



FOURTH QUARTER FINANCIAL REPORT

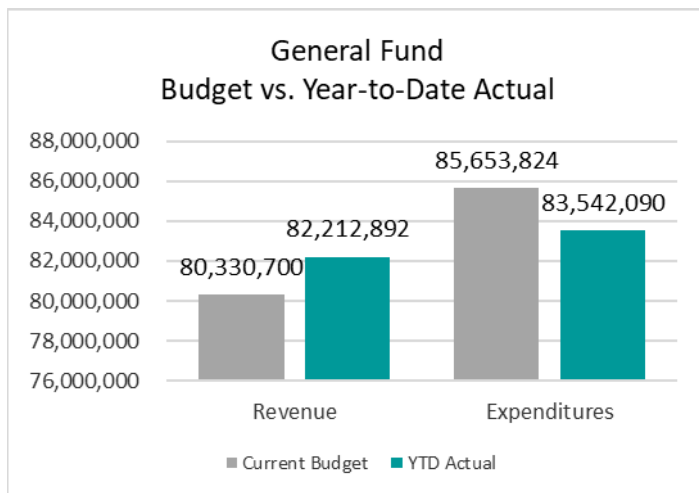
Fiscal Year 2021-22

The City has completed the fourth quarter of Fiscal Year 2021-22. This report summarizes the overall financial performance of the City for the period of July 1, 2021, through June 30, 2022, but it is not meant to be inclusive of all finance and accounting transactions. While the focus of the report is the General Fund, summary financial information is also provided for the Enterprise Fund and Special Revenue Funds. The information presented is unaudited. This report is intended to provide City Council and the public with an overview of the City’s general fiscal condition.

The revenue and expenditures per the Budget to Actual comparisons include adjustments for carryovers and any appropriations made as of June 30, 2022. The information presented reports revenues as they are received and expenditures when paid. Revenues and expenditures are only accrued at year end to account for such activity in the correct fiscal year.

GENERAL FUND

The General Fund is the general operating fund for the City. It provides the resources to sustain the day-to-day activities and services to the community. All nine departments receive support, either directly or indirectly, from the General Fund.



The General Fund original budget for FY 2021-22 was \$67,814,100 for revenues and expenditures. With

amendments, the current FY2021-22 budget is \$80,330,700 for revenues and \$85,653,824 for expenditures. With 100% of the year complete, General Fund revenues are at 102% of budget and expenditures are at 97.5%.

General Fund Revenue

General Fund Revenue	Current Budget	YTD Actual	%
Property Tax	29,504,200	30,687,088	104.0%
Sales Tax	22,900,000	23,180,793	101.2%
Other Taxes	8,467,200	9,773,175	115.4%
Charges for Services	8,280,000	8,512,897	102.8%
Licenses & Permits	3,194,100	4,476,096	140.1%
Revenue from Other Agencies	2,808,900	2,825,802	100.6%
Cost Recovery	1,600,000	1,580,715	98.8%
Interdepartmental Charges	1,423,800	1,188,500	83.5%
Use of Money & Property	1,183,600	863,593	73.0%
Fines & Forfeitures	755,000	910,120	120.5%
Transfers In	131,100	140,497	107.2%
Other Revenues	82,800	(1,926,385)	-2326.6%
Grand Total	80,330,700	82,212,892	102.3%

The City’s two major General Fund revenue sources are Property Tax and Sales Tax which make up 65% of the General Fund revenues.

- **Property Tax:** The third major apportionment distribution to the City for FY 2021-22 was received in April 2022. Included in this line item are Secured Property Taxes, Property Taxes In-Lieu of Vehicle License Fees (VLF), and residual payments from the dissolution of the former redevelopment agency. An increase in property tax revenue is included in the proposed budget amendment in the amount of \$1,168,399.
- **Sales Tax:** As of June 30, 2022, the allocation received represents approximately 101.2% of the total sales tax allocation for the year. The City received its final sales tax allocation distributed by the California State Department of Taxes and Fees Administration (CDTFA) in August 2022. Sales Tax ended higher than the current budget and surpassed prior-year actuals.

- Other Taxes:** This category includes Franchise Fees, Business License Tax, Transient Occupancy Tax (TOT), and Property Transfer Tax. Transient Occupancy Tax ended over the current budget with over 117%, or \$1,756,473, received. Adjustments totaling \$627,021 have been included in the proposed Budget Amendment to reflect these actuals.
- License & Permits:** Revenues for licenses & permits include building and engineering permits, and animal licenses. Revenue ended higher than originally projected mainly due to building activity increases. Adjustments totaling \$475,953 have been included in the proposed Budget Amendment to reflect these actuals.
- Revenues from other Agencies:** This category includes Vehicle In-Lieu, State Mandated Cost reimbursement revenue, and the exchange of Prop A funds, which are the largest revenue source in this category.
- Charges for Services:** These revenues include plan check and zoning related fees, recreation fees, interfund charges, police and fire fees. These fees are at approximately 103% or \$8,512,146 through June 2022. Adjustments totaling \$530,814 have been included in the proposed Budget Amendment to reflect these actuals.

Revenue projections are revised with the Quarterly Report based on revenue trends, and activity to date. The total proposed adjustment is an increase of \$2,802,187 in revenue to the General Fund.

Revenue Projection	Original Budget	Current Budget	Proposed Adj.	Revised Projection
Property Tax	28,204,200	29,504,200	1,168,399	30,672,599
Sales Tax	15,900,000	22,900,000		22,900,000
Other Taxes	8,167,200	8,467,200	627,021	9,094,221
Charges for Services	5,336,000	8,280,000	530,814	8,810,814
Revenue from Other Agencies	4,483,300	2,808,900		2,808,900
Licenses & Permits	1,964,100	3,194,100	475,953	3,670,053
Interdepartmental Charges	1,423,800	1,423,800		1,423,800
Use of Money & Property	1,183,600	1,183,600		1,183,600
Fines & Forfeitures	608,000	755,000		755,000
Cost Recovery	330,000	1,600,000		1,600,000
Transfers In	131,100	131,100		131,100
Other Revenues	82,800	82,800		82,800
Grand Total	67,814,100	80,330,700	2,802,187	83,132,887

As of June 30, 2022, with 100% of the year complete, \$83.5 million or 97.5% of the General Fund budget has been expensed (see chart below). With the exception of transfers out, all departments are at or below 100% through the end of the year.

General Fund Expenditures

Department	Current Budget	YTD Actual	%
Administration	2,712,400	2,454,572	90.5%
City Clerk	465,800	399,082	85.7%
Community Development	4,352,650	4,004,072	92.0%
Finance	3,593,600	2,405,873	66.9%
Fire	20,946,900	20,830,973	99.4%
Human Resources	895,200	884,616	98.8%
Police	27,203,512	27,108,090	99.6%
Public Services	5,862,750	5,021,307	85.6%
Transfers Out	19,621,012	20,433,506	104.1%
Grand Total	85,653,824	83,542,090	97.5%

Transfers Out is over budget due to a transfer to the Sportsplex fund (No. 242) and (No. 367) to cover its negative revenue less expenditures. The total of these transfers, \$816,595, is included in the proposed budget amendment.

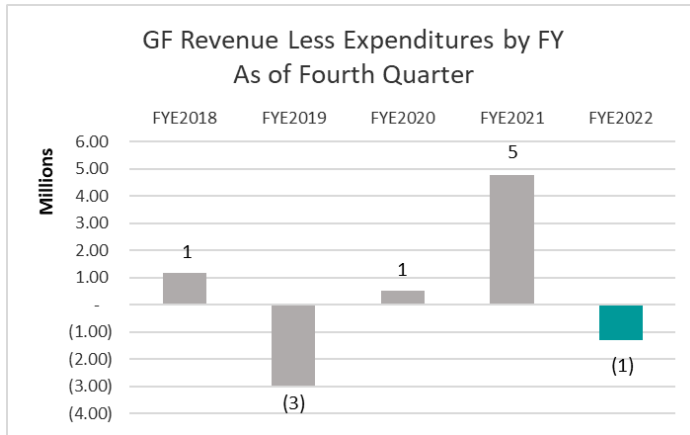
General Fund Overtime

Overtime expenditures exceeded budget in Administration, Fire, Police, and Public Services. The Police Department ended 1.7% or \$77,764 over budget and the Fire Department ended 2.7% or \$55,412 over budget. Public Services was also over by 49.1% or \$29,374.

General Fund Overtime Year-to-Date:

Department	Current Budget	YTD GF Overtime	%
Administration	2,000	2,796	139.8%
Finance	2,000	568	28.4%
Fire	3,350,000	3,405,412	101.7%
Police	2,881,000	2,958,764	102.7%
Public Services	19,700	49,074	249.1%
Grand Total	6,254,700	6,416,614	102.6%

Overall, total General Fund Revenue (\$82.2M) less expenditures (\$83.5M) for the year is negative \$1.3 million.



The original adopted General Fund budget for FY 2021-22 was \$67,814,100 for revenues and expenditures. Council since added personnel and crossing guard services increasing expenditures to \$69,859,100 and revenue to \$67,880,100.

The mid-year budget amendment adjusted revenues less expenditures to -\$7,371,524. However, \$7,087,000 of this was for the allocation of unassigned fund balance making the net impact on the General Fund -\$284,524.

The third quarter budget amendment had an overall positive impact on the General Fund of \$2,048,400 making the revised General Fund budget projection to be -\$5,323,124 by the end of this fiscal year. However, this still included \$7,087,000 for the allocation of unassigned fund balance making the net impact on the General Fund positive \$1,763,876.

The proposed fourth quarter budget amendment has an overall positive impact on the General Fund of \$1,985,592.

General Fund Expenditures	Original Budget	Current Budget	Requested BA	Amended Budget
Administration	2,535,200	2,712,400		2,712,400
City Clerk	378,300	465,800		465,800
Community Development	1,862,900	4,352,650		4,352,650
Finance	1,996,600	3,593,600		3,593,600
Fire	16,989,200	20,946,900		20,946,900
Human Resources	666,200	895,200		895,200
Police	24,010,300	27,203,512		27,203,512
Public Services	5,593,200	5,862,750		5,862,750
Transfers Out	13,782,200	19,621,012	816,595	20,437,607
Grand Total	67,814,100	85,653,824	816,595	86,470,419

The proposed General Fund budget amendment has a positive net impact of +,985,592 and includes the following:

- 1) Staff proposes increasing revenue based on year-end actuals for Property Tax (\$1,168,399), Other Taxes (\$627,021), Charges for Services (\$530,814) and Licenses & Permits (\$475,953).
- 2) Transfer to the Sportsplex fund (\$754,253) and Vehicle Replacement fund (\$62,342) to cover negative fund balances.

ENTERPRISE FUND

The Police Department’s Computer Service Group ended under budget at 84.1%.

Police Enterprise	Current Budget	YTD Actual	%
Revenue	881,900	916,888	104.0%
Expenditures	856,402	719,911	84.1%
Grand Total	1,738,302	1,636,798	94.2%

OTHER FUNDS

Budget versus actual comparisons for both revenue and expenditures for other funds are presented below:

Other Funds	Current Budget	YTD Actual	%
Revenue	89,111,973	81,125,671	91.0%
Assessment Districts	4,671,100	4,157,719	89.0%
CDBG	3,313,566	2,063,345	62.3%
CIP	4,725,000	4,725,000	100.0%
Debt Service	14,998,212	14,994,145	100.0%
Gas Tax	2,745,100	2,492,584	90.8%
Internal Service Funds	7,243,300	7,029,353	97.0%
Measure M	1,522,200	1,897,011	124.6%
Measure R	1,347,700	1,676,987	124.4%
Prop A	2,246,600	2,680,426	119.3%
Prop C	2,318,600	2,285,095	98.6%
SB1	2,680,300	2,735,551	102.1%
Sewer Maintenance	3,230,000	4,310,406	133.4%
Sportsplex	-	978,134	100.0%
Other SR	4,159,934	4,497,128	108.1%
Grant	15,093,761	10,081,216	66.8%
Impact Fees	292,000	267,817	91.7%
PDF	538,900	4,415,259	819.3%
Police Computer Service Fund	881,900	916,888	104.0%
Successor Agency	12,745,800	6,061,068	47.6%
Housing Authority	42,000	355,422	846.2%
CFD	4,316,000	2,426,355	56.2%
Private Purpose Trust Funds	-	78,763	100.0%
Expenditures	114,632,506	83,057,395	72.5%
Assessment Districts	4,705,747	3,411,061	72.5%
CDBG	3,908,021	2,148,283	55.0%
CIP	10,458,800	7,810,515	74.7%
Debt Service	14,946,612	14,946,062	100.0%
Gas Tax	2,995,000	2,358,182	78.7%
Internal Service Funds	7,955,900	7,247,283	91.1%
Measure M	836,203	308,006	36.8%
Measure R	2,143,434	952,517	44.4%
Prop A	2,930,900	2,842,893	97.0%
Prop C	2,289,680	1,845,156	80.6%
SB1	2,263,183	2,028,786	89.6%
Sewer Maintenance	6,897,050	3,612,127	52.4%
Sportsplex	1,498,929	982,264	65.5%
Other SR	8,374,407	3,571,557	42.6%
Grant	24,781,761	10,692,151	43.1%
Impact Fees	607,377	187,464	30.9%
PDF	1,121,100	484,913	43.3%
Police Computer Service Fund	856,402	719,911	84.1%
Successor Agency	9,032,300	6,939,092	76.8%
Housing Authority	1,236,000	918,087	74.3%
CFD	4,793,700	8,738,474	182.3%
Private Purpose Trust Funds	-	219,811	100.0%
#N/A	-	92,800	100.0%
Grand Total	203,744,478	164,183,066	80.6%

discretionary portion of Proposition A funds received that cannot be exchanged.

2) Fund 120 (Integrated Waste Management): The budget is proposed to be increased by \$59,570 to reflect actual expenditures.

3) Fund 139 (FEMA Grant): An additional \$31 is necessary to cover a transfer out to the General Fund due to excess grant funds.

4) Fund 171 (PDF B Palm View): Expenditures totaling \$82,434.00 were necessary to cover improvements to Palmview Park that were not eligible for LA County Park bond funds.

5) Fund 190 (Auto Plaza Improvement District): An additional \$4,900 is necessary to cover the budget shortfall in professional services.

FOR MORE INFORMATION

This summary report is derived from detailed financial information generated by the City's Finance Department. Additional financial information is available online at www.westcovina.org.

In addition to the amendments being proposed under the General Fund, the following amendments are recommended for other funds:

1) Fund 120 (Prop A Discretionary): This is a new proposed fund to separately account for the