



FOURTH QUARTER FINANCIAL REPORT

Fiscal Year 2023-24

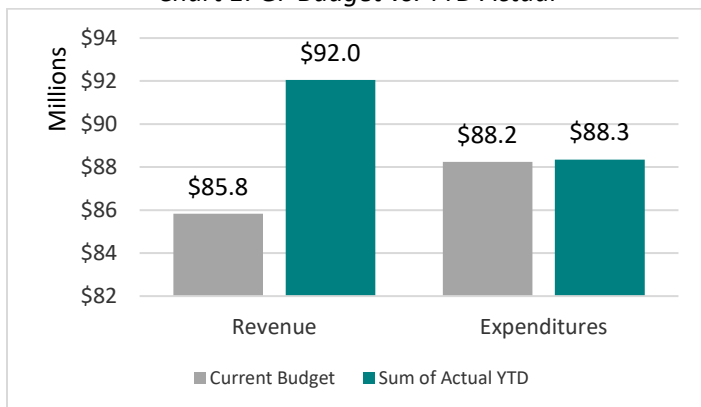
The City has completed the fourth quarter of Fiscal Year (FY) 2023-24. This report summarizes the overall financial performance of the City for the period of July 1, 2023, through June 30, 2024, but it is not meant to be inclusive of all finance and accounting transactions. While the focus of the report is the General Fund, summary financial information is also provided for the Enterprise Fund and Special Revenue Funds. The information presented is unaudited. This report is intended to provide City Council and the public with an overview of the City’s general fiscal condition.

The revenue and expenditures per the Budget Year-To-Date (YTD) Actual comparisons include adjustments for carryovers and any appropriations made as of June 30, 2024. The information presented reports revenues as they are received and expenditures when paid. Revenues and expenditures are only accrued at year end to account for such activity in the correct fiscal year.

GENERAL FUND

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

Chart 1: GF Budget vs. YTD Actual



The General Fund original budget for FY 2023-24 was \$81.9 million in revenue, \$81.8 million in expenditures, and a total revenue less expenditures of \$176,081. With 99% of the year complete, General

Fund revenues are 107% of budget, and expenditures are 100%. Total revenues are over \$92 million, and expenditures are currently \$88.3 million leaving a total revenue less expenditures of positive \$3.7 million.

GENERAL FUND REVENUE

The City’s two major General Fund revenue sources are Property Tax and Sales Tax which make up 66.5% of the General Fund revenues combined.

Table 1: GF Revenue – Budget vs. YTD Actual

Revenue Source	Current Budget	YTD Actual	%
Property Tax	33,079,600	35,019,081	105.9%
Sales Tax	23,750,000	26,222,939	110.4%
Other Taxes	9,758,500	9,968,341	102.2%
Charges for Services	8,027,308	8,241,836	102.7%
Revenue from Other Agencies	3,139,200	3,128,632	99.7%
Licenses & Permits	3,091,800	2,949,836	95.4%
Use of Money & Property	1,863,500	2,860,500	153.5%
Interdepartmental Charges	1,196,200	1,196,210	100.0%
Fines & Forfeitures	1,105,120	1,077,341	97.5%
Cost Recovery	463,400	1,021,433	220.4%
Other Revenues	194,030	177,321	91.4%
Transfers In	159,762	184,564	115.5%
Grand Total	85,828,420	92,048,034	107.2%

PROPERTY TAX

Included in this line item are Property Taxes, Property Taxes In-Lieu of Vehicle License Fees (VLF), and residual payments from the dissolution of the former redevelopment agency. Overall, Property Tax for FY 2023-24 came in over budget by \$1.9 million. Staff has included this in the proposed budget amendment.

SALES TAX

Sales tax for FY 2023-24 came in ten percent, or \$2.4 million over budget at \$26 million. Staff has included this in the proposed budget amendment.

OTHER TAXES

This category includes Franchise Fees, Business License, Transient Occupancy Tax (TOT), and Property Transfer Tax. At the end of the year \$9.9M or 102 percent of the original budget projection has been realized. This is due to a lag in when these revenues are received. Additionally, business license revenue is not evenly disbursed throughout the year.

CHARGES FOR SERVICES

These revenues include plan check and zoning related fees, recreation fees, interfund charges, police, and fire fees. These fees ended at \$8.2 million through June 30, 2024.

LICENSE & PERMITS

Revenues for licenses & permits include building and engineering permits, and animal licenses. Revenue projections were slightly under budget with 95.4% realized (\$2.9 million) by the end of the fiscal year.

REVENUES FROM OTHER AGENCIES

This category includes Vehicle In-Lieu, State Mandated Cost reimbursements, and the exchange of Proposition A funds, the largest revenue source in this category. Most of this revenue is received once within the fiscal year. Revenue from other Agencies ended about even with budget at 99.7% or \$3.1 million.

COST RECOVERY

This category includes mutual aid cost reimbursement for Fire strike team deployments. For the fiscal year, the City has received over \$1 million in reimbursements – over \$550k over budget. This overage is included in the proposed budget amendment.

INTERDEPARTMENTAL CHARGES

This category includes overhead chargebacks from internal service funds: General Liability, Workers Compensation, and Fleet Maintenance. These charges are billed monthly and equally distributed.

USE OF MONEY & PROPERTY

This category includes rental and interest income. Interest income has come in over budget but is pending final accounting allocations against other funds so will most likely be reduced.

FINES & FORFEITURES

This category includes late payment penalties, collection agency fees, code fines, vehicle impound fees, and administrative citations. Overall, fines and forfeitures was slightly under budget at 97.5% or a little over \$1 million.

OTHER REVENUES

This category includes proceeds from auction, advertising, final map, and other miscellaneous revenue.

TRANSFERS IN

This category includes a transfer from the Successor Agency for administrative costs, which is made at the end of the fiscal year. This came in over budget by 15% or nearly \$25k.

REVENUES PROJECTIONS

Revenue projections are revised with the Quarterly Report based on actuals to date. The total proposed adjustment is an increase of \$5.75 in revenue for the General Fund.

Table 2: GF Revenue Projection

Revenue Source	Current Budget	Proposed Adj.	Revised Projection
Property Tax	33,079,600	1,900,000	34,979,600
Sales Tax	23,750,000	2,400,000	26,150,000
Other Taxes	9,758,500		9,758,500
Charges for Services	8,027,308	300,000	8,327,308
Revenue from Other Agencies	3,139,200		3,139,200
Licenses & Permits	3,091,800		3,091,800
Use of Money & Property	1,863,500	400,000	2,263,500
Interdepartmental Charges	1,196,200		1,196,200
Fines & Forfeitures	1,105,120	200,000	1,305,120
Cost Recovery	463,400	550,000	1,013,400
Other Revenues	194,030		194,030
Transfers In	159,762		159,762
Grand Total	85,828,420	5,750,000	91,578,420

GENERAL FUND EXPENDITURES

As of June 30, 2024, with 99% of the year complete, 100% of the General Fund budget was expensed (see Table 3). A few departments ended the year over budget. Police is over budget due to over time, unrealized projected vacancy savings, and vehicle repairs. Fire was over budget due to unrealized projected vacancy savings, vehicle repairs, and GEMT payments. However, the GEMT payments are offset by an increase in ambulance revenue. Administration and Human Resources are over budget due to legal services for litigation, internal investigations, and labor union negotiations. Public Services is over budget due to over time, vehicle repairs, special events and necessary maintenance repairs.

Table 3: GF Expenditures – Budget vs. YTD Actual

Department	Current Budget	YTD Actual	%
Administration	1,602,984	1,694,214	105.7%
City Clerk	376,097	333,565	88.7%
Community Development	4,130,115	3,908,809	94.6%
Finance	3,364,806	3,255,769	96.8%
Fire	21,552,968	22,357,761	103.7%
Human Resources	693,337	720,871	104.0%
Police	31,188,922	31,976,462	102.5%
Public Services	5,524,971	5,796,301	104.9%
Transfers Out	19,801,375	18,301,097	92.4%
Grand Total	88,235,575	88,344,849	100.1%

Currently, total General Fund Revenue (\$92M) less expenditures (\$88M) for the year is positive \$3.7M million. However, while the General Fund is currently positive, an increase in transfers out is proposed to address deficits in the Sportsplex, General Liability, and Workers’ Compensation funds.

GENERAL FUND OVERTIME

Table 4 summarizes overtime by department within the General Fund. Overall, overtime is under budget fund wide. However, overtime is over budget within the Administration, Community Development, and Police Departments.

Table 4: GF Overtime YTD

Department	Current Budget	YTD GF Overtime	%
Administration	1,000	2,755	275.5%
Community Development	9,000	14,090	156.6%
Finance	2,400	2,100	87.5%
Fire	3,711,900	3,009,204	81.1%
Human Resources	200	86	43.1%
Police	3,268,000	3,526,108	107.9%
Public Services	138,400	136,507	98.6%
Grand Total	7,130,900	6,690,851	93.8%

PROPOSED BUDGET AMENDMENT

The original General Fund budget for FY 2023-24 had a net change in fund balance of \$176,081. The first quarter budget amendment had a positive net change of \$33,796. The second quarter amendment included the use of unassigned fund balance (\$2,815,500) and had an overall net change of negative \$2,775,472. The third quarter amendment had an overall net change of positive \$80,560.

The proposed fourth quarter amendment adds \$5,750,000 in revenue and \$3,342,845 in expenditures to balance General Fund revenue less expenditures to \$0. Table 5 summarizes the proposed amendment. The proposed General Fund budget amendment includes the following:

Revenue Increases (\$5.75M): Property Tax (\$1.9M), Sales Tax (\$2.4M), Interest Income (\$400k), Parking Code Fines (\$200k), Ambulance Services (\$300k), and Mutual Aid Reimbursements (\$550k).

Department Overages (\$2.2M): To address the budget overages previously identified, increases are proposed in Administration (\$100k), Fire (\$842k), Human Resources (\$50k), Police (\$1.075M), and Public Services (\$326k). This is partially offset by a decrease in expenditures under Community Development (\$153k).

Transfers Out (\$1.1M): To address deficits, transfers out are proposed to be increased to supplement the Sportsplex Fund (\$290k), General Liability (\$491k), and Workers’ Compensation (\$721K) Fund. These increases are offset by a proposed decrease in the transfer to the Debt Service Fund due to interest income (\$400k). Overall, Transfers out is proposed to be increased by \$1.1 million.

Table 5: Summary of Proposed GF Budget Amendment

Department	Current Budget	Requested BA	Amended Budget
Administration	1,602,984	100,000	1,702,984
City Clerk	376,097		376,097
Community Development	4,130,115	(153,055)	3,977,060
Finance	3,364,806		3,364,806
Fire	21,552,968	842,000	22,394,968
Human Resources	693,337	50,000	743,337
Police	31,188,922	1,075,000	32,263,922
Public Services	5,524,971	326,000	5,850,971
Transfers Out	19,801,375	1,102,900	20,904,275
Grand Total	88,235,575	3,342,845	91,578,420

ENTERPRISE FUND (FUND 375)

This fund accounts for the computer services provided by the Police Department to other public safety agencies for a fee. The programs are marketed to both public and private agencies. The Police Department also utilizes these products and services. Revenue ended 7% over budget and expenditures were slightly under budget at 99.5%. Overall, revenue less expenditures ended the year positively.

Table 6: Police Enterprise Budget vs. YTD Actuals

Type	Current Budget	YTD Actual	%
Revenue	647,280	692,994	107.1%
Expenditures	685,998	682,734	99.5%
Revenue Less Expenditures	(38,718)	10,260	

SPORTSPLEX (FUND 242)

This fund accounts for activity at the Sportsplex, a recreational facility with softball fields, a pavilion, playgrounds, and restaurants. Budget versus actual comparisons for both revenue and expenditures for the Sportsplex are presented in Table 7 below.

The Sportsplex fund ended over budget due to increased staffing and facility maintenance. This overage is included in the proposed transfer from the General Fund to balance the Sportsplex fund.

Table 7: Sportsplex Budget vs. YTD Actuals

Type	Current Budget	YTD Actual	%
Revenue			
Transfers In	617,763	0	0.0%
Charges for Services	224,000	42,355	18.9%
Rental Income	114,900	156,050	135.8%
Other Revenues	800	2,606	325.7%
Revenue Total	957,463	201,011	21.0%
Expenditures			
Salaries & Benefits	511,263	647,687	109.8%
Materials & Services	410,500	450,858	126.7%
Capital	35,700	10,700	30.0%
Expenditures Total	957,463	1,109,245	115.9%
Revenue less Expenditures		(908,234)	

OTHER FUNDS

Table 8 shows budget versus actuals for other funds:

Table 8: Other Funds Budget vs. YTD Actuals

Fund Grouping	Current Budget	YTD Actual	%
Assessment Districts			
Revenue	4,325,200	4,650,151	107.5%
Expenditures	6,489,381	4,087,271	62.8%
Capital Project Funds			
Revenue	2,041,990	2,583,946	126.5%
Expenditures	10,509,601	1,736,695	9.0%
CDBG			
Revenue	2,516,679	271,779	10.8%
Expenditures	3,068,383	1,657,707	8.4%
CFD			
Expenditures	0	15,000	100.0%
Debt Service			
Revenue	16,046,292	15,519,906	96.7%
Expenditures	15,453,591	15,458,709	100.0%
Gas Tax			
Revenue	3,107,904	2,976,440	95.8%
Expenditures	4,311,230	3,252,383	72.0%
Grant Funds			
Revenue	1,065,908	933,898	87.6%
Expenditures	22,321,307	6,089,414	23.8%
Housing Authority			
Revenue	72,000	185,086	257.1%
Expenditures	981,796	1,036,447	103.8%
Internal Service Funds			
Revenue	9,433,329	11,386,090	120.7%
Expenditures	13,164,845	12,355,201	93.4%
Metro Funds			
Revenue	10,362,264	9,687,018	93.5%
Expenditures	13,299,254	6,757,466	49.4%
Other SR Funds			
Revenue	4,253,111	6,625,169	155.8%
Expenditures	8,456,002	4,587,600	47.6%
SB1			
Revenue	3,309,511	3,521,722	106.4%
Expenditures	6,515,933	885,631	13.6%
Sewer Maintenance			
Revenue	4,352,200	4,534,420	104.2%
Expenditures	6,622,517	2,481,406	33.8%
Sportsplex			
Revenue	957,463	201,011	21.0%
Expenditures	957,463	1,109,245	109.5%
Successor Agency			
Revenue	2,847,944	2,482,327	87.2%
Expenditures	3,504,492	3,340,702	95.3%

In addition to the proposed amendments to the General Fund, the following is recommended:

Budget Overages: The following increases to expenditures are proposed in these funds to address operational overages: COPS fund over time (\$15k), CFD Debt service fund close out services (\$15k), Sportsplex fund (\$161k), Debt Service Fund ongoing bond costs (\$5.2k), Inmate Welfare prisoner expenses (\$500), Public Safety Augmentation salary and benefits (\$124k), Self-Insurance Workers' Compensation fund (\$355k), Successor Housing Agency home improvement loans (\$145k), and the Taskforce Reg. Autotheft Prevention fund over time (\$6.5k). With the exception of the Workers' Compensation Fund, all of these increases are either offset by revenue or fund balance.

Accounting Corrections (\$0): A transfer from the ARPA fund to the CIP fund is proposed to correct expenditures posted to the wrong fund in the prior year.

Other Funds	Current Budget	Request ed BA	Amended Budget
Self-Insurance Workers' Comp (363)			
Revenue	1,000,000	721,100	1,721,100
Expenditures	2,871,902	355,000	3,226,902
Successor Housing Agency (820)			
Revenue	72,000	114,000	186,000
Expenditures	375,800	145,000	520,800
Taskforce Reg. Autotheft Prev. (233)			
Revenue	215,000	6,500	221,500
Expenditures	20,200	6,500	26,700

FOR MORE INFORMATION

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

Table 9: Summary of Proposed Amendment to Other Funds

Other Funds	Current Budget	Request ed BA	Amended Budget
COPS/SLESF (155)			
Revenue	270,000	15,000	285,000
Expenditures	100,000	15,000	115,000
ARPA Local Fiscal Recovery Funds (179)			
Expenditures	8,378,632	250,000	8,628,632
Capital Projects (160)			
Revenue	1,501,600	250,000	1,751,600
CFD Debt Service (853)			
Expenditures	0	15,000	15,000
Sportsplex (242)			
Revenue	617,763	290,500	908,263
Expenditures	102,500	161,000	263,500
Debt Service - City (300)			
Revenue	14,014,412	-400,000	13,614,412
Expenditures	7,300	5,200	12,500
Inmate Welfare (150)			
Expenditures	1,500	500	2,000
Public Safety Augmentation (153)			
Revenue	848,700	124,000	972,700
Expenditures	30,600	124,000	154,600
Self Insurance General/Auto Liab (361)			
Revenue	1,725,000	491,300	2,216,300