



# CITY OF WESTMINSTER

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2021**





**CITY OF WESTMINSTER, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2021**

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## INTRODUCTORY SECTION

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March 24, 2022

Honorable Tri Ta, Mayor  
Honorable Members of the Council of the City of Westminster  
Citizens of the City of Westminster:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Westminster (City) for the fiscal year ended June 30, 2021. The CAFR is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by an independent accounting firm of licensed Certified Public Accountants.

The City is committed to transparent financial reporting. To ensure the reliability of the information contained herein, the City contracted with the independent auditing firm of CliftonLarsonAllen, LLP, to conduct the audit of the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. We are pleased to report that CliftonLarsonAllen, LLP granted the City an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is presented as the first component of the financial section of this report.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of 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 both to protect the government'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 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 independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY OF WESTMINSTER**

The City of Westminster, incorporated in 1957, is located in the northeast corner of Orange County. The City currently occupies a land area of 10.6 square miles and serves a population of 92,610. In 1996 Westminster was designated an “All-America City” by the National Civic League for civic accomplishments, made possible by the cooperative efforts of business, government, the volunteer sector, and other individuals. Westminster continues to support the needs of a diverse population today and is widely seen as a welcoming community, with many services and venues to serve its citizens and visitors including a 420-seat theater at the Westminster Rose Center, a satellite campus of Coastline Community College, Sid Goldstein Freedom Park, and Westminster Mall.

The City operates under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of the Mayor and four Council Members. On December 11, 2019, the City of Westminster adopted Ordinance No. 2562 changing the City’s at-large system of electing City Council members to a By-District election system and established boundary lines of the four districts. While the Mayor continues to be elected at-large for a four-year term, the four City Council members are elected by districts for four-year staggered terms. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing the City Attorney and committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government and appointing the City’s department heads. Commissions and Advisory Committees provide opportunities for citizens to participate in community affairs.

The City provides a full range of services, including police, water utility, street and infrastructure maintenance and construction, recreational and cultural services, planning and community development and general administration. The City contracts with the Orange County Fire Authority (OCFA) for the provision of fire protection and emergency medical services. The City is also financially accountable for the legally separate Westminster Public Financing Authority and Westminster Housing Authority. The City has accounted for these entities as “blended” component units and therefore they have been included as an integral part of the City’s financial statements. Sewer and solid waste services for the City are provided through Midway City Sanitary District.

The City currently provides a two-year budget with appropriations approved by the City Council annually. The biennial budget serves as the foundation for the City’s financial planning control. All departments of the City are required to submit requests for appropriations to the City Manager each year. The City Manager uses these requests as the starting point for developing a proposed budget which is presented to the City Council for review and adoption by no later than June 30, the close of the City’s fiscal year. A spending resolution would be required should adoption by this date not be met. The Fiscal Years 2021-2023 Budget was passed on June 9, 2021.

The budget is prepared by fund (e.g., general), department (e.g., public works), and program (e.g., engineering). Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments within the same fund require the City Manager’s approval. Transfers between funds, as well as any increase to appropriations, require approval of the City Council.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general and major governmental funds, this comparison is presented as part of the required supplementary information section of this report. For other funds with appropriated annual budgets, this comparison is presented as part of the other supplementary information section of the report.

As a part of the City’s commitment to financial transparency, the City’s website includes a Transparency Portal, allowing residents to view and create easy-to-understand graphics and reports from the current and historical City budgets.

## **LOCAL ECONOMY AND OUTLOOK FOR THE FUTURE**

The City's central location and freeway access allow the City to draw upon the economic engines and jobs in both the Orange County and Los Angeles regions, providing many opportunities for businesses and residents. The City enjoys its position as the internationally recognized social, cultural, and retail hub of the Vietnamese American community. The Little Saigon marketplace serves as an important economic engine for the City. Retailers there are provided with the opportunity to reach a broad demographic base that is actively looking for variety in shopping and entertainment choices, from large, well-established brands to emerging and specialty boutiques.

In addition to Little Saigon, Westminster has a diversified retail base and is also home to many national retailers including: Lexus, Toyota, Honda, Infiniti, Wal-Mart, Home Depot, Best Buy, Macy's, Target, and Costco Business Center. Westminster is also home to major motorcycle and recreation vehicle dealerships, including Harley Davidson, Indian Motorcycle and Dillon RV. New businesses include John's Incredible Pizza, Aldi, Carvana, The Habit Burger Grill, Wingstop and Jay's Catering. This well capitalized and established business community is also supported by a regional mall and growing development demand.

The City's General Plan, updated and approved in September 2016, governs future land use decisions, positively impacts the local economy through the development opportunities it creates, and will improve the current condition of the City's infrastructure and housing stock. Specifically, six mixed-use districts were identified for intensified development to attract new investment in Westminster's real estate market. The City is currently developing a Specific Plan for the Westminster Mall, one of the six districts, to support new uses at this very desirable 100-acre site. In addition to new investment at key locations, the turnover of properties will also create the added benefit of resetting the taxable values for property tax purposes.

An accessible central location, a unique Vietnamese-American market niche, and the demonstrated ability to attract large national chains, while supporting smaller emerging businesses, are all examples of Westminster's economic versatility and its potential for long-term sustainable growth.

The City continues to face a number of budget challenges as State takeaways have impacted the City's ability to address basic city needs. The State legislative action having the most impact on Westminster in recent years dealt with the dissolution of redevelopment throughout California, effective January 31, 2012. This elimination has had a significant impact on the City's ability to fund capital improvement projects and support economic development efforts. As a means to address this lost revenue source, the City recently purchased and resold some previously owned redevelopment land to establish an Economic Development Fund with some of these one-time monies. Several projects are currently underway to help bring new development into the City under the "Project W" umbrella. Given the State's continuing budget uncertainty, the City cannot accurately predict what measures, if any, will be adopted at the State level which would impact local agencies.

The City's proportional share of property tax is one of the smallest shares of all the cities in Orange County, and has forced the City to continue to look elsewhere for the needed revenue. The City is the fifth largest collector of the local general levy at 7% (or \$7 dollars on every \$100 dollars collected) preceded by Westminster Elementary General Fund at 24%, Huntington Beach Union High General Fund at 20%, Educational Revenue Augmentation Fund at 18% and Coast Community College General Fund at 8.5%. Surrounding cities' collections range from 11% to 19%. Currently there is no mechanism available to increase Westminster's proportional share.

Sales tax collections came in higher than the prior year by \$1.4 million or 8.5%. This was due to both the effects of the recovery from the pandemic and higher than expected auto sales. The City actually did better than anticipated due to Target, Home Depot and Costco locations which have fared well during the pandemic. The majority of this year's sales tax revenues are from auto dealers and supplies at 31%, followed by all other outlets at 21%, general consumer goods at 21%, state and county pools at 16%, and restaurants at 11%.

The City's Transient Occupancy Tax, an 8% tax applied to hotel stays within the City totaled \$0.6 million. Surrounding cities' collections range from 8% to 14.5%. An increase in this rate would require a vote of the Westminster Citizens.

In an effort to address the City's "budget" and "structural" deficits, the City hired an independent financial consultant in 2015 and appointed a five member Financial Task Force in 2016 to evaluate and recommend possible ideas. Several years of budget cuts had taken their toll on the City and in June 2016, the City Council voted to place a 1% transactions and use tax measure on the November 8, 2016 General Election ballot. Measure SS ultimately passed by an over 60% vote of the Westminster Citizens. This tax will be in effect from April 1, 2017 and sunset on December 31, 2022. The collection of this tax enabled the City Council to adopt the first balanced budget (fiscal years 2017-19) without the use of reserves in 10 years. The same held true for fiscal year 2019-20, but 2020-21 was adopted with a deficit of \$1.2 million. The transaction and use tax has allowed for a positive change in fund balance to the General Fund in fiscal years 2017-18, 2018-19, 2019-20 and 2020-21. Overall, the revenue has come in higher than originally projected. This year's increase from prior year of \$1.8 million or 14.2% was also brought on by recovery from effects of the pandemic and auto sales as noted above. Ongoing expenditures continue growing at a faster pace than ongoing revenues. Westminster's ability to deliver acceptable levels of public services, particularly public safety services, is dependent upon the generation of revenues adequate to support them. Since law enforcement and fire services represent 76% of the City's General Fund and operating expenditure budget, an increase in these costs has a dramatic impact on the remaining services and the City's overall financial condition. With tax revenue - primarily property and sales - comprising the majority of Westminster's general fund revenue (80%), improvements to the local real estate and retail markets will directly impact the City's revenues in a positive manner.

### **LONG-TERM FINANCIAL PLANNING**

Even with the approval of the transactions and use tax, maintaining a balanced budget will require the City to continue to take actions internally to reduce costs, while pursuing ways to support development in the business community to increase revenues. Adding in the Measure SS transactions and use tax revenue to the long-term financial projections postpones the deficit spending, but doesn't completely eliminate it. Fiscal year 2021-22 is budgeted at a negative net change in fund balance of \$1.3 million. This budget does not include any funding for capital projects. Beyond fiscal year 2020-21, the City will have one and a half fiscal years remaining with proceeds from the transactions and use tax. Looking forward, especially in light of the pandemic, and its potential devastation of retail businesses, those fiscal years will more than likely require the use of reserves and cuts. Reserves may be built up by fiscal year 2022-23, but with the elimination of the transactions and use tax on December 31, 2022, that budget will be especially challenging.

The City adopted a Cost of Services Study on May 22, 2019 and updated it in August 2021 which should provide the City with positive revenue growth. Management has committed to updating this study as part of the two year budget adoption going forward.

The City adopted a reserve policy on June 28, 2017. The adopted reserve policy established two dedicated reserves in the General Fund and additional reserves in the Internal Service Funds. The reserve policy improves the City's fiscal stability by helping elected officials and staff plan long-term spending decisions in a more strategic and consistent manner. The City also reviewed its internal policies related to the expenditure of funds from various accounts. This included the study of how internal service fund charges are calculated and charged to the various departments throughout the City.

The cost of employee retirement benefits continues to increase as a result of actions taken by the California Public Employees Retirement System (CalPERS) to address changing actuarial assumptions and to reduce the amount of risk and volatility in their investment portfolio. The City's unfunded pension and OPEB liabilities currently total \$176 million. To help with future payment of these liabilities, the City established two IRS Section 115 Trust Funds. A total of \$5.0 million was deposited into these two accounts during fiscal year 2017-18. These deposits were from monies received as part of the redevelopment dissolution. The amounts were approved by the State of

California Department of Finance as obligations to past employees of the Westminster Redevelopment Agency. Monies deposited into the trust accounts can only be spent on pension and OPEB expenditures. The City will continue to make deposits when budget savings allow. As of June 30, 2021 the combined balances in these two accounts total \$8.9 million. On January 17, 2022, the City Council held a strategic planning workshop to develop the city's first strategic plan and identify priorities for the city. The workshop resulted in a three-year strategic plan comprised of three goals; each goal consists of multiple strategic objectives intended to serve as benchmarks in the progress of each goal. One of the strategic plan's goal is to "Achieve financial stability," and its first objective is to provide information to the City Council on the impacts to the city if the sales tax measure is not renewed. A follow-up planning meeting is scheduled for June 2022.

The City of Westminster is committed to providing the highest quality of service, ensuring that Westminster is a desirable place to live, work, play and do business.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westminster for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the twenty-sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its biennium budget document dated July 1, 2020. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of a number of City staff and departments, especially the Finance Department. I would like to express my appreciation to all members of the City staff who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Erin Backs  
Finance Director

## **CITY OF WESTMINSTER**

### Principal Officials

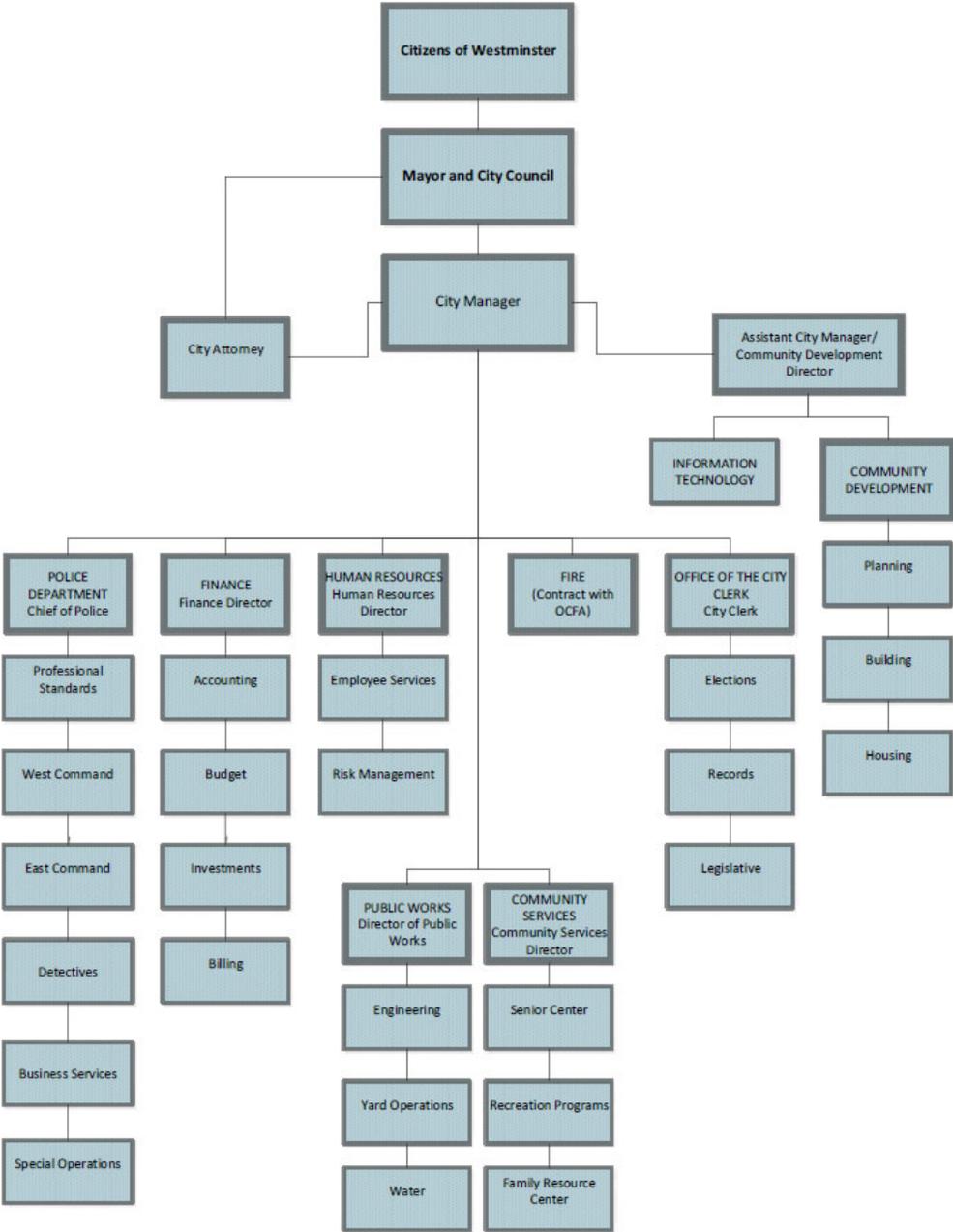
#### **CITY COUNCIL**

TRI TA, Mayor  
CARLOS MANZO, Vice Mayor District 2  
TAI DO, Council Member  
KIMBERLY HO, Council Member, District 3  
CHI CHARLIE NGUYEN, Council Member

#### **CITY OFFICIALS**

Christine Cordon	Interim City Manager
Adolfo Ozaeta	Interim Assistant City Manager
Erin Backs	Finance Director/City Treasurer
Christian Bettenhausen	City Attorney
Lucie Colombo	Interim City Clerk/Communications Director
Jodie Griner	Human Resources Director
Vanessa Johnson	Acting Community Services Director
Debbie Kurita	Interim Community Development Director
Darin Lenyi	Police Chief
Jake Ngo	Public Works Director/City Engineer
Ron Roberts	O.C. Fire Authority Division Chief

# CITY OF WESTMINSTER ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Westminster  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

City Council Members  
City of Westminster  
Westminster, California

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

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

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the CalPERS pension plans – schedule of proportionate share of the net pension liability and the schedule of contributions – safety plan, schedule of changes in the net pension liability and related ratios and schedule of contributions – miscellaneous plan, the PARS pension plan – schedule of changes in the net pension liability and related ratios and schedule of contributions, the other postemployment benefit plan – schedule of changes in the net OPEB liability and related ratios and schedule of contributions, and the budgetary comparison schedules for the general fund and major special revenue funds, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules (supplementary information), and statistical section, 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.

The supplementary information, as listed in the table of contents, 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. Such 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

City Council Members  
City of Westminster

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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.



**CliftonLarsonAllen LLP**

Irvine, California  
March 24, 2022

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**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

As management of the City of Westminster (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021, along with comparisons to the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the financial statements that follow.

**FINANCIAL HIGHLIGHTS**

The City's net position – the difference between its assets and deferred outflows of resources compared to its liabilities and deferred inflows of resources – was \$186.4 million, an increase of \$2 million or 1.09%. The net position of business-type activity increased by \$3.8 million or 11.54%, while the net position of governmental activities decreased by \$1.8 million or 1.2%.

The net position of \$186.4 million consisted of: \$212.6 million of net investment in capital assets; \$55.9 million of resources that are subject to external restrictions on how they may be used; \$10.8 million that may be used to meet the City's obligations for its business-type activity; and a \$92.8 million deficit related to its governmental activities.

Total revenues were \$100.6 million and total expenses were \$99.6 million. Revenues increased by \$1.2 million, while expenses decreased by \$1.0 million.

The City's governmental funds reported a combined ending fund balance of \$110.3 million, an increase of \$2.3 million. Of this amount, \$49.1 million (the sum of assigned and unassigned fund balances) is available for spending at the City's discretion.

The City has a Reserve Policy with committed and assigned balances. The Committed fund balance for the General Fund as of June 30, 2021, was \$10.9 million, or 17.00% of total General Fund expenditures. This percentage hits the City's target rate and is in accordance with the recommendation of the Government Finance Officers Association (GFOA). The Assigned fund balance for the General Fund as of June 30, 2021, was \$2.7 million, while the Unassigned fund balance was \$21.1 million, or 37.4% of total General Fund expenditures. This compares to an Unassigned fund balance of \$16.7 million as of June 30, 2020, which was 26.70% of General Fund expenditures for that fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all assets, liabilities, deferred outflows and inflows with the difference between them reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., uncollected taxes or earned but unused vacation leave).

Both of the government-wide statements distinguish functions of the City government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, public safety, public works, community development, and community services. A business-type activity of the City includes the water utility.

The government-wide financial statements include not only the City (known as the primary government) but also the legally separate Westminster Housing Authority, and the Westminster Public Financing Authority but whose activities entirely support the City of Westminster.

The government-wide financial statements can be found immediately following this discussion and analysis.

**Fund Financial Statements**

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds organized by their type (general, special revenue, and capital improvements funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Westminster Housing Authority, Housing and Community Development, Special Gas Tax and Street Improvements, and Capital Improvements, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the other governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with this budget.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

**Proprietary funds** are generally used to account for services for which the City charges outside customers, or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the operations of water.
- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its liability administration, general benefits, equipment replacement, information systems and equipment, and government buildings. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found immediately following the governmental funds financial statements.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found immediately following the proprietary fund financial statements.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fiduciary funds financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to City employees. Also included in this section are the budgetary comparison schedules for the general and major special revenue funds. The required supplementary information can be found immediately following the notes to the basic financial statements.

Combining statements and individual fund statements for non-major governmental funds, and internal service funds are presented immediately following the required supplementary information.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Analysis of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. This analysis addresses the financial statements of the City as a whole.

City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$186.4 million as of June 30, 2021. This is an increase of \$2 million for the year, as the condensed summaries of the statement of net position show below and on the following pages. Last year, in comparison, the City's net position decreased by \$1.6 million.

<b>Condensed Statement of Net Position Primary Government</b>				
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>Increase/ (Decrease) From 2020</b>	<b>Percent Increase/ (Decrease)</b>
<b>Assets:</b>				
Current and other assets	174,931,524	155,193,125	\$ 19,738,399	12.72%
Capital assets, net of accumulated depreciation	<u>217,245,756</u>	<u>226,345,894</u>	<u>(9,100,138)</u>	-4.02%
Total assets	<u>392,177,280</u>	<u>381,539,019</u>	<u>10,638,261</u>	2.79%
Deferred Outflows of Resources:	<u>25,193,733</u>	<u>22,576,070</u>	<u>2,617,663</u>	11.59%
<b>Liabilities:</b>				
Current and other liabilities	23,945,326	14,177,308	9,768,018	68.90%
Long-term liabilities	<u>193,380,761</u>	<u>187,915,949</u>	<u>5,464,812</u>	2.91%
Total liabilities	<u>217,326,087</u>	<u>202,093,257</u>	<u>15,232,830</u>	7.54%
Deferred Inflows of Resources:	<u>13,622,081</u>	<u>17,613,749</u>	<u>(3,991,668)</u>	-22.66%
<b>Net position:</b>				
Net investment in capital assets	212,642,661	220,150,509	(7,507,848)	-3.41%
Restricted	55,860,876	41,489,439	14,371,437	34.64%
Unrestricted	<u>(82,080,692)</u>	<u>(77,231,865)</u>	<u>(4,848,827)</u>	6.28%
Total net position	<u>186,422,845</u>	<u>184,408,083</u>	<u>\$ 2,014,762</u>	1.09%

At the end of the fiscal year 2021, the City continued to report positive balances in two of the three categories of net position for the government as a whole, as well as for its separate governmental and business-type activities.

Net position - Restricted for governmental and business-type activities combined (\$55.9 million or 30% of total net position) represents resources that are subject to external restrictions on how they may be used. This is a \$14.4 million, or 34.6% increase from prior year. The majority of this increase is due to designating additional capital project accounts as restricted, such as Gas Tax \$6.9 million.

The largest portion (114.06%) of the City's net position reflects its investment of \$217.2 million in capital assets (net of accumulated depreciation); less any related outstanding debt and capital related payables used to acquire those assets. This is an overall decrease of \$7.5 million, or 3.41% from the prior year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt and capital related payables, resources needed to

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position - Unrestricted has a deficit balance of \$82.1 million as of June 30, 2021. The deficit balance is the result of implementing Governmental Accounting Standards Board (GASB) statements related to pension and other post-employment benefits (OPEB) liabilities. The deficit reflects the extent to which the City must defer to future periods the financing of a portion of its pension and OPEB liabilities. Generally accepted accounting principles require financial statement recording when a liability is incurred. However, the City, like many other governments, raises and budgets resources needed to liquidate certain liabilities during the year in which the liability is to be liquidated rather than during the year in which the liability is incurred. In the case of the pension liability and the OPEB liability, the City will continue to fund these obligations on an actuarial basis, contributing the full amount of annual required contributions to the pension system every year. In fiscal year 2017-18 the City set up two IRS Section 115 Trust Funds dedicated to pension and OPEB. \$288 thousand and \$250 thousand were contributed to the pension, and OPEB trust funds respectively in fiscal year 2020-21. Subject to available funds, the City has the discretion to prepay the annual unfunded accrued liabilities (UAL) obligation to the pension trust fund and/or the OPEB trust fund.

<b>Condensed Statement of Net Position Governmental Activities</b>				
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>Increase/ (Decrease) From 2020</b>	<b>Percent Increase/ (Decrease)</b>
<b>Assets:</b>				
Current and other assets	151,476,148	137,133,501	\$ 14,342,647	10.46%
Capital assets, net of accumulated depreciation	189,119,039	196,781,842	(7,662,803)	-3.89%
<b>Total assets</b>	<b>340,595,187</b>	<b>333,915,343</b>	<b>6,679,844</b>	<b>2.00%</b>
<b>Deferred Outflows of Resources:</b>	<b>24,202,446</b>	<b>21,721,317</b>	<b>2,481,129</b>	<b>11.42%</b>
<b>Liabilities:</b>				
Current and other liabilities	20,550,398	11,710,323	8,840,075	75.49%
Long-term liabilities	182,279,254	176,350,596	5,928,658	3.36%
<b>Total liabilities</b>	<b>202,829,652</b>	<b>188,060,919</b>	<b>14,768,733</b>	<b>7.85%</b>
<b>Deferred Inflows of Resources:</b>	<b>12,536,561</b>	<b>16,332,073</b>	<b>(3,795,512)</b>	<b>-23.24%</b>
<b>Net position:</b>				
Net investment in capital assets	186,402,466	192,927,504	(6,525,038)	-3.38%
Restricted	55,860,876	41,489,439	14,371,437	34.64%
Unrestricted	(92,831,922)	(83,173,275)	(9,658,647)	11.61%
<b>Total net position</b>	<b>\$ 149,431,420</b>	<b>\$ 151,243,668</b>	<b>\$ (1,812,248)</b>	<b>-1.20%</b>

**Governmental activities** show an overall decrease in the total net position of \$1.8 million or 1.20%. Key changes in the Statement of Net Position are as follows:

Current and other assets increased by \$14.3 million or 10.46%. This was mostly due to an increase of \$11.3 million in Cash and investments (both current and restricted). This increase is mostly due to the receipt of American Rescue Plan Act of 2021 (ARPA) funds of \$11.9 million. These funds were received in June and are

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

reflected as Unearned revenue. Cash and investments also include a "mark-to-market" value of the city's investments of \$1.1 million. This is a decrease of \$1.25 million when compared to June 30, 2020.

Current and other liabilities increased by \$8.84 million or 75.49%. The majority of this increase is in Unearned revenue which increased by \$11.4 million due to the ARPA funds noted above. Accounts payable and other liabilities decreased by \$0.8 million. The prior year's balance included two large construction projects (Rancho Road and McFadden Avenue) as well as the implementation of a new accounting software. These liabilities were paid in the current fiscal year.

Deferred Outflows of Resources increased by \$2.5 million or 11.42%, and Deferred Inflows of Resources decreased by \$3.8 million or 23.24%. The balances are related to the City's pension and OPEB plans. These balances are made up of various components and are amortized over a number of years and recognized through pension and OPEB expenses. More detailed information can be found in Notes 8 and 9 in the notes to the basic financial statements.

<b>Condensed Statement of Net Position Business-type Activity</b>				
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>Increase/ (Decrease) From 2020</b>	<b>Percent Increase/ (Decrease)</b>
<b>Assets:</b>				
Current and other assets	\$ 23,455,376	\$ 18,059,624	\$ 5,395,752	29.88%
Capital assets, net of accumulated depreciation	28,126,717	29,564,052	(1,437,335)	-4.86%
Total assets	<u>51,582,093</u>	<u>47,623,676</u>	<u>3,958,417</u>	8.31%
Deferred Outflows of Resources:	<u>991,287</u>	<u>854,753</u>	<u>136,534</u>	15.97%
<b>Liabilities:</b>				
Current and other liabilities	3,394,928	2,466,985	927,943	37.61%
Long-term liabilities	11,101,507	11,565,353	(463,846)	-4.01%
Total liabilities	<u>14,496,435</u>	<u>14,032,338</u>	<u>464,097</u>	3.31%
Deferred Inflows of Resources:	<u>1,085,520</u>	<u>1,281,676</u>	<u>(196,156)</u>	-15.30%
<b>Net position:</b>				
Net investment in capital assets	26,240,195	27,223,005	(982,810)	-3.61%
Unrestricted	10,751,230	5,941,410	4,809,820	80.95%
Total net position	<u>\$ 36,991,425</u>	<u>\$ 33,164,415</u>	<u>\$ 3,827,010</u>	11.54%

**Business-type activity** shows an overall increase of \$3.8 million or 11.54%. Key changes in the net position of business-type activity were as follows:

Current and other assets increased by \$5.4 million or 29.88%. This increase is primarily Cash and other investments which increased by \$5.2 million due to an increase in net position of \$3.8 million. Deferred outflows of resources increased by \$0.1 million or 15.97%, and Deferred inflows of resources decreased by \$0.2 million or 15.30%. As noted with the governmental activities, the majority of these changes are attributable to the pension

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

and OPEB liabilities. More detailed information can be found in Notes 8 and 9 in the notes to the basic financial statements.

Current and other liabilities increased by \$0.9 million or 37.61%. The majority of this increase is in a pump and water basin charge that increased by \$0.5 million.

Net position – Unrestricted increased by \$4.8 million or 80.95%. This is due to overall decreasing debt and a positive change in net position.

**Analysis of Activities**

The statement of activities shows how the government's net position changed during the fiscal year 2020-21. The City's net position increased by \$2 million as shown on the condensed summaries shown below and on the following pages.

<b>Condensed Statement of Activities Primary Government</b>				
	<u>For the year ended</u>		<b>Increase/ (Decrease) From 2020</b>	<b>Percent Increase/ (Decrease)</b>
	<u>June 30, 2021</u>	<u>June 30, 2020</u>		
Revenues:				
Program revenues:				
Charges for services	\$ 28,157,800	\$ 30,487,116	\$ (2,329,316)	-7.64%
Operating grants and contributions	10,753,411	9,411,769	1,341,642	14.25%
Capital grants and contributions	2,793,635	371,229	2,422,406	652.54%
General revenues:				
Unrestricted taxes	42,079,211	39,250,439	2,828,772	7.21%
Unrestricted investment earnings	317,397	3,699,222	(3,381,825)	-91.42%
Intergovernmental revenue - sales taxes	17,534,019	16,158,371	1,375,648	8.51%
Total Revenues	<u>101,635,473</u>	<u>99,378,146</u>	<u>2,257,327</u>	2.27%
Expenses:				
General government	6,927,973	6,788,590	139,383	2.05%
Public safety	49,653,897	51,215,645	(1,561,748)	-3.05%
Public works	13,584,616	13,747,708	(163,092)	-1.19%
Community development	11,282,285	10,081,232	1,201,053	11.91%
Community services	3,117,789	3,245,549	(127,760)	-3.94%
Interest on long term debt	53,242	66,480	(13,238)	-19.91%
Water enterprise	15,000,910	15,820,968	(820,058)	-5.18%
Total Expenses	<u>99,620,712</u>	<u>100,966,172</u>	<u>(1,345,460)</u>	-1.33%
Change in Net Position	2,014,761	(1,588,026)	3,602,787	-226.87%
Net Position - Beginning of Year	<u>184,408,084</u>	<u>185,996,109</u>	<u>(1,588,025)</u>	-0.85%
Net Position - End of Year	<u>\$ 186,422,845</u>	<u>\$ 184,408,084</u>	<u>\$ 2,014,762</u>	1.09%

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

<b>Condensed Statement of Activities Governmental Activities</b>				
	<b>For the year ended</b>		<b>Increase/ (Decrease) From 2020</b>	<b>Percent Increase/ (Decrease)</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>		
Revenues:				
Program revenues:				
Charges for services	\$ 9,527,320	\$ 12,917,257	\$ (3,389,937)	-26.24%
Operating grants and contributions	10,753,411	9,411,769	1,341,642	14.25%
Capital grants and contributions	2,793,635	371,229	2,422,406	652.54%
General revenues:				
Unrestricted taxes	42,079,211	39,250,439	2,828,772	7.21%
Unrestricted investment earnings	84,958	3,469,077	(3,384,119)	-97.55%
Intergovernmental revenue - sales taxes	17,534,019	16,158,371	1,375,648	8.51%
Total Revenues	<u>82,772,554</u>	<u>81,578,142</u>	<u>1,194,412</u>	1.46%
Expenses:				
General government	6,927,973	6,788,590	139,383	2.05%
Public safety	49,653,897	51,215,645	(1,561,748)	-3.05%
Public works	13,584,616	13,747,708	(163,092)	-1.19%
Community development	11,282,285	10,081,232	1,201,053	11.91%
Community services	3,117,789	3,245,549	(127,760)	-3.94%
Interest on long term debt	53,242	66,480	(13,238)	-19.91%
Total Expenses	<u>84,619,802</u>	<u>85,145,204</u>	<u>(525,402)</u>	-0.62%
Excess (Deficit) of Revenues over Expenses	(1,847,248)	(3,567,062)	1,719,814	-48.21%
Transfers	35,000	35,000	-	0.00%
Change in Net Position	(1,812,248)	(3,532,062)	1,719,814	-48.69%
Net Position - Beginning of Year	<u>151,243,668</u>	<u>154,775,730</u>	<u>(3,532,062)</u>	-2.28%
Net Position - End of Year	<u>\$ 149,431,420</u>	<u>\$ 151,243,668</u>	<u>\$ (1,812,248)</u>	-1.20%

**Governmental activities** decreased the City's net position by \$1.8 million. Revenues increased by \$1.2 million or 1.46%. Unrestricted investment earnings decreased \$3.4 million or 98% primarily due to a decline in investment earnings and the fair market value adjustment. Program revenue decreased related to charges for services by \$3.4 million or 26.2%. Decreases are offset by increases in general revenues related to unrestricted taxes, which increased by \$2.8 million or 7.21%, general revenues related to intergovernmental revenue – sales taxes, which increased by \$1.4 million or 8.51%, and program revenue related to operating grants and contributions, which increased by \$1.3 million or 14.25%. Operating grants and contributions increased by \$1.3 million or 14.25%. This revenue source will vary from year to year. Fiscal year 2020-21 includes CARES Act monies of \$1.53 million.

Overall Program expenses decreased by \$525 thousand or 1%. Three categories contributed to the decrease from fiscal year 2019-20. Public safety expense decreased by \$1.6 million or 3.1% and Public works expenses decreased by \$163 thousand or 1.19%. Community development expenses increased by \$1.2 million or 11.91%. Included in these costs are \$2.2 and \$1.2 million in Covid-19 related expenses in fiscal years June 30, 2021 and 2020, respectively. Actuarially required contributions to the defined benefit pension plan increased \$2.7 million over fiscal year 2019-20.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

<b>Condensed Statement of Activities</b>				
<b>Business-type Activity</b>				
	<b>For the year ended</b>		<b>Increase/ (Decrease) From 2020</b>	<b>Percent Increase/ (Decrease)</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>		
Revenues:				
Program revenues:				
Charges for services	\$ 18,630,480	\$ 17,569,859	\$ 1,060,621	6.04%
General revenues:				
Unrestricted investment earnings	232,439	230,145	2,294	1.00%
<b>Total Revenues</b>	<u>18,862,919</u>	<u>17,800,004</u>	<u>1,062,915</u>	5.97%
Expenses:				
Water enterprise	15,000,910	15,820,968	(820,058)	-5.18%
<b>Total Expenses</b>	<u>15,000,910</u>	<u>15,820,968</u>	<u>(820,058)</u>	-5.18%
Excess of Revenues over Expenses	3,862,009	1,979,036	1,882,973	95.15%
Transfers	(35,000)	(35,000)	-	0.00%
<b>Change in Net Position</b>	3,827,009	1,944,036	1,882,973	96.86%
Net Position - Beginning of Year	33,164,416	31,220,379	1,944,037	6.23%
Net Position - End of Year	<u>\$ 36,991,425</u>	<u>\$ 33,164,416</u>	<u>\$ 3,827,009</u>	11.54%

**Business-type activity** increased the City's net position by \$3.8 million or 11.54% in the fiscal year 2020-21. Charges for services increased by \$1.1 million or 6.04%. The City increased water rates in March 2021 to cover overall increasing production and infrastructure costs. Water expenses decreased by \$820 thousand or 5.18%.

In the fiscal year 2020-21, program revenues funded 124% of total expenses, as compared to 111% in the fiscal year 2019-20. General revenues were able to add to the surplus of Excess of Revenues over Expenses resulting in a positive Change in Net Position of \$3.8 million in fiscal year 2020-21 after transfers.

**FINANCIAL ANALYSIS OF CITY FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Overall, the City had a net increase of \$2.3 million to governmental fund balances in the fiscal year 2020-21 and a net increase of \$4.6 million to its proprietary funds' net position when including the City's internal service funds.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The City presents its financial statements in compliance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of the Statement is to present useful fund balance information by providing clear fund balance classifications and governmental fund type definitions. The Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$110.3 million, an increase of \$2.3 million in comparison with the prior year. Of the \$110.3 million, \$188,498 or 0.17% is classified as non-spendable fund balance; \$50.2 million or 45.49%, is classified as restricted fund balance; \$10.8 million or 9.81%, is classified as committed; \$28.0 million or 25.38%, is classified as assigned fund balance; and \$21.1 million or 19.15% is classified as unassigned fund balance. For a more detailed description of these classifications see Note 12 in the notes to the basic financial statements.

The General Fund is the chief operating fund of the City. As of June 30, 2021, the total fund balance was \$34.8 million. The non-spendable portion of this balance is \$188,018; \$10.8 million is committed for emergency/contingency reserve; \$2.7 million is assigned for the WRA dissolution reserve; the remaining \$21.1 million unassigned fund balance is available for spending at the City's discretion. The unassigned total fund balance represents 27.1% of total General Fund expenditures.

The major factors in fund balance changes are as follows:

**Governmental Funds**

- The **General Fund** experienced a \$4.7 million increase in fund balance in the fiscal year 2020-21, compared to a \$4.2 million increase in the fiscal year 2019-20. Revenues were \$67.5 million, an increase of \$0.9 million compared to the fiscal year 2019-20, while expenditures were \$63.7 million, an increase of \$1.3 million from the fiscal year 2019-20. The increase in revenues and expenditures were addressed on page 12 of this report as part of the Analysis of Activities section.
- The **Westminster Housing Authority Fund** balance declined by \$0.3 million in the fiscal year 2020-21. In the fiscal year 2019-20, the fund declined by \$0.4 million. The fund's \$25.1 million fund balance is restricted for low and moderate income housing purposes.
- The **Housing and Community Development Fund** had its fund balance increase by \$0.3 million. This is a grant program which is reimbursed periodically throughout the year.
- The **Special Gas Tax and Street Improvements Fund** recognized a \$0.1 million increase in fund balance during the fiscal year 2020-21. Grant-funded projects comprise a significant portion of this fund and many of the projects are reimbursable only upon completion. The fund received \$6.8 million in revenue in the fiscal year 20-21, compared to expenditures of \$1.9 million. Resources were transferred out in the amount of \$4.9 million. As of June 30, 2021, this fund had a fund balance of \$1.3 million.
- The **Capital Improvements Capital Projects Fund** balance decreased by \$2.8 million. There were \$7.6 million in transfers into the fund from various other funds to complete newly approved projects. A total of \$7.8 million was spent on capital outlay and community development during the year. See Note 6 in the notes to the basic financial statements for additional information.

This fund also houses the Economic Development-Capital Improvements Fund which was established in fiscal year 2016-17. This fund was created using one-time monies to address the elimination of redevelopment and to support capital improvement projects and economic development efforts. As of June 30, 2021, this portion of the Capital Improvements Capital Projects fund balance of \$36.8 million was \$15.0 million.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

- **Other Governmental Funds**, which are the City's non-major funds, recognized a combined increase of \$0.2 million to fund balances. These funds are further detailed in the Other Supplementary Information section of this annual report.

**Proprietary Funds**

- The **Enterprise (Water) Fund** recorded an increase of \$3.8 million to its net position during the fiscal year 2020-21. This is the third year of gains to this fund. Increases to water rates in the last few years based on water studies have helped to improve the financial stability of this fund.
- The **Internal Service Funds** had its net position increase by \$0.8 million. These funds had a combined operating income of \$0.5 million. The City's reserve policy established a target level of \$500,000 in unrestricted net position in each of the internal service funds. With the exception of the Compensation/Benefits Internal Service Fund, which had a deficit unrestricted fund balance of \$3.1 million as of June 30, 2021, the remaining internal service funds had a combined balance of \$6.2 million in unrestricted net position. The Compensation/Benefits Fund also has a portion of its net position restricted for pension benefits at \$4.2 million for an overall positive net position of \$1.1 million. The internal service funds finance and account for goods and services provided by one City department to other City departments on a cost-reimbursement basis. The City reports four internal service funds in its audited financial statements. These funds are further detailed in the Other Supplementary Information section of this annual report.

**BUDGETARY HIGHLIGHTS**

When preparing its budget, the City attempts to estimate its revenues using realistic, but conservative methods so as to budget its expenditure appropriations in a prudent manner. Amendments were approved during the year to the adopted budget. The fiscal year 2020-21 General Fund's original (adopted) budget revenue amount was \$60.2 million and the final budget was \$61.7 million, a net increase of \$1.5 million. The majority of this increase was to account for the CARES Act funding received from the State of California and County of Orange during the fiscal year. This resulted in a budget adjustment of \$1.5 million. The fiscal year 2020-21 General Fund's original (adopted) budget for expenditures was \$64.2 million and the final budget was \$66.3 million, a net increase of \$2.0 million. This was all related to Covid-19.

The General Fund reflected a net total positive budget variance of \$8.4 million when comparing actual amounts to the final amended budget for the current fiscal year. Actual revenues shows a positive variance of \$5.7 million or 9.33% of the final budget.

Actual expenditures of \$63.7 million generated budgetary savings of \$2.6 million, or 3.9% of the final budget. \$1.6 million of the savings was from salary savings as a result of vacancies, while the remaining \$1.0 million was from operating cost savings.

The General Fund budgetary comparison schedule can be found in the Required Supplementary Information section of this annual report.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets:**

Capital assets (net of accumulated depreciation) as of June 30, 2021, and June 30, 2020, are summarized below:

<b>Capital Assets (net of accumulated depreciation)</b>			
	<b>June 30, 2021</b>		
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>
Land	\$ 7,823,959	\$ 2,484,846	\$ 10,308,805
Construction in progress	2,012,985	-	2,012,985
Buildings	87,397,789	9,177	87,406,966
Improvements other than buildings	17,022,523	8,101,964	25,124,487
Water distribution lines	-	14,706,074	14,706,074
Vehicles, machinery and equipment	3,371,515	2,783,287	6,154,802
Office furniture and equipment	2,394,436	41,370	2,435,806
Leased property	1,354,444	-	1,354,444
Infrastructure	67,741,388	-	67,741,388
Total capital assets, net	<u>\$ 189,119,039</u>	<u>\$ 28,126,718</u>	<u>\$ 217,245,757</u>
	<b>June 30, 2020</b>		
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>
Land	\$ 7,727,359	\$ 2,484,846	\$ 10,212,205
Construction in progress	906,356	-	906,356
Buildings	89,725,821	9,976	89,735,797
Improvements other than buildings	17,636,864	8,348,739	25,985,603
Water distribution lines	-	15,610,480	15,610,480
Vehicles, machinery and equipment	3,687,438	3,056,973	6,744,411
Office furniture and equipment	2,778,952	53,038	2,831,990
Leased property	1,048,279	-	1,048,279
Infrastructure	73,270,773	-	73,270,773
Total capital assets, net	<u>\$ 196,781,842</u>	<u>\$ 29,564,052</u>	<u>\$ 226,345,894</u>

Capital assets as of June 30, 2021, totaled \$217.2 million (net of accumulated depreciation). The total decrease in capital assets for the fiscal year 2020-21 was \$9.1 million, composed of a \$7.7 million or 3.9% decrease for governmental activities and a \$1.4 million or 4.9% decrease for business-type activity. Noteworthy changes to capital assets during the fiscal year 2020-21 included the following:

- The City added \$2.7 million in Infrastructure. The majority of these projects were paid for with various grant contributions.
- The City completed \$0.4 million in both Vehicles, machinery and equipment and Office furniture and equipment related to park improvements and another \$1.7 million in Construction in Progress also related to park improvements.
- The City added a net \$0.3 million in Leased property. The fleet department began reducing vehicles in fiscal year 2019-20 in an effort to save budget dollars.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

- Annual depreciation expense was \$15.3 million - \$13.9 million on assets related to governmental activities assets and \$1.4 million on assets related to business-type activities (water utility).

Additional information on the City's capital assets can be found in Note 6 in the notes to the basic financial statements.

**Long-term debt:**

Long-term debt as of June 30, 2021, and June 30, 2020, are summarized below:

	<b>Outstanding Debt</b>		
	<b>June 30, 2021</b>		
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>
Certificates of participation	\$ 350,000	\$ 965,000	\$ 1,315,000
Leases payable	1,844,240	-	1,844,240
Loans payable	-	999,534	999,534
Total outstanding debt	<u>\$ 2,194,240</u>	<u>\$ 1,964,534</u>	<u>\$ 4,158,774</u>
	<b>June 30, 2020</b>		
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>
Certificates of participation	\$ 685,000	\$ 1,260,000	\$ 1,945,000
Leases payable	1,431,839	-	1,431,839
Loans payable	-	1,072,928	1,072,928
Total outstanding debt	<u>\$ 2,116,839</u>	<u>\$ 2,332,928</u>	<u>\$ 4,449,767</u>

At the end of the fiscal year 2020-21, the City had total long-term debt (excluding compensated absences and claims, pension and OPEB liabilities) outstanding of \$4.2 million. The total decrease in debt for the fiscal year 2021 was \$0.3 million, composed of an increase of \$0.08 million or 3.7% for governmental activities and a decrease of \$0.4 million or 15.79% for business-type activity. These decreases were related to on-going debt service payments. Additional information can be found in Note 7 in the notes to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The General Fund ended the fiscal year 2020-21 with total revenues exceeding total expenditures by \$4.7 million. The majority of this remained in fund balance due to the uncertainty the pandemic will have on our city and the local economy. The current two-year budget for fiscal years 2019-21 was passed with a balanced budget for fiscal year 2019-20 and a \$1.2 million deficit for fiscal year 2020-21. The revised 2020-21 Budget was passed with a \$1.6 million deficit. The City continues to manage a structural deficit, and no monies were originally budgeted to be transferred from the General Fund to the Capital Projects Fund for streets for the first time since

**CITY OF WESTMINSTER  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

the passage of the 1% transaction and use tax during the latter part of the fiscal year 2016-17. However, due to the positive ending balance, The City Council allocated \$1.5 million to street repairs at the end of the fiscal year. Since the passage of this biennial budget, Council passed a Cost of Services Study, which reduced the deficit by \$1.0. However, the pandemic resulted in another adjustment of reduced revenue at \$4.7 million, and a transfer in from the Capital Projects Fund of \$2.4 million from a previously unallocated project. As a result of these two adjustments the revised fiscal year 2020-21 was updated to a \$1.6 million deficit.

The City has made a concerted effort to control the growth of expenditures. The City continues to provide services at ratios equal to or exceeding other “full service” cities while maintaining a ratio for employees per capita that is below the County average, and General Fund expenditures per capita ratio that is substantially below that of the most comparable neighboring cities averages:

	<u>City</u>	<u>Neighboring Cities Average</u>
Employees per capita (1,000)	2.55	3.80
General Fund costs per capita	\$675	\$893

The City has dedicated itself to delivering cost-effective service, without sacrificing the quality and level of service that is important to the overall quality of life, health, and safety of the community.

The adopted budget for the fiscal year 2021-22 includes a General Fund deficit of \$1,278,820. The budget authorizes \$67.9 million in General Fund expenditures and \$25 thousand in transfers out to other funds vs. \$66.7 million in estimated revenue. Expenditures are budgeted at a \$4.3 million or 6.7% increase over the fiscal year 2020-21 actuals, while revenues are budgeted at a \$6.4 million or 9.6% decrease from the fiscal year 2019-20 actuals. The General Fund ended the fiscal year 2020-21 with \$21.1 million in unassigned fund balance or approximately 34% of actual General Fund expenditures. Based on the adopted budget, the General Fund is projected to end the fiscal year 2021-22 with \$31.1 million in reserves, representing 6% of the budgeted expenditures.

The City Council has acknowledged the importance of continuing to provide essential services to residents such as police, code enforcement, community services, parks and street maintenance. An independent municipal finance consultant was hired by the City in July 2015, and a financial advisory task force was appointed by the City Council in October 2015 to address possible solutions to the City’s ongoing structural deficit. As a result of their findings, the City Council placed a measure (SS) on the November 8, 2016 election ballot to adopt a 1% transactions and use tax which would operate for six years and sunset on December 31, 2022. Measure SS passed by an over 60% vote of the citizens of Westminster.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the financial position of the City for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City’s Finance Department at the City of Westminster, 8200 Westminister Boulevard, Westminister, CA 92683, or call (714) 898-3311 or visit our website at [www.westminster-ca.gov](http://www.westminster-ca.gov).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
<b>ASSETS</b>			
Cash and Investments	\$ 96,223,695	\$ 18,630,822	\$ 114,854,517
Receivables, Net of Allowances	35,686,609	3,471,432	39,158,041
Prepaid Items	228,685	-	228,685
Internal Balances	(996,778)	996,778	-
Inventory	19,976	245,722	265,698
Restricted Assets:			
Cash and Investments	4,473,820	-	4,473,820
Cash and Investments with Fiscal Agents	2,981,624	110,622	3,092,246
Cash and Investments held in Pension Trust	4,198,906	-	4,198,906
Land Held for Resale	8,659,611	-	8,659,611
Capital Assets			
Not Being Depreciated	9,836,944	2,484,846	12,321,790
Being Depreciated, Net of Accumulated Depreciation	179,282,095	25,641,871	204,923,966
Total Assets	<u>340,595,187</u>	<u>51,582,093</u>	<u>392,177,280</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Refunding, Net of Accumulated Amortization	22,825	78,012	100,837
Deferred Amounts on Pension Plans	21,198,460	571,327	21,769,787
Deferred Amounts on OPEB Plan	2,981,161	341,948	3,323,109
Total Deferred Outflows of Resources	<u>24,202,446</u>	<u>991,287</u>	<u>25,193,733</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	2,776,021	3,376,928	6,152,949
Due to Other Governments	5,150,272	-	5,150,272
Unearned Revenue	11,845,010	-	11,845,010
Deposits	779,095	18,000	797,095
Long-Term Liabilities:			
Due Within One Year	6,039,411	624,653	6,664,064
Due in More than One Year	8,912,577	1,617,410	10,529,987
Due in More than One Year - Pension Liability	126,106,944	4,131,352	130,238,296
Due in More than One Year - OPEB Liability	41,220,322	4,728,092	45,948,414
Total Liabilities	<u>202,829,652</u>	<u>14,496,435</u>	<u>217,326,087</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Pension Plans	3,072,812	-	3,072,812
Deferred Amounts on OPEB Plans	9,463,749	1,085,520	10,549,269
Total Deferred Inflows of Resources	<u>12,536,561</u>	<u>1,085,520</u>	<u>13,622,081</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	186,402,466	26,240,195	212,642,661
Restricted for:			
Community Development	32,732,025	-	32,732,025
Public Safety	1,867,080	-	1,867,080
Public Works	16,805,337	-	16,805,337
Debt Service	257,528	-	257,528
Pension Benefits	4,198,906	-	4,198,906
Unrestricted	(92,831,922)	10,751,230	(82,080,692)
Total Net Position	<u>\$ 149,431,420</u>	<u>\$ 36,991,425</u>	<u>\$ 186,422,845</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 6,927,973	\$ 1,040,986	\$ 1,732,643	\$ 171,841
Public Safety	49,653,897	4,221,413	544,926	-
Public Works	13,584,616	635,402	-	2,621,746
Community Development	11,282,285	3,534,337	7,945,171	48
Community Services	3,117,789	95,182	530,671	-
Interest on Long-Term Debt	53,242	-	-	-
Total Governmental Activities	<u>84,619,802</u>	<u>9,527,320</u>	<u>10,753,411</u>	<u>2,793,635</u>
<b>BUSINESS-TYPE ACTIVITY</b>				
Water Enterprise	<u>15,000,910</u>	<u>18,630,480</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 99,620,712</u>	<u>\$ 28,157,800</u>	<u>\$ 10,753,411</u>	<u>\$ 2,793,635</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (3,982,503)	\$ -	\$ (3,982,503)
Public Safety	(44,887,558)	-	(44,887,558)
Public Works	(10,327,468)	-	(10,327,468)
Community Development	197,271	-	197,271
Community Services	(2,491,936)	-	(2,491,936)
Interest on Long-Term Debt	(53,242)	-	(53,242)
Total Governmental Activities	(61,545,436)	-	(61,545,436)
<b>BUSINESS-TYPE ACTIVITY</b>			
Water Enterprise	-	3,629,570	3,629,570
Total	(61,545,436)	3,629,570	(57,915,866)
<b>GENERAL REVENUES</b>			
Unrestricted Taxes:			
Transactions and Use Taxes	14,573,087	-	14,573,087
Property Taxes, Levied for General Purposes	19,872,432	-	19,872,432
Utility Users Taxes	4,464,874	-	4,464,874
Business Operation Taxes	1,423,562	-	1,423,562
Franchise Taxes	1,145,183	-	1,145,183
Transient Occupancy Taxes	600,073	-	600,073
Unrestricted Investment Earnings	84,958	232,439	317,397
Intergovernmental Revenue - Sales Taxes	17,534,019	-	17,534,019
<b>TRANSFERS</b>	35,000	(35,000)	-
Total General Revenues and Transfers	59,733,188	197,439	59,930,627
<b>CHANGE IN NET POSITION</b>			
	(1,812,248)	3,827,009	2,014,761
Net Position - Beginning of Year	151,243,668	33,164,416	184,408,084
<b>NET POSITION - END OF YEAR</b>	<u>\$ 149,431,420</u>	<u>\$ 36,991,425</u>	<u>\$ 186,422,845</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General	Special Revenue Funds		
		Westminster Housing Authority	Housing and Community Development	Special Gas Tax and Street Improvements
<b>ASSETS</b>				
Cash and Investments	\$ 40,098,243	\$ -	\$ 150,901	\$ 689,235
Receivables, Net of Allowances	7,985,041	18,385,008	6,689,155	2,182,828
Prepaid Items	188,018	-	-	-
Due from Other Funds	700,000	-	-	-
Land Held for Resale	-	2,259,611	-	-
Restricted Assets:				
Cash and Investments	-	4,473,820	-	-
Cash and Investments with Fiscal Agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 48,971,302</b>	<b>\$ 25,118,439</b>	<b>\$ 6,840,056</b>	<b>\$ 2,872,063</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ 1,588,367	\$ 23,382	\$ 39,682	\$ 107,240
Deposits	627,392	-	-	-
Unearned Revenue	11,845,010	-	-	-
Due to Other Funds	-	-	700,000	30,000
Due to Other Governments	4,443	-	5,145,829	-
<b>Total Liabilities</b>	<b>14,065,212</b>	<b>23,382</b>	<b>5,885,511</b>	<b>137,240</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	66,781	-	-	1,390,429
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>14,131,993</b>	<b>23,382</b>	<b>5,885,511</b>	<b>1,527,669</b>
<b>FUND BALANCES</b>				
Nonspendable	188,018	-	-	-
Restricted	-	25,095,057	954,545	1,344,394
Committed	10,826,211	-	-	-
Assigned	2,696,420	-	-	-
Unassigned	21,128,660	-	-	-
<b>Total Fund Balances</b>	<b>34,839,309</b>	<b>25,095,057</b>	<b>954,545</b>	<b>1,344,394</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 48,971,302</b>	<b>\$ 25,118,439</b>	<b>\$ 6,840,056</b>	<b>\$ 2,872,063</b>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 27,704,638	\$ 11,442,552	\$ 80,085,569
Receivables, Net of Allowances	184,188	219,340	35,645,560
Prepaid Items	-	480	188,498
Due from Other Funds	30,000	-	730,000
Land Held for Resale	6,400,000	-	8,659,611
Restricted Assets:			
Cash and Investments	-	-	4,473,820
Cash and Investments with Fiscal Agents	2,981,620	4	2,981,624
 Total Assets	 <u>\$ 37,300,446</u>	 <u>\$ 11,662,376</u>	 <u>\$ 132,764,682</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	\$ 545,158	\$ 77,352	\$ 2,381,181
Deposits	-	151,703	779,095
Unearned Revenue	-	-	11,845,010
Due to Other Funds	-	-	730,000
Due to Other Governments	-	-	5,150,272
Total Liabilities	<u>545,158</u>	<u>229,055</u>	<u>20,885,558</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	72,181	1,529,391
 Total Liabilities and Deferred Inflows of Resources	 545,158	 301,236	 22,414,949
<b>FUND BALANCES</b>			
Nonspendable	-	480	188,498
Restricted	11,449,657	11,355,707	50,199,360
Committed	-	-	10,826,211
Assigned	25,305,631	4,953	28,007,004
Unassigned	-	-	21,128,660
Total Fund Balances	<u>36,755,288</u>	<u>11,361,140</u>	<u>110,349,733</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 37,300,446</u>	 <u>\$ 11,662,376</u>	 <u>\$ 132,764,682</u>

See accompanying Notes to Financial Statements.

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**CITY OF WESTMINSTER, CALIFORNIA  
RECONCILIATION TO THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Fund Balances - Total Governmental Funds \$ 110,349,733

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet (this excludes capital assets and accumulated depreciation of \$14,178,397 and \$(9,233,448), respectively, that are included in the internal service fund):

Capital Assets	449,471,559
Accumulated Depreciation	(265,389,930)

Internal Service funds are used by management to charge the costs of various city activities to individual governmental and business-like funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities. Internal Service funds net position, excluding \$970,038 allocated to the business-type activity is:

9,402,507

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of June 30, 2021 are:

Certificates of Participation Payable	(246,734)
Accrued Interest	(900)

Pension and OPEB related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pension and OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred Outflows of Resources on Pension	21,198,460
Deferred Outflows of Resources on OPEB	2,981,161
Deferred Inflows of Resources on Pension	(3,072,812)
Deferred Inflows of Resources on OPEB	(9,463,749)
Net Pension Liability	(126,106,944)
Net OPEB Liability	(41,220,322)

Long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the fund financial statements.

1,529,391

Net Position of Governmental Activities

\$ 149,431,420

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	General	Special Revenue Funds		
		Westminster Housing Authority	Housing and Community Development	Special Gas Tax and Street Improvements
<b>REVENUES</b>				
Taxes	\$ 40,020,100	\$ -	\$ -	\$ 4,645,948
Licenses and Permits	1,079,964	-	-	-
Fines	790,627	-	-	-
Investment and Rental	227,302	66,758	1,375	97,765
Intergovernmental	19,404,044	56,250	1,894,905	2,069,438
Charges for Services	5,720,551	790	-	3,526
Other	227,833	2,360	-	32,148
Total Revenues	<u>67,470,421</u>	<u>126,158</u>	<u>1,896,280</u>	<u>6,848,825</u>
<b>EXPENDITURES</b>				
Current:				
General Government	6,827,320	-	-	-
Public Safety	46,924,799	-	-	-
Public Works	4,745,764	-	-	-
Community Development	3,240,923	387,238	1,590,716	1,741,903
Community Services	1,917,427	-	-	-
Capital Outlay	27,359	-	-	-
Debt Service:				
Principal Retirement	-	-	-	108,036
Interest and Fiscal Charges	-	-	-	9,530
Total Expenditures	<u>63,683,592</u>	<u>387,238</u>	<u>1,590,716</u>	<u>1,859,469</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,786,829	(261,080)	305,564	4,989,356
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment and Property	6,073	-	-	-
Transfers In	2,434,650	-	8,881	6,825
Transfers Out	(1,525,000)	-	-	(4,867,380)
Total Other Financing Sources (Uses)	<u>915,723</u>	<u>-</u>	<u>8,881</u>	<u>(4,860,555)</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,702,552	(261,080)	314,445	128,801
Fund Balances - Beginning of Year	<u>30,136,757</u>	<u>25,356,137</u>	<u>640,100</u>	<u>1,215,593</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 34,839,309</u>	<u>\$ 25,095,057</u>	<u>\$ 954,545</u>	<u>\$ 1,344,394</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	Capital Projects Fund		
	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ 2,059,111	\$ 46,725,159
Licenses and Permits	-	-	1,079,964
Fines	-	-	790,627
Investment and Rental	139,760	217,453	750,413
Intergovernmental	-	1,114,246	24,538,883
Charges for Services	-	551,937	6,276,804
Other	-	18,049	280,390
Total Revenues	<u>139,760</u>	<u>3,960,796</u>	<u>80,442,240</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	7,543	6,834,863
Public Safety	-	804,264	47,729,063
Public Works	-	-	4,745,764
Community Development	1,357,532	1,136,729	9,455,041
Community Services	-	451,771	2,369,198
Capital Outlay	6,417,163	105,098	6,549,620
Debt Service:			
Principal Retirement	-	128,123	236,159
Interest and Fiscal Charges	-	11,302	20,832
Total Expenditures	<u>7,774,695</u>	<u>2,644,830</u>	<u>77,940,540</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,634,935)	1,315,966	2,501,700
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Equipment and Property	-	-	6,073
Transfers In	7,547,976	60,000	10,058,332
Transfers Out	<u>(2,738,058)</u>	<u>(1,130,596)</u>	<u>(10,261,034)</u>
Total Other Financing Sources (Uses)	<u>4,809,918</u>	<u>(1,070,596)</u>	<u>(196,629)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,825,017)	245,370	2,305,071
Fund Balances - Beginning of Year	<u>39,580,305</u>	<u>11,115,770</u>	<u>108,044,662</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 36,755,288</u>	<u>\$ 11,361,140</u>	<u>\$ 110,349,733</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$	2,305,071
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital expense in the current period.</p>		
Capital Outlays		4,882,111
Depreciation Expense		(12,637,375)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal Payments		236,159
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Net Change in Accrued Interest		751
<p>Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.</p>		
		(3,770,694)
<p>OPEB expense reported in the governmental funds includes the insurance premiums paid. In the Statement of Activities, OPEB expense includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.</p>		
		4,929,390
<p>Internal service funds are used by management to charge the costs of certain activities, such as fleet management, telephones, and warehouse operations to individual funds. The net revenue (expense) of these internal service funds are reported as governmental activities (excluding \$45,041 allocated to the business-type activity):</p>		
		736,877
<p>Some revenues reported previously in the Statement of Activities were reported as revenues in the governmental funds as they were received in the current fiscal year.</p>		
Net Change in Long-Term Receivables		1,505,462
		1,505,462
Change in Net Position of Governmental Activities	\$	(1,812,248)

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activity	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 18,630,822	\$ 16,138,126
Receivables, Net of Allowances	3,471,432	41,049
Prepaid Items	-	40,187
Inventories	245,722	19,976
Restricted Assets:		
Cash and Investments with Fiscal Agents	110,622	-
Cash and Investments Held in Pension Trust	-	4,198,906
Total Current Assets	22,458,598	20,438,244
Capital Assets:		
Land	2,484,846	-
Buildings	101,429	4,575,005
Water Distribution Lines	47,901,899	-
Improvements Other than Buildings	11,975,580	622,855
Vehicles	-	2,679,308
Machinery and Equipment	13,341,581	914,257
Office Furniture, Computers, and Equipment	202,938	2,929,095
Leased Property	-	3,078,557
Total Capital Assets	76,008,273	14,799,077
Less Accumulated Depreciation	(47,881,556)	(9,761,667)
Net Capital Assets	28,126,717	5,037,410
Total Assets	50,585,315	25,475,654
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding, Net of Accumulated Amortization	78,012	22,825
Deferred Amounts on Pension Plans	571,327	-
Deferred Amounts on OPEB Plan	341,948	-
Total Deferred Outflows of Resources	991,287	22,825

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Other Liabilities	\$ 3,376,928	\$ 393,940
Deposits	18,000	-
Claims Payable	-	2,554,806
Compensated Absences	238,675	2,183,132
Leases Payable	-	951,473
Certificates of Participation	310,000	103,266
Loans Payable	75,978	-
Total Current Liabilities	<u>4,019,581</u>	<u>6,186,617</u>
Long-Term Liabilities:		
Claims Payable	-	7,664,417
Compensated Absences	38,854	355,393
Leases Payable	-	892,767
Certificates of Participation	655,000	-
Loans Payable	923,556	-
Net Pension Liability	4,131,352	-
Net OPEB Liability	4,728,092	-
Total Long-Term Liabilities	<u>10,476,854</u>	<u>8,912,577</u>
Total Liabilities	14,496,435	15,099,194
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts on OPEB Plan	1,085,520	-
Total Deferred Inflows of Resources	<u>1,085,520</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	26,240,195	3,112,729
Restricted:		
Pension Benefits	-	4,198,906
Unrestricted	9,754,452	3,087,650
Total Net Position	35,994,647	<u>\$ 10,399,285</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	<u>996,778</u>	
Net Position of Business-Type Activity	<u>\$ 36,991,425</u>	

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activity	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 18,617,732	\$ 9,478,620
Other	12,748	517,277
Total Operating Revenues	18,630,480	9,995,897
<b>OPERATING EXPENSES</b>		
Salaries	3,184,819	2,262,903
Maintenance and Operations	3,481,991	3,070,420
Purchased Water	818,369	-
Pump and Basin Assessment	5,985,517	-
Insurance Premiums and Legal Fees	5,643	1,948,392
Claims and Benefits	-	1,861,124
Depreciation and Amortization	1,437,334	1,263,284
Total Operating Expenses	14,913,673	10,406,123
<b>OPERATING INCOME (LOSS)</b>	3,716,807	(410,226)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	-	171,650
Investment Income	232,439	799,772
Interest and Fiscal Charges	(113,976)	(33,161)
Loss on Sale of Property and Equipment	-	(2,120)
Total Nonoperating Revenues (Expenses)	118,463	936,141
<b>INCOME BEFORE TRANSFERS</b>	3,835,270	525,915
<b>TRANSFERS</b>		
Transfers In	25,000	287,702
Transfers Out	(60,000)	(50,000)
Total Transfers	(35,000)	237,702
<b>CHANGE IN NET POSITION</b>	3,800,270	763,617
Net Position - Beginning of Year	32,194,377	9,635,668
<b>NET POSITION - END OF YEAR</b>	\$ 35,994,647	\$ 10,399,285
<b>ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUND</b>	\$ 26,739	
<b>CHANGE IN NET POSITION - ENTERPRISE FUND</b>	3,800,270	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITY</b>	\$ 3,827,009	

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activity</u>	<u>Governmental Activities</u>
	Water Enterprise Fund	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 18,468,695	\$ -
Receipts for Interfund Services	-	9,966,103
Payment to Suppliers	(9,405,974)	(6,042,349)
Payment to Employees	(3,638,953)	(2,229,126)
Net Cash Provided by Operating Activities	<u>5,423,768</u>	<u>1,694,628</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Received From Other Funds	25,000	-
Cash Paid To Other Funds	(60,000)	(50,000)
Net Cash Used by Noncapital Financing Activities	<u>(35,000)</u>	<u>(50,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Received from Other Funds	-	287,702
Proceeds from Capital Grant	-	171,650
Acquisition of Capital Assets	-	(277,361)
Proceeds from Sale of Assets	-	19,496
Principal Payments on Capital Leases	-	(687,599)
Principal Payments on Long-Term Debt	(368,394)	(98,841)
Interest and Fiscal Charges	(87,983)	(8,369)
Net Cash Used by Capital and Related Financing Activities	<u>(456,377)</u>	<u>(593,322)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	<u>232,439</u>	<u>799,772</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,164,830	1,851,078
Cash and Cash Equivalents - Beginning of Year	<u>13,576,614</u>	<u>18,485,954</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 18,741,444</u>	<u>\$ 20,337,032</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Current Assets:		
Cash and Investments	\$ 18,630,822	\$ 16,138,126
Restricted Assets:		
Cash and Investments Held by Fiscal Agent	110,622	-
Cash and Investments Held in Pension Trust	-	4,198,906
Total Cash and Cash Equivalents	<u>\$ 18,741,444</u>	<u>\$ 20,337,032</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	Business-Type Activity	Governmental Activities
	Water	Internal Service
	Enterprise Fund	Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 3,716,807	\$ (410,226)
Depreciation and Amortization	1,437,334	1,263,284
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(161,785)	(29,794)
(Increase) Decrease in Prepaid Items	500	104,246
(Increase) Decrease in Inventories	(42,897)	(6,059)
(Increase) Decrease in Deferred Outflows on Pensions	(161,615)	-
(Increase) Decrease in Deferred Outflows on OPEB	(911)	-
Increase (Decrease) in Accounts Payable	923,943	64,657
Increase (Decrease) in Deposits	4,000	-
Increase (Decrease) in Claims Payable	-	686,667
Increase (Decrease) in Deferred Inflows on Pensions	(102,080)	-
Increase (Decrease) in Deferred Inflows on OPEB	(94,076)	-
Increase (Decrease) in OPEB	(470,429)	-
Increase (Decrease) in Pension Liability	344,089	-
Increase (Decrease) in Compensated Absences Payable	30,888	21,853
Net Cash Provided by Operating Activities	\$ 5,423,768	\$ 1,694,628
<b>NONCASH FINANCING, CAPITAL, OR INVESTING ACTIVITIES</b>		
Capital Assets Acquired through Lease	\$ -	\$ 1,100,000

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Successor Agency to the Westminster Redevelopment Agency Private-Purpose Trust Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 2,144,693
Interest Receivable	1,502
Prepaid Items	674,982
Restricted Assets:	
Cash and Investments with Fiscal Agents	<u>4,483,261</u>
Total Current Assets	<u>7,304,438</u>
 Total Assets	 7,304,438
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Refunding, Net of Accumulated Amortization	10,738,602
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Other Liabilities	232
Certificates of Participation, Current Portion	2,285,000
Due to Other Governments	124,748
Interest Payable	<u>736,023</u>
Total Current Liabilities	3,146,003
Long-Term Liabilities:	
Certificates of Participation	<u>101,156,262</u>
Total Long-Term Liabilities	<u>101,156,262</u>
 Total Liabilities	 104,302,265
<b>NET POSITION</b>	
Net Position for Private Purpose	<u>(86,259,225)</u>
 Total Net Position	 <u><u>\$ (86,259,225)</u></u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	Successor Agency to the Westminster Redevelopment Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Taxes and Assessments	\$ 5,926,922
Investment and Rental	17,099
Total Additions	5,944,021
<b>DEDUCTIONS</b>	
General Government	95,014
Community Development	24,355
Interest and Fiscal Expense	4,194,474
Total Deductions	4,313,843
<b>CHANGE IN NET POSITION</b>	1,630,178
Net Position - Beginning of Year	(87,889,403)
<b>NET POSITION - END OF YEAR</b>	\$ (86,259,225)

See accompanying Notes to Financial Statements.

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**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Reporting Entity**

The basic financial statements of the City of Westminster (the City) include the activities of the City, the Westminster Public Financing Authority and the Westminster Housing Authority.

The City of Westminster was incorporated in 1957 under the General Laws of the state of California. The City operates under a Council-Manager form of government governed by a five member council and provides the following services: public safety (police, fire, paramedic, and ambulance), highways and streets, parks and recreation, public improvements, planning and zoning, and general administrative services.

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (GASB) Statements. The City of Westminster is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City has accounted for the Westminster Public Financing Authority and Westminster Housing Authority as "blended" component units. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations, which has created a financial burden/benefit relationship. Accordingly, the balances and transactions of these component units are reported within the funds of the City. Each blended component unit has a June 30 year-end.

The Westminster Public Financing Authority (the Authority) was established on March 23, 1993 pursuant to California Government Code, Section 6500. The Authority was established to provide a financing mechanism for the City's and Agency's various public projects. A separate fund is not maintained for the Authority as principal and interest payments on debt issued by the Authority is paid directly by the City. The payments are reported in the Special Revenue, Enterprise and Internal Service Funds. There are no separate financial statements prepared for the Authority.

The Westminster Housing Authority (the Housing Authority) was established on February 9, 2011 in accordance with California Housing Authority Law (Health and Safety Code Sections 34200). The Housing Authority was established to provide the City with the ability to participate in one or more of the public Housing Programs offered by Housing and Urban Development (HUD). As such, the City will be able to own and operate housing developments, alleviating the need to find prospective owners or operators for the units created. The Housing Authority is governed by the City Council which has full accountability for the Housing Authority's fiscal affairs. Certain assets of the former Redevelopment Agency's Low and Moderate Income Housing Funds were transferred to the Housing Authority on February 1, 2012. The activity of the Housing Authority is reported in the Westminster Housing Authority Special Revenue Fund. There are no separate Basic Financial Statements prepared for the Housing Authority.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Description of the Reporting Entity (Continued)**

The accounting policies of the City of Westminster, the Westminster Public Financing Authority and the Westminster Housing Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activity, which relies to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

Certain eliminations have been made in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business type activity, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business type activities have not been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government -Wide and Fund Financial Statements (Continued)**

Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the Government wide Financial Statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements, even though excluded from the government wide financial statements represent private purpose trust funds and agency funds.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and private purpose trust fund financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, 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. Noncurrent portions of long term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, franchise taxes, licenses, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's Fiduciary Funds consists of a private purpose trust fund which is reported using the economic resources measurement focus and accrual basis of accounting.

All governmental and business type activities and enterprise funds of the City follow GASB pronouncements.

**D. Fund Classifications**

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

The **Westminster Housing Authority Special Revenue Fund** is used to account for revenues received primarily from loan repayments and the associated expenditures to be used for increasing or improving low- and moderate-income housing. The assets in this fund were transferred to the City upon dissolution of the Westminster Redevelopment Agency.

The **Housing and Community Development Special Revenue Fund** is used to account for Federal grants received from the Department of Housing and Urban Development (HUD). The grants are to be used for the development of a viable community by providing decent housing, suitable living environment and expanding economic opportunities, principally for persons with low and moderate income.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Classifications (Continued)**

The **Special Gas Tax and Street Improvements Special Revenue Fund** is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the state of California, Measure M sales taxes and various grant programs available for street-related expenditures. Expenditures may be made for any street related purpose in the City's system of streets, including maintenance thereof.

The **Capital Improvements Capital Projects Fund** is used to account for City projects funded by various sources.

The City reports the following major enterprise fund:

The **Water Enterprise Fund** is used to account for the provision of water services to residential, commercial and industrial customers.

The City's fund structure also includes the following fund types:

The **Special Revenue Funds** are used to account for proceeds of specific revenue sources that are legally restricted or otherwise assigned for specific purposes.

The **Internal Service Funds** are used to account for the financing of special activities that provide services within the City. These activities include risk management, compensation and benefits, motor pool and equipment maintenance and facilities maintenance.

The **Private Purpose Trust Fund** is used to account for the activities of the Successor Agency to the Westminster Redevelopment Agency.

**E. Land Held for Resale**

Land held for resale is carried at the lower of cost or estimated realizable value determined only upon the execution of a disposition and development agreement.

**F. Capital Assets**

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of acquisition. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of 1 year or more. Capital assets include additions to public domain (infrastructure), certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, sewers, storm drains, bridges, and right of way corridors within the City.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Capital Assets (Continued)**

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government Wide Financial Statements and in the Fund Financial Statements of the Proprietary Funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

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

Buildings	30 to 50 Years
Improvements Other than Buildings	20 Years
Water Distribution Lines	65 Years
Vehicles	4 to 15 Years
Machinery and Equipment	5 to 30 Years
Office Furniture, Computers, and Equipment	5 to 20 Years
Leased Property	3 Years
Infrastructure	20 to 50 Years

**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding, net of accumulated amortization reported in the government wide statement of net position and the proprietary funds financial statements. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension liability and the net OPEB liability, respectively.
- Deferred outflows from OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with retiree health care benefits through the plans.
- Deferred outflows related to pensions for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Deferred Outflows/Inflows of Resources (Continued)**

Deferred outflows (continued):

- Deferred outflows related to pensions and OPEB resulting from the net differences in projected and actual earnings on investments of the pension plan and OPEB plan fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the statement of net position and the Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from *unavailable revenues*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, which is grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to OPEB for differences between expected and actual experience and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree health care benefits through the plan.
- Deferred inflows related to pensions for differences changes in assumptions and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**H. Governmental Fund Balances**

Fund balances for governmental funds are reported in the fund statements in the following classifications:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted** – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Governmental Fund Balances (Continued)**

**Committed** – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has authority to establish, modify or rescind a fund balance commitment through the passage of an ordinance, the City’s highest level of decision-making authority. The fund balance committed in the General Fund for emergency contingency is established at 17% of General Fund operating expenditures. This amount can be used for budgeted revenue shortfalls and may include, but not limited to, (1) significant decrease in property, sales or transactions and use tax or other revenues, (2) reductions in revenue due to actions by the state/federal government, (3) provide temporary resources in the event of an economic downturn while expenditure reductions are implemented or (4) provide resources to meet emergency expenditures in the case of flood, fire, earthquake or other disasters.

**Assigned** – This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. This amount includes amounts that are assigned through adoption of the budget. Council may delegate the ability of an employee or committee to assign the use of specific funds for specific purposes. Such delegation has not yet been granted to persons or committees other than the City Council. The City assigns unspent capital project balances and amounts in its Community Promotion Special Revenue Fund. The amounts assigned in the General Fund for RDA dissolution are set aside in the event amounts may have to be repaid to the state.

**Unassigned** – The classifications include the residual balance for the government’s General Fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City’s policy is to apply restricted fund balance first.

When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the City’s policy is to apply committed fund balance first, then assigned fund balance and finally unassigned fund balance.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Net Position**

Net position is classified in the following categories:

**Net Investment in Capital Assets** – This amount consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt (including premiums and discounts) and other capital related payables that attributed to the acquisition, construction, or improvement of the assets.

**Restricted Net Position** – This amount is restricted by enabling legislation (such as external creditors, grantors, contributors, or laws or regulations of other governments).

**Unrestricted Net Position** – This amount is the remaining net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

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 practice to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**J. Long-Term Obligations**

In the government wide financial statements and the proprietary and fiduciary private purpose trust funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activity, proprietary fund type statement of net position, and the fiduciary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Unexpended and unencumbered appropriations of the governmental funds automatically lapse at the end of the fiscal year. As of June 30, 2021, all encumbrances at year-end were closed. Unexpended appropriations are re-encumbered in the following year after reconsideration, without additional budget appropriation.

**L. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash and cash equivalents. All cash of the City's Enterprise and Internal Service Funds are held in a City-wide pool of cash and investments. As amounts are available to these Funds on demand, all cash for the above funds is considered to be cash and cash equivalents for statement of cash flow purposes.

**M. Investments**

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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, maturity or sale of investments.

**N. Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activity are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by fund balance generally classified as nonspendable, but may be required to be reported as restricted, committed, or assigned if the resources received from liquidating these assets is restricted, committed, or assigned for a specific purpose.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Prepaid Items**

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

**P. Inventories**

Inventories are valued at cost, which approximates market, on a first-in, first-out basis under the consumption method. Inventory in the Enterprise Fund consists mostly of water meters and spare parts. Inventory in the Internal Service Funds consists of expendable supplies held for consumption.

**Q. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1 and become delinquent December 11 and April 11. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2% per year. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

**R. Compensated Absences**

Costs associated with compensated absences, along with any related accruals, are accounted for in the Compensation/Benefits Internal Service Fund. The costs for this program will be recovered from those governmental units through inter-departmental charges for services primarily from the General Fund. Other proprietary funds with payroll costs account for their own respective compensated absences.

**S. Claims and Judgments**

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any coverage from insurance or its participation in the excess insurance authority. Small dollar claims and judgments are recorded as expenses when paid.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**T. 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 the Public Agency Retirement System (PARS) plans (Plans) 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.

**U. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

**V. Use of Estimates**

The preparation of financial statements in accordance 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 and assumptions.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS**

**A. Cash and Investments**

Cash and investments at June 30, 2021 consisted of the following:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted Assets:			
Cash and Investments	\$ 114,854,517	\$ 2,144,693	\$ 116,999,210
Total Unrestricted Assets	114,854,517	2,144,693	116,999,210
Restricted Assets:			
Cash and Investments	4,473,820	-	4,473,820
Cash and Investments with Fiscal Agents	3,092,246	4,483,261	7,575,507
Cash and Investments held in Pension Trust	4,198,906	-	4,198,906
Total Restricted Assets	11,764,972	4,483,261	16,248,233
Total Cash and Investments	\$ 126,619,489	\$ 6,627,954	\$ 133,247,443

Cash and investments consist of deposits and investments, as noted below:

Primary Government:	
Petty Cash	\$ 5,000
Deposits	1,850,005
Investments	124,764,484
Total	\$ 126,619,489
Fiduciary Funds:	
Deposits	\$ 304,386
Investments	6,323,568
Total	\$ 6,627,954

The City follows the practice of pooling cash and investments of all funds except for amounts with fiscal agents and legally restricted funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and investments", "Restricted assets: Cash and investments", or "Restricted assets: Cash and investments with fiscal agents." Investment income earned on pooled cash and investments is allocated to the various funds based on ending cash and investment balances. Interest from cash and investments of funds excluded from pooled amounts is credited directly to the related fund.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

The table following identifies the investment types that are authorized for the City, including the fiduciary private purpose trust fund, by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City or the funds within the Pension Trust that are governed by the agreement between the City and the trustee, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States Treasury Obligations	5 Years	No Limit	No Limit
United States Government Sponsored			
Agency Securities	5 Years	No Limit	No Limit
Supranationals	5 Years	30%	5%
Municipal Bonds	5 Years	No Limit	5%
Banker's Acceptances	180 Days	40%	5%
Federally Insured Time Deposits (Federal Deposit Insurance Corporation)	5 Years	No Limit	Insured Amount
Time Deposits (Non-negotiable Certificates of Deposit)	5 Years	20%	5%
Certificate of Deposit Placement Service (CDARS)	5 Years	30%	No Limit
Negotiable Certificates of Deposit	5 Years	30%	5%
Repurchase Agreements	1 year	No Limit	No Limit
Commercial Paper	270 Days	25%	5%
Local Agency Investment Fund (LAIF)	N/A	No Limit	\$ 75,000,000
Corporate Medium Term Notes (MTN)	5 Years	30%	5%
Mortgage Pass-through Securities/ Collateralized Mortgage Obligations/ Asset-Backed Securities	5 Years	20%	5%
Money Market Mutual Funds	None	20%	No Limit

N/A - Not Applicable

\* Excluding amounts held by bond and pension trustees that are not subject to California Government Code restrictions.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**C. 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 authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	No Limit	No Limit	No Limit
United States Government Sponsored Agency Securities	No Limit	No Limit	No Limit
Banker's Acceptances	360 Days	No Limit	No Limit
Time Certificate of Deposits	360 Days	No Limit	No Limit
Commercial Paper	270 Days	No Limit	No Limit
Money Market Mutual Funds	N/A	No Limit	No Limit

N/A - Not Applicable

**D. 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 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 WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**E. 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 (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating by Standard & Poor's as of year-end for each investment type:

Primary Government							
Investment Type	Minimum Legal Rating	Total as of June 30, 2021	AAA	AA	A	Not Required to be Rated	Not Rated
LAIF	N/A	\$ 57,527,304	\$ -	\$ -	\$ -	\$ -	\$ 57,527,304
U.S. Treasury Obligations	N/A	15,066,939	-	-	-	15,066,939	-
FNMA	N/A	6,384,961	-	6,384,961	-	-	-
FHLMC	N/A	6,551,985	-	6,551,985	-	-	-
FHLB	N/A	5,926,916	-	5,926,916	-	-	-
Municipal Bonds	A	722,716	-	722,716	-	-	-
MTN	A	14,321,782	-	3,186,290	11,135,492	-	-
Collateralized Mortgage Obligations	AA	3,046,971	-	-	-	-	3,046,971
Asset-Backed Securities	N/A	4,965,563	4,965,563	-	-	-	-
Supranational	AA	2,864,528	2,864,528	-	-	-	-
Negotiable Certificates of Deposit	A-	-	-	-	-	-	-
Money Market Mutual Funds	AAA	93,667	93,667	-	-	-	-
Restricted:							
Pension Trust - PARS Pooled Trust	N/A	4,198,906	-	-	-	-	4,198,906
Held by Bond Trustee:							
Money Market Mutual Funds	AAA	3,092,246	3,092,246	-	-	-	-
Total		<u>\$ 124,764,484</u>	<u>\$ 11,016,004</u>	<u>\$ 22,772,868</u>	<u>\$ 11,135,492</u>	<u>\$ 15,066,939</u>	<u>\$ 64,773,181</u>

Fiduciary Funds							
Investment Type	Minimum Legal Rating	Total as of June 30, 2021	AAA	AA+	Not Required to be Rated	Not Rated	
LAIF	N/A	\$ 1,840,307	\$ -	\$ -	\$ -	\$ 1,840,307	
Restricted:							
Held by Bond Trustee:							
Money Market Mutual Funds	AAA	4,483,261	4,483,261	-	-	-	
Total		<u>\$ 6,323,568</u>	<u>\$ 4,483,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,840,307</u>	

N/A - Not Applicable

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**F. 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. With the exception of LAIF and U.S. Treasury Obligations, the City had no investments in any one issuer that represent 5% or more of total City's investments other than those noted below:

Primary Government		Reported Amount
Issuer	Investment Type	
FNMA	United States Government Sponsored Agency Securities	\$ 6,384,961
FHLMC	United States Government Sponsored Agency Securities	6,551,985

**G. Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision 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. At June 30, 2021, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California law.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**H. 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 City's investment in this pool is reported in the accompanying financial statements at amounts based upon 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. LAIF is not rated.

**I. Investment in Section 115 Pension Trust**

Restricted assets are financial resources generated for a specific purpose, such as pension benefits. These assets are for the benefit of a specific purpose and, as such, are legally or contractually restricted by an external third-party agreement. The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's pension plan. The Section 115 Pension Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City as follows:

Risk Tolerance	Moderate
Risk Management	The portfolio is constructed to control through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.
Investment Objective	To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.
Strategic Ranges	0% – 20% Cash 40% – 60% Fixed Income 40% – 60% Equity

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**J. Fair Value Measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

U.S. Treasury Obligations, FNMA, FHLMC, FHLB, Municipal Bonds, MTN, Collateralized Mortgage Obligations, Asset Backed Securities, and Supranational securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The City has the following recurring fair value measurements as of June 30, 2021:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Primary Government:				
U.S. Treasury Obligations	\$ -	\$ 15,066,939	\$ -	\$ 15,066,939
FNMA	-	6,384,961	-	6,384,961
FHLMC	-	6,551,985	-	6,551,985
FHLB	-	5,926,916	-	5,926,916
Municipal Bonds	-	722,716	-	722,716
MTN	-	14,321,782	-	14,321,782
Collateralized Mortgage Obligations	-	3,046,971	-	3,046,971
Asset Backed Securities	-	4,965,563	-	4,965,563
Supranational	-	2,864,528	-	2,864,528
Total Leveled Investments	<u>\$ -</u>	<u>\$ 59,852,361</u>	<u>\$ -</u>	<u>59,852,361</u>
LAIF*				57,527,304
Money Market Mutual Funds*				93,667
Restricted:				
Pension Trust - PARS Pooled Trust*				4,198,906
Held by Bond Trustee:				
Money Market Mutual Funds*				3,092,246
Total Investment Portfolio				<u>\$ 124,764,484</u>
Fiduciary Funds:				
LAIF*				\$ 1,840,307
Restricted:				
Held by Bond Trustee:				
Money Market Mutual Funds*				4,483,261
Total Investment Portfolio				<u>\$ 6,323,568</u>

\* Not subject to fair value measurements.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

Interfund receivables and payables at June 30, 2021 are as follows:

	Receivable	Payable
General Fund	\$ 700,000	\$ -
Special Revenue Funds:		
Housing and Community Development	-	700,000
Special Gas Tax and Street Improvements	-	30,000
Capital Projects Fund:		
Capital Improvements	30,000	-
Total	\$ 730,000	\$ 730,000

The interfund amounts from the General Fund and Capital Improvements Capital Projects Fund to the Housing and Community Development and Special Gas Tax and Street Improvements Special Revenue Funds are for short term loans to cover operations.

The compositions of the City's interfund transfer balances as of June 30, 2021 are as follows:

	Transfers In					Total
	General	Housing and Community Development Special Revenue Fund	Special Gas Tax and Street Improvements Special Revenue Fund	Capital Improvements Capital Projects Fund	Nonmajor Other Governmental	
Transfers Out:						
General	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
Housing and Community Development Special Revenue Fund	-	-	-	-	-	-
Special Gas Tax and Street Improvements Special Revenue Fund	-	-	-	4,867,380	-	4,867,380
Capital Improvements Capital Projects Fund	2,434,650	8,881	6,825	-	-	2,450,356
Other Governmental Funds	-	-	-	1,130,596	-	1,130,596
Water Enterprise	-	-	-	-	60,000	60,000
Internal Service	-	-	-	50,000	-	50,000
Total	\$ 2,434,650	\$ 8,881	\$ 6,825	\$ 7,547,976	\$ 60,000	\$ 10,058,332

	Transfers In		Total
	Water Enterprise	Internal Service	
Transfers Out:			
General	\$ 25,000	\$ -	\$ 25,000
Capital Improvements	-	287,702	287,702
Total	\$ 25,000	\$ 287,702	\$ 312,702

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)**

Transfers between/to funds are to primarily fund capital projects, which are then transferred back to the General Fund upon completion of the project. The General Fund transferred monies to the Water Enterprise Fund for operations. The Capital Improvements Fund transferred monies to the Internal Service Fund for motor pool and facilities capital projects.

**NOTE 4 RECEIVABLES**

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

**A. Governmental Funds**

	General	Westminster Housing Authority	Housing and Community Development	Special Gas Tax and Street Improvements	Capital Improvements	Nonmajor Other Governmental	Total
Taxes	\$ 6,872,379	\$ -	\$ -	\$ -	\$ -	\$ 18,383	\$ 6,890,762
Accounts	646,343	-	-	-	-	-	646,343
Interest	241,211	-	-	-	4,188	-	245,399
Loans	-	4,603,505	4,283,576	-	180,000	-	9,067,081
Notes	-	13,781,213	1,712,254	-	-	-	15,493,467
Other	-	290	-	-	-	-	290
Due from Other Governments	225,108	-	693,325	2,182,828	-	200,957	3,302,218
Net Total Receivables	<u>\$ 7,985,041</u>	<u>\$ 18,385,008</u>	<u>\$ 6,689,155</u>	<u>\$ 2,182,828</u>	<u>\$ 184,188</u>	<u>\$ 219,340</u>	<u>\$ 35,645,560</u>

**B. Proprietary Funds**

	Water Enterprise	Internal Service	Total
Accounts	\$ 3,471,432	41,049	\$ 3,512,481
Net Total Receivables	<u>\$ 3,471,432</u>	<u>\$ 41,049</u>	<u>\$ 3,512,481</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 RECEIVABLES (CONTINUED)**

**C. Governmental Activities**

A detailed summary of the loans and notes receivable balances follows:

Loans Receivable - Housing and Community Development

<u>Description</u>	<u>Amount</u>
Community Development Block Grant - Housing Rehab Loans, due upon sale of property	\$ 419,212
HOME Rehab Loans, due upon sale of property	79,444
HOME Single Residence Loans, due upon sale of property	311,913
HOME Down Payment Assistance Loans, payable in monthly installments, with balance due upon sale of property	119,832
HOME Lease Purchase Program - due upon sale of property. The program is administered by American Family Housing, Inc. or Abrazar, Inc.	<u>3,353,175</u>
Total Loans Receivable - Housing and Community Development	<u><u>\$ 4,283,576</u></u>

Loans Receivable - Westminster Housing Authority

<u>Description</u>	<u>Amount</u>
Housing Rehab Loans, due upon sale of property	\$ 1,695,101
Housing Single Residence Loans, deferred 35 years or due upon sale of property	35,000
Housing Lease Purchase Program - due upon sale of property. The program is administered by American Family Housing, Inc. or Abrazar, Inc.	2,798,404
Housing First Time Homebuyers Loans, due upon sale of property	<u>75,000</u>
Total Loans Receivable - Westminster Housing Authority	<u><u>\$ 4,603,505</u></u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 RECEIVABLES (CONTINUED)**

**C. Governmental Activities (Continued)**

Notes Receivable – Housing and Community Development

<u>Description</u>	<u>Amount</u>
<p>\$850,000 note receivable from Cambridge Heights, L.P., dated May 26, 2004. The purpose of the loan is to assist with the development of 22 units, 21 of which will be affordable senior citizen housing (project). Repayment of the 40 year, 3% interest loan is to be paid in annual payments equal to 50% of the projects “residual receipts.” As of June 30, 2021, interest has accrued to \$433,500. No interest has been recorded due to uncertainty of repayment of interest amounts. No payments have been made on this note during the fiscal year ended June 30, 2021. Subsequent to year-end this note has been fully repaid.</p>	<p>\$ 850,000</p>
<p>\$610,662 note receivable from American Family Housing, dated July 8, 2015. The purpose of the loan is to assist with the developer in the purchase and development of property located at 13811 Locust Street in the City of Westminster, California, as a long term transitional housing project that may be modified to permanent rental housing for persons and families of very low and low income at affordable rent. As of June 30, 2021, \$606,360 has been disbursed to the developer and no additional disbursements to the full note receivable amount are anticipated. Repayment of the 55-year loan is to be made in annual payments equal to 50% of the projects “residual receipts.” This note shall accrue interest at the rate of zero percent.</p>	<p>606,360</p>
<p>\$157,200 note receivable from American Family Housing dated July 28, 2016. The purpose of the loan is to assist with the development property located at 13942 Cedar Street in the City of Westminster, California, as an affordable rental housing project to be made available to and occupied by qualified and eligible low-income families at an affordable rent. As of June 30, 2021, \$145,740 has been disbursed to the developer and no additional disbursements to the full note receivable amount are anticipated. Repayment of the 55-year loan is to be made in annual payments equal to 50% of the project’s “residual receipts.” The note shall accrue interest at the rate of zero percent.</p>	<p>145,740</p>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 RECEIVABLES (CONTINUED)**

**C. Governmental Activities (Continued)**

Notes Receivable – Housing and Community Development (Continued)

<u>Description (Continued)</u>	<u>Amount</u>
<p>\$118,895 note receivable from American Family Housing dated August 22, 2018. The purpose of the loan is to assist with the development property located at 7372 Wyoming Street in the City of Westminster, California, as an affordable rental housing project to be made available to and occupied by qualified and eligible low-income families at an affordable rent. As of June 30, 2021, \$118,086 has been disbursed to the developer and no additional disbursements to the full not receivable amount are anticipated. Repayment of the 55-year loan is to be made in annual forgiveness payments equal to \$7,932. The note shall accrue interest at the rate of zero percent.</p>	<p>\$ 110,154</p>
<p>Total Notes Receivable – Housing and Community Development</p>	<p><u>\$ 1,712,254</u></p>

Notes Receivable – Westminster Housing Authority

<u>Description</u>	<u>Amount</u>
<p>\$600,000 note receivable from Corporation for Better Housing dated November 5, 2003. The purpose of the loan is to assist with the development of Very Low and Low Income Senior Housing (project). Repayment of the 55 year, 1% compounded annually interest loan is to be paid in annual payments equal to 50% of the project's "residual receipts." This loan was fully repaid in the fiscal year ended June 30, 2021.</p>	<p>\$ -</p>
<p>\$200,000 note receivable from American Family Housing dated April 25, 2006. The purpose of the loan is to assist with the development of housing units for extremely low income families (project). Repayment of the 30 year, 1% simple interest loan is to be made in monthly payments of principal and interest. On July 27, 2016, this remaining loan balance was amended as part of a new loan paid with Housing and Community Development funds. Payment has been deferred until July 1, 2032 and will be forgiven at that time provided all provisions have been followed. An allowance for the amount of \$137,778 is recorded on this note, as the City expects to forgive this note.</p>	<p>-</p>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 RECEIVABLES (CONTINUED)**

**C. Governmental Activities (Continued)**

Notes Receivable – Westminster Housing Authority (Continued)

<u>Description (Continued)</u>	<u>Amount</u>
<p>\$5,544,000 note receivable from AMCAL Royale Fund, L.P., dated February 2, 2010. The purpose of the loan is to assist with the developer in the purchase and development of property located at 230 Hospital Circle in the City of Westminster, California, as a multi family affordable housing (project). As of June 30, 2021, \$5,128,874 has been disbursed to the developer and no additional disbursements to the full note receivable amount are anticipated. Repayment of the 55-year, 3% simple interest loan is to be made in annual payments equal to 50% of the project’s “residual receipts.”</p>	<p>\$ 5,128,874</p>
<p>\$757,338 note receivable from American Family Housing, dated July 8, 2015. The purpose of the loan is to assist with the developer in the purchase and development of property located at 13811 Locust Street in the City of Westminster, California, as a long term transitional housing project that may be modified to permanent rental housing for persons and families of very low and low income at affordable rent. As of June 30, 2021, \$752,338 has been disbursed to the developer and no additional disbursements to the full note receivable amount are anticipated. Repayment of the 55-year, 0% interest loan is to be made in annual payments equal to 25% of the project’s “residual receipts.”</p>	<p>752,339</p>
<p>\$2,100,000 note receivable from Affirmed Housing Group, Inc. dated June 30, 2016 with an additional \$300,000 approved on March 13, 2019. The purpose of the loan is to assist with the developer in the purchase and development of property located at 14800 Beach Boulevard in the City of Westminster, California, as an affordable apartment community for persons and families of low, very low and extremely low-income households. Repayment of the 55 year, 3% simple interest loan is to be made in annual payments equal to 50% of the project’s “residual receipts.”</p>	<p>2,400,000</p>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 RECEIVABLES (CONTINUED)**

**C. Governmental Activities (Continued)**

Notes Receivable – Westminster Housing Authority (Continued)

Description (Continued)	Amount
<p>\$5,500,000 note receivable from Meta Housing Corporation, dated April 25, 2018, The purpose of the loan is to assist with the developer in the purchase and development of property located at 7122 Westminster Boulevard in the City of Westminster, California as affordable housing persons and families of low, very low and extremely low income households. Repayment of the 55 year, 3% simple interest loan is to be made in annual payments equal to 50% of the projects "residual receipts".</p>	<p><u>\$ 5,500,000</u></p>
<p>Total Notes Receivable – Westminster Housing Authority</p>	<p><u><u>\$ 13,781,213</u></u></p>

**NOTE 5 LAND HELD FOR RESALE**

Land held for resale consists of property acquired by the dissolved Redevelopment Agency and held for resale. The property is carried at the lower of cost or estimated net realizable value.

Land Held For Resale Description	Parcel Number	Balance June 30, 2020	Additions/ (Deletions)	Balance June 30, 2021
14282 Locust Street	096-162-03	\$ 203,811	\$ -	\$ 203,811
14242 Locust Street	096-162-01	296,400	-	296,400
14262 Locust Street	096-162-02	296,400	-	296,400
8190 13th Street	097-090-50	1,463,000	-	1,463,000
15550 Beach Boulevard	107-721-02	6,400,000	-	6,400,000
Total		<u>\$ 8,659,611</u>	<u>\$ -</u>	<u>\$ 8,659,611</u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 CAPITAL ASSETS**

A summary of changes in the Governmental Activities capital assets for the year ended June 30, 2021 is as follows:

**Governmental Activities**

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital Assets, not Being Depreciated:				
Land	\$ 7,727,359	\$ 96,600	\$ -	\$ 7,823,959
Construction In Progress	906,356	1,726,243	(619,614)	2,012,985
Total Capital Assets, not Being Depreciated	8,633,715	1,822,843	(619,614)	9,836,944
Capital Assets, Being Depreciated:				
Buildings	119,332,019	93,175	-	119,425,194
Improvements Other than Buildings	27,582,999	648,679	-	28,231,678
Vehicles, Machinery, and Equipment	10,973,304	357,243	(266,489)	11,064,058
Office Furniture and Equipment	9,295,026	128,347	-	9,423,373
Leased Property	2,468,752	1,100,000	(490,193)	3,078,559
Infrastructure	280,482,031	2,728,799	-	283,210,830
Total Capital Assets, Being Depreciated	450,134,131	5,056,243	(756,682)	454,433,692
Less Accumulated Depreciation for:				
Buildings	(29,606,198)	(2,421,207)	-	(32,027,405)
Improvements Other than Buildings	(9,946,135)	(1,263,020)	-	(11,209,155)
Vehicles, Machinery, and Equipment	(7,285,866)	(668,608)	261,931	(7,692,543)
Office Furniture and Equipment	(6,516,074)	(512,863)	-	(7,028,937)
Leased Property	(1,420,473)	(776,777)	473,135	(1,724,115)
Infrastructure	(207,211,258)	(8,258,184)	-	(215,469,442)
Total Accumulated Depreciation	(261,986,004)	(13,900,659)	735,066	(275,151,597)
Total Capital Assets, Being Depreciated, Net	188,148,127	(8,844,416)	(21,616)	179,282,095
Total Governmental Activities Capital Assets, Net	<u>\$ 196,781,842</u>	<u>\$ (7,021,573)</u>	<u>\$ (641,230)</u>	<u>\$ 189,119,039</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

A summary of changes in the Business-type Activity capital assets for the year ended June 30, 2021 is as follows:

**Business-Type Activity**

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital Assets, not Being Depreciated:				
Land and Land Rights	\$ 2,484,846	\$ -	\$ -	\$ 2,484,846
Total Capital Assets, not Being Depreciated	2,484,846	-	-	2,484,846
Capital Assets, Being Depreciated:				
Buildings	101,429	-	-	101,429
Improvements Other than Buildings	11,975,579	-	-	11,975,579
Water Distribution Lines	47,901,898	-	-	47,901,898
Machinery and Equipment	13,341,581	-	-	13,341,581
Office Furniture and Equipment	202,939	-	-	202,939
Total Capital Assets, Being Depreciated	73,523,426	-	-	73,523,426
Less Accumulated Depreciation for:				
Buildings	(91,453)	(799)	-	(92,252)
Improvements Other than Buildings	(3,626,840)	(246,775)	-	(3,873,615)
Water Distribution Lines	(32,291,418)	(904,406)	-	(33,195,824)
Machinery and Equipment	(10,284,608)	(273,686)	-	(10,558,294)
Office Furniture and Equipment	(149,901)	(11,668)	-	(161,569)
Total Accumulated Depreciation	(46,444,220)	(1,437,334)	-	(47,881,554)
Total Capital Assets, Being Depreciated, Net	27,079,206	(1,437,334)	-	25,641,872
Total Business-Type Activity Capital Assets, Net	<u>\$ 29,564,052</u>	<u>\$ (1,437,334)</u>	<u>\$ -</u>	<u>\$ 28,126,718</u>

The City maintains a reserve fund for capital improvement designed to encourage and improve on water conservation. At June 30, 2021, the Enterprise Fund's conservation projects reserve account totaled \$3,702,686.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

General Government	\$ 192,277
Public Safety	2,412,057
Public Works	8,738,837
Community Development	1,735,321
Community Services	<u>822,167</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 13,900,659</u>

**Business-Type Activity**

Water Fund	<u>\$ 1,437,334</u>
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**NOTE 7 LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Other Debt:						
Certificates of Participation	\$ 685,000	-	\$ 335,000	\$ 350,000	\$ 350,000	\$ -
Leases Payable	1,431,839	1,100,000	687,599	1,844,240	951,473	892,767
Other Long-Term Liabilities:						
Compensated Absences	2,516,672	1,343,919	1,322,066	2,538,525	2,183,132	355,393
Claims Liabilities (Note 11)	9,532,556	1,162,688	476,021	10,219,223	2,554,806	7,664,417
Total Governmental Activities	<u>\$ 14,166,067</u>	<u>\$ 3,606,607</u>	<u>\$ 2,820,686</u>	<u>\$ 14,951,988</u>	<u>\$ 6,039,411</u>	<u>\$ 8,912,577</u>

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
Business_Type Activity:						
Other Debt:						
Certificates of Participation	\$ 1,260,000	-	\$ 295,000	\$ 965,000	\$ 310,000	\$ 655,000
Loans Payable	1,072,928	-	73,394	999,534	75,978	923,556
Other Long-Term Liabilities:						
Compensated Absences	246,641	162,892	132,004	277,529	238,675	38,854
Total Business Type Activity	<u>2,579,569</u>	<u>162,892</u>	<u>500,398</u>	<u>2,242,063</u>	<u>624,653</u>	<u>1,617,410</u>
City Total	<u>\$ 16,745,636</u>	<u>\$ 3,769,499</u>	<u>\$ 3,321,084</u>	<u>\$ 17,194,051</u>	<u>\$ 6,664,064</u>	<u>\$ 10,529,987</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities**

**Certificates of Participation**

<u>Description</u>	<u>Amount</u>
<p>\$7,825,000 City of Westminster 2008 Certificates of Participation (Civic Center Refunding), dated May 1, 2008. The Certificates are payable in annual installments ranging from \$320,000 to \$860,000 until maturity on June 1, 2022. Interest is payable biannually at an average rate of 4.1%. The 2008 Certificates were issued for the purpose of advance refunding the \$13,600,000 Westminster Variable Rate Demand Certificates of Participation, Series 1998A (1998 Civic Center Refunding Program). Proceeds from the Series 2008 Certificates were invested in an escrow fund with a trustee which together with earnings paid the interest and principal on the Certificates until fully retired. The 1998 Certificates are legally defeased and no longer a liability of the City. The reacquisition price exceeded the net carrying amount of the debt. This amount is shown as deferred outflows of resources. These bonds have an AAA/AA-rating. The Certificates of Participation are liquidated through the Special Gas Tax &amp; Street Improvements and Community Promotion Special Revenue Funds and Motor Pool/Equipment and Facilities/Maintenance Internal Service Funds.</p>	
Principal Outstanding at June 30, 2021	<u>\$ 350,000</u>

**Lease Payable**

<u>Description</u>	<u>Amount</u>
<p>The City entered into capital leases for the purpose of leasing City cars. The lease terms are 36 months with an option to purchase. Principal and interest payments are payable annually at an average rate of 2%. Leases payable are liquidated through the Motor Pool/Equipment Internal Service Fund.</p>	
Principal Outstanding at June 30, 2021	<u>\$ 1,844,240</u>

Capital assets acquired through the lease consists of equipment with a net value of \$1,354,444, which has an original cost of \$3,078,559 less accumulated depreciation of \$1,724,115.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities (Continued)**

Compensated Absences and Claims Liabilities

Compensated absences and claims liabilities which do not have any set annual debt service requirements are being liquidated in the internal service funds. These internal service funds predominately serve the governmental funds. Accordingly, these liabilities are part of the total liabilities for governmental activities and are funded primarily through the General Fund.

**Business-Type Activity**

The Business-type Activity long term liability transactions at June 30, 2021, are comprised of the following individual items:

Certificates of Participation

<u>Description</u>	<u>Amount</u>
<p>\$5,035,000 Certificates of Participation (Water System Refunding) Series 2008, dated June 1, 2008. The Certificates are payable in annual installments ranging from \$220,000 to \$465,000 until maturity on June 1, 2024. Interest is payable bi annually at an average rate of 4.1%. The 2008 Certificates were issued for the purpose of advance refunding the \$5,210,000 Westminster Variable Rate Demand Certificates of Participation, Series 1998B (1998 Water System Refunding Program) and the \$2,200,000 installment purchase agreement payable to Zions First National Bank. The 2008 Series Certificates were invested in an escrow fund with a trustee which together with earnings will pay interest and principal on the 2008 Certificates until fully retired. The 1998 Certificates are legally defeased and no longer a liability of the City. The reacquisition price exceeded the net carrying amount of the debt. This amount is shown as deferred outflow of resources. These bonds have an AAA/AA- rating. The Certificates of Participation are liquidated through the Water Enterprise Fund.</p>	<p>Principal Outstanding at June 30, 2021 <u>\$ 965,000</u></p>

The covenants authorizing the 2008 Water System Refunding Program Certificates of Participation stipulate that water rates must be maintained at levels sufficient to generate revenues in excess of certain predetermined amounts. Additionally, the City must establish certain management guidelines with respect to the operation of the water system. Resolution No. 4147, authorizing the issuance, terms and conditions of the 2008 Water System Refunding Program Certificates of Participation, includes a covenant requiring that the charges for the services, facilities and water costs of the enterprise be so fixed that the "net revenues" of the enterprise shall be at least 120% of the installment payments on the Certificates and the California Infrastructure and Economic Development Bank Loan.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activity (Continued)**

Certificates of Participation (Continued)

For the fiscal year ended June 30, 2021, the calculation of the Enterprise Fund's compliance with the rate coverage covenant is as follows:

Gross Revenues:	
Charges for Services	\$ 18,617,732
Investment Income	232,439
Other	<u>12,748</u>
Total Gross Revenues	<u>18,862,919</u>
Operating Expenses:	
Operating Expenses	14,913,673
Depreciation and Amortization	(1,437,334)
Vehicle Replacement Charges	<u>(123,360)</u>
Total Operating Costs	<u>13,352,979</u>
Net Revenues	<u>\$ 5,509,940</u>
Installment Payments:	
Principal Payments	\$ 368,395
Interest Payments	<u>90,075</u>
Total Installment Payments	<u>\$ 458,470</u>
Net Revenues to Installment Payment Coverage Ratio	<u>1202%</u>

City management believes it is in compliance with all such covenants.

Additionally, the City has agreed to maintain a replacement reserve at a level the City determines to be economically prudent. At June 30, 2021, the Enterprise Fund's capital equipment replacement reserve is as follows:

Capital Equipment Replacement Reserve	<u>\$ 3,804,829</u>
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**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activity (Continued)**

Loans Payable

Description

Amount

\$2,000,000 installment sale agreement payable to California Infrastructure and Economic Development Bank, dated January 28, 2002. The agreement was issued to provide for the financing of a water tank. The project was completed, and the loan was fully funded as of June 30, 2004. The agreement is payable in annual installments ranging from \$40,000 to \$105,000 until maturity on August 1, 2031. Interest is payable at a fixed rate of 3.52% per annum. The loan is liquidated through the Water Enterprise Fund.

\$ 999,534

Compensated Absences Liability

Compensated absences liability which does not have any set debt service requirements are expected to be liquidated by the Water Enterprise Fund and is reported as a liability for Business-type Activity.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental and Business-Type Activity**

**Annual Amortization Requirements of Governmental and Business-type Long-term Liabilities**

The annual requirements to amortize all governmental and business-type long-term liabilities (excluding compensated absences and claims payable) outstanding as of June 30, 2021, including interest payments are as follows:

<u>Year Ending June 30,</u>	Certificates of Participation Governmental Activities		
	Principal	Interest	Total
2022	\$ 350,000	\$ 15,313	\$ 365,313
Total	\$ 350,000	\$ 15,313	\$ 365,313

<u>Year Ending June 30,</u>	Leases Payable Governmental Activities		
	Principal	Interest	Total
2022	\$ 951,473	\$ 19,029	\$ 970,502
2023	349,389	6,988	356,377
2024	333,382	6,668	340,050
2025	135,703	2,714	138,417
2026	74,293	1,486	75,779
Total	\$ 1,844,240	\$ 36,885	\$ 1,881,125

<u>Year Ending June 30,</u>	Certificates of Participation Business-Type Activity		
	Principal	Interest	Total
2022	\$ 310,000	\$ 41,431	\$ 351,431
2023	320,000	28,257	348,257
2024	335,000	14,656	349,656
Total	\$ 965,000	\$ 84,344	\$ 1,049,344

<u>Year Ending June 30,</u>	Loans Payable Business-Type Activity		
	Principal	Interest	Total
2022	\$ 75,978	\$ 33,846	\$ 109,824
2023	78,652	31,125	109,777
2024	81,421	28,308	109,729
2025	84,287	25,391	109,678
2026	87,254	22,372	109,626
2027-2031	484,561	62,720	547,281
2032	107,381	1,891	109,272
Total	\$ 999,534	\$ 205,653	\$ 1,205,187

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental and Business-Type Activity**

**Annual Amortization Requirements of Governmental and Business-type Long-term Liabilities (Continued)**

<u>Year Ending June 30,</u>	Grand Totals		
	<u>Governmental and Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,687,451	\$ 109,619	\$ 1,797,070
2023	748,041	66,370	814,411
2024	749,803	49,632	799,435
2025	219,990	28,105	248,095
2026	161,547	23,858	185,405
2027-2031	484,561	62,720	547,281
2032	107,381	1,891	109,272
Total	<u>\$ 4,158,774</u>	<u>\$ 342,195</u>	<u>\$ 4,500,969</u>

**NOTE 8 PENSION PLANS**

The following is a summary of pension related items for the year ended June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>			
CalPERS Miscellaneous Plan	\$ 5,776,754	\$ 571,327	\$ 6,348,081
CalPERS Safety Plan	15,421,578	-	15,421,578
PARS Plan	128	-	128
Total Deferred Outflows of Resources	<u>\$ 21,198,460</u>	<u>\$ 571,327</u>	<u>\$ 21,769,787</u>
<b>Deferred Inflows of Resources:</b>			
CalPERS Miscellaneous Plan	\$ -	\$ -	\$ -
CalPERS Safety Plan	(3,072,812)	-	(3,072,812)
PARS Plan	-	-	-
Total Deferred Inflows of Resources	<u>\$ (3,072,812)</u>	<u>\$ -</u>	<u>\$ (3,072,812)</u>
<b>Net Pension Liability:</b>			
CalPERS Miscellaneous Plan	\$ (41,772,554)	\$ (4,131,352)	\$ (45,903,906)
CalPERS Safety Plan	(83,889,653)	-	(83,889,653)
PARS Plan	(444,737)	-	(444,737)
Total Net Pension Liability	<u>\$ (126,106,944)</u>	<u>\$ (4,131,352)</u>	<u>\$ (130,238,296)</u>
<b>Pension Expense:</b>			
CalPERS Miscellaneous Plan	\$ 4,795,090	\$ 474,240	\$ 5,269,330
CalPERS Safety Plan	10,792,413	-	10,792,413
PARS Plan	(516,484)	-	(516,484)
Total Pension Expense	<u>\$ 15,071,019</u>	<u>\$ 474,240</u>	<u>\$ 15,545,259</u>

Pension liabilities are liquidated from the related employees' home program, with the majority funded out of the General Fund.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS)**

General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's Safety (police) cost sharing defined benefit plan, and the Miscellaneous (all other) Plan, agent multiple-employer defined benefit pension plans 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 Plans are established by State statute and City 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

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of service. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for nonduty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at the measurement date ended June 30, 2020 are summarized as follows:

	Miscellaneous		
	Prior to October 22, 2011	October 22, 2011 to December 31, 2012	On or After January 1, 2013
Hire Date			
Benefit Formula	2.5%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	8.00%	7.00%	5.75%
Required Employer Contribution Rates:			
Normal Cost Rate	10.964%	10.964%	6.750%
Payment of Unfunded Liability	\$ 3,168,286	\$ -	\$ -
Payment of Normal Cost Rate	830,472	-	376,854
	Safety		
	Prior to October 22, 2011	October 22, 2011 to December 31, 2012	On or After January 1, 2013
Hire Date			
Benefit Formula	3%@50	2%@50	2.7%@57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.00%	2.0% to 2.7%	2.0% to 2.7%
Required Employee Contribution Rates	9.00%	9.00%	12.25%
Required Employer Contribution Rates:			
Normal Cost Rate	25.540%	19.825%	13.750%
Payment of Unfunded Liability	\$ 5,214,508	\$ 1,224	\$ 6,704
Payment of Normal Cost Rate	1,313,169	65,777	491,704

Employees Covered

At the measurement date ended June 30, 2020, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	<u>Miscellaneous</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	262
Inactive Employees Entitled to But Not Yet Receiving Benefits	119
Active Employees	142
Total	<u>523</u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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's 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

For the fiscal year ended June 30, 2021, the City contributed \$7,093,086 and \$4,375,612 to the safety cost-sharing and the miscellaneous agent multiple-employer plans, respectively.

Net Pension Liability

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

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

Net Pension Liability (Continued)

Actuarial Assumptions

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
- (3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

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 expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

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 (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ 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 assets class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00%	2.62%
Inflation Assets	0.00	0.77%	1.81%
Private Equity	8.00	6.30%	7.23%
Real Assets	13.00	3.75%	4.93%
Liquidity	1.00	0.00%	-0.92%
Total	<u>100.00%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

Discount Rate

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

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2019 (Measurement Date)	\$ 138,212,571	\$ 96,131,868	\$ 42,080,703
Changes in the Year:			
Service Cost	1,885,714	-	1,885,714
Interest on the Total Pension Liability	9,807,082	-	9,807,082
Differences Between Expected and Actual Experience	1,607,079	-	1,607,079
Contribution - Employer		3,981,996	(3,981,996)
Contribution - Employee	-	860,366	(860,366)
Net Investment Income	-	4,769,832	(4,769,832)
Administrative Expenses	-	(135,522)	135,522
Benefit Payments, Including Refunds of Employee Contributions	(7,201,024)	(7,201,024)	-
Net Changes	<u>6,098,851</u>	<u>2,275,648</u>	<u>3,823,203</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 144,311,422</u>	<u>\$ 98,407,516</u>	<u>\$ 45,903,906</u>

Proportionate Share of Net Pension Liability

As of June 30, 2021 (measurement date of June 30, 2020), the City reported \$83,889,653 for its proportionate share of the net pension liability for the Safety Plan.

The City's net pension liability for the Safety Plan is measured as the proportionate share of the net pension liability. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Safety Plan as of the measurement dates ended June 30, 2019 and 2020 was as follows:

	<u>Safety</u>
Proportion - June 30, 2019	1.23957%
Proportion - June 30, 2020	1.25916%
Change - Increase (Decrease)	0.01959%

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 64,483,948	\$ 120,374,283
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 45,903,906	\$ 83,889,653
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 30,511,393	\$ 53,950,561

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2021, the City recognized pension expense of \$5,269,330 and \$10,792,413 for the Miscellaneous and Safety Plans, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 4,375,612	\$ -	\$ 7,093,086	\$ -
Differences Between Expected and Actual Experience	1,246,911	-	6,505,217	-
Change in Assumptions	-	-	-	(279,438)
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	-	(2,793,374)
Net Differences Between Projected and Actual Earnings on Plan Investments	725,558	-	1,823,275	-
Total	<u>\$ 6,348,081</u>	<u>\$ -</u>	<u>\$ 15,421,578</u>	<u>\$ (3,072,812)</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Public Employees' Retirement System (CalPERS) (Continued)**

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

\$4,375,612 and \$7,093,086 reported as deferred outflows of resources related to contributions subsequent to the measurement date, for the Miscellaneous and Safety Plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>
2022	\$ 458,629	\$ 513,203
2023	640,624	2,123,369
2024	479,043	1,705,544
2025	394,173	913,564
2026	-	-
Thereafter	-	-

Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

**B. Public Agency Retirement System (PARS) Supplementary Retirement Plan**

General Information about the Pension Plan

Plan Description and Benefits

Effective July 1, 2007, pursuant to sections 401(a) and 501(a) of the Internal Revenue Code, the City adopted a tax-qualified single employer governmental defined benefit plan that is to be administered for the City by Public Agency Retirement Service (PARS), a third-party administrator. The plan was established to provide eligible employees, supplemental retirement benefits in addition to the benefits employees will receive from the California Public Employees Retirement System (CalPERS). The plan is closed and six eligible retirees or their beneficiaries are paid monthly.

Contributions

The contribution is actuarially 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. For the year ended June 30, 2021, the City's contribution was \$225,000.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**B. Public Agency Retirement System (PARS) Supplementary Retirement Plan  
(Continued)**

General Information about the Pension Plan (Continued)

Employees Covered

At June 30, 2021, the following employees were covered by the benefit terms of the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	6	
Inactive Employees Entitled to But Not Yet Receiving Benefits	-	
Active Employees	-	
Total	6	

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

Actuarial Assumptions

The total pension liability as of the measurement date of June 30, 2021 was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method:	
Level Percent or Level Dollar	Level Dollar
Closed, Open, or Layered Periods	Closed
Amortization Period at June 30, 2020	2.0 years
Amortization Growth Rate	0.00%
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	6.00%
Cost of Living Adjustments	2.00%
Withdrawal/Disability	N/A
Mortality	Males: RP-2000 Male Table projected to 2020 using Scale BB (as prescribed by PARS) Females: RP-2000 Female Table projected to 2020 using Scale BB (as prescribed by PARS)
Form of Payment	Monthly as determined by plan document

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**B. Public Agency Retirement System (PARS) Supplementary Retirement Plan  
(Continued)**

Net Pension Liability (Continued)

Change of Assumptions

The discount rate for the fiscal years ended June 30, 2021 and 2020 were 6.00% and 2.21%, respectively.

Discount Rate

For the year ended June 30, 2021, the discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed the City's contributions would result in sufficient plan assets to pay all benefits from the trust. Prior to the fiscal year ended June 30, 2020, the plan had been primarily pay-as-you-go. For fiscal years ended June 30, 2020, and 2021, the City made contributions in excess of the annual benefit payments and expenses and is planning on continuing this funding level in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected pension payments for current employees and beneficiaries. Therefore, the long-term expected rate of return on the pension trust was applied to all periods of the projected benefits payments to determine the total pension liability.

Long-Term Expected Rate of Return

The table below reflects the long-term expected real rate of return by asset class using a 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
U.S. Cash	BAML 3 Month T-Bill	1.71%	-0.32%	-0.32%
U.S. Core Fixed Income	Barclays Aggregate	82.52%	1.37%	1.26%
U.S. Equity Market	Russell 3000	11.85%	5.33%	3.70%
Foreign Developed Equity	MSCI EAFE NR	2.04%	6.27%	4.52%
Emerging Markets Equity	MSCI EM NR	1.39%	8.64%	4.95%
U.S. Real Estate Investment Trust	FTSE NAREIT Equity REIT	0.49%	5.75%	3.57%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.16%	1.16%
Portfolio Real Mean Return			2.03%	1.91%
Portfolio Nominal Mean Return			4.33%	4.25%
Portfolio Standard Deviation				3.98%
Long-Term Expected Rate of Return				6.00%

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**B. Public Agency Retirement System (PARS) Supplementary Retirement Plan  
(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, 2020	\$ 1,451,183	\$ 262,235	\$ 1,188,948
Changes in the Year:			
Interest on the Total Pension Liability	31,467	-	31,467
Changes in Assumptions	(541,036)	-	(541,036)
Contribution - Employer	-	225,000	(225,000)
Net Investment Income	-	22,287	(22,287)
Administrative Expenses	-	(12,645)	12,645
Benefit Payments, Including Refunds of Employee Contributions	(54,827)	(54,827)	-
Net Changes	(564,396)	179,815	(744,211)
Balance at June 30, 2021	\$ 886,787	\$ 442,050	\$ 444,737

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability 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 one percentage point lower or one percentage point higher than the current rate:

1% Decrease	5.00%
Net Pension Liability	\$ 551,051
Current Discount Rate	6.00%
Net Pension Liability	\$ 444,737
1% Increase	7.00%
Net Pension Liability	\$ 356,032

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**B. Public Agency Retirement System (PARS) Supplementary Retirement Plan  
(Continued)**

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

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Differences Between Projected and Actual Earnings on Plan Investments	\$ 128	\$ -
Total	\$ 128	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 655
2023	(217)
2024	70
2025	(380)
2026	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 PENSION PLANS (CONTINUED)**

**C. Part-time, Seasonal, and Temporary Employees-Alternate Retirement System Plan**  
Plan Description – Other Defined Contribution Pension Plans

Omnibus Budget Reconciliation Act of 1990 (OBRA 90) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by Social Security or an alternate plan. In accordance with this federal law, the City provides pension benefits for all part-time, seasonal and temporary employees through the City of Westminster Alternate Retirement System Plan administered by the Public Agency Retirement System (PARS-ARS). PARS ARS is a defined contribution pension plan and benefits depend solely on amounts contributed to the plan plus investment earnings. Federal legislation requires defined contributions to the retirement plan of at least 7.5% of the employee's salary. Accordingly, contributions to the plan consist of 6% by the employee and 1.5% by the City. All part-time, seasonal or temporary employees are immediately eligible to participate in the plan from the date of employment and all contributions are fully vested. The contribution requirements are established by Federal statutes and may be amended by the Federal government.

For the year ended June 30, 2021, the City's payroll covered by the plan was \$1,738,925. Contributions to the plan totaled \$130,420 with employee contributions in the amount of \$104,334 (6.0% of current covered payroll) and City contributions in the amount of \$26,086 (1.5% of current covered payroll).

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The City has an agent multiple-employer other postemployment benefit plan that provides postemployment benefits including medical, dental, vision and life insurance to eligible employees and their dependents at retirement through the California Public Employees Medical and Hospital Care Act (PEMHCA). In fiscal year 2017-18, the City established a California Retiree Benefit Trust (CERBT) for which CalPERS serves as the trustee.

Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its management employees and unions representing the City's employees. Eligible retirees (service or disability retire through CalPERS directly from the City) receive reimbursement from the City for a portion of the costs for the coverage. The medical benefit through the CalPERS Healthcare Program is based on the hire date and the employee group. For employees in employee groups hired prior to dates in the following table, the City pays up to 100% of the cap.

Employee Group	Cap	Hire Date
POA	\$ 892	07/01/04
Mgmt/Admin/Conf	937	08/10/05
WMEA	937	06/22/05
Fire (no actives)	427	n/a

For employees hired after the dates in the table above, the City pays a percent of the cap based on years of service with the City.

Years of Service	Percentage of Cap
Less than 5	PEMHCA minimum (\$143 in 2021)
5 through 10	25%
11 through 15	50%
More than 15	100%

The benefit to a surviving spouse continues based on CalPERS retirement plan election. Dental, vision and life insurance benefits are provided through the City's group insurance plans. The City provides full vision coverage, pays dental coverage up to \$20/month and pays life insurance premiums up to \$19.10/month.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. Plan Description (Continued)**

Employees Covered

As of measurement date June 30, 2020, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	283
Inactive Employees or Beneficiaries Entitled to But Not Yet Receiving Benefits	29
Active Employees	<u>226</u>
Total	<u><u>538</u></u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by City Council. Currently, contributions are not required from plan members. Administrative costs of the OPEB plan are financed through investment earnings. The annual contribution is based on the actuarially determined contributions. For the fiscal year ended June 30, 2021, the City contributed \$250,000 to the CERBT, \$2,258,314 for current premiums, \$6,626 for administrative costs paid outside of the trust, and the estimated implied subsidy was \$510,000, resulting in total payments of \$3,024,940. The contributions to the OPEB plan are generally made from the General Fund. The initial contribution to the CERBT was liquidated from the Compensation/Benefits Internal Service Fund.

**B. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

Actuarial Assumptions

The net OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Contribution Policy	Ad hoc prefunding contribution of \$250,000 to CERBT during fiscal year 2020/21
<b>Actuarial Assumptions:</b>	
Discount Rate	5.66%
Inflation	2.75%
Projected Salary Increase	Aggregate - 3%
	Merit - CalPERS 1997-2015 Experience Study
Expected Long-Term Investment Rate of Return	6.75%
	City contributions are not projected to be sufficient to pay all benefits from plan assets in fiscal year 2059/60.
Medical Trend	Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare (Kaiser) - 5.0% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years.
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020

Discount Rate

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability. 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 75 will often require that the actuary perform complex projections of future benefit payments and asset values. Based on those assumptions, the OPEB plan's fiduciary net position is projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries up to 2059-2060. Subsequent to this date, the OPEB plan's fiduciary net position is not projected to be available for such payments. This has resulted in a blended discount rate of 5.66%, which takes into account the long-term expected rate of 6.75% and the Bond Buyer 20-Bond GO Index municipal bond rate of 2.21%.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

Expected Long-Term Rate of Return

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

Asset Class	Target Allocation CERBT Strategy 1	Expected Real Rate of Return
Global Equity	59.00%	4.82%
Fixed Income	25.00	1.47%
TIPS	5.00	1.29%
Commodities	3.00	0.84%
REITs	8.00	3.76%
Total	<u>100.00%</u>	
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.75%

**C. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019 (Measurement Date)	\$ 53,628,105	\$ 3,107,983	\$ 50,520,122
Changes in the Year:			
Service Cost	915,334	-	915,334
Interest on the total OPEB liability	2,716,427	-	2,716,427
Differences Between Actual and Expected Experience	(2,445,856)	-	(2,445,856)
Changes in Assumptions	(2,624,758)	-	(2,624,758)
Contribution - Employer	-	3,026,173	(3,026,173)
Net Investment Income	-	115,636	(115,636)
Administrative Expenses	-	(8,954)	8,954
Benefit Payments	(2,768,823)	(2,768,823)	-
Net Changes	<u>(4,207,676)</u>	<u>364,032</u>	<u>(4,571,708)</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 49,420,429</u>	<u>\$ 3,472,015</u>	<u>\$ 45,948,414</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**C. Changes in the Net OPEB Liability (Continued)**

Change of Assumptions

The discount rate as of the measurement date June 30, 2020, was 5.66% as compared to the discount rate as of the measurement date June 30, 2019, which was 5.11%. The discount rate was updated based on funding policy and crossover test.

In addition, the medical trend was updated to include Kaiser at a separate rate from non-Kaiser Medicare. The medical trend rate as of the measurement date June 30, 2019, was as follows: Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4% in 2076 and later years; Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4% in 2076 and later years. The medical trend rate as of the measurement date June 30, 2020, is as follows: Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare (Kaiser) - 5.0% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years.

Change of Benefit Terms

There were no changes of benefit terms.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability of the City, as well as what the City's Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease</u> <u>(4.66%)</u>	<u>Discount Rate</u> <u>(5.66%)</u>	<u>1% Increase</u> <u>(6.66%)</u>
Net OPEB Liability	\$ 51,950,001	\$ 45,948,414	\$ 40,947,881

Sensitivity of the Net OPEB Liability to Changes in Medical Trend Rates

The following presents the Net OPEB liability of the City, as well as what the City's Net OPEB liability would be if it were calculated using medical trend rates that are one percentage point lower:

	<u>1% Decrease</u> <u>(6.5%/5.5%</u> <u>Decreasing</u> <u>to 3.0%)</u>	<u>Current Trend</u> <u>(7.5%/6.5%</u> <u>Decreasing</u> <u>to 4.0%)</u>	<u>1% Increase</u> <u>(8.5%/7.5%</u> <u>Decreasing</u> <u>to 5.0%)</u>
Net OPEB Liability	\$ 43,316,016	\$ 45,948,414	\$ 48,865,674

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$(2,469,866). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 3,024,940	\$ -
Differences Between Actual and Expected Experience	-	(3,136,148)
Changes in Assumptions	191,575	(7,413,121)
Net Differences Between Projected and Actual Earnings on Plan Investments	106,594	-
Total	<u>\$ 3,323,109</u>	<u>\$ (10,549,269)</u>

The change in assumptions are amortized over the expected average remaining service life. The expected average remaining service life for the 2020 measurement period is 5.3 years.

\$3,024,940 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (5,312,084)
2023	(2,957,298)
2024	(909,272)
2025	(973,022)
2026	(99,424)
Thereafter	-

**E. Payable to the OPEB Plan**

At June 30, 2021, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10 DEFERRED COMPENSATION**

Certain provisions of the Small Business Job Protection Act (the Act) effected Internal Revenue Code Section 457 plans by eliminating the requirement that Section 457 plan assets legally remain the assets of the sponsoring government. The Act requires that amounts deferred under a Section 457 plan be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors.

The City has implemented GASB 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The assets have been transferred into a trust, and are no longer subject to claims of the City's general creditors, and are no longer considered the assets of the City. The plan permits all City employees to defer a portion of their salary until future years. The amount deferred is not available to employees until termination, retirement, death or unforeseeable emergency.

The City contracts with private deferred compensation administration firms to act as an agent of the City to fulfill all the City's administrative responsibilities. The duties performed by this fiduciary on behalf of the City include assisting employees in the execution of investment transactions and providing summary and participant reporting of these investments.

Since the City has placed the assets into a trust and has little administrative involvement and does not perform the investing function for the plan, the assets have been removed from the City's financial statements.

**NOTE 11 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

The City retains the risk of loss for general liability claims of up to \$500,000 per occurrence and workers' compensation claims of up to \$500,000 per person per occurrence. The City has established the Risk Management and Compensation/Benefits Internal Service Funds to account for and finance these uninsured risks of loss, and liabilities are accrued when incurred, whether or not reported, in each of these Funds.

The City utilizes the California State Association of Counties Excess Insurance Authority (CSAC-EIA), a joint powers authority, to provide excess insurance for the general liability and workers' compensation programs. CSAC-EIA was established for the purpose of creating a risk management pool for all California public entities. CSAC-EIA is governed by a Board of Directors consisting of representatives of its member public entities. Portions of general liability and workers compensation claims exceeding the above-mentioned amounts are covered by CSAC-EIA up to a maximum \$25,000,000 per claim and in annual aggregate amount for general liability claims. The coverage for workers' compensation extends to statutory limit. Additional coverage is maintained through a commercial insurer for claims in excess of the per claim units and the annual aggregate amounts.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 RISK MANAGEMENT (CONTINUED)**

The City continues to carry commercial insurance for all other risks of loss, including employee health, fire, water, boiler and machinery insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All Funds of the City participate in the risk management program and make payments to the Risk Management and Compensation/Benefits Internal Service Funds based on estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. At June 30, 2021, the Risk Management Fund had a net position of \$2,987,666. Also, at June 30, 2021, the Compensation/Benefits Fund had a net position of \$1,108,344. The claims liabilities of \$2,314,263 and \$7,904,960 reported in the Risk Management and Compensation/Benefits Internal Service Funds, respectively, at June 30, 2021 are based on the requirements that a liability for claims 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 basic financial statements and amount of the loss can be reasonably estimated.

Changes in the Risk Management and Compensation/Benefits Internal Service Funds' claims liability amounts in fiscal years 2021 and 2020 were as follows:

	Risk Management Fund		Compensation/Benefits Fund	
	2021	2020	2021	2020
Beginning-Year Liability	\$ 1,782,213	\$ 2,115,551	\$ 7,750,343	\$ 7,865,660
Current-Year Claims and Changes in Estimates	(19,810)	(576,128)	1,182,498	1,106,303
Claim Payments	551,860	242,790	(1,027,881)	(1,221,620)
Balance at Fiscal Year-End	<u>\$ 2,314,263</u>	<u>\$ 1,782,213</u>	<u>\$ 7,904,960</u>	<u>\$ 7,750,343</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The various fund balance classifications established as of June 30, 2021 were as follows:

	General	Special Revenue Funds			Capital Projects Fund Capital Improvements	Nonmajor Other Governmental	Total
		Westminster Housing Authority	Housing and Community Development	Special Gas Tax and Street Improvements			
<b>Nonspendable:</b>							
Prepaid items	\$ 188,018	\$ -	\$ -	\$ -	\$ -	\$ 480	\$ 188,498
<b>Restricted for:</b>							
Housing Authority	-	25,095,057	-	-	-	-	25,095,057
Housing and Community Development	-	-	954,545	-	-	-	954,545
Special Gas Tax and Street Improvements	-	-	-	1,226,582	6,876,583	-	8,103,165
Debt Service	-	-	-	117,812	-	139,716	257,528
Parks	-	-	-	-	2,589,874	2,404,571	4,994,445
Special Police Services	-	-	-	-	-	1,799,686	1,799,686
Municipal Lighting	-	-	-	-	1,324,319	5,982,637	7,306,956
Other Grants	-	-	-	-	658,881	858,033	1,516,914
Offside Drainage District	-	-	-	-	-	171,064	171,064
Total Restricted	-	25,095,057	954,545	1,344,394	11,449,657	11,355,707	50,199,360
<b>Committed:</b>							
Emergency Contingency	10,826,211	-	-	-	-	-	10,826,211
<b>Assigned:</b>							
Capital Projects	-	-	-	-	25,305,631	-	25,305,631
Community Promotions	-	-	-	-	-	4,953	4,953
RDA dissolution	2,696,420	-	-	-	-	-	2,696,420
Total Assigned	2,696,420	-	-	-	25,305,631	4,953	28,007,004
<b>Unassigned</b>							
	21,128,660	-	-	-	-	-	21,128,660
<b>Total Fund Balances</b>	<b>\$ 34,839,309</b>	<b>\$ 25,095,057</b>	<b>\$ 954,545</b>	<b>\$ 1,344,394</b>	<b>\$ 36,755,288</b>	<b>\$ 11,361,140</b>	<b>\$ 110,349,733</b>

**NOTE 13 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**Claims and Judgments**

At June 30, 2021, the City was a defendant in a number of lawsuits arising in the ordinary course of operations which allege liability on the part of the City in connection with workers compensation and general liability matters. Management believes that potential losses relating to these lawsuits will not materially affect the financial position of the City beyond what has been recorded as a claims liability.

**Grant Contingencies**

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

**COVID-19**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of an outbreak of a new strain of coronavirus (the COVID-19 outbreak) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The City's operations are heavily dependent on the ability to raise sales taxes, property taxes and transient occupancy taxes and assess business licenses, developer fees and construction permits. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued adverse impact on economic and market conditions, triggering a period of global economic slowdown. The outbreak could also have other potential impacts, including disruptions or restrictions on employees' ability to work. As such, this may hinder the liability for the City to meet the needs of its constituents. The City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time.

**NOTE 15 SUCCESSOR AGENCY DISCLOSURES**

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency of the City of Westminster Redevelopment Agency on February 1, 2012, as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosure related to capital assets and long-term liabilities are as follows:

**Long Term Liabilities**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021	Within One Year	More Than One Year
Tax Allocation						
Bonds Payable	\$ 111,390,000	\$ 9,350,000	\$ 22,810,000	\$ 97,930,000	\$ 2,285,000	\$ 95,645,000
Unamortized Refunding						
Premium	5,930,218	-	418,956	5,511,262	-	5,511,262
Net Long- Term Debt	<u>\$ 117,320,218</u>	<u>\$ 9,350,000</u>	<u>\$ 23,228,956</u>	<u>\$ 103,441,262</u>	<u>\$ 2,285,000</u>	<u>\$ 101,156,262</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Long Term Liabilities (Continued)**

**Tax Allocation Bonds**

<u>Description</u>	<u>Amount</u>
<p>\$24,305,000 Westminster Commercial Redevelopment Project No. 1, 2011 Tax Allocation Bonds, Series A, dated June 9, 2011. The 2011 bonds were issued for the purpose of constructing a new Civic Center parking facility and an evidence storage facility for the City police department. The Tax Allocation Bonds were legally defeased and paid in full on May 1, 2021 with 2011 unspent bond proceeds and the issuance of the 2020 Tax Allocation Refunding Bonds.</p>	<p>\$ -</p>
<p>\$77,425,000 Westminster Commercial Redevelopment Project No. 1, 2016 Subordinate Tax Allocation Refunding Bonds dated July 14, 2016. The bonds are payable in annual installments ranging from \$325,000 to \$5,270,000 from November 1, 2017 until maturity on November 1, 2045. Interest is payable bi annually at an average rate of 3.3%. The 2016 Bonds proceeds were invested in an escrow fund with a trustee to pay interest and principal on the 2009 Subordinate Tax Allocation Bonds until November 1, 2019 to redeem all 2009 Bonds in full on November 1, 2019. As of June 30, 2021, the defeased 2009 Bonds have a remaining outstanding balance of \$73,055,000. The 2016 Bonds were issued for the purpose of refunding the 2009 Subordinate Tax Allocation Bonds</p>	<p>76,075,000</p>
<p>\$15,370,000 Westminster Commercial Redevelopment Project No. 1, 2018 Tax Allocation Refunding Bonds, dated May 10, 2018. The bonds are payable in annual installments ranging from \$1,400,000 to \$2,060,000 from August 1, 2019 until maturity on August 1, 2027. Interest is payable bi-annually at an average rate of 5.0%. The 2018 Bonds proceeds were invested in an escrow fund with a trustee to pay interest and principal on the 2008 Tax Allocation Refunding Bonds until August 1, 2018 to redeem all 2008 Bonds in full on August 1, 2018. The 2018 Bonds were issued for the purpose of refunding the 2008 Tax Allocation Refunding Bonds</p>	<p>12,505,000</p>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Long Term Liabilities (Continued)**

**Tax Allocation Bonds (Continued)**

<u>Description</u>	<u>Amount</u>
<p>\$9,350,000 Westminster Commercial Redevelopment Project No. 1, 2020 Tax Allocation Refunding Bonds, dated December 8, 2020. The bonds are payable in annual installments ranging from \$280,000 to \$460,000 from November 1, 2021 until maturity on November 1, 2045. Interest is payable bi-annually at an average rate of 3.1%. The 2020 Bonds proceeds were invested in an escrow fund with a trustee to pay interest and principal on the 2011 Tax Allocation Refunding Bonds until May 1, 2021 to redeem all 2011 Bonds in full on May 1, 2021. As of June 30, 2021, the defeased 2011 Bonds have a remaining outstanding balance of \$20,355,000. The 2020 Bonds were issued for the purpose of refunding the 2011 Tax Allocation Refunding Bonds. The refunding resulted in a cash flow difference of \$24.3 million and an economic gain (difference between the present values of the old and new debt service payment) of \$5 million.</p>	<p style="text-align: right;"><u>9,350,000</u></p>
<p>Total Tax Allocation Bonds</p>	<p style="text-align: right;"><u><u>\$ 97,930,000</u></u></p>

The annual requirements to amortize the tax allocation bonds outstanding as of June 30, 2021, including interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Tax Allocation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,285,000	\$ 3,514,643	\$ 5,799,643
2023	2,415,000	3,419,072	5,834,072
2024	2,510,000	3,318,090	5,828,090
2025	2,615,000	3,211,572	5,826,572
2026	2,720,000	3,099,333	5,819,333
2027-2031	15,635,000	13,508,140	29,143,140
2032-2036	19,425,000	9,761,412	29,186,412
2037-2041	23,280,000	5,916,580	29,196,580
2042-2046	27,045,000	2,095,927	29,140,927
Total	<u><u>\$ 97,930,000</u></u>	<u><u>\$ 47,844,769</u></u>	<u><u>\$ 145,774,769</u></u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Debt Contingencies**

Not included in the accompanying financial statements are Variable Rate Demand Multifamily Housing Revenue Bonds (Brookhurst Royale Senior Assisting Living Project) 2000 Series A and Subordinate Taxable Multifamily Housing Revenue Bonds (Brookhurst Royale Senior Assisted Living Project) 2000 Series A-S (collectively, the Bonds), conduit debt obligations issued under the name of the Redevelopment Agency. The Bonds were issued to finance the construction of a 117-unit residential care facility for the elderly. The Bonds are not secured by or payable from revenues or assets of the City or the Redevelopment Agency. Neither the faith and credit nor the taxing power of the City of Westminster, the Westminster Redevelopment Agency, the state of California or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds nor is the City or the Agency in any manner obligated to make appropriations for payment on these bonds. At June 30, 2021, the aggregate principal amount of Bonds outstanding totaled \$3,622,500.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
CaIPERS SAFETY PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan's Proportion of the Net Pension Liability	1.25916%	1.23957%	1.22646%	1.18735%
Plan's Proportionate Share of the Net Pension Liability	\$ 83,889,653	\$ 77,380,540	\$ 71,963,367	\$ 70,946,856
Plan's Covered Payroll	\$ 9,401,147	\$ 9,237,437	\$ 8,628,683	\$ 8,535,713
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	892.33%	837.68%	834.00%	831.18%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	68.77%	75.26%	75.26%	73.31%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2021:

There were no significant changes in assumptions.

\* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (CONTINUED)  
CaIPERS SAFETY PENSION PLAN  
LAST TEN FISCAL YEARS \***

<u>Fiscal Year Ended</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Period	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	1.19950%	1.17133%	1.08238%
Plan's Proportionate Share of the Net Pension Liability	\$ 62,124,175	\$ 48,264,075	\$ 40,599,811
Plan's Covered Payroll	\$ 9,200,544	\$ 9,177,397	\$ 9,232,577
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	675.22%	525.90%	439.75%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.06%	78.40%	81.21%

*See accompanying Note to Required Supplementary Information.*

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
CalPERS SAFETY PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution (Actuarially Determined)	\$ 7,093,086	\$ 6,331,043	\$ 5,395,008	\$ 4,494,635
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,093,086)</u>	<u>(6,331,043)</u>	<u>(5,395,008)</u>	<u>(4,494,635)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,728,970	\$ 9,401,147	\$ 9,237,437	\$ 8,628,683
Contributions as a Percentage of Covered Payroll	72.91%	67.34%	58.40%	52.09%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.625%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 3% at 50 and 2% at 50 and 2.7% at 57
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS (CONTINUED)  
CaIPERS SAFETY PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 3,950,925	\$ 3,624,844	\$ 2,607,628
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,950,925)</u>	<u>(3,624,844)</u>	<u>(2,607,628)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,535,713	\$ 9,200,544	\$ 9,177,397
Contributions as a Percentage of Covered Payroll	46.29%	39.40%	28.41%

Notes to Schedule:

Valuation Date	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**CaIPERS MISCELLANEOUS PENSION PLAN**  
**LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability:				
Service Cost	\$ 1,885,714	\$ 1,886,717	\$ 1,689,596	\$ 1,703,653
Interest on Total Pension Liability	9,807,082	9,386,848	9,038,670	9,000,252
Differences Between Expected and Actual Experience	1,607,079	906,606	(2,674,420)	(192,143)
Changes in Assumptions	-	-	(889,018)	7,439,826
Benefit Payments, Including Refunds of Employee Contributions	<u>(7,201,024)</u>	<u>(6,804,469)</u>	<u>(6,923,150)</u>	<u>(6,269,057)</u>
Net Change in Total Pension Liability	6,098,851	5,375,702	241,678	11,682,531
Total Pension Liability - Beginning of Year	<u>138,212,571</u>	<u>132,836,869</u>	<u>132,595,191</u>	<u>120,912,660</u>
Total Pension Liability - End of Year (a)	<u>\$ 144,311,422</u>	<u>\$ 138,212,571</u>	<u>\$ 132,836,869</u>	<u>\$ 132,595,191</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 3,981,996	\$ 3,412,276	\$ 2,929,826	\$ 2,263,443
Contributions - Employee	860,366	840,524	898,613	481,638
Net Investment Income	4,769,832	6,059,526	7,445,161	8,771,655
Net Plan to Plan Resource Movement	-	-	(214)	-
Benefit Payments	(7,201,024)	(6,804,469)	(6,923,150)	(6,269,057)
Administrative Expenses	(135,522)	(66,146)	(138,282)	(123,454)
Other Miscellaneous Expense	-	214	(262,600)	-
Net Change in Plan Fiduciary Net Position	<u>2,275,648</u>	<u>3,441,925</u>	<u>3,949,354</u>	<u>5,124,225</u>
Plan Fiduciary Net Position - Beginning of Year	<u>96,131,868</u>	<u>92,689,943</u>	<u>88,740,589</u>	<u>83,616,364</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 98,407,516</u>	<u>\$ 96,131,868</u>	<u>\$ 92,689,943</u>	<u>\$ 88,740,589</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 45,903,906</u>	<u>\$ 42,080,703</u>	<u>\$ 40,146,926</u>	<u>\$ 43,854,602</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.19%	69.55%	69.78%	66.93%
Covered Payroll	\$ 11,271,384	\$ 10,695,620	\$ 10,046,950	\$ 10,109,723
Net Pension Liability as Percentage of Covered Payroll	407.26%	393.44%	399.59%	433.79%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2021:

There were no significant changes in assumptions.

\* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS (CONTINUED)  
CaIPERS MISCELLANEOUS PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:			
Service Cost	\$ 1,560,638	\$ 1,545,832	\$ 1,596,416
Interest on Total Pension Liability	8,752,757	8,442,196	8,193,716
Differences Between Expected and Actual Experience	99,143	(814,859)	-
Changes in Assumptions	-	(2,073,935)	-
Benefit Payments, Including Refunds of Employee Contributions	(6,071,087)	(5,998,818)	(5,541,372)
Net Change in Total Pension Liability	<u>4,341,451</u>	<u>1,100,416</u>	<u>4,248,760</u>
Total Pension Liability - Beginning of Year	<u>116,571,209</u>	<u>115,470,793</u>	<u>111,222,033</u>
Total Pension Liability - End of Year (a)	<u>\$ 120,912,660</u>	<u>\$ 116,571,209</u>	<u>\$ 115,470,793</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 2,432,527	\$ 1,995,892	\$ 1,893,680
Contributions - Employee	1,038,082	957,863	950,841
Net Investment Income	434,960	1,928,356	13,071,051
Net Plan to Plan Resource Movement	-	-	-
Benefit Payments	(6,071,087)	(5,998,818)	(5,541,372)
Administrative Expenses	(52,311)	(96,506)	-
Other Miscellaneous Expense	-	-	-
Net Change in Plan Fiduciary Net Position	<u>(2,217,829)</u>	<u>(1,213,213)</u>	<u>10,374,200</u>
Plan Fiduciary Net Position - Beginning of Year	<u>85,834,193</u>	<u>87,047,406</u>	<u>76,673,206</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 83,616,364</u>	<u>\$ 85,834,193</u>	<u>\$ 87,047,406</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 37,296,296</u>	<u>\$ 30,737,016</u>	<u>\$ 28,423,387</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.15%	73.63%	75.38%
Covered Payroll	\$ 9,763,265	\$ 9,615,714	\$ 9,591,542
Net Pension Liability as Percentage of Covered Payroll	382.01%	319.65%	296.34%

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
CalPERS MISCELLANEOUS PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution (Actuarially Determined)	\$ 4,375,612	\$ 3,981,525	\$ 3,412,276	\$ 2,929,826
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,375,612)</u>	<u>(3,981,525)</u>	<u>(3,412,276)</u>	<u>(2,929,826)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 11,015,867	\$ 11,271,384	\$ 10,695,620	\$ 10,046,950
Contributions as a Percentage of Covered Payroll	39.72%	35.32%	31.90%	29.16%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
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Methods and Assumptions Used  
to Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value

Inflation	2.500%	2.625%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 2.5% at 55 and 2% at 60 and 2% at 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS (CONTINUED)  
CaIPERS MISCELLANEOUS PENSION PLAN  
LAST TEN FISCAL YEARS \***

<u>Fiscal Year Ended</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 2,578,591	\$ 2,432,527	\$ 1,995,892
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,578,591)</u>	<u>(2,432,527)</u>	<u>(1,995,892)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,109,723	\$ 9,763,265	\$ 9,615,714
Contributions as a Percentage of Covered Payroll	25.51%	24.92%	20.76%
Notes to Schedule:			
Valuation Date	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS  
PARS PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability:				
Interest on Total Pension Liability	\$ 31,467	\$ 41,567	\$ 44,010	\$ 42,556
Differences Between Expected and Actual Experience	-	7,458	-	6,047
Changes in Assumptions	(541,036)	241,624	59,655	(47,938)
Benefit Payments, Including Refunds of Employee Contributions	<u>(54,827)</u>	<u>(53,752)</u>	<u>(52,698)</u>	<u>(51,665)</u>
Net Change in Total Pension Liability	(564,396)	236,897	50,967	(51,000)
Total Pension Liability - Beginning of Year	<u>1,451,183</u>	<u>1,214,286</u>	<u>1,163,319</u>	<u>1,214,319</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 886,787</u></u>	<u><u>\$ 1,451,183</u></u>	<u><u>\$ 1,214,286</u></u>	<u><u>\$ 1,163,319</u></u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 225,000	\$ 225,000	\$ 57,769	\$ 56,636
Contributions - Employee	-	-	-	-
Net Investment Income	22,287	8,171	6,704	745
Administrative Expenses	(12,645)	(12,645)	(3,077)	(3,018)
Benefit Payments	<u>(54,827)</u>	<u>(53,752)</u>	<u>(52,698)</u>	<u>(51,665)</u>
Net Change in Plan Fiduciary Net Position	179,815	166,774	8,698	2,698
Plan Fiduciary Net Position - Beginning of Year	<u>262,235</u>	<u>95,461</u>	<u>86,763</u>	<u>84,065</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 442,050</u></u>	<u><u>\$ 262,235</u></u>	<u><u>\$ 95,461</u></u>	<u><u>\$ 86,763</u></u>
Net Pension Liability - Ending (a)-(b)	<u><u>\$ 444,737</u></u>	<u><u>\$ 1,188,948</u></u>	<u><u>\$ 1,118,825</u></u>	<u><u>\$ 1,076,556</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.85%	18.07%	7.86%	7.46%
Covered Payroll	N/A	N/A	N/A	N/A
Net Pension (Asset ) Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate utilized for the fiscal years ended June 30, 2019, 2020, and 2021 was 3.50%, 2.21%, and 6.00%, respectively.

\* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS (CONTINUED)  
PARS PENSION PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:			
Interest on Total Pension Liability	\$ 38,210	\$ 42,261	\$ 42,514
Differences Between Expected and Actual Experience	-	6,959	-
Changes in Assumptions	(139,101)	229,573	78,569
Benefit Payments, Including Refunds of Employee Contributions	<u>(50,652)</u>	<u>(49,658)</u>	<u>(48,685)</u>
Net Change in Total Pension Liability	(151,543)	229,135	72,398
Total Pension Liability - Beginning of Year	<u>1,365,862</u>	<u>1,136,727</u>	<u>1,064,329</u>
Total Pension Liability - End of Year (a)	<u>\$ 1,214,319</u>	<u>\$ 1,365,862</u>	<u>\$ 1,136,727</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 55,526	\$ 54,437	\$ 53,370
Contributions - Employee	-	-	-
Net Investment Income	3,864	1,732	274
Administrative Expenses	(2,957)	(2,899)	(2,843)
Benefit Payments	<u>(50,652)</u>	<u>(49,658)</u>	<u>(48,685)</u>
Net Change in Plan Fiduciary Net Position	5,781	3,612	2,116
Plan Fiduciary Net Position - Beginning of Year	<u>78,284</u>	<u>74,672</u>	<u>72,556</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 84,065</u>	<u>\$ 78,284</u>	<u>\$ 74,672</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 1,130,254</u>	<u>\$ 1,287,578</u>	<u>\$ 1,062,055</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.92%	5.73%	6.57%
Covered Payroll	N/A	N/A	N/A
Net Pension (Asset ) Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
PARS PENSION PLAN  
LAST TEN FISCAL YEARS \***

<u>Fiscal Year Ended</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially Determined Contribution	\$ 322,944	\$ 322,944	\$ 218,041	\$ 218,041
Contributions in Relation to the Actuarially Determined Contributions	<u>(225,000)</u>	<u>(225,000)</u>	<u>(57,769)</u>	<u>(56,636)</u>
Contribution Deficiency (Excess)	<u>\$ 97,944</u>	<u>\$ 97,944</u>	<u>\$ 160,272</u>	<u>\$ 161,405</u>
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2020	06/30/2018	06/30/2018
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	4 years at June 30, 2018; 2 years at June 30, 2020
Asset Valuation Method	None
Inflation	N/A
Salary Increases	N/A
Cost of Living Adjustment	2.00%
Investment Rate of Return	6%
Mortality	Males: RP-2000 Male Table projected to 2020 using Scale BB (as prescribed by PARS). Females: RP-2000 Female Table projected to 2020 using Scale BB (as prescribed by PARS)

\* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS (CONTINUED)  
PARS PENSION PLAN  
LAST TEN FISCAL YEARS \***

<u>Fiscal Year Ended</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially Determined Contribution	\$ 154,322	\$ 154,322	\$ 129,852
Contributions in Relation to the Actuarially Determined Contributions	<u>(55,526)</u>	<u>(54,437)</u>	<u>(53,370)</u>
Contribution Deficiency (Excess)	<u>\$ 98,796</u>	<u>\$ 99,885</u>	<u>\$ 76,482</u>
Covered Payroll	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A
Notes to Schedule:			
Valuation Date	06/30/2016	06/30/2016	06/30/2015

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year End	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:				
Service Cost	\$ 915,334	\$ 900,365	\$ 1,423,662	\$ 1,714,239
Interest on Total OPEB Liability	2,716,427	2,682,329	2,404,962	2,097,429
Actual Versus Expected Experience	(2,445,856)	-	(3,363,382)	-
Assumption Changes	(2,624,758)	319,291	(12,422,687)	(7,217,554)
Benefit Payments	(2,768,823)	(2,713,253)	(2,714,471)	(2,725,171)
Net Change in Total OPEB Liability	(4,207,676)	1,188,732	(14,671,916)	(6,131,057)
Total OPEB Liability - Beginning of Year	53,628,105	52,439,373	67,111,289	73,242,346
Total OPEB Liability - End of Year (a)	49,420,429	53,628,105	52,439,373	67,111,289
Plan Fiduciary Net Position:				
Contributions - Employer	3,026,173	2,963,253	5,322,361	-
Net Investment Income	115,636	190,572	61,007	-
Benefit Payments	(2,768,823)	(2,713,253)	(2,714,471)	-
Administrative Expenses	(8,954)	(604)	(882)	-
Net Change in Plan Fiduciary Net Position	364,032	439,968	2,668,015	-
Plan Fiduciary Net Position - Beginning of Year	3,107,983	2,668,015	-	-
Plan Fiduciary Net Position - End of Year (b)	3,472,015	3,107,983	2,668,015	-
Net OPEB Liability - Ending (a)-(b)	<u>\$ 45,948,414</u>	<u>\$ 50,520,122</u>	<u>\$ 49,771,358</u>	<u>\$ 67,111,289</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.03%	5.80%	5.09%	0.00%
Covered - Employee Payroll	\$ 24,195,065	\$ 23,444,396	\$ 23,311,178	\$ 22,417,562
Net OPEB Liability as Percentage of Covered - Employee Payroll	189.91%	215.49%	213.51%	299.37%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2018 to June 30, 2019:

- Discount rate was updated based on funding policy and crossover test.
- Demographic assumptions were updated to CalPERS 1997-2015 Experience Study.
- Mortality improvement scale was updated to Scale MP-2018.

From fiscal year June 30, 2019 to June 30, 2021:

The discount rate was updated based on the funding policy and crossover test. The discount rate for the fiscal years ended June 30, 2019, 2020, and 2021 were as follows: 5.16%, 5.11%, and 5.66%, respectively.

\* Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 3,795,000	\$ 3,835,000	\$ 3,689,000	\$ -
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,024,940)</u>	<u>(3,026,173)</u>	<u>(2,963,253)</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ 770,060</u>	<u>\$ 808,827</u>	<u>\$ 725,747</u>	<u>\$ -</u>
Covered - Employee Payroll	\$ 23,387,082	\$ 24,195,065	\$ 23,444,396	N/A
Contributions as a Percentage of Covered - Employee Payroll	12.93%	12.51%	12.64%	N/A

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2018	6/30/2018	6/30/2017
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Methods and Assumptions Used to Determine

Contribution Rates:

Single and Agent Employers	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Long-Term Rate of Return	6.75%	6.75%	6.75%	6.75%
Inflation	2.75%	2.75%	2.75%	2.75%
Medical Trend	(3)	(2)	(2)	(2)
Mortality, Retirement, Disability, Termination	(5)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

(2) Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4% in 2076 and later years.

(3) Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years. Medicare (Kaiser) - 5.0% for 2022, decreasing to an ultimate rate of 4% in 2076 and later years.

(4) Mortality projected fully generational with Scale MP-2018.

(5) Mortality projected fully generational with Scale MP-2020.

\* Fiscal year 2018 was the first year of implementation, therefore four years year are shown.

**CITY OF WESTMINSTER, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 36,817,000	\$ 36,817,000	\$ 40,020,100	\$ 3,203,100
Licenses and Permits	989,175	989,175	1,079,964	90,789
Fines	456,000	456,000	790,627	334,627
Investment and Rental	1,410,000	1,410,000	227,302	(1,182,698)
Intergovernmental	15,582,875	17,088,888	19,404,044	2,315,156
Charges for Services	4,609,239	4,609,239	5,720,551	1,111,312
Other	344,949	344,949	227,833	(117,116)
Total Revenues	<u>60,209,238</u>	<u>61,715,251</u>	<u>67,470,421</u>	<u>5,755,170</u>
<b>EXPENDITURES</b>				
Current:				
General Government	4,752,940	6,980,984	6,827,320	153,664
Public Safety	48,796,845	48,520,958	46,924,799	1,596,159
Public Works	5,274,367	5,157,489	4,745,764	411,725
Community Development	2,983,711	3,200,589	3,240,923	(40,334)
Community Services	2,421,979	2,421,979	1,917,427	504,552
Capital Outlay	-	18,500	27,359	(8,859)
Total Expenditures	<u>64,229,842</u>	<u>66,300,499</u>	<u>63,683,592</u>	<u>2,616,907</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,020,604)	(4,585,248)	3,786,829	8,372,077
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment and Property	5,000	5,000	6,073	1,073
Transfers In	2,434,650	2,434,650	2,434,650	-
Transfers Out	(25,000)	(1,525,000)	(1,525,000)	-
Total Other Financing Sources (Uses)	<u>2,414,650</u>	<u>914,650</u>	<u>915,723</u>	<u>1,073</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,605,954)	(3,670,598)	4,702,552	8,373,150
Fund Balance - Beginning of Year	<u>30,136,757</u>	<u>30,136,757</u>	<u>30,136,757</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 28,530,803</u></u>	<u><u>\$ 26,466,159</u></u>	<u><u>\$ 34,839,309</u></u>	<u><u>\$ 8,373,150</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
WESTMINSTER HOUSING AUTHORITY SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 90,000	\$ 90,000	\$ 66,758	\$ (23,242)
Intergovernmental	-	-	56,250	56,250
Charges for Services	-	-	790	790
Other	1,387	1,387	2,360	973
Total Revenues	<u>91,387</u>	<u>91,387</u>	<u>126,158</u>	<u>34,771</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>801,030</u>	<u>801,030</u>	<u>387,238</u>	<u>413,792</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(709,643)	(709,643)	(261,080)	448,563
Fund Balance - Beginning of Year	<u>25,356,137</u>	<u>25,356,137</u>	<u>25,356,137</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 24,646,494</u></u>	<u><u>\$ 24,646,494</u></u>	<u><u>\$ 25,095,057</u></u>	<u><u>\$ 448,563</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ -	\$ -	\$ 1,375	\$ 1,375
Intergovernmental	3,081,415	3,835,917	1,894,905	(1,941,012)
<b>Total Revenues</b>	<u>3,081,415</u>	<u>3,835,917</u>	<u>1,896,280</u>	<u>(1,939,637)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	2,442,512	3,842,303	1,590,716	2,251,587
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	638,903	(6,386)	305,564	311,950
<b>OTHER FINANCING USES</b>				
Transfers Out	(650,000)	(650,000)	-	650,000
<b>Total Other Financing Uses</b>	<u>(650,000)</u>	<u>(650,000)</u>	<u>8,881</u>	<u>658,881</u>
<b>NET CHANGE IN FUND BALANCE</b>	(11,097)	(656,386)	314,445	970,831
Fund Balance - Beginning of Year	640,100	640,100	640,100	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 629,003</u>	<u>\$ (16,286)</u>	<u>\$ 954,545</u>	<u>\$ 970,831</u>

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL GAS TAX AND STREET IMPROVEMENTS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,329,346	\$ 4,429,346	\$ 4,645,948	\$ 216,602
Investment and Rental	51,000	51,000	97,765	46,765
Intergovernmental	2,072,614	3,463,293	2,069,438	(1,393,855)
Charges for Services	10,000	10,000	3,526	(6,474)
Other	-	1,500,897	32,148	(1,468,749)
Total Revenues	<u>6,462,960</u>	<u>9,454,536</u>	<u>6,848,825</u>	<u>(2,605,711)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	1,888,513	1,888,513	1,741,903	146,610
Debt Service:				
Principal Retirement	108,037	108,037	108,036	1
Interest and Fiscal Charges	9,530	9,530	9,530	-
Total Expenditures	<u>2,006,080</u>	<u>2,006,080</u>	<u>1,859,469</u>	<u>146,611</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,456,880	7,448,456	4,989,356	(2,459,100)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	6,825	6,825	-
Transfers Out	<u>(4,715,987)</u>	<u>(10,831,976)</u>	<u>(4,867,380)</u>	<u>5,964,596</u>
Total Other Financing Sources (Uses)	<u>(4,715,987)</u>	<u>(10,825,151)</u>	<u>(4,860,555)</u>	<u>5,964,596</u>
<b>NET CHANGE IN FUND BALANCE</b>	(259,107)	(3,376,695)	128,801	3,505,496
Fund Balance - Beginning of Year	<u>1,215,593</u>	<u>1,215,593</u>	<u>1,215,593</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 956,486</u>	<u>\$ (2,161,102)</u>	<u>\$ 1,344,394</u>	<u>\$ 3,505,496</u>

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

The City establishes accounting control through formal adoption of an annual operating budget for the General and Special Revenue Funds. The City Council's policy is to adopt a formal operating budget by June 30 of each year. The legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations, is the fund level for all General and Special Revenue Funds, and by project in the Capital Projects Funds.

The City Manager may authorize appropriation transfers within a single department, between capital projects with a single funding source, and between departments within the same fund. All increases at the overall fund level must be approved by the City Council. All budget appropriations, except capital project and grant funded budgets, lapse at the end of each fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All increases to the adopted budget require Council approval and must clearly state the amount of increase requested, as well as the availability of appropriate funding sources.

**OTHER SUPPLEMENTARY INFORMATION**

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**CITY OF WESTMINSTER, CALIFORNIA  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2021**

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or City Council resolution to expenditure for specific purposes.

**Parks Dedication Fund** – Accounts for payments assessed against new residential developments to support community parks. Amounts are required to be used for acquisition and improvement of City parks.

**Special Police Services Fund** – Accounts for the regional and local narcotics suppression programs, Federal and state grants related to crime prevention.

**Municipal Lighting Fund** – Accounts for the City's share of property taxes collected under the Municipal Lighting District Act of 1919. Property taxes are collected by the County and paid to the City for operating and maintaining the municipal lighting district.

**Other Grants Fund** – Accounts for all Federal, State, County or other grants received which are not otherwise separately accounted for in other funds. These grants include family resource center, senior transportation, air quality management, and Safety, Health and Understanding in Education (S.H.U.E.).

**Offsite Drainage District Fund** – Accounts for revenues received from developers and expenditures to provide storm drain systems within each District.

**Community Promotion Fund** – Accounts for the assets generated by the sale of the City's cable franchise. Interest earnings and the proceeds of the sale are used to fund the repayment of the 2008 Certificates of Participation related to the Rose Center and 800 mhz.

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds			
	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
<b>ASSETS</b>				
Cash and Investments	\$ 2,404,571	\$ 1,912,379	\$ 5,969,041	\$ 840,832
Receivables, Net of Allowance	-	151,066	18,383	49,891
Prepaid Items	-	480	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	<u>\$ 2,404,571</u>	<u>\$ 2,063,925</u>	<u>\$ 5,987,424</u>	<u>\$ 890,723</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ -	\$ 44,662	\$ -	\$ 32,690
Deposits	-	151,703	-	-
Total Liabilities	-	196,365	-	32,690
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	67,394	4,787	-
Total Liabilities and Deferred Inflows of Resources	-	263,759	4,787	32,690
<b>FUND BALANCES</b>				
Nonspendable	-	480	-	-
Restricted for:				
Parks	2,404,571	-	-	-
Special Police Services	-	1,799,686	-	-
Municipal Lighting	-	-	5,982,637	-
Other Grants	-	-	-	858,033
Offsite Drainage District	-	-	-	-
Debt Service	-	-	-	-
Assigned:				
Community Promotions	-	-	-	-
Total Fund Balances	<u>2,404,571</u>	<u>1,800,166</u>	<u>5,982,637</u>	<u>858,033</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,404,571</u>	<u>\$ 2,063,925</u>	<u>\$ 5,987,424</u>	<u>\$ 890,723</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Special Revenue Funds (Continued)</u>		Total Other Governmental Funds
	<u>Offsite Drainage District</u>	<u>Community Promotion</u>	
<b>ASSETS</b>			
Cash and Investments	\$ 171,064	\$ 144,665	\$ 11,442,552
Receivables, Net of Allowance	-	-	219,340
Prepaid Items	-	-	480
Restricted Assets:			
Cash and Investments with Fiscal Agents	-	4	4
Total Assets	<u>\$ 171,064</u>	<u>\$ 144,669</u>	<u>\$ 11,662,376</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	\$ -	\$ -	\$ 77,352
Deposits	-	-	151,703
Total Liabilities	-	-	229,055
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	72,181
Total Liabilities and Deferred Inflows of Resources	-	-	301,236
<b>FUND BALANCES</b>			
Nonspendable	-	-	480
Restricted for:			
Parks	-	-	2,404,571
Special Police Services	-	-	1,799,686
Municipal Lighting	-	-	5,982,637
Other Grants	-	-	858,033
Offsite Drainage District	171,064	-	171,064
Debt Service	-	139,716	139,716
Assigned:			
Community Promotions	-	4,953	4,953
Total Fund Balances	<u>171,064</u>	<u>144,669</u>	<u>11,361,140</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 171,064</u>	<u>\$ 144,669</u>	<u>\$ 11,662,376</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds			
	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 2,059,111	\$ -
Investment and Rental	74,883	29,213	99,823	11,016
Intergovernmental	-	431,767	-	682,479
Charges for Services	549,462	2,475	-	-
Other	-	-	-	18,049
Total Revenues	<u>624,345</u>	<u>463,455</u>	<u>2,158,934</u>	<u>711,544</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	7,543
Public Safety	-	804,264	-	-
Community Development	31,217	-	1,002,880	100,806
Community Services	-	-	-	451,771
Capital Outlay	91,200	13,898	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>122,417</u>	<u>818,162</u>	<u>1,002,880</u>	<u>560,120</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	501,928	(354,707)	1,156,054	151,424
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,010,000)	-	(100,000)	(20,596)
Total Other Financing Sources (Uses)	<u>(1,010,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(20,596)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(508,072)	(354,707)	1,056,054	130,828
Fund Balances - Beginning of Year	<u>2,912,643</u>	<u>2,154,873</u>	<u>4,926,583</u>	<u>727,205</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,404,571</u>	<u>\$ 1,800,166</u>	<u>\$ 5,982,637</u>	<u>\$ 858,033</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Special Revenue Funds (Continued)</u>		Total Other Governmental Funds
	Offsite Drainage District	Community Promotion	
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 2,059,111
Investment and Rental	2,515	3	217,453
Intergovernmental	-	-	1,114,246
Charges for Services	-	-	551,937
Other	-	-	18,049
Total Revenues	<u>2,515</u>	<u>3</u>	<u>3,960,796</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	7,543
Public Safety	-	-	804,264
Community Development	125	1,701	1,136,729
Community Services	-	-	451,771
Capital Outlay	-	-	105,098
Debt Service:			
Principal Retirement	-	128,123	128,123
Interest and Fiscal Charges	-	11,302	11,302
Total Expenditures	<u>125</u>	<u>141,126</u>	<u>2,644,830</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,390	(141,123)	1,315,966
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	60,000	60,000
Transfers Out	-	-	(1,130,596)
Total Other Financing Sources (Uses)	<u>-</u>	<u>60,000</u>	<u>(1,070,596)</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,390	(81,123)	245,370
Fund Balances - Beginning of Year	<u>168,674</u>	<u>225,792</u>	<u>11,115,770</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 171,064</u>	<u>\$ 144,669</u>	<u>\$ 11,361,140</u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PARKS DEDICATION SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 30,000	\$ 70,000	\$ 74,883	\$ 4,883
Charges for Services	10,000	510,000	549,462	39,462
Total Revenues	<u>40,000</u>	<u>580,000</u>	<u>624,345</u>	<u>44,345</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	22,000	47,000	31,217	15,783
Capital Outlay	-	91,200	91,200	-
Total Expenditures	<u>22,000</u>	<u>138,200</u>	<u>122,417</u>	<u>15,783</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	18,000	441,800	501,928	28,562
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(992,000)	(568,200)	(508,072)	28,562
Fund Balance - Beginning of Year	<u>2,912,643</u>	<u>2,912,643</u>	<u>2,912,643</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,920,643</u>	<u>\$ 2,344,443</u>	<u>\$ 2,404,571</u>	<u>\$ 28,562</u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL POLICE SERVICES SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 20,500	\$ 20,500	\$ 29,213	\$ 8,713
Intergovernmental	331,444	783,316	431,767	(351,549)
Charges for Services	2,000	2,000	2,475	475
Other	100,000	100,000	-	(100,000)
Total Revenues	<u>453,944</u>	<u>905,816</u>	<u>463,455</u>	<u>(442,361)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,024,871	1,274,341	804,264	470,077
Capital Outlay	-	-	13,898	(13,898)
Debt Service:				
Interest and Fiscal Charges	1,000	1,000	-	1,000
Total Expenditures	<u>1,025,871</u>	<u>1,275,341</u>	<u>818,162</u>	<u>457,179</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(571,927)	(369,525)	(354,707)	14,818
Fund Balance - Beginning of Year	<u>2,154,873</u>	<u>2,154,873</u>	<u>2,154,873</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,582,946</u>	<u>\$ 1,785,348</u>	<u>\$ 1,800,166</u>	<u>\$ 14,818</u>

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MUNICIPAL LIGHTING SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,038,000	\$ 2,038,000	\$ 2,059,111	\$ 21,111
Investment and Rental	50,000	50,000	99,823	49,823
Total Revenues	<u>2,088,000</u>	<u>2,088,000</u>	<u>2,158,934</u>	<u>70,934</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>996,400</u>	<u>996,400</u>	<u>1,002,880</u>	<u>(6,480)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,091,600	1,091,600	1,156,054	64,454
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	991,600	991,600	1,056,054	64,454
Fund Balance - Beginning of Year	<u>4,926,583</u>	<u>4,926,583</u>	<u>4,926,583</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 5,918,183</u></u>	<u><u>\$ 5,918,183</u></u>	<u><u>\$ 5,982,637</u></u>	<u><u>\$ 64,454</u></u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OTHER GRANTS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 7,000	\$ 7,000	\$ 11,016	\$ 4,016
Intergovernmental	651,763	677,304	682,479	5,175
Other	20,504	24,004	18,049	(5,955)
Total Revenues	<u>679,267</u>	<u>708,308</u>	<u>711,544</u>	<u>3,236</u>
<b>EXPENDITURES</b>				
Current:				
General Government	42,813	42,813	7,543	35,270
Community Development	155,791	155,791	100,806	54,985
Community Services	432,190	461,231	451,771	9,460
Total Expenditures	<u>630,794</u>	<u>659,835</u>	<u>560,120</u>	<u>99,715</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	48,473	48,473	151,424	102,951
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>-</u>	<u>(20,571)</u>	<u>(20,596)</u>	<u>(25)</u>
<b>NET CHANGE IN FUND BALANCE</b>	48,473	27,902	130,828	102,926
Fund Balance - Beginning of Year	<u>727,205</u>	<u>727,205</u>	<u>727,205</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 775,678</u></u>	<u><u>\$ 755,107</u></u>	<u><u>\$ 858,033</u></u>	<u><u>\$ 102,926</u></u>

**CITY OF WESTMINSTER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
OFFSITE DRAINAGE DISTRICT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 2,000	\$ 2,000	\$ 2,515	515
Charges for services	2,000	2,000	-	(2,000)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>2,515</u>	<u>(1,485)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>200</u>	<u>200</u>	<u>125</u>	<u>75</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,800	3,800	2,390	(1,410)
Fund Balance - Beginning of Year	<u>168,674</u>	<u>168,674</u>	<u>168,674</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 172,474</u></u>	<u><u>\$ 172,474</u></u>	<u><u>\$ 171,064</u></u>	<u><u>\$ (1,410)</u></u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY PROMOTION SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ -	\$ -	\$ 3	\$ 3
Total Revenues	-	-	3	3
<b>EXPENDITURES</b>				
Current:				
Community Development	2,500	2,500	1,701	799
Debt Service:				
Principal Retirement	128,123	128,123	128,123	-
Interest and Fiscal Charges	11,302	11,302	11,302	-
Total Expenditures	141,925	141,925	141,126	799
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(141,925)	(141,925)	(141,123)	802
<b>OTHER FINANCING SOURCES</b>				
Transfers In	60,000	60,000	60,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(81,925)	(81,925)	(81,123)	802
Fund Balance - Beginning of Year	225,792	225,792	225,792	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 143,867	\$ 143,867	\$ 144,669	\$ 802

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**CITY OF WESTMINSTER, CALIFORNIA**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

Internal Service Funds finance and account for goods and services provided by one City department to other City departments, or to other governments, on a cost-reimbursement basis, including depreciation. The City used the following Internal Service Funds:

**Risk Management Fund** – Accounts for the administration of the City’s general liability insurance and for the payment of any related claims.

**Compensation/Benefits Fund** – Finances and accounts for the City’s group medical, vision and dental insurance, workers compensation insurance, unemployment insurance, employee life insurance and compensated absences.

**Motor Pool/Equipment Fund** – Accounts for the maintenance and replacement of City-owned vehicles and equipment.

**Facilities/Maintenance Fund** – Accounts for the City’s buildings maintenance and utilities costs.

**CITY OF WESTMINSTER, CALIFORNIA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2021**

	Risk Management	Compensation/ Benefits	Motor Pool/ Equipment
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 5,438,944	\$ 7,170,324	\$ 2,661,808
Accounts Receivable	-	2,722	36,037
Prepaid Items	-	-	40,187
Inventories	-	-	19,976
Total Current Assets	5,438,944	7,173,046	2,758,008
Restricted Assets:			
Cash and Investments Held in Pension Trust	-	4,198,906	-
Total Restricted Assets	-	4,198,906	-
Capital Assets:			
Buildings	-	-	-
Improvements Other than Buildings	-	-	585,555
Vehicles	-	-	2,679,308
Machinery and Equipment	-	-	801,237
Office Furniture, Computers, and Equipment	-	-	2,573,121
Leased Property	-	-	3,078,557
Total Capital Assets	-	-	9,717,778
Less: Accumulated Depreciation	-	-	(7,220,694)
Net Capital Assets	-	-	2,497,084
Total Assets	5,438,944	11,371,952	5,255,092
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Refunding, Net of Accumulated Amortization	-	-	986

**CITY OF WESTMINSTER, CALIFORNIA**  
**COMBINING STATEMENT OF NET POSITION (CONTINUED)**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

	Facilities/ Maintenance	Totals
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 867,050	\$ 16,138,126
Accounts Receivable	2,290	41,049
Prepaid Items	-	40,187
Inventories	-	19,976
Total Current Assets	869,340	16,239,338
Restricted Assets:		
Cash and Investments Held in Pension Trust	-	4,198,906
Total Restricted Assets	-	4,198,906
Capital Assets:		
Buildings	4,575,005	4,575,005
Improvements Other than Buildings	37,300	622,855
Vehicles	-	2,679,308
Machinery and Equipment	113,020	914,257
Office Furniture, Computers, and Equipment	355,974	2,929,095
Leased Property	-	3,078,557
Total Capital Assets	5,081,299	14,799,077
Less: Accumulated Depreciation	(2,540,973)	(9,761,667)
Net Capital Assets	2,540,326	5,037,410
Total Assets	3,409,666	25,475,654
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding, Net of Accumulated Amortization	21,839	22,825

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2021**

	Risk Management	Compensation/ Benefits	Motor Pool/ Equipment
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Other Liabilities	\$ 137,015	\$ -	\$ 81,110
Claims Payable	578,566	1,976,240	-
Compensated Absences	-	2,028,438	106,379
Leases Payable	-	-	951,473
Certificates of Participation	-	-	12,007
Total Current Liabilities	715,581	4,004,678	1,150,969
Long-Term Liabilities:			
Claims Payable	1,735,697	5,928,720	-
Compensated Absences	-	330,210	17,318
Leases Payable	-	-	892,767
Total Long-Term Liabilities	1,735,697	6,258,930	910,085
Total Liabilities	2,451,278	10,263,608	2,061,054
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	641,823
Restricted for Pension Benefits	-	4,198,906	-
Unrestricted	2,987,666	(3,090,562)	2,553,201
Total Net Position	\$ 2,987,666	\$ 1,108,344	\$ 3,195,024

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2021**

	Facilities/ Maintenance	Totals
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Other Liabilities	\$ 175,815	\$ 393,940
Claims Payable	-	2,554,806
Compensated Absences	48,315	2,183,132
Leases Payable	-	951,473
Certificates of Participation	91,259	103,266
Total Current Liabilities	315,389	6,186,617
Long-Term Liabilities:		
Claims Payable	-	7,664,417
Compensated Absences	7,865	355,393
Leases Payable	-	892,767
Total Long-Term Liabilities	7,865	8,912,577
Total Liabilities	323,254	15,099,194
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,470,906	3,112,729
Restricted for Pension Benefits	-	4,198,906
Unrestricted	637,345	3,087,650
Total Net Position	\$ 3,108,251	\$ 10,399,285

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>	<u>Motor Pool/ Equipment</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,017,000	\$ 1,780,303	\$ 3,511,917
Other	45,118	424,714	39,297
Total Operating Revenues	<u>2,062,118</u>	<u>2,205,017</u>	<u>3,551,214</u>
<b>OPERATING EXPENSES</b>			
Salaries	-	-	1,535,094
Maintenance and Operations	53,666	66,917	1,553,052
Insurance Premiums and Legal Fees	1,723,769	224,623	-
Claims and Benefits	551,860	1,309,264	-
Depreciation and Amortization	-	-	1,099,051
Total Operating Expenses	<u>2,329,295</u>	<u>1,600,804</u>	<u>4,187,197</u>
<b>OPERATING INCOME (LOSS)</b>	(267,177)	604,213	(635,983)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	-	-	171,650
Investment Income	-	689,087	82,187
Interest and Fiscal Charges	-	-	(1,981)
Loss on Sale of Property and Equipment	-	-	(2,120)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>689,087</u>	<u>249,736</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	(267,177)	1,293,300	(386,247)
<b>TRANSFERS</b>			
Transfers In	-	-	191,340
Transfers Out	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>191,340</u>
<b>CHANGE IN NET POSITION</b>	(267,177)	1,293,300	(194,907)
Net Position - Beginning of Year	<u>3,254,843</u>	<u>(184,956)</u>	<u>3,389,931</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,987,666</u>	<u>\$ 1,108,344</u>	<u>\$ 3,195,024</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Facilities/ Maintenance	Totals
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,169,400	\$ 9,478,620
Other	8,148	517,277
Total Operating Revenues	2,177,548	9,995,897
<b>OPERATING EXPENSES</b>		
Salaries	727,809	2,262,903
Maintenance and Operations	1,396,785	3,070,420
Insurance Premiums and Legal Fees	-	1,948,392
Claims and Benefits	-	1,861,124
Depreciation and Amortization	164,233	1,263,284
Total Operating Expenses	2,288,827	10,406,123
<b>OPERATING INCOME (LOSS)</b>	(111,279)	(410,226)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	-	171,650
Investment Income	28,498	799,772
Interest and Fiscal Charges	(31,180)	(33,161)
Loss on Sale of Property and Equipment	-	(2,120)
Total Nonoperating Revenues (Expenses)	(2,682)	936,141
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	(113,961)	525,915
<b>TRANSFERS</b>		
Transfers In	96,362	287,702
Transfers Out	(50,000)	(50,000)
Total Transfers	46,362	237,702
<b>CHANGE IN NET POSITION</b>	(67,599)	763,617
Net Position - Beginning of Year	3,175,850	9,635,668
<b>NET POSITION - END OF YEAR</b>	\$ 3,108,251	\$ 10,399,285

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Risk Management	Compensation/ Benefits	Motor Pool/ Equipment
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for Interfund Services	\$ 2,062,118	\$ 2,213,152	\$ 3,515,177
Payments to Suppliers	(1,746,180)	(1,469,421)	(1,490,897)
Payments to Employees	-	-	(1,507,595)
Net Cash Provided By Operating Activities	<u>315,938</u>	<u>743,731</u>	<u>516,685</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Paid to Other Funds	-	-	-
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Received from Other Funds	-	-	191,340
Proceeds from Capital Grant	-	-	171,650
Acquisition of Capital Assets	-	-	(180,999)
Proceeds from Sale of Assets	-	-	19,496
Principal Payments on Capital Leases	-	-	(687,599)
Principal Payments on Bonds	-	-	(11,493)
Interest and Fiscal Charges	-	-	(973)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(498,578)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	-	689,087	82,187
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>315,938</u>	<u>1,432,818</u>	<u>100,294</u>
Cash and Cash Equivalents - Beginning of Year	<u>5,123,006</u>	<u>9,936,412</u>	<u>2,561,514</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 5,438,944</u></u>	<u><u>\$ 11,369,230</u></u>	<u><u>\$ 2,661,808</u></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION</b>			
Current Assets - Cash and Investments	\$ 5,438,944	\$ 7,170,324	\$ 2,661,808
Restricted Assets - Cash and Investments Held in Pension Trust	-	4,198,906	-
Total Cash and Cash Equivalents	<u><u>\$ 5,438,944</u></u>	<u><u>\$ 11,369,230</u></u>	<u><u>\$ 2,661,808</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (267,177)	\$ 604,213	\$ (635,983)
Depreciation and Amortization	-	-	1,099,051
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	8,135	(36,037)
(Increase) Decrease in Prepaid Items	-	-	104,246
(Increase) Decrease in Inventories	-	-	(6,059)
Increase (Decrease) in Accounts Payable and Other Liabilities	51,065	(11,310)	(36,032)
Increase (Decrease) in Claims Payable	532,050	154,617	-
Increase (Decrease) in Compensated Absences Payable	-	(11,924)	27,499
Net Cash Provided by Operating Activities	<u><u>\$ 315,938</u></u>	<u><u>\$ 743,731</u></u>	<u><u>\$ 516,685</u></u>
<b>NONCASH FINANCING, CAPITAL, OR INVESTING ACTIVITIES</b>			
Capital Assets Acquired through Lease	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,100,000</u></u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Facilities/ Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts for Interfund Services	\$ 2,175,656	\$ 9,966,103
Payments to Suppliers	(1,335,851)	(6,042,349)
Payments to Employees	(721,531)	(2,229,126)
Net Cash Provided By Operating Activities	118,274	1,694,628
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Paid to Other Funds	(50,000)	(50,000)
Net Cash Used by Noncapital Financing Activities	(50,000)	(50,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Received from Other Funds	96,362	287,702
Proceeds from Capital Grant	-	171,650
Acquisition of Capital Assets	(96,362)	(277,361)
Proceeds from Sale of Assets	-	19,496
Principal Payments on Capital Leases	-	(687,599)
Principal Payments on Bonds	(87,348)	(98,841)
Interest and Fiscal Charges	(7,396)	(8,369)
Net Cash Used by Capital and Related Financing Activities	(94,744)	(593,322)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	28,498	799,772
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,028	1,851,078
Cash and Cash Equivalents - Beginning of Year	865,022	18,485,954
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 867,050	\$ 20,337,032
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION</b>		
Current Assets - Cash and Investments	\$ 867,050	\$ 16,138,126
Restricted Assets - Cash and Investments Held in Pension Trust	-	4,198,906
Total Cash and Cash Equivalents	\$ 867,050	\$ 20,337,032
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (111,279)	\$ (410,226)
Depreciation and Amortization	164,233	1,263,284
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(1,892)	(29,794)
(Increase) Decrease in Prepaid Items	-	104,246
(Increase) Decrease in Inventories	-	(6,059)
Increase (Decrease) in Accounts Payable and Other Liabilities	60,934	64,657
Increase (Decrease) in Claims Payable	-	686,667
Increase (Decrease) in Compensated Absences Payable	6,278	21,853
Net Cash Provided by Operating Activities	\$ 118,274	\$ 1,694,628
<b>NONCASH FINANCING, CAPITAL, OR INVESTING ACTIVITIES</b>		
Capital Assets Acquired through Lease	\$ -	\$ 1,100,000

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## **STATISTICAL SECTION**

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**CITY OF WESTMINSTER, CALIFORNIA**  
**DESCRIPTION OF STATISTICAL SECTION CONTENTS**  
**JUNE 30, 2021**

This part of the City of Westminster’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government’s overall financial health.

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	144 – 153
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue sources.	154 – 167
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	168 – 174
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	175 – 176
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	177 – 179

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF WESTMINSTER, CALIFORNIA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 186,402,466	\$ 192,927,504	\$ 200,733,298	\$ 217,710,821	\$ 227,269,999
Restricted	55,860,876	41,489,439	36,240,191	37,011,787	27,073,245
Unrestricted	<u>(92,831,922)</u>	<u>(83,173,275)</u>	<u>(82,197,759)</u>	<u>(100,941,993)</u>	<u>(52,891,903)</u>
Total Governmental Activities Net Assets	<u>\$ 149,431,420</u>	<u>\$ 151,243,668</u>	<u>\$ 154,775,730</u>	<u>\$ 153,780,615</u>	<u>\$ 201,451,341</u>
<b>BUSINESS-TYPE ACTIVITY</b>					
Invested in Capital Assets, Net of Related Debt	\$ 26,240,195	\$ 27,223,005	\$ 28,383,603	\$ 26,175,414	\$ 28,530,266
Restricted	-	-	117,132	114,589	113,146
Unrestricted	<u>10,751,230</u>	<u>5,941,410</u>	<u>2,719,644</u>	<u>3,436,021</u>	<u>6,047,304</u>
Total Business-Type Activity Net Assets	<u>\$ 36,991,425</u>	<u>\$ 33,164,415</u>	<u>\$ 31,220,379</u>	<u>\$ 29,726,024</u>	<u>\$ 34,690,716</u>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$ 212,642,661	\$ 220,150,509	\$ 229,116,901	\$ 243,886,235	\$ 255,800,265
Restricted	55,860,876	41,489,439	36,357,323	37,126,376	27,186,391
Unrestricted	<u>(82,080,692)</u>	<u>(77,231,865)</u>	<u>(79,478,115)</u>	<u>(97,505,972)</u>	<u>(46,844,599)</u>
Total Primary Government Net Assets	<u>\$ 186,422,845</u>	<u>\$ 184,408,083</u>	<u>\$ 185,996,109</u>	<u>\$ 183,506,639</u>	<u>\$ 236,142,057</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**NET POSITION BY COMPONENT (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 232,222,529	\$ 205,398,439	\$ 212,179,772	\$ 233,128,695	\$ 224,286,618
Restricted	18,560,287	18,906,200	20,922,791	18,418,248	14,770,657
Unrestricted	<u>(45,089,856)</u>	<u>(38,262,036)</u>	<u>47,925,059</u>	<u>59,794,122</u>	<u>63,601,972</u>
Total Governmental Activities Net Assets	<u>\$ 205,692,960</u>	<u>\$ 186,042,603</u>	<u>\$ 281,027,622</u>	<u>\$ 311,341,065</u>	<u>\$ 302,659,247</u>
<b>BUSINESS-TYPE ACTIVITY</b>					
Invested in Capital Assets, Net of Related Debt	\$ 29,107,174	\$ 28,666,666	\$ 28,061,606	\$ 27,137,496	\$ 27,240,106
Restricted	112,665	112,548	113,103	113,158	113,158
Unrestricted	<u>6,152,733</u>	<u>7,379,655</u>	<u>7,704,313</u>	<u>7,390,477</u>	<u>8,209,794</u>
Total Business-Type Activity Net Assets	<u>\$ 35,372,572</u>	<u>\$ 36,158,869</u>	<u>\$ 35,879,022</u>	<u>\$ 34,641,131</u>	<u>\$ 35,563,058</u>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$ 261,329,703	\$ 234,065,105	\$ 240,241,378	\$ 260,266,191	\$ 251,526,724
Restricted	18,672,952	19,018,748	21,035,894	18,531,406	14,883,815
Unrestricted	<u>(38,937,123)</u>	<u>(30,882,381)</u>	<u>55,629,372</u>	<u>67,184,599</u>	<u>71,811,766</u>
Total Primary Government Net Assets	<u>\$ 241,065,532</u>	<u>\$ 222,201,472</u>	<u>\$ 316,906,644</u>	<u>\$ 345,982,196</u>	<u>\$ 338,222,305</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>EXPENSES</b>					
Governmental Activities:					
General Government	\$ 6,927,973	\$ 6,788,590	\$ 4,827,179	\$ 5,401,118	\$ 4,350,036
Public Safety	49,653,897	51,215,645	49,134,686	46,362,520	43,809,880
Public Works	13,584,616	13,747,708	13,854,705	13,934,252	11,583,654
Community Development	11,282,285	10,081,232	4,845,123	5,847,143	7,625,758
Community Services	3,117,789	3,245,549	3,497,900	3,604,104	2,893,874
Interest on Long-Term Debt	53,242	66,480	90,161	114,028	142,149
Total Governmental Activities Expenses	<u>84,619,802</u>	<u>85,145,204</u>	<u>76,249,754</u>	<u>75,263,165</u>	<u>70,405,351</u>
Business-Type Activity:					
Water Enterprise	<u>15,000,910</u>	<u>15,820,968</u>	<u>15,504,540</u>	<u>16,377,091</u>	<u>14,045,523</u>
Total Business-Type Activity Expenses	<u>15,000,910</u>	<u>15,820,968</u>	<u>15,504,540</u>	<u>16,377,091</u>	<u>14,045,523</u>
Total Primary Government Expenses	99,620,712	100,966,172	91,754,294	91,640,256	84,450,874
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
General Government	1,040,986	1,266,362	1,149,664	1,690,706	1,231,459
Public Safety	4,221,413	4,076,533	3,875,102	3,661,542	3,487,204
Public Works	635,402	820,428	411,959	587,671	951,852
Community Development	3,534,337	6,602,076	2,109,265	2,641,720	3,546,329
Community Services	95,182	151,858	206,660	202,353	223,802
Operating Grants and Contributions	10,753,411	9,411,769	7,809,684	6,950,890	9,141,531
Capital Grants and Contributions	2,793,635	371,229	110,317	61,823	72,760
Total Governmental Activities Program Revenues	<u>23,074,366</u>	<u>22,700,255</u>	<u>15,672,651</u>	<u>15,796,705</u>	<u>18,654,937</u>
Business-Type Activities:					
Charges for Services:					
Water Enterprise	<u>18,630,480</u>	<u>17,569,859</u>	<u>16,880,396</u>	<u>16,198,871</u>	<u>13,319,917</u>
Total Business-Type Activity Program Revenues	<u>18,630,480</u>	<u>17,569,859</u>	<u>16,880,396</u>	<u>16,198,871</u>	<u>13,319,917</u>
Total Primary Government Program Revenues	41,704,846	40,270,114	32,553,047	31,995,576	31,974,854
<b>NET REVENUES (EXPENSES)</b>					
Governmental Activities	(61,545,436)	(62,444,949)	(60,577,103)	(59,466,460)	(51,750,414)
Business-Type Activity	<u>3,629,570</u>	<u>1,748,891</u>	<u>1,375,856</u>	<u>(178,220)</u>	<u>(725,606)</u>
Total Net Revenues (Expenses)	<u>\$ (57,915,866)</u>	<u>\$ (60,696,058)</u>	<u>\$ (59,201,247)</u>	<u>\$ (59,644,680)</u>	<u>\$ (52,476,020)</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
<b>EXPENSES</b>					
Governmental Activities:					
General Government	\$ 3,595,489	\$ 3,280,458	\$ 3,312,809	\$ 3,145,098	\$ 1,904,232
Public Safety	44,860,014	40,616,802	44,091,261	38,072,257	39,706,407
Public Works	11,596,949	11,358,510	12,016,265	11,889,094	12,138,788
Community Development	8,276,191	8,417,841	7,843,505	5,393,309	11,110,694
Community Services	3,021,121	2,854,580	2,863,068	2,722,324	2,874,153
Interest on Long-Term Debt	164,648	185,852	201,770	218,241	4,624,156
Total Governmental Activities Expenses	<u>71,514,412</u>	<u>66,714,043</u>	<u>70,328,678</u>	<u>61,440,323</u>	<u>72,358,430</u>
Business-Type Activity:					
Water Enterprise	13,600,864	13,625,444	12,879,866	12,204,823	12,072,927
Total Business-Type Activity Expenses	<u>13,600,864</u>	<u>13,625,444</u>	<u>12,879,866</u>	<u>12,204,823</u>	<u>12,072,927</u>
Total Primary Government Expenses	85,115,276	80,339,487	83,208,544	73,645,146	84,431,357
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
General Government	1,494,713	1,708,850	1,723,410	1,332,542	1,393,011
Public Safety	2,816,217	2,901,892	3,152,528	2,392,084	2,399,733
Public Works	1,267,530	1,535,590	1,505,347	1,529,292	1,911,770
Community Development	3,219,518	2,583,435	2,253,350	2,192,448	1,367,032
Community Services	280,281	351,225	358,651	328,483	378,061
Operating Grants and Contributions	6,984,437	8,827,408	8,656,867	7,357,298	9,931,063
Capital Grants and Contributions	7,548,627	16,638,708	3,435,672	13,785,183	8,122,092
Total Governmental Activities Program Revenues	<u>23,611,323</u>	<u>34,547,108</u>	<u>21,085,825</u>	<u>28,917,330</u>	<u>25,502,762</u>
Business-Type Activities:					
Charges for Services:					
Water Enterprise	12,731,731	14,202,098	14,742,082	14,805,527	14,842,016
Total Business-Type Activity Program Revenues	<u>12,731,731</u>	<u>14,202,098</u>	<u>14,742,082</u>	<u>14,805,527</u>	<u>14,842,016</u>
Total Primary Government Program Revenues	36,343,054	48,749,206	35,827,907	43,722,857	40,344,778
<b>NET REVENUES (EXPENSES)</b>					
Governmental Activities	(47,903,089)	(32,166,935)	(49,242,853)	(32,522,993)	(46,855,668)
Business-Type Activity	(869,133)	576,654	1,862,216	2,600,704	2,769,089
Total Net Revenues (Expenses)	<u>\$ (48,772,222)</u>	<u>\$ (31,590,281)</u>	<u>\$ (47,380,637)</u>	<u>\$ (29,922,289)</u>	<u>\$ (44,086,579)</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**CHANGES IN NET POSITION – GENERAL REVENUES**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET ASSETS</b>					
Governmental Revenues:					
Unrestricted Taxes:					
Transactions and Use Taxes	\$ 14,573,087	\$ 12,764,803	\$ 13,538,135	\$ 12,138,125	\$ 3,064,761
Property Taxes, Levied for					
General Purposes	19,872,432	18,970,784	19,374,827	17,358,075	15,727,357
Utility Users Taxes	4,464,874	4,329,225	4,411,518	4,557,811	4,496,482
Motor Vehicle Taxes	-	-	-	-	-
Other Taxes	3,168,818	3,185,627	3,562,629	3,627,884	3,489,715
Unrestricted Investment Earnings	84,958	3,469,077	3,103,684	(41,593)	(108,819)
Intergovernmental Revenue - Sales					
Taxes	17,534,019	16,158,371	17,511,972	16,663,263	17,663,949
Transfers	35,000	35,000	69,453	35,000	35,000
Extraordinary Item	-	-	-	-	1,677,350
Total Governmental Activities	<u>59,733,188</u>	<u>58,912,887</u>	<u>61,572,218</u>	<u>54,338,565</u>	<u>46,045,795</u>
Business-Type Activity:					
Unrestricted Investment Earnings	232,439	230,145	187,952	128,409	78,750
Transfers	(35,000)	(35,000)	(69,453)	(35,000)	(35,000)
Total Business-Type Activity	<u>197,439</u>	<u>195,145</u>	<u>118,499</u>	<u>93,409</u>	<u>43,750</u>
Total Primary Government	<u>59,930,627</u>	<u>59,108,032</u>	<u>61,690,717</u>	<u>54,431,974</u>	<u>46,089,545</u>
<b>CHANGES IN NET ASSETS</b>					
Governmental Activities	(1,812,248)	(3,532,062)	995,115	(5,127,895)	(5,704,619)
Business-Type Activity	<u>3,827,009</u>	<u>1,944,036</u>	<u>1,494,355</u>	<u>(84,811)</u>	<u>(681,856)</u>
Total Primary Government	<u>\$ 2,014,761</u>	<u>\$ (1,588,026)</u>	<u>\$ 2,489,470</u>	<u>\$ (5,212,706)</u>	<u>\$ (6,386,475)</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**CHANGES IN NET POSITION – GENERAL REVENUES (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET ASSETS</b>					
Governmental Revenues:					
Unrestricted Taxes:					
Transactions and Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes, Levied for					
General Purposes	15,186,466	13,867,837	13,038,715	16,304,916	25,159,373
Utility Users Taxes	4,595,948	4,917,994	5,063,905	4,928,588	5,020,744
Motor Vehicle Taxes	-	38,642	40,004	48,337	46,649
Other Taxes	3,558,019	3,340,556	3,205,784	3,110,512	3,020,103
Unrestricted Investment Earnings	965,817	550,512	632,038	(222,757)	1,266,006
Intergovernmental Revenue - Sales					
Taxes	16,044,115	15,749,960	15,523,825	13,931,661	12,994,495
Transfers	35,000	(4,525,088)	660,654	3,385,481	597,070
Extraordinary Item	27,168,081	(16,963,040)	(19,235,515)	-	31,260,193
Total Governmental Activities	<u>67,553,446</u>	<u>16,977,373</u>	<u>18,929,410</u>	<u>41,486,738</u>	<u>79,364,633</u>
Business-Type Activity:					
Unrestricted Investment Earnings	117,837	108,353	36,327	86,479	72,467
Transfers	(35,000)	4,525,088	(660,654)	(3,385,481)	(597,070)
Total Business-Type Activity	<u>82,837</u>	<u>4,633,441</u>	<u>(624,327)</u>	<u>(3,299,002)</u>	<u>(524,603)</u>
Total Primary Government	<u>67,636,283</u>	<u>21,610,814</u>	<u>18,305,083</u>	<u>38,187,736</u>	<u>78,840,030</u>
<b>CHANGES IN NET ASSETS</b>					
Governmental Activities	19,650,357	(15,189,562)	(30,313,443)	8,963,745	32,508,965
Business-Type Activity	(786,296)	5,210,095	1,237,889	(698,298)	2,244,486
Total Primary Government	<u>\$ 18,864,061</u>	<u>\$ (9,979,467)</u>	<u>\$ (29,075,554)</u>	<u>\$ 8,265,447</u>	<u>\$ 34,753,451</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>GENERAL FUND</b>					
Nonspendable	\$ 188,018	\$ 182,248	\$ 67,076	\$ 60,471	\$ 33,695
Committed	10,826,211	10,603,349	10,141,831	9,561,065	9,197,836
Assigned	2,696,420	2,696,420	2,696,420	2,696,420	2,696,420
Unassigned	21,128,660	16,654,740	13,026,119	11,346,148	8,904,597
Total General Fund	<u>\$ 34,839,309</u>	<u>\$ 30,136,757</u>	<u>\$ 25,931,446</u>	<u>\$ 23,664,104</u>	<u>\$ 20,832,548</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	\$ 480	\$ -	\$ -	\$ 12,675	\$ -
Restricted	50,199,360	38,241,232	34,160,856	37,683,195	36,772,473
Assigned	25,310,584	39,666,673	44,007,432	22,077,035	15,774,481
Unassigned	-	-	-	(460,469)	(186,360)
Total All Other Governmental Funds	<u>\$ 75,510,424</u>	<u>\$ 77,907,905</u>	<u>\$ 78,168,288</u>	<u>\$ 59,312,436</u>	<u>\$ 52,360,594</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
<b>GENERAL FUND</b>					
Nonspendable	\$ 27,125	\$ 47,687	\$ 52,290	\$ 33,750	\$ 39,055
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	22,473,917	22,069,159	24,105,648	25,881,185	26,842,509
Total General Fund	<u>\$ 22,501,042</u>	<u>\$ 22,116,846</u>	<u>\$ 24,157,938</u>	<u>\$ 25,914,935</u>	<u>\$ 26,881,564</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	\$ -	\$ -	\$ 25,919,581	\$ 27,491,378	\$ 27,633,116
Restricted	33,487,248	32,727,621	9,454,051	7,015,881	5,761,682
Assigned	18,513,114	20,118,196	22,643,343	21,114,572	19,901,437
Unassigned	(1,894,658)	(261,909)	(753,634)	-	(1,391,240)
Total All Other Governmental Funds	<u>\$ 50,105,704</u>	<u>\$ 52,583,908</u>	<u>\$ 57,263,341</u>	<u>\$ 55,621,831</u>	<u>\$ 51,904,995</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>REVENUES</b>					
Taxes	\$ 46,725,159	\$ 43,865,897	\$ 45,968,953	\$ 41,667,325	\$ 30,849,080
Licenses and Permits	1,079,964	1,231,688	792,649	859,108	847,246
Fines	790,627	631,030	669,359	771,613	888,134
Investment and Rental	750,413	4,499,042	4,059,519	1,255,074	849,487
Intergovernmental	24,538,883	21,232,119	21,010,794	19,920,479	21,766,716
Charges for Services	6,276,804	9,062,314	4,641,153	5,464,976	6,798,588
Other	280,390	911,316	454,798	617,706	1,071,736
Total Revenues	<u>80,442,240</u>	<u>81,433,406</u>	<u>77,597,225</u>	<u>70,556,281</u>	<u>63,070,987</u>
<b>EXPENDITURES</b>					
Current:					
General Government	6,834,863	6,306,566	4,338,833	4,453,928	4,193,584
Public Safety	47,729,063	46,636,567	46,341,940	43,249,561	40,378,014
Public Works	4,745,764	5,217,680	4,965,284	4,753,540	4,163,081
Community Development	9,455,041	8,486,974	7,527,068	7,314,064	6,464,433
Community Services	2,369,198	2,547,405	2,712,756	2,651,021	2,456,758
Capital Outlay	6,549,620	8,229,491	5,280,934	4,509,240	7,443,447
Debt Service:					
Principal Retirement	236,159	225,585	433,547	419,446	401,823
Interest and Fiscal Charges	20,832	30,137	47,478	65,257	84,348
Bond Issuance Cost	-	-	-	-	-
Total Expenditures	<u>77,940,540</u>	<u>77,680,405</u>	<u>71,647,840</u>	<u>67,416,057</u>	<u>65,585,488</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,501,700	3,753,001	5,949,385	3,140,224	(2,514,501)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Equipment and Property	6,073	708	14,480,481	6,007,963	6,233
Issuance of Notes and Bonds	-	-	-	-	-
Transfers In	10,058,332	5,470,865	14,236,299	14,058,427	8,875,548
Transfers Out	<u>(10,261,034)</u>	<u>(5,279,646)</u>	<u>(13,542,971)</u>	<u>(13,424,216)</u>	<u>(8,921,234)</u>
Total Other Financing Sources (Uses)	<u>(196,629)</u>	<u>191,927</u>	<u>15,173,809</u>	<u>6,642,174</u>	<u>(39,453)</u>
<b>NET CHANGE IN FUND BALANCES, BEFORE EXTRAORDINARY ITEM</b>	2,305,071	3,944,928	21,123,194	9,782,398	(2,553,954)
<b>EXTRAORDINARY ITEM</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,677,350</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 2,305,071</u>	<u>\$ 3,944,928</u>	<u>\$ 21,123,194</u>	<u>\$ 9,782,398</u>	<u>\$ (876,604)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.4%	0.4%	0.7%	0.7%	0.8%

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
<b>REVENUES</b>					
Taxes	\$ 27,374,545	\$ 25,593,873	\$ 24,223,416	\$ 27,359,600	\$ 35,569,671
Licenses and Permits	924,622	841,683	590,133	562,390	534,216
Fines	981,486	1,054,360	1,056,336	842,025	880,510
Investment and Rental	1,895,092	1,461,106	1,530,365	642,884	2,310,873
Intergovernmental	19,286,430	21,163,169	20,579,512	18,818,714	20,999,775
Charges for Services	7,223,368	7,053,125	7,374,392	6,465,147	6,695,115
Other	648,332	499,627	814,517	537,382	1,759,189
Total Revenues	<u>58,333,875</u>	<u>57,666,943</u>	<u>56,168,671</u>	<u>55,228,142</u>	<u>68,749,349</u>
<b>EXPENDITURES</b>					
Current:					
General Government	2,854,956	2,837,553	2,645,794	2,731,616	2,038,157
Public Safety	39,667,745	38,154,641	36,080,703	35,564,705	36,150,994
Public Works	4,120,634	4,059,709	3,988,725	4,143,916	4,193,485
Community Development	7,152,897	7,352,977	6,246,260	4,890,935	9,904,011
Community Services	2,548,588	2,350,030	2,198,832	2,091,606	2,149,528
Capital Outlay	9,043,703	4,565,323	5,875,873	5,977,328	20,989,342
Debt Service:					
Principal Retirement	384,200	370,100	356,001	345,427	1,829,853
Interest and Fiscal Charges	99,875	114,819	125,661	136,065	3,638,255
Bond Issuance Cost	-	-	-	-	-
Total Expenditures	<u>65,872,598</u>	<u>59,805,152</u>	<u>57,517,849</u>	<u>55,881,598</u>	<u>80,893,625</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,538,723)	(2,138,209)	(1,349,178)	(653,456)	(12,144,276)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Equipment and Property	8,073	10,414	7,202	10,275	14,813
Issuance of Notes and Bonds	-	-	-	-	-
Transfers In	6,281,711	11,444,395	11,883,373	12,236,170	28,706,358
Transfers Out	(6,181,505)	(16,037,125)	(11,453,494)	(8,842,784)	(26,190,975)
Total Other Financing Sources (Uses)	<u>108,279</u>	<u>(4,582,316)</u>	<u>437,081</u>	<u>3,403,661</u>	<u>2,530,196</u>
<b>NET CHANGE IN FUND BALANCES, BEFORE EXTRAORDINARY ITEM</b>	(7,430,444)	(6,720,525)	(912,097)	2,750,205	(9,614,080)
<b>EXTRAORDINARY ITEM</b>	<u>5,336,436</u>	<u>-</u>	<u>796,610</u>	<u>-</u>	<u>(91,989,516)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (2,094,008)</u>	<u>\$ (6,720,525)</u>	<u>\$ (115,487)</u>	<u>\$ 2,750,205</u>	<u>\$ (101,603,596)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.8%	0.9%	0.9%	1.0%	8.9%

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(RATE PER \$100 OF TAXABLE VALUE)**

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City Direct Rate:										
City Basic Rate	0.09443	0.09443	0.09443	0.09443	0.09443	0.09443	0.09443	0.09443	0.09443	0.09443
Redevelopment Agency	0.00410	0.00394	0.00397	0.00066	0.00066	0.00066	0.00066	0.00066	0.48930	0.48394
<b>Total City Direct Rate</b>	<b>0.09853</b>	<b>0.09837</b>	<b>0.09840</b>	<b>0.09509</b>	<b>0.09509</b>	<b>0.09509</b>	<b>0.09509</b>	<b>0.09509</b>	<b>0.58373</b>	<b>0.57837</b>
Overlapping Rates:										
Special Districts	0.04380	0.04380	0.04380	0.04400	0.04380	0.04380	0.04400	0.04400	0.04400	0.04380
County of Orange	0.15487	0.15487	0.15487	0.15277	0.15487	0.15487	0.15277	0.15277	0.15277	0.15490
School Districts	0.70690	0.70690	0.70700	0.70980	0.70690	0.70690	0.70980	0.70980	0.70980	0.70690
<b>Total Direct Rate</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00010</b>	<b>1.00100</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00100</b>	<b>1.00100</b>	<b>1.00100</b>	<b>1.00003</b>

Notes:

In 1978 the voters of the state of California passed Proposition 13 which sets 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 voter approved bonds.

Source: Orange County Assessor 2020/2021 Annual Tax Increment Tables  
HdL, Coren & Cone

**CITY OF WESTMINSTER, CALIFORNIA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2021		2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Westminster Mall LLC	\$ 144,068,524	1.43%	\$ -	0.00%
WRI West Gate South LP	78,006,737	0.77%	66,325,940	0.96%
FG Goldenwest Senior Apartments LP	71,632,490	0.71%	-	0.00%
PK I Pavilions Place LP	67,146,925	0.66%	48,216,575	0.70%
Land Partners Company	52,641,194	0.52%	111,348,075	1.61%
An Tang Dao Trust	50,531,767	0.50%	21,868,918	0.32%
Jasmine Place Associates LLC	48,980,204	0.48%	-	0.00%
WRW Properties LLC	45,396,288	0.45%	-	0.00%
Prologis Targeted US Logistics Fund LP	44,900,400	0.44%	-	0.00%
Turbulent Enterprises LP	42,228,262	0.42%	-	0.00%
Retail Property Trust	-	0.00%	96,917,745	1.40%
Asian Garden Limited	-	0.00%	37,768,279	0.54%
CPII Park Lane LLC	-	0.00%	29,500,588	0.43%
Mary Warne-Parks Trust-Bolsa-Bushard	-	0.00%	22,500,000	0.32%
Springdale Villa LP	-	0.00%	24,623,467	0.36%
Delma Corporation	-	0.00%	20,632,080	0.30%
<b>Total</b>	<b>\$ 645,532,791</b>	<b>6.38%</b>	<b>\$ 479,701,667</b>	<b>6.94%</b>

The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: HdL, Coren & Cone

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**CITY OF WESTMINSTER, CALIFORNIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Total Collections to Date	
		Amount	Percent of Levy	Amount	Percent of Levy
2021	\$ 2,478,377	\$ 2,457,061	99.14%	\$ 2,457,061	99.14%
2020	2,488,601	2,465,478	99.07%	2,465,478	99.07%
2019	2,509,275	2,477,398	98.73%	2,477,398	98.73%
2018	2,510,143	2,481,863	98.87%	2,481,863	98.87%
2017	2,508,326	2,461,818	98.15%	2,461,818	98.15%
2016	2,505,497	2,452,411	97.88%	2,452,411	97.88%
2015	2,484,435	2,423,695	97.56%	2,423,695	97.56%
2014	2,486,017	2,459,754	98.94%	2,459,754	98.94%
2013	2,478,261	2,446,175	98.71%	2,446,175	98.71%
2012	2,482,399	2,444,304	98.47%	2,444,304	98.47%
2011	2,474,791	2,441,784	98.67%	2,441,784	98.67%

Note:

The amounts presented include City secured and supplemented property taxes.

Source: Orange County Assessor's Office  
Orange County Office of Auditor-Controller

**CITY OF WESTMINSTER, CALIFORNIA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
2021	\$ 3,048,693,649	\$ 101,456,395	\$ 82,540,972	\$ 3,067,609,072
2020	3,068,997,732	101,438,368	82,540,972	3,087,895,128
2019	3,067,173,924	101,438,368	82,540,972	3,086,071,320
2018	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2017	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2016	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2015	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2014	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2013	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2012	3,064,980,617	101,438,368	82,540,972	3,083,878,013
2011	3,069,535,195	101,438,368	82,540,972	3,088,432,591

Notes:

Exemptions are netted directly against the individual property categories.

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.

- \* Total direct tax 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. Beginning in 2013-14, the Total Direct Rate no longer includes revenues generated from former redevelopment tax areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012-13. For purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren & Cone, Orange County Assessor 2021/20 Combined Tax Rolls  
 Orange County Auditor Controller

**CITY OF WESTMINSTER, CALIFORNIA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY (CONTINUED)  
 LAST TEN FISCAL YEARS**

Redevelopment Agency				
Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
\$ 10,257,187,797	\$ 182,282,078	\$ 156,417,096	\$ 10,283,052,779	9.85300% *
9,784,074,905	172,273,238	170,043,868	9,786,304,275	9.83700% *
9,320,751,451	292,761,051	160,250,379	9,453,262,123	9.84000% *
8,863,834,129	207,351,283	155,854,634	8,915,330,778	0.09509% *
8,367,114,668	174,986,973	142,653,259	8,399,448,382	0.09509% *
8,132,917,882	265,498,056	136,841,764	8,261,574,174	0.09509% *
7,524,637,360	232,501,482	135,957,596	7,621,181,246	0.09509% *
7,126,139,657	179,837,353	133,206,501	7,172,770,509	0.09509% *
6,918,154,624	217,478,421	120,375,213	7,015,257,832	0.58373%
6,810,028,867	260,385,471	135,330,222	6,935,084,116	0.57837%
6,671,290,676	234,915,169	127,617,865	6,778,587,980	0.56886%

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**CITY OF WESTMINSTER, CALIFORNIA  
TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year Ended June 30,	Sales	Transactions and Use*	Property	Utility Users	Business License	Franchise	Transient Occupancy	Total
2021	\$ 17,534,019	\$ 14,573,087	\$ 19,872,432	\$ 4,464,874	\$ 1,423,562	\$ 1,145,183	\$ 600,073	\$ 59,613,230
2020	16,158,371	12,764,803	18,970,784	4,329,225	1,306,371	1,180,939	698,317	55,408,810
2019	17,511,972	13,538,135	19,374,827	4,411,518	1,427,830	1,310,370	824,429	58,399,081
2018	16,663,263	12,138,125	17,358,075	4,557,811	1,359,594	1,407,680	860,610	54,345,158
2017	17,663,949	3,064,761	15,727,357	4,496,482	1,381,319	1,241,700	866,696	44,442,264
2016	16,044,115	-	15,186,466	4,595,948	1,388,612	1,367,801	801,606	39,384,548
2015	15,749,960	-	13,867,837	4,917,994	1,216,170	1,410,626	713,760	37,876,347
2014	15,523,825	-	13,038,715	5,063,905	1,240,779	1,356,397	608,608	36,832,229
2013	13,931,661	-	16,304,916	4,928,588	1,205,111	1,312,251	593,150	38,275,677
2012	12,994,495	-	25,159,373	5,020,744	1,212,032	1,297,359	510,712	46,194,715
2011	13,164,455	-	47,004,633	5,082,094	1,214,413	1,273,931	496,321	68,235,847

\* Beginning in April 2017, a tax measure allowed for the collection of a 1% transaction tax.

Source: City of Westminster

**CITY OF WESTMINSTER, CALIFORNIA  
TAXABLE SALES BY CATEGORY  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS OF DOLLARS)**

	Calendar Years				
	2020	2019	2018	2017	2016
Apparel Stores	\$ 34,041	\$ 58,130	\$ 63,429	\$ 62,984	\$ 68,310
General Merchandise	182,801	200,701	209,888	218,329	228,899
Food Stores	47,631	43,787	45,523	43,289	42,464
Eating and Drinking Places	139,198	190,430	189,296	184,474	170,304
Building Materials	119,658	124,828	128,353	115,548	95,642
Auto Dealers and Supplies	446,635	438,965	448,208	447,791	453,185
Service Stations	68,754	103,581	115,353	105,133	96,168
Other Retail Stores	158,536	198,330	225,518	225,287	229,420
All Other Outlets	396,404	338,294	296,807	284,566	296,228
<b>Total</b>	<b>\$ 1,593,658</b>	<b>\$ 1,697,046</b>	<b>\$ 1,722,375</b>	<b>\$ 1,687,401</b>	<b>\$ 1,680,620</b>
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, and the HdL Companies

**CITY OF WESTMINSTER, CALIFORNIA  
TAXABLE SALES BY CATEGORY (CONTINUED)  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS OF DOLLARS)**

	Calendar Years				
	2015	2014	2013	2012	2011
Apparel Stores	\$ 70,768	\$ 73,730	\$ 74,280	\$ 67,173	\$ 67,228
General Merchandise	209,801	215,447	225,258	228,156	237,408
Food Stores	42,548	43,129	42,086	42,831	42,525
Eating and Drinking Places	158,720	151,288	141,528	128,108	117,620
Building Materials	89,293	75,341	70,814	65,448	81,932
Auto Dealers and Supplies	417,142	341,467	357,507	294,940	228,012
Service Stations	117,433	144,742	149,043	153,040	143,671
Other Retail Stores	216,333	208,819	209,440	207,822	205,911
All Other Outlets	281,701	264,968	233,252	195,909	182,806
Total	<u>\$ 1,603,739</u>	<u>\$ 1,518,931</u>	<u>\$ 1,503,208</u>	<u>\$ 1,383,427</u>	<u>\$ 1,307,113</u>
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, and the HdL Companies

**CITY OF WESTMINSTER, CALIFORNIA  
PRINCIPAL SALES TAX REMITTERS BY CATEGORY  
CURRENT YEAR AND NINE YEARS AGO**

Category	Calendar Year 2020			Calendar Year 2011		
	Taxable Sales	Rank	Percent of Total City Taxable Sales	Taxable Sales	Rank	Percent of Total City Taxable Sales
Auto Dealers and Supplies	\$ 446,635	1	28.03%	\$ 228,012	2	17.45%
All Other Outlets	396,404	2	24.87%	182,577	4	13.97%
General Merchandise	182,801	3	11.47%	237,408	1	18.17%
Other Retail Stores	158,536	4	9.95%	205,911	3	15.76%
Eating and Drinking Places	139,198	5	8.73%	117,650	6	9.00%
Building Materials	119,658	6	7.51%	81,932	7	6.27%
Service Stations	68,754	7	4.31%	143,671	5	10.99%
Apparel Stores	47,631	8	2.99%	42,525	9	3.25%
Food Stores	34,041	9	2.14%	67,233	8	5.14%

Source: State of California Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, and the HdL Companies

**CITY OF WESTMINSTER, CALIFORNIA  
WATER CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO**

Water Customer	2021		2012	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
City of Westminster	\$ 435,779	2.40%	\$ 262,935	1.58%
Los Alisos	205,253	1.13%	116,163	0.80%
Arnel Management	301,525	1.66%	151,648	1.05%
Westminster School District	230,788	1.27%	165,336	1.14%
Huntington Beach Union High School	164,720	0.91%	99,710	0.69%
Westminster Village HOA	110,514	0.61%	69,884	0.48%
Garden Grove Unified	146,331	0.80%	111,306	0.77%
Bolsa-Bushard LLC	-	0.00%	57,281	0.40%
LLC Site #4842 Westmisnter Mall	-	0.00%	78,418	0.54%
Mission Del Amo Mobile Home Park	97,460	0.54%	65,534	0.45%
Prado Verde Estates	101,785	0.56%	-	0.00%
Cal-Trans D12	86,714	0.48%	-	0.00%
Total	<u>\$ 1,880,869</u>		<u>\$ 1,178,215</u>	
Total Metered Water Sales	<u>\$ 18,182,591</u>		<u>\$ 14,452,197</u>	

Source: City of Westminster

**CITY OF WESTMINSTER, CALIFORNIA  
WATER RATES  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Monthly Base Rate</u>	<u>Rate per 1,000 Gallons</u>
2021	9.48	3.21
2020	9.19	3.16
2019	8.91	3.07
2018	8.39	2.92
2017	7.30	2.54
2016	7.30	2.36
2015	7.30	2.30
2014	7.30	2.30
2013	6.52	2.30
2012	6.52	2.30
2011	6.52	2.25

Note:

Rates are based on 5/8" meter, which is the standard household meter size. The City charges an excess-use rate above normal demand.

Source: City of Westminster

**CITY OF WESTMINSTER, CALIFORNIA  
 WATER SOLD BY TYPE OF CUSTOMER  
 LAST TEN FISCAL YEARS  
 (IN MILLIONS OF GALLONS)**

Fiscal Year Ended June 30,	Type of Customer				Total
	Residential	Industrial	Commercial	Government	
2021	\$ 13,671,194	\$ 133,258	\$ 2,817,897	\$ 105,799	\$ 16,728,148
2020	12,763,476	124,026	2,783,001	163,067	15,833,570
2019	12,067,332	117,948	2,974,898	103,100	15,263,278
2018	11,271,646	120,976	2,690,775	103,406	14,186,803
2017	10,276,682	109,734	2,275,296	100,155	12,761,867
2016	9,953,572	97,688	2,135,545	104,795	12,291,600
2015	11,312,453	108,947	2,501,890	101,055	14,024,345
2014	11,918,276	121,814	2,657,925	106,287	14,804,302
2013	12,038,551	111,678	2,564,280	98,127	14,812,636
2012	11,620,170	119,472	2,561,499	104,206	14,405,347
2011	11,304,445	120,700	2,311,541	96,485	13,833,171

Total direct rate per 1,000 gallons

Source: City of Westminster

**CITY OF WESTMINSTER, CALIFORNIA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities				
	Tax Allocation Bonds	Leases Payable	Certificates of Participation	Notes Payable	Total Governmental Activities
2021	\$ -	\$ 1,844,240	\$ 350,000	\$ -	\$ 2,194,240
2020	-	1,431,839	685,000	-	2,116,839
2019	-	1,816,704	1,005,000	-	2,821,704
2018	-	728,860	1,620,000	-	2,348,860
2017	-	616,527	2,215,000	-	2,831,527
2016	-	711,330	2,785,000	-	3,496,330
2015	-	479,507	3,330,000	-	3,809,507
2014	-	552,088	3,855,000	-	4,407,088
2013	-	-	4,360,000	-	4,360,000
2012	-	-	4,850,000	-	4,850,000
2011	141,340,000	-	5,054,255	300,000	146,694,255

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

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)  
LAST TEN FISCAL YEARS**

Business-Type Activity			Total Primary Government	Percentage of Personal Income	Debt per Capita
Certificates of Participation	Loans Payable	Total Business-Type Activity			
\$ 965,000	\$ 999,534	\$ 1,964,534	\$ 4,158,774	0.20%	\$ 48
1,260,000	1,072,928	2,332,928	4,449,767	0.20%	\$ 48
1,545,000	1,204,287	2,749,287	5,570,991	0.24%	\$ 60
1,815,000	1,632,206	3,447,206	5,796,066	0.32%	\$ 74
2,075,000	1,453,790	3,528,790	6,360,317	0.30%	\$ 68
2,325,000	1,572,231	3,897,231	7,393,561	0.36%	\$ 79
2,565,000	1,686,655	4,251,655	8,061,162	0.42%	\$ 88
2,800,000	1,797,198	4,597,198	9,004,286	0.50%	\$ 98
3,030,000	1,903,992	4,933,992	9,293,992	0.55%	\$ 102
3,250,000	2,007,163	5,257,163	10,107,163	0.61%	\$ 111
3,377,067	2,106,835	5,483,902	152,178,157	9.80%	\$ 1,692

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

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Outstanding General Bonded Debt			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2020	\$ -	\$ -	\$ -	0.00%	\$ -
2020	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2011	-	-	-	0.00%	-

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

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2021**

2020-21 Assessed Valuation:

\$ 10,290,575,674

	Percentage Applicable (1)	Total Debt 6/30/2021	City's Share of Debt 6/30/21
<b>Overlapping Tax and Assessment Debt:</b>			
Metropolitan Water District	0.316%	\$ 26,830,000	\$ 84,246
Coast Community College District	6.592%	886,289,825	58,450,814
Garden Grove Unified School District	9.144%	463,236,550	41,858,055
Huntington Beach Union High School District	12.442%	174,584,998	21,831,854
Ocean View School District	5.169%	77,480,000	4,004,166
Westminster School District	62.948%	112,382,723	70,431,376
Total Overlapping Tax and Assessment Debt		<u>\$ 1,740,804,096</u>	<u>\$ 196,660,511</u>
<b>Direct and Overlapping General Fund Debt:</b>			
Orange County General Fund Obligations	1.566%	\$ 381,855,000	\$ 5,995,595
Orange County Pension Obligations	1.566%	485,318,204	7,619,496
Orange County Board of Education Certificates of Participation	1.566%	12,310,000	193,267
Coast Community College District Certificates of Participation	6.592%	2,240,000	147,728
Coast Community College District Pension Obligation Bonds	6.592%	2,280,000	150,366
Huntington Beach Union High School District Certificates of Participation	12.442%	61,411,090	7,679,457
Ocean View School District Certificates of Participation	5.169%	17,990,000	929,723
Westminster School District Certificates of Participation	62.948%	31,175,000	19,537,684
City of Westminster Certificates of Participation	100.000%	350,000	350,000
City of Westminster Leases Payable	100.000%	1,844,240	1,844,240
Total Gross Direct and Overlapping General Fund Debt		<u>\$ 996,773,534</u>	<u>44,447,556</u>
Less: MWDOC Water Facilities Corporation (100% Self-Supporting)			-
Total Net Direct and Overlapping General Fund Debt			<u>\$ 44,447,556</u>
Overlapping Tax Increment Debt: (Successor Agency):	100.000%	<u>\$ 97,930,000</u>	<u>\$ 97,930,000</u>
Total Direct Debt			\$ 2,194,240
Total Gross Overlapping Debt			\$ 336,843,827
Total Net Overlapping Debt			\$ 336,843,827
Gross Combined Total Debt			\$ 339,038,067 (2)
Net Combined Total Debt			\$ 339,038,067

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.91%
Total Direct Debt (\$2,194,240)	0.02%
Gross Combined Total Debt	3.29%
Net Combined Total Debt	3.29%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$7,140,425,630):

Total Overlapping Tax Increment Debt	1.37%
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Source: California Municipal Statistics

**CITY OF WESTMINSTER, CALIFORNIA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,				
	2021	2020	2019	2018	2017
Assessed Valuation	\$ 10,290,575,674	\$ 9,801,405,362	\$ 9,391,193,921	\$ 8,907,507,276	\$ 8,410,334,862
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,572,643,919	2,450,351,341	2,347,798,480	2,226,876,819	2,102,583,716
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	385,896,588	367,552,701	352,169,772	334,031,523	315,387,557
Total Net Debt Applicable to Limitation: General Obligation Bonds	-	-	-	-	-
Legal Debt Margin	<u>\$ 385,896,588</u>	<u>\$ 367,552,701</u>	<u>\$ 352,169,772</u>	<u>\$ 334,031,523</u>	<u>\$ 315,387,557</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

The Government Code of the State of California provides for a legal debt limit 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). The computations shown above reflect a conversion of assessed valuation data for each fiscal year that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Orange County Assessor's Office  
City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
LEGAL DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,				
	2016	2015	2014	2013	2012
Assessed Valuation	\$ 8,279,643,537	\$ 7,628,668,713	\$ 7,176,140,802	\$ 7,023,383,445	\$ 3,170,973,563
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,069,910,884	1,907,167,178	1,794,035,201	1,755,845,861	792,743,391
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	310,486,633	286,075,077	269,105,280	263,376,879	118,911,509
Total Net Debt Applicable to Limitation: General Obligation Bonds	-	-	-	-	-
Legal Debt Margin	<u>\$ 310,486,633</u>	<u>\$ 286,075,077</u>	<u>\$ 269,105,280</u>	<u>\$ 263,376,879</u>	<u>\$ 118,911,509</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

The Government Code of the State of California provides for a legal debt limit 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). The computations shown above reflect a conversion of assessed valuation data for each fiscal year that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Orange County Assessor's Office  
City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Certificates of Participation						Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2021	\$ 18,862,919	\$ 13,352,979	\$ 5,509,940	\$ 368,395	\$ 90,075	12.02	
2020	17,800,004	14,084,149	3,715,855	355,899	104,371	8.07	
2019	17,068,347	13,756,511	3,311,836	338,488	117,624	7.26	
2018	16,327,280	14,553,987	1,773,293	326,159	130,394	3.88	
2017	13,398,669	12,462,923	935,746	313,910	142,683	2.05	
2016	12,849,568	11,596,914	1,252,654	301,737	154,495	2.75	
2015	14,310,451	11,794,202	2,516,249	294,637	166,031	5.46	
2014	14,778,409	11,214,695	3,563,714	287,609	175,282	7.70	
2013	14,892,006	10,626,700	4,265,306	275,651	183,875	9.28	
2012	14,914,482	10,533,453	4,381,029	518,758	199,751	6.10	
2011	14,446,563	10,623,725	3,822,838	506,930	215,261	5.29	

Notes: 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 Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Population (1)	Personal Income (Billions) (2)*	Per Capita Personal Income (2)*	Unemployment Rate (3)
2021	91,466	235.7	71,072	8.90%
2020	92,421	223.4	68,909	18.90%
2019	92,610	233.6	66,674	3.20%
2018	94,476	220.4	65,031	3.70%
2017	93,533	214.7	62,063	5.50%
2016	94,073	205.0	61,663	6.10%
2015	92,106	191.7	60,013	6.20%
2014	91,652	180.4	57,573	7.50%
2013	91,169	169.8	56,519	9.20%
2012	90,677	166.6	55,540	11.20%
2011	89,937	155.3	53,270	12.70%

Sources:

(1) State Department of Finance

(2)\* Department of Transportation - Orange County Economic Forecast 2017-2050. (previous year's updated)

(3) U.S. Dept of Labor, Bureau of Labor & Statistics (estimates last updated 6/30/21)

**CITY OF WESTMINSTER, CALIFORNIA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2021		2012	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Westminster School District*	1,136	2.74%	-	0.00%
Kindred Hospital-Westminster	525	1.27%	-	0.00%
Target**	357	0.86%	230	0.54%
City of Westminster**	352	0.85%	363	0.85%
Walmart	217	0.52%	350	0.85%
Westminster High School	198	0.48%	200	0.47%
Home Depot	180	0.43%	200	0.47%
Costco	163	0.41%	-	0.00%
Macy's	170	0.39%	300	0.71%
Honda World	126	0.30%	200	0.47%
Sears	-	0.00%	200	0.47%
Best Buy	-	0.00%	-	0.00%
Magnolia Home Theater	-	0.00%	200	0.47%
Piercey Automotive Group	-	0.00%	200	0.47%

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

Source: Avenu Insights & Analytics and EDD Labor Force Data  
Results based on direct correspondence with City's local businesses.

\* Includes Permanent Employees who are Full-time Classified, Certificated and Admin

\*\* Includes full and part-time employees

**CITY OF WESTMINSTER, CALIFORNIA  
 FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government	32	35	42	33	30	39	38	32	22	33
Public Safety	139	151	148	143	130	142	135	145	141	158
Public Works	30	31	32	28	28	30	26	29	28	28
Community Development	42	41	34	29	23	24	22	19	22	39
Community Service	55	46	67	57	56	59	53	54	49	60
Water	29	26	26	28	25	27	24	24	25	27
Total	<u>327</u>	<u>330</u>	<u>349</u>	<u>318</u>	<u>292</u>	<u>321</u>	<u>298</u>	<u>303</u>	<u>287</u>	<u>345</u>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Police:</b>										
Arrests	2,129	2,356	2,340	2,262	2,359	2,540	2,646	2,528	2,960	2,513
Traffic Violations	4,490	4,945	3,551	3,636	1,067	1,831	2,991	6,424	5,566	8,407
Parking Violations	16,210	12,045	13,221	12,952	20,314	21,308	22,965	19,979	12,525	15,193
<b>Fire:</b>										
Number of Calls										
Answered	8,357	7,870	7,086	7,669	7,421	7,441	6,880	6,201	6,446	6,006
Inspections Conducted	142	742	1,520	1,383	1,459	1,694	1,013	1,028	513	1,555
<b>Public Works:</b>										
Street Resurfacing (Miles)	9.30	7.40	6.50	9.40	4.00	4.00	3.10	5.00	5.50	15.00
<b>Parks and Recreation:</b>										
Number of Recreation										
Classes	1,150	1,372	846	1,239	1,134	1,288	1,347	1,218	1,081	1,143
Number of Facility										
Rentals	2	74	136	113	106	88	80	59	72	97
<b>Water:</b>										
New Connections	57	65	54	71	76	80	43	28	33	30
Average Daily										
Consumption (in										
Hundred Cubic Feet)	12,759	11,822	11,938	12,676	11,841	11,480	13,678	14,374	14,054	13,724

\* Includes replacement meters

Source: City of Westminster

**CITY OF WESTMINSTER, CALIFORNIA  
CAPITAL ASSETS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2020	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works:										
Street (Miles)	187	187	187	187	187	180	180	180	180	180
Streetlights	4,733	4,733	4,733	4,733	4,733	4,733	4,733	4,733	4,733	4,747
Traffic Signals	71	71	71	71	71	71	68	68	68	68
Parks and Recreation:										
Parks	23	23	23	23	23	24	24	24	24	25
Community Centers	2	2	2	2	2	2	2	1	1	1
Water:										
Water Mains (Miles) Maximum Daily Capacity (in Acre Per Feet Per Day)	240	240	240	240	240	235	230	230	230	230
	83	83	83	83	83	82	90	90	73	73

Source: City of Westminster