



**CITY OF WEST COVINA  
AUDIT COMMITTEE**

**MONDAY, DECEMBER 12, 2022, 6:00 PM  
REGULAR MEETING**

**WEST COVINA CITY HALL  
MANAGEMENT RESOURCE CENTER (MRC) ROOM 314  
WEST COVINA, CALIFORNIA 91790**

**AGENDA**

**Marsha Solorio, Chair  
Miguel Garcia, Vice Chair  
Rosario Diaz, Mayor Pro Tem, Council/Audit Committee Member  
Jim Grivich, Audit Committee Member  
David Lin, Audit Committee Member  
Colleen Rozatti, City Treasurer/Audit Committee Member  
Tony Wu, Council/Audit Committee Member**

***AMERICANS WITH DISABILITIES ACT***

The Committee complies with the Americans with Disabilities Act (ADA). If you need special assistance at Committee Meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8:00 a.m. to 5:00 p.m. Monday through Thursday, at least 48 hours prior to the meeting to make arrangements.

***AGENDA MATERIAL***

Agenda material is available for review at the West Covina City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue and at [www.westcovina.org](http://www.westcovina.org). Any writings or documents regarding any item on this agenda not exempt from public disclosure, provided to a majority of the Commission that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall during normal business hours.

**PUBLIC COMMENTS  
ADDRESSING THE AUDIT COMMITTEE MEMBERS**

Any person wishing to address the Committee on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Management Resource Center Room (MRC) and submit the card to the Committee Secretary

*Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to three (3) minutes per speaker.*

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**ORAL COMMUNICATIONS - Three (3) minutes per speaker**

Please state your name and city of residence for the record when recognized by the Committee Chair.

**APPROVAL OF MEETING MINUTES**

**1) OCTOBER 26, 2022, AUDIT COMMITTEE MEETING MINUTES**

It is recommended that the Audit Committee receive and file the Minutes of the Audit Committee Meeting on October 26, 2022.

**REPORTS**

**2) ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2022**

It is recommended that the Audit Committee review the Annual Comprehensive Financial Report in final draft form for the year ended June 30, 2022.

**3) FINANCIAL RECOVERY PLAN UPDATE**

It is recommended that the Audit Committee receive and file the Financial Recovery Plan Update through October 31, 2022.

**4) PURCHASING POLICY VIOLATION LOG**

It is recommended that the Audit Committee receive and file the Purchasing Policy Violation Log as of November 30, 2022.

**5) FIRE DEPARTMENT BUDGET VS. ACTUALS**

It is recommended that the Audit Committee receive and file the Fire Department Budget vs. Actuals as of October 31, 2022.

**NEW BUSINESS**

1. Revenue and Expenditure Reports
2. Next Meeting Date and Time
  - Suggested date: Wednesday, April 26, 2022 at 6:00 p.m.

**ADJOURNMENT**



## AGENDA STAFF REPORT

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City of West Covina

**DATE:** 12/12/2022  
**TO:** Audit Committee  
**FROM:** Stephanie Sikkema, Finance Director  
**SUBJECT:** **OCTOBER 26, 2022, AUDIT COMMITTEE MEETING MINUTES**

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**RECOMMENDATION:**

It is recommended that the Audit Committee receive and file the Minutes of the Audit Committee Meeting on October 26, 2022.

**Prepared by:** Valerie Gonzales, Senior Administrative Assistant  
**Additional Approval:** Stephanie Sikkema, Finance Director

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**Attachments**

Attachment No. 1 - Minutes of the October 26, 2022 Meeting



**CITY OF WEST COVINA**

**AUDIT COMMITTEE**

**MINUTES**

**MEETING**

**WEDNESDAY, OCTOBER 26, 2022, 6:00 p.m.**

The meeting of the Audit Committee was called to order at 6:01 p.m. Vice-Chair Miguel Garcia led the Pledge of Allegiance.

**ROLL CALL**

Present: Chair Marsha Solorio  
Vice-Chair Miguel Garcia  
Committee Member Jim Grivich  
Committee Member/City Treasurer Colleen Rozatti

Absent: Committee Member David Lin  
Committee/Council Member Tony Wu  
Committee/Mayor Pro Tem Rosario Diaz

Staff Present: Finance Director Stephanie Sikkema, Assistant Finance Director Maria-Luisa Olea, Senior Administrative Assistant Valerie Gonzales, Assistant City Manager Paulina Morales

**ORAL COMMUNICATIONS**

None

--- End of Public Comment

**1. APPROVAL OF JULY 27, 2022, AUDIT COMMITTEE MINUTES**

It is recommended that the Audit Committee receive and file the Minutes of the Audit Committee Meeting on July 27, 2022.

A Motion was made by Committee Member Grivich and seconded by Chair Solorio to approve the Audit Committee minutes of the July 27, 2022, meeting.

Motion carried by a vote 2-0; 1 absent; 1 abstain

## REPORTS

### 2. FINANCIAL RECOVERY PLAN UPDATE

It is recommended that the Audit Committee receive and file the Financial Recovery Plan Update through September 30, 2022.

1. **Ensure that the fees/assessments charged for services align with costs and increase fees to reflect cost reasonably borne in the provision of City services.**
  - a. No Motion
2. **Review, evaluate, and monitor all City contracts.**
  - a. No Motion
3. **Set aside land sale revenue to compensate for any shortfalls in revenue that the City experiences as a result of the effects of the pandemic on the City's fiscal year 2020-21 budget.**
  - a. No Motion
4. **Proactively mitigate risk and exposure to litigation through training and implementation of best risk management practices.**
  - a. No Motion
5. **Address the excessive cost currently incurred providing fire and emergency medical services.**
  - a. No Motion
6. **Prepare financial analyses that evaluate both the short-term and long-term financial implications of significant spending decisions.**
  - a. No Motion
7. **Implement a formal process for development of reasonable budget projections.**
  - a. No Motion
8. **Meet and confer regarding negotiation of employee union agreements.**
  - a. No Motion

**9. Improve internal purchasing processes/enforcement to reduce susceptibility to waste and fraud.**

a. No Motion

**3. STATUS UPDATE REGARDING JUNE 30, 2021, AUDIT FINDINGS**

It is recommended that the Audit Committee receive and file the Status Update Regarding June 30, 2021, Audit Findings.

A motion was made by Chair Solorio and seconded by Member Grivich to instruct City staff to review August 16, 2022, City Council meeting to ensure write-off of loans was properly approved by City Council.

Motion Carried by a vote 3-0; 1 absent

**4. PURCHASING POLICY VIOLATION LOG**

It is recommended that the Audit Committee receive and file the Purchasing Policy Violation Log as of September 30, 2022.

No Motion

**5. FIRE DEPARTMENT BUDGET VS. ACTUALS**

It is recommended that the Audit Committee receive and file the Fire Department Budget vs. Actuals as of August 31, 2022.

A Motion was made by Chair Solorio and seconded by Member Grivich to request the Fire Chief's at the next scheduled Audit Committee meeting.

Motion Carried by a vote 3-0; 1 absent

**NEW BUSINESS**

**1. Revenue and Expenditure Reports**

**2. Next Meeting Date and Time**

- **Suggested date: December 12, 2022, at 6:00 p.m. – All agreed**

**ADJOURNMENT**

Chair Solorio moved to adjourn the meeting at 7:09 p.m.

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Valerie Gonzales  
Audit Committee Secretary







## AGENDA STAFF REPORT

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City of West Covina

**DATE:** 12/12/2022  
**TO:** Audit Committee  
**FROM:** Stephanie Sikkema, Finance Director  
**SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2022**

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### **RECOMMENDATION:**

It is recommended that the Audit Committee review the Annual Comprehensive Financial Report in final draft form for the year ended June 30, 2022.

### **BACKGROUND:**

Annually, the Finance Department prepares and publishes the City's Annual Comprehensive Financial Report ("ACFR") following the completion of an independent and certified audit. Attached is the June 30, 2022, ACFR (Attachment No. 1). This document is an extensive report summarizing the financial activities of the City that occurred from July 1, 2021 through June 30, 2022.

The ACFR is prepared in compliance with the Governmental Accounting Standards Board (GASB) standards. Pursuant to GASB guidelines, the City's ACFR is divided into three sections: Introductory, Financial, and Statistical. The Introductory section contains a Letter of Transmittal. This letter includes a brief overview of the City, the economic outlook, operational controls and major initiatives.

The Financial section contains the independent auditors' opinion letter, Management's Discussion and Analysis (MD&A), and the Basic Financial Statements. The audit firm of Van Lant & Fankhanel LLP has issued an unmodified ('clean') opinion on the financial statements for the year ended June 30, 2022. This means that their examination, testing and audit procedures allowed them to conclude that the financial statements present fairly the financial position of the City. This is the best opinion the City can receive from its auditors.

The MD&A provides a narrative of how the financial report is presented and key highlights of some of the changes in financial position. The MD&A provides tables showing comparative information from the year ended June 30, 2021, to the year ended June 30, 2022.

The final section of the ACFR is the Statistical section. This section presents data useful in analyzing the City's financial and operational history for comparative purposes. Some of the statistics tracked include financial trends, revenue capacity, and debt capacity which are useful for evaluating the City's financial stability. Additional statistics include operating indicators.

## **DISCUSSION:**

### **Annual Comprehensive Financial Report**

The ACFR represents the City of West Covina's financial position at June 30, 2022 and includes financial statements for all of its component units.

### **Government Auditing Standards Letter**

The Government Auditing Standards Letter (Attachment No. 2) notes any identified deficiencies or weaknesses in internal control over financial reporting that could lead to material misstatements in the City's financial statements as well as any other compliance findings.

*A deficiency in internal control exists* when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The auditors did identify deficiencies in internal control over financial reporting that they considered to be material weaknesses. These findings and management's response are discussed in Attachment No. 2. Furthermore, the results of the tests performed identified two significant deficiencies that are also discussed in Attachment No. 2.

### **Audit Communication Letter**

The Audit Communication Letter (Attachment No. 3) provides certain information related to the audit of the City's financial records including the following:

- **Qualitative Aspects of Accounting Practices** – The letter notes that City management is responsible for the selection and use of appropriate accounting policies. The letter indicates that there have been no significant changes in accounting policies or their application during the fiscal year. The letter also noted that there were no transactions entered into by the City during Fiscal Year 2020-21 for which there was a lack of authoritative guidance, and that all significant transactions were recorded in the proper accounting periods.
- **Significant Difficulties Encountered during the Audit** – The letter communicates the auditors encountered no significant difficulties in dealing with management relating to the performance of the audit.
- **Uncorrected and Corrected Misstatements** – The letter communicates the auditors' responsibility to note all known and likely misstatements identified during the audit. The auditors noted no such misstatements that were material, either individually or in aggregate, to the financial statements taken as a whole.
- **Disagreements with Management** – The auditors are required to communicate any disagreements with management related to an accounting, reporting or auditing matter, whether resolved or not, in the Audit Communication Letter. No such disagreements arose during the course of the audit for Fiscal Year 2021-22.

### **Community Financial Report**

The Community Financial Report (Attachment No. 4) is an extract of information from the ACFR specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

**Prepared by:** Maria-Luisa Olea, Assistant Finance Director

**Additional Approval:** Stephanie Sikkema, Finance Director

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## **Fiscal Impact**

### **FISCAL IMPACT:**

Financial highlights of the fiscal year are noted in the Financial section of the ACFR and include the following:

#### **City Wide**

As of June 30, 2022, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was \$11.2 million.

The City's total net position increased \$37.6 million from the prior year. This is mostly due to a decrease in long-term debt related to the net pension liability of \$196.1 million plus an increase in the net pension asset of \$65.7 million. In the prior year, there was an issuance of the 2020 Lease Revenue Bonds. The decrease to debt is offset with a decrease to Deferred Outflows of Resources relating to pension and OPEB liabilities of \$185.2 million. Additionally, there is an increase in capital assets of \$11.7 million as the City is investing into needed upgrades to the infrastructure.

The City's total governmental funds reported combined ending fund balances of \$131.3 million, an increase of \$4.2 million in comparison with the prior fiscal year of \$127.1 million. The increase is comprised of changes in fund balance, primarily in the non-major Park Development fund for \$3.9 million. Of the \$131.3 million fund balance, \$3.4 million, or 2.6%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of \$100.7 million, or 76.7%, is spendable for restricted purposes. The assigned fund balance of \$6.6 million, or 5.0%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of \$20.6 million, or 15.7%, represents the City's fund balance reserves.

#### **General Fund**

In the General Fund, the City ended the fiscal year with a total Fund Balance of \$24.2M – a \$1.3 million, or 5.2%, decrease. Of this, approximately \$3.4 million is non-spendable or restricted. Non-spendable and restricted consists of prepaid expenses (\$147k), Advances to Other Funds (\$226k), and Land Held for Resale (\$3.0M). This leaves an Unassigned fund balance of \$20.8 million.

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## **Attachments**

Attachment No. 1 - Annual Comprehensive Financial Report for the Year Ended June 30, 2022 Final Draft

Attachment No. 2 - Government Auditing Standards June 30, 2022 Final Draft

Attachment No. 3 - Audit Communication Letter SAS 114 Communication Final Draft

Attachment No. 4 - Community Financial Report



CITY OF WEST COVINA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022



**CITY OF WEST COVINA, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
Year Ended June 30, 2022

Prepared by  
Finance Department

**City of West Covina**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2022

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**City of West Covina**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2022

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**City of West Covina**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2022

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**INTRODUCTORY SECTION**



## *Finance Department*

December 13, 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, 2022. 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 107,000.

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.

In December 2020, the California State Auditor 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.

Fiscal year 2021-22 marks two years from the economic impact of the unprecedented worldwide pandemic, COVID-19. The pandemic impacted the global economy, our public health care system, unemployment rates, rising rents, and increased inflation. Governments utilized multiple financial assistance grants and programs to help

stimulate the economy and to fund the increased costs associated with managing the pandemic. Federal and State stimulus monies were sent to Americans and also to businesses through the CARES Act approved by Congress in March 2020 for \$2.2 trillion and December 2020 for \$900 billion. A third stimulus package was later approved, the American Rescue Plan Act, enacted in March 2021 for \$1.9 trillion. From which, the City received over \$19 million.

As California started returning to normal in FY2021-22, businesses were reopening, events were being held, and the City was able welcome the community back into our facilities. As a result, the City experienced a bounce back in its major revenue drivers – sales tax and transient occupancy tax. As we move into the next fiscal year, the City is cautiously expecting the positive outlook to flatten and remain steady for the local economy.

As noted in our current fiscal year's finances, there is a General Fund balance of \$24.2 Million as the ending fund balance. The City was able to secure memorandums of understanding for the nine bargaining groups and complete capital projects for the City. 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 and coronavirus stay-at-home orders 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, 2022**

### **CITY COUNCIL**

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

### **ELECTED OFFICIALS**

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

### **CITY MANAGER**

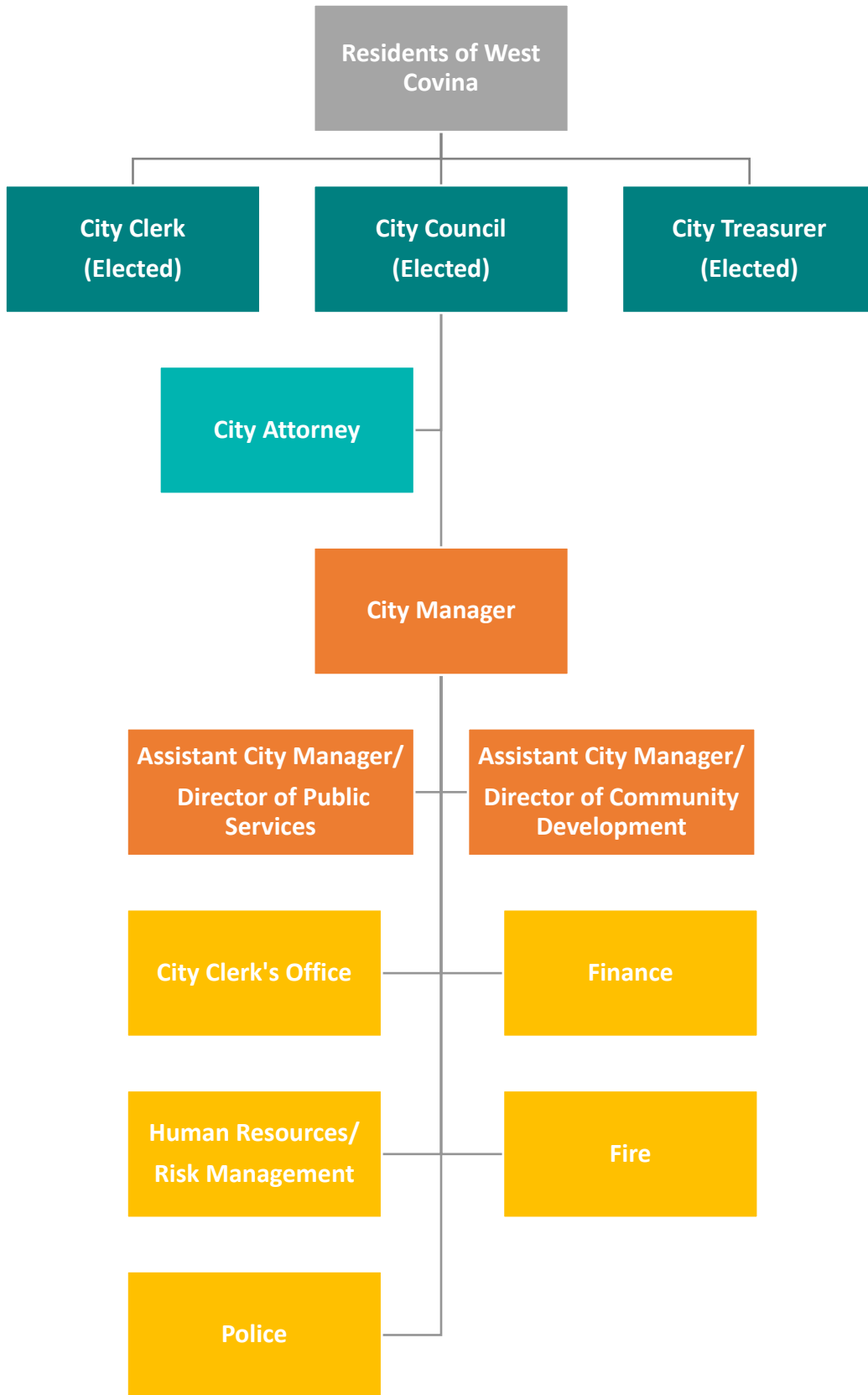
David N. Carmany

### **EXECUTIVE MANAGEMENT TEAM**

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

# City Organizational Chart

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**FINANCIAL SECTION**

## Independent Auditor's Report

The Honorable City Council  
City of West Covina, California

### Report on the Financial Statements

#### ***Opinions***

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 (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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



## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November \_\_, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

## **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, 2022. 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, 2022, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was \$11.2 million.
- The City's total net position increased \$37.6 million from the prior year. This is mostly due to a decrease in long-term debt related to the net pension liability of \$196.1 million plus an increase in the net pension asset of \$65.7 million. In the prior year, there was an issuance of the 2020 Lease Revenue Bonds. The decrease to debt is offset with a decrease to Deferred Outflows of Resources relating to pension and OPEB liabilities of \$185.2 million. Additionally, there is an increase in capital assets of \$11.7 million as the City is investing into needed upgrades to the infrastructure.
- The City's total governmental funds reported combined ending fund balances of \$131.3 million, an increase of \$4.2 million in comparison with the prior fiscal year of \$127.1 million. The increase is comprised of changes in fund balance, primarily in the non-major Park Development fund for \$3.9 million. Of the \$131.3 million fund balance, \$3.4 million, or 2.6%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of \$100.7 million, or 76.7%, is spendable for restricted purposes. The assigned fund balance of \$6.6 million, or 5.0%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of \$20.6 million, or 15.7%, 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) 2021-22 of \$196,547, compared with a \$282,448 operating gain in FY 2020-21. The total net position for the computer service enterprise fund as of June 30, 2022 is 235,307. The net position in the prior year was \$38,329.

### **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, 2022, net position for the City was a balance of \$11.2 million. Compared to the prior year, the net position of the City increased by \$37.6 million.

The City's net position of \$11.2 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, \$152.9 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, \$98.3 million of the City's net position represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position is a deficit of \$240.0 million due to the unfunded pension liability (GASB 68) for which the City has issued 2020 Lease Revenue Bonds; the balance of the bonds is \$200.5 million.

The table below reflects the Statement of Net Position for the fiscal year ended June 30, 2022, with the comparative data for the fiscal year ended June 30, 2021:

Table 1  
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Current and other assets	\$248,135,791	\$162,856,719	\$ 482,211	\$ 74,510	\$248,618,002	\$162,931,229
Capital assets	196,089,095	184,406,014	-	-	196,089,095	184,406,014
Total assets	444,224,886	347,262,733	482,211	74,510	444,707,097	347,337,243
<b>Deferred Outflows of Resources:</b>						
Pension related	9,799,582	191,680,785	-	-	9,799,582	191,680,785
OPEB related	11,962,103	15,255,037	-	-	11,962,103	15,255,037
	21,761,685	206,935,822	-	-	21,761,685	206,935,822
<b>Liabilities:</b>						
Long-term debt outstanding	338,752,283	551,727,178	20,015	18,573	338,772,298	551,745,751
Other liabilities	28,829,273	22,167,977	226,889	17,608	29,056,162	22,185,585
Total liabilities	367,581,556	573,895,155	246,904	36,181	367,828,460	573,931,336
<b>Deferred Inflows of Resources:</b>						
Pension related	67,639,168	2,260,873	-	-	67,639,168	2,260,873
OPEB related	12,522,363	4,509,801	-	-	12,522,363	4,509,801
Lease Related	7,257,992	-	-	-	7,257,992	-
	87,419,523	6,770,674	-	-	87,419,523	6,770,674
<b>Net Position:</b>						
Net investment in capital assets	152,889,130	139,507,563	-	-	152,889,130	139,507,563
Restricted	98,381,004	89,226,135	-	-	98,381,004	89,226,135
Unrestricted	(240,284,642)	(255,200,972)	235,307	38,329	(240,049,335)	(255,162,643)
Total net position	\$ 10,985,492	\$ (26,467,274)	\$ 235,307	\$ 38,329	\$ 11,220,799	\$ (26,428,945)

## Changes in Net Position

The City's total revenues of \$127.4 million for governmental activities are \$37.5 million more than the expenses of \$90.0 million. The majority of the increase is a result of lower expenses, the largest being public safety for the citywide reduction to the net pension liability and OPEB liability.

A summary of the government-wide statement of activities for the year ended June 30, 2022, with the comparative data for the fiscal year ended June 30, 2021, is as follows:

Table 2  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 15,120,436	\$ 9,186,452	\$ 916,458	\$ 758,120	\$ 16,036,894	\$ 9,944,572
Operating contributions and grants	29,598,365	21,764,524	-	-	29,598,365	21,764,524
Capital contributions and grants	17,666,351	10,621,147	-	-	17,666,351	10,621,147
General revenues:						
Property taxes	31,348,677	30,108,110	-	-	31,348,677	30,108,110
Sales taxes	23,101,668	20,858,803	-	-	23,101,668	20,858,803
Other taxes	9,527,917	9,215,630	-	-	9,527,917	9,215,630
Other general revenues	1,044,317	5,743,964	431	-	1,044,748	5,743,964
Total revenues	127,407,731	107,498,630	916,889	758,120	128,324,620	108,256,750
<b>Expenses</b>						
General government	3,700,172	18,934,548	-	-	3,700,172	18,934,548
Public safety	49,887,239	62,479,977	-	-	49,887,239	62,479,977
Public works	13,508,312	17,212,496	-	-	13,508,312	17,212,496
Community services	12,587,100	7,669,884	-	-	12,587,100	7,669,884
Community development	1,238,687	1,568,283	-	-	1,238,687	1,568,283
Interest expense	9,033,455	8,354,304	-	-	9,033,455	8,354,304
Computer service	-	-	719,911	475,672	719,911	475,672
Total expenses	89,954,965	116,219,492	719,911	475,672	90,674,876	116,695,164
Increase (decrease) in net position	37,452,766	(8,720,862)	196,978	282,448	37,649,744	(8,438,414)
Beginning net position	(26,467,274)	(18,642,521)	38,329	(244,119)	(26,428,945)	(18,886,640)
Restatement of net position		896,109	-	-	-	896,109
Ending net position	\$ 10,985,492	\$ (26,467,274)	\$ 235,307	\$ 38,329	\$ 11,220,799	\$ (26,428,945)

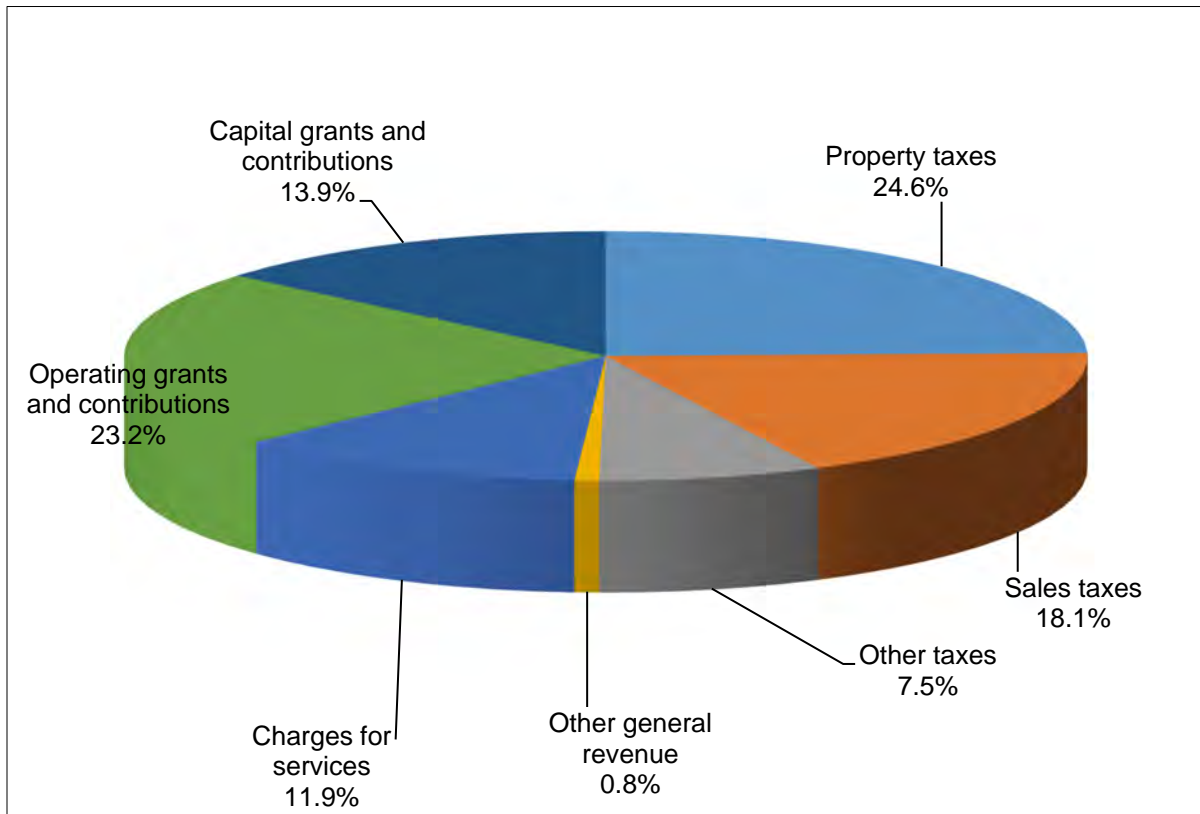
## Governmental Activities

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 increased by \$5.9 million, primarily due to building permits and plan check review as result of an increase in construction activity for the year.
- Operating contributions and grants increased by \$7.8 million, primarily due to an increase in COVID-19 Relief funds received and expended in Fiscal Year 2021-22. Due to the American Rescue Plan Act, the City has received a total of \$19.6 million in funds in Fiscal Years 2020-21 and 2021-22. \$9.2 million was expended and recognized as revenue in Fiscal Year 2021-22.
- Capital contributions and grants increased by \$7.0 million, primarily due to developer contributions in the Park Development Funds in the amount of \$4.0 million. In addition, there were several large increases in special revenue funds used for capital - Proposition A and C funds increased by \$1.0 million, Gas Tax and RMRA funds increased by \$0.6 million, and State Grant increased by \$0.5 million.
- Property taxes, the City's largest revenue source, increased \$1.2 million, or 4.1%, primarily due to an increase in the assessed valuation.
- Sales Tax increased \$2.2 million, or 10.8%, reflecting the recovery from the height of the pandemic shutdown. FY 2020-21 and FY 2021-22 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, increased by \$0.3 million, primarily due to a \$0.4 million increase in transient occupancy taxes, as the City and the are phasing out of COVID-19 restrictions.
- Other general revenues decreased by \$4.7 million, primarily due to prior year's realized proceeds from sales of \$3.9 million from the sale of Sunset Field.
- There was an overall decrease in expenses of \$26.3 million, primarily due changes in net pension liability to a reduction in spending overall to offset the negative fiscal impact from the pandemic.

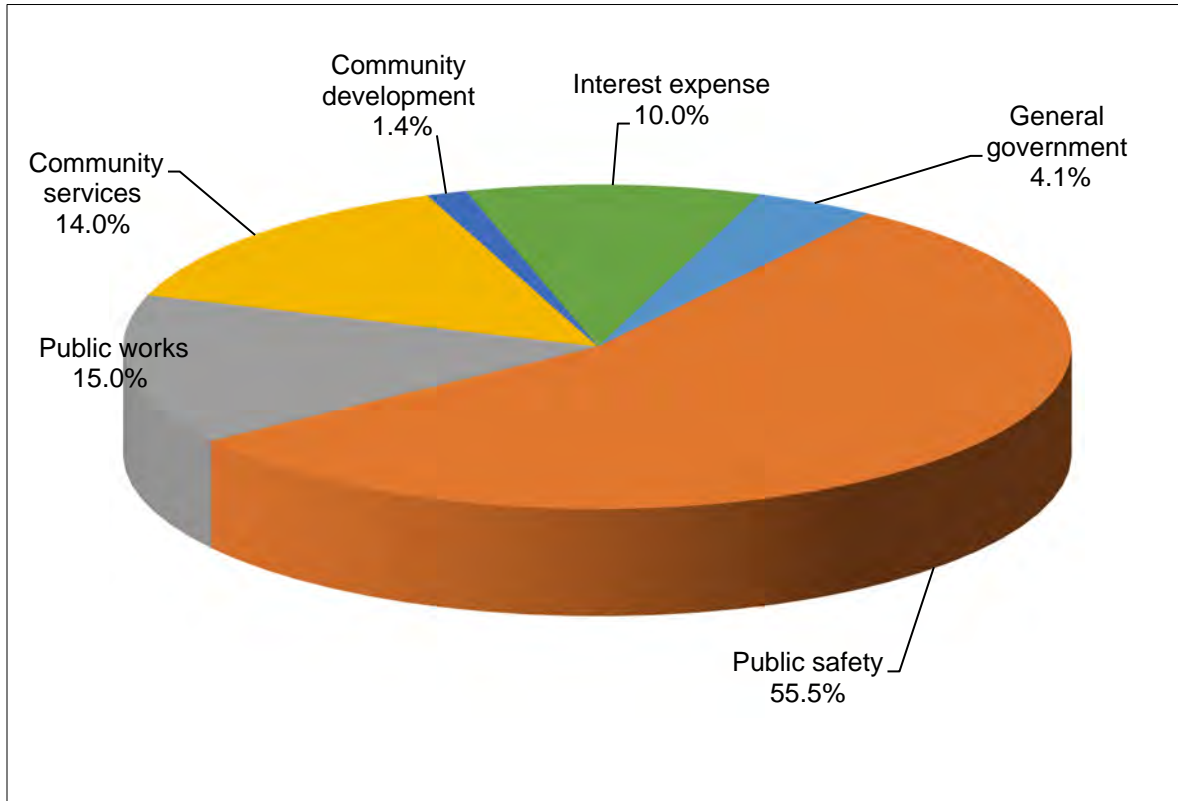


## Revenues by Source – Governmental Activities



The most significant revenues of the governmental activities are property taxes (\$31.3 million), sales tax (\$23.1 million) and other taxes (\$9.5 million). Program revenues are \$62.4 million of the total revenues of the governmental activities, which include charges for services (\$15.1 million), operating contributions and grants (\$29.6 million), and capital grants and contributions (\$17.7 million).

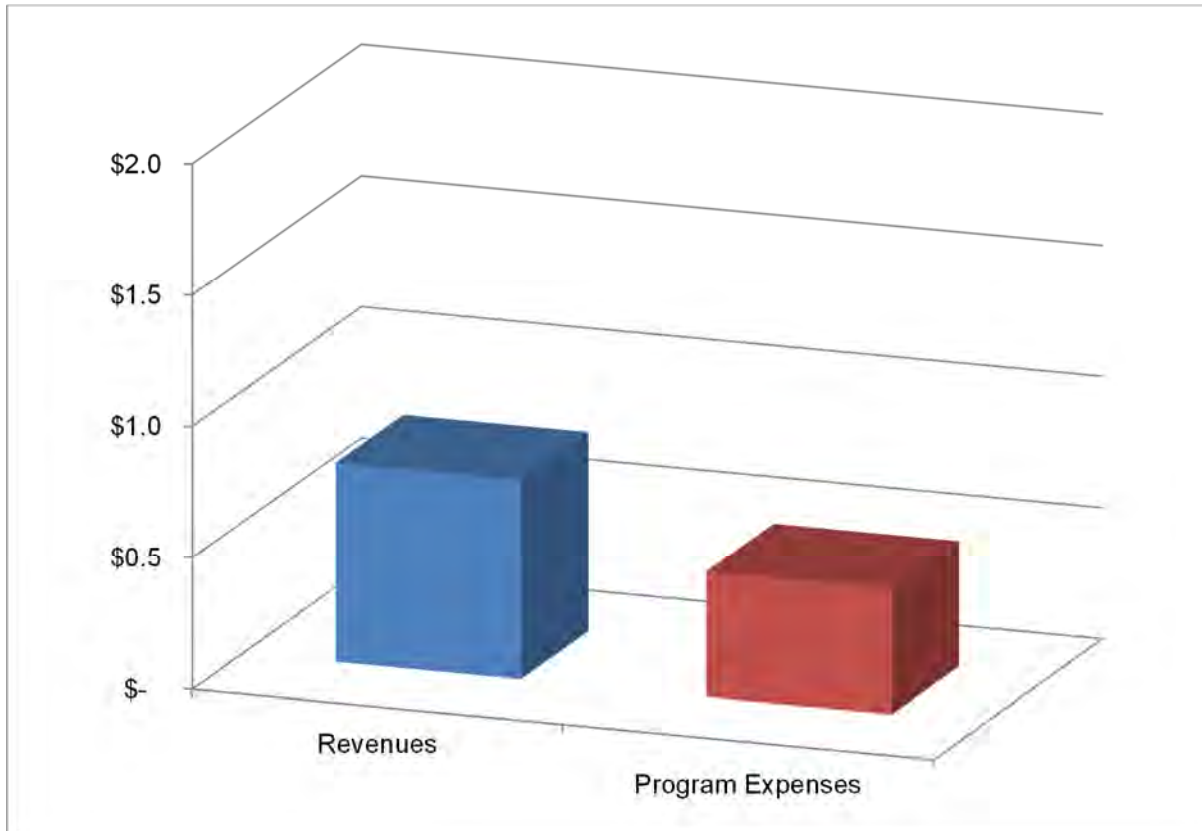
Expenses by Function – Governmental Activities



The City's expenses cover a range of services whose expenses were as follows: Public safety (\$49.9 million), public works (\$13.5 million), community services (\$12.6 million), general government (\$3.7 million), interest expense (\$9.0 million) and community development (\$1.2 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 increased by \$244,239, or 51.3%, from the prior fiscal year. Charges for services and other revenues increased by \$158,338, or 20.9%, in FY 2021-22 causing the increase in net position of \$196,978.

## 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 \$20.8 million, while total fund balance was \$24.2 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 33.5% of total general fund expenditures, while total fund balance represents 39.0% of that same amount. The non-spendable portion of fund balance in the amount of \$3.4 million mainly consists of Land Held for Resale in the amount of \$3.0 million.

Total revenues, exclusive of fund transfers in, increased \$8.0 million while total operating expenditures, exclusive of fund transfers out, decreased \$6.3 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 taxes were up \$4.4 million (7.4%) from the prior year. Property taxes increased by \$1.2 million (4.1%) and sales tax revenues increased by \$2.8 million (13.6%).
- Charges for Services were up \$3.3 million (53.4%) from the prior year, primarily due to an increase in plan check fees.
- Licenses and permits were up \$1.3 million (82.0%) from the prior year, primarily due to building permits.
- Investment income decreased by \$1.2 million (193.2%) from the prior year due primarily to lower interest rates and change in fair value of the investments.
- Public Safety expenditures decreased by \$6.9 million (12.4%) from the prior year due decrease in the Unfunded Accrued Liability by \$9.5 million. The decrease in the UAL is offset by an increase in salaries and benefits by \$1.8 million.

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 \$14.4 million and is due \$0.1 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 \$6.6 million.

The **American Rescue Plan Act (ARPA) Fund** accounts for federal monies received for COVID-19 related expenses. The City has received \$19.6 million in funding and spent \$9.2 million as of June 30, 2022. The fund has \$10.4 million in unearned revenue.

## GENERAL FUND BUDGET

There were numerous budget amendments throughout the fiscal year to adjust budget to actuals, but the net effect to the General Fund budget was \$2.1 million. Taxes in total exceeded the budget by \$1,182,420, 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 48,356,495	\$ 48,606,495	\$ -	\$ -	\$ 48,356,495	\$ 48,606,495
Buildings and improvements	62,884,032	64,401,917	-	-	62,884,032	64,401,917
Equipment and vehicles	9,592,447	7,935,812	-	-	9,592,447	7,935,812
Infrastructure	37,930,483	43,976,482	-	-	37,930,483	43,976,482
Rights of way	14,376,498	14,376,498	-	-	14,376,498	14,376,498
Construction in progress	22,949,140	5,150,186	-	-	22,949,140	5,150,186
Total	<u>\$ 196,089,095</u>	<u>\$ 184,447,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,089,095</u>	<u>\$ 184,447,390</u>

The major additions to capital assets during the year ended June 30, 2022 were as follows:

- Construction in progress had a net increase of \$17.8 million. The \$22.9 million currently in progress includes the following:
  - Azusa Sewer lift station upgrades (\$3.1 million)
  - Play Playgrounds for 4 Parks in the City (\$526,000)
  - Friendship Park improvements (\$946,800)
  - Various street projects (\$4.3 million)
  - Energy Efficient Project (\$7.0 million)
  - Fire station repairs (\$535,600)
- Completed fixed asset additions of \$1.8 million included:
  - Senior Center Restroom Renovation (\$310,400)
  - Street Rehabilitation (\$1.1 million)
  - Shadow Oak Park Playground (\$332,000)

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 \$338.8 million. Of this amount, \$237.2 million represents outstanding bonds and \$101.5 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		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Lease Revenue Bonds	\$ 237,238,298	\$ 242,391,403	\$ -	\$ -	\$ 237,238,298	\$ 242,391,403
Notes Payable	7,525,925	8,104,843	-	-	7,525,925	8,104,843
Loans Payable	6,411,667	6,602,048	-	-	6,411,667	6,602,048
Compensated Absences	4,009,892	3,915,868	20,015	18,573	4,029,907	3,934,441
Net Pension Liability	5,797,238	201,901,907	-	-	5,797,238	201,901,907
Total OPEB Liability	65,096,109	76,070,626	-	-	65,096,109	76,070,626
Claims Payable	12,673,154	12,740,483	-	-	12,673,154	12,740,483
Total	<u>\$ 338,752,283</u>	<u>\$ 551,727,178</u>	<u>\$ 20,015</u>	<u>\$ 18,573</u>	<u>\$ 338,772,298</u>	<u>\$ 551,745,751</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, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 121,642,874	\$ 265,569	\$ 121,908,443
Cash and Investments with Fiscal Agents	18,991,475	-	18,991,475
Receivables:			
Accounts	803,240	-	803,240
Taxes	6,280,506	-	6,280,506
Interest	324,189	-	324,189
Notes and Loans	14,432,603	-	14,432,603
Other	4,357,169	-	4,357,169
Due from Other Agencies	2,512,079	-	2,512,079
Leases	7,257,992	-	7,257,992
Prepaid Items	158,497	216,642	375,139
Inventory	73,202	-	73,202
Advances to Successor Agency	87,027	-	87,027
Land Held for Resale	3,007,802	-	3,007,802
Restricted Cash and Investments	2,484,403	-	2,484,403
Net Pension Asset	65,722,733	-	65,722,733
Capital Assets, Not Being Depreciated	85,682,133	-	85,682,133
Capital Assets, Net of Accumulated Deprecation	110,406,962	-	110,406,962
Total Assets	<u>444,224,886</u>	<u>482,211</u>	<u>444,707,097</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB Related Items	11,962,103	-	11,962,103
Pension Related Items	9,799,582	-	9,799,582
Total Deferred Outflows of Resources	<u>21,761,685</u>	<u>-</u>	<u>21,761,685</u>
<b>LIABILITIES</b>			
Accounts Payable	12,001,425	225,111	12,226,536
Other Accrued Liabilities	1,764,815	1,778	1,766,593
Interest Payable	3,163,015	-	3,163,015
Deposits Payable	1,511,113	-	1,511,113
Unearned Revenue	10,388,905	-	10,388,905
Noncurrent Liabilities:			
Total OPEB Liability	65,096,109	-	65,096,109
Net Pension Liability	5,797,238	-	5,797,238
Due Within One Year	12,419,615	20,015	12,439,630
Due in More Than One Year	255,439,321	-	255,439,321
Total Liabilities	<u>367,581,556</u>	<u>246,904</u>	<u>367,828,460</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB Related Items	12,522,363	-	12,522,363
Pension Related Items	67,639,168	-	67,639,168
Lease Related	7,257,992	-	7,257,992
Total Deferred Inflows of Resources	<u>87,419,523</u>	<u>-</u>	<u>87,419,523</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	152,889,130	-	152,889,130
Restricted for:			
Affordable Housing	23,445,655	-	23,445,655
Debt Service	19,947,463	-	19,947,463
Pension Trust	8,287	-	8,287
Community Services	1,553,101	-	1,553,101
Public Safety	8,289,411	-	8,289,411
Public Works	45,137,087	-	45,137,087
Unrestricted	(240,284,642)	235,307	(240,049,335)
Total Net Position	<u>\$ 10,985,492</u>	<u>\$ 235,307</u>	<u>\$ 11,220,799</u>

The accompanying notes are an integral part of this statement.



**City of West Covina  
Statement of Activities  
Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 3,700,172	\$ 617,087	\$ 9,197,139	\$ 5,691
Public Safety	49,887,239	4,467,009	5,750,077	70,734
Public Works	13,508,312	8,415,913	10,518,443	9,877,761
Community Services	12,587,100	1,620,427	4,132,706	7,712,165
Community Development	1,238,687	-	-	-
Interest on Long-Term Debt	9,033,455	-	-	-
<b>Total Governmental Activities</b>	<b>89,954,965</b>	<b>15,120,436</b>	<b>29,598,365</b>	<b>17,666,351</b>
<b>Business-type Activities:</b>				
Computer Service	719,911	916,458	-	-
<b>Total Business-type Activities</b>	<b>719,911</b>	<b>916,458</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 90,674,876</b>	<b>\$ 16,036,894</b>	<b>\$ 29,598,365</b>	<b>\$ 17,666,351</b>

**General Revenues:**

**Taxes:**

Property Taxes

Sales Taxes

Franchise Taxes

Transient Occupancy Taxes

Other Taxes

Other Revenues

Investment Income

**Total General Revenues and Transfers**

Change in Net Position

Net Position - Beginning

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>
\$ 6,119,745	\$ -	\$ 6,119,745
(39,599,419)	-	(39,599,419)
15,303,805	-	15,303,805
878,198	-	878,198
(1,238,687)	-	(1,238,687)
(9,033,455)	-	(9,033,455)
<u>(27,569,813)</u>	<u>-</u>	<u>(27,569,813)</u>
-	196,547	196,547
-	196,547	196,547
<u>(27,569,813)</u>	<u>196,547</u>	<u>(27,373,266)</u>
31,348,677	-	31,348,677
23,101,668	-	23,101,668
4,806,348	-	4,806,348
1,756,473	-	1,756,473
2,965,096	-	2,965,096
2,126,984	-	2,126,984
(1,082,667)	431	(1,082,236)
<u>65,022,579</u>	<u>431</u>	<u>65,023,010</u>
37,452,766	196,978	37,649,744
(26,467,274)	38,329	(26,428,945)
<u>\$ 10,985,492</u>	<u>\$ 235,307</u>	<u>\$ 11,220,799</u>

**City of West Covina  
Balance Sheet  
Governmental Funds  
June 30, 2022**

	General	Special Revenue		ARPA
		West Covina Housing Authority	State Gas Tax	
<b>ASSETS</b>				
Cash and Investments	\$ 14,248,967	\$ 8,795,019	\$ 6,820,254	\$ 10,592,891
Cash and Investments with Fiscal Agent	-	-	-	-
Restricted Cash	1,519,400	1,978	-	-
Receivables, net:				
Accounts	710,220	-	-	-
Taxes	5,773,351	-	-	-
Interest	204,526	119,663	-	-
Notes and Loans	-	14,432,603	-	-
Other	3,574,581	35,274	584,243	-
Due from Other Agencies	-	-	-	-
Leases	7,257,992	-	-	-
Due from Other Funds	521,524	-	-	-
Advances to Successor Agency	-	87,027	-	-
Avances to Other Funds	225,826	-	-	-
Prepaid Items	146,508	-	-	-
Land Held for Resale	3,007,802	-	-	-
<b>Total Assets</b>	<b>\$ 37,190,697</b>	<b>\$ 23,471,564</b>	<b>\$ 7,404,497</b>	<b>\$ 10,592,891</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,646,049	\$ 16,465	\$ 731,859	\$ 224,003
Accrued Liabilities	1,229,132	9,444	105,554	-
Deposits Payable	1,511,113	-	-	-
Unearned Revenue	20,017	-	-	10,368,888
Due to Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>5,406,311</b>	<b>25,909</b>	<b>837,413</b>	<b>10,592,891</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	367,514	-	-	-
Lease Related	7,257,992	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>7,625,506</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>				
Nonspendable	3,380,136	-	-	-
Restricted	8,287	23,445,655	6,567,084	-
Assigned	-	-	-	-
Unassigned	20,770,457	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>24,158,880</b>	<b>23,445,655</b>	<b>6,567,084</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 37,190,697</b>	<b>\$ 23,471,564</b>	<b>\$ 7,404,497</b>	<b>\$ 10,592,891</b>

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>
\$ 941,153	\$ 64,980,614	\$ 106,378,898
18,991,475	-	18,991,475
-	538,208	2,059,586
14,835	78,185	803,240
-	507,155	6,280,506
-	-	324,189
-	-	14,432,603
-	163,071	4,357,169
-	2,511,029	2,511,029
-	-	7,257,992
-	-	521,524
-	-	87,027
-	-	225,826
-	11,989	158,497
-	-	3,007,802
<u>\$ 19,947,463</u>	<u>\$ 68,790,251</u>	<u>\$ 167,397,363</u>
\$ -	\$ 8,192,167	\$ 11,810,543
-	419,565	1,763,695
-	-	1,511,113
-	-	10,388,905
-	521,524	521,524
-	225,826	225,826
<u>-</u>	<u>9,359,082</u>	<u>26,221,606</u>
-	2,210,188	2,577,702
-	-	7,257,992
<u>-</u>	<u>2,210,188</u>	<u>9,835,694</u>
-	11,989	3,392,125
19,947,463	50,771,880	100,740,369
-	6,601,977	6,601,977
-	(164,865)	20,605,592
<u>19,947,463</u>	<u>57,220,981</u>	<u>131,340,063</u>
<u>\$ 19,947,463</u>	<u>\$ 68,790,251</u>	<u>\$ 167,397,363</u>

**City of West Covina**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2022**

Fund balances of governmental funds \$ 131,340,063

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	462,266,215	
Accumulated Depreciation	<u>(266,777,126)</u>	195,489,089

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 2,577,702

Interest Payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the funds. (3,163,015)

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

Bonds Payable (including premiums)		(237,238,298)
Loans Payable		(6,411,667)
Compensated Absences		(3,999,710)
Notes Payable		(7,525,925)
Net Pension Liability - PARS		(5,797,238)
Total OPEB Liability		(65,096,109)

Net Pension Asset related to the City's Pension Plan is not reported in the funds. 65,722,733

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		9,799,582
Deferred Inflows Related to Pensions		(67,639,168)
Deferred Outflows Related to OPEB		11,962,103
Deferred Inflows Related to OPEB		(12,522,363)

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. 3,487,713

Net position of governmental activities \$ 10,985,492

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, 2022**

	General	Special Revenue		ARPA
		West Covina Housing Authority	State Gas Tax	
<b>REVENUES</b>				
Taxes	\$ 64,247,740	\$ -	\$ 2,155,426	\$ -
Special Assessments	-	-	-	-
Licenses and Permits	2,780,660	-	-	-
Fines and Forfeitures	508,463	-	-	-
Investment Income	(1,858,653)	335,320	16,677	-
Rental Income	1,241,134	-	-	-
Revenue from Other Agencies	2,323,396	-	2,488,293	9,197,139
Charges for Services	9,574,520	-	592	-
Other Revenues	2,201,315	20,100	-	-
<b>Total Revenues</b>	<b>81,018,575</b>	<b>355,420</b>	<b>4,660,988</b>	<b>9,197,139</b>
<b>EXPENDITURES</b>				
Current:				
General Government	4,955,642	-	3,000	-
Public Safety	48,396,731	208,843	-	466,453
Public Works	6,188,867	-	4,355,822	8,724,900
Community Services	1,932,175	-	-	-
Community Development	446,667	676,245	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>61,920,082</b>	<b>885,088</b>	<b>4,358,822</b>	<b>9,191,353</b>
Excess (Deficiency) of Revenues over Expenditures	19,098,493	(529,668)	302,166	5,786
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	5,816	-	567,148	-
Transfer Out	(20,433,506)	(33,000)	(28,146)	(5,786)
<b>Total Other Financing Sources (Uses)</b>	<b>(20,427,690)</b>	<b>(33,000)</b>	<b>539,002</b>	<b>(5,786)</b>
<b>Net Change in Fund Balances</b>	<b>(1,329,197)</b>	<b>(562,668)</b>	<b>841,168</b>	<b>-</b>
Fund Balances, Beginning	25,488,077	24,008,323	5,725,916	-
Fund Balances, Ending	\$ 24,158,880	\$ 23,445,655	\$ 6,567,084	\$ -

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>
\$ -	\$ 10,891,448	\$ 77,294,614
-	7,040,726	7,040,726
-	-	2,780,660
-	-	508,463
74,288	121,134	(1,311,234)
-	217,995	1,459,129
1,389,327	5,345,152	20,743,307
-	436,010	10,011,122
-	4,918,858	7,140,273
<u>1,463,615</u>	<u>28,971,323</u>	<u>125,667,060</u>
13,046	75,400	5,047,088
-	10,771,653	59,843,680
-	9,212,410	28,481,999
-	9,153,573	11,085,748
-	115,775	1,238,687
5,869,299	-	5,869,299
9,063,717	-	9,063,717
<u>14,946,062</u>	<u>29,328,811</u>	<u>120,630,218</u>
<u>(13,482,447)</u>	<u>(357,488)</u>	<u>5,036,842</u>
13,530,530	5,563,633	19,667,127
-	(9,031)	(20,509,469)
<u>13,530,530</u>	<u>5,554,602</u>	<u>(842,342)</u>
48,083	5,197,114	4,194,500
19,899,380	52,023,867	127,145,563
<u>\$ 19,947,463</u>	<u>\$ 57,220,981</u>	<u>\$ 131,340,063</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, 2022**

Net change in fund balances-total governmental funds \$ 4,194,500

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	23,557,900
Depreciation Expense	(11,550,544)
Loss on Disposal	(250,000)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,740,672

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	578,918
Principal Paid on Bonds Payable	5,100,000
Principal Paid on Loans Payable	190,381
Amortization of Premium on Lease Revenue Bonds	53,105

Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the period. (22,843)

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	(84,042)
Net Change in Net Pension Liability	196,104,669
Net Change in Net Pension Asset	65,722,733
Net Change in Total OPEB Liability	10,974,517
Net Change in Deferred Outflows Pension Related Amounts	(181,881,203)
Net Change in Deferred Inflows Pension Related Amounts	(65,378,295)
Net Change in Deferred Outflows OPEB Related Amounts	(3,292,934)
Net Change in Deferred Inflows OPEB Related Amounts	(8,012,562)

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. (292,206)

Change in net position of governmental activities \$ 37,452,766

The accompanying notes are an integral part of this statement.



**City of West Covina  
Statement of Net Position  
Proprietary Funds  
June 30, 2022**

	Business-type Activities <u>Computer Service Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 265,569	\$ 15,263,976
Restricted Cash and Investments	-	424,817
Due from Other Agencies	-	1,050
Prepays	216,642	-
Inventories	-	73,202
Total Current Assets	<u>482,211</u>	<u>15,763,045</u>
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	-	600,006
Total Noncurrent Assets	<u>-</u>	<u>600,006</u>
Total Assets	<u>482,211</u>	<u>16,363,051</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	225,111	190,882
Other Accrued Liabilities	1,778	1,120
Current Portion of Long-Term Liabilities:		
Compensated Absences	20,015	-
Claims Payable	-	3,310,764
Total Current Liabilities	<u>246,904</u>	<u>3,502,766</u>
Noncurrent Liabilities:		
Compensated Absences	-	10,182
Claims Payable	-	9,362,390
Total Noncurrent Liabilities	<u>-</u>	<u>9,372,572</u>
Total Liabilities	<u>246,904</u>	<u>12,875,338</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	-	600,006
Unrestricted	235,307	2,887,707
Total Net Position	<u>\$ 235,307</u>	<u>\$ 3,487,713</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, 2022**

	Business-type Activities	Governmental Activities
	Computer Service Enterprise Fund	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 916,458	\$ 5,601,858
Rental Income	-	44,398
Other Revenues	-	91,645
Total Operating Revenue	<u>916,458</u>	<u>5,737,901</u>
<b>OPERATING EXPENSES</b>		
Personnel Services	129,638	87,565
Cost of Sales, Services, and Operations	590,273	1,442,341
Depreciation	-	219,918
Insurance and Claims Paid	-	5,142,016
Total Operating Expenses	<u>719,911</u>	<u>6,891,840</u>
Operating Income (Loss)	<u>196,547</u>	<u>(1,153,939)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	431	867
Gain/ (Loss) on Disposal of Capital Assets	-	18,524
Total Nonoperating Revenues (Expenses)	<u>431</u>	<u>19,391</u>
Income Before Contributions and Transfers	196,978	(1,134,548)
Transfers In	-	842,342
Transfers Out	-	-
Change in Net Position	196,978	(292,206)
Total Net Position, Beginning	<u>38,329</u>	<u>3,779,919</u>
Total Net Position, Ending	<u><u>\$ 235,307</u></u>	<u><u>\$ 3,487,713</u></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, 2022**

	Business-type Activities <u>Computer Service Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 1,213,221	\$ -
Cash Received from User Departments	-	5,837,901
Cash Paid to Suppliers for Goods and Services	(596,373)	(6,592,476)
Cash Paid to Employees for Services	(129,457)	(78,416)
Net Cash from Operating Activities	<u>487,391</u>	<u>(832,991)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Cash Paid (to) from Other Funds	(222,253)	779,890
Net Cash from Noncapital Financing Activities	<u>(222,253)</u>	<u>779,890</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and Construction of Capital Assets	-	(127,119)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(127,119)</u>
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	431	867
Net Cash from Investing Activities	<u>431</u>	<u>867</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	265,569	(179,353)
Cash and Cash Equivalents, Beginning of Year	-	15,868,146
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 265,569</u>	<u>\$ 15,688,793</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating income (loss)	\$ 196,547	\$ (1,153,939)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	-	219,918
Other Revenues	-	-
(Increase) Decrease in Accounts Receivable	296,763	100,000
(Increase) Decrease in Due from Other Agencies	-	-
(Increase) Decrease in Inventory and Prepaid Items	(216,642)	(33,023)
Increase (Decrease) in Accounts Payable	210,542	92,233
Increase (Decrease) in Accrued Liabilities	(1,261)	(833)
Increase (Decrease) in Compensated Absences	1,442	9,982
Increase (Decrease) in Claims and Judgments	-	(67,329)
Net Cash Provided (Used) by Operating Activities	<u>\$ 487,391</u>	<u>\$ (832,991)</u>

The accompanying notes are an integral part of this statement.

**City of West Covina  
Statement of Net Position  
Fiduciary Funds  
June 30, 2022**

	Successor Agency Private-purpose Trust Fund	Pension Trust Funds
<b>ASSETS</b>		
Cash and Investments	\$ 4,982,348	\$ 390,415
Cash and Investments with Fiscal Agent	6,869,232	
Restricted Cash and Investments	3,373,500	-
Receivables, Net:		
Taxes	565,223	-
Interest	120,134	-
Accounts	1,721,802	-
Assessments	4,990,000	-
Due from City of West Covina	7,525,925	-
Land Held for Resale	54,279	-
	<u>30,202,443</u>	<u>390,415</u>
<b>LIABILITIES</b>		
Accounts Payable	1,795,038	-
Accrued Liabilities	1,027,386	-
Interest Payable	172,331	-
Due to Other Governments	198,449	-
Advances from City of West Covina	87,027	-
Long-term Liabilities:		
Due to County Auditor Controller	7,525,925	-
Due within One Year	6,344,975	-
Due in More than One Year	94,171,372	-
	<u>111,322,503</u>	<u>-</u>
<b>NET POSITION</b>		
Held in Trust for:		
Successor Agency	(81,120,060)	-
Pension Benefits	-	390,415
	<u>\$ (81,120,060)</u>	<u>\$ 390,415</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, 2022**

	Successor Agency Private-purpose Trust Fund	Pension Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Taxes and assessments collected for others	\$ 8,829,838	\$ -
Employer Contributions	-	132,374
Investment Earnings:		
Interest Income	262,861	(53,613)
Rental Income	25,000	-
	<u>9,117,699</u>	<u>78,761</u>
Total Additions		
<b>DEDUCTIONS</b>		
Program Administration	3,244,585	-
Administrative Costs	12,474,300	8,033
Benefit Distributions	-	211,777
Interest and Fiscal Charges	588,958	-
	<u>16,307,843</u>	<u>219,810</u>
Total Deductions		
Change in Net Position	(7,190,144)	(141,049)
Net Position - Beginning of Year	<u>(73,929,916)</u>	<u>531,464</u>
Net Position - End of Year	<u><u>\$ (81,120,060)</u></u>	<u><u>\$ 390,415</u></u>

The accompanying notes are an integral part of this statement.

**City of West Covina**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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 fund:

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, 2022**

**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.

**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, 2022**

**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, 2022**

**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. The lives used for depreciation purposes of each capital asset class generally are:

**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, 2022**

**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, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

The following timeframes are used for PARS:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

**City of West Covina**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**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, 2021 Valuation Date; June 30, 2021 Measurement Date; and July 1, 2020 through June 30, 2021 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, 2022**

**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) Leases**

*Lessor:* The City is a lessor for noncancellable leases of land owned by the City. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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



**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

**S) 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.

**2) CASH AND INVESTMENTS**

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 121,908,443
Cash and Investments with Fiscal Agents	18,991,475
Restricted Cash and Investments	2,484,403
Statement of Fiduciary Net Position:	
Cash and Investments	5,372,763
Cash and Investments with Fiscal Agents	6,869,232
Restricted Cash and Investments	3,373,500
Total Cash and Investments	<u>\$ 158,999,816</u>

Cash and investments as of June 30, 2022 consist of the following:

Cash on Hand	\$ 18,073
Deposits with Financial Institutions	38,858,630
Investments	120,123,113
Total Cash and Investments	<u>\$ 158,999,816</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, 2022**

**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, 2022**

**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	Total	Remaining Maturity (in Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Los Angeles County Investment Pool	\$ 31,739,345	\$ 31,739,345	\$ -	\$ -
Local Agency Investment Fund	62,124,359	62,124,359	-	-
PARS Trust Pool	398,702	398,702	-	-
Held by Bond Trustees:				
Collateralized Investment Agreement	5,002,670	5,002,670	-	-
Money Market Mutual Funds	20,858,037	20,858,037	-	-
<b>Total</b>	<b>\$ 120,123,113</b>	<b>\$ 120,123,113</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2022**

**2) CASH AND INVESTMENTS – Continued**

Investment Type	Amount	Minimum Legal Rating	AAA	Unrated
Los Angeles County Investment Pool	\$ 31,739,345	N/A	\$ -	\$ 31,739,345
Local Agency Investment Fund	62,124,359	N/A	-	62,124,359
PARS Trust Pool	398,702	N/A	-	398,702
Held by Bond Trustees:				
Collateralized Investment Agreement	5,002,670	N/A	-	5,002,670
Money Market Mutual Funds	20,858,037	A	20,858,037	-
<b>Total</b>	<b>\$ 120,123,113</b>		<b>\$ 20,858,037</b>	<b>\$ 99,265,076</b>

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, 2022. 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, 2022**

**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. None of the investments held at year-end are subject to the fair value hierarchy.

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Due to/from

Interfund receivable and payable balances at June 30, 2022 were as follows:

Payable Fund	Receivable Fund General Fund
Non-major Governmental Funds	\$ 521,524
Total Fund Balances	\$ 521,524

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

Advances to/from

Advances of \$225,826 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, 2022 are as follows:

TRANSFERS OUT	TRANSFERS IN					Total
	General Fund	State Gas Tax Fund	Citywide Debt	Non-major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 567,148	\$ 13,530,530	\$ 5,493,486	\$ 842,342	\$ 20,433,506
Housing Authority	-	-	-	33,000	-	33,000
State Gas Tax Fund	-	-	-	28,146	-	28,146
ARPA	5,786	-	-	-	-	5,786
Non-major Governmental Funds	30	-	-	178,322	-	178,352
	\$ 5,816	\$ 567,148	\$ 13,530,530	\$ 5,732,954	\$ 842,342	\$ 20,678,790

The General Fund transferred \$567,148 to the State Gas Tax Fund for an SB1 project. The General Fund transferred \$13,530,530 to the Citywide Debt Service Fund for debt service payments. The General Fund transferred \$5,493,487 to the Non-major Governmental Funds for various projects and operating expenditures. The General Fund transferred \$842,342 to the Internal Service Fund for deficits in the self-insurance fund.

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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.

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 SERAF Advances by the Successor Agency. As of June 30, 2022, the SERAF Advance to the Successor Agency was \$87,027.

**5) NOTES AND LOANS RECEIVABLE**

The following notes and loans receivable were outstanding as of June 30, 2022:

Housing Rehabilitation	\$	353,888
First Time Homebuyer Loans		142,529
Housing Preservation Program		643,447
Home Improvement Program		663,129
Lark Ellen Towers		6,565,194
Executive Lodge Apartments Limited Partnership		6,471,219
West Covina Senior Villas, LLC		2,833,333
West Covina Senior Villas II, LP		8,513,885
Other Loans		608,196
Less: Allowance for Doubtful Accounts		<u>(12,362,217)</u>
Total Governmental Funds		<u>\$ 14,432,603</u>

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 5% interest 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 \$142,529. 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 22% of the balance in the allowance for doubtful accounts.

The Housing Authority also has housing preservation loans to qualified applicants using housing set-aside funds totaling \$643,447. 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 45% of the balance in the allowance for doubtful accounts.

**City of West Covina**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**5) NOTES AND LOANS RECEIVABLE - Continued**

Several housing improvement loans totaling \$663,129 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 as of June 30, 2022 was \$6,471,219.

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 as of June 30, 2022 was \$6,565,194.

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 as of June 30, 2022 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 as of June 30, 2022 was \$8,513,885. 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 as of June 30, 2022 was \$608,196. The loans are 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, 2022 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, 2022**

**7) CAPITAL ASSETS**

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 48,606,495	\$ -	\$ (250,000)	\$ 48,356,495
Rights of Way	14,376,498	-	-	14,376,498
Construction in Progress	5,150,186	19,587,124	(1,788,170)	22,949,140
Total Capital Assets, Not Being Depreciated	<u>68,133,179</u>	<u>19,587,124</u>	<u>(2,038,170)</u>	<u>85,682,133</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	115,999,376	817,073	-	116,816,449
Equipment and Vehicles	35,486,572	3,884,272	(78,870)	39,291,974
Infrastructure - Pavement	198,409,825	1,145,558	-	199,555,383
Infrastructure - Other	24,306,803	16,310	-	24,323,113
Total Capital Assets Being Depreciated	<u>374,202,576</u>	<u>5,863,213</u>	<u>(78,870)</u>	<u>379,986,919</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(51,597,459)	(2,334,958)	-	(53,932,417)
Equipment and Vehicles	(27,550,760)	(2,227,637)	78,870	(29,699,527)
Infrastructure - Pavement	(159,748,483)	(6,793,292)	-	(166,541,775)
Infrastructure - Other	(18,991,663)	(414,575)	-	(19,406,238)
Total Accumulated Depreciation	<u>(257,888,365)</u>	<u>(11,770,462)</u>	<u>78,870</u>	<u>(269,579,957)</u>
Net Capital Assets Being Depreciated	<u>116,314,211</u>	<u>(5,907,249)</u>	<u>-</u>	<u>110,406,962</u>
Governmental Activities, Capital Assets	<u>\$ 184,447,390</u>	<u>\$ 13,679,875</u>	<u>\$ (2,038,170)</u>	<u>\$ 196,089,095</u>

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

General Government	\$ 720,709
Public Safety	1,214,188
Public Works	8,334,213
Community Services	1,501,352
	<u>\$ 11,770,462</u>

<b>Business-type Activities:</b>	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2022**

**8) LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Direct Borrowing:					
Notes Payable	\$ 8,104,843	\$ -	\$ (578,918)	\$ 7,525,925	\$ 578,918
Loans Payable	6,602,048	-	(190,381)	6,411,667	266,072
2006 Lease Revenue Bonds	14,885,000	-	(585,000)	14,300,000	660,000
2018 Lease Revenue Bonds	22,190,000	-	(870,000)	21,320,000	910,000
Premium on Bonds	1,221,403	-	(53,105)	1,168,298	53,105
2020 Lease Revenue Bonds	204,095,000	-	(3,645,000)	200,450,000	3,925,000
Compensated Absences	3,915,868	2,838,834	(2,744,810)	4,009,892	2,715,756
Net Pension Liability	201,901,907	-	(196,104,669)	5,797,238	-
Total OPEB Liability	76,070,626	-	(10,974,517)	65,096,109	-
Claims Payable	12,740,483	3,305,329	(3,372,658)	12,673,154	3,310,764
<b>Total</b>	<b>\$ 551,727,178</b>	<b>\$ 6,144,163</b>	<b>\$ (219,119,058)</b>	<b>\$ 338,752,283</b>	<b>\$ 12,419,615</b>
<b>Business-type Activities:</b>					
Compensated Absences	\$ 18,573	\$ 10,725	\$ (9,283)	\$ 20,015	\$ 20,015
<b>Total</b>	<b>\$ 18,573</b>	<b>\$ 10,725</b>	<b>\$ (9,283)</b>	<b>\$ 20,015</b>	<b>\$ 20,015</b>

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, 2022 was \$7,525,925.

The following represents the future annual debt service requirements:

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**8) LONG-TERM LIABILITIES – Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
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	578,918	172,411	751,329
2028	578,918	165,877	744,795
2029	578,918	160,205	739,123
2030	578,918	154,215	733,133
2031	578,918	135,456	714,374
2032	578,918	102,300	681,218
2033	578,918	66,600	645,518
2034	578,918	38,300	617,218
2035	578,909	7,200	586,109
Totals	<u>\$ 7,525,925</u>	<u>\$ 1,758,609</u>	<u>\$ 9,284,534</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. Annual debt service requirements follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	306,853	175,274	482,127
2028 - 2032	1,704,308	719,434	2,423,742
2033 - 2037	1,979,555	418,752	2,398,307
2038 - 2041	1,312,226	109,255	1,421,481
Totals	<u>6,411,667</u>	<u>2,216,845</u>	<u>8,628,512</u>

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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, 2022. The outstanding principal balance as of June 30, 2022 was \$14,300,000.

The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$14,300,000</u>	<u>\$ 6,715,024</u>	<u>\$21,015,024</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, 2022. The outstanding principal balance as of June 30, 2022 was \$21,320,000.

The following represents the future annual debt service requirements:

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**8) LONG-TERM LIABILITIES - Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,085,000	772,151	1,857,151
2028 - 2032	6,195,000	3,039,379	9,234,379
2033 - 2037	7,715,000	1,452,950	9,167,950
2038 - 2042	2,190,000	181,200	2,371,200
2043 - 2044	245,000	14,800	259,800
Total	<u>\$ 21,320,000</u>	<u>\$ 9,010,681</u>	<u>\$ 30,330,681</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, 2022. The outstanding principal balance as of June 30, 2022 was \$200,450,000. The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	4,900,000	6,596,630	11,496,630
2028 - 2032	30,425,000	30,591,422	61,016,422
2033 - 2037	42,875,000	24,489,702	67,364,702
2038 - 2042	59,465,000	14,912,142	74,377,142
2043 - 2045	45,565,000	2,730,919	48,295,919
Total	<u>\$200,450,000</u>	<u>\$106,731,922</u>	<u>\$307,181,922</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 \$4,009,892 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 \$20,015 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  
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**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, 2021, 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, 2022**

**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 2021-22.

**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 \$12,673,154 as of June 30, 2022.

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
2022	\$ 12,740,483	\$ 3,305,329	\$ 3,372,658	\$ 12,673,154
2021	13,178,903	1,521,315	1,959,735	12,740,483

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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, 2022, are presented below:

	General Fund	West Covina Housing Authority	State Gas Tax	ARPA	Citywide Debt	Other Governmental Funds	Total
<b>Nonspendable:</b>							
Prepaid Items	\$ 146,508	\$ -	\$ -	\$ -	\$ -	\$ 11,989	\$ 158,497
Advances to Successor Agency	-	-	-	-	-	-	-
Advances to Other Funds	225,826	-	-	-	-	-	225,826
Land Held for Resale	3,007,802	-	-	-	-	-	3,007,802
<b>Restricted for:</b>							
Affordable Housing	-	23,445,655	-	-	-	-	23,445,655
Debt Service	-	-	-	-	19,947,463	-	19,947,463
Pension Trust	8,287	-	-	-	-	-	8,287
Community Services	-	-	-	-	-	1,541,112	1,541,112
Public Safety	-	-	-	-	-	8,289,411	8,289,411
Public Works	-	-	6,567,084	-	-	40,941,357	47,508,441
<b>Assigned:</b>							
Capital Improvement	-	-	-	-	-	6,601,977	6,601,977
Unassigned	20,770,457	-	-	-	-	(164,865)	20,605,592
<b>Total Fund Balances</b>	<b>\$ 24,158,880</b>	<b>\$ 23,445,655</b>	<b>\$ 6,567,084</b>	<b>\$ -</b>	<b>\$ 19,947,463</b>	<b>\$ 57,220,981</b>	<b>\$ 131,340,063</b>

**12) DEFICIT FUND BALANCES**

The following funds reported deficits in fund balances/net position as of June 30, 2022:

<u>Non-Major Special Revenue Governmental Funds:</u>	<u>Deficit Balance</u>
Community Development Block Grant	\$ 84,939
Auto Plaza Improvement District	75,797
Sportsplex	4,129

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**12) DEFICIT FUND BALANCES - Continued**

The deficit of \$84,939 in the Community Development Block Grant Fund is the result of expenditures incurred prior to reimbursement from grantors. The deficit will be eliminated through future grant revenues. The Auto Plaza Improvement District deficit of \$75,797 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	\$ 1,385,472	\$ 7,999,441	\$ 333,720	\$ 80,949	\$ 9,799,582
Deferred Inflows of Resources	18,145,728	49,395,480	50,981	46,979	67,639,168
Pension Liability/(Asset)	(14,600,850)	(51,121,883)	1,164,330	4,632,908	(59,925,495)

**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, 2020 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, 2022**

**14) EMPLOYEE RETIREMENT PLANS – Continued**

The Plans' provisions in effect at June 30, 2022, 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% @ 60	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	9.18% + \$551,700	9.18%	9.18%	9.18%
	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	21.55% + \$653,960	21.55%	21.55%	

(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, 2022 (June 30, 2020 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	460	351
Inactive employees entitled to but not yet receiving benefits	289	71
Active employees	113	160
Total	<u>862</u>	<u>582</u>

**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.

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**14) EMPLOYEE RETIREMENT PLANS – Continued**

**Net Pension Liability/(Asset)**

The City's net pension liability/(asset) for the Plans is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability/(asset) of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability/(asset) is shown below.

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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 of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% 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.

**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:

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

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.

**Subsequent Events** - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**14) EMPLOYEE RETIREMENT PLANS – Continued**

**Changes in Net Pension Liability**

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

	Miscellaneous		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 (June 30, 2021 reporting date)	\$ 162,975,272	\$ 115,273,883	\$ 47,701,389
Changes in the year:			
Service cost	1,148,088	-	1,148,088
Interest on the total pension liability	11,357,041	-	11,357,041
Differences between expected and actual experience	605,918	-	605,918
Contributions from the employer	-	41,343,222	(41,343,222)
Contributions from employees	-	489,857	(489,857)
Net investment income	-	33,695,359	(33,695,359)
Benefit payments, including refunds	(10,630,997)	(10,630,997)	-
Administrative/other expense	-	(115,152)	115,152
Net changes	2,480,050	64,782,289	(62,302,239)
Balance at June 30, 2021 (June 30, 2022 reporting date)	\$ 165,455,322	\$ 180,056,172	\$ (14,600,850)

	Safety		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 (June 30, 2021 reporting date)	\$ 404,456,518	\$ 255,816,761	\$ 148,639,757
Changes in the year:			
Service cost	5,563,564	-	5,563,564
Interest on the total pension liability	28,585,424	-	28,585,424
Differences between expected and actual experience	4,243,730	-	4,243,730
Contributions from the employer	-	149,228,549	(149,228,549)
Contributions from employees	-	2,010,282	(2,010,282)
Net investment income	-	87,171,072	(87,171,072)
Benefit payments, including refunds	(23,371,783)	(23,371,783)	-
Administrative/other expense	-	(255,545)	255,545
Net changes	15,020,935	214,782,575	(199,761,640)
Balance at June 30, 2021 (June 30, 2022 reporting date)	\$ 419,477,453	\$ 470,599,336	\$ (51,121,883)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:** The following presents the net pension liability/(asset) 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/(asset) 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  
Year Ended June 30, 2022**

**14) EMPLOYEE RETIREMENT PLANS – Continued**

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability/(Asset)	\$ 5,151,720	\$ 3,492,002
Current Discount Rate	7.15%	7.15%
Net Pension Liability/(Asset)	\$ (14,600,850)	\$ (51,121,883)
1% Increase	8.15%	8.15%
Net Pension Liability/(Asset)	\$ (30,977,525)	\$ (96,093,408)

**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, 2022, the City recognized pension expense/(income) of (\$2,571,302) for the Miscellaneous Plan and (\$3,518,282) for the Safety Plan. At June 30, 2022, the City reported deferred outflows and deferred inflows for the Miscellaneous and Safety Plans from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,212,353	\$ -	\$ 4,920,803	\$ -
Differences between actual and expected experience	173,119	-	3,078,638	850,977
Changes in assumptions	-	-	-	-
Net differences between projected and actual earnings on plan investments	-	18,145,728	-	48,544,503
<b>Total</b>	<b>\$ 1,385,472</b>	<b>\$ 18,145,728</b>	<b>\$ 7,999,441</b>	<b>\$ 49,395,480</b>

The \$1,212,353 and \$4,920,803 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended June 30, 2023. 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>
2023	\$ (4,415,234)	\$ (11,623,046)
2024	(4,283,845)	(10,488,390)
2025	(4,402,172)	(11,334,595)
2026	(4,871,358)	(12,870,811)
2027	-	-
Thereafter	-	-

**Payable to the Pension Plan:** The City had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

**City of West Covina  
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**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.

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

- 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
- 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, 2022 was \$51,428.

**Employees Covered**

At June 30, 2021, the valuation date, the following employees were covered by the benefit terms for the plan:

	EPMC
Inactive employees or beneficiaries currently receiving benefits	47
Active employees	87
Total	134

**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, 2021, using an annual actuarial valuation as of June 30, 2021. 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

	EPMC
Valuation date	June 30, 2021
Measurement date	June 30, 2021
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	5.75% at June 30, 2021 6.25% at June 30, 2022
Inflation	2.55%
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generation with scale MP-2021

**City of West Covina  
Notes to Financial Statements  
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**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 5.75%.
- 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 (5.75%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2021, measurement date (2.16%) was used. The discount rate used (2.16%) 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%	4.56%
REITs	2%	4.06%
Fixed Income	35%	78.00%
Cash	5%	-0.50%
Total	<u>100.00%</u>	



**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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 2.16% 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, 2020 (June 30, 2021 reporting date)	\$ 1,209,162	\$ 87,925	\$ 1,121,237
Changes in the year:			
Service cost	26,943	-	26,943
Interest on the total pension liability	31,913	-	31,913
Changes of benefit terms	-	-	-
Differences between expected and actual experience	10,382	-	10,382
Changes in assumptions	38,703	-	38,703
Contributions from the employer	-	52,666	(52,666)
Net investment income	-	18,413	(18,413)
Benefit payments, including refunds	(81,760)	(81,760)	-
Administrative/other expense	-	(6,231)	6,231
Net changes	26,181	(16,912)	43,093
Balance at June 30, 2021 (June 30, 2022 reporting date)	\$ 1,235,343	\$ 71,013	\$ 1,164,330

**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	1.31%
Net Pension Liability	\$ 1,312,847
Current Discount Rate	2.31%
Net Pension Liability	\$ 1,164,330
1% Increase	3.31%
Net Pension Liability	\$ 1,042,852

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

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

For the year ended June 30, 2022, the City recognized pension expense of \$121,274 for the Plan. At June 30, 2022, 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	\$ 51,428	\$ -
Differences between actual and expected experience	74,295	4,800
Changes in assumptions	207,997	38,023
Net differences between projected and actual earnings on plan investments	-	8,158
Total	\$ 333,720	\$ 50,981

The \$51,428 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, 2023. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	EPMC
2023	\$ 53,475
2024	49,605
2025	49,107
2026	47,298
2027	31,023
Thereafter	803

**Payable to the Pension Plan:** The City had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

**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, 2022**

**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, 2022 was \$80,949.

**Employees Covered**

At June 30, 2021, 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, 2021, using an annual actuarial valuation as of June 30, 2021. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

	<b>Supplemental</b>
Valuation date	June 30, 2021
Measurement date	June 30, 2021
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	2.23%
Inflation	2.50%
Salary Increase	3.00%
Benefit Increase	2.00%
Mortality	CalPERS 2000 - 2019 Experience Study
Investment Rate of Return	5.75%

**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 5.25%.
- 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 (5.75%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2021, measurement date, (2.16%) was used. The discount rate used (2.23%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

**City of West Covina  
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**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%	4.56%
REITs	2%	4.06%
Fixed Income	35%	0.78%
Cash	5%	-0.50%
<b>Total</b>	<b>100.00%</b>	

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, 2021, for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 (June 30, 2021 reporting date)	\$ 4,901,327	\$ 461,803	\$ 4,439,524
Changes in the year:			
Service cost	-	-	-
Interest on the total pension liability	113,650	-	113,650
Changes of benefit terms	-	-	-
Differences between expected and actual experience	168,573	-	168,573
Changes in assumptions	81,046	-	81,046
Contributions from the employer	-	79,364	(79,364)
Net investment income	-	96,424	(96,424)
Benefit payments, including refunds	(171,237)	(171,237)	-
Administrative/other expense	-	(5,903)	5,903
<b>Net changes</b>	<b>192,032</b>	<b>(1,352)</b>	<b>193,384</b>
Balance at June 30, 2021 (June 30, 2022 reporting date)	<b>\$ 5,093,359</b>	<b>\$ 460,451</b>	<b>\$ 4,632,908</b>

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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		1.23%	
Net Pension Liability	\$	5,556,822	
Current Discount Rate		2.23%	
Net Pension Liability	\$	4,632,908	
1% Increase		3.23%	
Net Pension Liability	\$	3,906,260	

For the year ended June 30, 2022, the City recognized pension expense of \$330,323. At June 30, 2022, 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	\$ 80,949	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	46,979
<b>Total</b>	<b>\$ 80,949</b>	<b>\$ 46,979</b>

The \$80,949 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, 2023. 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
2023	\$ (10,904)
2024	(10,737)
2025	(11,140)
2026	(14,198)
2027	-
Thereafter	-

**Payable to the Pension Plan:** The City had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

**City of West Covina  
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**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 \$77,581 and covered payroll for the year ended June 30, 2022 totaled \$1,034,404. No contributions were made by the City and employees contributed \$77,581 (7.72% of current covered payroll). Total plan assets at June 30, 2022 were \$880,170. 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 (\$143 and \$149 per month in calendar years 2021 and 2022, 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 (\$143 and \$149 per month in calendar years 2021 and 2022, respectively) for employees hired after July 1, 2012

**City of West Covina  
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Year Ended June 30, 2022**

**17) OTHER POST EMPLOYMENT BENEFITS - Continued**

- Miscellaneous:
  - PEMHCA minimum amount (\$143 and \$149 per month in calendar years 2021 and 2022, 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, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active Employees	279
Inactive employees entitled to, but not yet receiving benefits	175
Retirees or spouses of retirees currently receiving benefits	261
<b>Total</b>	<b>715</b>

**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, 2022, the City contributed \$2,410,187 to the plan, including \$2,018,187, for current premiums (100% of total premiums), and \$392,000 of implied subsidy premiums.

**Total OPEB Liability** - The City's total OPEB liability was measured as of June 30, 2021 and the total OPEB liability determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS 2000 - 2019 Experience Study
Health Care Trend Rate	Non-Medicare - 6.5% for 2023, 3.75% ultimate Medicare - 5.65% for 2023, 3.75% ultimate
PEMHCA Minimum Increase	4.0% Annually
Inflation Rate	2.50%
Salary Changes	2.75%
Discount Rate	2.16% at June 30, 2021 2.21% at June 30, 2020

**Discount Rate** - The discount rate used to measure the total OPEB liability was 2.16% at June 30, 2021.



**City of West Covina  
Notes to Financial Statements  
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**17) OTHER POST EMPLOYMENT BENEFITS – Continued**

**Changes in the Total OPEB Liability**

	Total OPEB Liability (TOL)
Balance at June 30, 2021 (2020 Measurement Date)	\$ 76,070,626
Changes in the year:	
Service cost	2,306,792
Interest on the total OPEB liability	1,704,367
Differences between expected and actual experience	(8,698,716)
Changes of assumptions	(3,773,434)
Benefit payments, including refunds	(2,513,526)
Net changes	(10,974,517)
Balance at June 30, 2022 (2021 Measurement Date)	\$ 65,096,109

**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)	\$ 76,114,403	\$ 65,096,109	\$ 56,337,847

**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)	\$ 61,656,700	\$ 65,096,109	\$ 68,610,897

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

The Plan Fiduciary Net Position was \$0 at the June 30, 2021 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  
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**17) OTHER POST EMPLOYMENT BENEFITS – Continued**

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$2,741,166. 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	\$ 2,410,187	\$ -
Changes of Assumptions	9,551,916	4,773,331
Net differences between expected and actual experience	-	7,749,032
<b>Total</b>	<b>\$ 11,962,103</b>	<b>\$ 12,522,363</b>

The \$2,410,187 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2023	\$ (1,033,944)
2024	24,194
2025	267,942
2026	(2,228,639)
2027	-
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, 2022**

**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, 2022 was \$4,990,000.

**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 \$7,525,925 (reported as part of notes payable) in the governmental activities and a receivable of \$7,525,925 in the Successor Agency related to the DOF's determination at June 30, 2022.

**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, 2022 was comprised of BKK Project in the amount of \$54,279.

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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	\$ 8,960,000	\$ -	\$ (4,055,000)	\$ 4,905,000	\$ 4,905,000
Tax Allocation Bonds:					
Series 2017, Refunding	8,450,000	-	(1,615,000)	6,835,000	1,425,000
Premium	194,673	-	(14,975)	179,698	14,975
Developer Agreement Payable	80,253,948	8,342,700	-	88,596,648	-
Total	<u>\$ 97,858,621</u>	<u>\$ 8,342,700</u>	<u>\$ (5,684,975)</u>	<u>\$ 100,516,346</u>	<u>\$ 6,344,975</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, 2022. There was a bond call on March 1, 2016, for \$425,000. The outstanding principal balance of the bonds at June 30, 2022 was \$4,905,000.

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

Fiscal Year Ending	Principal	Interest	Total
June 30, 2023	\$ 4,905,000	\$ 147,150	\$ 5,052,150
Totals	<u>\$ 4,905,000</u>	<u>\$ 147,150</u>	<u>\$ 5,052,150</u>

**City of West Covina  
Notes to Financial Statements  
Year Ended June 30, 2022**

**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, 2022 was fully funded. The principal balance of outstanding bonds at June 30, 2022 was \$6,835,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 6,835,000</u>	<u>\$ 727,385</u>	<u>\$ 7,562,385</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, 2022 was \$88,596,648. The Developer Advances are repaid by the Commission only from available funds in the Repayment Fund. The Repayment Fund is funded in any year the total of the Minimum Special, Tax and Agency Contributions exceeds the annual debt service on the Public Financing of the 1996 Special Tax Refunding Bonds. The Agency Contributions terminate once the outstanding principal and accrued interest on these bonds are paid in full.

**City of West Covina**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**20) LEASES**

**Lease Receivable** - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 5 to 30 years. The City currently receives monthly payments from all leases of \$42,064. The City recognized \$424,909 in lease revenue and \$83,299 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2022, the City's receivable for lease payments was \$7,257,992. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$7,257,992.

**21) 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:

*GASB 96 – Subscription-Based Information Technology Arrangements*: The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 52,551,900	\$ 63,065,320	\$ 64,247,740	\$ 1,182,420
Licenses and Permits	1,417,400	2,599,197	2,780,660	181,463
Fines and Forfeitures	528,000	528,000	508,463	(19,537)
Investment Income	458,900	458,900	(1,858,653)	(2,317,553)
Rental Income	1,166,100	1,336,090	1,241,134	(94,956)
Revenue from Other Agencies	3,400,800	2,396,400	2,323,396	(73,004)
Charges for Services	5,206,600	9,035,580	9,574,520	538,940
Other Revenues	1,529,500	2,158,500	2,201,315	42,815
<b>Total Revenues</b>	<b>66,259,200</b>	<b>81,577,987</b>	<b>81,018,575</b>	<b>(559,412)</b>
<b>EXPENDITURES</b>				
Current:				
General Government	4,152,500	6,243,200	4,955,642	1,287,558
Public Safety	41,247,600	48,795,512	48,396,731	398,781
Public Works	4,367,200	6,482,570	6,188,867	293,703
Community Services	2,455,300	2,560,380	1,932,175	628,205
Community Development	385,500	527,350	446,667	80,683
<b>Total Expenditures</b>	<b>52,608,100</b>	<b>64,609,012</b>	<b>61,920,082</b>	<b>2,688,930</b>
Excess (Deficiency) of Revenues over Expenditures	13,651,100	16,968,975	19,098,493	2,129,518
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	131,100	131,100	5,816	(125,284)
Transfers Out	(13,782,200)	(20,437,607)	(20,433,506)	4,101
<b>Total Other Financing Sources (Uses)</b>	<b>(13,651,100)</b>	<b>(20,306,507)</b>	<b>(20,427,690)</b>	<b>(121,183)</b>
Net Change in Fund Balances	-	(3,337,532)	(1,329,197)	2,008,335
Fund Balances, Beginning	25,488,077	25,488,077	25,488,077	-
Fund Balances, Ending	<u>\$ 25,488,077</u>	<u>\$ 22,150,545</u>	<u>\$ 24,158,880</u>	<u>\$ 2,008,335</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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 42,000	\$ 42,000	\$ 335,320	\$ 293,320
Other Revenues	-	-	20,100	20,100
Total Revenues	<u>42,000</u>	<u>42,000</u>	<u>355,420</u>	<u>313,420</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	218,600	253,600	208,843	44,757
Community Development	949,400	949,400	676,245	273,155
Total Expenditures	<u>1,168,000</u>	<u>1,203,000</u>	<u>885,088</u>	<u>317,912</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,126,000)</u>	<u>(1,161,000)</u>	<u>(529,668)</u>	<u>631,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(33,000)	(33,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,126,000)	(1,194,000)	(562,668)	631,332
Fund Balance, Beginning	<u>24,008,323</u>	<u>24,008,323</u>	<u>24,008,323</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 22,882,323</u>	<u>\$ 22,814,323</u>	<u>\$ 23,445,655</u>	<u>\$ 631,332</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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,730,100	\$ 2,730,100	\$ 2,155,426	\$ (574,674)
Investment Income	15,000	15,000	16,677	1,677
Revenue from Other Agencies	2,113,100	2,113,100	2,488,293	375,193
Charges for Services	-	-	592	592
	<u>4,858,200</u>	<u>4,858,200</u>	<u>4,660,988</u>	<u>(197,212)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,500	3,500	3,000	500
Public Works	4,065,500	5,154,683	4,355,822	798,861
	<u>4,069,000</u>	<u>5,158,183</u>	<u>4,358,822</u>	<u>799,361</u>
Excess (Deficiency) of Revenues over Expenditures	<u>789,200</u>	<u>(299,983)</u>	<u>302,166</u>	<u>602,149</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	567,200	567,200	567,148	(52)
Transfers Out	(100,000)	(100,000)	(28,146)	71,854
	<u>467,200</u>	<u>467,200</u>	<u>539,002</u>	<u>71,802</u>
Net Change in Fund Balance	1,256,400	167,217	841,168	673,951
Fund Balance, Beginning	5,725,916	5,725,916	5,725,916	-
Fund Balance, Ending	<u>\$ 6,982,316</u>	<u>\$ 5,893,133</u>	<u>\$ 6,567,084</u>	<u>\$ 673,951</u>

**City of West Covina**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - ARPA Special Revenue Fund**  
**Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 10,000,000	\$ 10,000,000	\$ 9,197,139	\$ (802,861)
Total Revenues	10,000,000	10,000,000	9,197,139	(802,861)
<b>EXPENDITURES</b>				
Current:				
Public Safety	466,453	466,453	466,453	-
Public Works	19,103,547	19,103,547	8,724,900	10,378,647
Total Expenditures	19,570,000	19,570,000	9,191,353	10,378,647
Excess (Deficiency) of Revenues over Expenditures	(9,570,000)	(9,570,000)	5,786	9,575,786
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(5,786)	(5,786)
Total Other Financing Sources (Uses)	-	-	(5,786)	(5,786)
Net Change in Fund Balance	(9,570,000)	(9,570,000)	-	9,570,000
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ (9,570,000)	\$ (9,570,000)	\$ -	\$ 9,570,000

**City of West Covina  
Notes to Required Supplementary Information  
Year Ended June 30, 2022**

**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.

Draft

**City of West Covina  
Required Supplementary Information  
Year Ended June 30, 2022**

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

	Measurement Period			
	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service cost	\$ 1,148,088	\$ 1,230,251	\$ 1,488,940	\$ 1,598,999
Interest on total pension liability	11,357,041	11,161,901	11,031,185	10,735,301
Changes in assumptions	-	-	-	(792,110)
Differences between expected and actual experience	605,918	(956,094)	1,166,025	884,485
Benefit payments, including refunds	(10,630,997)	(9,824,549)	(9,388,384)	(9,225,744)
Net change in total pension liability	2,480,050	1,611,509	4,297,766	3,200,931
Total pension liability - beginning	162,975,272	161,363,763	157,065,997	153,865,066
Total pension liability - ending (a)	<u>\$ 165,455,322</u>	<u>\$ 162,975,272</u>	<u>\$ 161,363,763</u>	<u>\$ 157,065,997</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 41,343,222	\$ 3,588,307	\$ 3,041,783	\$ 2,610,696
Contributions - employee	489,857	658,924	597,814	785,970
Net investment income	33,695,359	5,681,537	7,327,093	9,216,240
Benefit payments	(10,630,997)	(9,824,549)	(9,388,384)	(9,225,744)
Net Plan to Plan Resource Movement	-	-	-	(266)
Administrative/Other Expense	(115,152)	(162,590)	(80,969)	(172,889)
Other Miscellaneous Income/Expense	-	-	-	(328,320)
Net change in plan fiduciary net position	64,782,289	(58,371)	1,497,337	2,885,687
Plan fiduciary net position - beginning	115,273,883	115,332,254	113,834,917	110,949,230
Plan fiduciary net position - ending (b)	<u>\$ 180,056,172</u>	<u>\$ 115,273,883</u>	<u>\$ 115,332,254</u>	<u>\$ 113,834,917</u>
Net pension liability - ending (a) - (b)	<u>\$ (14,600,850)</u>	<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	108.82%	70.73%	71.47%	72.48%
Covered payroll	\$ 6,699,270	\$ 7,843,755	\$ 8,498,816	\$ 12,173,646
Net pension liability as percentage of covered payroll	-217.95%	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.

Mesaurement 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, 2022**

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

	Measurement Period			
	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service cost	\$ 5,563,564	\$ 5,180,535	\$ 5,573,847	\$ 5,300,363
Interest on total pension liability	28,585,424	27,556,923	26,959,893	26,141,448
Changes in assumptions	-	-	-	(1,644,342)
Differences between expected and actual experience	4,243,730	(2,269,271)	706,038	2,470,547
Benefit payments, including refunds	<u>(23,371,783)</u>	<u>(22,204,388)</u>	<u>(21,231,071)</u>	<u>(20,444,515)</u>
Net change in total pension liability	15,020,935	8,263,799	12,008,707	11,823,501
Total pension liability - beginning	404,456,518	396,192,719	384,184,012	372,360,511
Total pension liability - ending (a)	<u>\$ 419,477,453</u>	<u>\$ 404,456,518</u>	<u>\$ 396,192,719</u>	<u>\$ 384,184,012</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 149,228,549	\$ 12,592,111	\$ 11,176,490	\$ 10,515,780
Contributions - employee	2,010,282	1,806,665	1,731,882	1,830,019
Net investment income	87,171,072	12,466,983	15,909,762	19,582,552
Benefit payments	(23,371,783)	(22,204,388)	(21,231,071)	(20,444,515)
Net Plan to Plan Resource Movement	-	-	-	(568)
Administrative/Other Expense	(255,545)	(354,567)	(174,192)	(364,120)
Other Miscellaneous Income/Expense	-	-	568	(691,471)
Net change in plan fiduciary net position	214,782,575	4,306,804	7,413,439	10,427,677
Plan fiduciary net position - beginning	255,816,761	251,509,957	244,096,518	233,668,841
Plan fiduciary net position - ending (b)	<u>\$ 470,599,336</u>	<u>\$ 255,816,761</u>	<u>\$ 251,509,957</u>	<u>\$ 244,096,518</u>
Net pension liability - ending (a) - (b)	<u>\$ (51,121,883)</u>	<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	112.19%	63.25%	63.48%	63.54%
Covered payroll	\$ 17,133,244	\$ 16,447,485	\$ 16,283,859	\$ 14,051,195
Net pension liability as percentage of covered payroll	-298.38%	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)	-
	<u>(19,858,900)</u>	<u>(18,951,025)</u>	<u>(17,865,208)</u>	<u>(17,362,607)</u>
	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)	-
	-	-	-	-
	<u>15,611,922</u>	<u>(7,857,275)</u>	<u>(4,084,037)</u>	<u>26,232,769</u>
	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, 2022**

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

	Measurement Period			
	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service cost	\$ 26,943	\$ 30,564	\$ 29,665	\$ 29,701
Interest on total pension liability	31,913	41,806	46,211	46,463
Changes in assumptions	38,703	146,898	90,640	10,475
Differences between expected and actual experience	10,382	-	45,697	-
Benefit payments, including refunds	(81,760)	(103,008)	(80,968)	(56,554)
Net change in total pension liability	26,181	116,260	131,245	30,085
Total pension liability - beginning	1,209,162	1,092,902	961,657	931,572
Total pension liability - ending (a)	<u>\$ 1,235,343</u>	<u>\$ 1,209,162</u>	<u>\$ 1,092,902</u>	<u>\$ 961,657</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 52,666	\$ 56,957	\$ 62,350	\$ 60,056
Contributions - employee	-	-	-	-
Net investment income	18,413	2,908	6,567	8,234
Benefit payments	(81,760)	(103,008)	(80,968)	(56,554)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(6,231)	(10,788)	(769)	(775)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	(16,912)	(53,931)	(12,820)	10,961
Plan fiduciary net position - beginning	87,925	141,856	154,676	143,715
Plan fiduciary net position - ending (b)	<u>\$ 71,013</u>	<u>\$ 87,925</u>	<u>\$ 141,856</u>	<u>\$ 154,676</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,164,330</u>	<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	5.75%	7.27%	12.98%	16.08%
Covered Employee payroll	\$ 7,202,240	\$ 10,222,450	\$ 14,447,921	\$ 15,855,534
Net pension liability as percentage of covered employee payroll	16.17%	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 2021, the discount rate was updated to 2.31. In 2020, the discount rate was updated to 2.67 percent. 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, 2022**

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

	Measurement Period			
	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service cost	\$ -	\$ 14,068	\$ 11,963	\$ 12,235
Interest on total pension liability	113,650	143,620	133,267	130,692
Changes in assumptions	81,046	879,137	281,983	(101,877)
Differences between expected and actual experience	168,573	-	477,904	-
Benefit payments, including refunds	(171,237)	(155,804)	(152,749)	(139,056)
Net change in total pension liability	192,032	881,021	752,368	(98,006)
Total pension liability - beginning	4,901,327	4,020,306	3,267,938	3,365,944
Total pension liability - ending (a)	<u>\$ 5,093,359</u>	<u>\$ 4,901,327</u>	<u>\$ 4,020,306</u>	<u>\$ 3,267,938</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 79,364	\$ 77,814	\$ 78,102	\$ 74,100
Contributions - employee	-	-	-	-
Net investment income	96,424	15,031	31,817	36,931
Benefit payments	(171,237)	(155,804)	(152,749)	(139,056)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(5,903)	(9,475)	(3,109)	(3,379)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	(1,352)	(72,434)	(45,939)	(31,404)
Plan fiduciary net position - beginning	461,803	534,237	580,176	611,580
Plan fiduciary net position - ending (b)	<u>\$ 460,451</u>	<u>\$ 461,803</u>	<u>\$ 534,237</u>	<u>\$ 580,176</u>
Net pension liability - ending (a) - (b)	<u>\$ 4,632,908</u>	<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	9.04%	9.42%	13.29%	17.75%
Covered Employee payroll	\$ 269,287	\$ 219,555	\$ 179,572	\$ 172,512
Net pension liability as percentage of covered employee payroll	1720.44%	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 2021, the discount rate was updated to 2.23% and the mortality improvement scale was updated to Scale MP-2021. In 2020, the discount rate was updated to 2.36%. 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, 2022**

**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
2022	\$ 1,212,353	\$ (1,212,353)	\$ -	\$ 7,100,111	17.08%
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
2022	\$ 4,920,803	\$ (4,920,803)	\$ -	\$ 18,840,380	26.12%
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, 2022**

**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
2022	\$ 173,000	\$ (51,428)	\$ 121,572	\$ 6,238,365	0.82%
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
2022	\$ 487,000	\$ (80,949)	\$ 406,051	\$ 202,292	40.02%
2021	488,000	(79,364)	408,636	269,281	29.47%
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, 2022**

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

	Measurement Period				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 2,306,792	\$ 1,575,501	\$ 1,545,500	\$ 1,619,250	\$ 1,913,541
Interest on total OPEB liability	1,704,367	2,156,480	2,285,257	2,158,673	1,889,517
Changes in assumptions	(3,773,434)	13,555,256	2,887,380	(2,524,608)	(7,040,369)
Changes in benefits	-	-	-	-	-
Differences between expected and actual experience	(8,698,716)	-	(1,738,131)	-	-
Benefit payments, including refunds	(2,513,526)	(2,509,638)	(2,384,056)	(2,470,254)	(2,467,893)
Net change in total OPEB liability	(10,974,517)	14,777,599	2,595,950	(1,216,939)	(5,705,204)
Total OPEB liability - beginning	76,070,626	61,293,027	58,697,077	59,914,016	65,619,220
Total OPEB liability - ending (a)	<u>\$ 65,096,109</u>	<u>\$ 76,070,626</u>	<u>\$ 61,293,027</u>	<u>\$ 58,697,077</u>	<u>\$ 59,914,016</u>
Covered - employee payroll	33,956,907	33,069,467	26,672,215	28,239,505	26,527,000
Total OPEB liability as a percentage of covered-employee payroll	191.70%	230.03%	229.80%	207.85%	225.86%

\* 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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ 60,000	\$ 74,288	\$ 14,288
Revenue from Other Agencies	1,389,400	1,389,327	(73)
Total Revenues	<u>1,449,400</u>	<u>1,463,615</u>	<u>14,215</u>
<b>EXPENDITURES</b>			
Current:			
General Government	13,500	13,046	454
Public Safety	-	-	-
Debt Service:			
Principal	5,869,381	5,869,299	82
Interest	9,063,731	9,063,717	14
Total Expenditures	<u>14,946,612</u>	<u>14,946,062</u>	<u>550</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,497,212)</u>	<u>(13,482,447)</u>	<u>14,765</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	13,548,812	13,530,530	(18,282)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>13,548,812</u>	<u>13,530,530</u>	<u>(18,282)</u>
Net Change in Fund Balances	51,600	48,083	(3,517)
Fund Balance, Beginning	<u>19,899,380</u>	<u>19,899,380</u>	
Fund Balance, Ending	<u><u>\$ 19,950,980</u></u>	<u><u>\$ 19,947,463</u></u>	<u><u>\$ (3,517)</u></u>

**OTHER GOVERNMENTAL FUNDS**

**City of West Covina  
Other Governmental Funds  
Year Ended June 30, 2022**

**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.

***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, 2022**

**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 (*Polioptila 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, 2022**

**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, 2022**

**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  
June 30, 2022**

	Special Revenue				
	Drug Enforcement Rebate	Air Quality Improvement	Proposition A	Proposition C	Police Donations
<b>ASSETS</b>					
Cash and Investments	\$ 6,041,205	\$ 589,462	\$ 3,080,146	\$ 2,314,326	\$ 35,652
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	23	-	-	-	100
Taxes	-	-	-	-	-
Other	-	-	-	-	-
Due from Other Agencies	-	34,729	-	29,670	-
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 6,041,228</b>	<b>\$ 624,191</b>	<b>\$ 3,080,146</b>	<b>\$ 2,343,996</b>	<b>\$ 35,752</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 106,837	\$ -	\$ 2,801,650	\$ 333,041	\$ 2,576
Other Accrued Liabilities	2,178	-	-	840	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>109,015</b>	<b>-</b>	<b>2,801,650</b>	<b>333,881</b>	<b>2,576</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	34,729	-	29,670	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>34,729</b>	<b>-</b>	<b>29,670</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	5,932,213	589,462	278,496	1,980,445	33,176
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>5,932,213</b>	<b>589,462</b>	<b>278,496</b>	<b>1,980,445</b>	<b>33,176</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 6,041,228</b>	<b>\$ 624,191</b>	<b>\$ 3,080,146</b>	<b>\$ 2,343,996</b>	<b>\$ 35,752</b>

Transportation Development Act	Special Revenue					
	AB939	Various Grants	Community Development Block Grant	SAFER Grant	Inmate Welfare	Public Safety Augmentation
\$ 10	\$ 1,001,032	\$ 1,582,106	\$ 3,835	\$ -	\$ 9,989	\$ 535,980
-	-	-	4,664	-	-	-
-	-	36,395	-	-	-	-
-	-	-	-	-	-	174,365
-	68,718	-	-	-	-	-
-	-	725,959	261,875	-	-	-
-	-	-	-	-	-	-
<u>\$ 10</u>	<u>\$ 1,069,750</u>	<u>\$ 2,344,460</u>	<u>\$ 270,374</u>	<u>\$ -</u>	<u>\$ 9,989</u>	<u>\$ 710,345</u>
\$ -	\$ 2,301	\$ 433,823	\$ 255,292	\$ -	\$ -	\$ -
-	500	194,380	24,627	-	-	-
-	-	483,755	-	-	-	-
-	-	-	-	-	-	-
-	2,801	1,111,958	279,919	-	-	-
-	-	608,647	75,394	-	-	-
-	-	608,647	75,394	-	-	-
-	-	-	-	-	-	-
10	1,066,949	623,855	-	-	9,989	710,345
-	-	-	-	-	-	-
-	-	-	(84,939)	-	-	-
10	1,066,949	623,855	(84,939)	-	9,989	710,345
<u>\$ 10</u>	<u>\$ 1,069,750</u>	<u>\$ 2,344,460</u>	<u>\$ 270,374</u>	<u>\$ -</u>	<u>\$ 9,989</u>	<u>\$ 710,345</u>

Continued



**City of West Covina  
Combining Balance Sheet  
Non-major Governmental Funds - Continued  
June 30, 2022**

	Special Revenue				
	COPS/SLESA	Park CESF	Maintenance District #1	Maintenance District #2	Coastal Sage Shrub
<b>ASSETS</b>					
Cash and Investments	\$ 443,659	\$ -	\$ 3,386,215	\$ 871,214	\$ 455,890
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	50,706	19,270	1,579
Other	-	-	-	-	-
Due from Other Agencies	105,586	-	-	-	-
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 549,245</b>	<b>\$ -</b>	<b>\$ 3,436,921</b>	<b>\$ 890,484</b>	<b>\$ 457,469</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 7,137	\$ -	\$ 49,689	\$ 6,338	\$ 21,943
Other Accrued Liabilities	7,576	-	5,783	442	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>14,713</b>	<b>-</b>	<b>55,472</b>	<b>6,780</b>	<b>21,943</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	105,586	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>105,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	428,946	-	3,381,449	883,704	435,526
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>428,946</b>	<b>-</b>	<b>3,381,449</b>	<b>883,704</b>	<b>435,526</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 549,245</b>	<b>\$ -</b>	<b>\$ 3,436,921</b>	<b>\$ 890,484</b>	<b>\$ 457,469</b>

Special Revenue

Maintenance District #4	Maintenance District #6	Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District	General Plan Update
\$ 2,353,806	\$ 306,246	\$ 408,040	\$ 1,430,005	\$ 11,270,583	\$ 155,395	\$ 743,183
-	-	-	-	-	-	-
-	-	-	-	-	-	-
21,370	2,600	4,246	53,275	179,744	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,375,176</u>	<u>\$ 308,846</u>	<u>\$ 412,286</u>	<u>\$ 1,483,280</u>	<u>\$ 11,450,327</u>	<u>\$ 155,395</u>	<u>\$ 743,183</u>
\$ 201,298	\$ 31,650	\$ 25,778	\$ 187,040	\$ 1,710,551	\$ 5,366	\$ -
818	193	193	879	159,361	-	-
-	-	-	-	-	-	-
-	-	-	-	-	225,826	-
202,116	31,843	25,971	187,919	1,869,912	231,192	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,173,060	277,003	386,315	1,295,361	9,580,415	-	743,183
-	-	-	-	-	-	-
-	-	-	-	-	(75,797)	-
2,173,060	277,003	386,315	1,295,361	9,580,415	(75,797)	743,183
<u>\$ 2,375,176</u>	<u>\$ 308,846</u>	<u>\$ 412,286</u>	<u>\$ 1,483,280</u>	<u>\$ 11,450,327</u>	<u>\$ 155,395</u>	<u>\$ 743,183</u>

Continued

**City of West Covina  
Combining Balance Sheet  
Non-major Governmental Funds - Continued  
June 30, 2022**

	Special Revenue				
	Measure W	Charter PEG	Art in Public Places	West Covina Community Services Found.	Measure R
<b>ASSETS</b>					
Cash and Investments	\$ 880,191	\$ 12,964	\$ 510,283	\$ 232,488	\$ 4,123,979
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Other	-	-	-	70,015	-
Due from Other Agencies	1,353,210	-	-	-	-
Prepaid Items	-	-	-	11,989	-
<b>Total Assets</b>	<b>\$ 2,233,401</b>	<b>\$ 12,964</b>	<b>\$ 510,283</b>	<b>\$ 314,492</b>	<b>\$ 4,123,979</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 16,752	\$ -	\$ -	\$ 20,870	\$ 83,388
Other Accrued Liabilities	-	-	4,000	-	5,600
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>16,752</b>	<b>-</b>	<b>4,000</b>	<b>20,870</b>	<b>88,988</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	1,353,210	-	-	2,952	-
<b>Total Deferred Inflows of Resources</b>	<b>1,353,210</b>	<b>-</b>	<b>-</b>	<b>2,952</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	-	-	-	11,989	-
Restricted	863,439	12,964	506,283	278,681	4,034,991
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>863,439</b>	<b>12,964</b>	<b>506,283</b>	<b>290,670</b>	<b>4,034,991</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<b>\$ 2,233,401</b>	<b>\$ 12,964</b>	<b>\$ 510,283</b>	<b>\$ 314,492</b>	<b>\$ 4,123,979</b>

Special Revenue						Capital Projects
Measure M	Measure A	Community Corrections	Measure H	CASP Training Fund	Sportsplex	City
\$ 5,772,416	\$ -	\$ 1	\$ -	\$ 105,213	\$ 95,586	\$ 7,565,373
-	-	-	-	-	-	533,544
-	-	-	41,667	-	-	-
-	-	-	21,059	2,579	700	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,772,416</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 62,726</u>	<u>\$ 107,792</u>	<u>\$ 96,286</u>	<u>\$ 8,098,917</u>
\$ 135,319	\$ -	\$ -	\$ 20,469	\$ -	\$ 88,220	\$ 1,496,940
-	-	-	-	-	12,195	-
-	-	-	37,769	-	-	-
-	-	-	-	-	-	-
135,319	-	-	58,238	-	100,415	1,496,940
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,637,097	-	1	4,488	107,792	-	-
-	-	-	-	-	-	6,601,977
-	-	-	-	-	(4,129)	-
5,637,097	-	1	4,488	107,792	(4,129)	6,601,977
<u>\$ 5,772,416</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 62,726</u>	<u>\$ 107,792</u>	<u>\$ 96,286</u>	<u>\$ 8,098,917</u>

Continued

**City of West Covina  
Combining Balance Sheet  
Non-major Governmental Funds - Continued  
June 30, 2022**

	Capital Projects			
	Construction Tax	Information Technology	Development Impact Fees	Park Development
<b>ASSETS</b>				
Cash and Investments	\$ 253,487	\$ 293,331	\$ 582,732	\$ 7,277,777
Restricted Cash and Investments	-	-	-	-
Receivables, net:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Other	-	-	-	-
Due from Other Agencies	-	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<u>\$ 253,487</u>	<u>\$ 293,331</u>	<u>\$ 582,732</u>	<u>\$ 7,277,777</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 3,230	\$ 30,835	\$ 113,834
Other Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>3,230</u>	<u>30,835</u>	<u>113,834</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	253,487	290,101	551,897	7,163,943
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>253,487</u>	<u>290,101</u>	<u>551,897</u>	<u>7,163,943</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficits)</b>	<u>\$ 253,487</u>	<u>\$ 293,331</u>	<u>\$ 582,732</u>	<u>\$ 7,277,777</u>

Capital Projects		Future Street Improvements		Total	
\$	256,814	\$	64,980,614		
	-		538,208		
	-		78,185		
	-		507,155		
	-		163,071		
	-		2,511,029		
	-		11,989		
<u>\$</u>	<u>256,814</u>	<u>\$</u>	<u>68,790,251</u>		
\$	-	\$	8,192,167		
	-		419,565		
	-		521,524		
	-		225,826		
	-		9,359,082		
	-		2,210,188		
	-		2,210,188		
	-		11,989		
	256,814		50,771,880		
	-		6,601,977		
	-		(164,865)		
	256,814		57,220,981		
<u>\$</u>	<u>256,814</u>	<u>\$</u>	<u>68,790,251</u>		

**City of West Covina**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**Year Ended June 30, 2022**

	Special Revenue				
	Drug Enforcement Rebate	Air Quality Improvement	Proposition A	Proposition C	Police Donations
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 2,676,794	\$ 2,233,746	\$ -
Special Assessments	-	-	-	-	-
Investment Income	15,062	1,335	5,497	5,230	92
Rental Income	-	-	-	-	-
Revenue from Other Agencies	1,274,379	101,733	-	26,451	-
Charges for Services	-	-	-	19,668	-
Other Revenues	-	-	-	-	2,950
<b>Total Revenues</b>	<b>1,289,441</b>	<b>103,068</b>	<b>2,682,291</b>	<b>2,285,095</b>	<b>3,042</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	59,570	-	-
Public Safety	1,115,974	-	-	-	5,313
Public Works	-	1,400	-	508,921	-
Community Services	-	-	2,842,893	1,323,353	-
Community Development	-	-	-	12,882	-
<b>Total Expenditures</b>	<b>1,115,974</b>	<b>1,400</b>	<b>2,902,463</b>	<b>1,845,156</b>	<b>5,313</b>
Excess (Deficiency) of Revenues Over Expenditures	173,467	101,668	(220,172)	439,939	(2,271)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>173,467</b>	<b>101,668</b>	<b>(220,172)</b>	<b>439,939</b>	<b>(2,271)</b>
Fund Balances - Beginning	5,758,746	487,794	498,668	1,540,506	35,447
Fund Balances - Ending	<u>\$ 5,932,213</u>	<u>\$ 589,462</u>	<u>\$ 278,496</u>	<u>\$ 1,980,445</u>	<u>\$ 33,176</u>

Transportation Development Act	Special Revenue					
	AB939	Various Grants	Community Development Block Grant	SAFER Grant	Inmate Welfare	Public Safety Augmentation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 954,154
-	-	-	-	-	-	-
-	2,412	3,358	-	-	26	872
-	-	-	-	-	-	-
60,467	-	1,278,667	1,978,131	-	-	-
-	-	-	-	-	525	-
-	272,291	7,119	85,213	-	-	-
60,467	274,703	1,289,144	2,063,344	-	551	955,026
-	-	-	-	-	-	-
-	-	438,916	-	-	1,500	613,092
-	84,681	583,156	-	-	-	-
-	-	836,618	2,110,774	-	-	-
-	-	-	37,509	-	-	-
-	84,681	1,858,690	2,148,283	-	1,500	613,092
60,467	190,022	(569,546)	(84,939)	-	(949)	341,934
-	-	42,380	-	-	-	-
-	-	(31)	-	-	-	-
-	-	42,349	-	-	-	-
60,467	190,022	(527,197)	(84,939)	-	(949)	341,934
(60,457)	876,927	1,151,052	-	-	10,938	368,411
\$ 10	\$ 1,066,949	\$ 623,855	\$ (84,939)	\$ -	\$ 9,989	\$ 710,345

Continued



**City of West Covina**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
**Year Ended June 30, 2022**

	Special Revenue				
	COPS/SLESA	Park CESF	Maintenance District #1	Maintenance District #2	Coastal Sage Shrub
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 665,829	\$ 230,755	\$ 89,427
Special Assessments	-	-	-	-	-
Investment Income	1,458	-	8,007	2,033	1,095
Rental Income	-	-	-	-	-
Revenue from Other Agencies	260,445	34,491	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	-	-	-	-	-
<b>Total Revenues</b>	<b>261,903</b>	<b>34,491</b>	<b>673,836</b>	<b>232,788</b>	<b>90,522</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	470,433	34,491	-	-	-
Public Works	-	-	249,721	92,944	60,647
Community Services	-	-	-	-	-
Community Development	-	-	-	-	-
<b>Total Expenditures</b>	<b>470,433</b>	<b>34,491</b>	<b>249,721</b>	<b>92,944</b>	<b>60,647</b>
Excess (Deficiency) of Revenues Over Expenditures	(208,530)	-	424,115	139,844	29,875
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(9,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(208,530)</b>	<b>-</b>	<b>424,115</b>	<b>130,844</b>	<b>29,875</b>
Fund Balances - Beginning	637,476	-	2,957,334	752,860	405,651
Fund Balances - Ending	<u>\$ 428,946</u>	<u>\$ -</u>	<u>\$ 3,381,449</u>	<u>\$ 883,704</u>	<u>\$ 435,526</u>

Special Revenue						
Maintenance District #4	Maintenance District #6	Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District	General Plan Update
\$ -	\$ -	\$ -	\$ -	\$ 385,213	\$ 99,092	\$ -
1,003,441	158,578	172,757	1,806,500	3,899,450	-	-
5,469	672	943	3,217	25,744	431	-
-	-	-	-	-	-	-
-	-	-	-	-	-	205,923
-	-	-	-	-	-	-
<u>1,008,910</u>	<u>159,250</u>	<u>173,700</u>	<u>1,809,717</u>	<u>4,310,407</u>	<u>99,523</u>	<u>205,923</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
992,298	129,130	139,823	1,737,499	3,612,127	-	-
-	-	-	-	-	-	-
-	-	-	-	-	65,384	-
<u>992,298</u>	<u>129,130</u>	<u>139,823</u>	<u>1,737,499</u>	<u>3,612,127</u>	<u>65,384</u>	<u>-</u>
16,612	30,120	33,877	72,218	698,280	34,139	205,923
9,000	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
25,612	30,120	33,877	72,218	698,280	34,139	205,923
2,147,448	246,883	352,438	1,223,143	8,882,135	(109,936)	537,260
<u>\$ 2,173,060</u>	<u>\$ 277,003</u>	<u>\$ 386,315</u>	<u>\$ 1,295,361</u>	<u>\$ 9,580,415</u>	<u>\$ (75,797)</u>	<u>\$ 743,183</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, 2022**

	Special Revenue				Measure R
	Measure W	Charter PEG	Art in Public Places	West Covina Community Services Found.	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,664,991
Special Assessments	-	-	-	-	-
Investment Income	2,394	51	852	-	9,710
Rental Income	-	-	-	-	-
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	-	-	207,608	-	2,286
Other Revenues	-	-	-	164,404	-
<b>Total Revenues</b>	<b>2,394</b>	<b>51</b>	<b>208,460</b>	<b>164,404</b>	<b>1,676,987</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	15,830	-	-	-
Public Safety	-	-	-	5,784	-
Public Works	269,072	-	-	-	594,078
Community Services	-	-	-	174,307	358,439
Community Development	-	-	-	-	-
<b>Total Expenditures</b>	<b>269,072</b>	<b>15,830</b>	<b>-</b>	<b>180,091</b>	<b>952,517</b>
Excess (Deficiency) of Revenues Over Expenditures	(266,678)	(15,779)	208,460	(15,687)	724,470
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(266,678)</b>	<b>(15,779)</b>	<b>208,460</b>	<b>(15,687)</b>	<b>724,470</b>
Fund Balances - Beginning	1,130,117	28,743	297,823	306,357	3,310,521
Fund Balances - Ending	\$ 863,439	\$ 12,964	\$ 506,283	\$ 290,670	\$ 4,034,991

Special Revenue						Capital Projects
Measure M	Measure A	Community Corrections	Measure H	CASP Training Fund	Sportsplex	City
\$ 1,884,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
12,884	-	(14)	-	-	36	-
-	-	-	-	-	217,995	-
-	3,229	-	302,826	24,333	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,851	-
<u>1,897,012</u>	<u>3,229</u>	<u>(14)</u>	<u>302,826</u>	<u>24,333</u>	<u>223,882</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	2,073	273,562	-	-	7,810,515
-	-	-	-	-	95,138	-
308,006	3,230	-	-	-	887,126	-
-	-	-	-	-	-	-
<u>308,006</u>	<u>3,230</u>	<u>2,073</u>	<u>273,562</u>	<u>-</u>	<u>982,264</u>	<u>7,810,515</u>
<u>1,589,006</u>	<u>(1)</u>	<u>(2,087)</u>	<u>29,264</u>	<u>24,333</u>	<u>(758,382)</u>	<u>(7,810,515)</u>
-	-	-	33,000	-	754,253	4,725,000
-	-	-	-	-	-	-
-	-	-	33,000	-	754,253	4,725,000
1,589,006	(1)	(2,087)	62,264	24,333	(4,129)	(3,085,515)
4,048,091	1	2,088	(57,776)	83,459	-	9,687,492
<u>\$ 5,637,097</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 4,488</u>	<u>\$ 107,792</u>	<u>\$ (4,129)</u>	<u>\$ 6,601,977</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, 2022**

	Capital Projects			
	Construction Tax	Information Technology	Development Impact Fees	Park Development
<b>REVENUES</b>				
Taxes	\$ 7,319	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-
Investment Income	657	-	-	11,611
Rental Income	-	-	-	-
Revenue from Other Agencies	-	-	-	-
Charges for Services	-	-	-	-
Other Revenues	-	95,586	166,580	4,093,300
<b>Total Revenues</b>	<b>7,976</b>	<b>95,586</b>	<b>166,580</b>	<b>4,104,911</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	14,225	20,078	-	27,472
Community Services	-	-	91,889	216,938
Community Development	-	-	-	-
<b>Total Expenditures</b>	<b>14,225</b>	<b>20,078</b>	<b>91,889</b>	<b>244,410</b>
Excess (Deficiency) of Revenues Over Expenditures	(6,249)	75,508	74,691	3,860,501
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(6,249)</b>	<b>75,508</b>	<b>74,691</b>	<b>3,860,501</b>
Fund Balances - Beginning	259,736	214,593	477,206	3,303,442
Fund Balances - Ending	<u>\$ 253,487</u>	<u>\$ 290,101</u>	<u>\$ 551,897</u>	<u>\$ 7,163,943</u>

Capital Projects	
Future Street Improvements	Total
\$ -	\$ 10,891,448
-	7,040,726
-	121,134
-	217,995
-	5,345,152
-	436,010
<u>25,564</u>	<u>4,918,858</u>
<u>25,564</u>	<u>28,971,323</u>
-	75,400
-	10,771,653
-	9,212,410
-	9,153,573
-	115,775
<u>-</u>	<u>29,328,811</u>
<u>25,564</u>	<u>(357,488)</u>
-	5,563,633
-	(9,031)
<u>-</u>	<u>5,554,602</u>
25,564	5,197,114
<u>231,250</u>	<u>52,023,867</u>
<u>\$ 256,814</u>	<u>\$ 57,220,981</u>

**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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 15,062	\$ 15,062
Revenues from Other Agencies	-	1,274,379	1,274,379
Total Revenues	-	1,289,441	1,289,441
<b>EXPENDITURES</b>			
Current:			
Public Safety	3,067,788	1,115,974	1,951,814
Total Expenditures	3,067,788	1,115,974	1,951,814
Excess (Deficiency) of Revenues over Expenditures	(3,067,788)	173,467	3,241,255
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(3,067,788)	173,467	3,241,255
Fund Balance, Beginning	5,758,746	5,758,746	-
Fund Balance, Ending	<u>\$ 2,690,958</u>	<u>\$ 5,932,213</u>	<u>\$ 3,241,255</u>

**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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 1,335	\$ 1,335
Revenue from Other Agencies	40,000	101,733	61,733
Total Revenues	<u>40,000</u>	<u>103,068</u>	<u>63,068</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	362,100	1,400	360,700
Total Expenditures	<u>362,100</u>	<u>1,400</u>	<u>360,700</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(322,100)</u>	<u>101,668</u>	<u>423,768</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(322,100)	101,668	423,768
Fund Balance, Beginning	<u>487,794</u>	<u>487,794</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 165,694</u>	<u>\$ 589,462</u>	<u>\$ 423,768</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,246,600	\$ 2,676,794	\$ 430,194
Investment Income	-	5,497	5,497
Total Revenues	<u>2,246,600</u>	<u>2,682,291</u>	<u>435,691</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	59,570	(59,570)
Community Services	2,990,470	2,842,893	147,577
Total Expenditures	<u>2,990,470</u>	<u>2,902,463</u>	<u>88,007</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(743,870)</u>	<u>(220,172)</u>	<u>523,698</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(743,870)	(220,172)	523,698
Fund Balance, Beginning	<u>498,668</u>	<u>498,668</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (245,202)</u>	<u>\$ 278,496</u>	<u>\$ 523,698</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,190,200	\$ 2,233,746	\$ 43,546
Investment Income	10,000	5,230	(4,770)
Revenue from Other Agencies	116,000	26,451	(89,549)
Charges for Services	2,400	19,668	17,268
	<u>2,318,600</u>	<u>2,285,095</u>	<u>(33,505)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	677,800	508,921	168,879
Community Services	1,600,880	1,323,353	277,527
Community Development	11,000	12,882	(1,882)
	<u>2,289,680</u>	<u>1,845,156</u>	<u>444,524</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,920</u>	<u>439,939</u>	<u>411,019</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	28,920	439,939	411,019
Fund Balance, Beginning	<u>1,540,506</u>	<u>1,540,506</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,569,426</u>	<u>\$ 1,980,445</u>	<u>\$ 411,019</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ 100	\$ 92	\$ (8)
Other Revenues	2,250	2,950	700
Total Revenues	<u>2,350</u>	<u>3,042</u>	<u>692</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	17,230	5,313	11,917
Total Expenditures	<u>17,230</u>	<u>5,313</u>	<u>11,917</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,880)</u>	<u>(2,271)</u>	<u>12,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(14,880)	(2,271)	12,609
Fund Balance, Beginning	<u>35,447</u>	<u>35,447</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 20,567</u>	<u>\$ 33,176</u>	<u>\$ 12,609</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	77,600	60,467	(17,133)
Total Revenues	<u>77,600</u>	<u>60,467</u>	<u>(17,133)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	70,000	-	70,000
Total Expenditures	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,600</u>	<u>60,467</u>	<u>52,867</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	7,600	60,467	52,867
Fund Balance, Beginning	<u>(60,457)</u>	<u>(60,457)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (52,857)</u>	<u>\$ 10</u>	<u>\$ 52,867</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ 2,200	\$ 2,412	\$ 212
Other Revenues	170,000	272,291	102,291
Total Revenues	<u>172,200</u>	<u>274,703</u>	<u>102,503</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	172,900	84,681	88,219
Total Expenditures	<u>172,900</u>	<u>84,681</u>	<u>88,219</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(700)</u>	<u>190,022</u>	<u>190,722</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(700)	190,022	190,722
Fund Balance, Beginning	<u>876,927</u>	<u>876,927</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 876,227</u>	<u>\$ 1,066,949</u>	<u>\$ 190,722</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ 100	\$ 3,358	\$ 3,258
Revenue from Other Agencies	5,429,532	1,278,667	(4,150,865)
Other Revenues	22,000	7,119	(14,881)
	<u>5,451,632</u>	<u>1,289,144</u>	<u>(4,162,488)</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
Public Safety	608,209	438,916	169,293
Public Works	3,927,062	583,156	3,343,906
Community Services	1,133,561	836,618	296,943
	<u>5,668,832</u>	<u>1,858,690</u>	<u>3,810,142</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(217,200)</u>	<u>(569,546)</u>	<u>(352,346)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	42,380	42,380
Transfers Out	(31)	(31)	-
	<u>(31)</u>	<u>42,349</u>	<u>42,380</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(217,231)	(527,197)	(309,966)
Fund Balance, Beginning	<u>1,151,052</u>	<u>1,151,052</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 933,821</u>	<u>\$ 623,855</u>	<u>\$ (309,966)</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Revenues from Other Agencies	3,273,566	1,978,131	(1,295,435)
Other Revenues	40,000	85,213	45,213
Total Revenues	<u>3,313,566</u>	<u>2,063,344</u>	<u>(1,250,222)</u>
<b>EXPENDITURES</b>			
Current:			
Community Services	3,623,991	2,110,774	1,513,217
Community Development	284,030	37,509	246,521
Total Expenditures	<u>3,908,021</u>	<u>2,148,283</u>	<u>1,759,738</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(594,455)</u>	<u>(84,939)</u>	<u>509,516</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(594,455)	(84,939)	509,516
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	<u>\$ (594,455)</u>	<u>\$ (84,939)</u>	<u>\$ 509,516</u>

**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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 26	\$ 26
Charges for Services	1,500	525	(975)
Total Revenues	<u>1,500</u>	<u>551</u>	<u>(949)</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	1,500	1,500	-
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(949)</u>	<u>(949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(949)	(949)
Fund Balance, Beginning	<u>10,938</u>	<u>10,938</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 10,938</u>	<u>\$ 9,989</u>	<u>\$ (949)</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 823,800	\$ 954,154	\$ 130,354
Investment Income	2,000	872	(1,128)
Total Revenues	<u>825,800</u>	<u>955,026</u>	<u>129,226</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	960,000	613,092	346,908
Total Expenditures	<u>960,000</u>	<u>613,092</u>	<u>346,908</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(134,200)</u>	<u>341,934</u>	<u>476,134</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(134,200)	341,934	476,134
Fund Balance, Beginning	<u>368,411</u>	<u>368,411</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 234,211</u></u>	<u><u>\$ 710,345</u></u>	<u><u>\$ 476,134</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ 1,600	\$ 1,458	\$ (142)
Revenue from Other Agencies	260,000	260,445	445
Total Revenues	<u>261,600</u>	<u>261,903</u>	<u>303</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	688,921	470,433	218,488
Total Expenditures	<u>688,921</u>	<u>470,433</u>	<u>218,488</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(427,321)</u>	<u>(208,530)</u>	<u>218,791</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(427,321)	(208,530)	218,791
Fund Balance, Beginning	<u>637,476</u>	<u>637,476</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 210,155</u></u>	<u><u>\$ 428,946</u></u>	<u><u>\$ 218,791</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	35,000	34,491	(509)
Total Revenues	35,000	34,491	(509)
<b>EXPENDITURES</b>			
Current:			
Public Safety	35,000	34,491	509
Total Expenditures	35,000	34,491	509
Excess (Deficiency) of Revenues over Expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -

**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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 639,100	\$ 665,829	\$ 26,729
Investment Income	11,000	8,007	(2,993)
Total Revenues	<u>650,100</u>	<u>673,836</u>	<u>23,736</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	352,788	249,721	103,067
Total Expenditures	<u>352,788</u>	<u>249,721</u>	<u>103,067</u>
Excess (Deficiency) of Revenues over Expenditures	<u>297,312</u>	<u>424,115</u>	<u>126,803</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	297,312	424,115	126,803
Fund Balance, Beginning	<u>2,957,334</u>	<u>2,957,334</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 3,254,646</u></u>	<u><u>\$ 3,381,449</u></u>	<u><u>\$ 126,803</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 252,000	\$ 230,755	\$ (21,245)
Investment Income	3,000	2,033	(967)
Total Revenues	<u>255,000</u>	<u>232,788</u>	<u>(22,212)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	192,543	92,944	99,599
Total Expenditures	<u>192,543</u>	<u>92,944</u>	<u>99,599</u>
Excess (Deficiency) of Revenues over Expenditures	<u>62,457</u>	<u>139,844</u>	<u>77,387</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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	53,457	130,844	77,387
Fund Balance, Beginning	<u>752,860</u>	<u>752,860</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 806,317</u></u>	<u><u>\$ 883,704</u></u>	<u><u>\$ 77,387</u></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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 110,000	\$ 89,427	\$ (20,573)
Investment Income	1,100	1,095	(5)
Total Revenues	<u>111,100</u>	<u>90,522</u>	<u>(20,578)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	80,230	60,647	19,583
Total Expenditures	<u>80,230</u>	<u>60,647</u>	<u>19,583</u>
Excess (Deficiency) of Revenues over Expenditures	<u>30,870</u>	<u>29,875</u>	<u>(995)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	30,870	29,875	(995)
Fund Balance, Beginning	<u>405,651</u>	<u>405,651</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 436,521</u></u>	<u><u>\$ 435,526</u></u>	<u><u>\$ (995)</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Special Assessments	\$ 1,193,700	\$ 1,003,441	\$ (190,259)
Investment Income	6,500	5,469	(1,031)
Total Revenues	<u>1,200,200</u>	<u>1,008,910</u>	<u>(191,290)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	1,273,448	992,298	281,150
Total Expenditures	<u>1,273,448</u>	<u>992,298</u>	<u>281,150</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(73,248)</u>	<u>16,612</u>	<u>89,860</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	9,000	9,000	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Net Change in Fund Balances	(64,248)	25,612	89,860
Fund Balance, Beginning	<u>2,147,448</u>	<u>2,147,448</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,083,200</u></u>	<u><u>\$ 2,173,060</u></u>	<u><u>\$ 89,860</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Special Assessments	\$ 183,500	\$ 158,578	\$ (24,922)
Investment Income	1,000	672	(328)
Total Revenues	<u>184,500</u>	<u>159,250</u>	<u>(25,250)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	194,015	129,130	64,885
Total Expenditures	<u>194,015</u>	<u>129,130</u>	<u>64,885</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,515)</u>	<u>30,120</u>	<u>39,635</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,515)	30,120	39,635
Fund Balance, Beginning	<u>246,883</u>	<u>246,883</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 237,368</u></u>	<u><u>\$ 277,003</u></u>	<u><u>\$ 39,635</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Special Assessments	\$ 204,900	\$ 172,757	\$ (32,143)
Investment Income	1,200	943	(257)
Total Revenues	<u>206,100</u>	<u>173,700</u>	<u>(32,400)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	189,040	139,823	49,217
Total Expenditures	<u>189,040</u>	<u>139,823</u>	<u>49,217</u>
Excess (Deficiency) of Revenues over Expenditures	<u>17,060</u>	<u>33,877</u>	<u>16,817</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,060	33,877	16,817
Fund Balance, Beginning	<u>352,438</u>	<u>352,438</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 369,498</u></u>	<u><u>\$ 386,315</u></u>	<u><u>\$ 16,817</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Special Assessments	\$ 2,050,600	\$ 1,806,500	\$ (244,100)
Investment Income	4,500	3,217	(1,283)
Total Revenues	<u>2,055,100</u>	<u>1,809,717</u>	<u>(245,383)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	2,414,683	1,737,499	677,184
Total Expenditures	<u>2,414,683</u>	<u>1,737,499</u>	<u>677,184</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(359,583)</u>	<u>72,218</u>	<u>431,801</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(359,583)	72,218	431,801
Fund Balance, Beginning	<u>1,223,143</u>	<u>1,223,143</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 863,560</u></u>	<u><u>\$ 1,295,361</u></u>	<u><u>\$ 431,801</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 210,000	\$ 385,213	\$ 175,213
Special Assessments	3,000,000	3,899,450	899,450
Investment Income	20,000	25,744	5,744
Charges for Services	-	-	-
Total Revenues	<u>3,230,000</u>	<u>4,310,407</u>	<u>1,080,407</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	<u>6,797,050</u>	<u>3,612,127</u>	<u>3,184,923</u>
Total Expenditures	<u>6,797,050</u>	<u>3,612,127</u>	<u>3,184,923</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,567,050)</u>	<u>698,280</u>	<u>4,265,330</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	(3,667,050)	698,280	4,365,330
Fund Balance, Beginning	<u>8,882,135</u>	<u>8,882,135</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 5,215,085</u></u>	<u><u>\$ 9,580,415</u></u>	<u><u>\$ 4,365,330</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 115,700	\$ 99,092	\$ (16,608)
Investment Income	1,000	431	(569)
Total Revenues	<u>116,700</u>	<u>99,523</u>	<u>(17,177)</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	69,900	65,384	4,516
Total Expenditures	<u>69,900</u>	<u>65,384</u>	<u>4,516</u>
Excess (Deficiency) of Revenues over Expenditures	<u>46,800</u>	<u>34,139</u>	<u>(12,661)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	46,800	34,139	(12,661)
Fund Balance, Beginning	<u>(109,936)</u>	<u>(109,936)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (63,136)</u></u>	<u><u>\$ (75,797)</u></u>	<u><u>\$ (12,661)</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,370,000	\$ -	\$ (1,370,000)
Investment Income	-	2,394	2,394
Total Revenues	<u>1,370,000</u>	<u>2,394</u>	<u>(1,367,606)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	1,210,200	269,072	941,128
Total Expenditures	<u>1,210,200</u>	<u>269,072</u>	<u>941,128</u>
Excess (Deficiency) of Revenues over Expenditures	<u>159,800</u>	<u>(266,678)</u>	<u>(426,478)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	159,800	(266,678)	(426,478)
Fund Balance, Beginning	<u>1,130,117</u>	<u>1,130,117</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,289,917</u></u>	<u><u>\$ 863,439</u></u>	<u><u>\$ (426,478)</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	51	51
Total Revenues	-	51	51
<b>EXPENDITURES</b>			
Current:			
General Government	15,830	15,830	-
Total Expenditures	15,830	15,830	-
Excess (Deficiency) of Revenues over Expenditures	(15,830)	(15,779)	51
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(15,830)	(15,779)	51
Fund Balance, Beginning	28,743	28,743	-
Fund Balance, Ending	<u>\$ 12,913</u>	<u>\$ 12,964</u>	<u>\$ 51</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Other Revenues	58,313	164,404	106,091
Total Revenues	<u>58,313</u>	<u>164,404</u>	<u>106,091</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	5,784	(5,784)
Community Services	321,610	174,307	147,303
Total Expenditures	<u>321,610</u>	<u>180,091</u>	<u>141,519</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(263,297)</u>	<u>(15,687)</u>	<u>247,610</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(263,297)	(15,687)	247,610
Fund Balance, Beginning	<u>306,357</u>	<u>306,357</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 43,060</u>	<u>\$ 290,670</u>	<u>\$ 247,610</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,337,700	\$ 1,664,991	\$ 327,291
Charges for Services	-	2,286	2,286
Investment Income	10,000	9,710	(290)
Total Revenues	<u>1,347,700</u>	<u>1,676,987</u>	<u>329,287</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	594,300	594,078	222
Community Services	1,549,134	358,439	1,190,695
Total Expenditures	<u>2,143,434</u>	<u>952,517</u>	<u>1,190,917</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(795,734)</u>	<u>724,470</u>	<u>1,520,204</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(795,734)	724,470	1,520,204
Fund Balance, Beginning	<u>3,310,521</u>	<u>3,310,521</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,514,787</u></u>	<u><u>\$ 4,034,991</u></u>	<u><u>\$ 1,520,204</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,509,200	\$ 1,884,128	\$ 374,928
Investment Income	13,000	12,884	(116)
Total Revenues	<u>1,522,200</u>	<u>1,897,012</u>	<u>374,812</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Community Services	836,203	308,006	528,197
Total Expenditures	<u>836,203</u>	<u>308,006</u>	<u>528,197</u>
Excess (Deficiency) of Revenues over Expenditures	<u>685,997</u>	<u>1,589,006</u>	<u>903,009</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	685,997	1,589,006	903,009
Fund Balance, Beginning	<u>4,048,091</u>	<u>4,048,091</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 4,734,088</u></u>	<u><u>\$ 5,637,097</u></u>	<u><u>\$ 903,009</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	400,000	3,229	(396,771)
Total Revenues	400,000	3,229	(396,771)
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Community Services	403,230	3,230	400,000
Total Expenditures	403,230	3,230	400,000
Excess (Deficiency) of Revenues over Expenditures	(3,230)	(1)	3,229
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(3,230)	(1)	3,229
Fund Balance, Beginning	1	1	-
Fund Balance, Ending	\$ (3,229)	\$ -	\$ 3,229

**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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Revenue from Other Agencies	237,000	302,826	65,826
Total Revenues	<u>237,000</u>	<u>302,826</u>	<u>65,826</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	406,027	273,562	132,465
Community Services	-	-	-
Total Expenditures	<u>406,027</u>	<u>273,562</u>	<u>132,465</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(169,027)</u>	<u>29,264</u>	<u>198,291</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	33,000	33,000	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Net Change in Fund Balances	(136,027)	62,264	198,291
Fund Balance, Beginning	<u>(57,776)</u>	<u>(57,776)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (193,803)</u></u>	<u><u>\$ 4,488</u></u>	<u><u>\$ 198,291</u></u>

**City of West Covina**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Sportsplex Special Revenue Fund**  
**Year Ended June 30, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ 36	\$ 36
Rental Income	173,136	217,995	44,859
Other Revenues	-	5,851	5,851
Total Revenues	<u>173,136</u>	<u>223,882</u>	<u>50,746</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	150,000	95,138	54,862
Community Services	1,348,929	887,126	461,803
Total Expenditures	<u>1,498,929</u>	<u>982,264</u>	<u>516,665</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,325,793)</u>	<u>(758,382)</u>	<u>567,411</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	754,253	754,253	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>754,253</u>	<u>754,253</u>	<u>-</u>
Net Change in Fund Balances	(571,540)	(4,129)	567,411
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	<u>\$ (571,540)</u>	<u>\$ (4,129)</u>	<u>\$ 567,411</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Public Safety	10,458,800	7,810,515	2,648,285
Total Expenditures	10,458,800	7,810,515	2,648,285
Excess (Deficiency) of Revenues over Expenditures	(10,458,800)	(7,810,515)	2,648,285
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	4,725,000	4,725,000	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	4,725,000	4,725,000	-
Net Change in Fund Balances	(5,733,800)	(3,085,515)	2,648,285
Fund Balance, Beginning	9,687,492	9,687,492	-
Fund Balance, Ending	<u>\$ 3,953,692</u>	<u>\$ 6,601,977</u>	<u>\$ 2,648,285</u>

**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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 70,000	\$ 7,319	\$ (62,681)
Investment Income	1,000	657	(343)
Total Revenues	<u>71,000</u>	<u>7,976</u>	<u>(63,024)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	<u>20,000</u>	<u>14,225</u>	<u>5,775</u>
Total Expenditures	<u>20,000</u>	<u>14,225</u>	<u>5,775</u>
Excess (Deficiency) of Revenues over Expenditures	<u>51,000</u>	<u>(6,249)</u>	<u>(57,249)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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	51,000	(6,249)	(57,249)
Fund Balance, Beginning	<u>259,736</u>	<u>259,736</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 310,736</u></u>	<u><u>\$ 253,487</u></u>	<u><u>\$ (57,249)</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Revenue from Other Agencies	\$ 280,000	\$ -	\$ (280,000)
Other Revenues	-	95,586	95,586
Total Revenues	<u>280,000</u>	<u>95,586</u>	<u>(184,414)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	304,086	20,078	284,008
Total Expenditures	<u>304,086</u>	<u>20,078</u>	<u>284,008</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(24,086)</u>	<u>75,508</u>	<u>99,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(24,086)	75,508	99,594
Fund Balance, Beginning	<u>214,593</u>	<u>214,593</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 190,507</u></u>	<u><u>\$ 290,101</u></u>	<u><u>\$ 99,594</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ -
Other Revenues	-	166,580	166,580
Total Revenues	-	166,580	166,580
<b>EXPENDITURES</b>			
Current:			
Community Services	103,291	91,889	11,402
Total Expenditures	103,291	91,889	11,402
Excess (Deficiency) of Revenues over Expenditures	(103,291)	74,691	177,982
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(103,291)	74,691	177,982
Fund Balance, Beginning	477,206	477,206	-
Fund Balance, Ending	<u>\$ 373,915</u>	<u>\$ 551,897</u>	<u>\$ 177,982</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, 2022**

	Final Budget	Actual Amounts	Variance - Positive (Negative)
<b>REVENUES</b>			
Investment Income	\$ 13,000	\$ 11,611	\$ (1,389)
Other Revenues	1,971,900	4,093,300	2,121,400
Total Revenues	<u>1,984,900</u>	<u>4,104,911</u>	<u>2,120,011</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	82,434	27,472	54,962
Community Services	1,005,100	216,938	788,162
Total Expenditures	<u>1,087,534</u>	<u>244,410</u>	<u>843,124</u>
Excess (Deficiency) of Revenues over Expenditures	<u>897,366</u>	<u>3,860,501</u>	<u>2,963,135</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	897,366	3,860,501	2,963,135
Fund Balance, Beginning	<u>3,303,442</u>	<u>3,303,442</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 4,200,808</u></u>	<u><u>\$ 7,163,943</u></u>	<u><u>\$ 2,963,135</u></u>

**INTERNAL SERVICE FUNDS**

**City of West Covina  
Internal Service Funds  
Year Ended June 30, 2022**

**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, 2022**

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	Vehicle Replacement	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 377,359	\$ 14,540,334	\$ 346,235	\$ 48	\$ 15,263,976
Restricted Cash and Investments	-	424,817	-	-	424,817
Accounts Receivable	-	1,050	-	-	1,050
Inventories	73,202	-	-	-	73,202
<b>Total Current Assets</b>	<b>450,561</b>	<b>14,966,201</b>	<b>346,235</b>	<b>48</b>	<b>15,763,045</b>
Noncurrent Assets:					
Capital Assets, Depreciable, Net	153,480	-	-	446,526	600,006
<b>Total Noncurrent Assets</b>	<b>153,480</b>	<b>-</b>	<b>-</b>	<b>446,526</b>	<b>600,006</b>
<b>Total Assets</b>	<b>604,041</b>	<b>14,966,201</b>	<b>346,235</b>	<b>446,574</b>	<b>16,363,051</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	139,251	51,631	-	-	190,882
Other Accrued Liabilities	1,120	-	-	-	1,120
Current Portion of Long-Term Liabilities:					
Claims Payable	-	3,310,764	-	-	3,310,764
<b>Total Current Liabilities</b>	<b>140,371</b>	<b>3,362,395</b>	<b>-</b>	<b>-</b>	<b>3,502,766</b>
Noncurrent Liabilities:					
Compensated Absences	10,182	-	-	-	10,182
Claims Payable	-	9,362,390	-	-	9,362,390
<b>Total Noncurrent Liabilities</b>	<b>10,182</b>	<b>9,362,390</b>	<b>-</b>	<b>-</b>	<b>9,372,572</b>
<b>Total Liabilities</b>	<b>150,553</b>	<b>12,724,785</b>	<b>-</b>	<b>-</b>	<b>12,875,338</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	153,480	-	-	446,526	600,006
Unrestricted	300,008	2,241,416	346,235	48	2,887,707
<b>Total Net Position</b>	<b>\$ 453,488</b>	<b>\$ 2,241,416</b>	<b>\$ 346,235</b>	<b>\$ 446,574</b>	<b>\$ 3,487,713</b>

**City of West Covina**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended June 30, 2022**

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	Vehicle Replacement	Totals
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 1,515,130	\$ 4,086,728	\$ -	\$ -	\$ 5,601,858
Rental Income	44,398	-	-	-	44,398
Other Revenues	5,257	86,388	-	-	91,645
Total Operating Revenues	<u>1,564,785</u>	<u>4,173,116</u>	<u>-</u>	<u>-</u>	<u>5,737,901</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	87,565	-	-	-	87,565
Cost of Sales, Services and Operations	1,379,969	62,372	-	-	1,442,341
Depreciation	1,666	-	-	218,252	219,918
Insurance and Claims Paid	-	5,142,016	-	-	5,142,016
Total Operating Expenses	<u>1,469,200</u>	<u>5,204,388</u>	<u>-</u>	<u>218,252</u>	<u>6,891,840</u>
Operating Income (Loss)	<u>95,585</u>	<u>(1,031,272)</u>	<u>-</u>	<u>(218,252)</u>	<u>(1,153,939)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	-	-	867	-	867
Gain/(Loss) on Disposal of Capital Assets	2,221	-	-	16,303	18,524
Total Nonoperating Revenues (Expenses)	<u>2,221</u>	<u>-</u>	<u>867</u>	<u>16,303</u>	<u>19,391</u>
Income (Loss) Before Operating Transfers	97,806	(1,031,272)	867	(201,949)	(1,134,548)
Transfers In	-	700,000	-	142,342	842,342
Transfers Out	-	-	-	-	-
Change in Net Position	97,806	(331,272)	867	(59,607)	(292,206)
Net Position - Beginning of Year	<u>355,682</u>	<u>2,572,688</u>	<u>345,368</u>	<u>506,181</u>	<u>3,779,919</u>
Net Position - End of Year	<u>\$ 453,488</u>	<u>\$ 2,241,416</u>	<u>\$ 346,235</u>	<u>\$ 446,574</u>	<u>\$ 3,487,713</u>

**City of West Covina**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended June 30, 2022**

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	Vehicle Replacement	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from User Departments	\$ 1,664,785	\$ 4,173,116	\$ -	\$ -	\$ 5,837,901
Cash Paid to Suppliers for Goods and Services	(1,367,082)	(5,225,394)	-	-	(6,592,476)
Cash Paid to Employees for Services	(78,416)	-	-	-	(78,416)
Net Cash from Operating Activities	<u>219,287</u>	<u>(1,052,278)</u>	<u>-</u>	<u>-</u>	<u>(832,991)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash Paid (to) from Other Funds	-	700,000	-	79,890	779,890
Net Cash from Noncapital and Related Financing Activities	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>79,890</u>	<u>779,890</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and Construction of Capital Assets	(47,277)	-	-	(79,842)	(127,119)
Net Cash from Capital and Related Financing Activities	<u>(47,277)</u>	<u>-</u>	<u>-</u>	<u>(79,842)</u>	<u>(127,119)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	-	-	867	-	867
Net Cash from Investing Activities	<u>-</u>	<u>-</u>	<u>867</u>	<u>-</u>	<u>867</u>
Net Increase (Decrease) in Cash and Cash Equivalents	172,010	(352,278)	867	48	(179,353)
Cash and Cash Equivalents, Beginning of the Year	205,349	15,317,429	345,368	-	15,868,146
Cash and Cash Equivalents, End of the Year	<u>\$ 377,359</u>	<u>\$ 14,965,151</u>	<u>\$ 346,235</u>	<u>\$ 48</u>	<u>\$ 15,688,793</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>					
Operating Income (Loss)	\$ 95,585	\$ (1,031,272)	\$ -	\$ (218,252)	\$ (1,153,939)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,666	-	-	218,252	219,918
Miscellaneous Income	-	-	-	-	-
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	100,000	-	-	-	100,000
(Increase) Decrease in Inventory and Prepaid Items	(33,023)	-	-	-	(33,023)
Increase (Decrease) in Accounts Payable	45,910	46,323	-	-	92,233
Increase (Decrease) in Accrued Liabilities	(833)	-	-	-	(833)
Increase (Decrease) in Compensated Absences Payable	9,982	-	-	-	9,982
Increase (Decrease) in Claims Payable	-	(67,329)	-	-	(67,329)
Net Cash from Operating Activities	<u>\$ 219,287</u>	<u>\$ (1,052,278)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (832,991)</u>

**PENSION TRUST FUNDS**

**City of West Covina  
Pension Trust Funds  
Year Ended June 30, 2022**

**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.

Draft



**City of West Covina**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**June 30, 2022**

	Retirement Enhancement Defined Benefit Pension Fund	Supplemental Retired Defined Benefit Pension Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Cash and Investments	\$ 72,481	\$ 317,934	\$ 390,415
Total Assets	<u>72,481</u>	<u>317,934</u>	<u>390,415</u>
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	<u>\$ 72,481</u>	<u>\$ 317,934</u>	<u>\$ 390,415</u>

**City of West Covina**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**June 30, 2022**

	Retirement Enhancement Defined Benefit Pension Fund	Supplemental Retired Defined Benefit Pension Fund	Total Pension Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer Contributions	\$ 51,428	\$ 80,946	\$ 132,374
Investment Earnings:			
Interest Income	(8,794)	(44,819)	(53,613)
	<u>42,634</u>	<u>36,127</u>	<u>78,761</u>
<b>DEDUCTIONS</b>			
Administrative Costs	3,086	4,947	8,033
Benefit Distributions	38,080	173,697	211,777
	<u>41,166</u>	<u>178,644</u>	<u>219,810</u>
Net Increase (decrease) in fiduciary net position	1,468	(142,517)	(141,049)
Net Position, beginning of the year	71,013	460,451	531,464
Net Position, end of the year	<u>\$ 72,481</u>	<u>\$ 317,934</u>	<u>\$ 390,415</u>

**STATISTICAL SECTION**

**City of West Covina**  
**Description of Statistical Section Contents**  
**June 30, 2022**

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	159
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	173
<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	180
<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	188
<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	190

**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$164,621,539	\$161,771,546	\$144,215,248	\$148,989,212
Restricted	46,016,224	47,468,277	48,793,821	56,902,504
Unrestricted	(297,086)	191,878	(129,152,694)	(138,162,202)
Total governmental activities net pension	<u>\$210,340,677</u>	<u>\$209,431,701</u>	<u>\$ 63,856,375</u>	<u>\$ 67,729,514</u>
Business-type activities:				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	(426,769)	60,922	188,045	(135,676)
Total business-type activities net pension	<u>\$ (426,769)</u>	<u>\$ 60,922</u>	<u>\$ 188,045</u>	<u>\$ (135,676)</u>
Primary government:				
Net investment in capital assets	\$164,621,539	\$161,771,546	\$144,215,248	\$148,989,212
Restricted	46,016,224	47,468,277	48,793,821	56,902,504
Unrestricted	(723,855)	252,800	(128,964,649)	(138,297,878)
Total primary government net pension	<u>\$209,913,908</u>	<u>\$209,492,623</u>	<u>\$ 64,044,420</u>	<u>\$ 67,593,838</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 153,784,463	\$ 153,940,332	\$ 147,204,908	\$ 140,572,511	\$ 139,507,563	\$ 152,889,130
50,717,656	51,130,936	57,782,735	65,969,665	89,226,135	98,381,004
<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>(240,284,642)</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>\$ 10,985,492</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>(252,336)</u>	<u>(275,010)</u>	<u>(326,385)</u>	<u>(244,119)</u>	<u>38,329</u>	<u>235,307</u>
<u>\$ (252,336)</u>	<u>\$ (275,010)</u>	<u>\$ (326,385)</u>	<u>\$ (244,119)</u>	<u>\$ 38,329</u>	<u>\$ 235,307</u>
\$ 153,784,463	\$ 153,940,332	\$ 147,204,908	\$ 140,572,511	\$ 139,507,563	\$ 152,889,130
50,717,656	51,130,936	57,782,735	65,969,665	89,226,135	98,381,004
<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>(240,049,335)</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>	<u>\$ 11,220,799</u>

**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses:</b>				
<b>Governmental activities:</b>				
General government	\$ 5,519,153	\$ 7,472,254	\$ 5,676,067	\$ 4,963,302
Public safety	47,323,516	45,443,958	49,813,447	48,410,511
Public works	20,372,375	21,109,952	20,586,770	20,259,279
Community services	6,878,176	6,437,040	7,035,872	7,368,492
Community development	1,127,924	658,082	766,886	753,721
Interest on long-term debt	1,652,750	1,677,062	1,353,156	1,572,645
Total governmental activities expenses	<u>82,873,894</u>	<u>82,798,348</u>	<u>85,232,198</u>	<u>83,327,950</u>
<b>Business-type activities:</b>				
Computer enterprise	1,435,855	1,284,419	1,427,789	1,638,573
Total business-type activities expenses	<u>1,435,855</u>	<u>1,284,419</u>	<u>1,427,789</u>	<u>1,638,573</u>
Total primary government expenses	<u>84,309,749</u>	<u>84,082,767</u>	<u>86,659,987</u>	<u>84,966,523</u>
<b>Program revenues:</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
General government	548,333	486,478	885,123	400,051
Public safety	3,018,478	3,037,891	2,825,831	3,170,579
Public works	7,781,333	8,878,122	8,278,038	8,271,744
Community services	1,195,612	1,180,562	1,275,278	1,365,482
Community development	348,112	621,352	502,621	425,013
Operating grants and contributions	10,344,778	11,021,410	12,405,742	13,317,378
Capital grants and contributions	597,405	4,458,250	2,224,864	1,004,826
Total governmental activities program revenues	<u>23,834,051</u>	<u>29,684,065</u>	<u>28,397,497</u>	<u>27,955,073</u>
<b>Business-type activities:</b>				
<b>Charges for services:</b>				
Computer enterprise	2,105,421	1,873,636	1,655,134	1,413,114
Total business-type activities program revenues	<u>2,105,421</u>	<u>1,873,636</u>	<u>1,655,134</u>	<u>1,413,114</u>
Total primary government program revenues	<u>25,939,472</u>	<u>31,557,701</u>	<u>30,052,631</u>	<u>29,368,187</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,775,173	\$ 7,523,129	\$ 7,515,920	\$ 7,781,252	\$ 18,929,254	\$ 3,700,172
56,169,907	67,734,047	58,057,784	72,653,866	62,479,977	49,887,239
21,243,019	21,161,586	21,625,190	23,649,892	17,212,496	13,508,312
7,926,410	8,926,070	9,280,450	9,418,860	7,675,178	12,587,100
2,190,319	1,618,181	795,685	1,394,131	1,568,283	1,238,687
1,575,724	1,515,826	1,680,335	1,874,899	8,354,304	9,033,455
94,880,552	108,478,839	98,955,364	116,772,900	116,219,492	89,954,965
1,575,066	1,305,426	1,263,693	1,230,639	475,672	719,911
1,575,066	1,305,426	1,263,693	1,230,639	475,672	719,911
96,455,618	109,784,265	100,219,057	118,003,539	116,695,164	90,674,876
546,626	814,465	829,295	369,796	312,112	617,087
3,201,495	3,610,467	3,839,103	4,304,075	3,718,158	4,467,009
7,714,148	8,967,472	9,156,370	2,034,963	4,458,831	8,415,913
1,491,858	2,110,943	1,903,119	2,438,156	697,351	1,620,427
416,014	264,959	465,097	6,780,115	-	-
10,955,031	10,285,701	12,097,219	19,989,920	21,764,524	29,598,365
445,980	151,966	360,872	582,023	10,621,147	17,666,351
24,771,152	26,205,973	28,651,075	36,499,048	41,572,123	62,385,152
1,274,318	1,199,162	1,099,028	1,249,195	758,120	916,458
1,274,318	1,199,162	1,099,028	1,249,195	758,120	916,458
26,045,470	27,405,135	29,750,103	37,748,243	42,330,243	63,301,610



**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
Net revenues (expenses):				
Governmental activities	\$ (58,612,191)	\$ (53,114,283)	\$ (56,834,701)	\$ (55,372,877)
Business-type activities	669,566	589,217	227,345	(225,459)
net primary government revenues (expenses)	<u>(57,942,625)</u>	<u>(52,525,066)</u>	<u>(56,607,356)</u>	<u>(55,598,336)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	20,937,356	20,420,020	21,156,596	22,352,163
Sales tax	13,307,736	14,705,790	15,096,101	17,228,237
Franchise tax	3,361,812	3,478,532	3,635,092	3,540,011
Other taxes	6,265,257	7,451,947	7,433,106	6,485,394
Motor vehicle in lieu, unrestricted	57,902	-	-	-
Investment income	185,451	695,341	660,157	(566,064)
Other general revenues	7,310,544	5,960,967	6,999,034	4,236,920
Transfers	101,775	101,775	101,775	101,775
Extraordinary gain (loss)	(19,629,066)	-	-	9,789,266
Total governmental activities	<u>31,898,767</u>	<u>52,814,372</u>	<u>55,081,861</u>	<u>63,167,702</u>
Business-type activities:				
Investment income	-	-	1,553	3,513
Other revenues	-	-	-	-
Transfers	(101,775)	(101,775)	(101,775)	(101,775)
Total business-type activities	<u>(101,775)</u>	<u>(101,775)</u>	<u>(100,222)</u>	<u>(98,262)</u>
Total primary government	<u>31,796,992</u>	<u>52,712,597</u>	<u>54,981,639</u>	<u>63,069,440</u>
Changes in net position:				
Governmental activities	(26,713,424)	(299,911)	(1,752,840)	7,794,825
Business-type activities	568,040	487,442	127,123	(323,721)
Total primary government change in net position	<u>\$ (26,145,384)</u>	<u>\$ 187,531</u>	<u>\$ (1,625,717)</u>	<u>\$ 7,471,104</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (70,109,400)	\$ (82,272,866)	\$ (70,304,289)	\$ (80,273,852)	\$ (74,647,369)	\$ (27,569,813)
(300,748)	(106,264)	(164,665)	18,556	282,448	196,547
<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>	<u>(27,373,266)</u>
23,994,740	25,392,860	26,365,067	27,422,706	30,108,110	31,348,677
16,503,563	17,449,827	17,464,609	17,033,647	20,858,803	23,101,668
3,698,184	4,011,817	4,207,765	4,445,101	4,644,360	4,806,348
6,725,309	7,692,437	9,158,794	5,026,703	4,571,270	4,721,569
-	-	-	-	-	-
4,452,938	559,164	2,016,573	2,682,794	223,485	(1,082,667)
6,847,642	9,256,591	5,747,563	7,244,815	5,520,479	2,126,984
-	-	-	-	-	-
-	-	-	-	-	-
<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>65,022,579</u>
2,070	884	1,083	-	-	-
182,018	82,706	112,207	63,710	-	-
-	-	-	-	-	-
<u>184,088</u>	<u>83,590</u>	<u>113,290</u>	<u>63,710</u>	<u>-</u>	<u>-</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>	<u>65,022,579</u>
(7,887,024)	(17,910,170)	(5,343,918)	(16,418,086)	(8,720,862)	37,452,766
(116,660)	(22,674)	(51,375)	82,266	282,448	196,547
<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>	<u>\$ 37,649,313</u>

**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses:</b>				
General government	\$ 5,547,949	\$ 7,472,254	\$ 5,676,067	\$ 4,963,302
Public safety	47,160,347	45,443,958	49,813,447	48,410,511
Public works	20,465,106	21,109,952	20,586,770	20,259,279
Community services	6,911,667	6,437,040	7,035,872	7,368,492
Community development	708,422	658,082	766,886	753,721
Interest on long-term debt	1,652,751	1,677,062	1,353,156	1,572,645
<b>Total expenses</b>	<b>82,446,242</b>	<b>82,798,348</b>	<b>85,232,198</b>	<b>83,327,950</b>
<b>Program revenues:</b>				
<b>Charges for services:</b>				
General government	548,333	486,478	885,123	400,051
Public safety	3,018,478	3,037,891	2,825,831	3,170,579
Public works	7,781,333	8,878,122	8,278,038	8,271,744
Community services	1,195,612	1,180,562	1,275,278	1,365,482
Community development	348,112	621,352	502,621	425,013
Operating grants and contributions	10,344,778	11,021,410	12,405,742	13,317,378
Capital grants and contributions	597,405	4,458,250	2,224,864	1,004,826
<b>Total program revenues</b>	<b>23,834,051</b>	<b>29,684,065</b>	<b>28,397,497</b>	<b>27,955,073</b>
<b>Net program revenues (expenses)</b>	<b>(58,612,191)</b>	<b>(53,114,283)</b>	<b>(56,834,701)</b>	<b>(55,372,877)</b>
<b>General revenues and other changes in net position:</b>				
<b>Taxes:</b>				
Property taxes	20,937,356	20,420,020	21,156,596	22,352,163
Sales tax	13,307,736	14,705,790	15,096,101	17,228,237
Franchise tax	3,361,812	3,478,532	3,635,092	3,540,011
Other taxes	6,265,257	7,451,947	7,433,106	6,485,394
Motor vehicle in lieu, unrestricted	57,902	-	-	-
Investment income	185,451	695,341	660,157	(566,064)
Other general revenues	7,310,544	5,960,967	6,999,034	4,236,920
Transfers	101,775	101,775	101,775	101,775
Extraordinary gain (loss)	(19,629,066)	-	-	9,789,266
<b>Total governmental revenues and other changes</b>	<b>31,898,767</b>	<b>52,814,372</b>	<b>55,081,861</b>	<b>63,167,702</b>
<b>Changes in net position</b>	<b>\$ (26,713,424)</b>	<b>\$ (299,911)</b>	<b>\$ (1,752,840)</b>	<b>\$ 7,794,825</b>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,775,173	\$ 7,523,129	\$ 7,515,920	\$ 7,781,252	\$ 18,929,254	\$ 3,700,172
56,169,907	67,734,047	58,057,784	72,653,866	62,479,977	49,887,239
21,243,019	21,161,586	21,625,190	23,649,892	17,212,496	13,508,312
7,926,410	8,926,070	9,280,450	9,418,860	7,675,178	12,587,100
2,190,319	1,618,181	795,685	1,394,131	1,568,283	1,238,687
1,575,724	1,515,826	1,680,335	1,874,899	8,354,304	9,033,455
<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>	<u>89,954,965</u>
546,626	814,465	829,295	369,796	312,112	617,087
3,201,495	3,610,467	3,839,103	4,304,075	3,718,158	4,467,009
7,714,148	8,967,472	9,156,370	2,034,963	4,458,831	8,415,913
1,491,858	2,110,943	1,903,119	2,438,156	697,351	1,620,427
416,014	264,959	465,097	6,780,115	-	-
10,955,031	10,285,701	12,097,219	19,989,920	21,764,524	29,598,365
445,980	151,966	360,872	582,023	10,621,147	17,666,351
<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>62,385,152</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>	<u>(27,569,813)</u>
23,994,740	25,392,860	26,365,067	27,422,706	30,108,110	31,348,677
16,503,563	17,449,827	17,464,609	17,033,647	20,858,803	23,101,668
3,698,184	4,011,817	4,207,765	4,445,101	4,644,360	4,806,348
6,725,309	7,692,437	9,158,794	5,026,703	4,571,270	4,721,569
-	-	-	-	-	-
4,452,938	559,164	2,016,573	2,682,794	223,485	(1,082,667)
6,847,642	9,256,591	5,747,563	7,244,815	5,520,479	2,126,984
-	-	-	-	-	-
-	-	-	-	-	-
<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>65,022,579</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>	<u>\$ 37,452,766</u>

**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Computer Enterprise	\$ 1,435,606	\$ 1,284,419	\$ 1,427,789	\$ 1,638,573
Total expenses	1,435,606	1,284,419	1,427,789	1,638,573
Program revenues:				
Charges for services:				
Computer Enterprise	2,105,421	1,873,636	1,655,134	1,413,114
Total program revenues	2,105,421	1,873,636	1,655,134	1,413,114
Net revenues (expenses)	669,815	589,217	227,345	(225,459)
General revenues and other changes in net position:				
Investment income	-	-	1,553	3,513
Other revenues	-	-	-	-
Transfers	(101,775)	(101,775)	(101,775)	(101,775)
Total general revenues and other changes	(101,775)	(101,775)	(100,222)	(98,262)
Changes in net position	\$ 568,040	\$ 487,442	\$ 127,123	\$ (323,721)

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
<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>\$ 719,911</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>719,911</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>916,458</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>916,458.00</u>
<u>(300,748)</u>	<u>(106,264)</u>	<u>(164,665)</u>	<u>18,556</u>	<u>282,448.00</u>	<u>196,547.00</u>
<u>2,070</u>	<u>884</u>	<u>1,083</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>182,018</u>	<u>82,706</u>	<u>112,207</u>	<u>63,710</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>184,088</u>	<u>83,590</u>	<u>113,290</u>	<u>63,710</u>	<u>-</u>	<u>-</u>
<u>\$ (116,660)</u>	<u>\$ (22,674)</u>	<u>\$ (51,375)</u>	<u>\$ 82,266</u>	<u>\$ 282,448</u>	<u>\$ 196,547</u>

**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 6,621,695	\$ 6,595,326	\$ 6,483,924	\$ 7,129,779
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	4,108,967	5,687,385	20,531,695	15,032,610
Total general fund	<u>\$ 10,730,662</u>	<u>\$ 12,282,711</u>	<u>\$ 27,015,619</u>	<u>\$ 22,162,389</u>
All other governmental funds:				
Nonspendable	\$ 6,814,431	\$ 157,500	\$ 151,923	\$ 5,277,203
Restricted	32,133,653	56,225,097	59,918,077	51,467,448
Assigned	893,566	3,891,565	4,930,693	5,065,065
Unassigned	(373,264)	(47,867)	(438,708)	(531,412)
Total all other governmental funds	<u>\$ 39,468,386</u>	<u>\$ 60,226,295</u>	<u>\$ 64,561,985</u>	<u>\$ 61,278,304</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 6,982,268	\$ 9,952,978	\$ 8,976,583	\$ 7,086,958	\$ 4,009,651	\$ 3,380,136
-	-	-	7,650	9,440	8,287
-	320,200	320,200	-	-	-
14,119,078	11,979,653	9,884,913	12,580,716	21,468,986	20,770,457
<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>	<u>\$ 24,158,880</u>
\$ 4,980,450	\$ 110,833	\$ 99,167	\$ 82,420	\$ -	\$ 11,989
45,082,696	49,600,866	57,840,755	64,044,695	92,198,163	100,732,082
2,820,665	2,004,895	1,107,138	1,786,815	9,687,492	6,601,977
(1,100,860)	(710,218)	(692,305)	(1,158,958)	(228,169)	(164,865)
<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>	<u>\$ 107,181,183</u>



**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues:</b>				
Taxes	\$ 46,185,045	\$ 48,785,393	\$ 50,918,823	\$ 54,237,649
Special assessments	5,511,465	5,513,535	5,595,338	5,550,657
Licenses and permits	1,156,196	1,717,153	1,419,457	1,156,613
Fines and forfeitures	1,048,819	1,036,732	959,606	796,989
Investment income	533,388	716,472	679,844	(570,132)
Rental income	370,913	367,798	406,350	529,833
Intergovernmental	9,496,633	11,097,551	10,769,196	11,218,711
Charges for services	6,124,201	6,751,541	6,803,615	7,731,236
Repayment of notes and loans	925,235	26,148	-	-
Other	5,105,117	6,258,384	5,490,327	1,487,103
<b>Total revenues</b>	<b>76,457,012</b>	<b>82,270,707</b>	<b>83,042,556</b>	<b>82,138,659</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	5,205,956	7,087,335	5,757,334	5,103,814
Public safety	42,688,487	43,332,847	45,906,138	50,962,883
Public works	16,203,144	17,790,042	13,724,417	15,509,267
Community services	5,872,485	5,399,732	5,816,443	6,864,180
Community development	666,255	679,007	761,896	898,714
<b>Debt service:</b>				
Principal retirement	1,773,261	1,870,239	1,866,947	2,027,461
Interest and fiscal charges	1,659,473	1,666,054	1,360,370	1,574,753
Cost of issuance	-	-	-	-
Developer agreement payments	-	-	-	-
<b>Total expenditures</b>	<b>74,069,061</b>	<b>77,825,256</b>	<b>75,193,545</b>	<b>82,941,072</b>
Excess (deficiency) of revenues over (under) expenditures	2,387,951	4,445,451	7,849,011	(802,413)
<b>Other financing sources (uses):</b>				
Transfers in	3,639,400	3,744,115	3,201,793	4,831,038
Transfers out	(3,537,625)	(3,642,340)	(3,100,018)	(10,812,296)
Acquisition under capital leases	-	-	-	2,568,446
Issuance of bonds	-	2,185,000	-	-
Premium of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	(2,248,061)	-	-
Extraordinary gain (loss)	(19,629,066)	-	11,578,351	-
<b>Total other financing sources (uses)</b>	<b>(19,527,291)</b>	<b>38,714</b>	<b>11,680,126</b>	<b>(3,412,812)</b>
<b>Special Item</b>				
Payment towards UAL	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (17,139,340)</b>	<b>\$ 4,484,165</b>	<b>\$ 19,529,137</b>	<b>\$ (4,215,225)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	5.21%	5.18%	4.92%	4.70%

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 55,502,969	\$ 59,255,716	\$ 62,477,442	\$ 62,588,256	\$ 72,496,610	\$ 77,294,614
5,318,497	6,077,861	6,347,182	6,490,254	6,837,731	7,040,726
1,037,389	1,089,850	1,140,622	1,491,744	1,528,117	2,780,660
894,618	1,290,187	1,318,333	921,872	380,169	508,463
4,448,607	551,948	2,008,971	2,677,045	(18,511)	(1,311,234)
604,817	649,968	647,749	700,455	952,185	1,459,129
10,193,278	7,920,178	12,581,261	15,386,915	11,623,792	20,743,307
7,359,139	8,681,704	7,473,923	7,690,819	6,376,218	10,011,122
-	-	-	-	-	-
2,129,531	4,229,895	1,142,659	3,783,990	2,785,758	7,140,273
<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>	<u>125,667,060</u>
6,214,682	5,700,461	6,828,020	6,488,092	6,910,013	5,047,088
54,480,972	53,087,630	58,205,797	58,857,571	60,290,745	59,843,680
15,328,717	17,635,489	14,800,936	17,262,224	15,356,778	28,481,999
10,824,395	6,975,178	7,290,775	7,263,052	6,172,738	11,085,748
2,198,881	1,182,255	1,086,128	1,214,558	1,568,283	1,238,687
7,931,202	1,958,918	13,353,918	1,833,918	2,428,918	5,869,299
1,566,392	1,501,956	1,691,316	1,932,807	5,419,621	9,063,717
-	-	389,726	-	1,083,165	-
-	-	-	-	-	-
<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>	<u>120,630,218</u>
<u>(11,056,396)</u>	<u>1,705,420</u>	<u>(8,508,474)</u>	<u>6,879,128</u>	<u>3,731,808</u>	<u>5,036,842</u>
5,643,232	3,902,056	149,121	1,494,913	197,353,567	19,667,127
(5,643,232)	(5,232,566)	(9,121)	(1,676,955)	(201,320,249)	(20,509,469)
500,000	-	-	196,759	3,900,000	-
-	-	24,165,000	-	210,697,048	-
-	-	1,380,718	-	-	-
-	-	(12,900,000)	-	-	-
-	-	-	-	-	-
<u>500,000</u>	<u>(1,330,510)</u>	<u>12,785,718</u>	<u>14,717</u>	<u>210,630,366</u>	<u>(842,342)</u>
-	-	-	-	(172,543,016)	-
<u>\$ (10,556,396)</u>	<u>\$ 374,910</u>	<u>\$ 4,277,244</u>	<u>\$ 6,893,845</u>	<u>\$ 41,819,158</u>	<u>\$ 4,194,500</u>
10.29%	4.18%	15.08%	3.97%	7.91%	12.38%

**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	
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
2022	9,768,205	-	11,452	(111,904)	9,667,753

**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>Taxable</u>	<u>City and SA</u>	<u>Total</u>
<u>Secured</u>	<u>Unsecured</u>	<u>Less:</u>	<u>Assessed</u>	<u>Total Taxable</u>	<u>Direct Tax</u>
		<u>Exemptions</u>	<u>Value</u>	<u>Assessed</u>	<u>Rate</u>
			<u>Value</u>	<u>Value</u>	
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%
3,688,744	167,649	(209,821)	3,646,572	13,314,325	14.280%

**CITY OF WEST COVINA**

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000
Baldwin Park Unified	0.16406	0.15842	0.16519	0.16288
Bassett Unified School District	0.12773	0.11632	0.11539	0.15771
Covina Valley Unified School District	0.09500	0.11472	0.11426	0.11062
Hacienda-La Puente Unified	0.06689	0.06653	0.06432	0.06394
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Mt. San Antonio College	0.02896	0.02023	0.02129	0.02154
Rowland Heights Unified	0.10053	0.12297	0.14313	0.12426
Rowland Unified	0.00000	0.00000	0.00000	0.00000
Walnut Valley Unified	0.12554	0.11342	0.11510	0.09285
West Covina Municipal Maint. Dist.	0.18180	0.18310	0.18310	0.18310
West Covina Unified	0.04965	0.03626	0.05412	0.04205
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.94365</b>	<b>1.93547</b>	<b>1.97941</b>	<b>1.96245</b>
<b>City Share of 1% Levy Per Prop 13<sup>3</sup></b>	<b>0.13820</b>	<b>0.13820</b>	<b>0.13820</b>	<b>0.13820</b>
<b>Redevelopment Rate<sup>4</sup></b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total Tax Rate<sup>5</sup></b>	<b>0.33456</b>	<b>0.14083</b>	<b>0.14116</b>	<b>0.14138</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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

<sup>5</sup> 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

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

(continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.10510	0.13039	0.12402	0.13032	0.19256	0.18029
0.16781	0.17443	0.16349	0.14196	0.14705	0.13911
0.12581	0.14205	0.13976	0.13521	0.12658	0.12995
0.06600	0.10531	0.10706	0.08252	0.08261	0.08511
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.02400	0.02371	0.02435	0.04781	0.04459	0.04608
0.12444	0.11841	0.11861	0.10760	0.10905	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.11128
0.06601	0.07388	0.10582	0.09538	0.09893	0.10066
0.18310	0.18310	0.18310	0.18310	0.18480	0.18480
0.04914	0.09514	0.09795	0.08192	0.09980	0.07968
<b>1.91492</b>	<b>2.04992</b>	<b>2.06766</b>	<b>2.00932</b>	<b>2.08947</b>	<b>2.06046</b>
<b>0.13820</b>	<b>0.13820</b>	<b>0.13820</b>	<b>0.13820</b>	<b>0.13820</b>	<b>0.13820</b>
<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>0.14165</b>	<b>0.14109</b>	<b>0.14221</b>	<b>0.14236</b>	<b>0.14262</b>	<b>0.14280</b>

**CITY OF WEST COVINA**

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Plaza West Covina LLC	\$ 279,285,708	1	2.10%	\$ 208,481,243	1	2.36%
GREF Eastland Center LP	190,370,987	2	1.43%			
Colony at the Lakes	178,554,874	3	1.34%			
624 South Glendora Avenue Owner LLC	95,800,000	4	0.72%			
Walnut Ridge Apartments LP	62,580,639	5	0.47%	46,522,377	5	0.53%
TPA Nasch LLC	59,799,944	6	0.45%			
Envision WC MB RE LLC	54,260,256	7	0.41%			
Merrill Gardens	49,035,657	8	0.37%			
Citrus Gardens Apartments LP	47,206,116	9	0.35%			
Twelve 31 Partners	46,478,245	10	0.35%			
Cole MT West Covina California LP				87,727,132	2	0.99%
Hassen Real Estate Partnership				58,814,373	3	0.67%
Gateway Crescent LLC				46,800,000	4	0.53%
CP Lafayette PARC LLC				44,955,888	6	0.51%
Eastland Tower Partnership				42,603,047	7	0.48%
KW of CV Sunset LLC				40,107,000	8	0.45%
Legacy Partners Verandas LP				37,820,154	9	0.43%
Pried XIV Trust				29,756,545	10	0.34%
<b>Totals</b>	<b>\$1,063,372,426</b>		<b>7.99%</b>	<b>\$ 643,587,759</b>		<b>7.29%</b>

Source: HdL Coren & Cone; Los Angeles County Assessor 2012-13 and 2021-22 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
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%
2022	13,947,187	12,958,850	92.91%	421,937	13,380,787	95.94%

**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.

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



(continued)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Community Development Commission				
		Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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
2022	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
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	6,602,048	255,876,891	-
2022	236,070,000	7,525,925	6,411,667	250,007,592	-

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)

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<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Debt Per Capita (1)</u>
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
255,876,891	8.06%	2,423
250,007,592	7.52%	2,310

**CITY OF WEST COVINA**

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

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<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>
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
2022	236,070	236,070	1.77%	2,181

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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Debt repaid with Property Taxes:</b>			
METROPOLITAN WATER DISTRICT	\$ 9,835,780	0.806	\$ 79,240
MT. SAN ANTONIO CCD DS 2008 SERIES 2013A	160,803,885	12.768	20,531,113
MT. SAN ANTONIO CCD DS 2008 SERIES 2013B	1,620,000	12.768	206,838
MT. SAN ANTONIO CCD DS 2013 REF SERIES A	12,320,000	12.768	1,572,993
MT. SAN ANTONIO CCD DS 2013 REF SERIES B	14,560,000	12.768	1,858,991
MT. SAN ANTONIO CCD DS 2008 SERIES 2015C	3,700,000	12.768	472,408
MT. SAN ANTONIO CCD DS 2015 REF BONDS	3,290,000	12.768	420,061
MT. SAN ANTONIO CCD DS 2018 SERIES 2019A	265,125,000	12.768	33,850,621
MT. SAN ANTONIO CCD DS 2020 SERIES A	59,075,000	12.768	7,542,576
MT. SAN ANTONIO CCD DS 2008 SERIES 2020D	120,358,674	12.768	15,367,151
MT. SAN ANTONIO CCD DS 2008 SERIES 2021E	289,508,893	12.768	36,963,907
BALDWIN PARK USD 2002 SERIES 2004	4,882,131	0.303	14,779
BALDWIN PARK USD 2006 SERIES 2013	1,989,076	0.303	6,021
BALDWIN PARK USD 2016 REF BONDS	57,660,000	0.303	174,546
BALDWIN PARK USD 2006 SERIES 2019	10,895,000	0.303	32,981
BALDWIN PARK USD 2019 REF BONDS	32,996,025	0.303	99,884
BALDWIN PARK USD 2018 SERIES 2020	26,800,000	0.303	81,128
BASSETT USD DS 2006 SER B	10,185,729	0.054	5,528
BASSETT USD DS 2014 REF SERIES A	7,325,000	0.054	3,975
BASSETT USD DS 2014 REF SERIES B	4,970,000	0.054	2,697
BASSETT USD DS 2014 SERIES A	8,375,000	0.054	4,545
BASSETT USD DS 2016 REF BONDS	5,345,000	0.054	2,901
BASSETT USD DS 2014 SERIES B	19,530,000	0.054	10,599
COVINA VALLEY USD DS 2001 SERIES B	7,226,440	31.283	2,260,623
COVINA VALLEY USD DS 2012 SERIES A	3,715,000	31.283	1,162,151
COVINA VALLEY USD DS 2013 REF BONDS	4,470,000	31.283	1,398,335
COVINA VALLEY USD DS 2012 SERIES B	12,000,000	31.283	3,753,920
COVINA VALLEY USD DS 2012 SERIES C	2,130,000	31.283	666,321
COVINA VALLEY USD DS 2012 SERIES C1	15,335,000	31.283	4,797,197
COVINA VALLEY USD DS 2016 REF BONDS	28,515,000	31.283	8,920,252
COVINA VALLEY USD DS 2012 SERIES D	13,600,000	31.283	4,254,443
COVINA VALLEY USD DS 2012 SERIES E	56,580,000	31.283	17,699,733
COVINA VALLEY USD DS 2019 REF BONDS	47,850,000	31.283	14,968,756
HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS	12,725,000	1.391	176,960
HACIENDA-LA PUENTE USD DS 2007 REFUNDING	44,590,000	1.391	620,090
HACIENDA-LA PUENTE USD DS 2016 SERIES 2017A	57,895,000	1.391	805,115
ROWLAND HEIGHTS USD DS 2005 REF BONDS	4,569,606	14.542	664,511
ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB	10,575,000	14.542	1,537,815
ROWLAND HEIGHTS USD DS 2006 SERIES E	19,830,000	14.542	2,883,676
ROWLAND HEIGHTS USD DS 2012 SERIES A	375,000	14.542	54,532
ROWLAND HEIGHTS USD DS 2013 REF BONDS	20,030,000	14.542	2,912,760
ROWLAND HEIGHTS USD DS 2012 SERIES B	65,999,972	14.542	9,597,706
ROWLAND HEIGHTS USD DS 2015 REF BONDS	38,625,000	14.542	5,616,842
ROWLAND HEIGHTS USD DS 2019 REF BONDS	10,565,000	14.542	1,536,361
ROWLAND HEIGHTS USD DS 2020 REF BONDS	45,110,000	14.542	6,559,889
WALNUT VALLEY USD DS 2000 SERIES D	10,067,924	0.767	77,224
WALNUT VALLEY USD DS 2000 SERIES E	3,743,269	0.767	28,712
WALNUT VALLEY USD DS 2007 SERIES B MEAS. S	9,421,644	0.767	72,267
WALNUT VALLEY USD DS 2014 REF BONDS SERIES A	3,260,000	0.767	25,005
WALNUT VALLEY USD DS 2014 REF BONDS SERIES B	715,000	0.767	5,484
WALNUT VALLEY USD DS 2016 REF BONDS	37,170,000	0.767	285,105
WALNUT VALLEY USD DS 2016 SERIES A BONDS	38,440,000	0.767	294,846
WALNUT VALLEY USD DS 2019 REF BONDS	25,110,000	0.767	192,601
WALNUT VALLEY USD DS 2016 SERIES B BONDS	106,615,000	0.767	817,769
WEST COVINA USD 2002 REFUNDING SERIES A	7,110,000	95.573	6,795,272
WEST COVINA USD DS 2012 REF BONDS	7,890,000	95.573	7,540,745
WEST COVINA USD DS 2016 SERIES A	99,125,000	95.573	94,737,174
Sub Total Overlapping Debt			323,025,675
City of West Covina Direct Debt - Lease Revenue Bonds			249,274,843
Total Direct and Overlapping Debt			\$ 572,300,518

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			
	2013	2014	2015	2016
Assessed valuation	\$ 6,394,836	\$ 6,611,732	\$ 7,034,995	\$ 7,377,023
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,598,709	1,652,933	1,758,749	1,844,256
Debt limit percentage	15%	15%	15%	15%
Debt limit	239,806	247,940	263,812	276,638.36
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	<u>\$ 239,806</u>	<u>\$ 247,940</u>	<u>\$ 263,812</u>	<u>\$ 276,638</u>
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					
2017	2018	2019	2020	2021	2022
\$ 7,740,820	\$ 8,154,209	\$ 8,627,010	\$ 9,014,133	\$ 9,351,074	\$ 9,667,753
25%	25%	25%	25%	25%	25%
1,935,205	2,038,552	2,156,753	2,253,533	2,337,769	2,416,938
15%	15%	15%	15%	15%	15%
290,280.75	305,782.84	323,512.88	338,029.99	350,665.28	362,540.74
-	-	-	-	-	-
<u>\$ 290,281</u>	<u>\$ 305,783</u>	<u>\$ 323,513</u>	<u>\$ 338,030</u>	<u>\$ 350,665</u>	<u>\$ 362,541</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	
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
2022	81,019	5,100	8,845	5.81

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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	9,040	1,480	455	4.67
2019	11,169	1,765	406	5.14
2020	8,190	1,820	361	3.76
2021	6,775	1,865	306	3.12
2022	5,427	1,615	253	2.91

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	Principal	Debt Service Interest	Coverage
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	4,431	2,536	1,895	3,000	1,429	0.43
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	5,627	3,916	1,711	3,735	650	0.39
2022	3,879	4,347	(468)	4,055	416	(0.10)

**CITY OF WEST COVINA**

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

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<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Annual Unemployment Rate</u>
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%
2021	108,243	3,324,204	30,710	9.2%

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	2022			2013		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Queen of the Valley Campus	1,464	1	3.03%	1,484	1	2.90%
WC Unified School District	1,398	2	2.89%	1,194	2	2.34%
Target Store #T1028 & #T2147	455	3	0.94%	437	3	0.86%
City of West Covina	372	4	0.77%	397	4	0.78%
Merakey Allos	335	5	0.69%			
Porto's Bakery	298	6	0.62%			
Walmart Store #5954	249	7	0.52%	301	5	0.59%
Interspace/Concorde Battery Corporation	231	8	0.48%			
The Home Depot	198	9	0.41%			
JC Penney Corp Inc. #1505-7	165	10	0.34%			
Macy's				299	6	0.59%
Interspace/Concorde Battery				252	7	0.49%
SGV Newspaper Group				225	8	0.44%
East Valley Comm. Health Center				200	9	0.39%
B.J.'s Restaurant & Brewery				187	10	0.37%
Totals	<u>5,165</u>		<u>10.69%</u>	<u>4,976</u>		<u>9.75%</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	31	31	31	32	42	46	36	32	38	48
Public safety	253	244	268	268	282	259	238	237	259	242
Public works	64	69	71	71	75	56	44	-	-	-
Public Services	-	-	-	-	-	-	-	25	32	41
Community services	41	42	41	41	87	64	64	27	22	22
Community development	7	2	2	2	1	1	3	12	13	19
<b>Total</b>	<b>396</b>	<b>389</b>	<b>413</b>	<b>414</b>	<b>487</b>	<b>426</b>	<b>385</b>	<b>333</b>	<b>364</b>	<b>372</b>

Source: City of West Covina Finance Department

**CITY OF WEST COVINA**

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

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Public Safety:				
Police:				
Total arrests	2,755	2,537	2,544	2,624
Calls for police service (1)	65,554	69,874	71,098	72,368
Graffiti sites cleaned	19,910	20,014	16,156	N/A
Fire:				
Emergency responses	7,871	7,990	8,555	9,494
Fire inspections	837	749	717	778
Public Services:				
Building permits issued	3,882	2,925	3,617	5,038
Graffiti sites cleaned (2)	N/A	N/A	N/A	13,964
Community Services:				
Recreation class registrations (3)	6,027	6,283	6,487	7,129

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					
2017	2018	2019	2020	2021	2022
2,818	3,080	2,538	2,037	1,266	1,266
74,898	84,850	73,713	68,605	61,353	61,353
N/A	N/A	N/A	N/A	N/A	N/A
9,353	9,383	9,289	8,944	9,405	10,286
816	805	1,009	920	964	1,079
1,547	1,399	2,938	3,022	3,701	4,941
6,694	2,391	3,077	3,140	2,632	4,363
7,500	17,902	26,482	8,075	65	3,533

**CITY OF WEST COVINA**

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function	Fiscal Year			
	2013	2014	2015	2016
Public Safety:				
Police:				
Stations	1	1	1	1
Fire:				
Stations	5	5	5	5
Public works:				
Streets (miles)	231.0	231.0	231.0	240.3
Streetlight poles	826	826	826	826
Streetlight fixtures	1,109	1,109	1,109	1,109
Traffic signals	117	117	114	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					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
5	5	5	5	5	5
240.3	240.3	240.3	240.3	240.3	240.3
674	674	674	674	674	674
420	420	420	420	420	420
97	97	97	97	97	97
1	1	1	1	1	1
16	16	16	16	16	16
4	4	4	4	4	4
227.0	227.0	227.0	227.0	227.0	227.0
26.0	26.0	26.0	26.0	26.0	26.0



**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

City Council  
City of West Covina  
West Covina, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of West Covina (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December \_\_, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Van Lant + Fankhanel, LLP*

December \_\_, 2022

December \_\_, 2022

Finance and Audit Committee  
City of West Covina  
West Covina, CA

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 13, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the implementation of GASB Statement No. 87, *Leases*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension and net OPEB liabilities/(assets) are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions used to develop these liabilities in determining that the estimated liabilities/(assets) are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 7 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net OPEB and net pension liabilities/(assets) in Notes 14, 15 and 17 to the financial statements are based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities/(assets) if different assumptions are used in estimating these liabilities/(assets).

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- (1) Adjustments were made to adjust accounts receivable and interest receivable at year-end.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

We have requested certain representations from management that are included in the management representation letter dated December \_\_, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis and the schedules listed as required supplementary information in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory sections, which accompanies the financial statements but is not RSI. Such information has 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 it.

Restrictions on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Van Lant & Fankhanel, LLP*

Draft



# Community Financial Report

## 2021 - 2022

This report provides a snapshot of the City's financial information, for Fiscal Year (FY) ending June 30, 2022 presented in a user-friendly format. For additional detail, please see the City's complete Annual Comprehensive Financial Report for fiscal year ending June 30, 2022 available at [www.westcovina.org](http://www.westcovina.org).

# City Overview

## CITY COUNCIL

Dario Castellanos, Mayor  
Rosario Diaz, Mayor Pro Tem  
Brian Tabatabai  
Letty Lopez-Viado  
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/Community Development Director  
Roxanne Lerma, Assistant City Manager/Public Services Director  
Thomas P. Duarte, City Attorney  
Lisa Sherrick, Assistant City Clerk  
Stephanie Sikkema, Finance Director  
Vincent Capelle, Fire Chief  
Helen Tran, Human Resources Director  
Richard Bell, Police Chief

## West Covina

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.

Population

**108K**

2021

Personal Income

**30.7K**

2021 Per Capita

Unemployment Rate

**9.2%**

2021 Annual



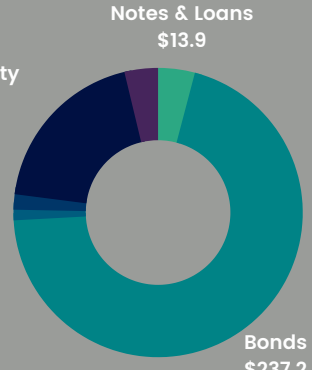
*This report is informational in nature and does not constitute a financial statement as defined by Generally Accepted Accounting Principles. The data presented is taken directly from the audited Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2022.*



# Statement of Net Position

The City's total (Governmental and Business-type activities) net position increased \$37.6 million from the prior year. This is mostly due to a decrease in long-term debt related to the net pension liability of \$196.1 million plus an increase in the net pension asset of \$65.7 million. In the prior year, there was an issuance of Lease Revenue Bonds. The decrease to debt is offset with a decrease to Deferred Outflows relating to pension and Other Postemployment Benefits liabilities of \$185.2 million. Additionally, there is an increase in capital assets of \$11.7 million as the City is investing into needed upgrades to the infrastructure.

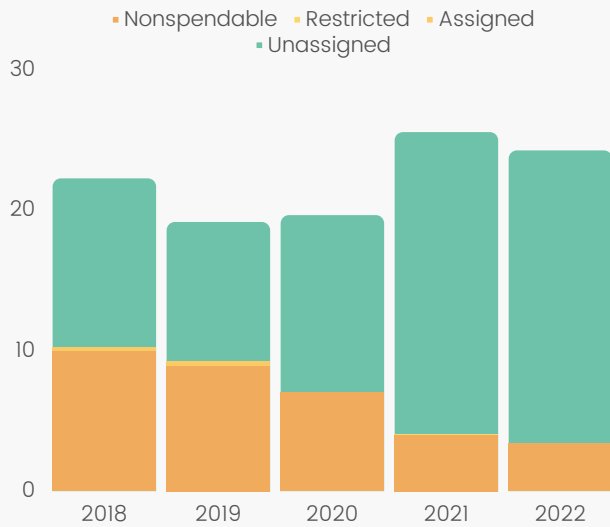
*The City's net position may serve as a useful indicator of the government's financial position over time.*

	2022	2021	
<b>Assets</b>	<b>\$444.71M</b>	<b>\$347.34M</b>	 <p><b>Assets increased by 28% (\$97M)</b></p> <p><b>44% Capital Assets make up 44%</b></p>
<b>+ Deferred Outflows</b>	<b>\$21.86M</b>	<b>\$206.94M</b>	
<b>- Liabilities</b>	<b>\$367.83M</b>	<b>\$573.93M</b>	 <p><b>Liabilities Increased by over 35% or 206M</b></p> <div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> <p>Total OPEB Liability \$65.1</p> <p>Net Pension Liability \$5.8</p> </div>  </div>
<b>- Deferred Inflows</b>	<b>\$87.42M</b>	<b>\$6.77M</b>	
<b>= Total Net Position</b>	<b>\$11.22M</b>	<b>-\$26.42M</b>	

# General Fund

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 \$20.8 million, while total fund balance was \$24.2 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 33.5% of total general fund expenditures, while total fund balance represents 39.0% of that same amount. The non-spendable portion of fund balance in the amount of \$3.4 million mainly consists of Land Held for Resale in the amount of \$3.0 million.

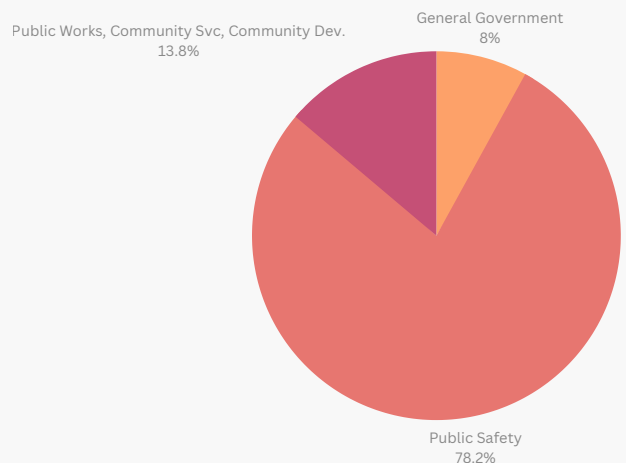
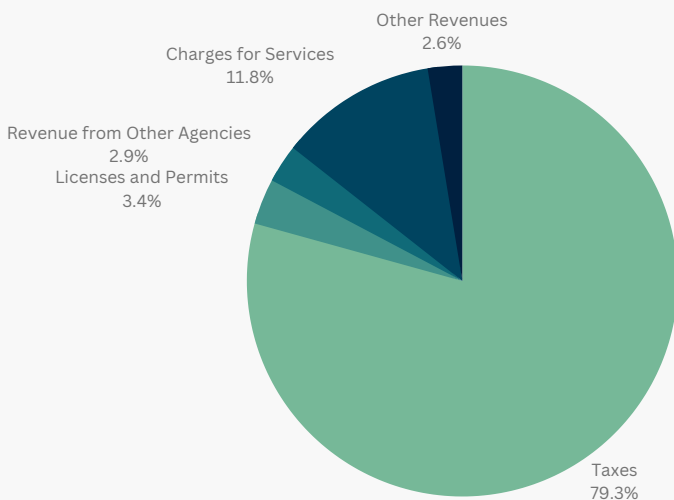
Changes in General Fund Fund Balance by Fiscal Year (Millions)



Beginning Fund Balance	\$25.5M
Revenue Less Expenditures	+ \$19.1M
Net Transfers	- \$20.4
<b>Ending Fund Balance</b>	<b>= \$24.2M</b>

**Revenue**  
\$81.0 Million

**Expenditures**  
\$61.9 Million





## AGENDA STAFF REPORT

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City of West Covina

**DATE:** 12/12/2022  
**TO:** Audit Committee  
**FROM:** Stephanie Sikkema, Finance Director  
**SUBJECT:** FINANCIAL RECOVERY PLAN UPDATE

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### RECOMMENDATION:

It is recommended that the Audit Committee receive and file the Financial Recovery Plan Update through October 31, 2022.

### BACKGROUND:

With the goal of improving government performance, the Joint Legislative Audit Committee (JLAC) was established by the California State Legislature. JLAC, independently and through the work of the State Auditor's Office, oversees the operations and finances of government entities. Audits considered by the JLAC include financial and financial-related audits of government entities. In December 2019, the State Auditor's Office informed the City of West Covina that it had been selected for review under the high-risk local Government Agency Audit Program. The State Auditor completed its audit and published its report on December 1, 2020. To view the report, please visit:

<http://www.auditor.ca.gov/reports/2020-806/index.html>

One of the State Auditor's recommendations was that West Covina develop a formal financial recovery plan to prioritize resources and assign responsibility for monitoring progress in implementing the plan.

### DISCUSSION:

The Financial Recovery Plan (Attachment No. 1) is a pathway to gaining stability – it identifies key elements based upon the State Auditor objectives: action steps, expected completion dates, responsible staff, and status updates. The Audit Committee reviewed the Financial Recovery Plan on March 24, 2021, and City Council approved it on April 6, 2021.

Additionally, the City of West Covina is currently ranked number 14 for the worst Fiscal Health among California Cities. This ranking is based on the FY2020-21 Annual Comprehensive Financial Report (to view the City Rankings and their criteria, please visit:

[https://www.auditor.ca.gov/local\\_high\\_risk/dashboard-csa](https://www.auditor.ca.gov/local_high_risk/dashboard-csa)). The rankings for FY2020-21 are now available on the dashboard.

**Prepared by:**

**Additional Approval:**

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### Attachments

Attachment No. 1 - Financial Recovery Plan



**City of West Covina  
Financial Recovery Plan  
Monthly Update  
October 2022**

**Description of intended corrective actions, timing, prioritization of resources, and identification of individuals responsible for monitoring progress/implementation**

State Auditor Objective No.	Action Steps	Expected Completion Date	Responsible Staff (Lead/Support)	Status Report (October 2022)
<p><b>1.</b> Ensure that the fees/assessments charged for services align with costs and increase fees to reflect cost reasonably borne in the provision of city services</p>	<p>1. Retain consultant to determine strengths and weakness of existing service delivery models. Assess City costs and revenue sources. Examine all revenue sources (local, state and federal) to develop sustainable and defensible revenue streams</p> <p>2. Examine all direct and indirect costs of fees for service, development impact fees and landscape/sewer district assessments</p>	<p>1. RFP release – <del>April</del> July 2021</p> <p>2. Establish budget for fee study – <del>May</del> November 2021</p> <p>3. Consultant kick-off – <del>June</del> December 2021</p> <p>4. Draft Fee Study – <del>October</del> January 2021 2023</p> <p>5. City Council adoption – <del>December 2021</del> March 2023</p> <p>6. If voter approval is required (assessment districts only) – November <del>2022</del> 2024</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – Assistant City Clerk, Planning Manager, City Engineer, and Public Services Supervisor</p>	<p><b>Pending. No new updates.</b></p> <p>The Consultant continues to meet with various departments, review, and update the draft proposed fees.</p> <p>The Consultant submitted draft Cost Allocation Plan for staff review in June.</p> <p>Staff held kick-off meetings to begin the cost allocation plan and fee study in January 2022.</p> <p>City Council awarded a Request for Proposals (RFP) to Revenue &amp; Cost Specialists to conduct a Municipal Fee Study and established a budget in November 2021.</p> <p>The RFP was originally advertised in July 2021.</p>

State Auditor Objective No.	Action Steps	Expected Completion Date	Responsible Staff (Lead/Support)	Status Report (October 2022)
<p><b>2.</b> Review, evaluate, and monitor all city contracts</p>	<p>1. City Clerk to prepare list of current contracts.</p> <p>2. Risk Management to verify insurance is current</p> <p>3. Responsible Department designated contract manager to evaluate consultant effectiveness and work quality (e.g. waste hauling and street sweeping)</p> <p>4. Ensure competition for procurements. Follow competitive bidding processes and monitor contract term, especially when exceeding five years</p>	<p>1. List of current contracts – April 2021</p> <p>2. Insurance verification – May 2021</p> <p>3. Departmental review – June 2021</p> <p>4. Review and update City’s purchasing, contracting, and bidding procedures – <del>June 2021</del> June 2022</p>	<p><u>Lead</u> – Assistant City Clerk</p> <p><u>Support</u> – All Departments</p>	<p><b>This objective is complete.</b></p> <p>The contract list and insurance verification were completed in July. The City Clerk’s office will review, verify, and update the list as necessary. Additionally, the City has a formal process within its <b>Purchasing Policy</b> (pg. 40-41) that establishes uniform procedures for the preparation, presentation and execution of city and contract documents.</p> <p>The new Purchasing Policy was adopted by City Council on June 21<sup>st</sup>. The new ordinance took effect July 21, 2022.</p>
<p><b>3.</b> Set aside land sale revenue to compensate for any shortfalls in revenue that the City experiences as a result of the effects of the pandemic on the City’s fiscal year 2020-21 budget</p>	<p>1. Economic Development Office to track all land sales and report as to use of proceeds of sales</p> <p>2. Finance Department to estimate City portion of each land sale</p>	<p>Review, update and publish list of City of West Covina land held for resale assets – June 2021</p>	<p><u>Lead</u> – City Manager’s Office</p> <p><u>Support</u> – Successor Agency staff</p>	<p><b>This objective is complete.</b></p> <p>Land held for resale has been identified and is reflected in the City’s Annual Comprehensive Financial Report.</p>

<p><b>4.</b> Proactively mitigate risk and exposure to litigation through training and implementation of best risk management practices</p>	<p>1. City joined the CJPIA on July 1, 2020</p> <p>2. Review LossCap Action Plan regularly, including “top 5” important priority issues</p> <p>3. Establish quarterly high-level executive team meetings and safety committee meetings for LossCap review</p> <p>4. Corrective actions taken as identified in the Initial Risk Management Evaluation</p>	<p>1. Quarterly meetings: March, June, September, and December</p> <p>2. 50% of corrective actions completed by <del>December 2021</del> August 2022</p> <p>3. 100% of corrective actions completed by December 2023</p>	<p><u>Lead</u> – Human Resources &amp; Risk Management Director</p> <p><u>Support</u> – All Departments</p>	<p><b>Steps 1, 2 and 3 are complete.</b></p> <p><b>Step 4 is pending. No new updates.</b> As of the end of October, all Action Items on the Initial Risk Management Evaluation have been started and 62% are Complete</p> <p>HR: 29 Action Items: 14 Completed 15 In Work 48% Complete</p> <p>Comm. Dev. 5 Action Items: 4 Completed 1 In Work 80% Complete</p> <p>Public Services 31 Action Items 16 Completed 15 In Work 52% Complete</p> <p>Fire 6 Action Items 4 Completed 2 In Work 67% Complete</p> <p>This update is provided by CJPIA.</p>
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<p><b>5.</b> Address the excessive cost currently incurred providing fire and emergency medical services</p>	<ol style="list-style-type: none"> <li>1. Evaluate current Fire Department deployment model</li> <li>2. Document reasons for absences causing OT</li> <li>3. Develop viable alternatives for fire and emergency management services</li> <li>4. Discuss alternative plans with appropriate stakeholders</li> </ol>	<ol style="list-style-type: none"> <li>1. Analyze current deployment – April 1, 2021</li> <li>2. Analyze alternatives – May 1, 2021</li> <li>3. Meet with stakeholders – June 1, 2021</li> </ol>	<p><u>Lead</u> – Fire Chief</p> <p><u>Support</u> – Finance Director and Human Resources Director</p>	<p><b>Pending. No new updates.</b></p> <p>Negotiations with the Firefighters Association were finalized in September and City Council approved a new Memorandum of Understanding October 4, 2022. The following provision were incorporated to alleviate excessive overtime: Other than actual hours worked, only vacation leave and compensatory time off shall be considered hours worked for the purpose of the hours worked calculation for overtime. Additionally, limitations on the number of people allowed off on vacation per shift were reduced to 2 Captains; 2 Engineers; 1 Firefighter and 2 Firefighter/Paramedics or 3 Firefighter/Paramedics.</p> <p>Additionally, staff internally evaluates overtime with each payroll and reports to City Management.</p> <p>Staff engaged the services of Messina and Associates to provide a high-level review of the current fire and emergency services in April. In May, staff received and evaluated the final report (WCFD Service Delivery Review).</p>
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<p><b>6. Prepare financial analyses that evaluate both the short-term and long-term financial implications of significant spending decisions</b></p>	<p>1. Use a multiyear forecast to quantify the impact of decisions on the city's financial condition</p> <p>2. Evaluate short and long-term impacts of major revenue and expenditure decisions. Recognize trade-offs and opportunities of each decision</p>	<p>1. Prepare and annually update the forecast to include all projected revenue and expenditures, adding information on new assumptions, unanticipated costs, and cost-saving actions – July 2022</p> <p>2. Prepare a financial evaluation template – <del>August 2021</del> April 2022</p> <p>3. Staff training – <del>September 2021</del> January 2023</p> <p>4. Include fiscal impact in Council agenda actions – December <del>2021</del> 2022</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – All Departments</p>	<p><b>Step 1 is complete.</b></p> <p>The multi-year forecast was updated in March 2022 and provided to Council in April 2022.</p> <p><b>Step 2 is Pending. No new updates.</b></p> <p>Staff has started testing a few templates, including a three-year fiscal impact for multi-year contracts, on staff reports presented for Council consideration. Once refined, these templates will be rolled out citywide.</p>
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<p><b>7. Implement a formal process for development of reasonable budget projections</b></p>	<p>1. Review accuracy of quarterly budget projections, comparing current year to previous year actual revenue and expenditures and factoring in known events that will change year-to-year data.</p> <p>2. Track quarterly building and planning activity</p> <p>3. Incorporate HdL sales tax information into quarterly, mid-year and annual budget estimates</p> <p>4. Budget for risk management costs based upon actual loss experience</p>	<p>1. Meet quarterly with Directors to review activity and trends – March, June, September, and December</p> <p>2. Use HdL data to support revenue projections for sales, property tax, transient occupancy tax, business license fees – May 1, 2021</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – Assistant City Manager</p>	<p><b>This objective is complete.</b></p> <p>The budget process is formalized with Budget Preparation Instructions and standardized forms.</p> <p>The City analyzes budget projections, comparing current year to previous year actual revenue and expenditures, building and planning activity quarterly and provides a Quarterly Financial Report to Council.</p> <p>Additionally, staff meets with HdL quarterly to review sales tax estimates.</p>
<p><b>8. Meet and confer regarding negotiation of employee union agreements</b></p>	<p>Begin meet and confer process with all labor groups to review a) CPI, b) City’s ability to pay, and c) labor market competitiveness on a total compensation basis including base salary, differentials, medical, pensions, and OPEB</p>	<p>1. Meet and confer process starts – April 2021</p> <p>2. Regular Closed session updates to City Council</p> <p>3. Meet &amp; confer process completed – <del>July</del> <b>October</b> 2022</p>	<p><u>Lead</u> – Human Resources Director</p> <p><u>Support</u> – Finance Director and City Manager</p>	<p><b>This objective is complete.</b></p> <p>Negotiations with the Firefighters Association were finalized in September and City Council approved a new Memorandum of Understanding October 4, 2022.</p> <p>City Council approved 3-year agreements with 5 of the labor groups in November 2021, 2 groups in January 2022, and 1 group in February 2022.</p>

<p><b>9.</b> Improve internal purchasing processes/enforcement to reduce susceptibility to waste and fraud</p>	<p>1. Review purchasing policy and credit card usage to determine compliance with Best Management Practices</p> <p>2. Evaluate California Uniform Public Construction Cost Accounting Act (Public Contract Code 22000-22045)</p>	<p>1. Adopt revised purchasing and credit card usage policies as appropriate – <del>October 2021</del> <b>June 2022</b></p> <p>2. Adopt ordinance enacting California Uniform Public Construction Cost Accounting Act – August 2021</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – City Attorney’s Office and City Engineer</p>	<p><b>This objective is complete.</b></p> <p>In May 2021, City Council approved to include the California Uniform Public Construction Act Cost Accounting Act procedures within the Municipal Code.</p> <p>The new Purchasing Policy was adopted by City Council on June 21<sup>st</sup>. The new ordinance took effect July 21, 2022.</p>
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## AGENDA STAFF REPORT

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City of West Covina

**DATE:** 12/12/2022  
**TO:** Audit Committee  
**FROM:** Stephanie Sikkema, Finance Director  
**SUBJECT:** PURCHASING POLICY VIOLATION LOG

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**RECOMMENDATION:**

It is recommended that the Audit Committee receive and file the Purchasing Policy Violation Log as of November 30, 2022.

**BACKGROUND:**

During the meeting held on July 27, 2022, the Audit Committee requested updates regarding the City's Purchasing Policy Violation Log.

**DISCUSSION:**

Attached is the Purchasing Policy Violation Log as of November 30, 2022.

**Prepared by:** Stephanie Sikkema, Finance Director

**Additional Approval:**

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**Attachments**

Attachment No. 1 - Purchasing Violation Log FY 2022-23

## Violation of Purchasing Policy Log FY2022-23

Date	Department	Purchase	Amount	Violation
07/05/2022	Human Resources	Covid-19 testing	\$ 3,590.65	Purchase over \$2.5k without prior authorization.
07/11/2022	Public Services	Alarm maintenance	\$ 2,894.00	Purchase over \$2.5k without prior authorization.
07/11/2022	Public Services	Median tree lights/Azusa Av	\$ 2,897.89	Purchase over \$2.5k without prior authorization.
07/13/2022	Fire	SCBA testing	\$ 6,450.00	Purchase over \$2.5k without prior authorization.
07/20/2022	Fire	IT support	\$ 5,134.90	Purchase over \$5k without prior authorization.
08/03/2022	Fire	Truck repairs	\$34,505.80	Purchase over \$5k without prior authorization.
08/03/2022	Public Services	Demo Services	\$52,250.00	Purchase over \$5k without prior authorization.
09/27/2022	Administration	Event Rental	\$ 9,411.80	Purchase over \$5k without prior authorization.
09/27/2022	Public Services	Event Rental	\$ 9,523.34	Purchase over \$5k without prior authorization.
10/12/2022	Human Resources	Medical Exams	\$ 9,905.00	Purchase over \$5k without prior authorization.
11/07/2022	Public Services	Gymnastics Teaching services	\$ 7,612.96	Purchase over \$5k without prior authorization.
11/22/2022	Public Services	Road supplies	\$ 5,207.45	Purchase over \$5k without competitive bidding and prior authorization.



## AGENDA STAFF REPORT

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City of West Covina

**DATE:** 12/12/2022  
**TO:** Audit Committee  
**FROM:** Stephanie Sikkema, Finance Director  
**SUBJECT:** FIRE DEPARTMENT BUDGET VS. ACTUALS

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### **RECOMMENDATION:**

It is recommended that the Audit Committee receive and file the Fire Department Budget vs. Actuals as of October 31, 2022.

### **BACKGROUND:**

During the meeting held on July 27, 2022, the Audit Committee requested to add the following item on the next meeting agenda, Fire Department Budget vs. Actuals.

### **DISCUSSION:**

Attached are Fire Department Budget vs. Actuals as of October 31, 2022. The financial information included in this report is preliminary, unaudited and subject to revision upon completion of the City's closing and audit.

**Prepared by:** Stephanie Sikkema, Finance Director

**Additional Approval:**

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### **Attachments**

Attachment No. 1 - Fire Department Budget vs. Actuals

expstat.rpt  
12/01/2022 10:42AM  
Periods: 4 through 4

## Expenditure Status Report

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City of West Covina  
10/1/2022 through 10/31/2022

110 GENERAL FUND

32 FIRE

3210 FIRE

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
5110 SWORN FULL TIME SALARIES	7,528,493.00	599,851.85	2,488,604.58	0.00	5,039,888.42	33.06
5111 FULL TIME SALARIES	226,742.00	9,314.78	39,842.94	0.00	186,899.06	17.57
5113 OVER TIME SALARIES	3,233,160.00	297,218.06	1,417,591.55	0.00	1,815,568.45	43.85
5115 PARAMEDIC PAY	159,105.00	12,488.38	51,713.99	0.00	107,391.01	32.50
5116 FIRE INVESTIGATOR PAY	1,200.00	92.30	395.57	0.00	804.43	32.96
5117 BILINGUAL PAY	13,200.00	1,015.30	4,568.85	0.00	8,631.15	34.61
5118 FLSA OVERTIME	123,600.00	9,919.09	42,145.89	0.00	81,454.11	34.10
5119 LONGEVITY PAY	255,788.00	20,512.52	87,433.16	0.00	168,354.84	34.18
5120 EDUCATIONAL INCENTIVE	230,322.00	18,689.89	83,561.00	0.00	146,761.00	36.28
5122 HOLIDAY OPT/PERSABLE	303,925.00	27,396.66	122,386.20	0.00	181,538.80	40.27
5124 SICK LEAVE BUY BACK	14,980.00	0.00	0.00	0.00	14,980.00	0.00
5125 VACATION BUY BACK	14,770.00	0.00	3,938.32	0.00	10,831.68	26.66
5129 MUTUAL AID OVERTIME	1,138,225.00	0.00	135,157.03	0.00	1,003,067.97	11.87
5132 UNIFORM ALLOWANCES	68,000.00	0.00	4,500.00	0.00	63,500.00	6.62
5151 WORKERS' COMPENSATION	500,450.00	78,897.02	310,180.69	0.00	190,269.31	61.98
5152 HEALTH/FLEX BENEFIT	1,208,144.00	98,277.73	441,914.38	0.00	766,229.62	36.58
5153 GROUP LIFE	7,973.00	718.06	3,193.75	0.00	4,779.25	40.06
5154 GROUP LONG TERM DISABILITY	1,562.00	28.36	127.62	0.00	1,434.38	8.17
5155 MEDICARE	127,722.00	18,962.50	67,931.71	0.00	59,790.29	53.19
5156 RETIREMENT - SAFETY	1,480,341.00	123,128.20	568,916.30	0.00	911,424.70	38.43
5157 RETIREMENT - NONSWORN	17,142.00	675.50	2,915.25	0.00	14,226.75	17.01
5158 DEFERRED COMPENSATION	43,556.00	3,150.00	14,150.00	0.00	29,406.00	32.49
5159 DENTAL INS BENEFIT	44,481.00	3,534.33	15,909.28	0.00	28,571.72	35.77
5160 RETIREE MEDICAL BENEFIT	669,800.00	57,654.81	278,952.43	0.00	390,847.57	41.65
5161 VISION	27,739.00	2,219.28	9,976.17	0.00	17,762.83	35.96
5163 RETIREMENT HEALTH SAVINGS PLAN	98,400.00	8,650.00	38,650.00	0.00	59,750.00	39.28
5169 EPMC REPLACEMENT PLAN	37,244.00	3,014.74	12,676.10	0.00	24,567.90	34.04
5175 FIRE OFFICER CERTIFICATION PAY	18,039.00	1,475.26	6,610.30	0.00	11,428.70	36.64
5180 LEAVE LUMP SUM	54,060.00	13,307.53	13,307.53	0.00	40,752.47	24.62
5181 PERS UAL PMT - SAFETY	540,042.00	0.00	522,078.72	0.00	17,963.28	96.67
5182 PERS UAL PMT - MISCELLANEOUS	21,740.00	0.00	21,016.69	0.00	723.31	96.67

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**Expenditure Status Report**

City of West Covina  
 10/1/2022 through 10/31/2022

**110 GENERAL FUND**

**32 FIRE**

**3210 FIRE**

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
5251 AUTO ALLOWANCE	3,600.00	0.00	0.00	0.00	3,600.00	0.00
5253 CASH BACK	94,450.00	6,391.72	28,302.97	0.00	66,147.03	29.97
<b>Total PERSONNEL SERVICES</b>	<b>18,307,995.00</b>	<b>1,416,583.87</b>	<b>6,838,648.97</b>	<b>0.00</b>	<b>11,469,346.03</b>	<b>37.35</b>
6011 UNIFORMS	73,500.00	3,550.71	10,227.40	4,002.62	59,269.98	19.36
6030 MEMBERSHIPS & SUBSCRIPTIONS	3,600.00	0.00	2,184.10	0.00	1,415.90	60.67
6050 CONFERENCES & MEETINGS	3,800.00	0.00	0.00	0.00	3,800.00	0.00
6110 PROFESSIONAL SERVICES	116,700.00	250.00	34,186.33	47,141.37	35,372.30	69.69
6120 OTHER CONTRACTUAL SERVICES	180,800.00	19,488.69	60,036.19	92,708.61	28,055.20	84.48
6130 SERVICE CONTRACTS	117,538.00	7,132.20	10,342.62	0.00	107,195.38	8.80
6141 NATURAL GAS	13,900.00	573.70	1,898.86	0.00	12,001.14	13.66
6142 ELECTRICITY	31,400.00	3,229.96	11,472.74	0.00	19,927.26	36.54
6143 WATER	1,900.00	348.90	498.33	0.00	1,401.67	26.23
6145 TELEPHONE -- SPECIAL LINES	10,000.00	553.86	1,645.94	0.00	8,354.06	16.46
6147 CELLULAR PHONES	20,000.00	0.00	3,837.82	0.00	16,162.18	19.19
6210 OFFICE SUPPLIES	7,000.00	329.12	1,158.14	0.00	5,841.86	16.54
6213 POSTAGE	200.00	0.00	14.16	0.00	185.84	7.08
6214 PRINTING & COPYING	500.00	0.00	55.59	0.00	444.41	11.12
6233 MEDICAL & OXYGEN SUPPLIES	177,500.00	2,052.01	11,489.39	14,948.34	151,062.27	14.89
6270 OTHER SUPPLIES / MATERIALS	109,500.00	6,672.79	36,881.15	14,852.73	57,766.12	47.25
6329 OTHER VEHICLE SUBLET REPAIRS	243,497.00	28,582.42	39,148.05	113,817.53	90,531.42	62.82
6330 EQUIPMENT M & R	23,100.00	1,100.48	5,595.14	2,328.87	15,175.99	34.30
6331 OFFICE EQUIPMENT M & R	7,000.00	0.00	0.00	0.00	7,000.00	0.00
6341 PERS HEALTH ADMIN FEE	4,535.00	560.46	2,103.77	0.00	2,431.23	46.39
6424 CAPITALIZED LEASE PAYMENTS	2,900.00	0.00	0.00	0.00	2,900.00	0.00
6490 MISCELLANEOUS EXPENSES	21,600.00	456.06	59,145.43	122.88	-37,668.31	274.39
6551 FIRE TRAINING COSTS	20,000.00	436.00	436.00	0.00	19,564.00	2.18
<b>Total MATERIALS AND SERVICES</b>	<b>1,190,470.00</b>	<b>75,317.36</b>	<b>292,357.15</b>	<b>289,922.95</b>	<b>608,189.90</b>	<b>48.91</b>
8102 PROPERTY & LIABILITY INS CHARGES	614,400.00	51,200.00	204,800.00	0.00	409,600.00	33.33
8104 VEHICLE MAINTENANCE CHARGES	82,403.00	6,762.42	14,177.42	0.00	68,225.58	17.20
8105 FUEL USAGE CHARGES	136,880.00	16,925.62	72,786.29	0.00	64,093.71	53.18



## Expenditure Status Report

City of West Covina  
 10/1/2022 through 10/31/2022

110 GENERAL FUND

32 FIRE

3210 FIRE

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
Total ALLOCATION	833,683.00	74,888.04	291,763.71	0.00	541,919.29	35.00
Total FIRE	20,332,148.00	1,566,789.27	7,422,769.83	289,922.95	12,619,455.22	37.93

**Expenditure Status Report**

City of West Covina  
 10/1/2022 through 10/31/2022

110 GENERAL FUND  
 32 FIRE  
 3230 FIRE PREVENTION

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
5111 FULL TIME SALARIES	71,579.00	0.00	0.00	0.00	71,579.00	0.00
5112 PART TIME SALARIES	32,366.00	4,010.75	20,690.98	0.00	11,675.02	63.93
5132 UNIFORM ALLOWANCES	700.00	0.00	0.00	0.00	700.00	0.00
5151 WORKERS' COMPENSATION	1,629.00	165.98	880.90	0.00	748.10	54.08
5152 HEALTH/FLEX BENEFIT	6,600.00	0.00	0.00	0.00	6,600.00	0.00
5153 GROUP LIFE	117.00	0.00	0.00	0.00	117.00	0.00
5154 GROUP LONG TERM DISABILITY	364.00	0.00	0.00	0.00	364.00	0.00
5155 MEDICARE	1,517.00	22.65	135.50	0.00	1,381.50	8.93
5158 DEFERRED COMPENSATION	600.00	0.00	0.00	0.00	600.00	0.00
5159 DENTAL INS BENEFIT	222.00	0.00	0.00	0.00	222.00	0.00
5161 VISION	205.00	0.00	0.00	0.00	205.00	0.00
5163 RETIREMENT HEALTH SAVINGS PLAN	1,200.00	0.00	0.00	0.00	1,200.00	0.00
5180 LEAVE LUMP SUM	5,170.00	0.00	0.00	0.00	5,170.00	0.00
5182 PERS UAL PMT - MISCELLANEOUS	5,435.00	0.00	5,254.17	0.00	180.83	96.67
<b>Total PERSONNEL SERVICES</b>	127,704.00	4,199.38	26,961.55	0.00	100,742.45	21.11
6011 UNIFORMS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
6030 MEMBERSHIPS & SUBSCRIPTIONS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
6050 CONFERENCES & MEETINGS	700.00	0.00	0.00	0.00	700.00	0.00
6110 PROFESSIONAL SERVICES	61,600.00	5,040.00	16,305.66	43,914.23	1,380.11	97.76
6270 OTHER SUPPLIES / MATERIALS	5,000.00	166.76	1,711.21	0.00	3,288.79	34.22
6329 OTHER VEHICLE SUBLET REPAIRS	1,800.00	0.00	0.00	0.00	1,800.00	0.00
<b>Total MATERIALS AND SERVICES</b>	71,100.00	5,206.76	18,016.87	43,914.23	9,168.90	87.10
<b>Total ALLOCATION</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total FIRE PREVENTION</b>	198,804.00	9,406.14	44,978.42	43,914.23	109,911.35	44.71

## Expenditure Status Report

City of West Covina  
 10/1/2022 through 10/31/2022

110 GENERAL FUND  
 32 FIRE  
 3240 EMERGENCY SERVICES

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
<b>Total</b> PERSONNEL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
6030 MEMBERSHIPS & SUBSCRIPTIONS	200.00	0.00	0.00	0.00	200.00	0.00
6050 CONFERENCES & MEETINGS	1,500.00	0.00	0.00	0.00	1,500.00	0.00
6110 PROFESSIONAL SERVICES	6,000.00	0.00	6,335.58	0.00	-335.58	105.59
6145 TELEPHONE -- SPECIAL LINES	6,200.00	498.43	1,476.08	0.00	4,723.92	23.81
6210 OFFICE SUPPLIES	300.00	0.00	0.00	0.00	300.00	0.00
6270 OTHER SUPPLIES / MATERIALS	3,500.00	0.00	0.00	0.00	3,500.00	0.00
<b>Total</b> EMERGENCY SERVICES	17,700.00	498.43	7,811.66	0.00	9,888.34	44.13
<b>Total</b> FIRE	20,548,652.00	1,576,693.84	7,475,559.91	333,837.18	12,739,254.91	38.00