\$ 355,682</u>	<u>\$ 2,572,688</u>	<u>\$ 345,368</u>	<u>\$ 506,181</u>	<u>\$ 3,779,919</u>

City of West Covina
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	Vehicle Replacement	Totals
OPERATING REVENUES					
Charges for Services	\$ 1,038,187	\$ 4,032,510	\$ -	\$ -	\$ 5,070,697
Rental Income	266,386	-	-	-	266,386
Other Revenues	31,545	57,059	-	-	88,604
Total Operating Revenues	<u>1,336,118</u>	<u>4,089,569</u>	<u>-</u>	<u>-</u>	<u>5,425,687</u>
OPERATING EXPENSES					
Personnel Services	126,491	-	23,900	-	150,391
Cost of Sales, Services and Operations	1,604,445	136,194	-	-	1,740,639
Depreciation	19,666	-	-	166,734	186,400
Insurance and Claims Paid	-	3,194,721	-	-	3,194,721
Total Operating Expenses	<u>1,750,602</u>	<u>3,330,915</u>	<u>23,900</u>	<u>166,734</u>	<u>5,272,151</u>
Operating Income (Loss)	<u>(414,484)</u>	<u>758,654</u>	<u>(23,900)</u>	<u>(166,734)</u>	<u>153,536</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	-	-	1,195	-	1,195
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>1,195</u>	<u>-</u>	<u>1,195</u>
Income (Loss) Before Operating Transfers	(414,484)	758,654	(22,705)	(166,734)	154,731
Transfers In	-	3,966,682	-	-	3,966,682
Transfers Out	-	-	-	-	-
Change in Net Position	(414,484)	4,725,336	(22,705)	(166,734)	4,121,413
Net Position - Beginning of Year	770,166	(2,152,648)	368,073	672,915	(341,494)
Net Position - End of Year	<u>\$ 355,682</u>	<u>\$ 2,572,688</u>	<u>\$ 345,368</u>	<u>\$ 506,181</u>	<u>\$ 3,779,919</u>

City of West Covina
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	Vehicle Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from User Departments	\$ 1,730,936	\$ 4,088,519	\$ -	\$ -	\$ 5,819,455
Cash Paid to Suppliers for Goods and Services	(1,622,333)	(4,193,673)	-	-	(5,816,006)
Cash Paid to Employees for Services	(125,127)	-	(23,900)	-	(149,027)
Net Cash from Operating Activities	<u>(16,524)</u>	<u>(105,154)</u>	<u>(23,900)</u>	<u>-</u>	<u>(145,578)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Paid (to) from Other Funds	-	3,966,682	-	-	3,966,682
Net Cash from Noncapital and Related Financing Activities	<u>-</u>	<u>3,966,682</u>	<u>-</u>	<u>-</u>	<u>3,966,682</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	-	-	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	-	-	1,195	-	1,195
Net Cash from Investing Activities	<u>-</u>	<u>-</u>	<u>1,195</u>	<u>-</u>	<u>1,195</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,524)	3,861,528	(22,705)	-	3,822,299
Cash and Cash Equivalents, Beginning of the Year	<u>221,873</u>	<u>11,455,901</u>	<u>368,073</u>	<u>-</u>	<u>12,045,847</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 205,349</u>	<u>\$ 15,317,429</u>	<u>\$ 345,368</u>	<u>\$ -</u>	<u>\$ 15,868,146</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ (414,484)	\$ 758,654	\$ (23,900)	\$ (166,734)	\$ 153,536
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	19,666	-	-	166,734	186,400
Miscellaneous Income	-	-	-	-	-
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	394,818	(1,050)	-	-	393,768
(Increase) Decrease in Inventory and Prepaid Items	(9,706)	-	-	-	(9,706)
Increase (Decrease) in Accounts Payable	(8,182)	(424,338)	-	-	(432,520)
Increase (Decrease) in Accrued Liabilities	1,364	-	-	-	1,364
Increase (Decrease) in Claims Payable	-	(438,420)	-	-	(438,420)
Net Cash from Operating Activities	<u>\$ (16,524)</u>	<u>\$ (105,154)</u>	<u>\$ (23,900)</u>	<u>\$ -</u>	<u>\$ (145,578)</u>

PENSION TRUST FUNDS

**City of West Covina
Pension Trust Funds
Year Ended June 30, 2021**

PENSION TRUST FUNDS

Pension Trust Funds are used to account for monies required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Retirement Enhancement Defined Benefit Pension Trust Fund

This fund accounts for the assets and activities of the Public Agency Retirement System Enhancement Plan.

Supplemental Retirement Defined Benefit Pension Trust Fund

This fund accounts for the assets and activities of the Public Agency Supplemental Retirement Plan.

City of West Covina
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2021

	<u>Retirement Enhancement Defined Benefit Pension Fund</u>	<u>Supplemental Retired Defined Benefit Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
Cash and Investments	\$ 71,013	\$ 460,451	\$ 531,464
Total Assets	<u>71,013</u>	<u>460,451</u>	<u>531,464</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 71,013</u>	<u>\$ 460,451</u>	<u>\$ 531,464</u>

City of West Covina
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
June 30, 2021

	Retirement Enhancement Defined Benefit Pension Fund	Supplemental Retired Defined Benefit Pension Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer Contributions	\$ 52,666	\$ 79,364	\$ 132,030
Investment Earnings:			
Interest Income	18,412	96,424	114,836
Total Additions	71,078	175,788	246,866
DEDUCTIONS			
Administrative Costs	6,231	5,903	12,134
Benefit Distributions	81,760	171,238	252,998
Total Deductions	87,991	177,141	265,132
Net Increase (decrease) in fiduciary net position	(16,913)	(1,353)	(18,266)
Net Position, beginning of the year	87,926	461,804	549,730
Net Position, end of the year	\$ 71,013	\$ 460,451	\$ 531,464

STATISTICAL SECTION

City of West Covina
Description of Statistical Section Contents
June 30, 2021

This part of the City of West Covina's 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 say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	160
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	174
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	181
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	189
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	191

CITY OF WEST COVINA

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$222,784,189	\$164,621,539	\$161,771,546	\$144,215,248
Restricted	53,331,999	46,016,224	47,468,277	48,793,821
Unrestricted	(27,344,668)	(297,086)	191,878	(129,152,694)
Total governmental activities net pension	<u>\$248,771,520</u>	<u>\$210,340,677</u>	<u>\$209,431,701</u>	<u>\$ 63,856,375</u>
Business-type activities:				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	(994,560)	(426,769)	60,922	188,045
Total business-type activities net pension	<u>\$ (994,560)</u>	<u>\$ (426,769)</u>	<u>\$ 60,922</u>	<u>\$ 188,045</u>
Primary government:				
Net investment in capital assets	\$222,784,189	\$164,621,539	\$161,771,546	\$144,215,248
Restricted	53,331,999	46,016,224	47,468,277	48,793,821
Unrestricted	(28,339,228)	(723,855)	252,800	(128,964,649)
Total primary government net pension	<u>\$247,776,960</u>	<u>\$209,913,908</u>	<u>\$209,492,623</u>	<u>\$ 64,044,420</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 148,989,212	\$ 153,784,463	\$ 153,940,332	\$ 147,204,908	\$ 140,572,511	\$ 139,507,563
56,902,504	50,717,656	51,130,936	57,782,735	65,969,665	89,226,135
<u>(138,162,202)</u>	<u>(144,659,629)</u>	<u>(201,951,785)</u>	<u>(207,212,078)</u>	<u>(225,184,697)</u>	<u>(255,200,972)</u>
<u>\$ 67,729,514</u>	<u>\$ 59,842,490</u>	<u>\$ 3,119,483</u>	<u>\$ (2,224,435)</u>	<u>\$ (18,642,521)</u>	<u>\$ (26,467,274)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>(135,676)</u>	<u>(252,336)</u>	<u>(275,010)</u>	<u>(326,385)</u>	<u>(244,119)</u>	<u>38,329</u>
<u>\$ (135,676)</u>	<u>\$ (252,336)</u>	<u>\$ (275,010)</u>	<u>\$ (326,385)</u>	<u>\$ (244,119)</u>	<u>\$ 38,329</u>
\$ 148,989,212	\$ 153,784,463	\$ 153,940,332	\$ 147,204,908	\$ 140,572,511	\$ 139,507,563
56,902,504	50,717,656	51,130,936	57,782,735	65,969,665	89,226,135
<u>(138,297,878)</u>	<u>(144,911,965)</u>	<u>(202,226,795)</u>	<u>(207,538,463)</u>	<u>(225,428,816)</u>	<u>(255,162,643)</u>
<u>\$ 67,593,838</u>	<u>\$ 59,590,154</u>	<u>\$ 2,844,473</u>	<u>\$ (2,550,820)</u>	<u>\$ (18,886,640)</u>	<u>\$ (26,428,945)</u>

CITY OF WEST COVINA

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
Governmental activities:				
General government	\$ 4,953,340	\$ 5,519,153	\$ 7,472,254	\$ 5,676,067
Public safety	49,369,913	47,323,516	45,443,958	49,813,447
Public works	20,510,387	20,372,375	21,109,952	20,586,770
Community services	6,949,951	6,878,176	6,437,040	7,035,872
Community development	4,071,050	1,127,924	658,082	766,886
Interest on long-term debt	5,927,002	1,652,750	1,677,062	1,353,156
Total governmental activities expenses	<u>91,781,643</u>	<u>82,873,894</u>	<u>82,798,348</u>	<u>85,232,198</u>
Business-type activities:				
Computer enterprise	1,701,367	1,435,855	1,284,419	1,427,789
Total business-type activities expenses	<u>1,701,367</u>	<u>1,435,855</u>	<u>1,284,419</u>	<u>1,427,789</u>
Total primary government expenses	<u>93,483,010</u>	<u>84,309,749</u>	<u>84,082,767</u>	<u>86,659,987</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	599,066	548,333	486,478	885,123
Public safety	3,196,729	3,018,478	3,037,891	2,825,831
Public works	7,046,096	7,781,333	8,878,122	8,278,038
Community services	1,141,162	1,195,612	1,180,562	1,275,278
Community development	255,669	348,112	621,352	502,621
Operating grants and contributions	12,557,141	10,344,778	11,021,410	12,405,742
Capital grants and contributions	958,459	597,405	4,458,250	2,224,864
Total governmental activities program revenues	<u>25,754,322</u>	<u>23,834,051</u>	<u>29,684,065</u>	<u>28,397,497</u>
Business-type activities:				
Charges for services:				
Computer enterprise	1,805,242	2,105,421	1,873,636	1,655,134
Total business-type activities program revenues	<u>1,805,242</u>	<u>2,105,421</u>	<u>1,873,636</u>	<u>1,655,134</u>
Total primary government program revenues	<u>27,559,564</u>	<u>25,939,472</u>	<u>31,557,701</u>	<u>30,052,631</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 4,963,302	\$ 5,775,173	\$ 7,523,129	\$ 7,515,920	\$ 7,781,252	\$ 18,929,254
48,410,511	56,169,907	67,734,047	58,057,784	72,653,866	62,479,977
20,259,279	21,243,019	21,161,586	21,625,190	23,649,892	17,212,496
7,368,492	7,926,410	8,926,070	9,280,450	9,418,860	7,675,178
753,721	2,190,319	1,618,181	795,685	1,394,131	1,568,283
1,572,645	1,575,724	1,515,826	1,680,335	1,874,899	8,354,304
<u>83,327,950</u>	<u>94,880,552</u>	<u>108,478,839</u>	<u>98,955,364</u>	<u>116,772,900</u>	<u>116,219,492</u>
1,638,573	1,575,066	1,305,426	1,263,693	1,230,639	475,672
<u>1,638,573</u>	<u>1,575,066</u>	<u>1,305,426</u>	<u>1,263,693</u>	<u>1,230,639</u>	<u>475,672</u>
<u>84,966,523</u>	<u>96,455,618</u>	<u>109,784,265</u>	<u>100,219,057</u>	<u>118,003,539</u>	<u>116,695,164</u>
400,051	546,626	814,465	829,295	369,796	312,112
3,170,579	3,201,495	3,610,467	3,839,103	4,304,075	3,718,158
8,271,744	7,714,148	8,967,472	9,156,370	2,034,963	4,458,831
1,365,482	1,491,858	2,110,943	1,903,119	2,438,156	697,351
425,013	416,014	264,959	465,097	6,780,115	-
13,317,378	10,955,031	10,285,701	12,097,219	19,989,920	21,764,524
1,004,826	445,980	151,966	360,872	582,023	10,621,147
<u>27,955,073</u>	<u>24,771,152</u>	<u>26,205,973</u>	<u>28,651,075</u>	<u>36,499,048</u>	<u>41,572,123</u>
1,413,114	1,274,318	1,199,162	1,099,028	1,249,195	758,120
<u>1,413,114</u>	<u>1,274,318</u>	<u>1,199,162</u>	<u>1,099,028</u>	<u>1,249,195</u>	<u>758,120</u>
<u>29,368,187</u>	<u>26,045,470</u>	<u>27,405,135</u>	<u>29,750,103</u>	<u>37,748,243</u>	<u>42,330,243</u>

CITY OF WEST COVINA

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
Net revenues (expenses):				
Governmental activities	\$ (66,027,321)	\$ (58,612,191)	\$ (53,114,283)	\$ (56,834,701)
Business-type activities	103,875	669,566	589,217	227,345
net primary government revenues (expenses)	<u>(65,923,446)</u>	<u>(57,942,625)</u>	<u>(52,525,066)</u>	<u>(56,607,356)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	23,313,556	20,937,356	20,420,020	21,156,596
Sales tax	13,177,914	13,307,736	14,705,790	15,096,101
Franchise tax	3,224,053	3,361,812	3,478,532	3,635,092
Other taxes	7,835,918	6,265,257	7,451,947	7,433,106
Motor vehicle in lieu, unrestricted	55,880	57,902	-	-
Investment income	1,647,399	185,451	695,341	660,157
Other general revenues	5,193,850	7,310,544	5,960,967	6,999,034
Transfers	98,811	101,775	101,775	101,775
Extraordinary gain (loss)	55,825,872	(19,629,066)	-	-
Total governmental activities	<u>110,373,253</u>	<u>31,898,767</u>	<u>52,814,372</u>	<u>55,081,861</u>
Business-type activities:				
Investment income	-	-	-	1,553
Other revenues	-	-	-	-
Transfers	(98,811)	(101,775)	(101,775)	(101,775)
Total business-type activities	<u>(98,811)</u>	<u>(101,775)</u>	<u>(101,775)</u>	<u>(100,222)</u>
Total primary government	<u>110,274,442</u>	<u>31,796,992</u>	<u>52,712,597</u>	<u>54,981,639</u>
Changes in net position:				
Governmental activities	44,345,932	(26,713,424)	(299,911)	(1,752,840)
Business-type activities	5,064	568,040	487,442	127,123
Total primary government change in net position	<u>\$ 44,350,996</u>	<u>\$ (26,145,384)</u>	<u>\$ 187,531</u>	<u>\$ (1,625,717)</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (55,372,877)	\$ (70,109,400)	\$ (82,272,866)	\$ (70,304,289)	\$ (80,273,852)	\$ (74,647,369)
(225,459)	(300,748)	(106,264)	(164,665)	18,556	282,448
<u>(55,598,336)</u>	<u>(70,410,148)</u>	<u>(82,379,130)</u>	<u>(70,468,954)</u>	<u>(80,255,296)</u>	<u>(74,364,921)</u>
22,352,163	23,994,740	25,392,860	26,365,067	27,422,706	30,108,110
17,228,237	16,503,563	17,449,827	17,464,609	17,033,647	20,858,803
3,540,011	3,698,184	4,011,817	4,207,765	4,445,101	4,644,360
6,485,394	6,725,309	7,692,437	9,158,794	5,026,703	4,571,270
-	-	-	-	-	-
(566,064)	4,452,938	559,164	2,016,573	2,682,794	223,485
4,236,920	6,847,642	9,256,591	5,747,563	7,244,815	5,520,479
101,775	-	-	-	-	-
9,789,266	-	-	-	-	-
<u>63,167,702</u>	<u>62,222,376</u>	<u>64,362,696</u>	<u>64,960,371</u>	<u>63,855,766</u>	<u>65,926,507</u>
3,513	2,070	884	1,083	-	-
-	182,018	82,706	112,207	63,710	-
(101,775)	-	-	-	-	-
<u>(98,262)</u>	<u>184,088</u>	<u>83,590</u>	<u>113,290</u>	<u>63,710</u>	<u>-</u>
<u>63,069,440</u>	<u>62,406,464</u>	<u>64,446,286</u>	<u>65,073,661</u>	<u>63,919,476</u>	<u>65,926,507</u>
7,794,825	(7,887,024)	(17,910,170)	(5,343,918)	(16,418,086)	(8,720,862)
(323,721)	(116,660)	(22,674)	(51,375)	82,266	282,448
<u>\$ 7,471,104</u>	<u>\$ (8,003,684)</u>	<u>\$ (17,932,844)</u>	<u>\$ (5,395,293)</u>	<u>\$ (16,335,820)</u>	<u>\$ (8,438,414)</u>

CITY OF WEST COVINA

**Changes in Net Position
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
General government	\$ 4,953,340	\$ 5,547,949	\$ 7,472,254	\$ 5,676,067
Public safety	49,369,913	47,160,347	45,443,958	49,813,447
Public works	20,510,387	20,465,106	21,109,952	20,586,770
Community services	6,949,951	6,911,667	6,437,040	7,035,872
Community development	4,071,050	708,422	658,082	766,886
Interest on long-term debt	5,927,002	1,652,751	1,677,062	1,353,156
Total expenses	<u>91,781,643</u>	<u>82,446,242</u>	<u>82,798,348</u>	<u>85,232,198</u>
Program revenues:				
Charges for services:				
General government	599,066	548,333	486,478	885,123
Public safety	3,196,729	3,018,478	3,037,891	2,825,831
Public works	7,046,096	7,781,333	8,878,122	8,278,038
Community services	1,141,162	1,195,612	1,180,562	1,275,278
Community development	255,669	348,112	621,352	502,621
Operating grants and contributions	12,557,141	10,344,778	11,021,410	12,405,742
Capital grants and contributions	958,459	597,405	4,458,250	2,224,864
Total program revenues	<u>25,754,322</u>	<u>23,834,051</u>	<u>29,684,065</u>	<u>28,397,497</u>
Net program revenues (expenses)	<u>(66,027,321)</u>	<u>(58,612,191)</u>	<u>(53,114,283)</u>	<u>(56,834,701)</u>
General revenues and other changes in net position:				
Taxes:				
Property taxes	23,313,556	20,937,356	20,420,020	21,156,596
Sales tax	13,177,914	13,307,736	14,705,790	15,096,101
Franchise tax	3,224,053	3,361,812	3,478,532	3,635,092
Other taxes	7,835,918	6,265,257	7,451,947	7,433,106
Motor vehicle in lieu, unrestricted	55,880	57,902	-	-
Investment income	1,647,399	185,451	695,341	660,157
Other general revenues	5,193,850	7,310,544	5,960,967	6,999,034
Transfers	98,811	101,775	101,775	101,775
Extraordinary gain (loss)	55,825,872	(19,629,066)	-	-
Total governmental revenues and other changes	<u>110,373,253</u>	<u>31,898,767</u>	<u>52,814,372</u>	<u>55,081,861</u>
Changes in net position	<u>\$ 44,345,932</u>	<u>\$ (26,713,424)</u>	<u>\$ (299,911)</u>	<u>\$ (1,752,840)</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 4,963,302	\$ 5,775,173	\$ 7,523,129	\$ 7,515,920	\$ 7,781,252	\$ 18,929,254
48,410,511	56,169,907	67,734,047	58,057,784	72,653,866	62,479,977
20,259,279	21,243,019	21,161,586	21,625,190	23,649,892	17,212,496
7,368,492	7,926,410	8,926,070	9,280,450	9,418,860	7,675,178
753,721	2,190,319	1,618,181	795,685	1,394,131	1,568,283
1,572,645	1,575,724	1,515,826	1,680,335	1,874,899	8,354,304
<u>83,327,950</u>	<u>94,880,552</u>	<u>108,478,839</u>	<u>98,955,364</u>	<u>116,772,900</u>	<u>116,219,492</u>
400,051	546,626	814,465	829,295	369,796	312,112
3,170,579	3,201,495	3,610,467	3,839,103	4,304,075	3,718,158
8,271,744	7,714,148	8,967,472	9,156,370	2,034,963	4,458,831
1,365,482	1,491,858	2,110,943	1,903,119	2,438,156	697,351
425,013	416,014	264,959	465,097	6,780,115	-
13,317,378	10,955,031	10,285,701	12,097,219	19,989,920	21,764,524
1,004,826	445,980	151,966	360,872	582,023	10,621,147
<u>27,955,073</u>	<u>24,771,152</u>	<u>26,205,973</u>	<u>28,651,075</u>	<u>36,499,048</u>	<u>41,572,123</u>
<u>(55,372,877)</u>	<u>(70,109,400)</u>	<u>(82,272,866)</u>	<u>(70,304,289)</u>	<u>(80,273,852)</u>	<u>(74,647,369)</u>
22,352,163	23,994,740	25,392,860	26,365,067	27,422,706	30,108,110
17,228,237	16,503,563	17,449,827	17,464,609	17,033,647	20,858,803
3,540,011	3,698,184	4,011,817	4,207,765	4,445,101	4,644,360
6,485,394	6,725,309	7,692,437	9,158,794	5,026,703	4,571,270
-	-	-	-	-	-
(566,064)	4,452,938	559,164	2,016,573	2,682,794	223,485
4,236,920	6,847,642	9,256,591	5,747,563	7,244,815	5,520,479
101,775	-	-	-	-	-
9,789,266	-	-	-	-	-
<u>63,167,702</u>	<u>62,222,376</u>	<u>64,362,696</u>	<u>64,960,371</u>	<u>63,855,766</u>	<u>65,926,507</u>
<u>\$ 7,794,825</u>	<u>\$ (7,887,024)</u>	<u>\$ (17,910,170)</u>	<u>\$ (5,343,918)</u>	<u>\$ (16,418,086)</u>	<u>\$ (8,720,862)</u>

CITY OF WEST COVINA

**Changes in Net Position
Business-Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
Computer Enterprise	\$ 1,701,367	\$ 1,435,606	\$ 1,284,419	\$ 1,427,789
Total expenses	1,701,367	1,435,606	1,284,419	1,427,789
Program revenues:				
Charges for services:				
Computer Enterprise	1,805,242	2,105,421	1,873,636	1,655,134
Total program revenues	1,805,242	2,105,421	1,873,636	1,655,134
Net revenues (expenses)	103,875	669,815	589,217	227,345
General revenues and other changes in net position:				
Investment income	-	-	-	1,553
Other revenues	-	-	-	-
Transfers	(98,811)	(101,775)	(101,775)	(101,775)
Total general revenues and other changes	(98,811)	(101,775)	(101,775)	(100,222)
Changes in net position	\$ 5,064	\$ 568,040	\$ 487,442	\$ 127,123

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
<u>\$ 1,638,573</u>	<u>\$ 1,575,066</u>	<u>\$ 1,305,426</u>	<u>\$ 1,263,693</u>	<u>\$ 1,230,639</u>	<u>\$ 475,672</u>
<u>1,638,573</u>	<u>1,575,066</u>	<u>1,305,426</u>	<u>1,263,693</u>	<u>1,230,639</u>	<u>475,672.00</u>
<u>1,413,114</u>	<u>1,274,318</u>	<u>1,199,162</u>	<u>1,099,028</u>	<u>1,249,195</u>	<u>758,120</u>
<u>1,413,114</u>	<u>1,274,318</u>	<u>1,199,162</u>	<u>1,099,028</u>	<u>1,249,195</u>	<u>758,120.00</u>
<u>(225,459)</u>	<u>(300,748)</u>	<u>(106,264)</u>	<u>(164,665)</u>	<u>18,556</u>	<u>282,448.00</u>
3,513	2,070	884	1,083	-	-
-	182,018	82,706	112,207	63,710	-
<u>(101,775)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(98,262)</u>	<u>184,088</u>	<u>83,590</u>	<u>113,290</u>	<u>63,710</u>	<u>-</u>
<u>\$ (323,721)</u>	<u>\$ (116,660)</u>	<u>\$ (22,674)</u>	<u>\$ (51,375)</u>	<u>\$ 82,266</u>	<u>\$ 282,448</u>

CITY OF WEST COVINA

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
General Fund:				
Nonspendable	\$ 15,580,789	\$ 6,621,695	\$ 6,595,326	\$ 6,483,924
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	13,187,181	4,108,967	5,687,385	20,531,695
Total general fund	<u>\$ 28,767,970</u>	<u>\$ 10,730,662</u>	<u>\$ 12,282,711</u>	<u>\$ 27,015,619</u>
All other governmental funds:				
Nonspendable	\$ 6,200,423	\$ 6,814,431	\$ 157,500	\$ 151,923
Restricted	31,101,636	32,133,653	56,225,097	59,918,077
Assigned	1,378,401	893,566	3,891,565	4,930,693
Unassigned	(110,042)	(373,264)	(47,867)	(438,708)
Total all other governmental funds	<u>\$ 38,570,418</u>	<u>\$ 39,468,386</u>	<u>\$ 60,226,295</u>	<u>\$ 64,561,985</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 7,129,779	\$ 6,982,268	\$ 9,952,978	\$ 8,976,583	\$ 7,086,958	\$ 4,009,651
-	-	-	-	7,650	9,440
-	-	320,200	320,200	-	-
<u>15,032,610</u>	<u>14,119,078</u>	<u>11,979,653</u>	<u>9,884,913</u>	<u>12,580,716</u>	<u>21,468,986</u>
<u>\$ 22,162,389</u>	<u>\$ 21,101,346</u>	<u>\$ 22,252,831</u>	<u>\$ 19,181,696</u>	<u>\$ 19,675,324</u>	<u>\$ 25,488,077</u>
\$ 5,277,203	\$ 4,980,450	\$ 110,833	\$ 99,167	\$ 82,420	\$ -
51,467,448	45,082,696	49,600,866	57,840,755	64,044,695	92,198,163
5,065,065	2,820,665	2,004,895	1,107,138	1,786,815	9,687,492
<u>(531,412)</u>	<u>(1,100,860)</u>	<u>(710,218)</u>	<u>(692,305)</u>	<u>(1,158,958)</u>	<u>(228,169)</u>
<u>\$ 61,278,304</u>	<u>\$ 51,782,951</u>	<u>\$ 51,006,376</u>	<u>\$ 58,354,755</u>	<u>\$ 64,754,972</u>	<u>\$ 101,657,486</u>

CITY OF WEST COVINA

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Taxes	\$ 53,636,172	\$ 46,185,045	\$ 48,785,393	\$ 50,918,823
Special assessments	5,270,856	5,511,465	5,513,535	5,595,338
Licenses and permits	866,642	1,156,196	1,717,153	1,419,457
Fines and forfeitures	1,097,836	1,048,819	1,036,732	959,606
Investment income	3,419,665	533,388	716,472	679,844
Rental income	421,521	370,913	367,798	406,350
Intergovernmental	12,481,691	9,496,633	11,097,551	10,769,196
Charges for services	6,732,076	6,124,201	6,751,541	6,803,615
Repayment of notes and loans	332,698	925,235	26,148	-
Other	1,720,792	5,105,117	6,258,384	5,490,327
Total revenues	<u>85,979,949</u>	<u>76,457,012</u>	<u>82,270,707</u>	<u>83,042,556</u>
Expenditures				
Current:				
General government	4,950,311	5,205,956	7,087,335	5,757,334
Public safety	44,109,598	42,688,487	43,332,847	45,906,138
Public works	18,209,981	16,203,144	17,790,042	13,724,417
Community services	5,917,227	5,872,485	5,399,732	5,816,443
Community development	4,246,590	666,255	679,007	761,896
Pass-through payments	2,112,227	-	-	-
Debt service:				
Principal retirement	5,155,105	1,773,261	1,870,239	1,866,947
Interest and fiscal charges	6,307,988	1,659,473	1,666,054	1,360,370
Cost of issuance	-	-	-	-
Developer agreement payments	351,444	-	-	-
Total expenditures	<u>91,360,471</u>	<u>74,069,061</u>	<u>77,825,256</u>	<u>75,193,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,380,522)</u>	<u>2,387,951</u>	<u>4,445,451</u>	<u>7,849,011</u>
Other financing sources (uses):				
Transfers in	8,947,657	3,639,400	3,744,115	3,201,793
Transfers out	(8,848,846)	(3,537,625)	(3,642,340)	(3,100,018)
Acquisition under capital leases	-	-	-	-
Issuance of bonds	-	-	2,185,000	-
Premium of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	(2,248,061)	-
Extraordinary gain (loss)	7,453,315	(19,629,066)	-	11,578,351
Total other financing sources (uses)	<u>7,552,126</u>	<u>(19,527,291)</u>	<u>38,714</u>	<u>11,680,126</u>
Special Item				
Payment towards UAL	-	-	-	-
Net change in fund balances	<u>\$ 2,171,604</u>	<u>\$ (17,139,340)</u>	<u>\$ 4,484,165</u>	<u>\$ 19,529,137</u>

Debt service as a percentage of noncapital expenditures	16.20%	5.21%	5.18%	4.92%
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Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 54,237,649	\$ 55,502,969	\$ 59,255,716	\$ 62,477,442	\$ 62,588,256	\$ 72,496,610
5,550,657	5,318,497	6,077,861	6,347,182	6,490,254	6,837,731
1,156,613	1,037,389	1,089,850	1,140,622	1,491,744	1,528,117
796,989	894,618	1,290,187	1,318,333	921,872	380,169
(570,132)	4,448,607	551,948	2,008,971	2,677,045	(18,511)
529,833	604,817	649,968	647,749	700,455	952,185
11,218,711	10,193,278	7,920,178	12,581,261	15,386,915	11,623,792
7,731,236	7,359,139	8,681,704	7,473,923	7,690,819	6,376,218
-	-	-	-	-	-
1,487,103	2,129,531	4,229,895	1,142,659	3,783,990	2,785,758
<u>82,138,659</u>	<u>87,488,845</u>	<u>89,747,307</u>	<u>95,138,142</u>	<u>101,731,350</u>	<u>102,962,069</u>
5,103,814	6,214,682	5,700,461	6,828,020	6,488,092	6,910,013
50,962,883	54,480,972	53,087,630	58,205,797	58,857,571	60,290,745
15,509,267	15,328,717	17,635,489	14,800,936	17,262,224	15,356,778
6,864,180	10,824,395	6,975,178	7,290,775	7,263,052	6,172,738
898,714	2,198,881	1,182,255	1,086,128	1,214,558	1,568,283
-	-	-	-	-	-
2,027,461	7,931,202	1,958,918	13,353,918	1,833,918	2,428,918
1,574,753	1,566,392	1,501,956	1,691,316	1,932,807	5,419,621
-	-	-	389,726	-	1,083,165
-	-	-	-	-	-
<u>82,941,072</u>	<u>98,545,241</u>	<u>88,041,887</u>	<u>103,646,616</u>	<u>94,852,222</u>	<u>99,230,261</u>
(802,413)	(11,056,396)	1,705,420	(8,508,474)	6,879,128	3,731,808
4,831,038	5,643,232	3,902,056	149,121	1,494,913	197,353,567
(10,812,296)	(5,643,232)	(5,232,566)	(9,121)	(1,676,955)	(201,320,249)
2,568,446	500,000	-	-	196,759	3,900,000
-	-	-	24,165,000	-	210,697,048
-	-	-	1,380,718	-	-
-	-	-	(12,900,000)	-	-
-	-	-	-	-	-
<u>(3,412,812)</u>	<u>500,000</u>	<u>(1,330,510)</u>	<u>12,785,718</u>	<u>14,717</u>	<u>210,630,366</u>
-	-	-	-	-	(172,543,016)
<u>\$ (4,215,225)</u>	<u>\$ (10,556,396)</u>	<u>\$ 374,910</u>	<u>\$ 4,277,244</u>	<u>\$ 6,893,845</u>	<u>\$ 41,819,158</u>
4.70%	10.29%	4.18%	15.08%	3.97%	7.91%

CITY OF WEST COVINA

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)**

Fiscal Year Ended June 30	City				Taxable Assessed Value
	Secured	Non-Unitary	Unsecured	Less: Exemptions	
2012	\$ 6,381,873	\$ -	\$ 12,762	\$ (85,792)	\$ 6,308,843
2013	6,477,468	-	10,645	(93,277)	6,394,836
2014	6,670,267	-	15,080	(73,615)	6,611,732
2015	7,116,733	-	12,346	(94,084)	7,034,995
2016	7,458,200	-	14,738	(95,915)	7,377,023
2017	7,829,861	-	11,212	(100,253)	7,740,820
2018	8,229,924	-	9,185	(84,900)	8,154,209
2019	8,718,033	-	10,356	(101,379)	8,627,010
2020	9,082,038	-	11,724	(79,629)	9,014,133
2021	9,458,367	-	11,927	(119,220)	9,351,074

NOTE:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL Coren & Cone, Los Angeles Assessor 2011/2012 - 2020/2021 Combined Tax Rolls

(continued)

<u>Successor Agency (SA) of the former Community Development Commission (CDC)</u>				<u>City and SA Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
<u>Secured</u>	<u>Unsecured</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value</u>		
\$ 2,408,026	\$ 152,958	\$ (152,569)	\$ 2,408,415	\$ 8,717,258	33.518%
2,429,152	160,821	(152,386)	2,437,587	8,832,423	33.456%
2,498,131	161,438	(186,502)	2,473,067	9,084,799	14.083%
2,566,170	161,710	(184,907)	2,542,973	9,577,968	14.116%
2,795,635	162,488	(189,554)	2,768,569	10,145,592	14.138%
3,028,206	165,375	(170,529)	3,023,052	10,763,872	14.165%
3,103,316	163,326	(154,330)	3,112,312	11,266,521	14.109%
3,305,249	167,442	(168,062)	3,304,629	11,931,639	14.221%
3,483,295	169,859	(195,530)	3,457,624	12,471,757	14.236%
3,604,156	168,578	(222,612)	3,550,122	12,901,196	14.262%

CITY OF WEST COVINA

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

	Fiscal Year			
	2012	2013	2014	2015
Basic Levy¹	1.00000	1.00000	1.00000	1.00000
Baldwin Park Unified	0.17506	0.16406	0.15842	0.16519
Bassett Unified School District	0.11628	0.12773	0.11632	0.11539
Covina Valley Unified School District	0.08999	0.09500	0.11472	0.11426
Hacienda-La Puente Unified	0.06430	0.06689	0.06653	0.06432
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350
Mt. San Antonio College	0.02642	0.02896	0.02023	0.02129
Rowland Heights Unified	0.09195	0.10053	0.12297	0.14313
Walnut Valley Unified	0.11735	0.12554	0.11342	0.11510
West Covina Municipal Maint. Dist.	0.18180	0.18180	0.18310	0.18310
West Covina Unified	0.05377	0.04965	0.03626	0.05412
Total Direct & Overlapping² Tax Rates	1.92061	1.94365	1.93547	1.97941
City Share of 1% Levy Per Prop 13³	0.13820	0.13820	0.13820	0.13820
Redevelopment Rate⁴	1.00370	N/A	N/A	N/A
Total Tax Rate⁵	0.33518	0.33456	0.14083	0.14116

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and

⁵ Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft taxes. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purpose of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: Los Angeles County Assessor 2011/12 - 2020/21 Tax Rate Table

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.16288	0.10510	0.13039	0.12402	0.13032	0.19256
0.15771	0.16781	0.17443	0.16349	0.14196	0.14705
0.11062	0.12581	0.14205	0.13976	0.13521	0.12658
0.06394	0.06600	0.10531	0.10706	0.08252	0.08261
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.02154	0.02400	0.02371	0.02435	0.04781	0.04459
0.12426	0.12444	0.11841	0.11861	0.10760	0.10905
0.09285	0.06601	0.07388	0.10582	0.09538	0.09893
0.18310	0.18310	0.18310	0.18310	0.18310	0.18480
0.04205	0.04914	0.09514	0.09795	0.08192	0.09980
1.96245	1.91492	2.04992	2.06766	2.00932	2.08947
0.13820	0.13820	0.13820	0.13820	0.13820	0.13820
N/A	N/A	N/A	N/A	N/A	N/A
0.14138	0.14165	0.14109	0.14221	0.14236	0.14262

CITY OF WEST COVINA

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2021		Percent of Total City Taxable Assessed	2012		Percent of Total City Taxable Assessed
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Plaza West Covina LLC	\$ 276,723,444	1	2.18%	\$166,002,849	1	3.00%
GREF Eastland Center LP	187,719,035	2	1.48%			
Colony at the Lakes	176,679,227	3	1.39%			
624 South Glendora Avenue Owner LLC	75,430,010	4	0.59%	23,290,368	8	0.42%
Walnut Ridge Apartments LP	61,873,914	5	0.49%			
TPA Nasch LLC	59,189,641	6	0.47%			
Envision WC MB RE LLC	52,481,550	7	0.41%			
Sunset Figueroa LLC ET AL	46,695,740	8	0.37%			
Francisquito Avenue Fee Owner LLC	45,627,749	9	0.36%			
Francisquito Avenue Fee Owner LLC	44,324,100	10	0.35%			
Citrus Valley Medical Center				98,956,886	2	1.79%
Eastland Shopping Center LLC				79,680,065	3	1.44%
Hassen Real Estate Partnership				37,351,122	4	0.68%
Eastland Tower Partnership				30,000,000	5	0.54%
Gateway Crescent LLC				24,246,476	6	0.44%
Lend Lease AR Timberwood LP				23,368,580	7	0.42%
851 S. Sunset Avenue Apartments LLC				22,128,098	9	0.40%
California Newspapers Partnership				21,539,126	10	0.39%
Totals	\$1,026,744,410		6.09%	\$526,563,570		9.52%

Source: HdL Coren & Cone; Los Angeles County Assessor 2011-12 and 2020-21 Combined Tax Rolls and the Non Unitary Tax Roll

CITY OF WEST COVINA

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	City				
		Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$ 8,961,279	\$ 8,280,265	92.40%	\$ (167,264)	\$ 8,113,001	90.53%
2013	9,094,235	8,853,013	97.35%	(75,056)	8,777,957	96.52%
2014	9,119,226	9,105,997	99.85%	(67,229)	9,038,768	99.12%
2015	9,702,185	9,491,592	97.83%	34,965	9,526,557	98.19%
2016	10,173,156	9,881,520	97.13%	88,647	9,970,167	98.00%
2017	10,671,800	10,440,321	97.83%	109,928	10,550,250	98.86%
2018	11,679,354	11,040,516	94.53%	267,238	11,307,754	96.82%
2019	12,395,960	11,894,401	95.95%	96,641	11,991,042	96.73%
2020	12,607,874	11,998,360	95.17%	241,683	12,240,043	97.08%
2021	13,527,500	12,917,734	95.49%	91,377	13,009,111	96.17%

Notes:

The amounts presented include City property taxes and Community Development Commission tax increment. This schedule also includes amounts collected by the City and the Community Development Commission that were passed-through to other agencies.

Fiscal year 2012 collections for Community Development Commission are as of January 1, 2012. This is due to ABx1 26 (RDA Dissolution Bill) that was effective February 1, 2012. Subsequent to January 1, 2012, there were no property taxes levied under the Community Development Commission.

Source: Los Angeles County Auditor Controller's Office - Accounting Division

(continued)

Fiscal Year Ended June 30	Community Development Commission					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$ 20,612,835	\$ 8,727,674	42.34%	\$ 191,262	\$ 8,918,936	43.27%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF WEST COVINA

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities	Business-Type Activities
	Lease Revenue Bonds	Loans	Capital Lease Obligations		Total Business-type Activities
2012	\$ 50,825,000	\$ 1,800,221	\$ 1,409,134	\$ 54,034,355	\$ -
2013	49,645,000	1,658,532	957,535	52,261,067	-
2014	48,385,000	1,512,768	773,282	50,671,051	-
2015	47,225,000	12,941,113	216,342	60,382,455	-
2016	46,000,000	12,208,103	2,715,337	60,923,440	-
2017	42,570,000	10,920,515	-	53,490,515	-
2018	41,190,000	10,341,597	-	51,531,597	-
2019	39,680,000	9,762,679	-	49,442,679	-
2020	38,425,000	9,183,761	-	47,608,761	-
2021	241,170,000	8,104,843	-	249,274,843	-

Notes:

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

(1) These ratios are calculated using personal income and population for the prior calendar year.

Source: City of West Covina Finance Department

(continued)

	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Debt Per Capita (1)</u>
\$	54,034,355	2.02%	506
	52,261,067	1.90%	487
	50,671,051	1.88%	470
	60,382,455	2.28%	560
	60,923,440	2.27%	565
	53,490,515	1.98%	496
	51,531,597	1.88%	476
	49,442,679	1.70%	457
	47,608,761	1.56%	449
	249,274,843	7.86%	2,361

CITY OF WEST COVINA

**Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except Per Capita)**

<u>Fiscal Year Ended June 30</u>	<u>Lease Revenue Bonds</u>	<u>Total</u>	<u>Percent of Assessed Value(1)</u>	<u>Per Capita</u>
2012	\$ 50,825	50,825	0.58%	476
2013	49,645	49,645	0.56%	463
2014	48,385	48,385	0.53%	449
2015	47,225	47,225	0.49%	438
2016	46,000	46,000	0.45%	426
2017	42,570	42,570	0.40%	395
2018	41,190	41,190	0.37%	381
2019	39,680	39,680	0.33%	367
2020	38,425	38,425	0.31%	363
2021	241,170	241,170	1.87%	2,284

Notes:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of West Covina Finance Department and Los Angeles County Assessor's Office

CITY OF WEST COVINA

Direct and Overlapping Debt
June 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with Property Taxes:			
Metropolitan Water District	\$ 13,101,783	0.810	\$ 106,128
MT. SAN ANTONIO CCD DS 2008 SERIES 2013A	161,337,332	12.795	20,642,362
MT. SAN ANTONIO CCD DS 2008 SERIES 2013B	2,610,000	12.795	333,937
MT. SAN ANTONIO CCD DS 2013 REF SERIES A	18,045,000	12.795	2,308,774
MT. SAN ANTONIO CCD DS 2013 REF SERIES B	21,260,000	12.795	2,720,118
MT. SAN ANTONIO CCD DS 2008 SERIES 2015C	7,315,000	12.795	935,920
MT. SAN ANTONIO CCD DS 2015 REF BONDS	16,415,000	12.795	2,100,223
MT. SAN ANTONIO CCD DS 2018 SERIES 2019A	288,690,000	12.795	36,936,544
MT. SAN ANTONIO CCD DS 2020 SERIES A	180,433,674	12.795	23,085,650
BALDWIN PARK USD 2002 SERIES 2004	5,265,804	0.291	15,333
BALDWIN PARK USD 2006 SERIES 2013	2,054,915	0.291	5,984
BALDWIN PARK USD 2016 REF BONDS	60,840,000	0.291	177,156
BALDWIN PARK USD 2006 SERIES 2019	11,370,000	0.291	33,107
BALDWIN PARK USD 2019 REF BONDS	32,996,025	0.291	96,079
BALDWIN PARK USD 2018 SERIES 2020	30,000,000	0.291	87,355
BASSETT USD DS 2006 SER B	10,375,729	0.099	10,298
BASSETT USD DS 2014 REF SERIES A	7,600,000	0.099	7,543
BASSETT USD DS 2014 REF SERIES B	5,520,000	0.099	5,479
BASSETT USD DS 2014 SERIES A	8,435,000	0.099	8,372
BASSETT USD DS 2016 REF BONDS	6,240,000	0.099	6,193
BASSETT USD DS 2014 SERIES B	19,530,000	0.099	19,384
COVINA VALLEY USD DS 2001 SERIES B	8,328,416	31.525	2,625,557
COVINA VALLEY USD DS 2001 REFUND 2010 SERIES A	1,025,000	31.525	323,134
COVINA VALLEY USD DS 2012 SERIES A	4,815,000	31.525	1,517,942
COVINA VALLEY USD DS 2013 REF BONDS	10,560,000	31.525	3,329,070
COVINA VALLEY USD DS 2012 SERIES B	36,145,000	31.525	11,394,813
COVINA VALLEY USD DS 2012 SERIES C	12,000,000	31.525	3,783,034
COVINA VALLEY USD DS 2012 SERIES C1	2,650,000	31.525	835,420
COVINA VALLEY USD DS 2016 REF BONDS	15,900,000	31.525	5,012,520
COVINA VALLEY USD DS 2012 SERIES D	28,515,000	31.525	8,989,434
COVINA VALLEY USD DS 2012 SERIES E	14,000,000	31.525	4,413,539
COVINA VALLEY USD DS 2019 REF BONDS	57,545,000	31.525	18,141,223
HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS	16,150,000	1.395	225,313
HACIENDA-LA PUENTE USD DS 2007 REFUNDING	48,225,000	1.395	672,800
HACIENDA-LA PUENTE USD DS 2016 SERIES 2017A	57,895,000	1.395	807,709
ROWLAND HEIGHTS USD DS 2005 REF BONDS	5,702,988	14.519	828,040
ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB	12,375,000	14.519	1,796,777
ROWLAND HEIGHTS USD DS 2006 SERIES E	19,272,549	14.519	2,798,260
ROWLAND HEIGHTS USD DS 2012 SERIES A	557,451	14.519	80,939
ROWLAND HEIGHTS USD DS 2013 REF BONDS	375,000	14.519	54,448
ROWLAND HEIGHTS USD DS 2012 SERIES B	22,215,000	14.519	3,225,486
ROWLAND HEIGHTS USD DS 2015 REF BONDS	106,139,972	14.519	15,410,894
ROWLAND HEIGHTS USD DS 2019 REF BONDS	58,560,000	14.519	8,502,564
WALNUT VALLEY USD DS 2000 SERIES D	10,749,084	0.755	81,109
WALNUT VALLEY USD DS 2000 SERIES E	4,123,484	0.755	31,115
WALNUT VALLEY USD DS 2011 REF	380,000	0.755	2,867
WALNUT VALLEY USD DS 2007 SERIES B MEAS. S	10,004,472	0.755	75,491
WALNUT VALLEY USD DS 2014 REF BONDS SERIES A	3,260,000	0.755	24,599
WALNUT VALLEY USD DS 2014 REF BONDS SERIES B	1,535,000	0.755	11,583
WALNUT VALLEY USD DS 2016 REF BONDS	38,260,000	0.755	288,698
WALNUT VALLEY USD DS 2016 SERIES A BONDS	38,440,000	0.755	290,056
WALNUT VALLEY USD DS 2019 REF BONDS	25,360,000	0.755	191,359
WALNUT VALLEY USD DS 2016 SERIES B BONDS	47,900,000	0.755	361,438
WEST COVINA USD 2002 REFUNDING SERIES A	8,075,000	95.496	7,711,324
WEST COVINA USD DS 2012 REF BONDS	8,915,000	95.496	8,513,493
WEST COVINA USD DS 2016 SERIES A	68,205,000	95.496	65,133,232
WEST COVINA USD DS 2016 SERIES B	32,435,000	95.496	30,974,216
Sub Total Overlapping Debt			298,101,435
City of West Covina Direct Debt - Lease Revenue Bonds			204,095,000
Total Direct and Overlapping Debt			\$ 502,196,435

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 Glendora. 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, responsible for the debt, for 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 County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

Source: HdL Coren & Cone, Los Angeles, County Assessor and Auditor Combined 2020-21 Lien Date Tax Rolls

CITY OF WEST COVINA

**Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)**

	Fiscal Year			
	2012	2013	2014	2015
Assessed valuation	\$ 6,308,843	\$ 6,394,836	\$ 6,611,732	\$ 7,034,995
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,577,211	1,598,709	1,652,933	1,758,749
Debt limit percentage	15%	15%	15%	15%
Debt limit	236,582	239,806	247,940	263,812
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	\$ 236,582	\$ 239,806	\$ 247,940	\$ 263,812
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt margin of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: City of West Covina Finance Department
Los Angeles County Tax Assessor's Office

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 7,377,023	\$ 7,740,820	\$ 8,154,209	\$ 8,627,010	\$ 9,014,133	\$ 9,351,074
25%	25%	25%	25%	25%	25%
1,844,256	1,935,205	2,038,552	2,156,753	2,253,533	2,337,769
15%	15%	15%	15%	15%	15%
276,638.36	290,280.75	305,782.84	323,512.88	338,029.99	350,665.28
-	-	-	-	-	-
<u>\$ 276,638</u>	<u>\$ 290,281</u>	<u>\$ 305,783</u>	<u>\$ 323,513</u>	<u>\$ 338,030</u>	<u>\$ 350,665</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF WEST COVINA

**Pledged Revenue Coverage
Last Ten Fiscal Years
(In thousands of dollars)**

Fiscal Year Ended June 30	Lease Revenue Bonds and Certificates of Participation			
	Revenue	Debt Service		Coverage
		Principal	Interest	
2012	\$ 48,347	\$ 1,505	\$ 1,155	18.18
2013	53,006	1,605	1,272	18.42
2014	54,753	1,715	1,249	18.47
2015	57,588	1,655	891	22.62
2016	58,133	1,900	1,121	19.24
2017	64,372	4,005	1,185	12.40
2018	67,196	2,005	1,306	20.29
2019	65,426	1,255	1,918	20.62
2020	70,935	1,255	1,918	22.36
2021	72,992	1,350	1,859	22.75

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2012	17,260	1,250	1,079	7.41
2013	12,152	1,305	1,030	5.20
2014	8,675	1,358	978	3.71
2015	9,260	1,420	920	3.96
2016	15,110	1,480	853	6.48
2017	9,365	19,005	802	0.47
2018	10,256	1,480	-	6.93
2019	12,625	1,820	361	5.79
2020	9,633	1,820	361	4.42
2021	6,775	1,865	306	3.12

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

Source: City of West Covina Finance Department

(continued)

Fiscal Year Ended June 30	Assessment District Bond						
	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Coverage	
2012	\$ 4,444	\$ 70	\$ 4,374	\$ 1,580	\$ 2,105	1.19	
2013	5,569	1,027	4,542	1,770	2,004	1.20	
2014	5,740	767	4,973	2,055	1,890	1.26	
2015	3,305	1,457	1,848	2,340	1,758	0.45	
2016	6,911	1,429	5,482	2,940	2,124	1.08	
2017	4,596	2,536	2,060	2,745	1,365	0.50	
2018	4,596	2,536	2,060	3,000	1,429	0.47	
2019	5,304	929	4,375	3,250	1,004	1.03	
2020	3,999	3,365	634	3,495	1,120	0.14	
2021	5,937	3,916	2,021	3,735	650	0.46	

CITY OF WEST COVINA

**Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Annual Unemployment Rate</u>
2011	106,713	\$ 2,670,706	\$ 25,027	10.9%
2012	107,248	2,751,555	25,656	8.2%
2013	107,828	2,698,504	25,026	6.7%
2014	107,879	2,653,176	24,594	10.1%
2015	107,873	2,680,000	24,844	8.2%
2016	107,813	2,705,736	25,096	6.4%
2017	108,245	2,737,892	25,293	5.2%
2018	108,116	2,916,516	26,975	4.6%
2019	105,999	3,053,619	28,807	4.4%
2020	105,593	3,173,022	30,050	13.1%

Sources: HdL Coren & Cone, California State Department of Finance, and California Employment

CITY OF WEST COVINA

**Principal Employers
Current Year and Nine Years Ago**

Employer	2021			2012		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Queen of the Valley Campus	1,685	1	3.60%	1,442	1	2.95%
WC Unified School District	1,350	2	2.88%	1,277	2	2.61%
Merakey Allos	663	3	1.42%			
City of West Covina	364	4	0.78%	433	3	0.89%
Macy's	298	5	0.64%	283	5	0.58%
Target Store #T-2147	260	6	0.56%			
Target Store #T1028	248	7	0.53%	261	6	0.53%
Interspace/Concorde Battery Corporation	226	8	0.48%	220	7	0.45%
The Home Depot	166	9	0.35%			
Porto's Bakery	157	10	0.34%			
JC Penney Corp Inc. #1505-7				340	4	0.70%
B.J.'s Restaurant & Brewery				185	8	0.38%
S G V Newspaper Group				183	9	0.37%
K Mart Corporation #3235				146	10	0.30%
Totals	<u>5,417</u>		<u>11.57%</u>	<u>4,770</u>		<u>9.76%</u>

Note: "Total Employment" as used above represents the total employment of all employers located within City limits.

Source: Labor Market Info, EDD, State of California
HdL Coren & Cone

CITY OF WEST COVINA

**Full-time and Part-time City Employees by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	36	31	31	31	32	42	46	36	32	38
Public safety	264	253	244	268	268	282	259	238	237	259
Public works	72	64	69	71	71	75	56	44	-	-
Public Services	-	-	-	-	-	-	-	-	25	32
Community services	44	41	42	41	41	87	64	64	27	22
Community development	16	7	2	2	2	1	1	3	12	13
Total	<u>432</u>	<u>396</u>	<u>389</u>	<u>413</u>	<u>414</u>	<u>487</u>	<u>426</u>	<u>385</u>	<u>333</u>	<u>364</u>

Source: City of West Covina Finance Department

CITY OF WEST COVINA

**Operating Indicators by Function
Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Public Safety:				
Police:				
Total arrests	2,557	2,755	2,537	2,544
Calls for police service (1)	71,741	65,554	69,874	71,098
Graffiti sites cleaned	23,579	19,910	20,014	16,156
Fire:				
Emergency responses	7,545	7,871	7,990	8,555
Fire inspections	496	837	749	717
Public Services:				
Building permits issued	2,435	3,882	2,925	3,617
Graffiti sites cleaned (2)	N/A	N/A	N/A	N/A
Community Services:				
Recreation class registrations (3)	6,927	6,027	6,283	6,487

Note:

- (1) Calls received that generated an incident number but not necessarily a police response.
- (2) Due to department restructuring, the responsibility for graffiti abatement was absorbed by the Police Department starting fiscal year 2008-2009 and by Public Works starting fiscal year 2015-2016.
- (3) The increase in recreation class registrations in FY18 relates to inclusions of daycare classes.
- (4) The decrease in recreation class registrations in FY20 relates to COVID restrictions.

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
2,624	2,818	3,080	2,538	2,037	1,266
72,368	74,898	84,850	73,713	68,605	61,353
N/A	N/A	N/A	N/A	N/A	N/A
9,494	9,353	9,383	9,289	8,944	9,405
778	816	805	1,009	920	964
5,038	1,547	1,399	2,938	3,022	3,701
13,964	6,694	2,391	3,077	3,140	2,632
7,129	7,500	17,902	26,482	8,075	65

CITY OF WEST COVINA

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function	Fiscal Year			
	2012	2013	2014	2015
Public Safety:				
Police:				
Stations	1	1	1	1
Fire:				
Stations	5	5	5	5
Public works:				
Streets (miles)	231.0	231.0	231.0	231.0
Streetlight poles	826	826	826	826
Streetlight fixtures	1,109	1,109	1,109	1,109
Traffic signals	117	117	117	114
Parks and recreation:				
Sports Complex	1	1	1	1
Parks	16	16	16	16
Community centers	4	4	4	4
Wastewater:				
Sanitary sewers (miles)	238.9	238.9	238.9	238.9
Storm sewers (miles)	42.0	42.0	42.0	42.0

Source: City of West Covina

(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
5	5	5	5	5	5
240.3	240.3	240.3	240.3	240.3	240.3
826	674	674	674	674	674
1,109	420	420	420	420	420
114	97	97	97	97	97
1	1	1	1	1	1
16	16	16	16	16	16
4	4	4	4	4	4
238.9	227.0	227.0	227.0	227.0	227.0
42.0	26.0	26.0	26.0	26.0	26.0