



2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2023

CITY OF WEST COVINA, CALIFORNIA
www.westcovina.org



CITY OF WEST COVINA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2023

Prepared by
Finance Department

City of West Covina, California
Annual Comprehensive Financial Report
Year Ended June 30, 2023

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INTRODUCTORY SECTION

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Finance Department

January 22, 2024

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

It is a pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of West Covina (City) for the fiscal year ended June 30, 2023. 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 to a population of over 109,000. In recent years there has been a slight decline with a current population in excess of 105,000.

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.

While the City has appeared to have recovered economically from the COVID-19 pandemic, a recession is anticipated. Through sound financial policies and procedures, the City has attempted to manage rising costs and dwindling revenues efficiently and effectively. This is not to say that significant challenges do not face the City going forward. Rising costs of materials and services continue to be of grave concern. The infrastructure needs of the City have been

long deferred. Additionally, the City has currently been utilizing the \$19 million in American Rescue Plan Act funds to address some of these needs.

As noted in our current fiscal year's finances, there is a General Fund balance of \$21 Million as the ending fund balance. Service levels are directly related to the income from which public expenses are met. The City has made some progress toward the goal of attaining fiscal sustainability and positioned the City for long-term financial success. As the City enters an economic downturn, fiscal prudence will need to be at the forefront.

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. The latest forecast shows expenditures are increasing at a faster pace than revenues. The City has attempted to attain fiscal sustainability into the future by finding economies and efficiencies in its operations.

Like most California cities, West Covina has several unfunded liabilities. The biggest of these being the cost of employee pensions. Pension obligations and payments for the unfunded accrued liability (UAL) were expected to worsen each fiscal year. This fact prompted the City to issue Pension Obligation Bonds in July of 2020 to address the UAL and attain more favorable interest rates to address the pension problem. Other Post Employment Benefits liabilities account for the second largest cost. This liability continues to rise and will need to be addressed in the long term.

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, 2023

CITY COUNCIL

Rosario Diaz, Mayor
Brian Tabatabai, Mayor Pro Tem
Ollie Cantos, Councilman
Letty Lopez-Viado, Councilwoman
Tony Wu, Councilman

ELECTED OFFICIALS

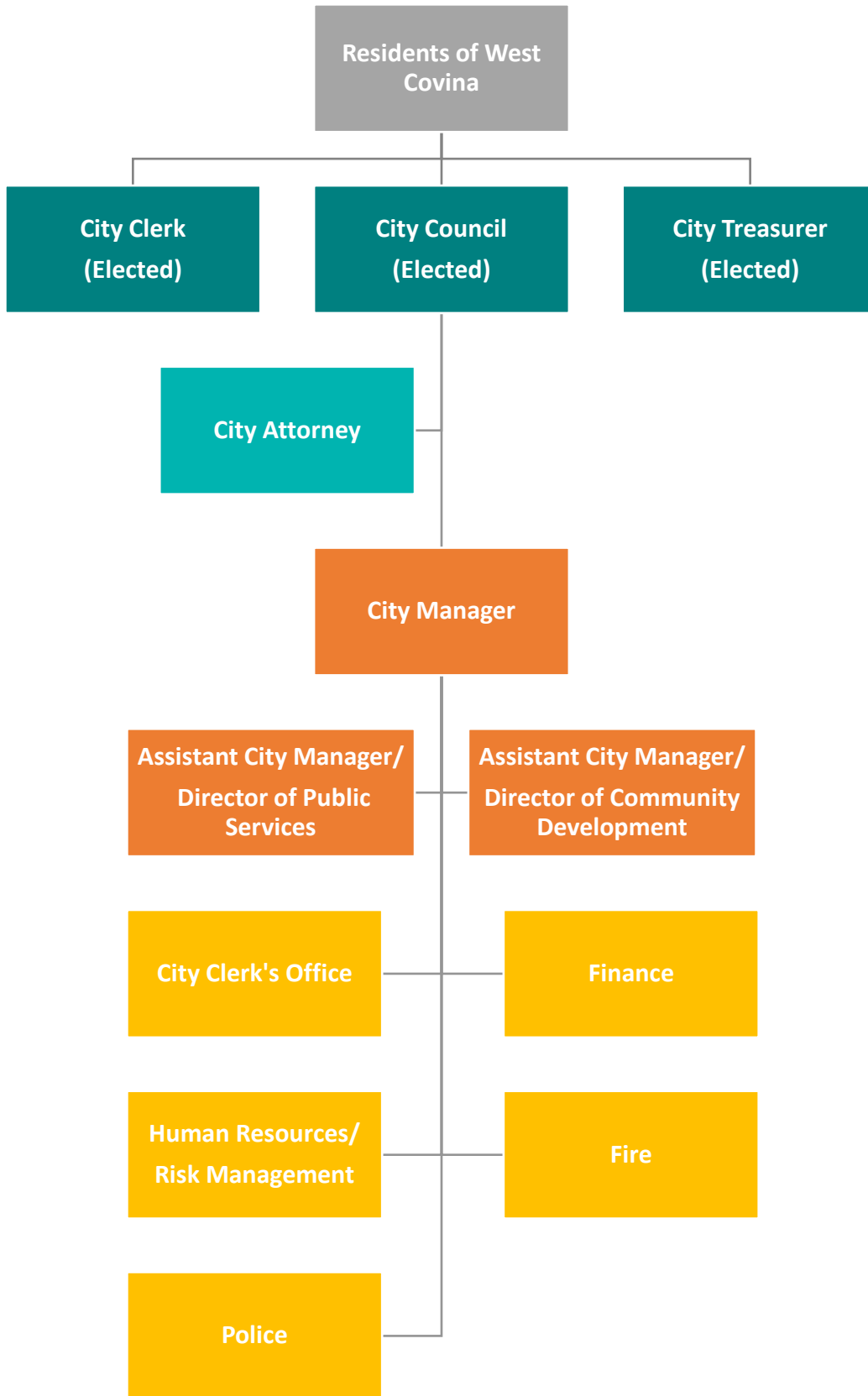
Nickolas S. Lewis, City Clerk
Colleen B. Rozatti, City Treasurer

ACTING CITY MANAGER

Paulina Morales

EXECUTIVE MANAGEMENT TEAM

Roxanne Lerma, Assistant City Manager
Thomas P. Duarte, City Attorney
Lisa Sherrick, Assistant City Clerk
Stephanie Sikkema, Finance Director & Acting Human Resources Director
Vincent Capelle, Fire Chief
Richard Bell, Police Chief





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Covina
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2023, 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.

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 January 22, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Van Lant & Fankhaed, LLP

January 22, 2024
Murrieta, CA

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, 2023. 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, 2023, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was \$6.6 million.
- The City's total net position decreased \$4.6 million from the prior year. This is mostly due to the \$65.7 million net pension asset recognized in the prior year now being reflected as a net pension liability of \$44.6 million in long-term debt. Including the deferred outflows and inflows of pension related items, there is a net decrease of \$9.65 million. In addition, there was an increase of \$7.8 million in the claims payable liability, attributed primarily to the change in the estimated outstanding workers compensation losses for 2021-22 and prior.
- The City's total governmental funds reported combined ending fund balances of \$136.7 million, an increase of \$5.4 million in comparison with the prior fiscal year of \$131.3 million. The increase is comprised of changes in fund balance, primarily in the non-major Measure W fund for \$3.8 million. Of the \$136.7 million fund balance, \$3.4 million, or 2.5%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of \$108.0 million, or 79.0%, is spendable for restricted purposes. The assigned fund balance of \$7.6 million, or 5.6%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of \$17.6 million, or 12.9%, 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) 2022-23 of \$6,526, compared with a \$196,978 operating gain in FY 2021-22. The total net position for the computer service enterprise fund as of June 30, 2023 is \$241,833. The net position in the prior year was \$235,307.

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, 2023, net position for the City was a balance of \$6.6 million. Compared to the prior year, the net position of the City decreased by \$4.6 million.

The City's net position of \$6.6 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, \$152.4 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, \$109.3 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 \$255.0 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 \$196.5 million.

The table below reflects the Statement of Net Position for the fiscal year ended June 30, 2023, with the comparative data for the fiscal year ended June 30, 2022:

Table 1
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 186,439,041	\$ 248,135,791	\$ 291,899	\$ 482,211	\$ 186,730,940	\$ 248,618,002
Capital assets	193,577,149	196,089,095	-	-	193,577,149	196,089,095
Total assets	<u>380,016,190</u>	<u>444,224,886</u>	<u>291,899</u>	<u>482,211</u>	<u>380,308,089</u>	<u>444,707,097</u>
Deferred Outflows of Resources:						
Pension related	37,822,672	9,799,582	-	-	37,822,672	9,799,582
OPEB related	8,878,853	11,962,103	-	-	8,878,853	11,962,103
	<u>46,701,525</u>	<u>21,761,685</u>	<u>-</u>	<u>-</u>	<u>46,701,525</u>	<u>21,761,685</u>
Liabilities:						
Long-term debt outstanding	368,378,854	338,752,283	17,268	20,015	368,396,122	338,772,298
Other liabilities	26,715,769	28,829,273	32,798	226,889	26,748,567	29,056,162
Total liabilities	<u>395,094,623</u>	<u>367,581,556</u>	<u>50,066</u>	<u>246,904</u>	<u>395,144,689</u>	<u>367,828,460</u>
Deferred Inflows of Resources:						
Pension related	785,967	67,639,168	-	-	785,967	67,639,168
OPEB related	17,602,036	12,522,363	-	-	17,602,036	12,522,363
Lease Related	6,834,555	7,257,992	-	-	6,834,555	7,257,992
	<u>25,222,558</u>	<u>87,419,523</u>	<u>-</u>	<u>-</u>	<u>25,222,558</u>	<u>87,419,523</u>
Net Position:						
Net investment in capital assets	152,367,256	152,889,130	-	-	152,367,256	152,889,130
Restricted	109,315,672	98,381,004	-	-	109,315,672	98,381,004
Unrestricted	<u>(255,282,394)</u>	<u>(240,284,642)</u>	<u>241,833</u>	<u>235,307</u>	<u>(255,040,561)</u>	<u>(240,049,335)</u>
Total net position	<u>\$ 6,400,534</u>	<u>\$ 10,985,492</u>	<u>\$ 241,833</u>	<u>\$ 235,307</u>	<u>\$ 6,642,367</u>	<u>\$ 11,220,799</u>

Changes in Net Position

The City's total revenues of \$125.6 million for governmental activities are \$4.6 million less than the expenses of \$130.0 million. The majority of the decrease is a result of higher expenses, the largest being public safety for the citywide increase to the net pension and claims payable liabilities.

A summary of the government-wide statement of activities for the year ended June 30, 2023, with the comparative data for the fiscal year ended June 30, 2022, is as follows:

Table 2
Changes in Net Position

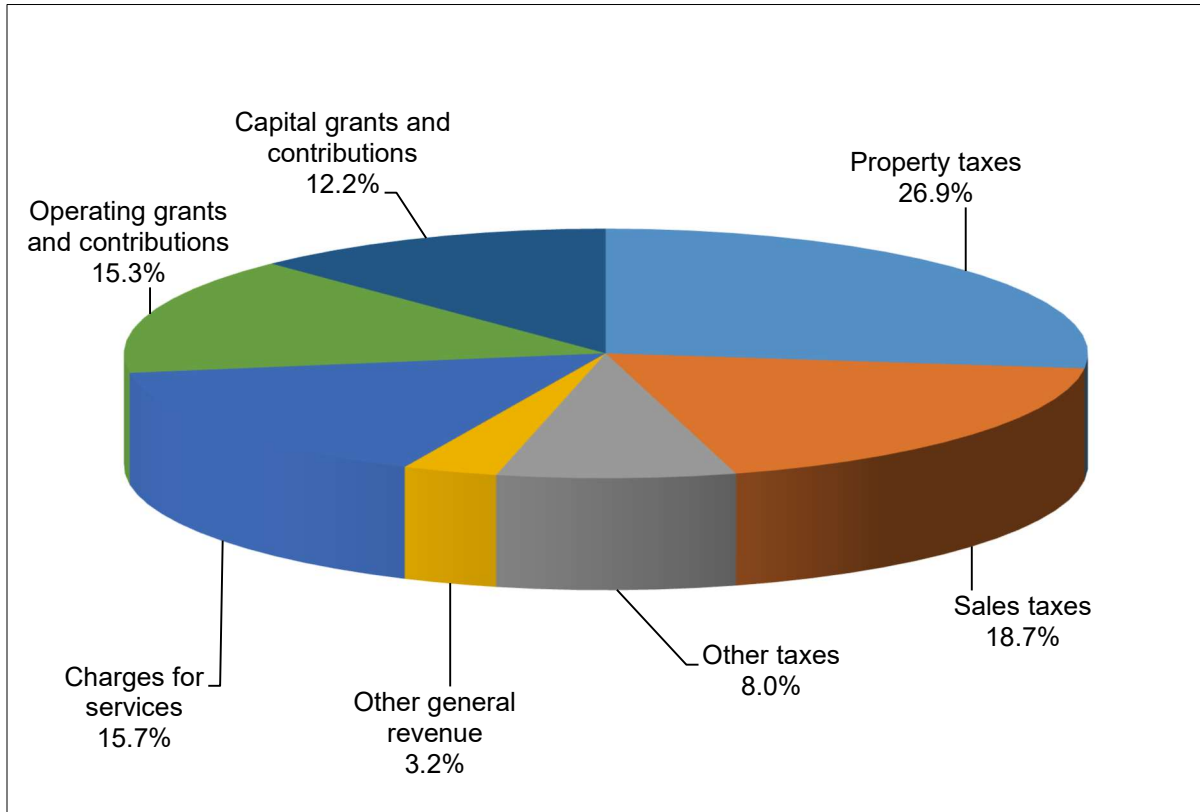
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 19,678,784	\$ 15,120,436	\$ 686,731	\$ 916,458	\$ 20,365,515	\$ 16,036,894
Operating contributions and grants	18,983,157	29,598,365	-	-	18,983,157	29,598,365
Capital contributions and grants	15,354,938	17,666,351	-	-	15,354,938	17,666,351
General revenues:						
Property taxes	33,822,147	31,348,677	-	-	33,822,147	31,348,677
Sales taxes	23,526,119	23,101,668	-	-	23,526,119	23,101,668
Other taxes	10,053,724	9,527,917	-	-	10,053,724	9,527,917
Other general revenues	4,007,614	1,044,317	30	431	4,007,644	1,044,748
Total revenues	125,426,483	127,407,731	686,761	916,889	126,113,244	128,324,620
Expenses						
General government	19,222,882	3,700,172	-	-	19,222,882	3,700,172
Public safety	66,098,443	49,887,239	-	-	66,098,443	49,887,239
Public works	24,203,764	13,508,312	-	-	24,203,764	13,508,312
Community services	10,247,116	12,587,100	-	-	10,247,116	12,587,100
Community development	1,446,667	1,238,687	-	-	1,446,667	1,238,687
Interest expense	8,792,569	9,033,455	-	-	8,792,569	9,033,455
Computer service	-	-	680,235	719,911	680,235	719,911
Total expenses	130,011,441	89,954,965	680,235	719,911	130,691,676	90,674,876
Increase (decrease) in net position	(4,584,958)	37,452,766	6,526	196,978	(4,578,432)	37,649,744
Beginning net position	10,985,492	(26,467,274)	235,307	38,329	11,220,799	(26,428,945)
Ending net position	\$ 6,400,534	\$ 10,985,492	\$ 241,833	\$ 235,307	\$ 6,642,367	\$ 11,220,799

Governmental Activities

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

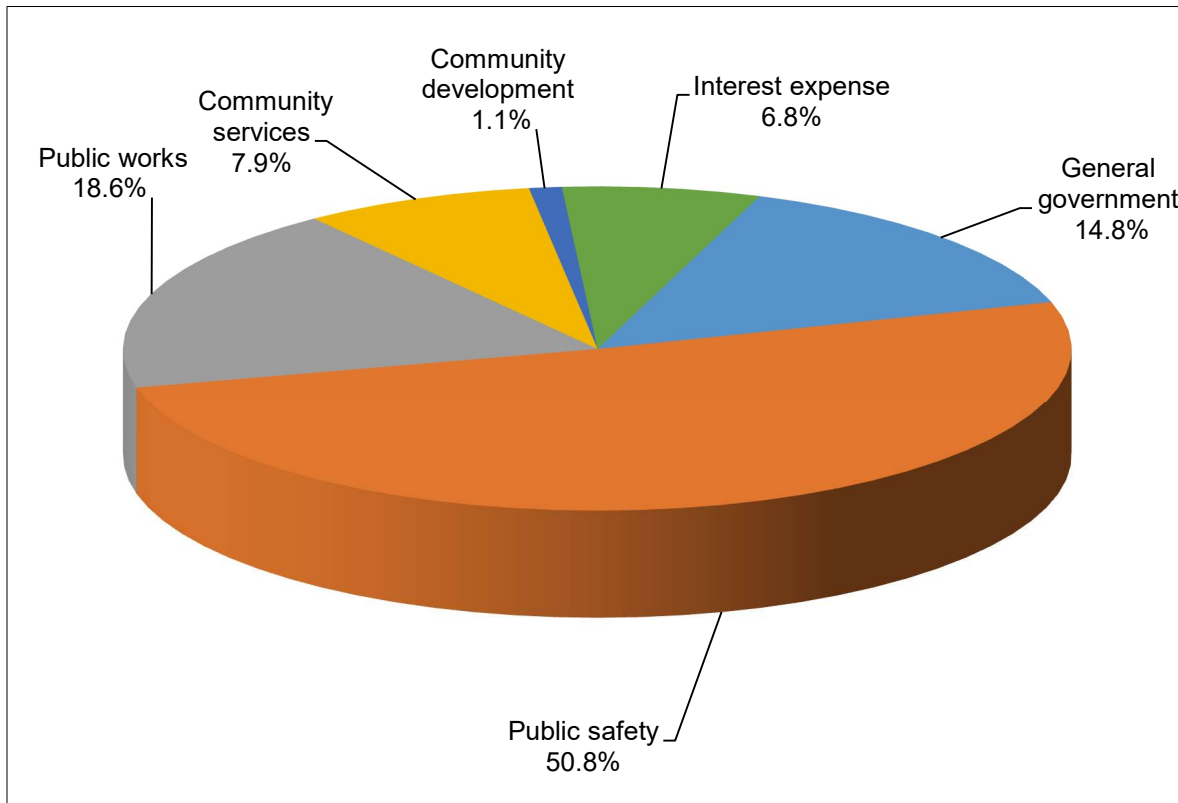
- Charges for services increased by \$4.6 million, primarily due to building permits and plan check review as result of an increase in construction activity for the year.
- Operating contributions and grants decreased by \$10.4 million, primarily due to an influx in American Rescue Plan Act (ARPA) funds received and expended in Fiscal Year 2021-22. The City received a total of \$19.6 million in ARPA in Fiscal Years 2020-21 and 2021-22. A total of \$9.2 million was expended and recognized as revenue in Fiscal Year 2021-22, whereas only \$1.9 million was expended and recognized as revenue in Fiscal Year 2022-23.
- Capital contributions and grants decreased by \$2.3 million, primarily due to a decrease in developer contributions in the Park Development Funds in the amount of \$4.0 million.
- Property taxes, the City's largest revenue source, increased \$2.5 million, or 7.9%, primarily due to an increase in the assessed valuation.
- Other general revenues increased by \$3.0 million, primarily due to increased realized interest income and a positive fair market value adjustment.
- There was an overall increase in expenses of \$42.2 million for general government, public safety and public works. This is primarily due to an increase in the net pension liability. In the prior year, the City reported a liability of \$5,797,238. There was an increase of reporting \$44,600,464 net pension liability as of June 30, 2023.

Revenues by Source – Governmental Activities



The most significant revenues of the governmental activities are property taxes (\$33.8 million), sales tax (\$23.5 million) and other taxes (\$10.1 million). Program revenues are \$54.2 million of the total revenues of the governmental activities, which include charges for services (\$19.7 million), operating contributions and grants (\$19.0 million), and capital grants and contributions (\$15.4 million).

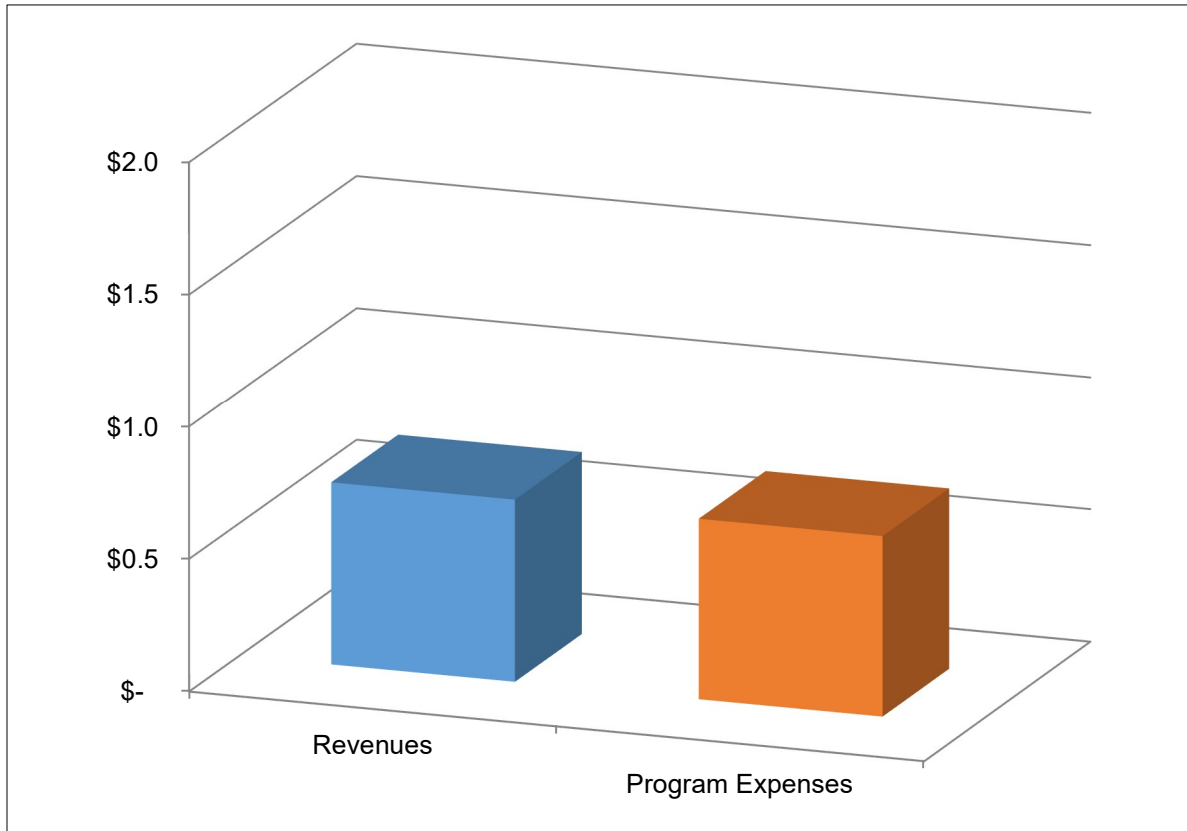
Expenses by Function – Governmental Activities



The City's expenses cover a range of services whose expenses were as follows: Public safety (\$66.1 million), public works (\$24.2 million), community services (\$10.3 million), general government (\$19.2 million), interest expense (\$8.8 million) and community development (\$1.4 million). These expenses include pension related items, claims and capital outlays which are now reflected in the City-wide assets and liabilities.

Business-Type Activities

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



The business-type activity's expenses decreased by \$39,676, or 5.5%, from the prior fiscal year. Charges for services and other revenues decreased by \$230,128, or 25.1%, in FY 2022-23. The changes from the prior year resulted in a slight increase of net position of \$6,526. The West Covina Service Group has experienced less sales over the years.

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 \$17.7 million, while total fund balance was \$21.0 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 26.4% of total general fund expenditures, while total fund balance represents 31.5% 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 \$4.7 million while total operating expenditures, exclusive of fund transfers out, increased \$4.9 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 \$3.1 million (4.9%) from the prior year. Property taxes increased by \$2.7 million (8.8%) due to increased property assessments compared to the prior year.
- Licenses and permits were up \$1.9 million (67.8%) from the prior year, primarily due to building permits.

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 \$14.9 million. The fund holds \$23.2 million in restricted fund balance.

The **State Gas Tax Fund** accounts for tax collected on fuel to fund maintenance and repair of the States' highways and roads. The fund finished the fiscal year with a total fund balance of \$5.5 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 \$11.2 million as of June 30, 2023. The fund has \$8.4 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 \$5.9 million. Taxes in total exceeded the budget by \$5,140,200, primarily from secured property taxes received during the fiscal year. The City budgeted conservatively for these sources of revenue as it may fluctuate from year to year. The property tax revenue budget was adjusted to reflect the higher property tax due to higher assessed valuations. Budgeted expenditures were increased \$5.9 million primarily due to public safety salaries and benefits and public works' contract services.

CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 48,356,495	\$ 48,356,495	\$ -	\$ -	\$ 48,356,495	\$ 48,356,495
Buildings and improvements	63,104,441	62,884,032	-	-	63,104,441	62,884,032
Equipment and vehicles	8,930,667	9,592,447	-	-	8,930,667	9,592,447
Infrastructure	36,701,275	37,930,483	-	-	36,701,275	37,930,483
Rights of way	14,376,498	14,376,498	-	-	14,376,498	14,376,498
Construction in progress	22,107,773	22,949,140	-	-	22,107,773	22,949,140
Total	<u>\$ 193,577,149</u>	<u>\$ 196,089,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,577,149</u>	<u>\$ 196,089,095</u>

The major additions to capital assets during the year ended June 30, 2023 were as follows:

- Construction in progress had a net decrease of \$0.8 million. The \$22.1 million currently in progress includes the following:
 - Azusa Sewer lift station upgrades (\$4.1 million)
 - Energy Efficient Project (\$7.8 million)
 - Residential Street Rehabilitation (\$2.9 million)
 - Fire Station Pre-Alerting System (\$183,000)
 - Senior Center Sliding Doors (\$100,000)
 - Fire Building Improvements (\$1.2 million)
 - Safety Portable & Mobile Rad (\$217,000)
 - Fire Station Repairs (\$607,000)
 - PSA For Health Dept. Services (\$245,000)
 - Microwave System Infrastructure (\$394,000)
 - Pumper Fire Trucks (Two) (\$2,062,000)
 - Ladder Truck (Quint) (\$1.8 million)
 - New Ambulances (\$154,000)
 - Citrus Ave Rehab (\$103,000)
 - City Hall Entry Signs (\$122,000)
 - HSIP Cycle 10 Improvements (\$110,000)
 - Workman Ave Rehab at Citrus (\$73,000)
- Completed fixed asset additions of \$7.8 million included:
 - Several street resurfacing throughout the City (\$3.6 million)
 - Play Playgrounds for 4 Parks in the City (\$545,600)
 - Friendship Park improvements (\$968,800)

- Traffic Signal at Cameron and Barranca (\$479,600)
- New Traffic Signal at La Puente Rd/Forecastle (\$139,000)
- Lark Ellen & Grove Center - Pedestrian Imp (\$19,000)
- Sewer Main Replace - Portion of Azusa Av (\$234,000)
- Sewer Main Replace - Portion of Citrus (\$68,000)
- Dispatch Center - New Roof (\$150,000)
- Pedestrian & Vehicle Safety Imp. 21 (\$511,000)
- Cortez Park Playground Improvements (\$365,000)
- City Hall 1St Floor Restroom Improv (\$126,000)
- Cameron Park Restroom Improvements (\$241,000)
- Walmerado Park Improvements (\$380,000)

Additional information on the City's capital assets can be found in Note 6 of this report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had debt outstanding of \$368.4 million. Of this amount, \$231.7 million represents outstanding bonds and \$136.7 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	
	2023	2022	2023	2022	2023	2022
Lease Revenue Bonds	\$ 231,690,193	\$ 237,238,298	\$ -	\$ -	\$ 231,690,193	\$ 237,238,298
Notes Payable	6,947,007	7,525,925	-	-	6,947,007	7,525,925
Loans Payable	6,044,700	6,411,667	-	-	6,044,700	6,411,667
Compensated Absences	4,379,497	4,009,892	17,268	20,015	4,396,765	4,029,907
Net Pension Liability	44,600,464	5,797,238	-	-	44,600,464	5,797,238
Total OPEB Liability	54,205,612	65,096,109	-	-	54,205,612	65,096,109
Claims Payable	20,511,381	12,673,154	-	-	20,511,381	12,673,154
Total	<u>\$ 368,378,854</u>	<u>\$ 338,752,283</u>	<u>\$ 17,268</u>	<u>\$ 20,015</u>	<u>\$ 368,396,122</u>	<u>\$ 338,772,298</u>

Additional information on the City's long-term debt can be found in Note 7 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, 2023**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 122,913,667	\$ -	\$ 122,913,667
Cash and Investments with Fiscal Agents	19,385,340	-	19,385,340
Receivables:			
Accounts	1,138,531	612,079	1,750,610
Taxes	5,583,644	-	5,583,644
Interest	925,530	-	925,530
Notes and Loans	14,902,965	-	14,902,965
Other	4,762,757	-	4,762,757
Due from Other Agencies	2,472,958	-	2,472,958
Leases	6,834,555	-	6,834,555
Internal Balances	413,540	(413,540)	-
Prepaid Items	2,112,516	93,360	2,205,876
Inventory	71,488	-	71,488
Advances to Successor Agency	-	-	-
Land Held for Resale	3,007,802	-	3,007,802
Restricted Cash and Investments	1,913,748	-	1,913,748
Net Pension Asset	-	-	-
Capital Assets, Not Being Depreciated	84,840,766	-	84,840,766
Capital Assets, Net of Accumulated Deprecation	108,736,383	-	108,736,383
Total Assets	<u>380,016,190</u>	<u>291,899</u>	<u>380,308,089</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Items	8,878,853	-	8,878,853
Pension Related Items	37,822,672	-	37,822,672
Total Deferred Outflows of Resources	<u>46,701,525</u>	<u>-</u>	<u>46,701,525</u>
LIABILITIES			
Accounts Payable	11,345,134	30,814	11,375,948
Other Accrued Liabilities	2,194,692	1,984	2,196,676
Interest Payable	3,092,000	-	3,092,000
Deposits Payable	1,611,329	-	1,611,329
Unearned Revenue	8,472,614	-	8,472,614
Noncurrent Liabilities:			
Due Within One Year	17,567,169	17,268	17,584,437
Due in More Than One Year:			
Total OPEB Liability	54,205,612	-	54,205,612
Net Pension Liability	44,600,464	-	44,600,464
Notes, Loans, and Bonds Payable	252,005,609	-	252,005,609
Total Liabilities	<u>395,094,623</u>	<u>50,066</u>	<u>395,144,689</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Items	17,602,036	-	17,602,036
Pension Related Items	785,967	-	785,967
Lease Related	6,834,555	-	6,834,555
Total Deferred Inflows of Resources	<u>25,222,558</u>	<u>-</u>	<u>25,222,558</u>
NET POSITION			
Net Investment in Capital Assets	152,367,256	-	152,367,256
Restricted for:			
Affordable Housing	23,191,204	-	23,191,204
Debt Service	20,054,739	-	20,054,739
Pension Trust	16,069	-	16,069
Community Services	1,938,536	-	1,938,536
Public Safety	7,591,443	-	7,591,443
Public Works	56,523,681	-	56,523,681
Unrestricted	(255,282,394)	241,833	(255,040,561)
Total Net Position	<u>\$ 6,400,534</u>	<u>\$ 241,833</u>	<u>\$ 6,642,367</u>

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Activities
Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 19,222,882	\$ 1,192,555	\$ 1,957,515	\$ 17,496
Public Safety	66,098,443	5,424,121	4,389,990	221,261
Public Works	24,203,764	11,104,690	7,330,532	8,863,891
Community Services	10,247,116	1,957,418	5,305,120	6,101,090
Community Development	1,446,667	-	-	151,200
Interest on Long-Term Debt	8,792,569	-	-	-
Total Governmental Activities	<u>130,011,441</u>	<u>19,678,784</u>	<u>18,983,157</u>	<u>15,354,938</u>
Business-type Activities:				
Computer Service	<u>680,235</u>	<u>686,731</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>680,235</u>	<u>686,731</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 130,691,676</u>	<u>\$ 20,365,515</u>	<u>\$ 18,983,157</u>	<u>\$ 15,354,938</u>

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>
\$ (16,055,316)	\$ -	\$ (16,055,316)
(56,063,071)	-	(56,063,071)
3,095,349	-	3,095,349
3,116,512	-	3,116,512
(1,295,467)	-	(1,295,467)
<u>(8,792,569)</u>	<u>-</u>	<u>(8,792,569)</u>
<u>(75,994,562)</u>	<u>-</u>	<u>(75,994,562)</u>
-	6,496	6,496
-	6,496	6,496
<u>(75,994,562)</u>	<u>6,496</u>	<u>(75,988,066)</u>
33,822,147	-	33,822,147
23,526,119	-	23,526,119
5,237,769	-	5,237,769
1,809,656	-	1,809,656
3,006,299	-	3,006,299
1,988,435	-	1,988,435
2,019,179	30	2,019,209
<u>71,409,604</u>	<u>30</u>	<u>71,409,634</u>
(4,584,958)	6,526	(4,578,432)
<u>10,985,492</u>	<u>235,307</u>	<u>11,220,799</u>
<u>\$ 6,400,534</u>	<u>\$ 241,833</u>	<u>\$ 6,642,367</u>

**City of West Covina
Balance Sheet
Governmental Funds
June 30, 2023**

	General	Special Revenue		
		West Covina Housing Authority	Proposition A	State Gas Tax
ASSETS				
Cash and Investments	\$ 10,067,949	\$ 8,295,072	\$ 3,366,912	\$ 8,090,680
Cash and Investments with Fiscal Agent	-	-	-	-
Restricted Cash	1,623,398	6,305	-	-
Receivables, net:				
Accounts	1,106,907	-	-	-
Taxes	5,220,616	-	-	-
Interest	831,120	15,447	-	-
Notes and Loans	-	14,902,965	-	-
Other	3,872,469	-	-	668,800
Due from Other Agencies	-	-	-	-
Leases	6,834,555	-	-	-
Due from Other Funds	515,871	-	-	-
Advances to Successor Agency	-	-	-	-
Avances to Other Funds	171,043	-	-	-
Prepaid Items	179,820	-	-	-
Land Held for Resale	3,007,802	-	-	-
Total Assets	\$ 33,431,550	\$ 23,219,789	\$ 3,366,912	\$ 8,759,480
LIABILITIES				
Accounts Payable	\$ 1,803,768	\$ 19,609	\$ 2,500,000	\$ 3,147,438
Accrued Liabilities	1,559,491	8,976	-	159,638
Deposits Payable	1,607,329	-	-	-
Unearned Revenue	35,286	-	-	-
Due to Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Total Liabilities	5,005,874	28,585	2,500,000	3,307,076
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	562,379	-	-	-
Lease Related	6,834,555	-	-	-
Total Deferred Inflows of Resources	7,396,934	-	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	3,358,665	-	-	-
Restricted	16,069	23,191,204	866,912	5,452,404
Assigned	-	-	-	-
Unassigned	17,654,008	-	-	-
Total Fund Balances (Deficits)	21,028,742	23,191,204	866,912	5,452,404
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 33,431,550	\$ 23,219,789	\$ 3,366,912	\$ 8,759,480

The accompanying notes are an integral part of this statement.

<u>Debt Service</u>		Non-major Governmental Funds	Total
ARPA	Citywide Debt		
\$ 8,711,423	\$ 594,186	\$ 68,163,246	\$ 107,289,468
-	19,385,340	-	19,385,340
-	-	8,664	1,638,367
-	-	31,624	1,138,531
-	-	363,028	5,583,644
-	78,963	-	925,530
-	-	-	14,902,965
-	-	221,488	4,762,757
-	-	2,451,203	2,451,203
-	-	-	6,834,555
-	-	-	515,871
-	-	-	-
-	-	-	171,043
-	-	90,943	270,763
-	-	-	3,007,802
<u>\$ 8,711,423</u>	<u>\$ 20,058,489</u>	<u>\$ 71,330,196</u>	<u>\$ 168,877,839</u>
\$ 274,095	\$ 3,750	\$ 2,837,443	\$ 10,586,103
-	-	466,189	2,194,294
-	-	4,000	1,611,329
8,437,328	-	-	8,472,614
-	-	102,331	102,331
-	-	171,043	171,043
<u>8,711,423</u>	<u>3,750</u>	<u>3,581,006</u>	<u>23,137,714</u>
-	-	1,647,557	2,209,936
-	-	-	6,834,555
-	-	1,647,557	9,044,491
-	-	90,943	3,449,608
-	20,054,739	58,415,502	107,996,830
-	-	7,617,849	7,617,849
-	-	(22,661)	17,631,347
-	20,054,739	66,101,633	136,695,634
<u>\$ 8,711,423</u>	<u>\$ 20,058,489</u>	<u>\$ 71,330,196</u>	<u>\$ 168,877,839</u>

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City of West Covina
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Fund balances of governmental funds \$ 136,695,634

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	470,361,411	
Accumulated Depreciation	<u>(277,477,833)</u>	192,883,578

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 2,209,936

Interest Payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the funds. (3,092,000)

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

Bonds Payable (including premiums)		(231,690,193)
Loans Payable		(6,044,700)
Compensated Absences		(4,372,333)
Notes Payable		(6,947,007)
Net Pension Liability		(44,600,464)
Total OPEB Liability		(54,205,612)

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		37,822,672
Deferred Inflows Related to Pensions		(785,967)
Deferred Outflows Related to OPEB		8,878,853
Deferred Inflows Related to OPEB		(17,602,036)

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. (2,749,827)

Net position of governmental activities \$ 6,400,534

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, 2023

	General	Special Revenue		
		West Covina Housing Authority	Proposition A	State Gas Tax
REVENUES				
Taxes	\$ 67,392,598	\$ -	\$ 3,107,213	\$ 2,446,155
Special Assessments	-	-	-	-
Licenses and Permits	4,667,301	-	-	-
Fines and Forfeitures	902,570	-	-	-
Investment Income	554,096	446,195	29,121	116,285
Rental Income	1,024,929	-	-	-
Revenue from Other Agencies	1,505,457	-	-	2,740,515
Charges for Services	7,593,870	-	-	208
Other Revenues	2,037,330	169,200	-	-
Total Revenues	85,678,151	615,395	3,136,334	5,303,163
EXPENDITURES				
Current:				
General Government	5,227,963	-	-	3,462
Public Safety	51,913,603	262,166	-	-
Public Works	6,482,296	-	-	6,980,656
Community Services	2,586,282	-	2,547,918	-
Community Development	569,469	607,680	-	925
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	66,779,613	869,846	2,547,918	6,985,043
Excess (Deficiency) of Revenues over Expenditures	18,898,538	(254,451)	588,416	(1,681,880)
OTHER FINANCING SOURCES (USES)				
Transfer In	10	-	-	567,200
Transfer Out	(22,028,686)	-	-	-
Total Other Financing Sources (Uses)	(22,028,676)	-	-	567,200
Net Change in Fund Balances	(3,130,138)	(254,451)	588,416	(1,114,680)
Fund Balances, Beginning	24,158,880	23,445,655	278,496	6,567,084
Fund Balances, Ending	\$ 21,028,742	\$ 23,191,204	\$ 866,912	\$ 5,452,404

The accompanying notes are an integral part of this statement.

	Debt Service			
ARPA	Citywide Debt	Non-major Governmental Funds	Total	
\$ -	\$ -	\$ 11,227,357	\$ 84,173,323	
-	-	7,001,653	7,001,653	
-	-	-	4,667,301	
-	-	-	902,570	
-	895,648	837,708	2,879,053	
-	-	169,323	1,194,252	
1,931,560	1,432,557	4,431,700	12,041,789	
-	-	417,746	8,011,824	
-	-	2,715,954	4,922,484	
<u>1,931,560</u>	<u>2,328,205</u>	<u>26,801,441</u>	<u>125,794,249</u>	
1,519,060	11,895	490,244	7,252,624	
335,000	-	4,562,395	57,073,164	
-	-	11,928,308	25,391,260	
77,500	-	3,532,574	8,744,274	
-	-	268,593	1,446,667	
-	6,440,885	-	6,440,885	
-	8,916,689	-	8,916,689	
<u>1,931,560</u>	<u>15,369,469</u>	<u>20,782,114</u>	<u>115,265,563</u>	
-	(13,041,264)	6,019,327	10,528,686	
-	13,148,540	3,166,197	16,881,947	
-	-	(26,376)	(22,055,062)	
-	13,148,540	3,139,821	(5,173,115)	
-	107,276	9,159,148	5,355,571	
-	19,947,463	56,942,485	131,340,063	
<u>\$ -</u>	<u>\$ 20,054,739</u>	<u>\$ 66,101,633</u>	<u>\$ 136,695,634</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, 2023

Net change in fund balances-total governmental funds \$ 5,355,571

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	9,114,615
Depreciation Expense	(11,570,459)
Loss on Disposal	(149,667)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (367,766)

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	5,495,000
Principal Paid on Loans Payable	366,967
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. 71,015

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	(372,623)
Net Change in Net Pension Liability	(38,803,226)
Net Change in Net Pension Asset	(65,722,733)
Net Change in Total OPEB Liability	10,890,497
Net Change in Deferred Outflows Pension Related Amounts	28,023,090
Net Change in Deferred Inflows Pension Related Amounts	66,853,201
Net Change in Deferred Outflows OPEB Related Amounts	(3,083,250)
Net Change in Deferred Inflows OPEB Related Amounts	(5,079,673)

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. (6,237,540)

Change in net position of governmental activities \$ (4,584,958)

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Net Position
Proprietary Funds
June 30, 2023**

	<u>Business-type Activities Computer Service Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ -	\$ 15,624,199
Restricted Cash and Investments	-	275,381
Accounts Receivable, Net	612,079	-
Due from Other Agencies	-	21,755
Prepays	93,360	1,841,753
Inventories	-	71,488
Total Current Assets	<u>705,439</u>	<u>17,834,576</u>
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	-	693,571
Total Noncurrent Assets	<u>-</u>	<u>693,571</u>
Total Assets	<u>705,439</u>	<u>18,528,147</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	30,814	759,031
Other Accrued Liabilities	1,984	398
Due to Other Funds	413,540	-
Current Portion of Long-Term Liabilities:		
Compensated Absences	17,268	7,164
Claims Payable	-	7,046,745
Total Current Liabilities	<u>463,606</u>	<u>7,813,338</u>
Noncurrent Liabilities:		
Claims Payable	-	13,464,636
Total Noncurrent Liabilities	<u>-</u>	<u>13,464,636</u>
Total Liabilities	<u>463,606</u>	<u>21,277,974</u>
NET POSITION		
Net Investment in Capital Assets	-	693,571
Unrestricted	241,833	(3,443,398)
Total Net Position	<u>\$ 241,833</u>	<u>\$ (2,749,827)</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, 2023

	Business-type Activities	Governmental Activities
	Computer Service Enterprise Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 686,731	\$ 5,636,803
Other Revenues	-	102,658
	<u>686,731</u>	<u>5,739,461</u>
OPERATING EXPENSES		
Personnel Services	128,639	197,894
Cost of Sales, Services, and Operations	551,596	1,616,779
Depreciation	-	208,459
Insurance and Claims Paid	-	15,137,127
	<u>680,235</u>	<u>17,160,259</u>
Operating Income (Loss)	<u>6,496</u>	<u>(11,420,798)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment Income	30	10,143
Gain/ (Loss) on Disposal of Capital Assets	-	-
	<u>30</u>	<u>10,143</u>
Income Before Contributions and Transfers	6,526	(11,410,655)
Transfers In	-	5,173,115
Transfers Out	-	-
	<u>6,526</u>	<u>(6,237,540)</u>
Change in Net Position	6,526	(6,237,540)
Total Net Position, Beginning	<u>235,307</u>	<u>3,487,713</u>
Total Net Position, Ending	<u><u>\$ 241,833</u></u>	<u><u>\$ (2,749,827)</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, 2023**

	Business-type Activities <u>Computer Service Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 74,652	\$ -
Cash Received from User Departments	-	5,718,756
Cash Paid to Suppliers for Goods and Services	(622,611)	(10,187,569)
Cash Paid to Employees for Services	(131,180)	(201,634)
Net Cash from Operating Activities	<u>(679,139)</u>	<u>(4,670,447)</u>
Cash Flows from Noncapital Financing Activities		
Cash Received from Other Funds	413,540	5,173,115
Net Cash from Noncapital Financing Activities	<u>413,540</u>	<u>5,173,115</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	-	(302,024)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(302,024)</u>
Cash Flows from Investing Activities		
Interest on Investments	30	10,143
Net Cash from Investing Activities	<u>30</u>	<u>10,143</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(265,569)	210,787
Cash and Cash Equivalents, Beginning of Year	265,569	15,688,793
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 15,899,580</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 6,496	\$ (11,420,798)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	-	208,459
Other Revenues	-	-
(Increase) Decrease in Accounts Receivable	(612,079)	(20,705)
(Increase) Decrease in Due from Other Agencies	-	-
(Increase) Decrease in Inventory and Prepaid Items	123,282	(1,840,039)
Increase (Decrease) in Accounts Payable	(194,297)	568,149
Increase (Decrease) in Accrued Liabilities	206	(722)
Increase (Decrease) in Compensated Absences	(2,747)	(3,018)
Increase (Decrease) in Claims and Judgments	-	7,838,227
Net Cash Provided (Used) by Operating Activities	<u>\$ (679,139)</u>	<u>\$ (4,670,447)</u>

The accompanying notes are an integral part of this statement.

**City of West Covina
Statement of Net Position
Fiduciary Funds
June 30, 2023**

	Successor Agency Private-purpose Trust Fund	Pension Trust Funds
ASSETS		
Cash and Investments	\$ 2,743,526	\$ 267,021
Cash and Investments with Fiscal Agent	1,504,482	
Restricted Cash and Investments	6,514,513	-
Receivables, Net:		
Taxes	-	-
Interest	14,187	-
Accounts	-	-
Assessments	12,500	-
Due from City of West Covina	6,947,007	-
Land Held for Resale	54,279	
 Total Assets	 17,790,494	 267,021
LIABILITIES		
Accounts Payable	-	-
Accrued Liabilities	1,317	-
Interest Payable	59,646	-
Due to Other Governments	83,716	-
Advances from City of West Covina	-	-
Long-term Liabilities:		
Due to County Auditor Controller	6,947,007	-
Due within One Year	1,269,975	-
Due in More than One Year	92,901,396	-
 Total Liabilities	 101,263,057	 -
NET POSITION		
Held in Trust for:		
Successor Agency	(83,472,563)	-
Pension Benefits	-	267,021
	 \$ (83,472,563)	 \$ 267,021

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, 2023**

	Successor Agency Private-purpose Trust Fund	Pension Trust Funds
ADDITIONS		
Contributions:		
Taxes and assessments collected for others	\$ 4,488,574	\$ -
Employer Contributions	-	127,065
Investment Earnings:		
Interest Income	95,141	23,564
Rental Income	62,500	-
	<u>4,646,215</u>	<u>150,629</u>
DEDUCTIONS		
Program Administration	1,780,006	-
Administrative Costs	4,993,609	14,632
Benefit Distributions	-	259,391
Interest and Fiscal Charges	225,103	-
	<u>6,998,718</u>	<u>274,023</u>
Total Deductions	<u>6,998,718</u>	<u>274,023</u>
Change in Net Position	(2,352,503)	(123,394)
Net Position - Beginning of Year	<u>(81,120,060)</u>	<u>390,415</u>
Net Position - End of Year	<u>\$ (83,472,563)</u>	<u>\$ 267,021</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

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, and management of the City has operational responsibility for the Housing Authority. The transactions of the Housing Authority are reported as a special revenue fund and the Housing Authority is reported as 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, 2023

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, 2023

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, 2023

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, 2023**

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 *Proposition A Special Revenue Fund* accounts for the 0.5% sales tax collected in Los Angeles County which is used for transportation programs and projects.

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.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Additionally, the City reports the following fund types:

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, 2023**

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, 2023**

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.

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 assets 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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 assets 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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

The following timeframes are used for PARS:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

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, 2022 Measurement Date; and July 1, 2021 through June 30, 2022 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.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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:

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- 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.
- 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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 122,913,667
Cash and Investments with Fiscal Agents	19,385,340
Restricted Cash and Investments	1,913,748
Statement of Fiduciary Net Position:	
Cash and Investments	3,010,547
Cash and Investments with Fiscal Agents	1,504,482
Restricted Cash and Investments	<u>6,514,513</u>
Total Cash and Investments	<u><u>\$ 155,242,297</u></u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on Hand	\$ 17,960
Deposits with Financial Institutions	38,813,439
Investments	<u>116,410,898</u>
Total Cash and Investments	<u><u>\$ 155,242,297</u></u>

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

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

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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

2) CASH AND INVESTMENTS - Continued

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

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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

2) CASH AND INVESTMENTS – Continued

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	\$ 32,183,229	\$ 32,183,229	\$ -	\$ -
Local Agency Investment Fund	63,054,757	63,054,757	-	-
PARS Trust Pool	283,090	283,090	-	-
Held by Bond Trustees:				
Money Market Mutual Funds	20,889,822	20,889,822	-	-
Total	\$ 116,410,898	\$ 116,410,898	\$ -	\$ -

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:

Investment Type	Amount	Minimum Legal Rating	AAA	Unrated
Los Angeles County Investment Pool	\$ 32,183,229	N/A	\$ -	\$ 32,183,229
Local Agency Investment Fund	63,054,757	N/A	-	63,054,757
PARS Trust Pool	283,090	N/A	-	283,090
Held by Bond Trustees:				
Money Market Mutual Funds	20,889,822	A	20,889,822	-
Total	\$ 116,410,898		\$ 20,889,822	\$ 95,521,076

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 investment 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.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS – Continued

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.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Entity's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Information regarding LAIF's and the City's exposure to risk (credit, market, or legal) is not currently available.

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

The General Fund has loaned \$102,331 to non-major governmental funds, and \$413,540 to the enterprise fund to cover temporary cash deficits.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Advances to/from

Advances of \$171,043 between the General Fund and the Auto Plaza Improvement District non-major special revenue fund represent cash advanced for the replacement of the reader board sign at the Auto Plaza.

Interfund transfers for the year ended June 30, 2023 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	\$ -	\$ 567,200	\$ 13,148,540	\$ 3,139,831	\$ 5,173,115	\$ 22,028,686
Non-major Governmental Funds	10	-	-	26,366	-	26,376
	<u>\$ 10</u>	<u>\$ 567,200</u>	<u>\$ 13,148,540</u>	<u>\$ 3,166,197</u>	<u>\$ 5,173,115</u>	<u>\$ 22,055,062</u>

The General Fund transferred \$567,200 to the State Gas Tax Fund for an SB1 project. The General Fund transferred \$13,148,540 to the Citywide Debt Service Fund for debt service payments. The General Fund transferred \$3,139,831 to the Non-major Governmental Funds for various projects and operating expenditures. The General Fund transferred \$5,173,115 to the Internal Service Fund for deficits in the self-insurance fund, and to establish the OPEB Internal Service Fund.

4) NOTES AND LOANS RECEIVABLE

The following notes and loans receivable were outstanding as of June 30, 2023:

Housing Rehabilitation	\$ 353,888
First Time Homebuyer Loans	121,444
Housing Preservation Program	577,250
Home Improvement Program	653,861
Lark Ellen Towers	6,657,724
Executive Lodge Apartments Limited Partnership	6,627,488
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>(12,044,104)</u>
Total Governmental Funds	<u>\$ 14,902,965</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 \$121,444. 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 28% of the balance in the allowance for doubtful accounts.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

4) NOTES AND LOANS RECEIVABLE - Continued

The Housing Authority also has housing preservation loans to qualified applicants using housing set-aside funds totaling \$577,250. 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 6% of the balance in the allowance for doubtful accounts.

Several housing improvement loans totaling \$653,861 have been made to qualified applicants. The loans are secured by second trust deeds. The City has not established an allowance for doubtful accounts for these loans.

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, 2023 was \$6,657,724.

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 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, 2023 was \$6,627,488.

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, 2023 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, 2023 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, 2023 was \$608,196. The loans are likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

5) 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, 2023 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, 2023

6) CAPITAL ASSETS

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 48,356,495	\$ -	\$ -	\$ 48,356,495
Rights of Way	14,376,498	-	-	14,376,498
Construction in Progress	22,949,140	6,989,797	(7,831,164)	22,107,773
Total Capital Assets, Not Being Depreciated	85,682,133	6,989,797	(7,831,164)	84,840,766
Capital Assets Being Depreciated:				
Buildings and Improvements	116,816,449	2,851,622	-	119,668,071
Equipment and Vehicles	39,291,974	2,338,259	(1,205,130)	40,425,103
Infrastructure - Pavement	199,555,383	3,602,078	-	203,157,461
Infrastructure - Other	24,323,113	1,466,047	(10,385)	25,778,775
Total Capital Assets Being Depreciated	379,986,919	10,258,006	(1,215,515)	389,029,410
Less Accumulated Depreciation:				
Buildings and Improvements	(53,932,417)	(2,631,213)	-	(56,563,630)
Equipment and Vehicles	(29,699,527)	(2,859,095)	1,064,186	(31,494,436)
Infrastructure - Pavement	(166,541,775)	(5,885,587)	-	(172,427,362)
Infrastructure - Other	(19,406,238)	(403,023)	1,662	(19,807,599)
Total Accumulated Depreciation	(269,579,957)	(11,778,918)	1,065,848	(280,293,027)
Net Capital Assets Being Depreciated	110,406,962	(1,520,912)	(149,667)	108,736,383
Governmental Activities, Capital Assets	\$ 196,089,095	\$ 5,468,885	\$ (7,980,831)	\$ 193,577,149

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

General Government	\$ 320,386
Public Safety	1,969,779
Public Works	7,985,911
Community Services	1,502,842
	<u>\$ 11,778,918</u>

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Equipment and Vehicles	\$ 1,059,120	\$ -	\$ (31,582)	\$ 1,027,538
Less Accumulated Depreciation:				
Equipment and Vehicles	(1,059,120)	-	31,582	(1,027,538)
Net Capital Assets Being Depreciated	-	-	-	-
Business-type Activities, Capital Assets	\$ -	\$ -	\$ -	\$ -

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing:					
Notes Payable	\$ 7,525,925	\$ -	\$ (578,918)	\$ 6,947,007	\$ 578,918
Loans Payable	6,411,667	-	(366,967)	6,044,700	260,867
2006 Lease Revenue Bonds	14,300,000	-	(660,000)	13,640,000	695,000
2018 Lease Revenue Bonds	21,320,000	-	(910,000)	20,410,000	950,000
Premium on Bonds	1,168,298	-	(53,105)	1,115,193	53,105
2020 Lease Revenue Bonds	200,450,000	-	(3,925,000)	196,525,000	4,210,000
Compensated Absences	4,009,892	3,978,817	(3,609,212)	4,379,497	3,772,534
Net Pension Liability	5,797,238	38,803,226	-	44,600,464	-
Total OPEB Liability	65,096,109	-	(10,890,497)	54,205,612	-
Claims Payable	12,673,154	7,838,227	-	20,511,381	7,046,745
Total	<u>\$ 338,752,283</u>	<u>\$ 50,620,270</u>	<u>\$ (20,993,699)</u>	<u>\$ 368,378,854</u>	<u>\$ 17,567,169</u>
Business-type Activities:					
Compensated Absences	\$ 20,015	\$ 10,040	\$ (12,787)	\$ 17,268	\$ 17,268
Total	<u>\$ 20,015</u>	<u>\$ 10,040</u>	<u>\$ (12,787)</u>	<u>\$ 17,268</u>	<u>\$ 17,268</u>

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, 2023 was \$6,947,007. The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
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 - 2033	2,894,590	618,776	3,513,366
2034 - 2035	1,157,827	45,500	1,203,327
Totals	<u>\$ 6,947,007</u>	<u>\$ 1,561,616</u>	<u>\$ 8,508,623</u>

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES - Continued

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
2024	\$ 260,867	\$ 199,894	\$ 460,761
2025	283,681	191,234	474,915
2026	307,696	181,853	489,549
2027	310,249	171,878	482,127
2028	317,502	161,772	479,274
2029 - 2033	1,778,274	644,573	2,422,847
2034 - 2038	1,771,872	340,764	2,112,636
2039 - 2041	1,014,559	64,670	1,079,229
Totals	6,044,700	1,956,638	8,001,338

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, 2023. The outstanding principal balance as of June 30, 2023 was \$13,640,000.

The following represents the future annual debt service requirements:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$13,640,000</u>	<u>\$ 5,942,467</u>	<u>\$19,582,467</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, 2023. The outstanding principal balance as of June 30, 2023 was \$20,410,000.

The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,135,000	721,118	1,856,118
2029 - 2033	6,475,000	2,738,411	9,213,411
2034 - 2038	8,050,000	1,130,200	9,180,200
2039 - 2043	560,000	93,600	653,600
2044	125,000	5,000	130,000
Total	<u>\$ 20,410,000</u>	<u>\$ 8,058,670</u>	<u>\$ 28,468,670</u>

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

7) LONG-TERM LIABILITIES - Continued

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, 2023. The outstanding principal balance as of June 30, 2023 was \$196,525,000. The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	5,265,000	6,462,372	11,727,372
2029 - 2033	32,600,000	29,632,516	62,232,516
2034 - 2038	45,870,000	22,846,432	68,716,432
2039 - 2043	63,315,000	12,547,350	75,862,350
2044 - 2045	31,280,000	1,235,515	32,515,515
Total	<u>\$196,525,000</u>	<u>\$ 99,750,123</u>	<u>\$296,275,123</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 \$4,379,497 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 \$17,268 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.

8) 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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

8) SELF-INSURANCE - Continued

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.

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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

8) SELF-INSURANCE - Continued

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 2022-23.

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 \$20,511,381 as of June 30, 2023.

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
2023	\$ 12,673,154	\$ 13,170,491	\$ 5,332,264	\$ 20,511,381
2022	\$ 12,740,483	\$ 3,305,329	\$ 3,372,658	\$ 12,673,154

9) 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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

9) NON-CITY OBLIGATION DEBT - Continued

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.

10) FUND BALANCE CLASSIFICATIONS

The City's governmental fund balances at June 30, 2023, are presented below:

	General Fund	West Covina Housing Authority	Proposition A	State Gas Tax	ARPA	Citywide Debt	Other Governmental Funds	Total
Nonspendable:								
Prepaid Items	\$ 179,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,943	\$ 270,763
Advances to Successor Agency	-	-	-	-	-	-	-	-
Advances to Other Funds	171,043	-	-	-	-	-	-	171,043
Land Held for Resale	3,007,802	-	-	-	-	-	-	3,007,802
Restricted for:								
Affordable Housing	-	23,191,204	-	-	-	-	-	23,191,204
Debt Service	-	-	-	-	-	20,054,739	-	20,054,739
Pension Trust	16,069	-	-	-	-	-	-	16,069
Community Services	-	-	-	-	-	-	1,175,983	1,175,983
Public Safety	-	-	-	-	-	-	7,582,820	7,582,820
Public Works	-	-	866,912	5,452,404	-	-	49,656,699	55,976,015
Assigned:								
Capital Improvement	-	-	-	-	-	-	7,617,849	7,617,849
Unassigned	17,654,008	-	-	-	-	-	(22,661)	17,631,347
Total Fund Balances	\$ 21,028,742	\$ 23,191,204	\$ 866,912	\$ 5,452,404	\$ -	\$ 20,054,739	\$ 66,101,633	\$ 136,695,634

11) DEFICIT FUND BALANCES

The following non-major governmental funds reported the following deficits in fund balances at June 30, 2023:

Special Revenue Funds:	
Community Development Block Grant	\$ 2,357
Auto Plaza Improvement District	6,023
Community Services Foundation	14,281

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 will be reduced as the fund pays back the advance from the General Fund. The deficit in the Community Services Foundation Fund will be eliminated through future revenues.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

12) 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	\$ 7,768,948	\$ 29,697,063	\$ 262,295	\$ 94,366	\$ 37,822,672
Deferred Inflows of Resources	499,615	141,830	144,522	-	785,967
Pension Liability/(Asset)	11,516,712	28,248,676	1,043,356	3,791,720	44,600,464

13) 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, 2021 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, 2023**

13) EMPLOYEE RETIREMENT PLANS – Continued

The Plans' provisions in effect at June 30, 2023, 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%	6.75%
Required employer contribution rates	9.56% + \$760,894	9.56%	9.56%	9.56%
	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	20.64% + \$1,326,961	20.64%	20.64%	

(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, 2023 (June 30, 2021 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	462	359
Inactive employees entitled to but not yet		
receiving benefits	298	73
Active employees	100	153
Total	860	585

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, 2023**

13) 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
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 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 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
Year Ended June 30, 2023**

13) EMPLOYEE RETIREMENT PLANS – Continued

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

	Miscellaneous		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (June 30, 2022 reporting date)	\$ 165,455,322	\$ 180,056,172	\$ (14,600,850)
Changes in the year:			
Service cost	1,102,405	-	1,102,405
Interest on the total pension liability	11,240,257	-	11,240,257
Differences between expected and actual experience	(2,165,000)	-	(2,165,000)
Changes in assumptions	4,428,742	-	4,428,742
Contributions from the employer	-	1,212,228	(1,212,228)
Contributions from employees	-	671,818	(671,818)
Net investment income	-	(13,283,040)	13,283,040
Benefit payments, including refunds	(10,735,978)	(10,735,978)	-
Administrative/other expense	-	(112,164)	112,164
Net changes	3,870,426	(22,247,136)	26,117,562
Balance at June 30, 2022 (June 30, 2023 reporting date)	\$ 169,325,748	\$ 157,809,036	\$ 11,516,712

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

13) EMPLOYEE RETIREMENT PLANS – Continued

	Safety		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (June 30, 2022 reporting date)	\$ 419,477,453	\$ 470,599,336	\$ (51,121,883)
Changes in the year:			
Service cost	6,180,932	-	6,180,932
Interest on the total pension liability	29,392,100	-	29,392,100
Differences between expected and actual experience	860,268	-	860,268
Changes in assumptions	14,667,222	-	14,667,222
Contributions from the employer	-	4,920,292	(4,920,292)
Contributions from employees	-	2,052,325	(2,052,325)
Net investment income	-	(34,949,499)	34,949,499
Benefit payments, including refunds	(24,245,865)	(24,245,865)	-
Administrative/other expense	-	(293,155)	293,155
Net changes	26,854,657	(52,515,902)	79,370,559
Balance at June 30, 2022 (June 30, 2023 reporting date)	\$ 446,332,110	\$ 418,083,434	\$ 28,248,676

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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability/(Asset)	\$ 32,228,687	\$ 87,929,249
Current Discount Rate	6.90%	6.90%
Net Pension Liability/(Asset)	\$ (14,600,850)	\$ 28,248,676
1% Increase	7.90%	7.90%
Net Pension Liability/(Asset)	\$ (30,977,525)	\$ (20,633,320)

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, 2023, the City recognized pension expense/(income) of \$2,087,848 for the Miscellaneous Plan and \$8,418,776 for the Safety Plan. At June 30, 2023, the City reported deferred outflows and deferred inflows for the Miscellaneous and Safety Plans from the following sources:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

13) EMPLOYEE RETIREMENT PLANS – Continued

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,541,102	\$ -	\$ 5,590,927	\$ -
Differences between actual and expected experience	-	499,615	2,346,999	141,830
Changes in assumptions	1,022,017	-	10,222,609	-
Net differences between projected and actual earnings on plan investments	6,746,931	-	17,127,455	-
Total	\$ 9,310,050	\$ 499,615	\$ 35,287,990	\$ 141,830

The \$1,541,102 and \$5,590,927 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, 2024. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending	Deferred Outflows/Inflows of Resources, Net	
	Miscellaneous	Safety
June 30,		
2024	\$ 1,314,634	\$ 7,573,620
2025	673,905	6,727,415
2026	204,719	1,897,489
2027	5,076,075	13,356,709
2028	-	-
Thereafter	-	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2023.

14) 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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

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

Tier 1

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

Tier 2

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Fire safety employee on or after July 1, 2004 but hired prior to July 1, 2012.
- Police management employee on or after July 1, 2004 but hired prior to December 31, 2012, or an employee hired prior to January 1, 2013 who promotes or transfers to police management position on or after January 1, 2013.
- Not represented by the West Covina Police Officers Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment
- 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, 2023 was \$51,212.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

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	51
Inactives entitled to but not yet receiving benefits	1
Active employees	57
Total	109

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, 2022, 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 5.75% at June 30, 2022
Inflation	2.50%
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generation with scale MP-2021

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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

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, 2022, measurement date (3.54%) was used. The discount rate used (3.54%) 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
Global Equity	60%	4.56%
Fixed Income	35%	78.00%
Cash	5%	-0.50%
Total	100.00%	

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 3.54% discount rate (single equivalent rate of return) in calculating the pension liability.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

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, 2021 (June 30, 2022 reporting date)	\$ 1,235,343	\$ 71,013	\$ 1,164,330
Changes in the year:			
Service cost	38,336	-	38,336
Interest on the total pension liability	28,982	-	28,982
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	(148,744)	-	(148,744)
Contributions from the employer	-	51,428	(51,428)
Net investment income	-	(8,794)	8,794
Benefit payments, including refunds	(38,080)	(38,080)	-
Administrative/other expense	-	(3,086)	3,086
Net changes	(119,506)	1,468	(120,974)
Balance at June 30, 2022 (June 30, 2023 reporting date)	\$ 1,115,837	\$ 72,481	\$ 1,043,356

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	2.59%
Net Pension Liability	\$ 1,156,383
Current Discount Rate	3.59%
Net Pension Liability	\$ 1,043,356
1% Increase	4.59%
Net Pension Liability	\$ 948,993

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

For the year ended June 30, 2023, the City recognized pension expense of \$95,204 for the Plan. At June 30, 2023, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 51,212	\$ -
Differences between actual and expected experience	54,405	-
Changes in assumptions	152,870	144,522
Net differences between projected and actual earnings on plan investments	3,808	-
Total	<u>\$ 262,295</u>	<u>\$ 144,522</u>

The \$51,212 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, 2024. 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
2024	\$ 25,167
2025	24,669
2026	22,860
2027	6,586
2028	(12,721)
Thereafter	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2023.

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.

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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

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, 2023 was \$75,852.

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, 2022, 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.

	Supplemental
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal, closed to new entrants
Actuarial assumptions:	
Discount rate	3.60% at June 30, 2022 2.23% at June 30, 2021
Inflation	2.50%
Salary Increase	3.00%
Benefit Increase	2.00%
Mortality	CalPERS 2000 - 2019 Experience Study
Investment Rate of Return	5.75%

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) 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 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, 2022, measurement date, (3.54%) was used. The discount rate used (3.60%) 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 below reflects the long-term expected real rate of return by asset class:

Asset Class	Target Allocation	Expected Real Rate of Return
Equity	60%	4.56%
Fixed Income	35%	0.78%
Cash	5%	-0.50%
Total	<u>100.00%</u>	

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) 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 3.54% 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, 2022, for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (June 30, 2022 reporting date)	\$ 5,093,359	\$ 460,451	\$ 4,632,908
Changes in the year:			
Service cost	-	-	-
Interest on the total pension liability	111,645	-	111,645
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	(921,653)	-	(921,653)
Contributions from the employer	-	80,949	(80,949)
Net investment income	-	(44,821)	44,821
Benefit payments, including refunds	(173,697)	(173,697)	-
Administrative/other expense	-	(4,948)	4,948
Net changes	(983,705)	(142,517)	(841,188)
Balance at June 30, 2022 (June 30, 2023 reporting date)	\$ 4,109,654	\$ 317,934	\$ 3,791,720

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	2.60%
Net Pension Liability	\$ 4,435,503
Current Discount Rate	3.60%
Net Pension Liability	\$ 3,791,720
1% Increase	4.60%
Net Pension Liability	\$ 3,274,321

For the year ended June 30, 2023, the City recognized pension expense/(credit) of (\$825,732). At June 30, 2023, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 75,852	\$ -
Net differences between projected and actual earnings on plan investments	18,514	-
Total	\$ 94,366	\$ -

The \$75,852 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, 2024. 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
2024	\$ 2,910
2025	2,507
2026	(551)
2027	13,648
2028	-
Thereafter	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2023.

15) 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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

15) DEFINED CONTRIBUTION RETIREMENT PLAN - Continued

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.

16) 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 (\$149 and \$151 per month in calendar years 2022 and 2023, 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 (\$149 and \$151 per month in calendar years 2022 and 2023, respectively) for employees hired after July 1, 2012
- Miscellaneous:
 - PEMHCA minimum amount (\$149 and \$151 per month in calendar years 2022 and 2023, 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, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active Employees	236
Inactive employees entitled to, but not yet receiving benefit:	7
Retirees or spouses of retirees currently receiving benefits	277
Total	520

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

16) OTHER POST EMPLOYMENT BENEFITS – Continued

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, 2023, the City contributed \$2,509,808 to the plan, including \$2,074,938, for current premiums (100% of total premiums), and \$426,000 of implied subsidy premiums.

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2022 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	3.54% at June 30, 2022 2.16% at June 30, 2021

Discount Rate - The discount rate used to measure the total OPEB liability was 3.54% at June 30, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2022 (2021 Measurement Date)	<u>\$ 65,096,109</u>
Changes in the year:	
Service cost	1,774,641
Interest on the total OPEB liability	1,418,451
Differences between expected and actual experience	-
Changes of assumptions	(11,680,203)
Benefit payments, including refunds	<u>(2,403,386)</u>
Net changes	<u>(10,890,497)</u>
Balance at June 30, 2023 (2022 Measurement Date)	<u>\$ 54,205,612</u>

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)	\$ 62,307,513	\$ 54,205,612	\$ 47,643,270

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

16) OTHER POST EMPLOYMENT BENEFITS – Continued

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)	\$ 51,276,713	\$ 54,205,612	\$ 57,210,941

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

The Plan Fiduciary Net Position was \$0 at the June 30, 2022 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.

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

For the year ended June 30, 2022, the City recognized OPEB expense/(credit) of (\$217,766). 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	\$ 2,509,808	\$ -
Changes of Assumptions	6,369,045	11,908,771
Net differences between expected and actual experience	-	5,693,265
Total	\$ 8,878,853	\$ 17,602,036

The \$2,509,808 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2024	\$ (2,359,521)
2025	(2,115,773)
2026	(4,612,354)
2027	(2,145,343)
2028	-
Thereafter	-

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

17) 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.
- C) Outstanding construction commitments at year-end were approximately \$1.2 million.

18) 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:

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.

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

18) SUCCESSOR AGENCY DISCLOSURES – Continued

The City reported a long-term liability of \$6,947,007 (reported as part of notes payable) in governmental activities and a receivable of \$6,947,007 in the Successor Agency related to the DOF’s determination at June 30, 2023.

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, 2023 was comprised of BKK Project in the amount of \$54,279.

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	\$ 4,905,000	\$ -	\$ (4,905,000)	\$ -	\$ -
Tax Allocation Bonds:					
Series 2017, Refunding	6,835,000	-	(1,425,000)	5,410,000	1,255,000
Premium	179,698	-	(14,975)	164,723	14,975
Developer Agreement Payable	88,596,648	-	-	88,596,648	-
Total	<u>\$ 100,516,346</u>	<u>\$ -</u>	<u>\$ (6,344,975)</u>	<u>\$ 94,171,371</u>	<u>\$ 1,269,975</u>

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 reserve requirement was fully funded as of June 30, 2023. The principal balance of outstanding bonds at June 30, 2023 was \$5,410,000.

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

**City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023**

18) SUCCESSOR AGENCY DISCLOSURES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 5,410,000</u>	<u>\$ 521,772</u>	<u>\$ 5,931,772</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, 2023 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. According to the Developer Agreement, the Agency Contributions terminate once the outstanding principal and accrued interest on these bonds are paid in full.

The bonds were paid in full on September 1, 2022. As of June 30, 2023, the Community Facilities District had a restricted cash balance of \$6,514,513. The City has engaged a consulting firm to provide a closeout report for the District's remaining funds to determine the appropriate disposition. Once complete, a detailed Closeout Analysis and Findings Report will be issued with a list of delinquencies, the requirements for fund disposition, and the list of parcels and their refunds amount if applicable.

19) 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, 2023, the City's receivable for lease payments was \$6,834,555. 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, 2023, the balance of the deferred inflow of resources was \$6,834,555.

20) IMPLEMENTATION OF GASB PRONOUNCEMENTS

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

Statement No. 101, "Compensated Absences." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

City of West Covina
Notes to Financial Statements
Year Ended June 30, 2023

21) SUBSEQUENT EVENTS

Following June 30, 2023, the City settled several of its open general liability claims. The City settled a wrongful termination claim with a former employee for \$275,000 in June 2023. Due to the timing, this claim was still on the outstanding claims listing as of June 30, 2023. Further, the City settled personal injury claim with an employee for \$450,000 in November 2023. Additionally, the City settled a bodily injury claim with a claimant for \$1,350,000 in November 2023. The City has \$1,000,000 in self-insured retention, leaving \$350,000 to be covered by the City's excess carrier.

In May 2023, a Los Angeles County jury awarded \$4.1 million to a former West Covina fire chief who sued the city for wrongful termination. The City has since filed post-trial motions with the court. The City has \$1,000,000 in self-insured retention for this claim, the remainder will be covered by the City's excess carrier.

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 61,574,300	\$ 66,714,500	\$ 67,392,598	\$ 678,098
Licenses and Permits	3,167,810	4,458,050	4,667,301	209,251
Fines and Forfeitures	1,023,290	597,690	902,570	304,880
Investment Income	316,600	556,600	554,096	(2,504)
Rental Income	1,134,100	1,134,100	1,024,929	(109,171)
Revenue from Other Agencies	2,326,293	1,073,693	1,505,457	431,764
Charges for Services	7,205,820	8,672,890	7,593,870	(1,079,020)
Other Revenues	2,004,995	2,090,285	2,037,330	(52,955)
Total Revenues	78,753,208	85,297,808	85,678,151	380,343
EXPENDITURES				
Current:				
General Government	5,040,766	5,832,200	5,227,963	604,237
Public Safety	48,388,647	51,771,956	51,913,603	(141,647)
Public Works	4,877,447	6,635,515	6,482,296	153,219
Community Services	2,769,410	2,843,240	2,586,282	256,958
Community Development	676,983	598,704	569,469	29,235
Total Expenditures	61,753,253	67,681,615	66,779,613	902,002
Excess (Deficiency) of Revenues over Expenditures	16,999,955	17,616,193	18,898,538	1,282,345
OTHER FINANCING SOURCES (USES)				
Transfers In	-	11	10	(1)
Transfers Out	(15,525,348)	(22,023,533)	(22,028,686)	(5,153)
Total Other Financing Sources (Uses)	(15,525,348)	(22,023,522)	(22,028,676)	(5,154)
Net Change in Fund Balances	1,474,607	(4,407,329)	(3,130,138)	1,277,191
Fund Balances, Beginning	24,158,880	24,158,880	24,158,880	-
Fund Balances, Ending	<u>\$ 25,633,487</u>	<u>\$ 19,751,551</u>	<u>\$ 21,028,742</u>	<u>\$ 1,277,191</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 22,790	\$ 22,790	\$ 446,195	\$ 423,405
Other Revenues	-	-	169,200	169,200
Total Revenues	<u>22,790</u>	<u>22,790</u>	<u>615,395</u>	<u>592,605</u>
EXPENDITURES				
Current:				
Public Safety	251,072	251,072	262,166	(11,094)
Community Development	888,031	888,031	607,680	280,351
Total Expenditures	<u>1,139,103</u>	<u>1,139,103</u>	<u>869,846</u>	<u>269,257</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,116,313)</u>	<u>(1,116,313)</u>	<u>(254,451)</u>	<u>861,862</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,116,313)	(1,116,313)	(254,451)	861,862
Fund Balance, Beginning	<u>23,445,655</u>	<u>23,445,655</u>	<u>23,445,655</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 22,329,342</u></u>	<u><u>\$ 22,329,342</u></u>	<u><u>\$ 23,191,204</u></u>	<u><u>\$ 861,862</u></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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,241,100	\$ 2,741,100	\$ 3,107,213	\$ 366,113
Investment Income	1,120	1,120	29,121	28,001
Revenue from Other Agencies				-
Charges for Services				-
Total Revenues	<u>2,242,220</u>	<u>2,742,220</u>	<u>3,136,334</u>	<u>394,114</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works			-	-
Community Services	<u>2,148,400</u>	<u>2,648,400</u>	<u>2,547,918</u>	<u>100,482</u>
Total Expenditures	<u>2,148,400</u>	<u>2,648,400</u>	<u>2,547,918</u>	<u>100,482</u>
Excess (Deficiency) of Revenues over Expenditures	<u>93,820</u>	<u>93,820</u>	<u>588,416</u>	<u>494,596</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	93,820	93,820	588,416	494,596
Fund Balance, Beginning	<u>278,496</u>	<u>278,496</u>	<u>278,496</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 372,316</u>	<u>\$ 372,316</u>	<u>\$ 866,912</u>	<u>\$ 494,596</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,418,468	\$ 2,418,468	\$ 2,446,155	\$ 27,687
Investment Income	6,690	6,690	116,285	109,595
Revenue from Other Agencies	3,060,426	3,060,426	2,740,515	(319,911)
Charges for Services	789	789	208	(581)
	<u>5,486,373</u>	<u>5,486,373</u>	<u>5,303,163</u>	<u>(183,210)</u>
EXPENDITURES				
Current:				
General Government	-	-	3,462	(3,462)
Public Works	7,752,678	10,516,096	6,980,656	3,535,440
Community Development	4,800	4,800	925	3,875
	<u>7,757,478</u>	<u>10,520,896</u>	<u>6,985,043</u>	<u>3,535,853</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,271,105)</u>	<u>(5,034,523)</u>	<u>(1,681,880)</u>	<u>3,352,643</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	567,200	567,200	567,200	-
Transfers Out	-	-	-	-
	<u>567,200</u>	<u>567,200</u>	<u>567,200</u>	<u>-</u>
Net Change in Fund Balance	(1,703,905)	(4,467,323)	(1,114,680)	3,352,643
Fund Balance, Beginning	6,567,084	6,567,084	6,567,084	-
Fund Balance, Ending	<u>\$ 4,863,179</u>	<u>\$ 2,099,761</u>	<u>\$ 5,452,404</u>	<u>\$ 3,352,643</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from Other Agencies	\$ -	\$ -	\$ 1,931,560	\$ 1,931,560
Total Revenues	-	-	1,931,560	1,931,560
EXPENDITURES				
Current:				
General Government	-	9,897,692	1,519,060	8,378,632
Public Safety	-	335,000	335,000	-
Community Services	-	140,000	77,500	62,500
Total Expenditures	-	10,372,692	1,931,560	8,441,132
Excess (Deficiency) of Revenues over Expenditures	-	(10,372,692)	-	10,372,692
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(10,372,692)	-	10,372,692
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ (10,372,692)	\$ -	\$ 10,372,692

City of West Covina
Notes to Required Supplementary Information
Year Ended June 30, 2023

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. Budgets are not adopted for the CASP Training Special Revenue Fund and the Future Street Improvements Capital Projects Fund.

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

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**City of West Covina
Required Supplementary Information
Year Ended June 30, 2023**

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

	Measurement Period				
	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ 1,102,405	\$ 1,148,088	\$ 1,230,251	\$ 1,488,940	\$ 1,598,999
Interest on total pension liability	11,240,257	11,357,041	11,161,901	11,031,185	10,735,301
Changes in assumptions	4,428,742	-	-	-	(792,110)
Differences between expected and actual experience	(2,165,000)	605,918	(956,094)	1,166,025	884,485
Benefit payments, including refunds	(10,735,978)	(10,630,997)	(9,824,549)	(9,388,384)	(9,225,744)
Net change in total pension liability	3,870,426	2,480,050	1,611,509	4,297,766	3,200,931
Total pension liability - beginning	165,455,322	162,975,272	161,363,763	157,065,997	153,865,066
Total pension liability - ending (a)	<u>\$ 169,325,748</u>	<u>\$ 165,455,322</u>	<u>\$ 162,975,272</u>	<u>\$ 161,363,763</u>	<u>\$ 157,065,997</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,212,228	\$ 41,343,222	\$ 3,588,307	\$ 3,041,783	\$ 2,610,696
Contributions - employee	671,818	489,857	658,924	597,814	785,970
Net investment income	(13,283,040)	33,695,359	5,681,537	7,327,093	9,216,240
Benefit payments	(10,735,978)	(10,630,997)	(9,824,549)	(9,388,384)	(9,225,744)
Net Plan to Plan Resource Movement	-	-	-	-	(266)
Administrative/Other Expense	(112,164)	(115,152)	(162,590)	(80,969)	(172,889)
Other Miscellaneous Income/Expense	-	-	-	-	(328,320)
Net change in plan fiduciary net position	(22,247,136)	64,782,289	(58,371)	1,497,337	2,885,687
Plan fiduciary net position - beginning	180,056,172	115,273,883	115,332,254	113,834,917	110,949,230
Plan fiduciary net position - ending (b)	<u>\$ 157,809,036</u>	<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>\$ 11,516,712</u>	<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	93.20%	108.82%	70.73%	71.47%	72.48%
Covered payroll	\$ 9,447,250	\$ 6,699,270	\$ 7,843,755	\$ 8,498,816	\$ 12,173,646
Net pension liability as percentage of covered payroll	121.91%	-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 2022, the accounting discount rate was reduced from 7.15 percent to 6.90 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

Measurement Period			
2017	2016	2015	2014
\$ 1,568,756	\$ 1,395,164	\$ 1,454,757	\$ 1,653,769
10,499,411	10,423,152	10,180,561	9,849,865
8,138,458	-	(2,336,836)	-
(1,086,666)	(568,485)	(134,455)	-
<u>(8,527,256)</u>	<u>(8,197,448)</u>	<u>(7,534,397)</u>	<u>(6,835,867)</u>
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, 2023**

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

	Measurement Period			
	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 6,180,932	\$ 5,563,564	\$ 5,180,535	\$ 5,573,847
Interest on total pension liability	29,392,100	28,585,424	27,556,923	26,959,893
Changes in assumptions	14,667,222	-	-	-
Differences between expected and actual experience	860,268	4,243,730	(2,269,271)	706,038
Benefit payments, including refunds	<u>(24,245,865)</u>	<u>(23,371,783)</u>	<u>(22,204,388)</u>	<u>(21,231,071)</u>
Net change in total pension liability	26,854,657	15,020,935	8,263,799	12,008,707
Total pension liability - beginning	419,477,453	404,456,518	396,192,719	384,184,012
Total pension liability - ending (a)	<u>\$ 446,332,110</u>	<u>\$ 419,477,453</u>	<u>\$ 404,456,518</u>	<u>\$ 396,192,719</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,920,292	\$ 149,228,549	\$ 12,592,111	\$ 11,176,490
Contributions - employee	2,052,325	2,010,282	1,806,665	1,731,882
Net investment income	(34,949,499)	87,171,072	12,466,983	15,909,762
Benefit payments	(24,245,865)	(23,371,783)	(22,204,388)	(21,231,071)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(293,155)	(255,545)	(354,567)	(174,192)
Other Miscellaneous Income/Expense	-	-	-	568
Net change in plan fiduciary net position	<u>(52,515,902)</u>	<u>214,782,575</u>	<u>4,306,804</u>	<u>7,413,439</u>
Plan fiduciary net position - beginning	470,599,336	255,816,761	251,509,957	244,096,518
Plan fiduciary net position - ending (b)	<u>\$ 418,083,434</u>	<u>\$ 470,599,336</u>	<u>\$ 255,816,761</u>	<u>\$ 251,509,957</u>
Net pension liability - ending (a) - (b)	<u>\$ 28,248,676</u>	<u>\$ (51,121,883)</u>	<u>\$ 148,639,757</u>	<u>\$ 144,682,762</u>
Plan fiduciary net position as a percentage of the total pension liability	93.67%	112.19%	63.25%	63.48%
Covered payroll	\$ 18,837,825	\$ 17,133,244	\$ 16,447,485	\$ 16,283,859
Net pension liability as percentage of covered payroll	149.96%	-298.38%	903.72%	888.50%

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 2022, the accounting discount rate reduced from 7.15 percent to 6.90 percent. 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				
2018	2017	2016	2015	2014
\$ 5,300,363	\$ 5,376,792	\$ 4,729,431	\$ 4,604,800	\$ 4,824,545
26,141,448	25,330,388	24,899,740	24,117,128	23,426,151
(1,644,342)	21,000,606	-	(5,858,071)	-
2,470,547	(2,764,123)	(145,882)	(1,760,971)	-
(20,444,515)	(19,858,900)	(18,951,025)	(17,865,208)	(17,362,607)
11,823,501	29,084,763	10,532,264	3,237,678	10,888,089
372,360,511	343,275,748	332,743,484	329,505,806	318,617,717
<u>\$ 384,184,012</u>	<u>\$ 372,360,511</u>	<u>\$ 343,275,748</u>	<u>\$ 332,743,484</u>	<u>\$ 329,505,806</u>
\$ 10,515,780	\$ 10,058,079	\$ 8,387,165	\$ 7,339,064	\$ 6,403,118
1,830,019	1,818,024	1,660,160	1,628,630	2,416,548
19,582,552	23,916,665	1,179,228	5,057,426	34,775,710
(20,444,515)	(19,858,900)	(18,951,025)	(17,865,208)	(17,362,607)
(568)	-	4,880	10,338	-
(364,120)	(321,946)	(137,683)	(254,287)	-
(691,471)	-	-	-	-
10,427,677	15,611,922	(7,857,275)	(4,084,037)	26,232,769
233,668,841	218,056,919	225,914,194	229,998,231	203,765,462
<u>\$ 244,096,518</u>	<u>\$ 233,668,841</u>	<u>\$ 218,056,919</u>	<u>\$ 225,914,194</u>	<u>\$ 229,998,231</u>
<u>\$ 140,087,494</u>	<u>\$ 138,691,670</u>	<u>\$ 125,218,829</u>	<u>\$ 106,829,290</u>	<u>\$ 99,507,575</u>
63.54%	62.75%	63.52%	67.89%	69.80%
\$ 14,051,195	\$ 17,084,933	\$ 17,288,458	\$ 16,517,686	\$ 16,974,682
996.98%	811.78%	724.29%	646.76%	586.21%

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2023**

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

Total Pension Liability	Measurement Period			
	2022	2021	2020	2019
Service cost	\$ 38,336	\$ 26,943	\$ 30,564	\$ 29,665
Interest on total pension liability	28,982	31,913	41,806	46,211
Changes in assumptions	(148,744)	38,703	146,898	90,640
Differences between expected and actual experience	-	10,382	-	45,697
Benefit payments, including refunds	(38,080)	(81,760)	(103,008)	(80,968)
Net change in total pension liability	(119,506)	26,181	116,260	131,245
Total pension liability - beginning	1,235,343	1,209,162	1,092,902	961,657
Total pension liability - ending (a)	\$ 1,115,837	\$ 1,235,343	\$ 1,209,162	\$ 1,092,902
Plan Fiduciary Net Position				
Contributions - employer	\$ 51,428	\$ 52,666	\$ 56,957	\$ 62,350
Contributions - employee	-	-	-	-
Net investment income	(8,794)	18,413	2,908	6,567
Benefit payments	(38,080)	(81,760)	(103,008)	(80,968)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(3,086)	(6,231)	(10,788)	(769)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	1,468	(16,912)	(53,931)	(12,820)
Plan fiduciary net position - beginning	71,013	87,925	141,856	154,676
Plan fiduciary net position - ending (b)	\$ 72,481	\$ 71,013	\$ 87,925	\$ 141,856
Net pension liability - ending (a) - (b)	\$ 1,043,356	\$ 1,164,330	\$ 1,121,237	\$ 951,046
Plan fiduciary net position as a percentage of the total pension liability	6.50%	5.75%	7.27%	12.98%
Covered Payroll	\$ 6,238,365	\$ 7,202,240	\$ 10,222,450	\$ 14,447,921
Net pension liability as percentage of covered employee payroll	16.72%	16.17%	10.97%	6.58%

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

Benefit Changes: None.

Changes in Assumptions: In 2022, the discount rate was updated to 3.59% 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					
2018	2017	2016	2015	2014	
\$ 29,701	\$ 35,733	\$ 40,000	\$ 36,000	\$ 36,000	
46,463	35,268	32,000	28,000	36,000	
10,475	(85,060)	(37,000)	200,000	-	
-	98,508	-	(72,000)	-	
(56,554)	(42,877)	(91,000)	(9,000)	(64,000)	
30,085	41,572	(56,000)	183,000	8,000	
931,572	890,000	946,000	763,000	755,000	
<u>\$ 961,657</u>	<u>\$ 931,572</u>	<u>\$ 890,000</u>	<u>\$ 946,000</u>	<u>\$ 763,000</u>	
\$ 60,056	\$ 61,019	\$ 56,000	\$ 56,000	\$ 65,000	
-	-	-	-	-	
8,234	10,029	(1,000)	3,000	12,000	
(56,554)	(42,877)	(91,000)	(9,000)	(64,000)	
-	-	-	-	-	
(775)	(9,456)	(1,000)	(7,000)	(3,000)	
-	-	-	-	-	
10,961	18,715	(37,000)	43,000	10,000	
143,715	125,000	162,000	119,000	109,000	
<u>\$ 154,676</u>	<u>\$ 143,715</u>	<u>\$ 125,000</u>	<u>\$ 162,000</u>	<u>\$ 119,000</u>	
<u>\$ 806,981</u>	<u>\$ 787,857</u>	<u>\$ 765,000</u>	<u>\$ 784,000</u>	<u>\$ 644,000</u>	
16.08%	15.43%	14.04%	17.12%	15.60%	
\$ 15,855,534	n/a	\$ 13,388,000	n/a	n/a	
5.09%	n/a	5.71%	n/a	n/a	

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2023**

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

	Measurement Period			
	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ -	\$ -	\$ 14,068	\$ 11,963
Interest on total pension liability	111,645	113,650	143,620	133,267
Changes in assumptions	(921,653)	81,046	879,137	281,983
Differences between expected and actual experience	-	168,573	-	477,904
Benefit payments, including refunds	(173,697)	(171,237)	(155,804)	(152,749)
Net change in total pension liability	(983,705)	192,032	881,021	752,368
Total pension liability - beginning	5,093,359	4,901,327	4,020,306	3,267,938
Total pension liability - ending (a)	<u>\$ 4,109,654</u>	<u>\$ 5,093,359</u>	<u>\$ 4,901,327</u>	<u>\$ 4,020,306</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 80,949	\$ 79,364	\$ 77,814	\$ 78,102
Contributions - employee	-	-	-	-
Net investment income	(44,821)	96,424	15,031	31,817
Benefit payments	(173,697)	(171,237)	(155,804)	(152,749)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(4,948)	(5,903)	(9,475)	(3,109)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	(142,517)	(1,352)	(72,434)	(45,939)
Plan fiduciary net position - beginning	460,451	461,803	534,237	580,176
Plan fiduciary net position - ending (b)	<u>\$ 317,934</u>	<u>\$ 460,451</u>	<u>\$ 461,803</u>	<u>\$ 534,237</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,791,720</u>	<u>\$ 4,632,908</u>	<u>\$ 4,439,524</u>	<u>\$ 3,486,069</u>
Plan fiduciary net position as a percentage of the total pension liability	7.74%	9.04%	9.42%	13.29%
Covered Payroll	\$ -	\$ 269,287	\$ 219,555	\$ 179,572
Net pension liability as percentage of covered employee payroll	n/a	1720.44%	2022.06%	1941.32%

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

Benefit Changes: None.

Changes in Assumptions: In 2022, the discount rate was updated to 3.60%. 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				
2018	2017	2016	2015	2014
\$ 12,235	\$ 20,388	\$ 30,000	\$ 116,000	\$ 112,000
130,692	161,327	141,000	178,000	168,000
(101,877)	803,038	(455,000)	346,000	-
-	(111,492)	-	(643,000)	-
(139,056)	(136,317)	(137,000)	(104,000)	(82,000)
(98,006)	736,944	(421,000)	(107,000)	198,000
3,365,944	2,629,000	3,050,000	3,157,000	2,959,000
<u>\$ 3,267,938</u>	<u>\$ 3,365,944</u>	<u>\$ 2,629,000</u>	<u>\$ 3,050,000</u>	<u>\$ 3,157,000</u>
\$ 74,100	\$ 73,467	\$ 78,000	\$ 78,000	\$ 59,000
-	-	-	-	-
36,931	49,861	9,000	13,000	75,000
(139,056)	(136,317)	(137,000)	(104,000)	(82,000)
-	-	-	-	-
(3,379)	(8,431)	(4,000)	(6,000)	(6,000)
-	-	-	-	-
(31,404)	(21,420)	(54,000)	(19,000)	46,000
611,580	633,000	687,000	706,000	660,000
<u>\$ 580,176</u>	<u>\$ 611,580</u>	<u>\$ 633,000</u>	<u>\$ 687,000</u>	<u>\$ 706,000</u>
<u>\$ 2,687,762</u>	<u>\$ 2,754,364</u>	<u>\$ 1,996,000</u>	<u>\$ 2,363,000</u>	<u>\$ 2,451,000</u>
17.75%	18.17%	24.08%	22.52%	22.36%
\$ 172,512	n/a	\$ 143,000	n/a	n/a
1558.01%	n/a	1395.80%	n/a	n/a

**City of West Covina
Required Supplementary Information
Year Ended June 30, 2023**

**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
2023	\$ 1,541,102	\$ (1,541,102)	\$ -	\$ 6,394,459	24.10%
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
2023	\$ 5,590,927	\$ (5,590,927)	\$ -	\$ 19,136,013	29.22%
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, 2023**

**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 Payroll	Contributions as a % of Covered Employee Payroll
2023	\$ 251,000	\$ (51,212)	\$ 199,788	\$ 8,046,588	0.64%
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 Payroll	Contributions as a % of Covered Employee Payroll
2023	\$ 774,000	\$ (75,852)	\$ 698,148	-	n/a
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, 2023**

**Schedule of Changes in the Total OPEB
Liability and Related Ratios - Last 10 Years***

Total OPEB Liability	Measurement Period			
	2022	2021	2020	2019
Service cost	\$ 1,774,641	\$ 2,306,792	\$ 1,575,501	\$ 1,545,500
Interest on total OPEB liability	1,418,451	1,704,367	2,156,480	2,285,257
Changes in assumptions	(11,680,203)	(3,773,434)	13,555,256	2,887,380
Differences between expected and actual experience	-	(8,698,716)	-	(1,738,131)
Benefit payments, including refunds	(2,403,386)	(2,513,526)	(2,509,638)	(2,384,056)
Net change in total OPEB liability	(10,890,497)	(10,974,517)	14,777,599	2,595,950
Total OPEB liability - beginning	65,096,109	76,070,626	61,293,027	58,697,077
Total OPEB liability - ending (a)	<u>\$ 54,205,612</u>	<u>\$ 65,096,109</u>	<u>\$ 76,070,626</u>	<u>\$ 61,293,027</u>
 Covered Employee payroll	 \$ 36,002,475	 \$ 33,956,907	 \$ 33,069,467	 \$ 26,672,215
Total OPEB liability as percentage of covered - employee payroll	150.56%	191.70%	230.03%	229.80%

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

Benefit Changes: None.

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

Measurement Period	
2018	2017
\$ 1,619,250	\$ 1,913,541
2,158,673	1,889,517
(2,524,608)	(7,040,369)
-	-
(2,470,254)	(2,467,893)
(1,216,939)	(5,705,204)
59,914,016	65,619,220
<u>\$ 58,697,077</u>	<u>\$ 59,914,016</u>
\$ 28,239,505	\$ 26,527,000
207.85%	225.86%

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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 36,790	\$ 895,648	\$ 858,858
Revenue from Other Agencies	1,432,557	1,432,557	-
Total Revenues	<u>1,469,347</u>	<u>2,328,205</u>	<u>858,858</u>
EXPENDITURES			
Current:			
General Government	12,000	11,895	105
Public Safety	-	-	-
Debt Service:			
Principal	6,436,073	6,440,885	(4,812)
Interest	8,922,927	8,916,689	6,238
Total Expenditures	<u>15,371,000</u>	<u>15,369,469</u>	<u>1,531</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,901,653)</u>	<u>(13,041,264)</u>	<u>860,389</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	13,177,600	13,148,540	(29,060)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>13,177,600</u>	<u>13,148,540</u>	<u>(29,060)</u>
Net Change in Fund Balances	(724,053)	107,276	831,329
Fund Balance, Beginning	<u>19,947,463</u>	<u>19,947,463</u>	
Fund Balance, Ending	<u>\$ 19,223,410</u>	<u>\$ 20,054,739</u>	<u>\$ 831,329</u>

OTHER GOVERNMENTAL FUNDS

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2023**

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 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.

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.

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.

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2023**

Special Revenue Funds - Continued

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.

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.

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2023**

Special Revenue Funds - Continued

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.

Community Corrections

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

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.

**City of West Covina
Other Governmental Funds
Year Ended June 30, 2023**

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.

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**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2023**

	Special Revenue			
	Drug Enforcement Rebate	Air Quality Improvement	Proposition C	Police Donations
ASSETS				
Cash and Investments	\$ 5,780,157	\$ 331,124	\$ 2,651,151	\$ 31,296
Restricted Cash and Investments	-	-	-	-
Receivables, net:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Other	-	36,101	-	-
Due from Other Agencies	-	-	4,721	-
Prepaid Items	-	-	-	-
Total Assets	\$ 5,780,157	\$ 367,225	\$ 2,655,872	\$ 31,296
LIABILITIES				
Accounts Payable	\$ 145,511	\$ -	\$ 327,978	\$ -
Other Accrued Liabilities	-	-	933	-
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	145,511	-	328,911	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	5,634,646	367,225	2,326,961	31,296
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	5,634,646	367,225	2,326,961	31,296
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 5,780,157	\$ 367,225	\$ 2,655,872	\$ 31,296

Special Revenue						
Transportation Development Act	AB939	Various Grants	Community Development Block Grant	Inmate Welfare	Public Safety Augmentation	COPS/SLESA
\$ -	\$ 1,228,178	\$ 571,733	\$ -	\$ 8,623	\$ 512,491	\$ 12,594
-	-	-	4,664	-	-	-
-	-	31,624	-	-	-	-
-	-	-	-	-	173,203	-
75,945	-	2,628	67,148	-	-	-
-	-	1,037,654	35,333	-	-	-
-	-	-	-	-	-	-
<u>\$ 75,945</u>	<u>\$ 1,228,178</u>	<u>\$ 1,643,639</u>	<u>\$ 107,145</u>	<u>\$ 8,623</u>	<u>\$ 685,694</u>	<u>\$ 12,594</u>
\$ 8,563	\$ 856	\$ 132,218	\$ 18,839	\$ -	\$ 114,106	\$ 10,158
-	815	196,058	1,632	-	10,422	2,436
-	-	-	-	-	-	-
25,498	-	-	76,833	-	-	-
-	-	-	-	-	-	-
<u>34,061</u>	<u>1,671</u>	<u>328,276</u>	<u>97,304</u>	<u>-</u>	<u>124,528</u>	<u>12,594</u>
-	-	261,864	12,198	-	-	-
-	-	261,864	12,198	-	-	-
-	-	-	-	-	-	-
41,884	1,226,507	1,053,499	-	8,623	561,166	-
-	-	-	-	-	-	-
-	-	-	(2,357)	-	-	-
<u>41,884</u>	<u>1,226,507</u>	<u>1,053,499</u>	<u>(2,357)</u>	<u>8,623</u>	<u>561,166</u>	<u>-</u>
<u>\$ 75,945</u>	<u>\$ 1,228,178</u>	<u>\$ 1,643,639</u>	<u>\$ 107,145</u>	<u>\$ 8,623</u>	<u>\$ 685,694</u>	<u>\$ 12,594</u>

Continued

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2023**

	Special Revenue				
	Maintenance District #1	Maintenance District #2	Coastal Sage Shrub	Maintenance District #4	Maintenance District #6
ASSETS					
Cash and Investments	\$ 3,892,524	\$ 1,050,986	\$ 493,343	\$ 2,190,538	\$ 314,436
Restricted Cash and Investments	-	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	14,248	3,341	-	13,697	2,590
Other	-	-	-	-	-
Due from Other Agencies	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 3,906,772</u>	<u>\$ 1,054,327</u>	<u>\$ 493,343</u>	<u>\$ 2,204,235</u>	<u>\$ 317,026</u>
LIABILITIES					
Accounts Payable	\$ 14,157	\$ 1,727	\$ 3,699	\$ 160,728	\$ 5,632
Other Accrued Liabilities	5,954	471	-	1,245	308
Deposits Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>20,111</u>	<u>2,198</u>	<u>3,699</u>	<u>161,973</u>	<u>5,940</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	3,886,661	1,052,129	489,644	2,042,262	311,086
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>3,886,661</u>	<u>1,052,129</u>	<u>489,644</u>	<u>2,042,262</u>	<u>311,086</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	<u>\$ 3,906,772</u>	<u>\$ 1,054,327</u>	<u>\$ 493,343</u>	<u>\$ 2,204,235</u>	<u>\$ 317,026</u>

Special Revenue						
Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District	General Plan Update	Measure W	Charter PEG
\$ 442,053	\$ 977,276	\$ 11,607,854	\$ 134,765	\$ 1,143,227	\$ 4,645,601	\$ 13,165
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,151	27,369	90,381	33,048	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,347,540	-
-	-	-	-	-	-	-
<u>\$ 447,204</u>	<u>\$ 1,004,645</u>	<u>\$ 11,698,235</u>	<u>\$ 167,813</u>	<u>\$ 1,143,227</u>	<u>\$ 5,993,141</u>	<u>\$ 13,165</u>
\$ 4,734	\$ 299,263	\$ 354,474	\$ 2,793	\$ 218	\$ 23,842	\$ -
313	896	206,846	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	171,043	-	-	-
<u>5,047</u>	<u>300,159</u>	<u>561,320</u>	<u>173,836</u>	<u>218</u>	<u>23,842</u>	<u>-</u>
-	-	-	-	-	1,347,540	-
-	-	-	-	-	1,347,540	-
-	-	-	-	-	-	-
442,157	704,486	11,136,915	-	1,143,009	4,621,759	13,165
-	-	-	-	-	-	-
-	-	-	(6,023)	-	-	-
<u>442,157</u>	<u>704,486</u>	<u>11,136,915</u>	<u>(6,023)</u>	<u>1,143,009</u>	<u>4,621,759</u>	<u>13,165</u>
<u>\$ 447,204</u>	<u>\$ 1,004,645</u>	<u>\$ 11,698,235</u>	<u>\$ 167,813</u>	<u>\$ 1,143,227</u>	<u>\$ 5,993,141</u>	<u>\$ 13,165</u>

Continued

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2023**

	Special Revenue				
	Art in Public Places	West Covina Community Services Found.	Measure R	Measure M	Community Corrections
ASSETS					
Cash and Investments	\$ 705,700	\$ 62,675	\$ 4,963,967	\$ 7,389,707	\$ -
Restricted Cash and Investments	4,000	-	-	-	-
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Other	-	37,829	-	-	-
Due from Other Agencies	-	-	-	-	-
Prepaid Items	-	90,943	-	-	-
Total Assets	\$ 709,700	\$ 191,447	\$ 4,963,967	\$ 7,389,707	\$ -
LIABILITIES					
Accounts Payable	\$ -	\$ 114,785	\$ 331,496	\$ 197,177	\$ -
Other Accrued Liabilities	-	-	6,182	-	-
Deposits Payable	4,000	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	4,000	114,785	337,678	197,177	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE (DEFICITS)					
Nonspendable	-	90,943	-	-	-
Restricted	705,700	-	4,626,289	7,192,530	-
Assigned	-	-	-	-	-
Unassigned	-	(14,281)	-	-	-
Total Fund Balances (Deficits)	705,700	76,662	4,626,289	7,192,530	-
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 709,700	\$ 191,447	\$ 4,963,967	\$ 7,389,707	\$ -

Special Revenue			Capital Projects			
Measure H	CASP Training Fund	Sportsplex	City	Construction Tax	Information Technology	Development Impact Fees
\$ 25,943	\$ 127,368	\$ 77,434	\$ 8,106,763	\$ 240,773	\$ 448,573	\$ 645,654
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,837	-	-	-	-	-
-	-	-	-	-	25,955	-
-	-	-	-	-	-	-
<u>\$ 25,943</u>	<u>\$ 129,205</u>	<u>\$ 77,434</u>	<u>\$ 8,106,763</u>	<u>\$ 240,773</u>	<u>\$ 474,528</u>	<u>\$ 645,654</u>
\$ 18,224	\$ -	\$ 50,009	\$ 484,661	\$ -	\$ 78	\$ 11,517
-	-	27,425	4,253	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>18,224</u>	<u>-</u>	<u>77,434</u>	<u>488,914</u>	<u>-</u>	<u>78</u>	<u>11,517</u>
-	-	-	-	-	25,955	-
-	-	-	-	-	25,955	-
-	-	-	-	-	-	-
7,719	129,205	-	-	240,773	448,495	634,137
-	-	-	7,617,849	-	-	-
-	-	-	-	-	-	-
<u>7,719</u>	<u>129,205</u>	<u>-</u>	<u>7,617,849</u>	<u>240,773</u>	<u>448,495</u>	<u>634,137</u>
<u>\$ 25,943</u>	<u>\$ 129,205</u>	<u>\$ 77,434</u>	<u>\$ 8,106,763</u>	<u>\$ 240,773</u>	<u>\$ 474,528</u>	<u>\$ 645,654</u>

Continued

**City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2023**

	Capital Projects		Total
	Park	Future	
	Development	Street Improvements	
ASSETS			
Cash and Investments	\$ 6,907,402	\$ 428,172	\$ 68,163,246
Restricted Cash and Investments	-	-	8,664
Receivables, net:			
Accounts	-	-	31,624
Taxes	-	-	363,028
Other	-	-	221,488
Due from Other Agencies	-	-	2,451,203
Prepaid Items	-	-	90,943
Total Assets	\$ 6,907,402	\$ 428,172	\$ 71,330,196
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 2,837,443
Other Accrued Liabilities	-	-	466,189
Deposits Payable	-	-	4,000
Due to Other Funds	-	-	102,331
Advances from Other Funds	-	-	171,043
Total Liabilities	-	-	3,581,006
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	1,647,557
Total Deferred Inflows of Resources	-	-	1,647,557
FUND BALANCE (DEFICITS)			
Nonspendable	-	-	90,943
Restricted	6,907,402	428,172	58,415,502
Assigned	-	-	7,617,849
Unassigned	-	-	(22,661)
Total Fund Balances (Deficits)	6,907,402	428,172	66,101,633
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 6,907,402	\$ 428,172	\$ 71,330,196

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City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2023

	Special Revenue			
	Drug Enforcement Rebate	Air Quality Improvement	Proposition C	Police Donations
REVENUES				
Taxes	\$ -	\$ -	\$ 2,302,181	\$ -
Special Assessments	-	-	-	-
Investment Income	85,643	6,468	39,421	496
Rental Income	-	-	-	-
Revenue from Other Agencies	1,319,675	177,616	54,567	-
Charges for Services	-	-	17,920	-
Other Revenues	52,500	17,000	-	2,320
	<u>1,457,818</u>	<u>201,084</u>	<u>2,414,089</u>	<u>2,816</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	1,797,610	-	-	4,696
Public Works	-	423,321	457,968	-
Community Services	-	-	1,593,417	-
Community Development	-	-	16,188	-
	<u>1,797,610</u>	<u>423,321</u>	<u>2,067,573</u>	<u>4,696</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(339,792)</u>	<u>(222,237)</u>	<u>346,516</u>	<u>(1,880)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	42,225	-	-	-
Transfers Out	-	-	-	-
	<u>42,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(297,567)	(222,237)	346,516	(1,880)
Fund Balances - Beginning	5,932,213	589,462	1,980,445	33,176
Fund Balances - Ending	<u>\$ 5,634,646</u>	<u>\$ 367,225</u>	<u>\$ 2,326,961</u>	<u>\$ 31,296</u>

Transportation Development Act	Special Revenue					
	AB939	Various Grants	Community Development Block Grant	Inmate Welfare	Public Safety Augmentation	COPS/SLESA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 982,866	\$ -
-	-	-	-	-	-	-
-	17,303	19,779	-	134	13,227	2,574
-	-	-	-	-	-	-
75,945	-	1,984,608	467,495	-	-	272,766
-	-	-	-	-	-	-
-	220,042	19,082	55,491	-	-	-
<u>75,945</u>	<u>237,345</u>	<u>2,023,469</u>	<u>522,986</u>	<u>134</u>	<u>996,093</u>	<u>275,340</u>
-	-	-	-	-	-	-
-	-	725,420	100	1,500	1,145,272	704,286
34,061	77,733	296,898	49,829	-	-	-
-	54	474,426	356,596	-	-	-
-	-	112,811	33,879	-	-	-
<u>34,061</u>	<u>77,787</u>	<u>1,609,555</u>	<u>440,404</u>	<u>1,500</u>	<u>1,145,272</u>	<u>704,286</u>
<u>41,884</u>	<u>159,558</u>	<u>413,914</u>	<u>82,582</u>	<u>(1,366)</u>	<u>(149,179)</u>	<u>(428,946)</u>
-	-	42,095	-	-	-	-
(10)	-	(26,365)	-	-	-	-
(10)	-	15,730	-	-	-	-
41,874	159,558	429,644	82,582	(1,366)	(149,179)	(428,946)
10	1,066,949	623,855	(84,939)	9,989	710,345	428,946
<u>\$ 41,884</u>	<u>\$ 1,226,507</u>	<u>\$ 1,053,499</u>	<u>\$ (2,357)</u>	<u>\$ 8,623</u>	<u>\$ 561,166</u>	<u>\$ -</u>

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2023

	Special Revenue				
	Maintenance District #1	Maintenance District #2	Coastal Sage Shrub	Maintenance District #4	Maintenance District #6
REVENUES					
Taxes	\$ 704,806	\$ 234,663	\$ 107,649	\$ -	\$ -
Special Assessments	-	-	-	995,517	155,758
Investment Income	55,774	14,761	7,153	32,300	4,445
Rental Income	-	-	-	-	-
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	760,580	249,424	114,802	1,027,817	160,203
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	255,368	80,999	60,684	1,158,615	126,120
Community Services	-	-	-	-	-
Community Development	-	-	-	-	-
Total Expenditures	255,368	80,999	60,684	1,158,615	126,120
Excess (Deficiency) of Revenues Over Expenditures	505,212	168,425	54,118	(130,798)	34,083
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	505,212	168,425	54,118	(130,798)	34,083
Fund Balances - Beginning	3,381,449	883,704	435,526	2,173,060	277,003
Fund Balances - Ending	\$ 3,886,661	\$ 1,052,129	\$ 489,644	\$ 2,042,262	\$ 311,086

Special Revenue						
Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District	General Plan Update	Measure W	Charter PEG
\$ -	\$ -	\$ 392,790	\$ 116,694	\$ -	\$ 2,706,375	\$ -
172,568	1,826,113	3,851,697	-	-	-	-
6,257	16,486	161,492	2,447	-	51,119	201
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	399,826	-	-
-	-	-	-	-	1,259,987	-
<u>178,825</u>	<u>1,842,599</u>	<u>4,405,979</u>	<u>119,141</u>	<u>399,826</u>	<u>4,017,481</u>	<u>201</u>
-	-	-	-	-	-	-
-	-	2,322	-	-	-	-
122,983	2,433,125	2,847,084	-	-	259,161	-
-	325	-	-	-	-	-
-	24	73	49,367	-	-	-
<u>122,983</u>	<u>2,433,474</u>	<u>2,849,479</u>	<u>49,367</u>	<u>-</u>	<u>259,161</u>	<u>-</u>
<u>55,842</u>	<u>(590,875)</u>	<u>1,556,500</u>	<u>69,774</u>	<u>399,826</u>	<u>3,758,320</u>	<u>201</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>55,842</u>	<u>(590,875)</u>	<u>1,556,500</u>	<u>69,774</u>	<u>399,826</u>	<u>3,758,320</u>	<u>201</u>
<u>386,315</u>	<u>1,295,361</u>	<u>9,580,415</u>	<u>(75,797)</u>	<u>743,183</u>	<u>863,439</u>	<u>12,964</u>
<u>\$ 442,157</u>	<u>\$ 704,486</u>	<u>\$ 11,136,915</u>	<u>\$ (6,023)</u>	<u>\$ 1,143,009</u>	<u>\$ 4,621,759</u>	<u>\$ 13,165</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, 2023

	Special Revenue				
	Art in Public Places	West Covina Community Services Found.	Measure R	Measure M	Community Corrections
REVENUES					
Taxes	\$ -	\$ -	\$ 1,726,138	\$ 1,952,632	\$ -
Special Assessments	-	-	-	-	-
Investment Income	10,572	-	71,094	104,158	-
Rental Income	-	-	-	-	-
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	188,845	213,374	-	-	-
Total Revenues	199,417	213,374	1,797,232	2,056,790	-
EXPENDITURES					
Current:					
General Government	-	220,407	-	-	-
Public Safety	-	66,648	-	-	-
Public Works	-	-	905,233	501,357	-
Community Services	-	84,076	300,701	-	-
Community Development	-	56,251	-	-	-
Total Expenditures	-	427,382	1,205,934	501,357	-
Excess (Deficiency) of Revenues Over Expenditures	199,417	(214,008)	591,298	1,555,433	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(1)
Total Other Financing Sources (Uses)	-	-	-	-	(1)
Net Change in Fund Balances	199,417	(214,008)	591,298	1,555,433	(1)
Fund Balances - Beginning	506,283	290,670	4,034,991	5,637,097	1
Fund Balances - Ending	\$ 705,700	\$ 76,662	\$ 4,626,289	\$ 7,192,530	\$ -

Measure H	Special Revenue		Capital Projects			
	CASP Training Fund	Sportsplex	City	Construction Tax	Information Technology	Development Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ 563	\$ -	\$ -
-	-	-	-	-	-	-
266	-	-	-	3,823	-	-
-	-	169,323	-	-	-	-
57,615	21,413	-	-	-	-	-
-	-	-	-	-	-	-
59,891	-	908	-	-	191,243	263,913
<u>117,772</u>	<u>21,413</u>	<u>170,231</u>	<u>-</u>	<u>4,386</u>	<u>191,243</u>	<u>263,913</u>
-	-	-	236,988	-	32,849	-
114,541	-	-	-	-	-	-
-	-	-	1,272,140	17,100	-	181,673
-	-	722,979	-	-	-	-
-	-	-	-	-	-	-
<u>114,541</u>	<u>-</u>	<u>722,979</u>	<u>1,509,128</u>	<u>17,100</u>	<u>32,849</u>	<u>181,673</u>
<u>3,231</u>	<u>21,413</u>	<u>(552,748)</u>	<u>(1,509,128)</u>	<u>(12,714)</u>	<u>158,394</u>	<u>82,240</u>
-	-	556,877	2,525,000	-	-	-
-	-	-	-	-	-	-
-	-	556,877	2,525,000	-	-	-
3,231	21,413	4,129	1,015,872	(12,714)	158,394	82,240
4,488	107,792	(4,129)	6,601,977	253,487	290,101	551,897
<u>\$ 7,719</u>	<u>\$ 129,205</u>	<u>\$ -</u>	<u>\$ 7,617,849</u>	<u>\$ 240,773</u>	<u>\$ 448,495</u>	<u>\$ 634,137</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, 2023

	Capital Projects		Total
	Park Development	Future Street Improvements	
REVENUES			
Taxes	\$ -	\$ -	\$ 11,227,357
Special Assessments	-	-	7,001,653
Investment Income	110,315	-	837,708
Rental Income	-	-	169,323
Revenue from Other Agencies	-	-	4,431,700
Charges for Services	-	-	417,746
Other Revenues	-	171,358	2,715,954
	<u>110,315</u>	<u>171,358</u>	<u>26,801,441</u>
Total Revenues	<u>110,315</u>	<u>171,358</u>	<u>26,801,441</u>
EXPENDITURES			
Current:			
General Government	-	-	490,244
Public Safety	-	-	4,562,395
Public Works	366,856	-	11,928,308
Community Services	-	-	3,532,574
Community Development	-	-	268,593
	<u>366,856</u>	<u>-</u>	<u>20,782,114</u>
Total Expenditures	<u>366,856</u>	<u>-</u>	<u>20,782,114</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(256,541)</u>	<u>171,358</u>	<u>6,019,327</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	3,166,197
Transfers Out	-	-	(26,376)
	<u>-</u>	<u>-</u>	<u>3,139,821</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,139,821</u>
Net Change in Fund Balances	(256,541)	171,358	9,159,148
Fund Balances - Beginning	<u>7,163,943</u>	<u>256,814</u>	<u>56,942,485</u>
Fund Balances - Ending	<u>\$ 6,907,402</u>	<u>\$ 428,172</u>	<u>\$ 66,101,633</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 5,060	\$ 85,643	\$ 80,583
Revenues from Other Agencies	500,000	1,319,675	819,675
Other Revenues	-	52,500	52,500
Total Revenues	<u>505,060</u>	<u>1,457,818</u>	<u>952,758</u>
EXPENDITURES			
Current:			
Public Safety	<u>3,189,229</u>	<u>1,797,610</u>	<u>1,391,619</u>
Total Expenditures	<u>3,189,229</u>	<u>1,797,610</u>	<u>1,391,619</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,684,169)</u>	<u>(339,792)</u>	<u>2,344,377</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	42,230	42,225	(5)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>42,230</u>	<u>42,225</u>	<u>(5)</u>
Net Change in Fund Balances	(2,641,939)	(297,567)	2,344,372
Fund Balance, Beginning	<u>5,932,213</u>	<u>5,932,213</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 3,290,274</u></u>	<u><u>\$ 5,634,646</u></u>	<u><u>\$ 2,344,372</u></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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 410	\$ 6,468	\$ 6,058
Revenue from Other Agencies	138,500	177,616	39,116
Other Revenues	17,000	17,000	-
Total Revenues	<u>155,910</u>	<u>201,084</u>	<u>45,174</u>
EXPENDITURES			
Current:			
Public Works	602,000	423,321	178,679
Total Expenditures	<u>602,000</u>	<u>423,321</u>	<u>178,679</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(446,090)</u>	<u>(222,237)</u>	<u>223,853</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(446,090)	(222,237)	223,853
Fund Balance, Beginning	<u>589,462</u>	<u>589,462</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 143,372</u>	<u>\$ 367,225</u>	<u>\$ 223,853</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,918,600	\$ 2,302,181	\$ 383,581
Investment Income	3,280	39,421	36,141
Revenue from Other Agencies	-	54,567	54,567
Charges for Services	-	17,920	17,920
	<u>1,921,880</u>	<u>2,414,089</u>	<u>492,209</u>
EXPENDITURES			
Current:			
Public Works	562,780	457,968	104,812
Community Services	1,795,769	1,593,417	202,352
Community Development	7,800	16,188	(8,388)
	<u>2,366,349</u>	<u>2,067,573</u>	<u>298,776</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(444,469)</u>	<u>346,516</u>	<u>790,985</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(444,469)	346,516	790,985
Fund Balance, Beginning	<u>1,980,445</u>	<u>1,980,445</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,535,976</u></u>	<u><u>\$ 2,326,961</u></u>	<u><u>\$ 790,985</u></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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 60	\$ 496	\$ 436
Other Revenues	-	2,320	2,320
Total Revenues	<u>60</u>	<u>2,816</u>	<u>2,756</u>
EXPENDITURES			
Current:			
Public Safety	<u>11,916</u>	<u>4,696</u>	<u>7,220</u>
Total Expenditures	<u>11,916</u>	<u>4,696</u>	<u>7,220</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,856)</u>	<u>(1,880)</u>	<u>9,976</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,856)	(1,880)	9,976
Fund Balance, Beginning	<u>33,176</u>	<u>33,176</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 21,320</u>	<u>\$ 31,296</u>	<u>\$ 9,976</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Revenue from Other Agencies	70,000	75,945	5,945
Total Revenues	<u>70,000</u>	<u>75,945</u>	<u>5,945</u>
EXPENDITURES			
Current:			
Public Works	140,000	34,061	105,939
Total Expenditures	<u>140,000</u>	<u>34,061</u>	<u>105,939</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(70,000)</u>	<u>41,884</u>	<u>111,884</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(10)</u>	<u>(10)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(10)</u>	<u>(10)</u>	<u>-</u>
Net Change in Fund Balances	(70,010)	41,874	111,884
Fund Balance, Beginning	<u>10</u>	<u>10</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (70,000)</u></u>	<u><u>\$ 41,884</u></u>	<u><u>\$ 111,884</u></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)
REVENUES			
Investment Income	\$ 1,530	\$ 17,303	\$ 15,773
Other Revenues	281,000	220,042	(60,958)
Total Revenues	<u>282,530</u>	<u>237,345</u>	<u>(45,185)</u>
EXPENDITURES			
Current:			
Public Works	78,612	77,733	879
Community Services	-	54	(54)
Total Expenditures	<u>78,612</u>	<u>77,787</u>	<u>825</u>
Excess (Deficiency) of Revenues over Expenditures	<u>203,918</u>	<u>159,558</u>	<u>(44,360)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	203,918	159,558	(44,360)
Fund Balance, Beginning	<u>1,066,949</u>	<u>1,066,949</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,270,867</u></u>	<u><u>\$ 1,226,507</u></u>	<u><u>\$ (44,360)</u></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)
REVENUES			
Investment Income	\$ 1,140	\$ 19,779	\$ 18,639
Revenue from Other Agencies	11,640,653	1,984,608	(9,656,045)
Other Revenues	2,000	19,082	17,082
Total Revenues	<u>11,643,793</u>	<u>2,023,469</u>	<u>(9,620,324)</u>
EXPENDITURES			
Current:			
Public Safety	952,434	725,420	227,014
Public Works	13,017,146	296,898	12,720,248
Community Services	490,800	474,426	16,374
Community Development	500,000	112,811	387,189
Total Expenditures	<u>14,960,380</u>	<u>1,609,555</u>	<u>13,350,825</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,316,587)</u>	<u>413,914</u>	<u>3,730,501</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	42,100	42,095	(5)
Transfers Out	(26,370)	(26,365)	5
Total Other Financing Sources (Uses)	<u>15,730</u>	<u>15,730</u>	<u>-</u>
Net Change in Fund Balances	(3,300,857)	429,644	3,730,501
Fund Balance, Beginning	<u>623,855</u>	<u>623,855</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (2,677,002)</u></u>	<u><u>\$ 1,053,499</u></u>	<u><u>\$ 3,730,501</u></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)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Revenues from Other Agencies	2,234,395	467,495	(1,766,900)
Other Revenues	50,000	55,491	5,491
Total Revenues	<u>2,284,395</u>	<u>522,986</u>	<u>(1,761,409)</u>
EXPENDITURES			
Current:			
Public Safety	100	100	-
Public Works	891,274	49,829	841,445
Community Services	1,125,291	356,596	768,695
Community Development	403,847	33,879	369,968
Total Expenditures	<u>2,420,512</u>	<u>440,404</u>	<u>1,980,108</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(136,117)</u>	<u>82,582</u>	<u>218,699</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(136,117)	82,582	218,699
Fund Balance, Beginning	<u>(84,939)</u>	<u>(84,939)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (221,056)</u>	<u>\$ (2,357)</u>	<u>\$ 218,699</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 134	\$ 134
Charges for Services	1,500	-	(1,500)
Total Revenues	<u>1,500</u>	<u>134</u>	<u>(1,366)</u>
EXPENDITURES			
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>(1,366)</u>	<u>(1,366)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(1,366)	(1,366)
Fund Balance, Beginning	<u>9,989</u>	<u>9,989</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 9,989</u></u>	<u><u>\$ 8,623</u></u>	<u><u>\$ (1,366)</u></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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Taxes	\$ 836,200	\$ 982,866	\$ 146,666
Investment Income	410	13,227	12,817
	<u>836,610</u>	<u>996,093</u>	<u>159,483</u>
EXPENDITURES			
Current:			
Public Safety	<u>1,189,145</u>	<u>1,145,272</u>	<u>43,873</u>
	<u>1,189,145</u>	<u>1,145,272</u>	<u>43,873</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(352,535)</u>	<u>(149,179)</u>	<u>203,356</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(352,535)	(149,179)	203,356
Fund Balance, Beginning	<u>710,345</u>	<u>710,345</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 357,810</u></u>	<u><u>\$ 561,166</u></u>	<u><u>\$ 203,356</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 1,130	\$ 2,574	\$ 1,444
Revenue from Other Agencies	270,000	272,766	2,766
Total Revenues	<u>271,130</u>	<u>275,340</u>	<u>4,210</u>
EXPENDITURES			
Current:			
Public Safety	704,305	704,286	19
Total Expenditures	<u>704,305</u>	<u>704,286</u>	<u>19</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(433,175)</u>	<u>(428,946)</u>	<u>4,229</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(433,175)	(428,946)	4,229
Fund Balance, Beginning	428,946	428,946	-
Fund Balance, Ending	<u>\$ (4,229)</u>	<u>\$ -</u>	<u>\$ 4,229</u>

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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Taxes	\$ 651,900	\$ 704,806	\$ 52,906
Investment Income	5,030	55,774	50,744
	<u>656,930</u>	<u>760,580</u>	<u>103,650</u>
EXPENDITURES			
Current:			
Public Works	617,210	255,368	361,842
	<u>617,210</u>	<u>255,368</u>	<u>361,842</u>
Excess (Deficiency) of Revenues over Expenditures	<u>39,720</u>	<u>505,212</u>	<u>465,492</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	39,720	505,212	465,492
Fund Balance, Beginning	<u>3,381,449</u>	<u>3,381,449</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,421,169</u>	<u>\$ 3,886,661</u>	<u>\$ 465,492</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Taxes	\$ 257,000	\$ 234,663	\$ (22,337)
Investment Income	1,250	14,761	13,511
	<u>258,250</u>	<u>249,424</u>	<u>(8,826)</u>
EXPENDITURES			
Current:			
Public Works	<u>230,983</u>	<u>80,999</u>	<u>149,984</u>
	<u>230,983</u>	<u>80,999</u>	<u>149,984</u>
Excess (Deficiency) of Revenues over Expenditures	<u>27,267</u>	<u>168,425</u>	<u>141,158</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	27,267	168,425	141,158
Fund Balance, Beginning	<u>883,704</u>	<u>883,704</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 910,971</u>	<u>\$ 1,052,129</u>	<u>\$ 141,158</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 110,000	\$ 107,649	\$ (2,351)
Investment Income	690	7,153	6,463
Total Revenues	<u>110,690</u>	<u>114,802</u>	<u>4,112</u>
EXPENDITURES			
Current:			
Public Works	<u>66,880</u>	<u>60,684</u>	<u>6,196</u>
Total Expenditures	<u>66,880</u>	<u>60,684</u>	<u>6,196</u>
Excess (Deficiency) of Revenues over Expenditures	<u>43,810</u>	<u>54,118</u>	<u>10,308</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	43,810	54,118	10,308
Fund Balance, Beginning	<u>435,526</u>	<u>435,526</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 479,336</u></u>	<u><u>\$ 489,644</u></u>	<u><u>\$ 10,308</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	\$ 996,266	\$ 995,517	\$ (749)
Investment Income	3,350	32,300	28,950
Total Revenues	<u>999,616</u>	<u>1,027,817</u>	<u>28,201</u>
EXPENDITURES			
Current:			
Public Works	<u>1,345,338</u>	<u>1,158,615</u>	<u>186,723</u>
Total Expenditures	<u>1,345,338</u>	<u>1,158,615</u>	<u>186,723</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(345,722)</u>	<u>(130,798)</u>	<u>214,924</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(345,722)	(130,798)	214,924
Fund Balance, Beginning	<u>2,173,060</u>	<u>2,173,060</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,827,338</u></u>	<u><u>\$ 2,042,262</u></u>	<u><u>\$ 214,924</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 154,700	\$ 155,758	\$ 1,058
Investment Income	380	4,445	4,065
	<u>155,080</u>	<u>160,203</u>	<u>5,123</u>
EXPENDITURES			
Current:			
Public Works	<u>186,369</u>	<u>126,120</u>	<u>60,249</u>
	<u>186,369</u>	<u>126,120</u>	<u>60,249</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(31,289)</u>	<u>34,083</u>	<u>65,372</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(31,289)	34,083	65,372
Fund Balance, Beginning	<u>277,003</u>	<u>277,003</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 245,714</u></u>	<u><u>\$ 311,086</u></u>	<u><u>\$ 65,372</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 173,744	\$ 172,568	\$ (1,176)
Investment Income	560	6,257	5,697
	<u>174,304</u>	<u>178,825</u>	<u>4,521</u>
EXPENDITURES			
Current:			
Public Works	194,966	122,983	71,983
	<u>194,966</u>	<u>122,983</u>	<u>71,983</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(20,662)</u>	<u>55,842</u>	<u>76,504</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(20,662)	55,842	76,504
Fund Balance, Beginning	<u>386,315</u>	<u>386,315</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 365,653</u>	<u>\$ 442,157</u>	<u>\$ 76,504</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 1,910,110	\$ 1,826,113	\$ (83,997)
Investment Income	1,680	16,486	14,806
	<u>1,911,790</u>	<u>1,842,599</u>	<u>(69,191)</u>
EXPENDITURES			
Current:			
Public Works	2,687,663	2,433,125	254,538
Community Services	400	325	75
Community Development	-	24	(24)
	<u>2,688,063</u>	<u>2,433,474</u>	<u>254,589</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(776,273)</u>	<u>(590,875)</u>	<u>185,398</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(776,273)	(590,875)	185,398
Fund Balance, Beginning	<u>1,295,361</u>	<u>1,295,361</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 519,088</u>	<u>\$ 704,486</u>	<u>\$ 185,398</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 254,200	\$ 392,790	\$ 138,590
Special Assessments	3,500,000	3,851,697	351,697
Investment Income	15,330	161,492	146,162
Charges for Services	-	-	-
Total Revenues	<u>3,769,530</u>	<u>4,405,979</u>	<u>636,449</u>
EXPENDITURES			
Current:			
Public Safety	17,996	2,322	15,674
Public Works	7,634,001	2,847,084	4,786,917
Community Development	-	73	(73)
Total Expenditures	<u>7,651,997</u>	<u>2,849,479</u>	<u>4,802,518</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,882,467)</u>	<u>1,556,500</u>	<u>5,438,967</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,882,467)	1,556,500	5,438,967
Fund Balance, Beginning	<u>9,580,415</u>	<u>9,580,415</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,697,948</u>	<u>\$ 11,136,915</u>	<u>\$ 5,438,967</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 115,600	\$ 116,694	\$ 1,094
Investment Income	270	2,447	2,177
Total Revenues	<u>115,870</u>	<u>119,141</u>	<u>3,271</u>
EXPENDITURES			
Current:			
Community Development	<u>120,171</u>	<u>49,367</u>	<u>70,804</u>
Total Expenditures	<u>120,171</u>	<u>49,367</u>	<u>70,804</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,301)</u>	<u>69,774</u>	<u>74,075</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,301)	69,774	74,075
Fund Balance, Beginning	<u>(75,797)</u>	<u>(75,797)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (80,098)</u></u>	<u><u>\$ (6,023)</u></u>	<u><u>\$ 74,075</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Plan Update Special Revenue Fund
Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Charges for Services	\$ -	\$ 399,826	\$ 399,826
Investment Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>399,826</u>	<u>399,826</u>
EXPENDITURES			
Current:			
Community Development	<u>500,000</u>	<u>-</u>	<u>500,000</u>
	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(500,000)</u>	<u>399,826</u>	<u>899,826</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(500,000)	399,826	899,826
Fund Balance, Beginning	<u>743,183</u>	<u>743,183</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 243,183</u>	<u>\$ 1,143,009</u>	<u>\$ 899,826</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,397,400	\$ 2,706,375	\$ 1,308,975
Investment Income	900	51,119	50,219
Investment Income	-	1,259,987	1,259,987
Total Revenues	1,398,300	4,017,481	2,619,181
EXPENDITURES			
Current:			
Public Works	1,209,011	259,161	949,850
Total Expenditures	1,209,011	259,161	949,850
Excess (Deficiency) of Revenues over Expenditures	189,289	3,758,320	3,569,031
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	189,289	3,758,320	3,569,031
Fund Balance, Beginning	863,439	863,439	-
Fund Balance, Ending	\$ 1,052,728	\$ 4,621,759	\$ 3,569,031

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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	20	201	181
Total Revenues	<u>20</u>	<u>201</u>	<u>181</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20</u>	<u>201</u>	<u>181</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	20	201	181
Fund Balance, Beginning	<u>12,964</u>	<u>12,964</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 12,984</u></u>	<u><u>\$ 13,165</u></u>	<u><u>\$ 181</u></u>

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Art in Public Spaces Special Revenue Fund
Year Ended June 30, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 250	\$ 10,572	\$ 10,322
Other Revenues	-	188,845	188,845
Total Revenues	<u>250</u>	<u>199,417</u>	<u>199,167</u>
EXPENDITURES			
Current:			
Public Works	199,998	-	199,998
Total Expenditures	<u>199,998</u>	<u>-</u>	<u>199,998</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(199,748)</u>	<u>199,417</u>	<u>399,165</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(199,748)	199,417	399,165
Fund Balance, Beginning	<u>506,283</u>	<u>506,283</u>	
Fund Balance, Ending	<u><u>\$ 306,535</u></u>	<u><u>\$ 705,700</u></u>	<u><u>\$ 399,165</u></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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Other Revenues	<u>109,562</u>	<u>213,374</u>	<u>103,812</u>
Total Revenues	<u>109,562</u>	<u>213,374</u>	<u>103,812</u>
EXPENDITURES			
Current:			
General Government	220,000	220,407	(407)
Public Safety	79,835	66,648	13,187
Community Services	217,000	84,076	132,924
Community Development	<u>50,000</u>	<u>56,251</u>	<u>(6,251)</u>
Total Expenditures	<u>566,835</u>	<u>427,382</u>	<u>139,453</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(457,273)</u>	<u>(214,008)</u>	<u>243,265</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(457,273)	(214,008)	243,265
Fund Balance, Beginning	<u>290,670</u>	<u>290,670</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (166,603)</u>	<u>\$ 76,662</u>	<u>\$ 243,265</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 1,351,700	\$ 1,726,138	\$ 374,438
Charges for Services	-	-	-
Investment Income	6,200	71,094	64,894
Total Revenues	<u>1,357,900</u>	<u>1,797,232</u>	<u>439,332</u>
EXPENDITURES			
Current:			
Public Works	2,223,505	905,233	1,318,272
Community Services	448,451	300,701	147,750
Total Expenditures	<u>2,671,956</u>	<u>1,205,934</u>	<u>1,466,022</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,314,056)</u>	<u>591,298</u>	<u>1,905,354</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,314,056)	591,298	1,905,354
Fund Balance, Beginning	<u>4,034,991</u>	<u>4,034,991</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,720,935</u>	<u>\$ 4,626,289</u>	<u>\$ 1,905,354</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

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Taxes	\$ 1,531,800	\$ 1,952,632	\$ 420,832
Investment Income	7,900	104,158	96,258
	<u>1,539,700</u>	<u>2,056,790</u>	<u>517,090</u>
EXPENDITURES			
Current:			
Public Works	2,420,226	501,357	1,918,869
Community Services	-	-	-
	<u>2,420,226</u>	<u>501,357</u>	<u>1,918,869</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(880,526)</u>	<u>1,555,433</u>	<u>2,435,959</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(880,526)	1,555,433	2,435,959
Fund Balance, Beginning	<u>5,637,097</u>	<u>5,637,097</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,756,571</u>	<u>\$ 7,192,530</u>	<u>\$ 2,435,959</u>

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

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

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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 266	\$ 266
Revenue from Other Agencies	62,000	57,615	(4,385)
Other Revenues	59,891	59,891	-
Total Revenues	<u>121,891</u>	<u>117,772</u>	<u>(4,119)</u>
EXPENDITURES			
Current:			
Public Safety	121,891	114,541	7,350
Community Services	-	-	-
Total Expenditures	<u>121,891</u>	<u>114,541</u>	<u>7,350</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>3,231</u>	<u>3,231</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	3,231	3,231
Fund Balance, Beginning	<u>4,488</u>	<u>4,488</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,488</u>	<u>\$ 7,719</u>	<u>\$ 3,231</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ 30	\$ -	\$ (30)
Rental Income	370,900	169,323	(201,577)
Other Revenues	42,900	908	(41,992)
Total Revenues	<u>413,830</u>	<u>170,231</u>	<u>(243,599)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Community Services	843,413	722,979	120,434
Total Expenditures	<u>843,413</u>	<u>722,979</u>	<u>120,434</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(429,583)</u>	<u>(552,748)</u>	<u>(123,165)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	523,663	556,877	33,214
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>523,663</u>	<u>556,877</u>	<u>33,214</u>
Net Change in Fund Balances	94,080	4,129	(89,951)
Fund Balance, Beginning	<u>(4,129)</u>	<u>(4,129)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 89,951</u>	<u>\$ -</u>	<u>\$ (89,951)</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Charges for Services	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	1,006,320	236,988	769,332
Public Works	6,712,987	1,272,140	5,440,847
	<u>7,719,307</u>	<u>1,509,128</u>	<u>6,210,179</u>
Total Expenditures	<u>7,719,307</u>	<u>1,509,128</u>	<u>6,210,179</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,719,307)</u>	<u>(1,509,128)</u>	<u>6,210,179</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	2,524,000	2,525,000	1,000
Transfers Out	-	-	-
	<u>2,524,000</u>	<u>2,525,000</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>2,524,000</u>	<u>2,525,000</u>	<u>1,000</u>
Net Change in Fund Balances	(5,195,307)	1,015,872	6,211,179
Fund Balance, Beginning	<u>6,601,977</u>	<u>6,601,977</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,406,670</u>	<u>\$ 7,617,849</u>	<u>\$ 6,211,179</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, 2023

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 563	\$ 563
Investment Income	440	3,823	3,383
Total Revenues	<u>440</u>	<u>4,386</u>	<u>3,946</u>
EXPENDITURES			
Current:			
Public Works	<u>20,000</u>	<u>17,100</u>	<u>2,900</u>
Total Expenditures	<u>20,000</u>	<u>17,100</u>	<u>2,900</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(19,560)</u>	<u>(12,714)</u>	<u>6,846</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,560)	(12,714)	6,846
Fund Balance, Beginning	<u>253,487</u>	<u>253,487</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 233,927</u></u>	<u><u>\$ 240,773</u></u>	<u><u>\$ 6,846</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Revenue from Other Agencies	\$ -	\$ -	\$ -
Other Revenues	<u>80,900</u>	<u>191,243</u>	<u>110,343</u>
Total Revenues	<u>80,900</u>	<u>191,243</u>	<u>110,343</u>
EXPENDITURES			
Current:			
General Government	<u>425,851</u>	<u>32,849</u>	<u>393,002</u>
Total Expenditures	<u>425,851</u>	<u>32,849</u>	<u>393,002</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(344,951)</u>	<u>158,394</u>	<u>503,345</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(344,951)	158,394	503,345
Fund Balance, Beginning	<u>290,101</u>	<u>290,101</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (54,850)</u></u>	<u><u>\$ 448,495</u></u>	<u><u>\$ 503,345</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Other Revenues	<u>285,200</u>	<u>263,913</u>	<u>(21,287)</u>
Total Revenues	<u>285,200</u>	<u>263,913</u>	<u>(21,287)</u>
EXPENDITURES			
Current:			
Public Works	<u>431,402</u>	<u>181,673</u>	<u>249,729</u>
Total Expenditures	<u>431,402</u>	<u>181,673</u>	<u>249,729</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(146,202)</u>	<u>82,240</u>	<u>228,442</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(146,202)	82,240	228,442
Fund Balance, Beginning	<u>551,897</u>	<u>551,897</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 405,695</u></u>	<u><u>\$ 634,137</u></u>	<u><u>\$ 228,442</u></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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Investment Income	\$ 5,060	\$ 110,315	\$ 105,255
Other Revenues	<u>1,971,900</u>	<u>-</u>	<u>(1,971,900)</u>
Total Revenues	<u>1,976,960</u>	<u>110,315</u>	<u>(1,866,645)</u>
EXPENDITURES			
Current:			
Public Works	366,856	366,856	-
Community Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>366,856</u>	<u>366,856</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,610,104</u>	<u>(256,541)</u>	<u>(1,866,645)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,610,104	(256,541)	(1,866,645)
Fund Balance, Beginning	<u>7,163,943</u>	<u>7,163,943</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 8,774,047</u></u>	<u><u>\$ 6,907,402</u></u>	<u><u>\$ (1,866,645)</u></u>

INTERNAL SERVICE FUNDS

**City of West Covina
Internal Service Funds
Year Ended June 30, 2023**

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.

Other Post Employment Benefits (OPEB)

This fund is used to allocate OPEB costs for 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, 2023

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	OPEB	Vehicle Replacement	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ 357,099	\$ 12,634,672	\$ 347,658	\$ 1,787,000	\$ 497,770	\$ 15,624,199
Restricted Cash and Investments	-	275,381	-	-	-	275,381
Accounts Receivable	20,705	1,050	-	-	-	21,755
Prepays	-	1,841,753	-	-	-	1,841,753
Inventories	71,488	-	-	-	-	71,488
Total Current Assets	449,292	14,752,856	347,658	1,787,000	497,770	17,834,576
Noncurrent Assets:						
Capital Assets, Depreciable, Net	131,644	-	-	-	561,927	693,571
Total Noncurrent Assets	131,644	-	-	-	561,927	693,571
Total Assets	580,936	14,752,856	347,658	1,787,000	1,059,697	18,528,147
LIABILITIES						
Current Liabilities:						
Accounts Payable	144,903	562,581	-	-	51,547	759,031
Other Accrued Liabilities	398	-	-	-	-	398
Current Portion of Long-Term Liabilities:						
Compensated Absences	7,164	-	-	-	-	7,164
Claims Payable	-	7,046,745	-	-	-	7,046,745
Total Current Liabilities	152,465	7,609,326	-	-	51,547	7,813,338
Noncurrent Liabilities:						
Claims Payable	-	13,464,636	-	-	-	13,464,636
Total Noncurrent Liabilities	-	13,464,636	-	-	-	13,464,636
Total Liabilities	152,465	21,073,962	-	-	51,547	21,277,974
NET POSITION						
Net Investment in Capital Assets	131,644	-	-	-	561,927	693,571
Unrestricted	296,827	(6,321,106)	347,658	1,787,000	446,223	(3,443,398)
Total Net Position	\$ 428,471	\$ (6,321,106)	\$ 347,658	\$ 1,787,000	\$ 1,008,150	\$ (2,749,827)

City of West Covina
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2023

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	OPEB	Vehicle Replacement	Totals
OPERATING REVENUES						
Charges for Services	\$ 1,641,862	\$ 3,994,941	\$ -	\$ -	\$ -	\$ 5,636,803
Other Revenues	64,176	937	-	-	37,545	102,658
Total Operating Revenues	<u>1,706,038</u>	<u>3,995,878</u>	<u>-</u>	<u>-</u>	<u>37,545</u>	<u>5,739,461</u>
OPERATING EXPENSES						
Personnel Services	193,994	-	3,900	-	-	197,894
Cost of Sales, Services and Operations	1,515,225	93,388	-	-	8,166	1,616,779
Depreciation	21,836	-	-	-	186,623	208,459
Insurance and Claims Paid	-	15,137,127	-	-	-	15,137,127
Total Operating Expenses	<u>1,731,055</u>	<u>15,230,515</u>	<u>3,900</u>	<u>-</u>	<u>194,789</u>	<u>17,160,259</u>
Operating Income (Loss)	<u>(25,017)</u>	<u>(11,234,637)</u>	<u>(3,900)</u>	<u>-</u>	<u>(157,244)</u>	<u>(11,420,798)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Income	-	-	5,323	-	4,820	10,143
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>5,323</u>	<u>-</u>	<u>4,820</u>	<u>10,143</u>
Income (Loss) Before Operating Transfers	<u>(25,017)</u>	<u>(11,234,637)</u>	<u>1,423</u>	<u>-</u>	<u>(152,424)</u>	<u>(11,410,655)</u>
Transfers In	-	2,672,115	-	1,787,000	714,000	5,173,115
Transfers Out	-	-	-	-	-	-
Change in Net Position	<u>(25,017)</u>	<u>(8,562,522)</u>	<u>1,423</u>	<u>1,787,000</u>	<u>561,576</u>	<u>(6,237,540)</u>
Net Position - Beginning of Year	<u>453,488</u>	<u>2,241,416</u>	<u>346,235</u>	<u>-</u>	<u>446,574</u>	<u>3,487,713</u>
Net Position - End of Year	<u>\$ 428,471</u>	<u>\$ (6,321,106)</u>	<u>\$ 347,658</u>	<u>\$ 1,787,000</u>	<u>\$ 1,008,150</u>	<u>\$ (2,749,827)</u>

City of West Covina
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	OPEB	Vehicle Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from User Departments	\$ 1,685,333	\$ 3,995,878	\$ -	\$ -	\$ 37,545	\$ 5,718,756
Cash Paid to Suppliers for Goods and Services	(1,507,859)	(8,723,091)	-	-	43,381	(10,187,569)
Cash Paid to Employees for Services	(197,734)	-	(3,900)	-	-	(201,634)
Net Cash from Operating Activities	<u>(20,260)</u>	<u>(4,727,213)</u>	<u>(3,900)</u>	<u>-</u>	<u>80,926</u>	<u>(4,670,447)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES						
Cash Received from Other Funds	-	2,672,115	-	1,787,000	714,000	5,173,115
Net Cash from Noncapital and Related Financing Activities	<u>-</u>	<u>2,672,115</u>	<u>-</u>	<u>1,787,000</u>	<u>714,000</u>	<u>5,173,115</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	-	-	-	-	(302,024)	(302,024)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(302,024)</u>	<u>(302,024)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	-	-	5,323	-	4,820	10,143
Net Cash from Investing Activities	<u>-</u>	<u>-</u>	<u>5,323</u>	<u>-</u>	<u>4,820</u>	<u>10,143</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(20,260)	(2,055,098)	1,423	1,787,000	497,722	210,787
Cash and Cash Equivalents, Beginning of the Year	377,359	14,965,151	346,235	-	48	15,688,793
Cash and Cash Equivalents, End of the Year	<u>\$ 357,099</u>	<u>\$ 12,910,053</u>	<u>\$ 347,658</u>	<u>\$ 1,787,000</u>	<u>\$ 497,770</u>	<u>\$ 15,899,580</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:						
Operating Income (Loss)	\$ (25,017)	\$ (11,234,637)	\$ (3,900)	\$ -	\$ (157,244)	\$ (11,420,798)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	21,836	-	-	-	186,623	208,459
Miscellaneous Income	-	-	-	-	-	-
Changes in Operating Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(20,705)	-	-	-	-	(20,705)
(Increase) Decrease in Inventory and Prepaid Items	1,714	(1,841,753)	-	-	-	(1,840,039)
Increase (Decrease) in Accounts Payable	5,652	510,950	-	-	51,547	568,149
Increase (Decrease) in Accrued Liabilities	(722)	-	-	-	-	(722)
Increase (Decrease) in Compensated Absences Payable	(3,018)	-	-	-	-	(3,018)
Increase (Decrease) in Claims Payable	-	7,838,227	-	-	-	7,838,227
Net Cash from Operating Activities	<u>\$ (20,260)</u>	<u>\$ (4,727,213)</u>	<u>\$ (3,900)</u>	<u>\$ -</u>	<u>\$ 80,926</u>	<u>\$ (4,670,447)</u>

PENSION TRUST FUNDS

**City of West Covina
Pension Trust Funds
Year Ended June 30, 2023**

PENSION TRUST FUNDS

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

Retirement Enhancement Defined Benefit Pension Trust Fund

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

Supplemental Retirement Defined Benefit Pension Trust Fund

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

City of West Covina
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2023

	<u>Retirement Enhancement Defined Benefit Pension Fund</u>	<u>Supplemental Retired Defined Benefit Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
Cash and Investments	<u>\$ 31,135</u>	<u>\$ 235,886</u>	<u>\$ 267,021</u>
Total Assets	<u>31,135</u>	<u>235,886</u>	<u>267,021</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 31,135</u>	<u>\$ 235,886</u>	<u>\$ 267,021</u>

City of West Covina
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
June 30, 2023

	<u>Retirement Enhancement Defined Benefit Pension Fund</u>	<u>Supplemental Retired Defined Benefit Pension Fund</u>	<u>Total Pension Trust Funds</u>
ADDITIONS			
Contributions:			
Employer Contributions	\$ 51,212	\$ 75,853	\$ 127,065
Investment Earnings:			
Interest Income	<u>4,497</u>	<u>19,067</u>	<u>23,564</u>
Total Additions	<u>55,709</u>	<u>94,920</u>	<u>150,629</u>
DEDUCTIONS			
Administrative Costs	8,120	6,512	14,632
Benefit Distributions	<u>88,935</u>	<u>170,456</u>	<u>259,391</u>
Total Deductions	<u>97,055</u>	<u>176,968</u>	<u>274,023</u>
Net Increase (decrease) in fiduciary net position	(41,346)	(82,048)	(123,394)
Net Position, beginning of the year	<u>72,481</u>	<u>317,934</u>	<u>390,415</u>
Net Position, end of the year	<u>\$ 31,135</u>	<u>\$ 235,886</u>	<u>\$ 267,021</u>

STATISTICAL SECTION

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<p>These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.</p>	
Revenue Capacity	171
<p>These schedules contain information to help the reader assess one of the City's most significant local revenue source, the property tax.</p>	
Debt Capacity	178
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.</p>	
Demographic and Economic Information	186
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information	188
<p>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 government provides and the activities it performs.</p>	

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$161,771,546	\$144,215,248	\$148,989,212	\$153,784,463
Restricted	47,468,277	48,793,821	56,902,504	50,717,656
Unrestricted	191,878	(129,152,694)	(138,162,202)	(144,659,629)
Total governmental activities net pension	<u>\$209,431,701</u>	<u>\$ 63,856,375</u>	<u>\$ 67,729,514</u>	<u>\$ 59,842,490</u>
Business-type activities:				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	60,922	188,045	(135,676)	(252,336)
Total business-type activities net pension	<u>\$ 60,922</u>	<u>\$ 188,045</u>	<u>\$ (135,676)</u>	<u>\$ (252,336)</u>
Primary government:				
Net investment in capital assets	\$161,771,546	\$144,215,248	\$148,989,212	\$153,784,463
Restricted	47,468,277	48,793,821	56,902,504	50,717,656
Unrestricted	252,800	(128,964,649)	(138,297,878)	(144,911,965)
Total primary government net pension	<u>\$209,492,623</u>	<u>\$ 64,044,420</u>	<u>\$ 67,593,838</u>	<u>\$ 59,590,154</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year						
2018	#	2019	2020	2021	2022	2023
\$ 153,940,332		\$ 147,204,908	\$ 140,572,511	\$ 139,507,563	\$ 152,889,130	\$ 152,367,256
51,130,936		57,782,735	65,969,665	89,226,135	98,381,004	109,315,672
(201,951,785)		(207,212,078)	(225,184,697)	(255,200,972)	(240,284,642)	(255,282,394)
<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>\$ 6,400,534</u>
\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
-		-	-	-	-	-
(275,010)		(326,385)	(244,119)	38,329	235,307	241,833
<u>\$ (275,010)</u>		<u>\$ (326,385)</u>	<u>\$ (244,119)</u>	<u>\$ 38,329</u>	<u>\$ 235,307</u>	<u>\$ 241,833</u>
\$ 153,940,332		\$ 147,204,908	\$ 140,572,511	\$ 139,507,563	\$ 152,889,130	\$ 152,367,256
51,130,936		57,782,735	65,969,665	89,226,135	98,381,004	109,315,672
(202,226,795)		(207,538,463)	(225,428,816)	(255,162,643)	(240,049,335)	(255,040,561)
<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>	<u>\$ 6,642,367</u>

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	\$ 7,472,254	\$ 5,676,067	\$ 4,963,302	\$ 5,775,173
Public safety	45,443,958	49,813,447	48,410,511	56,169,907
Public works	21,109,952	20,586,770	20,259,279	21,243,019
Community services	6,437,040	7,035,872	7,368,492	7,926,410
Community development	658,082	766,886	753,721	2,190,319
Interest on long-term debt	1,677,062	1,353,156	1,572,645	1,575,724
Total governmental activities expenses	<u>82,798,348</u>	<u>85,232,198</u>	<u>83,327,950</u>	<u>94,880,552</u>
Business-type activities:				
Computer enterprise	1,284,419	1,427,789	1,638,573	1,575,066
Total business-type activities expenses	<u>1,284,419</u>	<u>1,427,789</u>	<u>1,638,573</u>	<u>1,575,066</u>
Total primary government expenses	<u>84,082,767</u>	<u>86,659,987</u>	<u>84,966,523</u>	<u>96,455,618</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	486,478	885,123	400,051	546,626
Public safety	3,037,891	2,825,831	3,170,579	3,201,495
Public works	8,878,122	8,278,038	8,271,744	7,714,148
Community services	1,180,562	1,275,278	1,365,482	1,491,858
Community development	621,352	502,621	425,013	416,014
Operating grants and contributions	11,021,410	12,405,742	13,317,378	10,955,031
Capital grants and contributions	4,458,250	2,224,864	1,004,826	445,980
Total governmental activities program revenues	<u>29,684,065</u>	<u>28,397,497</u>	<u>27,955,073</u>	<u>24,771,152</u>
Business-type activities:				
Charges for services:				
Computer enterprise	1,873,636	1,655,134	1,413,114	1,274,318
Total business-type activities program revenues	<u>1,873,636</u>	<u>1,655,134</u>	<u>1,413,114</u>	<u>1,274,318</u>
Total primary government program revenues	<u>31,557,701</u>	<u>30,052,631</u>	<u>29,368,187</u>	<u>26,045,470</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,523,129	\$ 7,515,920	\$ 7,781,252	\$ 18,929,254	\$ 3,700,172	\$ 19,222,882
67,734,047	58,057,784	72,653,866	62,479,977	49,887,239	66,098,443
21,161,586	21,625,190	23,649,892	17,212,496	13,508,312	24,203,764
8,926,070	9,280,450	9,418,860	7,675,178	12,587,100	10,247,116
1,618,181	795,685	1,394,131	1,568,283	1,238,687	1,446,667
1,515,826	1,680,335	1,874,899	8,354,304	9,033,455	8,792,569
<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>	<u>130,011,441</u>
1,305,426	1,263,693	1,230,639	475,672	719,911	680,235
<u>1,305,426</u>	<u>1,263,693</u>	<u>1,230,639</u>	<u>475,672</u>	<u>719,911</u>	<u>680,235</u>
<u>109,784,265</u>	<u>100,219,057</u>	<u>118,003,539</u>	<u>116,695,164</u>	<u>90,674,876</u>	<u>130,691,676</u>
814,465	829,295	369,796	312,112	617,087	1,192,555
3,610,467	3,839,103	4,304,075	3,718,158	4,467,009	5,424,121
8,967,472	9,156,370	2,034,963	4,458,831	8,415,913	11,104,690
2,110,943	1,903,119	2,438,156	697,351	1,620,427	1,957,418
264,959	465,097	6,780,115	-	-	-
10,285,701	12,097,219	19,989,920	21,764,524	29,598,365	18,983,157
151,966	360,872	582,023	10,621,147	17,666,351	15,354,938
<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>54,016,879</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>686,731</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>686,731</u>
<u>27,405,135</u>	<u>29,750,103</u>	<u>37,748,243</u>	<u>42,330,243</u>	<u>63,301,610</u>	<u>54,703,610</u>

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Net revenues (expenses):				
Governmental activities	\$ (53,114,283)	\$ (56,834,701)	\$ (55,372,877)	\$ (70,109,400)
Business-type activities	589,217	227,345	(225,459)	(300,748)
net primary government revenues (expenses)	<u>(52,525,066)</u>	<u>(56,607,356)</u>	<u>(55,598,336)</u>	<u>(70,410,148)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	20,420,020	21,156,596	22,352,163	23,994,740
Sales tax	14,705,790	15,096,101	17,228,237	16,503,563
Franchise tax	3,478,532	3,635,092	3,540,011	3,698,184
Other taxes	7,451,947	7,433,106	6,485,394	6,725,309
Investment income	695,341	660,157	(566,064)	4,452,938
Other general revenues	5,960,967	6,999,034	4,236,920	6,847,642
Transfers	101,775	101,775	101,775	-
Extraordinary gain (loss)	-	-	9,789,266	-
Total governmental activities	<u>52,814,372</u>	<u>55,081,861</u>	<u>63,167,702</u>	<u>62,222,376</u>
Business-type activities:				
Investment income	-	1,553	3,513	2,070
Other revenues	-	-	-	182,018
Transfers	(101,775)	(101,775)	(101,775)	-
Total business-type activities	<u>(101,775)</u>	<u>(100,222)</u>	<u>(98,262)</u>	<u>184,088</u>
Total primary government	<u>52,712,597</u>	<u>54,981,639</u>	<u>63,069,440</u>	<u>62,406,464</u>
Changes in net position:				
Governmental activities	(299,911)	(1,752,840)	7,794,825	(7,887,024)
Business-type activities	487,442	127,123	(323,721)	(116,660)
Total primary government change in net position	<u>\$ 187,531</u>	<u>\$ (1,625,717)</u>	<u>\$ 7,471,104</u>	<u>\$ (8,003,684)</u>

Source: City of West Covina Finance Department

(continued)

2018	2019	2020	2021	2022	2023
\$ (82,272,866)	\$ (70,304,289)	\$ (80,273,852)	\$ (74,647,369)	\$ (27,569,813)	\$ (75,994,562)
(106,264)	(164,665)	18,556	282,448	196,547	6,496
<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>	<u>(75,988,066)</u>
25,392,860	26,365,067	27,422,706	30,108,110	31,348,677	33,822,147
17,449,827	17,464,609	17,033,647	20,858,803	23,101,668	23,526,119
4,011,817	4,207,765	4,445,101	4,644,360	4,806,348	5,237,769
7,692,437	9,158,794	5,026,703	4,571,270	4,721,569	4,815,955
559,164	2,016,573	2,682,794	223,485	(1,082,667)	2,019,179
9,256,591	5,747,563	7,244,815	5,520,479	2,126,984	1,988,435
-	-	-	-	-	-
-	-	-	-	-	-
<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>71,409,604</u>
884	1,083	-	-	-	-
82,706	112,207	63,710	-	-	-
-	-	-	-	-	-
<u>83,590</u>	<u>113,290</u>	<u>63,710</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>71,409,604</u>
(17,910,170)	(5,343,918)	(16,418,086)	(8,720,862)	37,452,766	(4,584,958)
(22,674)	(51,375)	82,266	282,448	196,547	6,496
<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>	<u>\$ (4,578,462)</u>

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
General government	\$ 7,472,254	\$ 5,676,067	\$ 4,963,302	\$ 5,775,173
Public safety	45,443,958	49,813,447	48,410,511	56,169,907
Public works	21,109,952	20,586,770	20,259,279	21,243,019
Community services	6,437,040	7,035,872	7,368,492	7,926,410
Community development	658,082	766,886	753,721	2,190,319
Interest on long-term debt	1,677,062	1,353,156	1,572,645	1,575,724
Total expenses	82,798,348	85,232,198	83,327,950	94,880,552
Program revenues:				
Charges for services:				
General government	486,478	885,123	400,051	546,626
Public safety	3,037,891	2,825,831	3,170,579	3,201,495
Public works	8,878,122	8,278,038	8,271,744	7,714,148
Community services	1,180,562	1,275,278	1,365,482	1,491,858
Community development	621,352	502,621	425,013	416,014
Operating grants and contributions	11,021,410	12,405,742	13,317,378	10,955,031
Capital grants and contributions	4,458,250	2,224,864	1,004,826	445,980
Total program revenues	29,684,065	28,397,497	27,955,073	24,771,152
Net program revenues (expenses)	(53,114,283)	(56,834,701)	(55,372,877)	(70,109,400)
General revenues and other changes in net position:				
Taxes:				
Property taxes	20,420,020	21,156,596	22,352,163	23,994,740
Sales tax	14,705,790	15,096,101	17,228,237	16,503,563
Franchise tax	3,478,532	3,635,092	3,540,011	3,698,184
Other taxes	7,451,947	7,433,106	6,485,394	6,725,309
Motor vehicle in lieu, unrestricted	-	-	-	-
Investment income	695,341	660,157	(566,064)	4,452,938
Other general revenues	5,960,967	6,999,034	4,236,920	6,847,642
Transfers	101,775	101,775	101,775	-
Extraordinary gain (loss)	-	-	9,789,266	-
Total governmental revenues and other changes	52,814,372	55,081,861	63,167,702	62,222,376
Changes in net position	\$ (299,911)	\$ (1,752,840)	\$ 7,794,825	\$ (7,887,024)

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,523,129	\$ 7,515,920	\$ 7,781,252	\$ 18,929,254	\$ 3,700,172	\$ 19,222,882
67,734,047	58,057,784	72,653,866	62,479,977	49,887,239	66,098,443
21,161,586	21,625,190	23,649,892	17,212,496	13,508,312	24,203,764
8,926,070	9,280,450	9,418,860	7,675,178	12,587,100	10,247,116
1,618,181	795,685	1,394,131	1,568,283	1,238,687	1,446,667
1,515,826	1,680,335	1,874,899	8,354,304	9,033,455	8,792,569
<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>	<u>130,011,441</u>
814,465	829,295	369,796	312,112	617,087	1,192,555
3,610,467	3,839,103	4,304,075	3,718,158	4,467,009	5,424,121
8,967,472	9,156,370	2,034,963	4,458,831	8,415,913	11,104,690
2,110,943	1,903,119	2,438,156	697,351	1,620,427	1,957,418
264,959	465,097	6,780,115	-	-	-
10,285,701	12,097,219	19,989,920	21,764,524	29,598,365	18,983,157
151,966	360,872	582,023	10,621,147	17,666,351	15,354,938
<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>54,016,879</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>	<u>(75,994,562)</u>
25,392,860	26,365,067	27,422,706	30,108,110	31,348,677	33,822,147
17,449,827	17,464,609	17,033,647	20,858,803	23,101,668	23,526,119
4,011,817	4,207,765	4,445,101	4,644,360	4,806,348	5,237,769
7,692,437	9,158,794	5,026,703	4,571,270	4,721,569	4,815,955
-	-	-	-	-	-
559,164	2,016,573	2,682,794	223,485	(1,082,667)	2,019,179
9,256,591	5,747,563	7,244,815	5,520,479	2,126,984	1,988,435
-	-	-	-	-	-
-	-	-	-	-	-
<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>71,409,604</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>	<u>\$ (4,584,958)</u>

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Computer Enterprise	\$ 1,284,419	\$ 1,427,789	\$ 1,638,573	\$ 1,575,066
Total expenses	<u>1,284,419</u>	<u>1,427,789</u>	<u>1,638,573</u>	<u>1,575,066</u>
Program revenues:				
Charges for services:				
Computer Enterprise	<u>1,873,636</u>	<u>1,655,134</u>	<u>1,413,114</u>	<u>1,274,318</u>
Total program revenues	<u>1,873,636</u>	<u>1,655,134</u>	<u>1,413,114</u>	<u>1,274,318</u>
Net revenues (expenses)	<u>589,217</u>	<u>227,345</u>	<u>(225,459)</u>	<u>(300,748)</u>
General revenues and other changes in net position:				
Investment income	-	1,553	3,513	2,070
Other revenues	-	-	-	182,018
Transfers	<u>(101,775)</u>	<u>(101,775)</u>	<u>(101,775)</u>	<u>-</u>
Total general revenues and other changes	<u>(101,775)</u>	<u>(100,222)</u>	<u>(98,262)</u>	<u>184,088</u>
Changes in net position	<u>\$ 487,442</u>	<u>\$ 127,123</u>	<u>\$ (323,721)</u>	<u>\$ (116,660)</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
<u>\$ 1,305,426</u>	<u>\$ 1,263,693</u>	<u>\$ 1,230,639</u>	<u>\$ 475,672</u>	<u>\$ 719,911</u>	<u>\$ 680,235</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>680,235</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>686,731</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>686,731.00</u>
<u>(106,264)</u>	<u>(164,665)</u>	<u>18,556</u>	<u>282,448.00</u>	<u>196,547.00</u>	<u>6,496.00</u>
884	1,083	-	-	-	-
82,706	112,207	63,710	-	-	-
-	-	-	-	-	-
<u>83,590</u>	<u>113,290</u>	<u>63,710</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (22,674)</u>	<u>\$ (51,375)</u>	<u>\$ 82,266</u>	<u>\$ 282,448</u>	<u>\$ 196,547</u>	<u>\$ 6,496</u>

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 6,595,326	\$ 6,483,924	\$ 7,129,779	\$ 6,982,268
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>5,687,385</u>	<u>20,531,695</u>	<u>15,032,610</u>	<u>14,119,078</u>
Total general fund	<u>\$ 12,282,711</u>	<u>\$ 27,015,619</u>	<u>\$ 22,162,389</u>	<u>\$ 21,101,346</u>
All other governmental funds:				
Nonspendable	\$ 157,500	\$ 151,923	\$ 5,277,203	\$ 4,980,450
Restricted	56,225,097	59,918,077	51,467,448	45,082,696
Assigned	3,891,565	4,930,693	5,065,065	2,820,665
Unassigned	<u>(47,867)</u>	<u>(438,708)</u>	<u>(531,412)</u>	<u>(1,100,860)</u>
Total all other governmental funds	<u>\$ 60,226,295</u>	<u>\$ 64,561,985</u>	<u>\$ 61,278,304</u>	<u>\$ 51,782,951</u>

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 9,952,978	\$ 8,976,583	\$ 7,086,958	\$ 4,009,651	\$ 3,380,136	\$ 3,358,665
-	-	7,650	9,440	8,287	16,069
320,200	320,200	-	-	-	-
<u>11,979,653</u>	<u>9,884,913</u>	<u>12,580,716</u>	<u>21,468,986</u>	<u>20,770,457</u>	<u>17,654,008</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>	<u>\$ 21,028,742</u>
\$ 110,833	\$ 99,167	\$ 82,420	\$ -	\$ 11,989	\$ 90,943
49,600,866	57,840,755	64,044,695	92,198,163	100,732,082	107,980,761
2,004,895	1,107,138	1,786,815	9,687,492	6,601,977	7,617,849
<u>(710,218)</u>	<u>(692,305)</u>	<u>(1,158,958)</u>	<u>(228,169)</u>	<u>(164,865)</u>	<u>(22,661)</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>	<u>\$ 115,666,892</u>

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Taxes	\$ 48,785,393	\$ 50,918,823	\$ 54,237,649	\$ 55,502,969
Special assessments	5,513,535	5,595,338	5,550,657	5,318,497
Licenses and permits	1,717,153	1,419,457	1,156,613	1,037,389
Fines and forfeitures	1,036,732	959,606	796,989	894,618
Investment income	716,472	679,844	(570,132)	4,448,607
Rental income	367,798	406,350	529,833	604,817
Intergovernmental	11,097,551	10,769,196	11,218,711	10,193,278
Charges for services	6,751,541	6,803,615	7,731,236	7,359,139
Repayment of notes and loans	26,148	-	-	-
Other	6,258,384	5,490,327	1,487,103	2,129,531
Total revenues	82,270,707	83,042,556	82,138,659	87,488,845
Expenditures				
Current:				
General government	7,087,335	5,757,334	5,103,814	6,214,682
Public safety	43,332,847	45,906,138	50,962,883	54,480,972
Public works	17,790,042	13,724,417	15,509,267	15,328,717
Community services	5,399,732	5,816,443	6,864,180	10,824,395
Community development	679,007	761,896	898,714	2,198,881
Debt service:				
Principal retirement	1,870,239	1,866,947	2,027,461	7,931,202
Interest and fiscal charges	1,666,054	1,360,370	1,574,753	1,566,392
Cost of issuance	-	-	-	-
Developer agreement payments	-	-	-	-
Total expenditures	77,825,256	75,193,545	82,941,072	98,545,241
Excess (deficiency) of revenues over (under) expenditures	4,445,451	7,849,011	(802,413)	(11,056,396)
Other financing sources (uses):				
Transfers in	3,744,115	3,201,793	4,831,038	5,643,232
Transfers out	(3,642,340)	(3,100,018)	(10,812,296)	(5,643,232)
Acquisition under capital leases	-	-	2,568,446	500,000
Issuance of bonds	2,185,000	-	-	-
Premium of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	(2,248,061)	-	-	-
Extraordinary gain (loss)	-	11,578,351	-	-
Total other financing sources (uses)	38,714	11,680,126	(3,412,812)	500,000
Special Item				
Payment towards UAL	-	-	-	-
Net change in fund balances	\$ 4,484,165	\$ 19,529,137	\$ (4,215,225)	\$ (10,556,396)
Debt service as a percentage of noncapital expenditures	5.18%	4.92%	4.70%	10.29%

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 59,255,716	\$ 62,477,442	\$ 62,588,256	\$ 72,496,610	\$ 77,294,614	\$ 84,173,323
6,077,861	6,347,182	6,490,254	6,837,731	7,040,726	7,001,653
1,089,850	1,140,622	1,491,744	1,528,117	2,780,660	4,667,301
1,290,187	1,318,333	921,872	380,169	508,463	902,570
551,948	2,008,971	2,677,045	(18,511)	(1,311,234)	2,879,053
649,968	647,749	700,455	952,185	1,459,129	1,194,252
7,920,178	12,581,261	15,386,915	11,623,792	20,743,307	12,041,789
8,681,704	7,473,923	7,690,819	6,376,218	10,011,122	8,011,824
-	-	-	-	-	-
4,229,895	1,142,659	3,783,990	2,785,758	7,140,273	4,922,484
<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>	<u>125,794,249</u>
5,700,461	6,828,020	6,488,092	6,910,013	5,047,088	7,252,624
53,087,630	58,205,797	58,857,571	60,290,745	59,843,680	57,073,164
17,635,489	14,800,936	17,262,224	15,356,778	28,481,999	25,391,260
6,975,178	7,290,775	7,263,052	6,172,738	11,085,748	8,744,274
1,182,255	1,086,128	1,214,558	1,568,283	1,238,687	1,446,667
1,958,918	13,353,918	1,833,918	2,428,918	5,869,299	6,440,885
1,501,956	1,691,316	1,932,807	5,419,621	9,063,717	8,916,689
-	389,726	-	1,083,165	-	-
-	-	-	-	-	-
<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>115,265,563</u>
1,705,420	(8,508,474)	6,879,128	3,731,808	5,036,842	10,528,686
3,902,056	149,121	1,494,913	197,353,567	19,667,127	16,881,947
(5,232,566)	(9,121)	(1,676,955)	(201,320,249)	(20,509,469)	(22,055,062)
-	-	196,759	3,900,000	-	-
-	24,165,000	-	210,697,048	-	-
-	1,380,718	-	-	-	-
-	(12,900,000)	-	-	-	-
-	-	-	-	-	-
<u>(1,330,510)</u>	<u>12,785,718</u>	<u>14,717</u>	<u>210,630,366</u>	<u>(842,342)</u>	<u>(5,173,115)</u>
-	-	-	(172,543,016)	-	-
<u>\$ 374,910</u>	<u>\$ 4,277,244</u>	<u>\$ 6,893,845</u>	<u>\$ 41,819,158</u>	<u>\$ 4,194,500</u>	<u>\$ 5,355,571</u>
4.18%	15.08%	3.97%	7.91%	15.38%	13.64%

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	
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
2023	9,768,205	-	17,416	(171,514)	9,614,107

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.

(continued)

<u>Successor Agency (SA) of the former Community Development Commission (CDC)</u>				City and SA	
<u>Secured</u>	<u>Unsecured</u>	<u>Less:</u> <u>Exemptions</u>	<u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>Total Taxable</u> <u>Assessed</u> <u>Value</u>	<u>Total</u> <u>Direct Tax</u> <u>Rate</u>
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%
3,688,744	167,649	(321,127)	3,535,266	13,149,373	14.280%

CITY OF WEST COVINA

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

	Fiscal Year			
	2014	2015	2016	2017
Basic Levy¹	1.00000	1.00000	1.00000	1.00000
Baldwin Park Unified	0.15842	0.16519	0.16288	0.10510
Bassett Unified School District	0.11632	0.11539	0.15771	0.16781
Covina Valley Unified School District	0.11472	0.11426	0.11062	0.12581
Hacienda-La Puente Unified	0.06653	0.06432	0.06394	0.06600
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Mt. San Antonio College	0.02023	0.02129	0.02154	0.02400
Rowland Heights Unified	0.12297	0.14313	0.12426	0.12444
Rowland Unified	0.00000	0.00000	0.00000	0.00000
Walnut Valley Unified	0.11342	0.11510	0.09285	0.06601
West Covina Municipal Maint. Dist.	0.18310	0.18310	0.18310	0.18310
West Covina Unified	0.03626	0.05412	0.04205	0.04914
Total Direct & Overlapping² Tax Rates	1.93547	1.97941	1.96245	1.91492
City Share of 1% Levy Per Prop 13³	0.13820	0.13820	0.13820	0.13820
Redevelopment Rate⁴	N/A	N/A	N/A	N/A
Total Tax Rate⁵	0.14083	0.14116	0.14138	0.14165

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

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

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

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval

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

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

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.13039	0.12402	0.13032	0.19256	0.18029	0.17544
0.17443	0.16349	0.14196	0.14705	0.13911	0.13876
0.14205	0.13976	0.13521	0.12658	0.12995	0.12612
0.10531	0.10706	0.08252	0.08261	0.08511	0.08491
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.02371	0.02435	0.04781	0.04459	0.04608	0.04267
0.11841	0.11861	0.10760	0.10905	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.11128	0.10909
0.07388	0.10582	0.09538	0.09893	0.10066	0.10118
0.18310	0.18310	0.18310	0.18480	0.18480	0.18480
0.09514	0.09795	0.08192	0.09980	0.07968	0.09317
2.04992	2.06766	2.00932	2.08947	2.06046	2.05964
0.13820	0.13820	0.13820	0.13820	0.13820	0.13820
N/A	N/A	N/A	N/A	N/A	N/A
0.14109	0.14221	0.14236	0.14262	0.14280	0.14295

CITY OF WEST COVINA

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

Taxpayer	2023			2014		
	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	\$ 284,283,417	1	2.00%	\$ 200,235,700	1	2.20%
GREF Eastland Center LP	194,178,395	2	1.37%	94,665,219	2	1.04%
Colony at the Lakes	181,955,119	3	1.28%			
Walnut Ridge Apartments LP	102,134,763	4	0.72%			
CLPF 624 South Glendora Avenue LP	97,716,000	5	0.69%			
Twelve 31 Partners LP	80,350,000	6	0.57%			
Envision WC MB RE LLC	77,535,984	7	0.55%			
TPA Nasch LLC	60,990,343	8	0.43%			
Citrus Gardens Apartments LP	51,728,202	9	0.36%			
Merrill Gardens at West Covina	50,004,262	10	0.35%			
La Palma Royale LLC				53,850,772	3	0.59%
Hassen Real Estate Partnership				53,046,526	4	0.58%
Gateway Crescent LLC				46,800,000	5	0.52%
Eastland Tower Partnership				46,100,000	6	0.51%
CP Lafayette PARC LLC				45,875,417	7	0.50%
KW of CV Sunset LLC				44,528,272	8	0.49%
Legacy Partners Verandas LP				31,252,797	9	0.34%
Pried XIV Trust				30,351,673	10	0.33%
Totals	<u>\$1,180,876,485</u>		<u>8.32%</u>	<u>\$ 646,706,376</u>		<u>7.10%</u>

Source: HdL Coren & Cone; Los Angeles County Assessor 2013-14 and 2022-23 Combined Tax Rolls and the Non Unitary Tax Roll

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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
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%
2023	15,019,091	14,394,277	95.84%	48,995	14,443,272	96.17%

Notes:

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

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
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
2023	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
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	237,238,298	7,525,925	6,411,667	251,175,890	-
2023	231,690,193	6,947,007	6,044,700	244,681,900	-

Notes:

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

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

Source: City of West Covina Finance Department

(continued)

<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Debt Per Capita (1)</u>
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%	2,337
251,175,890	7.56%	2,347
244,681,900	6.60%	2,330

CITY OF WEST COVINA

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

Fiscal Year Ended June 30	Lease Revenue Bonds	Loans	Capital Lease Obligations	Total	Percent of Assessed Value(1)	Per Capita
2014	48,385	1,513	773	50,671	0.56%	449
2015	47,225	12,941	216	60,382	0.63%	438
2016	46,000	12,208	2,715	60,923	0.60%	426
2017	42,570	10,921	-	53,491	0.50%	395
2018	41,190	10,342	-	51,532	0.46%	381
2019	39,680	9,763	-	49,443	0.41%	367
2020	38,425	9,184	-	47,609	0.38%	363
2021	241,170	8,105	6,602	255,877	1.98%	2,202
2022	237,238	7,526	6,412	251,176	1.89%	2,217
2022	231,690	6,947	6,045	244,682	1.86%	2,206

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, 2023**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with Property Taxes:			
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			
	2014	2015	2016	2017
Assessed valuation	\$ 6,611,732	\$ 7,034,995	\$ 7,377,023	\$ 7,740,820
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,652,933	1,758,749	1,844,256	1,935,205
Debt limit percentage	15%	15%	15%	15%
Debt limit	247,940	263,812	276,638.36	290,280.75
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	\$ 247,940	\$ 263,812	\$ 276,638	\$ 290,281
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					
2018	2019	2020	2021	2022	2023
\$ 8,154,209	\$ 8,627,010	\$ 9,014,133	\$ 9,351,074	\$ 9,667,753	\$ 9,614,107
25%	25%	25%	25%	25%	25%
2,038,552	2,156,753	2,253,533	2,337,769	2,416,938	2,403,527
15%	15%	15%	15%	15%	15%
305,782.84	323,512.88	338,029.99	350,665.28	362,540.74	360,528.99
-	-	-	-	-	-
<u>\$ 305,783</u>	<u>\$ 323,513</u>	<u>\$ 338,030</u>	<u>\$ 350,665</u>	<u>\$ 362,541</u>	<u>\$ 360,529</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	
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
2023	85,678	5,495	8,671	6.05

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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
2023	15	1,425	237	0.01

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

Source: City of West Covina Finance Department

(continued)

Fiscal Year Ended June 30	Assessment District Bond					
	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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)
2023	1,371	105	1,266	4,905	416	0.24

CITY OF WEST COVINA

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Annual Unemployment Rate</u>
2014	107,828	2,698,504	25,026	6.7%
2015	107,879	2,653,176	24,594	10.1%
2016	107,873	2,680,000	24,844	8.2%
2017	107,813	2,705,736	25,096	6.4%
2018	108,245	2,737,892	25,293	5.2%
2019	108,116	2,916,516	26,975	4.6%
2020	105,999	3,053,619	28,808	4.4%
2021	109,501	3,173,022	28,977	13.1%
2022	107,017	3,324,204	31,062	9.2%
2023	105,013	3,706,972	35,300	4.8%

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

CITY OF WEST COVINA

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

Employer	2023			2014		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Queen of the Valley Campus	1,464	1	2.88%	1,393	1	2.61%
WC Unified School District	1,227	2	2.42%	1,331	2	2.50%
Target Store #T1028 & #T2147	423	3	0.83%	374	4	0.70%
City of West Covina	416	4	0.82%	413	3	0.77%
Porto's Bakery	379	5	0.75%			
Merakey Allos	286	6	0.56%			
Macy's	240	7	0.47%	289	6	0.54%
Walmart Store #5954	237	8	0.47%	300	5	0.56%
Interspace/Concorde Battery Corporation	229	9	0.45%	245	7	0.46%
The Home Depot	166	10	0.33%			
JC Penny				220	8	0.41%
B.J.'s Restaurant & Brewery				196	9	0.37%
SGV Newspaper Group				180	10	0.34%
Totals	<u>5,067</u>		<u>9.97%</u>	<u>4,941</u>		<u>9.26%</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	31	31	32	42	46	36	32	38	48	34
Public safety	244	268	268	282	259	238	237	259	242	248
Public works	69	71	71	75	56	44	-	-	-	
Public Services	-	-	-	-	-	-	25	32	41	51
Community services	42	41	41	87	64	64	27	22	22	59
Community development	2	2	2	1	1	3	12	13	19	24
Total	<u>389</u>	<u>413</u>	<u>414</u>	<u>487</u>	<u>426</u>	<u>385</u>	<u>333</u>	<u>364</u>	<u>372</u>	<u>416</u>

Source: City of West Covina Finance Department

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CITY OF WEST COVINA

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

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Public Safety:				
Police:				
Total arrests	2,537	2,544	2,624	2,818
Calls for police service (1)	69,874	71,098	72,368	74,898
Graffiti sites cleaned	20,014	16,156	N/A	N/A
Fire:				
Emergency responses	7,990	8,555	9,494	9,353
Fire inspections	749	717	778	816
Public Services:				
Building permits issued	2,925	3,617	5,038	1,547
Graffiti sites cleaned (2)	N/A	N/A	13,964	6,694
Community Services:				
Recreation class registrations (3)	6,283	6,487	7,129	7,500

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					
2018	2019	2020	2021	2022	2023
3,080	2,538	2,037	1,266	1,266	1,695
84,850	73,713	68,605	61,353	68,221	68,565
N/A	N/A	N/A	N/A	N/A	N/A
9,383	9,289	8,944	9,405	10,286	10,189
805	1,009	920	964	1,079	1,582
1,399	2,938	3,022	3,701	4,941	2,494
2,391	3,077	3,140	2,632	4,363	4,782
17,902	26,482	8,075	65	3,533	6,570

CITY OF WEST COVINA

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

Function	Fiscal Year			
	2014	2015	2016	2017
Public Safety:				
Police:				
Stations	1	1	1	1
Fire:				
Stations	5	5	5	5
Public works:				
Streets (miles)	231.0	231.0	240.3	240.3
Streetlight poles	826	826	826	674
Streetlight fixtures	1,109	1,109	1,109	420
Traffic signals	117	114	114	97
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	227.0
Storm sewers (miles)	42.0	42.0	42.0	26.0

Source: City of West Covina

(continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
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