



# CITY OF WESTMINSTER, CALIFORNIA



## ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2022





**CITY OF WESTMINSTER, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2022**

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## **INTRODUCTORY SECTION**

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March 27, 2023

Honorable Chi Charlie Nguyen, 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, 2022. The ACFR 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, 2022, 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 unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2022 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 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 was incorporated in 1957 and is located in Orange County. The City occupies a land area of 10 square miles and is surrounded by some of Southern California's key attractions including Disneyland, Knott's Berry Farm, world-class beaches, and Catalina Island. The city is conveniently accessible by local and major freeways and highways, as well as a robust public transportation system. Westminster is located within 10 miles of John Wayne Airport. The current population is 90,393.

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 Performing Arts Theater and Banquet Hall, a satellite campus of Coastline Community College, Sid Goldstein Freedom Park, Westminster Mall, and the world-renowned "Little Saigon," a community which offers an authentic cultural experience with Vietnamese architecture, festivals, and businesses.

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 and the second year of the two year budget was updated and approved by the City Council on June 22, 2022.

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. Westminster is supportive and welcoming to the small business community.

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. In accordance with the General Plan, a Specific Plan must be adopted for each of these mixed-use areas. The first mixed-use area selected for the development of a Specific Plan was the Westminster Mall area. There is tremendous opportunity to redesign and reposition the Mall into a thriving activity center that will once again attract visitors from the greater region. The City approved a Specific Plan for the Westminster Mall on December 14, 2022. The Westminster Mall Specific Plan will create an opportunity for property owners of the Westminster Mall site to develop up to 3,000 residential dwelling units, 1,200,000 square feet of non-residential building area, and 425 hotel rooms.

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 in the past have impacted the City's ability to address basic city needs. The State legislative action having the most impact on Westminster in dealt with the dissolution of redevelopment throughout California, effective January 31, 2012. This elimination 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 purchased and resold some previously owned redevelopment land to establish an Economic Development Fund with some of these one-time monies.

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 Westminster General Fund collects 7% of the local general levy (or \$7 dollars on every \$100 dollars collected). The top collector is the Westminster Elementary General Fund at 24%, followed by the Huntington Beach Union High General Fund at 20%, Educational Revenue Augmentation Fund at 18% and Coast Community College General Fund at 9%. 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 \$2.7 million or 15%. This was due to both the effects of the recovery from the pandemic, sky-high gasoline prices, used car sales, and a strong performance of local contractors amid the home improvement boom. This year's sales tax revenues were generated from autos and transportation at 29%, followed by general consumer goods at 21%, state and county pools at 16%, restaurants and hotels at 11%, building and construction at 8% fuel and service stations at 7% and finally business and industry and food and drugs both at 4%.

The City's Transient Occupancy Tax, an 8% tax applied to hotel stays within the City totaled \$0.9 million. Surrounding cities' collections range from 8% to 15%. 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 was in effect from April 1, 2017 and ended on December 31, 2022. The residents of Westminster approved a continuation of the 1% transactions and use tax with the adoption of Measure Y in November 2022 with a 70% approval. Measure Y will end March 31, 2043. 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 transaction and use tax allowed for a positive change in fund balance to the General Fund in fiscal years 2017-18 through 2021-22. Overall, the revenue has come in higher than originally projected. This year's increase from prior year of \$1.7 million or 12% was also brought on by recovery from effects of the pandemic, high gasoline prices, county pools and used auto sales.

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 75% 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 (63%), 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 continuation 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 transactions and use tax revenue to the long-term financial projections postpones the deficit spending but does not eliminate it. Fiscal year 2022-23 is budgeted at a negative net change in fund balance of \$9.2 million.

The budget was approved prior to the voter approved the continuation of the TUT which will improve the deficit balance by one quarter of receipts or approximately \$3.8 million. Beyond fiscal year 2022-23, the City faces a deficit balance of \$3 to \$5 million annually. Future 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 economic uncertainty and talk of a recession in the future, the budget for the next few years 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 and is in the process of an update to be presented to the City Council in May 2023.

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 because 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 \$134 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, 2022 the combined balances in these two accounts total \$8.5 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. Two follow-up planning meetings have been held on June 20, 2022 and February 7, 2023. Follow up meetings are scheduled every six months with the next meeting planned for August 9, 2023. The original 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. A fourth goal was added at the June 20, 2022 workshop: The goals of the strategic plan are:

- Achieve financial stability
- Develop and implement specific plans for Little Saigon, the Downtown District, and the West Side;
- Attract, develop, and retain well qualified staff.
- Improve customer service delivery to the community.

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-seventh 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, 2021. 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

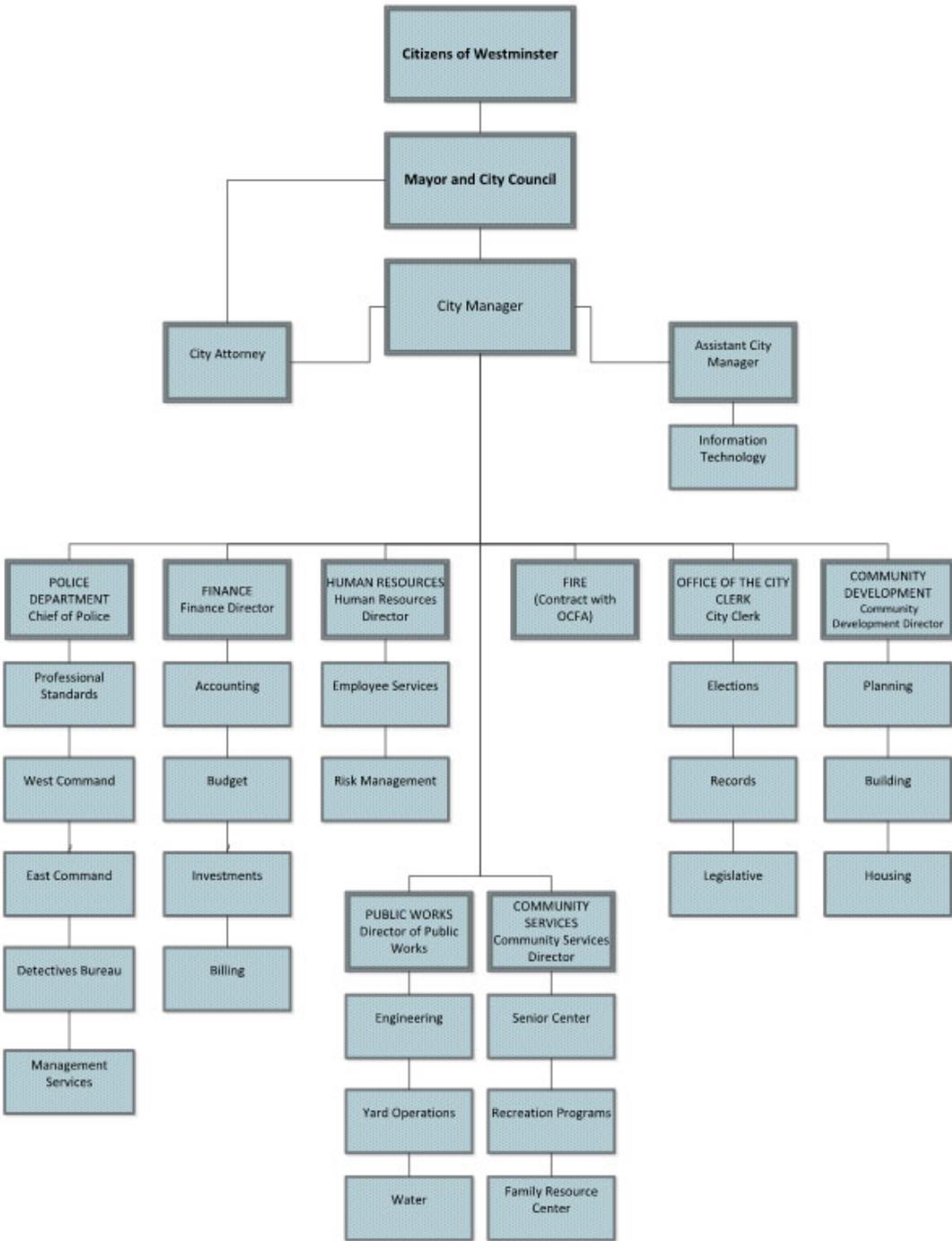
#### **CITY COUNCIL**

CHI CHARLIE NGUYEN, Mayor  
NAMQUAN NGUYEN, Vice Mayor District 4  
AMY PHAN WEST, Council Member District 1  
CARLOS MANZO, Council Member District 2  
KIMBERLY HO, Council Member, District 3

#### **CITY OFFICIALS**

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

# CITY OF WESTMINSTER ORGANIZATIONAL CHART



**Chi Charlie Nguyen**  
*Mayor*

**NamQuan Nguyen**  
*Vice Mayor*  
*District 4*

**Amy Phan West**  
*Council Member*  
*District 1*

**Carlos Manzo**  
*Council Member*  
*District 2*

**Kimberly Ho**  
*Council Member*  
*District 3*

**Christine Cordon**  
*City Manager*



Government Finance Officers Association

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in Financial  
Reporting

Presented to

**City of Westminster  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

City Council Members  
City of Westminster  
Westminster, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Westminster's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of June 30, 2022, 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.

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

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

#### ***Emphasis of Matter***

During the fiscal year ended June 30, 2022, the District adopted GASB Statement No. 87, *Leases*. As a result of the implementation of this standard, governmental activities and internal services funds beginning net position was restated (See Notes 1U and 16). Our opinion is not modified with respect to this matter.

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

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

City Council Members  
City of Westminster

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the City of Westminster’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 of Westminster’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 City of Westminster’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
March 27, 2023

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**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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, 2022, along with comparisons to the fiscal year ended June 30, 2021. 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 \$182.6 million, a decrease of \$4.3 million or 2.3%. The net position of business-type activity increased by \$3.6 million or 9.6% primarily due to approved water increases. The net position of governmental activities decreased by \$7.9 million or 5.3% due to factors such as increased internal service fund costs and pension accounting adjustments related to market volatility.

The net position of \$182.6 million consisted of: \$207 million of net investment in capital assets; \$56.7 million of resources that are subject to external restrictions on how they may be used; \$15.3 million that may be used to meet the City's obligations for its business-type activity; and a \$96.4 million deficit related to its governmental activities.

Total revenues were \$102.6 million and total expenses were \$106.9 million. Revenues increased by \$0.9 million due to tax revenue increases offset by a decrease in investment earnings, and expenses increased by \$7.3 million due to increases in public safety and public works expenses. During fiscal year 2021-22, the City's overall net position decreased by \$4.3 million.

The City's governmental funds reported a combined ending fund balance of \$110 million, a decrease of \$0.3 million. Of this amount, \$47.4 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, 2022, was \$11.3 million, or 17% 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, 2022, was \$2.7 million, while the Unassigned fund balance was \$24.1 million, or 36.2% of total General Fund expenditures. This compares to an Unassigned fund balance of \$21.1 million as of June 30, 2021, which was 37.4% of General Fund expenditures for that fiscal year. The General Fund balance increased \$3.3 million during the fiscal year 2021-22 primarily due to easing of COVID-19 restrictions, increased revenue and salary savings.

**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

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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.

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 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.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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

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, 2022**

**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 \$182.6 million as of June 30, 2022. This is a decrease of \$4.3 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 increased by \$2 million.

**Condensed Statement of Net Position  
Primary Government**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/ (Decrease) From 2021</u>	<u>Percent Increase/ (Decrease)</u>
<b>Assets:</b>				
Current and other assets	188,394,234	174,931,524	\$ 13,462,710	7.7%
Capital assets, net of accumulated depreciation	211,826,378	217,245,756	(5,419,378)	-2.5%
Total assets	<u>400,220,612</u>	<u>392,177,280</u>	<u>8,043,332</u>	2.1%
Deferred Outflows of Resources:	<u>26,523,601</u>	<u>25,193,733</u>	<u>1,329,868</u>	5.3%
<b>Liabilities:</b>				
Current and other liabilities	26,683,398	23,945,326	2,738,072	11.4%
Long-term liabilities	153,933,457	193,380,761	(39,447,304)	-20.4%
Total liabilities	<u>180,616,855</u>	<u>217,326,087</u>	<u>(36,709,232)</u>	-16.9%
Deferred Inflows of Resources:	<u>63,545,160</u>	<u>13,622,081</u>	<u>49,923,079</u>	366.5%
<b>Net position:</b>				
Net investment in capital assets	207,048,000	212,642,661	(5,594,661)	-2.6%
Restricted	56,657,394	55,860,876	796,518	1.4%
Unrestricted	(81,123,196)	(82,080,692)	957,496	-1.2%
Restatement*		489,796	(489,796)	-100.0%
Total net position	<u>182,582,198</u>	<u>186,912,641</u>	<u>\$ (4,330,443)</u>	-2.3%

\*Restatement to net position effective July 1, 2021 due to implementation of GASB 87, Leases. See also Note 16.

At the end of the fiscal year 2022, 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 (\$56.7 million or 31% of total net position) represents resources that are subject to external restrictions on how they may be used. This is a \$0.8 million, or 1.4% increase from prior year.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

The largest portion (113.4%) of the City's net position reflects its investment of \$207 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 \$5.6 million, or 2.6% 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 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 \$81.1 million as of June 30, 2022. 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. \$333.7 thousand and \$250 thousand were contributed to the pension, and OPEB trust funds respectively in fiscal year 2021-22. 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.

**Condensed Statement of Net Position  
Governmental Activities**

	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>Increase/ (Decrease) From 2021</b>	<b>Percent Increase/ (Decrease)</b>
<b>Assets:</b>				
Current and other assets	161,255,453	151,476,148	\$ 9,779,305	6.46%
Capital assets, net of accumulated depreciation	185,043,916	189,119,039	(4,075,123)	-2.15%
Total assets	<u>346,299,369</u>	<u>340,595,187</u>	<u>5,704,182</u>	1.67%
Deferred Outflows of Resources:	<u>25,641,831</u>	<u>24,202,446</u>	<u>1,439,385</u>	5.95%
<b>Liabilities:</b>				
Current and other liabilities	23,226,294	20,550,398	2,675,896	13.02%
Long-term liabilities	144,810,176	182,279,254	(37,469,078)	-20.56%
Total liabilities	<u>168,036,470</u>	<u>202,829,652</u>	<u>(34,793,182)</u>	-17.15%
Deferred Inflows of Resources:	<u>61,872,439</u>	<u>12,536,561</u>	<u>49,335,878</u>	393.54%
<b>Net position:</b>				
Net investment in capital assets	181,792,073	186,402,466	(4,610,393)	-2.47%
Restricted	56,657,394	55,860,876	796,518	1.43%
Unrestricted	(96,417,176)	(92,831,922)	(3,585,254)	3.86%
Restatement*		489,796	(489,796)	-100.00%
Total net position	<u>\$ 142,032,291</u>	<u>\$ 149,921,216</u>	<u>\$ (7,888,925)</u>	-5.26%

\*Restatement to net position effective July 1, 2021 due to implementation of GASB 87, Leases. See also Note 16.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**Governmental activities** show an overall decrease in the total net position of \$7.9 million or 5.3%. Key changes in the Statement of Net Position are as follows:

Current and other assets increased by \$9.8 million or 6.5%. This was mostly due to an increase of \$7.1 million in leases receivable recorded due to the implementation of GASB 97, leases. There was also an increase in cash and investments of \$5.0 million or 5.3%. Cash and investments also include a "mark-to-market" value of the city's investments of (\$3.8) million. This market value adjustment is a decrease of \$4.9 million when compared to June 30, 2021.

Current and other liabilities increased by \$2.7 million or 13%. Accounts payable and other liabilities increased by \$2.3 million. The current year's balance includes large accruals related to the utility underground project which were paid in the current fiscal year.

Deferred Outflows of Resources increased by \$1.4 million or 6%, and Deferred Inflows of Resources increased by \$49.3 million or 393.5%. The City's pension and OPEB plans are the largest part of these balances. These Pension and OPEB plan balances are made up of various components and are amortized over a number of years and recognized through pension and OPEB expenses. We noted during fiscal year 2021-22 there were significant differences between projected and actual earnings on the plan investments due to market volatility causing these changes. More detailed information can be found in Notes 9 and 10 in the notes to the basic financial statements. Additionally, in the current year, deferred inflows increased by \$7 million due to the adoption of GASB 87, Leases. More detailed information on the new standard and the related leases can be found in Notes 1 and 5 of the basic financial statements.

**Condensed Statement of Net Position  
Business-type Activity**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/ (Decrease) From 2021</u>	<u>Percent Increase/ (Decrease)</u>
<b>Assets:</b>				
Current and other assets	\$ 27,138,781	\$ 23,455,376	\$ 3,683,405	15.7%
Capital assets, net of accumulated depreciation	26,782,462	28,126,717	(1,344,255)	-4.8%
Total assets	<u>53,921,243</u>	<u>51,582,093</u>	<u>2,339,150</u>	4.5%
Deferred Outflows of Resources:	<u>881,770</u>	<u>991,287</u>	<u>(109,517)</u>	-11.0%
<b>Liabilities:</b>				
Current and other liabilities	3,457,104	3,394,928	62,176	1.8%
Long-term liabilities	9,123,281	11,101,507	(1,978,226)	-17.8%
Total liabilities	<u>12,580,385</u>	<u>14,496,435</u>	<u>(1,916,050)</u>	-13.2%
Deferred Inflows of Resources:	<u>1,672,721</u>	<u>1,085,520</u>	<u>587,201</u>	54.1%
<b>Net position:</b>				
Net investment in capital assets	25,255,927	26,240,195	(984,268)	-3.8%
Unrestricted	15,293,980	10,751,230	4,542,750	42.3%
Total net position	<u>\$ 40,549,907</u>	<u>\$ 36,991,425</u>	<u>\$ 3,558,482</u>	9.6%

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**Business-type activity** shows an overall increase of \$3.6 million or 9.6%. Key changes in the net position of business-type activity were as follows:

Current and other assets increased by \$2.3 million or 4.5%. This increase is primarily Cash and other investments which increased by \$3.7 million due to an increase in net position of \$3.6 million. Deferred outflows of resources decreased by \$0.1 million or 11%, and deferred inflows of resources increased by \$0.6 million or 54.1%. As noted with the governmental activities, the majority of these changes are attributable to the pension and OPEB liabilities. More detailed information can be found in Notes 9 and 10 in the notes to the basic financial statements.

Current and other liabilities increased by \$0.1 million or 1.8%. The current year's balance includes large accruals related to Orange County water production.

Net position – Unrestricted increased by \$4.5 million or 42.3%. 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 2021-22. The City's net position decreased by \$4.3 million as shown on the condensed summaries shown below and on the following pages.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**Condensed Statement of Activities  
Primary Government**

	<u>For the year ended</u>		<u>Increase/ (Decrease) From 2021</u>	<u>Percent Increase/ (Decrease)</u>
	<u>June 30, 2022</u>	<u>June 30, 2021</u>		
Revenues:				
Program revenues:				
Charges for services	\$ 29,328,563	\$ 28,157,800	\$ 1,170,763	4.2%
Operating grants and contributions	10,831,892	10,753,411	78,481	0.7%
Capital grants and contributions	961,141	2,793,635	(1,832,494)	-65.6%
General revenues:				
Unrestricted taxes	46,065,247	42,079,211	3,986,036	9.5%
Unrestricted investment earnings	(4,494,112)	317,397	(4,811,509)	-1515.9%
Intergovernmental revenue - sales taxes	19,861,724	17,534,019	2,327,705	13.3%
Total Revenues	<u>102,554,455</u>	<u>101,635,473</u>	<u>918,982</u>	<u>0.9%</u>
Expenses:				
General government	5,902,029	6,927,973	(1,025,944)	-14.8%
Public safety	55,939,045	49,653,897	6,285,148	12.7%
Public works	13,318,804	13,584,616	(265,812)	-2.0%
Community development	12,144,529	11,282,285	862,244	7.6%
Community services	3,943,976	3,117,789	826,187	26.5%
Interest on long term debt	40,619	53,242	(12,623)	-23.7%
Water enterprise	15,595,896	15,000,910	594,986	4.0%
Total Expenses	<u>106,884,898</u>	<u>99,620,712</u>	<u>7,264,186</u>	<u>7.3%</u>
Change in Net Position	(4,330,443)	2,014,761	(6,345,204)	-314.9%
Net Position - Beginning of Year, as Restated	<u>186,912,641</u>	<u>184,408,084</u>	<u>2,504,557</u>	<u>1.4%</u>
Restatement*		<u>489,796</u>	<u>(489,796)</u>	<u>-100.0%</u>
Net Position - End of Year	<u>\$ 182,582,198</u>	<u>\$ 186,912,642</u>	<u>\$ (4,330,443)</u>	<u>-2.3%</u>

\*Restatement to net position effective July 1, 2021 due to implementation of GASB 87, Leases. See also Note 16.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**Condensed Statement of Activities  
Governmental Activities**

	<u>For the year ended</u>		<b>Increase/ (Decrease) From 2021</b>	<b>Percent Increase/ (Decrease)</b>
	<u>June 30, 2022</u>	<u>June 30, 2021</u>		
Revenues:				
Program revenues:				
Charges for services	\$ 10,442,299	\$ 9,527,320	\$ 914,979	9.6%
Operating grants and contributions	10,779,692	10,753,411	26,281	0.2%
Capital grants and contributions	961,141	2,793,635	(1,832,494)	-65.6%
General revenues:				
Unrestricted taxes	46,065,247	42,079,211	3,986,036	9.5%
Unrestricted investment earnings	(4,685,026)	84,958	(4,769,984)	-5614.5%
Intergovernmental revenue - sales taxes	19,861,724	17,534,019	2,327,705	13.3%
Total Revenues	<u>83,425,077</u>	<u>82,772,554</u>	<u>652,523</u>	0.8%
Expenses:				
General government	5,902,029	6,927,973	(1,025,944)	-14.8%
Public safety	55,939,045	49,653,897	6,285,148	12.7%
Public works	13,318,804	13,584,616	(265,812)	-2.0%
Community development	12,144,529	11,282,285	862,244	7.6%
Community services	3,943,976	3,117,789	826,187	26.5%
Interest on long term debt	40,619	53,242	(12,623)	-23.7%
Total Expenses	<u>91,289,002</u>	<u>84,619,802</u>	<u>6,669,200</u>	7.9%
Excess (Deficit) of Revenues over Expenses	(7,863,925)	(1,847,248)	(6,016,677)	325.7%
Transfers	(25,000)	35,000	(60,000)	-171.4%
Change in Net Position	(7,888,925)	(1,812,248)	(6,076,677)	335.3%
Net Position - Beginning of Year, as Restated	<u>149,921,216</u>	<u>151,243,668</u>	<u>(1,322,452)</u>	-0.9%
Restatement *		489,796	(489,796)	-100.0%
Net Position - End of Year	<u>\$ 142,032,291</u>	<u>\$ 149,921,216</u>	<u>\$ (7,888,925)</u>	-5.3%

\*Restatement to net position effective July 1, 2021 due to implementation of GASB 87, Leases. See also Note 16.

**Governmental activities** decreased the City's net position by \$7.9 million. Revenues increased by \$0.7 million or 0.8%. Unrestricted investment earnings decreased \$4.8 million or 5,615% primarily due to a decline in investment earnings and the fair market value adjustment. Program revenue increased related to charges for services by \$0.9 million or 9.6%. Capital grants and contributions decreased \$1.8 million or 65.6%. Decreases are offset by increases in general revenues related to unrestricted taxes, which increased by \$3.9 million or 9.5%, general revenues related to intergovernmental revenue – sales taxes, which increased by \$2.3 million or 13.3%. Operating grants and contributions increased by \$26 thousand or 0.2%. This revenue source will vary from year to year.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

Overall Program expenses increased by \$6.7 million or 7.9%. The following categories contributed to the increase from fiscal year 2020-21. Public safety expense increased by \$6.3 million or 12.7% offset by general government expenses decreased by \$1.0 million or 14.8%. Community development expenses increased by \$0.9 million or 7.6% and community services increased by \$0.8 million or 26.5%. Accounting adjustments related to pensions and increased internal service fund expenditures contribute to increases in the current year. Also, actuarially required contributions to the defined benefit pension plan increased \$1.4 million over fiscal year 2020-21.

**Condensed Statement of Activities  
Business-type Activity**

	<u>For the year ended</u>		<u>Increase/ (Decrease)</u>	<u>Percent Increase/ (Decrease)</u>
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>From 2021</u>	
Revenues:				
Program revenues:				
Charges for services	\$ 18,886,264	\$ 18,630,480	\$ 255,784	1.4%
Operating grants and contributions	52,200	-	52,200	100.0%
General revenues:				
Unrestricted investment earnings	190,914	232,439	(41,525)	-17.9%
Total Revenues	<u>19,129,378</u>	<u>18,862,919</u>	<u>266,459</u>	1.4%
Expenses:				
Water enterprise	<u>15,595,896</u>	<u>15,000,910</u>	<u>594,986</u>	4.0%
Total Expenses	<u>15,595,896</u>	<u>15,000,910</u>	<u>594,986</u>	4.0%
Excess of Revenues over Expenses	3,533,482	3,862,009	(328,527)	-8.5%
Transfers	25,000	(35,000)	60,000	-171.4%
Change in Net Position	<u>3,558,482</u>	<u>3,827,009</u>	<u>(268,527)</u>	-7.0%
Net Position - Beginning of Year	36,991,425	33,164,416	3,827,009	11.5%
Net Position - End of Year	<u>\$ 40,549,907</u>	<u>\$ 36,991,425</u>	<u>\$ 3,558,482</u>	9.6%

**Business-type activity** increased the City's net position by \$3.6 million or 9.6% in the fiscal year 2021-22. Charges for services increased by \$256 thousand or 1.4%. The City increased water rates in 2022 to cover overall increasing production and infrastructure costs. Water expenses increased by \$595 thousand or 4.0%.

In the fiscal year 2021-22, program revenues funded 123% of total expenses, as compared to 124% in the fiscal year 2020-21. General revenues were able to add to the surplus of Excess of Revenues over Expenses resulting in a positive Change in Net Position of \$3.6 million in fiscal year 2021-22 after transfers.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**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 decrease of \$0.3 million to governmental fund balances in the fiscal year 2021-22 and a net decrease of \$2.3 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.

As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$110 million, a decrease of \$0.3 million in comparison with the prior year. Of the \$110 million, \$70,693 or 0.1% is classified as non-spendable fund balance; \$51.2 million or 46.6%, is classified as restricted fund balance; \$11.3 million or 10.3%, is classified as committed; \$23.7 million or 21.6%, is classified as assigned fund balance; and \$23.7 million or 21.5% 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, 2022, the total fund balance was \$38.1 million. The non-spendable portion of this balance is \$70,693; \$11.3 million is committed for emergency/contingency reserve; \$2.7 million is assigned for the WRA dissolution reserve; the remaining \$24.1 million unassigned fund balance is available for spending at the City's discretion. The unassigned total fund balance represents 36.2% of total General Fund expenditures.

The major factors in fund balance changes are as follows:

**Governmental Funds**

- The **General Fund** experienced a \$3.3 million increase in fund balance in the fiscal year 2021-22, compared to a \$4.7 million increase in the fiscal year 2020-21. Revenues were \$69.9 million, an increase of \$2.4 million compared to the fiscal year 2020-21, while expenditures were \$66.5 million, an increase of \$2.8 million from the fiscal year 2020-21. The increase in revenues and expenditures were addressed as part of the Analysis of Activities section of this report.
- The **Westminster Housing Authority Fund** balance declined by \$0.3 million in the fiscal year 2021-22. In the fiscal year 2020-21, the fund declined by \$0.3 million. The fund's \$24.8 million fund balance is restricted for low and moderate income housing purposes.
- The **Housing and Community Development Fund** had its fund balance increase by \$0.1 million. This is a grant program which is reimbursed periodically throughout the year.
- The **Special Gas Tax and Street Improvements Fund** recognized a \$1.5 million increase in fund balance during the fiscal year 2021-22. Grant-funded projects comprise a significant portion of this fund and many of the projects are reimbursable only upon completion. The fund received \$9.0 million in revenue in the fiscal year 2021-22, compared to expenditures of \$2.0 million. Resources were transferred out in the amount of \$5.6 million. As of June 30, 2022, this fund had a fund balance of \$2.8 million.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

- The **Capital Improvements Capital Projects Fund** balance decreased by \$5.2 million. There were \$6.9 million in transfers into the fund from various other funds to complete newly approved projects. A total of \$12.1 million was spent on capital outlay during the year. See Note 7 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, 2022, this portion of the Capital Improvements Capital Projects fund balance of \$31.5 million was \$11.8 million.

- **Other Governmental Funds**, which are the City's non-major funds, recognized a combined increase of \$0.3 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 \$3.9 million to its net position during the fiscal year 2021-22. This is the fourth 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 decrease by \$6.3 million. These funds had a combined operating loss of \$5.9 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 \$6.6 million as of June 30, 2022, the remaining internal service funds had a combined balance of \$3.8 million in unrestricted net position. The Compensation/Benefits Fund also has a portion of its net position restricted for pension benefits at \$4 million for an overall negative net position of \$2.6 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 2021-22 General Fund's original (adopted) budget revenue amount and the final amount was \$66.7 million. There was no change to the budgeted revenue amount for the 2021-22 fiscal year. The fiscal year 2021-22 General Fund's original (adopted) budget for expenditures was \$67.9 million and the final budget was \$68.5 million, a net increase of \$0.5 million. This was primarily related to the remainder of the COVID CARES money and additional contractual assistance in community development.

The General Fund reflected a net total positive budget variance of \$5.1 million when comparing actual amounts to the final amended budget for the current fiscal year. Actual revenues show a positive variance of \$3.2 million or 4.7% of the final budget.

Actual expenditures of \$66.5 million generated budgetary savings of \$1.9 million, or 2.8% of the final budget. \$1.5 million of the savings was from salary savings as a result of vacancies, while the remaining \$0.4 million was from operating cost savings.

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets:**

Capital assets (net of accumulated depreciation) as of June 30, 2022, and June 30, 2021, are summarized below:

**Capital Assets (net of accumulated depreciation)**

	<b>6/30/2022, as restated</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activity</b>	
Land	\$ 7,823,959	\$ 2,484,846	\$ 10,308,805
Construction in progress	2,666,015	91,268	2,757,283
Buildings	85,140,079	8,378	85,148,457
Improvements other than buildings	15,733,873	7,855,189	23,589,062
Water distribution lines	-	13,801,668	13,801,668
Vehicles, machinery and equipment	3,798,066	2,509,602	6,307,668
Office furniture and equipment	2,003,984	31,511	2,035,495
Leased property *	757,476	-	757,476
Infrastructure	67,120,464	-	67,120,464
Total capital assets, net	<u>\$ 185,043,916</u>	<u>\$ 26,782,462</u>	<u>\$ 211,826,378</u>
	<b>6/30/2021, as restated</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activity</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 *	852,002	-	852,002
Infrastructure	67,741,388	-	67,741,388
Total capital assets, net	<u>\$ 188,616,597</u>	<u>\$ 28,126,718</u>	<u>\$ 216,743,315</u>

\* Due to the implementation of GASB 87, Leases leased property cost was restated from \$3,078,559 to \$852,002 and leased property accumulated depreciation was restated from \$1,724,115 to \$0 as of July 1, 2021.

Capital assets as of June 30, 2022, totaled \$211.8 million (net of accumulated depreciation). The total decrease in capital assets for the fiscal year 2021-22 was \$4.9 million, composed of a \$3.6 million or 1.9%

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

decrease for governmental activities and a \$1.3 million or 4.8% decrease for business-type activity. Noteworthy changes to capital assets during the fiscal year 2021-22 included the following:

- During fiscal year 2021-22 leased property, net decreased \$95 thousand. Further, due to the implementation of GASB 87, Leases leased property cost was restated from \$3,078,559 to \$852,002 and leased property accumulated depreciation was restated from \$1,724,115 to \$0 as of July 1, 2021.
- Annual depreciation expense was \$14.9 million - \$13.5 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 7 in the notes to the basic financial statements.

**Long-term debt:**

Long-term debt as of June 30, 2022, and June 30, 2021, are summarized below:

<b>Outstanding Debt</b>			
<b>June 30, 2022</b>			
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>
Certificates of participation	\$ -	\$ 655,000	\$ 655,000
Leases payable	758,366	-	758,366
Loans payable	-	923,555	923,555
Total outstanding debt	\$ 758,366	\$ 1,578,555	\$ 2,336,921
<b>6/30/2021, as restated</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 *	852,002	-	852,002
Loans payable	-	999,534	999,534
Total outstanding debt	\$ 1,202,002	\$ 1,964,534	\$ 3,166,536

\* Leases payable restated from \$1,844,240 as of July 1, 2021 to \$852,002 due to the implementation of GASB 87, Leases.

At the end of the fiscal year 2021-22, the City had total long-term debt (excluding compensated absences and claims, pension and OPEB liabilities) outstanding of \$2.3 million. The total decrease in debt for the fiscal year 2022 was \$0.8 million, composed of a decrease of \$0.4 million or 36.9% for governmental activities and a decrease of \$0.4 million or 19.7% for business-type activity. These decreases were related to on-going debt service payments and the adoption of GASB 87, Leases. Additional information can be found in Note 8 in the notes to the basic financial statements.

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

The General Fund ended the fiscal year 2021-22 with total revenues exceeding total expenditures by \$3.3 million. The majority of this remained in fund balance due to the uncertainty of the continuation of the City's transaction use tax that was set to end December 31, 2022. The current two-year budget for fiscal years 2021-23 was passed with a \$1.2 million deficit for fiscal year 2021-22 and a \$10.5 million deficit for fiscal

**CITY OF WESTMINSTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

year 2022-23. The revised 2022-23 Budget was passed with a \$9.2 million deficit. The City continues to manage a structural deficit and at the time of fiscal year 2022-23 budget adoption it was unknown if the continuation transaction use tax measure would be placed on the ballot or passed by the voters. The City Council was presented with three budget versions, a status quo budget, and two version of cuts using less reserves than the status quo option. Version 1 projected cuts of \$5 million and Version 2 projected cuts of \$9.2 million. The City Council adopted the status quo budget for fiscal year 2022-23 with no cuts or major impacts to service and a \$9.2 million use of reserves. Revenue projections increased \$3.7 million and expenditure projections increased \$3.9 million from the originally adopted 2022-23 budget.

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 2022-23 includes a General Fund deficit of \$9,206,219. The budget authorizes \$74 million in General Fund expenditures and \$1.5 million in transfers out to other funds vs. \$64.8 million in estimated revenue. Expenditures are budgeted at a \$7.4 million or 11.2% increase over the fiscal year 2021-22 actuals, while revenues are budgeted at a \$6.5 million or 5.3% decrease from the fiscal year 2021-22 actuals. The General Fund ended the fiscal year 2021-22 with \$24.1 million in unassigned fund balance or approximately 36% of actual General Fund expenditures. Based on the adopted budget, the General Fund is projected to end the fiscal year 2022-23 with \$28.5 million in reserves, representing 36% of the budgeted expenditures. The unassigned balance is projected at \$15.1 million or 20% of expenditures.

The City Council has acknowledged the importance of continuing to provide essential services to residents such as police, fire, emergency services, 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. With Measure SS ending in December 2022, the fiscal year 2022-23 budget was adopted with only 6 months of the transaction use tax revenue. This contributed to the adopted budget deficit of \$9.2 million. With the potential loss of over \$16 million in transaction use tax revenue annually, the City was facing an unbalanced budget for fiscal year 2022-23 and continuing each year thereafter. The City Council voted to put the continuation of the transaction use tax on the ballot. Measure Y, the 1% transaction tax continuation measure was placed on the November 7, 2022 ballot and was approved by the voters with a 70% approval. Measure Y will sunset in 20 years on March 31, 2043.

**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 Westminster Boulevard, Westminster, 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, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
<b>ASSETS</b>			
Cash and Investments	\$ 101,272,328	\$ 22,801,805	\$ 124,074,133
Receivables, Net of Allowances	34,054,162	3,312,718	37,366,880
Lease Receivable	7,149,445	-	7,149,445
Prepaid Items	142,165	285,827	427,992
Internal Balances	(627,548)	627,548	-
Restricted Assets:			
Cash and Investments	4,150,090	-	4,150,090
Cash and Investments with Fiscal Agents	2,452,306	110,883	2,563,189
Cash and Investments held in Pension Trust	4,002,894	-	4,002,894
Land Held for Resale	8,659,611	-	8,659,611
Capital Assets			
Not Being Depreciated	10,489,974	2,576,114	13,066,088
Being Depreciated, Net of Accumulated Depreciation	174,553,942	24,206,348	198,760,290
Total Assets	<u>346,299,369</u>	<u>53,921,243</u>	<u>400,220,612</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Refunding, Net of Accumulated Amortization	-	52,020	52,020
Deferred Amounts on Pension Plans	22,515,926	471,200	22,987,126
Deferred Amounts on OPEB Plan	3,125,905	358,550	3,484,455
Total Deferred Outflows of Resources	<u>25,641,831</u>	<u>881,770</u>	<u>26,523,601</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	5,109,629	3,438,104	8,547,733
Due to Other Governments	5,105,231	-	5,105,231
Unearned Revenue	12,067,513	-	12,067,513
Deposits	943,921	19,000	962,921
Long-Term Liabilities:			
Due Within One Year	6,557,341	606,645	7,163,986
Due in More than One Year	13,076,264	1,213,762	14,290,026
Due in More than One Year - Net Pension Liability	84,936,189	2,687,184	87,623,373
Due in More than One Year - Net OPEB Liability	40,240,382	4,615,690	44,856,072
Total Liabilities	<u>168,036,470</u>	<u>12,580,385</u>	<u>180,616,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	7,010,506	-	7,010,506
Deferred Amounts on Pension Plans	49,382,237	1,044,184	50,426,421
Deferred Amounts on OPEB Plans	5,479,696	628,537	6,108,233
Total Deferred Inflows of Resources	<u>61,872,439</u>	<u>1,672,721</u>	<u>63,545,160</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	181,792,073	25,255,927	207,048,000
Restricted for:			
Community Development	31,240,868	-	31,240,868
Public Safety	1,684,093	-	1,684,093
Public Works	19,729,539	-	19,729,539
Pension Benefits	4,002,894	-	4,002,894
Unrestricted	(96,417,176)	15,293,980	(81,123,196)
Total Net Position	<u>\$ 142,032,291</u>	<u>\$ 40,549,907</u>	<u>\$ 182,582,198</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 5,902,029	\$ 1,305,198	\$ 282,908	\$ 101,085
Public Safety	55,939,045	4,484,007	526,112	-
Public Works	13,318,804	583,450	-	644,817
Community Development	12,144,529	3,850,238	9,459,258	215,239
Community Services	3,943,976	219,406	511,414	-
Interest on Long-Term Debt	40,619	-	-	-
Total Governmental Activities	<u>91,289,002</u>	<u>10,442,299</u>	<u>10,779,692</u>	<u>961,141</u>
<b>BUSINESS-TYPE ACTIVITY</b>				
Water Enterprise	<u>15,595,896</u>	<u>18,886,264</u>	<u>52,200</u>	<u>-</u>
Total	<u>\$ 106,884,898</u>	<u>\$ 29,328,563</u>	<u>\$ 10,831,892</u>	<u>\$ 961,141</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (4,212,838)	\$ -	\$ (4,212,838)
Public Safety	(50,928,926)	-	(50,928,926)
Public Works	(12,090,537)	-	(12,090,537)
Community Development	1,380,206	-	1,380,206
Community Services	(3,213,156)	-	(3,213,156)
Interest on Long-Term Debt	(40,619)	-	(40,619)
Total Governmental Activities	(69,105,870)	-	(69,105,870)
<b>BUSINESS-TYPE ACTIVITY</b>			
Water Enterprise	-	3,342,568	3,342,568
Total	(69,105,870)	3,342,568	(65,763,302)
<b>GENERAL REVENUES</b>			
Unrestricted Taxes:			
Transactions and Use Taxes	16,645,283	-	16,645,283
Property Taxes, Levied for General Purposes	21,057,656	-	21,057,656
Utility Users Taxes	4,832,234	-	4,832,234
Business Operation Taxes	1,396,905	-	1,396,905
Franchise Taxes	1,192,877	-	1,192,877
Transient Occupancy Taxes	940,292	-	940,292
Unrestricted Investment Earnings	(4,685,026)	190,914	(4,494,112)
Intergovernmental Revenue - Sales Taxes	19,861,724	-	19,861,724
<b>TRANSFERS</b>	(25,000)	25,000	-
Total General Revenues and Transfers	61,216,945	215,914	61,432,859
<b>CHANGE IN NET POSITION</b>	(7,888,925)	3,558,482	(4,330,443)
Net Position - Beginning of Year	149,921,216	36,991,425	186,912,641
<b>NET POSITION - END OF YEAR</b>	<u>\$ 142,032,291</u>	<u>\$ 40,549,907</u>	<u>\$ 182,582,198</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

ASSETS	Special Revenue Funds			
	General	Westminster Housing Authority	Housing and Community Development	Special Gas Tax and Street Improvements
Cash and Investments	\$ 45,038,608	\$ -	\$ 1,025,513	\$ 1,959,755
Receivables, Net of Allowances	7,842,624	18,357,041	5,179,426	2,308,551
Lease Receivable	7,149,445	-	-	-
Prepaid Items	70,693	-	-	-
Land Held for Resale	-	2,259,611	-	-
Restricted Assets:				
Cash and Investments	-	4,150,090	-	-
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	\$ 60,101,370	\$ 24,766,742	\$ 6,204,939	\$ 4,268,306
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ 2,093,280	\$ 11,736	\$ 48,194	\$ 179,071
Deposits	910,544	-	-	-
Unearned Revenue	11,826,593	-	-	-
Due to Other Governments	5,040	-	5,100,191	-
Total Liabilities	14,835,457	11,736	5,148,385	179,071
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	7,010,506	-	-	-
Unavailable Revenue	108,965	-	-	1,292,621
Total Deferred Inflows of Resources	7,119,471	-	-	1,292,621
<b>FUND BALANCES</b>				
Nonspendable	70,693	-	-	-
Restricted	-	24,755,006	1,056,554	2,796,614
Committed	11,312,182	-	-	-
Assigned	2,696,420	-	-	-
Unassigned	24,067,147	-	-	-
Total Fund Balances	38,146,442	24,755,006	1,056,554	2,796,614
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 60,101,370	\$ 24,766,742	\$ 6,204,939	\$ 4,268,306

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	<u>Capital Improvements</u>	<u></u>	<u></u>
<b>ASSETS</b>			
Cash and Investments	\$ 25,260,332	\$ 11,778,997	\$ 85,063,205
Receivables, Net of Allowances	161,593	201,612	34,050,847
Lease Receivable	-	-	7,149,445
Prepaid Items	-	-	70,693
Land Held for Resale	6,400,000	-	8,659,611
Restricted Assets:			
Cash and Investments	-	-	4,150,090
Cash and Investments with Fiscal Agents	<u>2,452,306</u>	<u>-</u>	<u>2,452,306</u>
 Total Assets	 <u>\$ 34,274,231</u>	 <u>\$ 11,980,609</u>	 <u>\$ 141,596,197</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	\$ 2,493,477	\$ 78,669	\$ 4,904,427
Deposits	-	33,377	943,921
Unearned Revenue	240,920	-	12,067,513
Due to Other Governments	<u>-</u>	<u>-</u>	<u>5,105,231</u>
Total Liabilities	<u>2,734,397</u>	<u>112,046</u>	<u>23,021,092</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	-	-	7,010,506
Unavailable Revenue	<u>-</u>	<u>161,799</u>	<u>1,563,385</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>161,799</u>	<u>8,573,891</u>
 <b>FUND BALANCES</b>			
Nonspendable	-	-	70,693
Restricted	10,885,142	11,706,764	51,200,080
Committed	-	-	11,312,182
Assigned	20,654,692	-	23,351,112
Unassigned	<u>-</u>	<u>-</u>	<u>24,067,147</u>
Total Fund Balances	<u>31,539,834</u>	<u>11,706,764</u>	<u>110,001,214</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 34,274,231</u>	 <u>\$ 11,980,609</u>	 <u>\$ 141,596,197</u>

See accompanying Notes to Financial Statements.

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**CITY OF WESTMINSTER, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

Fund Balances - Total Governmental Funds \$ 110,001,214

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 \$15,081,418 and \$(10,436,406), respectively, that are included in the internal service fund):

Capital Assets	458,936,037
Accumulated Depreciation	(278,069,468)

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 \$546,079 allocated to the business-type activity is:

3,997,796

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	22,515,926
Deferred Outflows of Resources on OPEB	3,125,905
Deferred Inflows of Resources on Pension	(49,382,237)
Deferred Inflows of Resources on OPEB	(5,479,696)
Net Pension Liability	(84,936,189)
Net OPEB Liability	(40,240,382)

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.

1,563,385

Net Position of Governmental Activities \$ 142,032,291

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022**

	General	Special Revenue Funds		
		Westminster Housing Authority	Housing and Community Development	Special Gas Tax and Street Improvements
<b>REVENUES</b>				
Taxes	\$ 43,839,121	\$ -	\$ -	\$ 5,119,916
Licenses and Permits	1,243,869	-	-	-
Fines	701,784	-	-	-
Investment and Rental	(3,092,560)	40,494	444,722	79,232
Intergovernmental	20,333,021	3,755	374,732	2,260,132
Charges for Services	6,432,905	-	-	8,356
Other	401,381	90,246	28	1,502,263
Total Revenues	69,859,521	134,495	819,482	8,969,899
<b>EXPENDITURES</b>				
Current:				
General Government	5,824,209	-	-	-
Public Safety	50,153,802	-	-	-
Public Works	4,602,418	-	-	-
Community Development	3,651,975	474,546	706,476	1,848,986
Community Services	2,233,773	-	-	-
Capital Outlay	76,069	-	-	-
Debt Service:				
Principal Retirement	-	-	-	112,874
Interest and Fiscal Charges	-	-	-	4,938
Total Expenditures	66,542,246	474,546	706,476	1,966,798
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,317,275	(340,051)	113,006	7,003,101
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment and Property	10,097	-	-	-
Transfers In	4,761	-	-	-
Transfers Out	(25,000)	-	(10,997)	(5,550,881)
Total Other Financing Sources (Uses)	(10,142)	-	(10,997)	(5,550,881)
<b>NET CHANGE IN FUND BALANCES</b>	3,307,133	(340,051)	102,009	1,452,220
Fund Balances - Beginning of Year	34,839,309	25,095,057	954,545	1,344,394
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 38,146,442</u>	<u>\$ 24,755,006</u>	<u>\$ 1,056,554</u>	<u>\$ 2,796,614</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, 2022**

	Capital Projects Fund		
	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ 2,226,126	\$ 51,185,163
Licenses and Permits	-	-	1,243,869
Fines	-	-	701,784
Investment and Rental	81,890	147,268	(2,298,954)
Intergovernmental	50,348	1,067,496	24,089,484
Charges for Services	-	414,136	6,855,397
Other	82,038	24,361	2,100,317
Total Revenues	<u>214,276</u>	<u>3,879,387</u>	<u>83,877,060</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	23,952	5,848,161
Public Safety	-	688,316	50,842,118
Public Works	-	-	4,602,418
Community Development	916,777	1,112,257	8,711,017
Community Services	-	422,406	2,656,179
Capital Outlay	11,204,373	-	11,280,442
Debt Service:			
Principal Retirement	-	133,860	246,734
Interest and Fiscal Charges	-	6,291	11,229
Total Expenditures	<u>12,121,150</u>	<u>2,387,082</u>	<u>84,198,298</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(11,906,874)	1,492,305	(321,238)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Equipment and Property	-	-	10,097
Transfers In	6,923,821	-	6,928,582
Transfers Out	(232,401)	(1,146,681)	(6,965,960)
Total Other Financing Sources (Uses)	<u>6,691,420</u>	<u>(1,146,681)</u>	<u>(27,281)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,215,454)	345,624	(348,519)
Fund Balances - Beginning of Year	<u>36,755,288</u>	<u>11,361,140</u>	<u>110,349,733</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 31,539,834</u>	<u>\$ 11,706,764</u>	<u>\$ 110,001,214</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, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (348,519)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of 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.

Capital Outlays	9,464,482
Depreciation Expense	(12,679,542)

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.

Principal Payments	246,734
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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.

Net Change in Accrued Interest	900
--------------------------------	-----

Pension expenditures 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.

(3,821,204)
-------------

OPEB expenditures 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.

5,108,737
-----------

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 \$(450,699) allocated to the business-type activity):

(5,894,507)
-------------

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.

Net Change in Long-Term Receivables	33,994
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Change in Net Position of Governmental Activities	\$ (7,888,925)
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**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	Business-Type Activity	Governmental Activities
	Water	Internal Service
	Enterprise Fund	Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 22,801,805	\$ 16,209,123
Receivables, Net of Allowances	3,312,718	3,315
Prepaid Items	285,827	71,472
Restricted Assets:		
Cash and Investments with Fiscal Agents	110,883	-
Cash and Investments Held in Pension Trust	-	4,002,894
Total Current Assets	26,511,233	20,286,804
Capital Assets:		
Land	2,484,846	-
Construction in Progress	91,268	-
Buildings	101,429	4,575,005
Water Distribution Lines	47,901,899	-
Improvements Other than Buildings	11,975,580	622,855
Vehicles	-	2,591,040
Machinery and Equipment	13,341,581	1,038,918
Office Furniture, Computers, and Equipment	202,938	2,978,679
Leased Property	-	1,141,785
Total Capital Assets	76,099,541	12,948,282
Less Accumulated Depreciation	(49,317,079)	(8,770,935)
Net Capital Assets	26,782,462	4,177,347
Total Assets	53,293,695	24,464,151
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding, Net of Accumulated Amortization	52,020	-
Deferred Amounts on Pension Plans	471,200	-
Deferred Amounts on OPEB Plan	358,550	-
Total Deferred Outflows of Resources	881,770	-

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	Business-Type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Other Liabilities	\$ 3,438,104	\$ 205,202
Deposits	19,000	-
Claims Payable	-	4,102,669
Compensated Absences	207,993	2,119,526
Leases Payable	-	335,146
Certificates of Participation	320,000	-
Loans Payable	78,652	-
Total Current Liabilities	4,063,749	6,762,543
Long-Term Liabilities:		
Claims Payable	-	12,308,005
Compensated Absences	33,859	345,039
Leases Payable	-	423,220
Certificates of Participation	335,000	-
Loans Payable	844,903	-
Net Pension Liability	2,687,184	-
Net OPEB Liability	4,615,690	-
Total Long-Term Liabilities	8,516,636	13,076,264
Total Liabilities	12,580,385	19,838,807
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts on Pension Plans	1,044,184	-
Deferred Amounts on OPEB Plan	628,537	-
Total Deferred Inflows of Resources	1,672,721	-
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted:	25,255,927	3,418,981
Pension Benefits	-	4,002,894
Unrestricted	14,666,432	(2,796,531)
Total Net Position	39,922,359	\$ 4,625,344
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	627,548	
Net Position of Business-Type Activity	\$ 40,549,907	

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, 2022**

	Business-Type Activity Water Enterprise Fund	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 18,851,368	\$ 9,517,124
Other	34,896	424,949
Total Operating Revenues	18,886,264	9,942,073
<b>OPERATING EXPENSES</b>		
Salaries	2,801,986	2,205,345
Maintenance and Operations	3,907,979	3,539,575
Purchased Water	2,462,845	-
Pump and Basin Assessment	4,519,275	-
Insurance Premiums and Legal Fees	-	1,918,747
Claims and Benefits	-	7,354,177
Depreciation and Amortization	1,435,524	821,709
Total Operating Expenses	15,127,609	15,839,553
<b>OPERATING INCOME (LOSS)</b>	3,758,655	(5,897,480)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	52,200	101,085
Investment Income	190,914	(444,287)
Interest and Fiscal Charges	(99,057)	(30,290)
Loss on Sale of Property and Equipment	-	(5,143)
Total Nonoperating Revenues (Expenses)	144,057	(378,635)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	3,902,712	(6,276,115)
<b>TRANSFERS</b>		
Transfers In	25,000	232,401
Transfers Out	-	(220,023)
Total Transfers	25,000	12,378
<b>CHANGE IN NET POSITION</b>	3,927,712	(6,263,737)
Net Position - Beginning of Year	35,994,647	10,889,081
<b>NET POSITION - END OF YEAR</b>	\$ 39,922,359	\$ 4,625,344
<b>ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUND</b>	\$ (369,230)	
<b>CHANGE IN NET POSITION - ENTERPRISE FUND</b>	3,927,712	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITY</b>	\$ 3,558,482	

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	<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	\$ 19,044,978	\$ -
Receipts for Interfund Services	-	9,979,807
Payment to Suppliers	(10,868,028)	(6,821,095)
Payment to Employees	(3,723,507)	(2,279,305)
Net Cash Provided by Operating Activities	<u>4,453,443</u>	<u>879,407</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Received From Other Funds	25,000	-
Cash Paid To Other Funds	-	(220,023)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>25,000</u>	<u>(220,023)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Received from Other Funds	-	232,401
Proceeds from Capital Grant	52,200	101,085
Acquisition of Capital Assets	(91,268)	(174,244)
Proceeds from Sale of Assets	-	12,292
Principal Payments on Leases	-	(404,238)
Principal Payments on Long-Term Debt	(385,979)	(103,266)
Interest and Fiscal Charges	(73,066)	(4,142)
Net Cash Used by Capital and Related Financing Activities	<u>(498,113)</u>	<u>(340,112)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Purchases	-	(510,044)
Investment Income	190,914	65,757
Net Cash Provided (Used) by Investing Activities	<u>190,914</u>	<u>(444,287)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,171,244	(125,015)
Cash and Cash Equivalents - Beginning of Year	<u>18,741,444</u>	<u>20,337,032</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 22,912,688</u></u>	<u><u>\$ 20,212,017</u></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Current Assets:		
Cash and Investments	\$ 22,801,805	\$ 16,209,123
Restricted Assets:		
Cash and Investments Held by Fiscal Agent	110,883	-
Cash and Investments Held in Pension Trust	-	4,002,894
Total Cash and Cash Equivalents	<u><u>\$ 22,912,688</u></u>	<u><u>\$ 20,212,017</u></u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	<u>Business-Type Activity</u>	<u>Governmental Activities</u>
	Water Enterprise Fund	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 3,758,655	\$ (5,897,480)
Depreciation and Amortization	1,435,524	821,709
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	158,714	37,734
(Increase) Decrease in Prepaid Items	(40,105)	(31,285)
(Increase) Decrease in Inventories	-	19,976
(Increase) Decrease in Deferred Outflows on Pensions	100,127	-
(Increase) Decrease in Deferred Outflows on OPEB	(16,602)	-
Increase (Decrease) in Accounts Payable	61,176	(188,738)
Increase (Decrease) in Deposits	1,000	-
Increase (Decrease) in Claims Payable	-	6,191,451
Increase (Decrease) in Deferred Inflows on Pensions	1,044,184	-
Increase (Decrease) in Deferred Inflows on OPEB	(456,983)	-
Increase (Decrease) in OPEB	(112,402)	-
Increase (Decrease) in Pension Liability	(1,444,168)	-
Increase (Decrease) in Compensated Absences Payable	(35,677)	(73,960)
Net Cash Provided by Operating Activities	<u>\$ 4,453,443</u>	<u>\$ 879,407</u>
<b>NONCASH FINANCING, CAPITAL, OR INVESTING ACTIVITIES</b>		
Capital Assets Acquired through Lease	<u>\$ -</u>	<u>\$ 289,783</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2022**

	<u>Successor Agency to the Westminster Redevelopment Agency Private-Purpose Trust Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 1,811,388
Interest Receivable	2,893
Prepaid Items	644,377
Restricted Assets:	
Cash and Investments with Fiscal Agents	4,542,603
Total Current Assets	<u>7,001,261</u>
 Total Assets	 7,001,261
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Refunding, Net of Accumulated Amortization	10,285,149
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Other Liabilities	1,720
Certificates of Participation, Current Portion	2,415,000
Due to Other Governments	201,065
Interest Payable	702,037
Total Current Liabilities	<u>3,319,822</u>
Long-Term Liabilities:	
Certificates of Participation	<u>98,322,306</u>
 Total Liabilities	 101,642,128
<b>NET POSITION</b>	
Net Position for Private Purpose	<u>(84,355,718)</u>
 Total Net Position	 <u>\$ (84,355,718)</u>

See accompanying Notes to Financial Statements.

**CITY OF WESTMINSTER, CALIFORNIA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	Successor Agency to the Westminster Redevelopment Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Taxes and Assessments	\$ 5,583,273
Investment and Rental	(9,145)
Total Additions	5,574,128
<b>DEDUCTIONS</b>	
General Government	76,317
Community Development	20,280
Interest and Fiscal Expense	3,574,024
Total Deductions	3,670,621
<b>CHANGE IN NET POSITION</b>	1,903,507
Net Position - Beginning of Year	(86,259,225)
<b>NET POSITION - END OF YEAR</b>	\$ (84,355,718)

See accompanying Notes to Financial Statements.

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**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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) and the SB2 Permanent Local Housing Allocation (PLHA) Program from the State of California. The HUD 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. The PLHA Program funds are to be used for an emergency homeless shelter, augmenting the existing tenant based rental assistance program, and extending the affordability covenants to preserve affordable housing within the City.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**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.

**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. The City also records the value of intangible right to use assets based on the underlying leased asset. The right to use the intangible asset is amortized each year for the term of the contract.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**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 to 5 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 assets 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, 2022**

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

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

Deferred outflows (continued):

- Deferred outflows related to pensions resulting from the net differences in projected and actual earnings on investments of the pension 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 assets 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 between expected and actual experience 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.
- Deferred inflows 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.
- Deferred inflows related to leases for amounts not yet received. These amounts are deferred and recognized as an inflow of resources in the period that the amounts are available or earned.

**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.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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

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

**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, 2022**

**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, 2022**

**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, 2022, 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, 2022**

**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.

**P. 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.

**Q. 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.

**R. 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.

**S. 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.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**T. 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.

**U. Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. Beginning net position was increased \$489,796 for governmental activities and Motor Pool/Equipment Internal Service Fund for the implementation of GASB Statement No. 87 to record the impact of recording right-to-use lease assets and related lease liabilities.

**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, 2022**

**NOTE 2 CASH AND INVESTMENTS**

**A. Cash and Investments**

Cash and investments at June 30, 2022 consisted of the following:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted Assets:			
Cash and Investments	\$ 124,074,133	\$ 1,811,388	\$ 125,885,521
Total Unrestricted Assets	124,074,133	1,811,388	125,885,521
Restricted Assets:			
Cash and Investments	4,150,090	-	4,150,090
Cash and Investments With Fiscal Agents	2,563,189	4,542,603	7,105,792
Cash and Investments Held in Pension Trust	4,002,894	-	4,002,894
Total Restricted Assets	10,716,173	4,542,603	15,258,776
Total Cash and Investments	\$ 134,790,306	\$ 6,353,991	\$ 141,144,297

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

Primary Government:	
Petty Cash	\$ 5,000
Deposits	1,415,350
Investments	133,369,956
Total	\$ 134,790,306
Fiduciary Funds:	
Deposits	\$ 286,006
Investments	6,067,985
Total	\$ 6,353,991

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, 2022**

**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%	5%
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, 2022**

**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, 2022**

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

**D. Disclosures Relating to Interest Rate Risk (Continued)**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee and in pension trust) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Primary Government			Total
	Remaining Maturity (in Months)			
	12 Months or Less	13 - 36 Months	37 - 60 Months	
Local Agency Investment Fund (LAIF)	\$ 69,723,748	\$ -	\$ -	\$ 69,723,748
United States Treasury Obligations	-	8,018,693	6,514,997	14,533,690
Federal National Mortgage Association (FNMA)	586,338	1,654,160	3,742,367	5,982,865
Federal Home Loan Mortgage Corporation (FHLMC)	420,030	3,974,045	2,860,804	7,254,879
Federal Home Loan Bank (FHLB)	-	3,713,734	-	3,713,734
Municipal Bonds	-	671,451	-	671,451
Corporate Medium Term Notes (MTN)	-	7,362,851	5,803,883	13,166,734
Collateralized Mortgage Obligations	-	546,920	528,898	1,075,818
Asset-Backed Securities	-	3,685,370	2,598,557	6,283,927
Supranational	-	2,200,232	1,633,934	3,834,166
Money Market Mutual Funds	562,861	-	-	562,861
Restricted:				
Pension Trust - PARS Pooled Trust	4,002,894	-	-	4,002,894
Held by Bond Trustee:				
Money Market Mutual Funds	2,563,189	-	-	2,563,189
Total	<u>\$ 77,859,060</u>	<u>\$ 31,827,456</u>	<u>\$ 23,683,440</u>	<u>\$ 133,369,956</u>
Investment Type	Fiduciary Funds			Total
	Remaining Maturity (in Months)			
	12 Months or Less	13 - 36 Months	37 - 60 Months	
Local Agency Investment Fund (LAIF)	\$ 1,525,382	\$ -	\$ -	\$ 1,525,382
Restricted:				
Held by Bond Trustee:				
Money Market Mutual Funds	4,542,603	-	-	4,542,603
Total	<u>\$ 6,067,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,067,985</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022	AAA	AA	A	Not Required to be Rated	Not Rated
LAIF	N/A	\$ 69,723,748	\$ -	\$ -	\$ -	\$ -	\$ 69,723,748
U.S. Treasury Obligations	N/A	14,533,690	-	-	-	14,533,690	-
FNMA	N/A	5,982,865	-	5,982,865	-	-	-
FHLMC	N/A	7,254,879	-	7,254,879	-	-	-
FHLB	N/A	3,713,734	-	3,713,734	-	-	-
Municipal Bonds	A	671,451	-	671,451	-	-	-
MTN	A	13,166,734	369,071	2,012,698	10,784,965	-	-
Collateralized Mortgage Obligations	AA	1,075,818	528,898	-	-	-	546,920
Asset-Backed Securities	N/A	6,283,927	6,283,927	-	-	-	-
Supranational	AA	3,834,166	2,135,298	-	1,698,868	-	-
Money Market Mutual Funds	AAA	562,861	562,861	-	-	-	-
Restricted:							
Pension Trust - PARS Pooled Trust	N/A	4,002,894	-	-	-	-	4,002,894
Held by Bond Trustee:							
Money Market Mutual Funds	AAA	2,563,189	2,563,189	-	-	-	-
Total		<u>\$ 133,369,956</u>	<u>\$ 12,443,244</u>	<u>\$ 19,635,627</u>	<u>\$ 12,483,833</u>	<u>\$ 14,533,690</u>	<u>\$ 74,273,562</u>
Fiduciary Funds							
Investment Type	Minimum Legal Rating	Total as of June 30, 2022	AAA	AA+	Not Required to be Rated	Not Rated	
LAIF	N/A	\$ 1,525,382	\$ -	\$ -	\$ -	\$ -	\$ 1,525,382
Restricted:							
Held by Bond Trustee:							
Money Market Mutual Funds	AAA	4,542,603	4,542,603	-	-	-	-
Total		<u>\$ 6,067,985</u>	<u>\$ 4,542,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,525,382</u>

N/A - Not Applicable

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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		
Issuer	Investment Type	Reported Amount
FHLMC	United States Government Sponsored Agency Securities	\$ 7,254,879

**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, 2022, 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, 2022**

**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, 2022**

**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, 2022:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Primary Government:				
U.S. Treasury Obligations	\$ -	\$ 14,533,690	\$ -	\$ 14,533,690
FNMA	-	5,982,865	-	5,982,865
FHLMC	-	7,254,879	-	7,254,879
FHLB	-	3,713,734	-	3,713,734
Municipal Bonds	-	671,451	-	671,451
MTN	-	13,166,734	-	13,166,734
Collateralized Mortgage Obligations	-	1,075,818	-	1,075,818
Asset Backed Securities	-	6,283,927	-	6,283,927
Supranational	-	3,834,166	-	3,834,166
Total Leveled Investments	<u>\$ -</u>	<u>\$ 56,517,264</u>	<u>\$ -</u>	<u>56,517,264</u>
LAIF*				69,723,748
Money Market Mutual Funds*				562,861
Restricted:				
Pension Trust - PARS Pooled Trust*				4,002,894
Held by Bond Trustee:				
Money Market Mutual Funds*				2,563,189
Total Investment Portfolio				<u>\$ 133,369,956</u>
Fiduciary Funds:				
LAIF*				\$ 1,525,382
Restricted:				
Held by Bond Trustee:				
Money Market Mutual Funds*				4,542,603
Total Investment Portfolio				<u>\$ 6,067,985</u>

\* Not subject to fair value measurements.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

The compositions of the City's interfund transfer balances as of June 30, 2022 are as follows:

	Transfers In		
	General	Capital Improvements Capital Projects Fund	Total
Transfers Out:			
Housing and Community Development Special Revenue Fund	\$ -	\$ 10,997	\$ 10,997
Special Gas Tax and Street Improvements Special Revenue Fund	-	5,550,881	5,550,881
Other Governmental Funds	4,761	1,141,920	1,146,681
Internal Service	-	220,023	220,023
Total	\$ 4,761	\$ 6,923,821	\$ 6,928,582

	Transfers In		
	Water Enterprise	Internal Service	Total
Transfers Out:			
General	\$ 25,000	\$ -	\$ 25,000
Capital Improvements	-	232,401	232,401
Total	\$ 25,000	\$ 232,401	\$ 257,401

Transfers between/to funds are to primarily fund capital projects. The following were transfers to the Capital Improvements Capital Projects Fund:

- \$10,997 was transferred from the Housing and Community Development Special Revenue Fund for CDBG funding street and playground improvements.
- \$5,550,881 was transferred from the Special Gas Tax and Street Improvements Special Revenue Fund for street improvements, McFadden Avenue storm drain improvements, Edwards Street, Westminster Boulevard, and Hazard Avenue annual concrete repairs and striping.
- \$1,141,920 was transferred from the Other Governmental Funds for park dedication fund park improvements, including playground improvements, landscaping, walkways, and court resurfacing (\$1,061,350), AQMD charging station (\$20,570), and park lighting (\$60,000).
- \$220,023 was transferred from the Internal Service Funds for tank remediation, boiler replacement, and battery back-up.

\$4,761 was transferred from the Other Governmental Funds to the General Fund to close out the debt service fund 2008 refunding COPs. \$25,000 was transferred from the General Fund to the Water Enterprise Fund for the lifeline program (water assistance low-income senior and disabled). \$232,401 was transferred from the Capital Improvements Capital Projects Fund to the Internal Service Funds for technology replacement, motor pool senior transportation, and equipment replacement in motor pool.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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	\$ 6,598,212	\$ -	\$ -	\$ -	\$ -	\$ 25,029	\$ 6,623,241
Accounts	679,226	-	-	-	-	-	679,226
Interest	304,332	-	-	-	9,117	-	313,449
Loans	-	4,575,828	4,237,937	-	152,476	-	8,966,241
Notes	-	13,781,213	862,254	-	-	-	14,643,467
Other	-	-	-	-	-	-	-
Due from Other Governments	260,854	-	79,235	2,308,551	-	176,583	2,825,223
<b>Total Receivables</b>	<b>\$ 7,842,624</b>	<b>\$ 18,357,041</b>	<b>\$ 5,179,426</b>	<b>\$ 2,308,551</b>	<b>\$ 161,593</b>	<b>\$ 201,612</b>	<b>\$ 34,050,847</b>

**B. 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	58,444
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	95,193
HOME Lease Purchase Program - due upon sale of property. The program is administered by American Family Housing, Inc. or Abrazar, Inc.	3,353,175
<b>Total Loans Receivable - Housing and Community Development</b>	<b>\$ 4,237,937</b>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 RECEIVABLES (CONTINUED)**

**B. Governmental Activities (Continued)**

Loans Receivable - Westminster Housing Authority

<u>Description</u>	<u>Amount</u>
Housing Rehab Loans, due upon sale of property	\$ 1,667,424
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>\$ 4,575,828</u></u>

Notes Receivable – Housing and Community Development

<u>Description</u>	<u>Amount</u>
\$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, 2022, \$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.	\$ 606,360
\$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, 2022, \$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.	145,740

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 RECEIVABLES (CONTINUED)**

**B. 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, 2022, \$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>\$ 862,254</u></p>

Notes Receivable – Westminster Housing Authority

<u>Description</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, 2022, \$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>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 RECEIVABLES (CONTINUED)**

**B. Governmental Activities (Continued)**

Notes Receivable – Westminster Housing Authority (Continued)

Description (Continued)

\$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, 2022, \$752,339 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."

752,339

\$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."

2,400,000

\$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".

\$ 5,500,000

Total Notes Receivable – Westminster  
Housing Authority \$ 13,781,213

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 LEASES**

The City, acting as lessor, leases real property under long-term, non-cancelable lease agreements. The leases expire at various dates through February 2031 with interest rates varying from 0.7% to 1.2%. During the year ended June 30, 2022, the City recognized \$927,460 and \$68,692 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**NOTE 6 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, 2021	Additions/ (Deletions)	Balance June 30, 2022
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, 2022**

**NOTE 7 CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the year ended June 30, 2022 is as follows:

**Governmental Activities**

	Balance at July 1, 2021 as Restated	Additions	Deletions	Balance at June 30, 2022
Capital Assets, not Being Depreciated:				
Land	\$ 7,823,959	\$ -	\$ -	\$ 7,823,959
Construction In Progress	2,012,985	1,677,500	(1,024,470)	2,666,015
Total Capital Assets, not Being Depreciated	9,836,944	1,677,500	(1,024,470)	10,489,974
Capital Assets, Being Depreciated:				
Buildings	119,425,194	163,615	-	119,588,809
Improvements Other than Buildings	28,231,678	-	-	28,231,678
Vehicles, Machinery, and Equipment	11,064,058	1,026,483	(88,269)	12,002,272
Office Furniture and Equipment	9,423,373	84,469	-	9,507,842
Leased Property*	852,002	289,783	-	1,141,785
Infrastructure	283,210,830	7,711,129	-	290,921,959
Total Capital Assets, Being Depreciated	452,207,135	9,275,479	(88,269)	461,394,345
Less Accumulated Depreciation for:				
Buildings	(32,027,405)	(2,421,325)	-	(34,448,730)
Improvements Other than Buildings	(11,209,155)	(1,288,650)	-	(12,497,805)
Vehicles, Machinery, and Equipment	(7,692,543)	(599,932)	88,269	(8,204,206)
Office Furniture and Equipment	(7,028,937)	(474,921)	-	(7,503,858)
Leased Property*	-	(384,309)	-	(384,309)
Infrastructure	(215,469,442)	(8,332,053)	-	(223,801,495)
Total Accumulated Depreciation	(273,427,482)	(13,501,190)	88,269	(286,840,403)
Total Capital Assets, Being Depreciated, Net	178,779,653	(4,225,711)	-	174,553,942
Total Governmental Activities Capital Assets, Net	<u>\$ 188,616,597</u>	<u>\$ (2,548,211)</u>	<u>\$ (1,024,470)</u>	<u>\$ 185,043,916</u>

\* Leased property cost was restated from \$3,078,559 as of July 1, 2021 to \$852,002. Leased property accumulated depreciation was restated from \$1,724,115 as of July 1, 2021 to \$0. These restatements were due to the implementation of GASB 87, *Leases*.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

A summary of changes in the business-type activity capital assets for the year ended June 30, 2022 is as follows:

**Business-Type Activity**

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital Assets, not Being Depreciated:				
Land and Land Rights	\$ 2,484,846	\$ -	\$ -	\$ 2,484,846
Construction in Progress	-	91,268	-	91,268
Total Capital Assets, not Being Depreciated	2,484,846	91,268	-	2,576,114
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	(92,252)	(799)	-	(93,051)
Improvements Other than Buildings	(3,873,615)	(246,775)	-	(4,120,390)
Water Distribution Lines	(33,195,824)	(904,406)	-	(34,100,230)
Machinery and Equipment	(10,558,294)	(273,685)	-	(10,831,979)
Office Furniture and Equipment	(161,569)	(9,859)	-	(171,428)
Total Accumulated Depreciation	(47,881,554)	(1,435,524)	-	(49,317,078)
Total Capital Assets, Being Depreciated, Net	25,641,872	(1,435,524)	-	24,206,348
Total Business-Type Activity Capital Assets, Net	<u>\$ 28,126,718</u>	<u>\$ (1,344,256)</u>	<u>\$ -</u>	<u>\$ 26,782,462</u>

The City maintains a reserve fund for capital improvement designed to encourage and improve on water conservation. At June 30, 2022, the Enterprise Fund's conservation projects reserve account totaled \$3,829,045.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

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

**Governmental Activities**

General Government	\$ 230,641
Public Safety	1,653,201
Public Works	9,025,106
Community Development	1,778,504
Community Services	<u>813,738</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 13,501,190</u></u>

**Business-Type Activity**

Water Fund	<u><u>\$ 1,435,524</u></u>
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**NOTE 8 LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2022:

	Balance July 1, 2021 as Restated	Additions	Reductions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Other Debt:						
Certificates of Participation	\$ 350,000	\$ -	\$ 350,000	\$ -	\$ -	\$ -
Leases Payable*	852,002	289,780	383,416	758,366	335,146	423,220
Other Long-Term Liabilities:						
Compensated Absences	2,538,525	1,302,084	1,376,044	2,464,565	2,119,526	345,039
Claims Liabilities (Note 11)	10,219,223	7,277,091	1,085,640	16,410,674	4,102,669	12,308,005
Total Governmental Activities	<u>\$ 13,959,750</u>	<u>\$ 8,868,955</u>	<u>\$ 3,195,100</u>	<u>\$ 19,633,605</u>	<u>\$ 6,557,341</u>	<u>\$ 13,076,264</u>

\* Leases payable restated from \$1,844,240 as of July 1, 2021 to \$852,002 due to the implementation of GASB 87, Leases.

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Business_Type Activity:						
Other Debt:						
Certificates of Participation	\$ 965,000	\$ -	\$ 310,000	\$ 655,000	\$ 320,000	\$ 335,000
Loans Payable	999,534	-	75,979	923,555	78,652	844,903
Other Long-Term Liabilities:						
Compensated Absences	277,529	140,655	176,332	241,852	207,993	33,859
Total Business Type Activity	<u>2,242,063</u>	<u>140,655</u>	<u>562,311</u>	<u>1,820,407</u>	<u>606,645</u>	<u>1,213,762</u>
City Total	<u><u>\$ 16,201,813</u></u>	<u><u>\$ 9,009,610</u></u>	<u><u>\$ 3,757,411</u></u>	<u><u>\$ 21,454,012</u></u>	<u><u>\$ 7,163,986</u></u>	<u><u>\$ 14,290,026</u></u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities**

Lease Payable

The City leases equipment and vehicles for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2027. Interest rates range from 0.185% to 0.577%.

Certain equipment and vehicle leases require the City to guarantee minimum residual values. Payments required by residual value guarantees are recognized in the period in which the obligation is paid. During the year ended June 30, 2022, the City made no payments related to residual value guarantees and termination penalties.

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, 2022, 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 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, 2022</p>
	<p><u>\$ 655,000</u></p>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activity (Continued)**

Certificates of Participation (Continued)

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.

For the fiscal year ended June 30, 2022, the calculation of the enterprise fund's compliance with the rate coverage covenant is as follows:

Gross Revenues:	
Charges for Services	\$ 18,851,368
Investment Income	190,914
Other	34,896
Total Gross Revenues	19,077,178
Operating Expenses:	
Operating Expenses	15,127,609
Depreciation and Amortization	(1,435,524)
Vehicle Replacement Charges	(126,366)
Total Operating Costs	13,565,719
Net Revenues	\$ 5,511,459
Installment Payments:	
Principal Payments	\$ 385,979
Interest Payments	75,277
Total Installment Payments	\$ 461,256
Net Revenues to Installment Payment Coverage Ratio	1195%

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, 2022, the enterprise fund's capital equipment replacement reserve is as follows:

Capital Equipment Replacement Reserve	\$ 5,804,564
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**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activity (Continued)**

Loans Payable

<u>Description</u>	<u>Amount</u>
<p>\$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.</p>	<p><u>\$ 923,555</u></p>

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.

**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, 2022, including interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Leases Payable</u>		
	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 335,146	\$ 2,812	\$ 337,958
2024	190,828	1,752	192,580
2025	140,485	894	141,379
2026	89,133	269	89,402
2027	2,774	2	2,776
Total	<u>\$ 758,366</u>	<u>\$ 5,729</u>	<u>\$ 764,095</u>

<u>Year Ending June 30,</u>	<u>Certificates of Participation</u>		
	<u>Business-Type Activity</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 320,000	\$ 28,257	\$ 348,257
2024	335,000	14,656	349,656
Total	<u>\$ 655,000</u>	<u>\$ 42,913</u>	<u>\$ 697,913</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental and Business-Type Activity (Continued)**

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

<u>Year Ending June 30,</u>	Loans Payable Business-Type Activity		
	Principal	Interest	Total
	2023	\$ 78,652	\$ 31,125
2024	81,421	28,308	109,729
2025	84,287	25,391	109,678
2026	87,254	22,372	109,626
2027	90,325	19,247	109,572
2028-2032	501,616	45,363	546,979
Total	\$ 923,555	\$ 171,806	\$ 1,095,361

<u>Year Ending June 30,</u>	Grand Totals Governmental and Business-Type Activities		
	Principal	Interest	Total
	2023	\$ 733,798	\$ 62,194
2024	607,249	44,716	651,965
2025	224,772	26,285	251,057
2026	176,387	22,641	199,028
2027	93,099	19,249	112,348
2028-2032	501,616	45,363	546,979
Total	\$ 2,336,921	\$ 220,448	\$ 2,557,369

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 PENSION PLANS**

The following is a summary of pension related items for the year ended June 30, 2022:

	Governmental Activities	Business-Type Activity	Total
<b>Deferred Outflows of Resources:</b>			
CalPERS Miscellaneous Plan	\$ 4,764,352	\$ 471,200	\$ 5,235,552
CalPERS Safety Plan	17,672,184	-	17,672,184
PARS Plan	79,390	-	79,390
Total Deferred Outflows of Resources	<u>\$ 22,515,926</u>	<u>\$ 471,200</u>	<u>\$ 22,987,126</u>
<b>Deferred Inflows of Resources:</b>			
CalPERS Miscellaneous Plan	\$ (10,557,861)	\$ (1,044,184)	\$ (11,602,045)
CalPERS Safety Plan	(38,824,376)	-	(38,824,376)
PARS Plan	-	-	-
Total Deferred Inflows of Resources	<u>\$ (49,382,237)</u>	<u>\$ (1,044,184)</u>	<u>\$ (50,426,421)</u>
<b>Net Pension Liability:</b>			
CalPERS Miscellaneous Plan	\$ (27,170,417)	\$ (2,687,184)	\$ (29,857,601)
CalPERS Safety Plan	(57,384,073)	-	(57,384,073)
PARS Plan	(381,699)	-	(381,699)
Total Net Pension Liability	<u>\$ (84,936,189)</u>	<u>\$ (2,687,184)</u>	<u>\$ (87,623,373)</u>
<b>Pension Expense:</b>			
CalPERS Miscellaneous Plan	\$ 1,352,897	\$ 133,803	\$ 1,486,700
CalPERS Safety Plan	14,863,543	-	14,863,543
PARS Plan	82,700	-	82,700
Total Pension Expense	<u>\$ 16,299,140</u>	<u>\$ 133,803</u>	<u>\$ 16,432,943</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, 2022**

**NOTE 9 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, 2022**

**NOTE 9 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, 2021 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	\$ 3,694,309	\$ -	\$ -
Payment of Normal Cost Rate	714,017	-	410,575
	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	\$ 6,064,782	\$ 1,614	\$ 8,876
Payment of Normal Cost Rate	1,178,626	98,116	516,150

Employees Covered

At the measurement date ended June 30, 2021, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	<u>Miscellaneous</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	264
Inactive Employees Entitled to But Not Yet Receiving Benefits	121
Active Employees	140
Total	<u>525</u>

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 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, 2022, the City contributed \$7,868,164 and \$4,818,901 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

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

Net Pension Liability (Continued)

Actuarial Assumptions

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

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
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, 2022**

**NOTE 9 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 ACFR, 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, 2022**

**NOTE 9 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, 2020 (Measurement Date)	\$ 144,311,422	\$ 98,407,516	\$ 45,903,906
Changes in the Year:			
Service Cost	1,932,392	-	1,932,392
Interest on the Total Pension Liability	10,074,365	-	10,074,365
Differences Between Expected and Actual Experience	(621,730)	-	(621,730)
Contribution - Employer		4,375,142	(4,375,142)
Contribution - Employee	-	864,824	(864,824)
Net Investment Income	-	22,289,669	(22,289,669)
Administrative Expenses	-	(98,303)	98,303
Benefit Payments, Including Refunds of Employee Contributions	(7,511,348)	(7,511,348)	-
Net Changes	<u>3,873,679</u>	<u>19,919,984</u>	<u>(16,046,305)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 148,185,101</u>	<u>\$ 118,327,500</u>	<u>\$ 29,857,601</u>

Proportionate Share of Net Pension Liability

As of June 30, 2022 (measurement date of June 30, 2021), the City reported \$57,384,073 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, 2020 and 2021 was as follows:

	<u>Safety</u>
Proportion - June 30, 2020	1.25916%
Proportion - June 30, 2021	1.63511%
Change - Increase (Decrease)	0.37595%

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 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	\$ 48,813,590	\$ 94,351,209
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 29,857,601	\$ 57,384,073
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 14,147,643	\$ 27,020,137

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, 2022, the City recognized pension expense of \$1,486,700 and \$14,863,543 for the Miscellaneous and Safety Plans, respectively. At June 30, 2022, 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	\$ 4,818,901	\$ -	\$ 7,868,164	\$ -
Differences Between Expected and Actual Experience	416,651	(399,684)	9,804,020	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	-	(4,669,821)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(11,202,361)	-	(34,154,555)
Total	<u>\$ 5,235,552</u>	<u>\$ (11,602,045)</u>	<u>\$ 17,672,184</u>	<u>\$ (38,824,376)</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

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

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

\$4,818,901 and \$7,868,164 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, 2023. 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>
2023	\$ (2,656,310)	\$ (5,616,100)
2024	(2,773,483)	(6,314,718)
2025	(2,680,715)	(7,690,680)
2026	(3,074,886)	(9,398,858)
2027	-	-
Thereafter	-	-

Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Subsequent Event for CalPERS Pension Plan

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

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

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

**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, 2022, the City's contribution was \$225,000.

Employees Covered

At June 30, 2022, 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, 2022, using an annual actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. 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, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

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

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability as of the measurement date of June 30, 2022 was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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, 2022	10 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 2030 using Scale BB (as prescribed by PARS) Females: RP-2000 Female Table projected to 2030 using Scale BB (as prescribed by PARS)
Form of Payment	Monthly as determined by plan document

Discount Rate

For the year ended June 30, 2022, 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.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

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

Net Pension Liability (Continued)

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.

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	5.17%	0.21%	0.20%
U.S. Core Fixed Income	Barclays Aggregate	80.70%	1.95%	1.84%
U.S. Broad Equity Market	Russell 3000	11.27%	5.70%	4.10%
Foreign Developed Equity	MSCI EAFE NR	1.43%	7.30%	5.56%
Emerging Markets Equity	MSCI EM NR	0.93%	9.44%	5.97%
U.S. Real Estate Investment Trust	FTSE NAREIT Equity REIT	0.50%	6.27%	4.11%
Assumed Inflation - Mean			2.35%	2.35%
Assumed Inflation - Standard Deviation			1.25%	1.25%
Portfolio Real Mean Return			2.45%	2.33%
Portfolio Nominal Mean Return			4.80%	4.74%
Portfolio Standard Deviation				3.64%
Long-Term Expected Rate of Return				6.00%

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 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, 2021	\$ 886,787	\$ 442,050	\$ 444,737
Changes in the Year:			
Interest on the Total Pension Liability	51,554	-	51,554
Differences Between Expected and Actual Experience	6,683	-	6,683
Changes in Assumptions	22,332	-	22,332
Contribution - Employer	-	225,000	(225,000)
Net Investment Income	-	(68,748)	68,748
Administrative Expenses	-	(12,645)	12,645
Benefit Payments, Including Refunds of Employee Contributions	(55,923)	(55,923)	-
Net Changes	<u>24,646</u>	<u>87,684</u>	<u>(63,038)</u>
Balance at June 30, 2022	<u>\$ 911,433</u>	<u>\$ 529,734</u>	<u>\$ 381,699</u>

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	\$ 491,377
Current Discount Rate	6.00%
Net Pension Liability	\$ 381,699
1% Increase	7.00%
Net Pension Liability	\$ 290,210

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 PENSION PLANS (CONTINUED)**

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

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

For the year ended June 30, 2022, the City recognized pension expense of \$82,700 for the Plan. At June 30, 2022, 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	\$ 79,390	\$ -
Total	\$ 79,390	\$ -

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
2023	\$ 19,762
2024	20,049
2025	19,599
2026	19,980
2027	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 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, 2022, the City's payroll covered by the plan was \$1,922,061. Contributions to the plan totaled \$144,145 with employee contributions in the amount of \$115,324 (6.0% of current covered payroll) and City contributions in the amount of \$28,831 (1.5% of current covered payroll).

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT 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 (\$149 in 2022)
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, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. Plan Description (Continued)**

Employees Covered

As of measurement date June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	278
Inactive Employees or Beneficiaries Entitled to But Not Yet Receiving Benefits	35
Active Employees	219
Total	532

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, 2022, the City contributed \$500,000 to the CERBT, \$2,285,515 for current premiums, \$11,223 for administrative costs paid outside of the trust, and the estimated implied subsidy was \$560,000, resulting in total contributions of \$3,356,738. The contributions to the OPEB plan are generally made from the General Fund.

**B. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. 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, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT 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, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Contribution Policy	Ad hoc prefunding contribution of \$500,000 to CERBT during fiscal year 2021/22
<b>Actuarial Assumptions:</b>	
Discount Rate	5.66%
Inflation	2.50%
Projected Salary Increase	Aggregate - 2.75% 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 2065/66.
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years. Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years. Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% 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 6.25% and the Bond Buyer 20-Bond GO Index municipal bond rate of 2.16%.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT 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%	4.56%
Fixed Income	25.00	0.78%
TIPS	5.00	-0.08%
Commodities	3.00	1.22%
REITs	8.00	4.06%
Total	<u>100.00%</u>	
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		6.25%

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$ 49,420,429	\$ 3,472,015	\$ 45,948,414
Changes in the Year:			
Service Cost	705,992	-	705,992
Interest on the total OPEB liability	2,758,812	-	2,758,812
Differences Between Actual and Expected Experience	-	-	-
Changes in Assumptions	(538,877)	-	(538,877)
Contribution - Employer	-	3,024,940	(3,024,940)
Net Investment Income	-	1,001,331	(1,001,331)
Administrative Expenses	-	(8,002)	8,002
Benefit Payments	(2,768,314)	(2,768,314)	-
Net Changes	<u>157,613</u>	<u>1,249,955</u>	<u>(1,092,342)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 49,578,042</u>	<u>\$ 4,721,970</u>	<u>\$ 44,856,072</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

Change of Assumptions

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. The medical trend rate as of the measurement date June 30, 2021, is as follows: Non-Medicare – 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years. Medicare (Non-Kaiser) – 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years. Medicare (Kaiser) – 4.6% for 2022, decreasing to an ultimate rate of 3.75% 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:

	1% Decrease (4.66%)	Discount Rate (5.66%)	1% Increase (6.66%)
Net OPEB Liability	\$ 50,751,912	\$ 44,856,072	\$ 39,930,965

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:

	1% Decrease (5.5%/4.65%/ 3.6% Decreasing to 2.75%)	Current Trend (6.5%/5.65%/ 4.6% Decreasing to 3.75%)	1% Increase (7.5%/6.65%/ 5.6% Decreasing to 4.75%)
Net OPEB Liability	\$ 42,020,143	\$ 44,856,072	\$ 47,917,849

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$(2,337,986). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 3,356,738	\$ -
Differences Between Actual and Expected Experience	-	(1,925,398)
Changes in Assumptions	127,717	(3,652,995)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(529,840)
Total	\$ 3,484,455	\$ (6,108,233)

The change in assumptions are amortized over the expected average remaining service life. The expected average remaining service life for the 2021 measurement period is 5.3 years.

\$3,356,738 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2023	\$ (3,210,047)
2024	(1,162,021)
2025	(1,225,771)
2026	(352,175)
2027	(30,502)
Thereafter	-

**E. Payable to the OPEB Plan**

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

**CITY OF WESTMINSTER, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 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 assets have been transferred into a trust, are not subject to claims of the City's general creditors and are not 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 12 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, 2022**

**NOTE 12 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, 2022, the Risk Management Fund had a net position of \$1,044,490. Also, at June 30, 2022, the Compensation/Benefits Fund had a net position of \$(2,609,553), which will be funded with future charges to other funds. The claims liabilities of \$4,529,174 and \$11,881,500 reported in the Risk Management and Compensation/Benefits Internal Service Funds, respectively, at June 30, 2022 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 2022 and 2021 were as follows:

	Risk Management Fund		Compensation/Benefits Fund	
	2022	2021	2022	2021
Beginning-Year Liability	\$ 2,314,263	\$ 1,782,213	\$ 7,904,960	\$ 7,750,343
Current-Year Claims and Changes in Estimates	2,214,911	(19,810)	5,062,180	1,182,498
Claim Payments	-	551,860	(1,085,640)	(1,027,881)
Balance at Fiscal Year-End	<u>\$ 4,529,174</u>	<u>\$ 2,314,263</u>	<u>\$ 11,881,500</u>	<u>\$ 7,904,960</u>

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 13 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The various fund balance classifications established as of June 30, 2022 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	\$ 70,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,693
<b>Restricted for:</b>							
Housing Authority	-	24,755,006	-	-	-	-	24,755,006
Housing and Community Development	-	-	1,056,554	-	-	-	1,056,554
Special Gas Tax and Street Improvements	-	-	-	2,796,614	7,045,465	-	9,842,079
Parks	-	-	-	-	2,479,518	1,777,819	4,257,337
Special Police Services	-	-	-	-	-	1,561,749	1,561,749
Municipal Lighting	-	-	-	-	1,360,159	7,225,308	8,585,467
Other Grants	-	-	-	-	-	969,272	969,272
Offside Drainage District	-	-	-	-	-	172,616	172,616
Total Restricted	-	24,755,006	1,056,554	2,796,614	10,885,142	11,706,764	51,200,080
<b>Committed:</b>							
Emergency Contingency	11,312,182	-	-	-	-	-	11,312,182
<b>Assigned:</b>							
Capital Projects	-	-	-	-	21,043,584	-	21,043,584
RDA Dissolution	2,696,420	-	-	-	-	-	2,696,420
Total Assigned	2,696,420	-	-	-	21,043,584	-	23,740,004
<b>Unassigned</b>							
	24,067,147	-	-	-	(388,892)	-	23,678,255
Total Fund Balances	<u>\$ 38,146,442</u>	<u>\$ 24,755,006</u>	<u>\$ 1,056,554</u>	<u>\$ 2,796,614</u>	<u>\$ 31,539,834</u>	<u>\$ 11,706,764</u>	<u>\$ 110,001,214</u>

**NOTE 14 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**Claims and Judgments**

At June 30, 2022, 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, 2022**

**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, 2022 was as follows:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Within One Year	More Than One Year
Tax Allocation						
Bonds Payable	\$ 97,930,000	\$ -	\$ 2,285,000	\$ 95,645,000	\$ 2,415,000	\$ 93,230,000
Unamortized Refunding Premium	5,511,262	-	418,956	5,092,306	-	5,092,306
Net Long- Term Debt	<u>\$ 103,441,262</u>	<u>\$ -</u>	<u>\$ 2,703,956</u>	<u>\$ 100,737,306</u>	<u>\$ 2,415,000</u>	<u>\$ 98,322,306</u>

**Tax Allocation Bonds**

Description

Amount

\$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

\$ 75,710,000

\$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

10,970,000

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022, the defeased 2011 Bonds have been fully repaid and have no outstanding balance. 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="border-top: 1px solid black;">8,965,000</p>
<p>Total Tax Allocation Bonds</p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 95,645,000</p>

The annual requirements to amortize the tax allocation bonds outstanding as of June 30, 2022, 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>
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	2,835,000	2,980,740	5,815,740
2028-2032	16,395,000	12,777,314	29,172,314
2033-2037	20,180,000	8,986,454	29,166,454
2038-2042	24,025,000	5,183,610	29,208,610
2043-2046	21,950,000	1,353,940	23,303,940
Total	\$ 95,645,000	\$ 44,330,125	\$ 139,975,125

**CITY OF WESTMINSTER, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022, the aggregate principal amount of Bonds outstanding totaled \$3,352,500.

**NOTE 16 RESTATEMENTS**

The City had the following restatements due to the implementation of GASB 87, *Leases*.

	<u>Governmental Activities</u>	<u>Internal Service Funds</u>
Net Position at July 1, 2021, as Originally Reported	\$ 149,431,420	\$ 10,399,285
Implementation of GASB 87 to record lease amounts in which the City is the lessee as of the beginning of the year.	<u>489,796</u>	<u>489,796</u>
Net Position at July 1, 2021, as Restated	<u>\$ 149,921,216</u>	<u>\$ 10,889,081</u>

**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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan's Proportion of the Net Pension Liability	1.63511%	1.25916%	1.23957%	1.22646%
Plan's Proportionate Share of the Net Pension Liability	\$ 57,384,073	\$ 83,889,653	\$ 77,380,540	\$ 71,963,367
Plan's Covered Payroll	\$ 9,728,970	\$ 9,401,147	\$ 9,237,437	\$ 8,628,683
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	589.83%	892.33%	837.68%	834.00%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.10%	68.77%	75.26%	75.26%

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, 2022:

There were no significant changes in assumptions.

\* Fiscal year 2015 was the first year of implementation, therefore only eight 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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	1.18735%	1.19950%	1.17133%	1.08238%
Plan's Proportionate Share of the Net Pension Liability	\$ 70,946,856	\$ 62,124,175	\$ 48,264,075	\$ 40,599,811
Plan's Covered Payroll	\$ 8,535,713	\$ 9,200,544	\$ 9,177,397	\$ 9,232,577
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	831.18%	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	73.31%	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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually Required Contribution (Actuarially Determined)	\$ 7,868,164	\$ 7,093,086	\$ 6,331,043	\$ 5,395,008
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,868,164)</u>	<u>(7,093,086)</u>	<u>(6,331,043)</u>	<u>(5,395,008)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,412,922	\$ 9,728,970	\$ 9,401,147	\$ 9,237,437
Contributions as a Percentage of Covered Payroll	83.59%	72.91%	67.34%	58.40%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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%	2.500%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (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 eight years are shown.

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

<u>Fiscal Year Ended</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 4,494,635	\$ 3,950,925	\$ 3,624,844	\$ 2,607,628
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,494,635)</u>	<u>(3,950,925)</u>	<u>(3,624,844)</u>	<u>(2,607,628)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,628,683	\$ 8,535,713	\$ 9,200,544	\$ 9,177,397
Contributions as a Percentage of Covered Payroll	52.09%	46.29%	39.40%	28.41%

Notes to Schedule:

Valuation Date	6/30/2015	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	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability:				
Service Cost	\$ 1,932,392	\$ 1,885,714	\$ 1,886,717	\$ 1,689,596
Interest on Total Pension Liability	10,074,365	9,807,082	9,386,848	9,038,670
Differences Between Expected and Actual Experience	(621,730)	1,607,079	906,606	(2,674,420)
Changes in Assumptions	-	-	-	(889,018)
Benefit Payments, Including Refunds of Employee Contributions	(7,511,348)	(7,201,024)	(6,804,469)	(6,923,150)
Net Change in Total Pension Liability	<u>3,873,679</u>	<u>6,098,851</u>	<u>5,375,702</u>	<u>241,678</u>
Total Pension Liability - Beginning of Year	<u>144,311,422</u>	<u>138,212,571</u>	<u>132,836,869</u>	<u>132,595,191</u>
Total Pension Liability - End of Year (a)	<u>\$ 148,185,101</u>	<u>\$ 144,311,422</u>	<u>\$ 138,212,571</u>	<u>\$ 132,836,869</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 4,375,142	\$ 3,981,996	\$ 3,412,276	\$ 2,929,826
Contributions - Employee	864,824	860,366	840,524	898,613
Net Investment Income	22,289,669	4,769,832	6,059,526	7,445,161
Net Plan to Plan Resource Movement	-	-	-	(214)
Benefit Payments	(7,511,348)	(7,201,024)	(6,804,469)	(6,923,150)
Administrative Expenses	(98,303)	(135,522)	(66,146)	(138,282)
Other Miscellaneous Expense	-	-	214	(262,600)
Net Change in Plan Fiduciary Net Position	<u>19,919,984</u>	<u>2,275,648</u>	<u>3,441,925</u>	<u>3,949,354</u>
Plan Fiduciary Net Position - Beginning of Year	<u>98,407,516</u>	<u>96,131,868</u>	<u>92,689,943</u>	<u>88,740,589</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 118,327,500</u>	<u>\$ 98,407,516</u>	<u>\$ 96,131,868</u>	<u>\$ 92,689,943</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 29,857,601</u>	<u>\$ 45,903,906</u>	<u>\$ 42,080,703</u>	<u>\$ 40,146,926</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.85%	68.19%	69.55%	69.78%
Covered Payroll	\$ 11,015,867	\$ 11,271,384	\$ 10,695,620	\$ 10,046,950
Net Pension Liability as Percentage of Covered Payroll	271.04%	407.26%	393.44%	399.59%

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, 2022:

There were no significant changes in assumptions.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight 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, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:				
Service Cost	\$ 1,703,653	\$ 1,560,638	\$ 1,545,832	\$ 1,596,416
Interest on Total Pension Liability	9,000,252	8,752,757	8,442,196	8,193,716
Differences Between Expected and Actual Experience	(192,143)	99,143	(814,859)	-
Changes in Assumptions	7,439,826	-	(2,073,935)	-
Benefit Payments, Including Refunds of Employee Contributions	(6,269,057)	(6,071,087)	(5,998,818)	(5,541,372)
Net Change in Total Pension Liability	<u>11,682,531</u>	<u>4,341,451</u>	<u>1,100,416</u>	<u>4,248,760</u>
Total Pension Liability - Beginning of Year	<u>120,912,660</u>	<u>116,571,209</u>	<u>115,470,793</u>	<u>111,222,033</u>
Total Pension Liability - End of Year (a)	<u>\$ 132,595,191</u>	<u>\$ 120,912,660</u>	<u>\$ 116,571,209</u>	<u>\$ 115,470,793</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 2,263,443	\$ 2,432,527	\$ 1,995,892	\$ 1,893,680
Contributions - Employee	481,638	1,038,082	957,863	950,841
Net Investment Income	8,771,655	434,960	1,928,356	13,071,051
Net Plan to Plan Resource Movement	-	-	-	-
Benefit Payments	(6,269,057)	(6,071,087)	(5,998,818)	(5,541,372)
Administrative Expenses	(123,454)	(52,311)	(96,506)	-
Other Miscellaneous Expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>5,124,225</u>	<u>(2,217,829)</u>	<u>(1,213,213)</u>	<u>10,374,200</u>
Plan Fiduciary Net Position - Beginning of Year	<u>83,616,364</u>	<u>85,834,193</u>	<u>87,047,406</u>	<u>76,673,206</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 88,740,589</u>	<u>\$ 83,616,364</u>	<u>\$ 85,834,193</u>	<u>\$ 87,047,406</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 43,854,602</u>	<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	66.93%	69.15%	73.63%	75.38%
Covered Payroll	\$ 10,109,723	\$ 9,763,265	\$ 9,615,714	\$ 9,591,542
Net Pension Liability as Percentage of Covered Payroll	433.79%	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 \***

<u>Fiscal Year Ended</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Contractually Required Contribution (Actuarially Determined)	\$ 4,818,901	\$ 4,375,612	\$ 3,981,525	\$ 3,412,276
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,818,901)</u>	<u>(4,375,612)</u>	<u>(3,981,525)</u>	<u>(3,412,276)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,819,606	\$ 11,015,867	\$ 11,271,384	\$ 10,695,620
Contributions as a Percentage of Covered Payroll	44.54%	39.72%	35.32%	31.90%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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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%	2.500%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (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 eight 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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 2,929,826	\$ 2,578,591	\$ 2,432,527	\$ 1,995,892
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,929,826)</u>	<u>(2,578,591)</u>	<u>(2,432,527)</u>	<u>(1,995,892)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,046,950	\$ 10,109,723	\$ 9,763,265	\$ 9,615,714
Contributions as a Percentage of Covered Payroll	29.16%	25.51%	24.92%	20.76%

Notes to Schedule:

Valuation Date	6/30/2015	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	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
<b>Total Pension Liability:</b>				
Interest on Total Pension Liability	\$ 51,554	\$ 31,467	\$ 41,567	\$ 44,010
Differences Between Expected and Actual Experience	6,683	-	7,458	-
Changes in Assumptions	22,332	(541,036)	241,624	59,655
Benefit Payments, Including Refunds of Employee Contributions	<u>(55,923)</u>	<u>(54,827)</u>	<u>(53,752)</u>	<u>(52,698)</u>
Net Change in Total Pension Liability	24,646	(564,396)	236,897	50,967
Total Pension Liability - Beginning of Year	<u>886,787</u>	<u>1,451,183</u>	<u>1,214,286</u>	<u>1,163,319</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 911,433</u></u>	<u><u>\$ 886,787</u></u>	<u><u>\$ 1,451,183</u></u>	<u><u>\$ 1,214,286</u></u>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 225,000	\$ 225,000	\$ 225,000	\$ 57,769
Contributions - Employee	-	-	-	-
Net Investment Income	(68,748)	22,287	8,171	6,704
Administrative Expenses	(12,645)	(12,645)	(12,645)	(3,077)
Benefit Payments	<u>(55,923)</u>	<u>(54,827)</u>	<u>(53,752)</u>	<u>(52,698)</u>
Net Change in Plan Fiduciary Net Position	87,684	179,815	166,774	8,698
Plan Fiduciary Net Position - Beginning of Year	<u>442,050</u>	<u>262,235</u>	<u>95,461</u>	<u>86,763</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 529,734</u></u>	<u><u>\$ 442,050</u></u>	<u><u>\$ 262,235</u></u>	<u><u>\$ 95,461</u></u>
Net Pension Liability - Ending (a)-(b)	<u><u>\$ 381,699</u></u>	<u><u>\$ 444,737</u></u>	<u><u>\$ 1,188,948</u></u>	<u><u>\$ 1,118,825</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.12%	49.85%	18.07%	7.86%
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, 2021, and 2022 was 3.50%, 2.21%, 6.00%, and 6.00%, respectively.

\* Fiscal year 2015 was the first year of implementation, therefore only eight 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, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:				
Interest on Total Pension Liability	\$ 42,556	\$ 38,210	\$ 42,261	\$ 42,514
Differences Between Expected and Actual Experience	6,047	-	6,959	-
Changes in Assumptions	(47,938)	(139,101)	229,573	78,569
Benefit Payments, Including Refunds of Employee Contributions	(51,665)	(50,652)	(49,658)	(48,685)
Net Change in Total Pension Liability	(51,000)	(151,543)	229,135	72,398
Total Pension Liability - Beginning of Year	1,214,319	1,365,862	1,136,727	1,064,329
Total Pension Liability - End of Year (a)	<u>\$ 1,163,319</u>	<u>\$ 1,214,319</u>	<u>\$ 1,365,862</u>	<u>\$ 1,136,727</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 56,636	\$ 55,526	\$ 54,437	\$ 53,370
Contributions - Employee	-	-	-	-
Net Investment Income	745	3,864	1,732	274
Administrative Expenses	(3,018)	(2,957)	(2,899)	(2,843)
Benefit Payments	(51,665)	(50,652)	(49,658)	(48,685)
Net Change in Plan Fiduciary Net Position	2,698	5,781	3,612	2,116
Plan Fiduciary Net Position - Beginning of Year	84,065	78,284	74,672	72,556
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 86,763</u>	<u>\$ 84,065</u>	<u>\$ 78,284</u>	<u>\$ 74,672</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 1,076,556</u>	<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	7.46%	6.92%	5.73%	6.57%
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

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, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially Determined Contribution	\$ 48,925	\$ 322,944	\$ 322,944	\$ 218,041
Contributions in Relation to the Actuarially Determined Contributions	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(57,769)</u>
Contribution Deficiency (Excess)	<u>\$ (176,075)</u>	<u>\$ 97,944</u>	<u>\$ 97,944</u>	<u>\$ 160,272</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	6/30/2022	6/30/2020	6/30/2020	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). Starting in valuation date June 30, 2022 forward, the rates projected go to 2030 instead of 2020.

\* Fiscal year 2015 was the first year of implementation, therefore only eight 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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially Determined Contribution	\$ 218,041	\$ 154,322	\$ 154,322	\$ 129,852
Contributions in Relation to the Actuarially Determined Contributions	<u>(56,636)</u>	<u>(55,526)</u>	<u>(54,437)</u>	<u>(53,370)</u>
Contribution Deficiency (Excess)	<u>\$ 161,405</u>	<u>\$ 98,796</u>	<u>\$ 99,885</u>	<u>\$ 76,482</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	06/30/2018	06/30/2016	06/30/2016	06/30/2015

See accompanying Note to Required Supplementary Information.

**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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:				
Service Cost	\$ 705,992	\$ 915,334	\$ 900,365	\$ 1,423,662
Interest on Total OPEB Liability	2,758,812	2,716,427	2,682,329	2,404,962
Actual Versus Expected Experience	-	(2,445,856)	-	(3,363,382)
Assumption Changes	(538,877)	(2,624,758)	319,291	(12,422,687)
Benefit Payments	(2,768,314)	(2,768,823)	(2,713,253)	(2,714,471)
Net Change in Total OPEB Liability	157,613	(4,207,676)	1,188,732	(14,671,916)
Total OPEB Liability - Beginning of Year	49,420,429	53,628,105	52,439,373	67,111,289
Total OPEB Liability - End of Year (a)	49,578,042	49,420,429	53,628,105	52,439,373
Plan Fiduciary Net Position:				
Contributions - Employer	3,024,940	3,026,173	2,963,253	5,322,361
Net Investment Income	1,001,331	115,636	190,572	61,007
Benefit Payments	(2,768,314)	(2,768,823)	(2,713,253)	(2,714,471)
Administrative Expenses	(8,002)	(8,954)	(604)	(882)
Net Change in Plan Fiduciary Net Position	1,249,955	364,032	439,968	2,668,015
Plan Fiduciary Net Position - Beginning of Year	3,472,015	3,107,983	2,668,015	-
Plan Fiduciary Net Position - End of Year (b)	4,721,970	3,472,015	3,107,983	2,668,015
Net OPEB Liability - Ending (a)-(b)	<u>\$ 44,856,072</u>	<u>\$ 45,948,414</u>	<u>\$ 50,520,122</u>	<u>\$ 49,771,358</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.52%	7.03%	5.80%	5.09%
Covered - Employee Payroll	\$ 23,387,082	\$ 24,195,065	\$ 23,444,396	\$ 23,311,178
Net OPEB Liability as Percentage of Covered - Employee Payroll	191.80%	189.91%	215.49%	213.51%

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, 2021, and 2022 were as follows: 5.16%, 5.11%, 5.66%, and 5.66%, respectively.

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

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

Fiscal Year-End	June 30, 2018
Measurement Date	June 30, 2017
Total OPEB Liability:	
Service Cost	\$ 1,714,239
Interest on Total OPEB Liability	2,097,429
Actual Versus Expected Experience	-
Assumption Changes	(7,217,554)
Benefit Payments	(2,725,171)
Net Change in Total OPEB Liability	(6,131,057)
Total OPEB Liability - Beginning of Year	73,242,346
Total OPEB Liability - End of Year (a)	67,111,289
Plan Fiduciary Net Position:	
Contributions - Employer	-
Net Investment Income	-
Benefit Payments	-
Administrative Expenses	-
Net Change in Plan Fiduciary Net Position	-
Plan Fiduciary Net Position - Beginning of Year	-
Plan Fiduciary Net Position - End of Year (b)	-
Net OPEB Liability - Ending (a)-(b)	\$ 67,111,289
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
Covered - Employee Payroll	\$ 22,417,562
Net OPEB Liability as Percentage of Covered - Employee Payroll	299.37%

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially Determined Contribution	\$ 3,957,000	\$ 3,795,000	\$ 3,835,000	\$ 3,689,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,356,738)</u>	<u>(3,024,940)</u>	<u>(3,026,173)</u>	<u>(2,963,253)</u>
Contribution Deficiency (Excess)	<u>\$ 600,262</u>	<u>\$ 770,060</u>	<u>\$ 808,827</u>	<u>\$ 725,747</u>
Covered - Employee Payroll	\$ 24,732,498	\$ 23,387,082	\$ 24,195,065	\$ 23,444,396
Contributions as a Percentage of Covered - Employee Payroll	13.57%	12.93%	12.51%	12.64%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2020	6/30/2018	6/30/2018
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	6.25%	6.75%	6.75%	6.75%
Inflation	2.50%	2.75%	2.75%	2.75%
Medical Trend	(6)	(3)	(2)	(2)
Mortality, Retirement, Disability, Termination	(5)	(5)	(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.

(6) Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years. Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years. Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years.

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

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

Fiscal Year Ended	June 30, 2018
Actuarially Determined Contribution	\$ -
Contributions in Relation to the Actuarially Determined Contributions	-
Contribution Deficiency (Excess)	\$ -
Covered - Employee Payroll	N/A
Contributions as a Percentage of Covered - Employee Payroll	N/A

Notes to Schedule:

Valuation Date	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:	
Single and Agent Employers	Entry Age
Amortization Method	(1)
Asset Valuation Method	Fair Value
Long-Term Rate of Return	6.75%
Inflation	2.75%
Medical Trend	(2)
Mortality, Retirement, Disability, Termination	(4)

**CITY OF WESTMINSTER, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 39,781,800	\$ 39,781,800	\$ 43,839,121	\$ 4,057,321
Licenses and Permits	1,053,175	1,053,175	1,243,869	190,694
Fines	646,000	646,000	701,784	55,784
Investment and Rental	1,790,000	1,790,000	(3,092,560)	(4,882,560)
Intergovernmental	17,809,938	17,829,938	20,333,021	2,503,083
Charges for Services	5,301,494	5,301,494	6,432,905	1,131,411
Other	301,852	301,852	401,381	99,529
Total Revenues	<u>66,684,259</u>	<u>66,704,259</u>	<u>69,859,521</u>	<u>3,155,262</u>
<b>EXPENDITURES</b>				
Current:				
General Government	5,390,334	5,966,334	5,824,209	142,125
Public Safety	51,087,864	51,044,064	50,153,802	890,262
Public Works	5,437,155	5,329,155	4,602,418	726,737
Community Development	3,545,067	3,653,067	3,651,975	1,092
Community Services	2,482,660	2,482,660	2,233,773	248,887
Capital Outlay	-	-	76,069	(76,069)
Total Expenditures	<u>67,943,080</u>	<u>68,475,280</u>	<u>66,542,246</u>	<u>1,933,034</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,258,821)	(1,771,021)	3,317,275	5,088,296
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment and Property	5,000	5,000	10,097	5,097
Transfers In	-	-	4,761	4,761
Transfers Out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(10,142)</u>	<u>9,858</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,278,821)	(1,791,021)	3,307,133	5,098,154
Fund Balance - Beginning of Year	<u>34,839,309</u>	<u>34,839,309</u>	<u>34,839,309</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 33,560,488</u>	<u>\$ 33,048,288</u>	<u>\$ 38,146,442</u>	<u>\$ 5,098,154</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 90,000	\$ 90,000	\$ 40,494	\$ (49,506)
Intergovernmental	-	-	3,755	3,755
Other	1,387	1,387	90,246	88,859
Total Revenues	<u>91,387</u>	<u>91,387</u>	<u>134,495</u>	<u>43,108</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>696,837</u>	<u>696,837</u>	<u>474,546</u>	<u>222,291</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(605,450)	(605,450)	(340,051)	265,399
Fund Balance - Beginning of Year	<u>25,095,057</u>	<u>25,095,057</u>	<u>25,095,057</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 24,489,607</u></u>	<u><u>\$ 24,489,607</u></u>	<u><u>\$ 24,755,006</u></u>	<u><u>\$ 265,399</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ -	\$ -	\$ 444,722	\$ 444,722
Intergovernmental	3,046,399	3,556,976	374,732	(3,182,244)
Other	-	-	28	28
Total Revenues	<u>3,046,399</u>	<u>3,556,976</u>	<u>819,482</u>	<u>(2,737,494)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>2,213,902</u>	<u>2,724,479</u>	<u>706,476</u>	<u>2,018,003</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	832,497	832,497	113,006	(719,491)
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(1,022,497)</u>	<u>(1,022,497)</u>	<u>(10,997)</u>	<u>1,011,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	(190,000)	(190,000)	102,009	292,009
Fund Balance - Beginning of Year	<u>954,545</u>	<u>954,545</u>	<u>954,545</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 764,545</u>	<u>\$ 764,545</u>	<u>\$ 1,056,554</u>	<u>\$ 292,009</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,811,698	\$ 4,811,698	\$ 5,119,916	\$ 308,218
Investment and Rental	51,000	51,000	79,232	28,232
Intergovernmental	818,108	3,785,760	2,260,132	(1,525,628)
Charges for Services	10,000	10,000	8,356	(1,644)
Other	-	-	1,502,263	1,502,263
Total Revenues	5,690,806	8,658,458	8,969,899	311,441
<b>EXPENDITURES</b>				
Current:				
Community Development	1,921,573	1,961,573	1,848,986	112,587
Debt Service:				
Principal Retirement	112,874	112,874	112,874	-
Interest and Fiscal Charges	4,939	4,939	4,938	1
Total Expenditures	2,039,386	2,079,386	1,966,798	112,588
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	3,651,420	6,579,072	7,003,101	424,029
<b>OTHER FINANCING USES</b>				
Transfers Out	(4,000,970)	(7,045,170)	(5,550,881)	1,494,289
<b>NET CHANGE IN FUND BALANCE</b>	(349,550)	(466,098)	1,452,220	1,918,318
Fund Balance - Beginning of Year	1,344,394	1,344,394	1,344,394	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 994,844	\$ 878,296	\$ 2,796,614	\$ 1,918,318

See accompanying Note to Required Supplementary Information.

**CITY OF WESTMINSTER, CALIFORNIA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**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, 2022**

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.

**ARPA Fund** – Accounts for the funds received from the American Rescue Plan Act in response to the COVID-19 pandemic.

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Special Revenue Funds			
	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
<b>ASSETS</b>				
Cash and Investments	\$ 1,777,819	\$ 1,606,404	\$ 7,209,651	\$ 1,009,407
Receivables, Net of Allowance	-	146,500	25,029	30,083
<b>Total Assets</b>	<b><u>\$ 1,777,819</u></b>	<b><u>\$ 1,752,904</u></b>	<b><u>\$ 7,234,680</u></b>	<b><u>\$ 1,039,490</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ -	\$ 35,434	\$ -	\$ 40,135
Deposits	-	33,377	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>68,811</u></b>	<b><u>-</u></b>	<b><u>40,135</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	122,344	9,372	30,083
<b>FUND BALANCES</b>				
Restricted for:				
Parks	1,777,819	-	-	-
Special Police Services	-	1,561,749	-	-
Municipal Lighting	-	-	7,225,308	-
Other Grants	-	-	-	969,272
Offsite Drainage District	-	-	-	-
<b>Total Fund Balances</b>	<b><u>1,777,819</u></b>	<b><u>1,561,749</u></b>	<b><u>7,225,308</u></b>	<b><u>969,272</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 1,777,819</u></b>	<b><u>\$ 1,752,904</u></b>	<b><u>\$ 7,234,680</u></b>	<b><u>\$ 1,039,490</u></b>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Special Revenue Funds (Continued)			Total Other Governmental Funds
	Offsite Drainage District	Community Promotion	ARPA	
<b>ASSETS</b>				
Cash and Investments	\$ 172,616	\$ -	\$ 3,100	\$ 11,778,997
Receivables, Net of Allowance	-	-	-	201,612
<b>Total Assets</b>	<b>\$ 172,616</b>	<b>\$ -</b>	<b>\$ 3,100</b>	<b>\$ 11,980,609</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ -	\$ -	\$ 3,100	\$ 78,669
Deposits	-	-	-	33,377
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,100</b>	<b>112,046</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	161,799
<b>FUND BALANCES</b>				
Restricted for:				
Parks	-	-	-	1,777,819
Special Police Services	-	-	-	1,561,749
Municipal Lighting	-	-	-	7,225,308
Other Grants	-	-	-	969,272
Offsite Drainage District	172,616	-	-	172,616
<b>Total Fund Balances</b>	<b>172,616</b>	<b>-</b>	<b>-</b>	<b>11,706,764</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 172,616</b>	<b>\$ -</b>	<b>\$ 3,100</b>	<b>\$ 11,980,609</b>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 2,226,126	\$ -
Investment and Rental	45,842	16,000	75,210	8,582
Intergovernmental	-	430,847	-	618,232
Charges for Services	411,629	2,507	-	-
Other	-	980	-	23,381
Total Revenues	<u>457,471</u>	<u>450,334</u>	<u>2,301,336</u>	<u>650,195</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	5,535
Public Safety	-	688,316	-	-
Community Development	22,874	-	998,665	90,444
Community Services	-	-	-	422,406
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	435	-	-
Total Expenditures	<u>22,874</u>	<u>688,751</u>	<u>998,665</u>	<u>518,385</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	434,597	(238,417)	1,302,671	131,810
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(1,061,349)</u>	<u>-</u>	<u>(60,000)</u>	<u>(20,571)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(626,752)	(238,417)	1,242,671	111,239
Fund Balances - Beginning of Year	<u>2,404,571</u>	<u>1,800,166</u>	<u>5,982,637</u>	<u>858,033</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,777,819</u>	<u>\$ 1,561,749</u>	<u>\$ 7,225,308</u>	<u>\$ 969,272</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
OTHER GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds (Continued)			Total Other Governmental Funds
	Offsite Drainage District	Community Promotion	ARPA	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,226,126
Investment and Rental	1,634	-	-	147,268
Intergovernmental	-	-	18,417	1,067,496
Charges for Services	-	-	-	414,136
Other	-	-	-	24,361
Total Revenues	<u>1,634</u>	<u>-</u>	<u>18,417</u>	<u>3,879,387</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	18,417	23,952
Public Safety	-	-	-	688,316
Community Development	82	192	-	1,112,257
Community Services	-	-	-	422,406
Debt Service:				
Principal Retirement	-	133,860	-	133,860
Interest and Fiscal Charges	-	5,856	-	6,291
Total Expenditures	<u>82</u>	<u>139,908</u>	<u>18,417</u>	<u>2,387,082</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,552	(139,908)	-	1,492,305
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>-</u>	<u>(4,761)</u>	<u>-</u>	<u>(1,146,681)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,552	(144,669)	-	345,624
Fund Balances - Beginning of Year	<u>171,064</u>	<u>144,669</u>	<u>-</u>	<u>11,361,140</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 172,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,706,764</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 40,000	\$ 40,000	\$ 45,842	\$ 5,842
Intergovernmental	-	235,704	-	(235,704)
Charges for Services	10,000	410,000	411,629	1,629
Total Revenues	<u>50,000</u>	<u>685,704</u>	<u>457,471</u>	<u>(228,233)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>22,500</u>	<u>42,500</u>	<u>22,874</u>	<u>19,626</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	27,500	643,204	434,597	(247,859)
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(650,000)</u>	<u>(1,061,349)</u>	<u>(1,061,349)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(622,500)	(418,145)	(626,752)	(247,859)
Fund Balance - Beginning of Year	<u>2,404,571</u>	<u>2,404,571</u>	<u>2,404,571</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,782,071</u>	<u>\$ 1,986,426</u>	<u>\$ 1,777,819</u>	<u>\$ (247,859)</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 22,200	\$ 22,200	\$ 16,000	\$ (6,200)
Intergovernmental	328,407	701,888	430,847	(271,041)
Charges for Services	3,000	3,000	2,507	(493)
Other	100,000	110,000	980	(109,020)
Total Revenues	<u>453,607</u>	<u>837,088</u>	<u>450,334</u>	<u>(386,754)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	879,528	1,173,840	688,316	485,524
Debt Service:				
Interest and Fiscal Charges	1,000	1,000	435	565
Total Expenditures	<u>880,528</u>	<u>1,174,840</u>	<u>688,751</u>	<u>486,089</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(426,921)	(337,752)	(238,417)	99,335
Fund Balance - Beginning of Year	<u>1,800,166</u>	<u>1,800,166</u>	<u>1,800,166</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,373,245</u>	<u>\$ 1,462,414</u>	<u>\$ 1,561,749</u>	<u>\$ 99,335</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,078,000	\$ 2,078,000	\$ 2,226,126	\$ 148,126
Investment and Rental	50,000	50,000	75,210	25,210
Total Revenues	<u>2,128,000</u>	<u>2,128,000</u>	<u>2,301,336</u>	<u>173,336</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>1,078,400</u>	<u>1,078,400</u>	<u>998,665</u>	<u>79,735</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,049,600	1,049,600	1,302,671	253,071
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	989,600	989,600	1,242,671	253,071
Fund Balance - Beginning of Year	<u>5,982,637</u>	<u>5,982,637</u>	<u>5,982,637</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 6,972,237</u></u>	<u><u>\$ 6,972,237</u></u>	<u><u>\$ 7,225,308</u></u>	<u><u>\$ 253,071</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 7,000	\$ 7,000	\$ 8,582	\$ 1,582
Intergovernmental	650,253	650,253	618,232	(32,021)
Other	25,504	36,049	23,381	(12,668)
Total Revenues	<u>682,757</u>	<u>693,302</u>	<u>650,195</u>	<u>(43,107)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	32,813	32,813	5,535	27,278
Community Development	131,801	131,801	90,444	41,357
Community Services	439,490	450,035	422,406	27,629
Total Expenditures	<u>604,104</u>	<u>614,649</u>	<u>518,385</u>	<u>96,264</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	78,653	78,653	131,810	53,157
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>-</u>	<u>(20,571)</u>	<u>(20,571)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	78,653	58,082	111,239	53,157
Fund Balance - Beginning of Year	<u>858,033</u>	<u>858,033</u>	<u>858,033</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 936,686</u>	<u>\$ 916,115</u>	<u>\$ 969,272</u>	<u>\$ 53,157</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ 2,000	\$ 2,000	\$ 1,634	(366)
Charges for services	2,000	2,000	-	(2,000)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>1,634</u>	<u>(2,366)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>200</u>	<u>200</u>	<u>82</u>	<u>118</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,800	3,800	1,552	(2,248)
Fund Balance - Beginning of Year	<u>171,064</u>	<u>171,064</u>	<u>171,064</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 174,864</u></u>	<u><u>\$ 174,864</u></u>	<u><u>\$ 172,616</u></u>	<u><u>\$ (2,248)</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Community Development	2,500	2,500	192	2,308
Debt Service:				
Principal Retirement	133,860	133,860	133,860	-
Interest and Fiscal Charges	5,857	5,857	5,856	1
Total Expenditures	<u>142,217</u>	<u>142,217</u>	<u>139,908</u>	<u>2,309</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(142,217)	(142,217)	(139,908)	2,309
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,000	2,000	-	(2,000)
Transfers Out	-	-	(4,761)	(4,761)
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>(4,761)</u>	<u>(6,761)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(140,217)	(140,217)	(144,669)	(4,452)
Fund Balance - Beginning of Year	<u>144,669</u>	<u>144,669</u>	<u>144,669</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,452</u>	<u>\$ 4,452</u>	<u>\$ -</u>	<u>\$ (4,452)</u>

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**CITY OF WESTMINSTER, CALIFORNIA**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2022**

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, 2022**

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>	<u>Motor Pool/ Equipment</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 5,636,531	\$ 7,591,884	\$ 2,547,733
Accounts Receivable	-	1,522	-
Prepaid Items	-	-	71,472
Total Current Assets	<u>5,636,531</u>	<u>7,593,406</u>	<u>2,619,205</u>
Restricted Assets:			
Cash and Investments Held in Pension Trust	-	4,002,894	-
Capital Assets:			
Buildings	-	-	-
Improvements Other than Buildings	-	-	585,555
Vehicles	-	-	2,591,040
Machinery and Equipment	-	-	917,494
Office Furniture, Computers, and Equipment	-	-	2,596,709
Leased Property	-	-	1,141,785
Total Capital Assets	<u>-</u>	<u>-</u>	<u>7,832,583</u>
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>(6,057,448)</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>1,775,135</u>
 Total Assets	 5,636,531	 11,596,300	 4,394,340

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2022**

	Facilities/ Maintenance	Totals
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 432,975	\$ 16,209,123
Accounts Receivable	1,793	3,315
Prepaid Items	-	71,472
Total Current Assets	434,768	16,283,910
Restricted Assets:		
Cash and Investments Held in Pension Trust	-	4,002,894
Capital Assets:		
Buildings	4,575,005	4,575,005
Improvements Other than Buildings	37,300	622,855
Vehicles	-	2,591,040
Machinery and Equipment	121,424	1,038,918
Office Furniture, Computers, and Equipment	381,970	2,978,679
Leased Property	-	1,141,785
Total Capital Assets	5,115,699	12,948,282
Less: Accumulated Depreciation	(2,713,487)	(8,770,935)
Net Capital Assets	2,402,212	4,177,347
 Total Assets	 2,836,980	 24,464,151

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2022**

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>	<u>Motor Pool/ Equipment</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Other Liabilities	\$ 62,867	\$ 6,958	\$ 63,114
Claims Payable	1,132,294	2,970,375	-
Compensated Absences	-	1,992,960	81,007
Leases Payable	-	-	335,146
Total Current Liabilities	<u>1,195,161</u>	<u>4,970,293</u>	<u>479,267</u>
Long-Term Liabilities:			
Claims Payable	3,396,880	8,911,125	-
Compensated Absences	-	324,435	13,187
Leases Payable	-	-	423,220
Total Long-Term Liabilities	<u>3,396,880</u>	<u>9,235,560</u>	<u>436,407</u>
Total Liabilities	4,592,041	14,205,853	915,674
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	1,016,769
Restricted for Pension Benefits	-	4,002,894	-
Unrestricted	<u>1,044,490</u>	<u>(6,612,447)</u>	<u>2,461,897</u>
Total Net Position	<u>\$ 1,044,490</u>	<u>\$ (2,609,553)</u>	<u>\$ 3,478,666</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2022**

	Facilities/ Maintenance	Totals
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Other Liabilities	\$ 72,263	\$ 205,202
Claims Payable	-	4,102,669
Compensated Absences	45,559	2,119,526
Leases Payable	-	335,146
Total Current Liabilities	117,822	6,762,543
Long-Term Liabilities:		
Claims Payable	-	12,308,005
Compensated Absences	7,417	345,039
Leases Payable	-	423,220
Total Long-Term Liabilities	7,417	13,076,264
Total Liabilities	125,239	19,838,807
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,402,212	3,418,981
Restricted for Pension Benefits	-	4,002,894
Unrestricted	309,529	(2,796,531)
Total Net Position	\$ 2,711,741	\$ 4,625,344

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2022**

	Risk Management	Compensation/ Benefits	Motor Pool/ Equipment
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,017,000	\$ 1,798,585	\$ 3,532,139
Other	32,854	365,650	18,550
Total Operating Revenues	<u>2,049,854</u>	<u>2,164,235</u>	<u>3,550,689</u>
<b>OPERATING EXPENSES</b>			
Salaries	-	-	1,512,369
Maintenance and Operations	33,050	59,144	1,835,611
Insurance Premiums and Legal Fees	1,700,070	218,677	-
Claims and Benefits	2,259,910	5,094,267	-
Depreciation and Amortization	-	-	649,195
Total Operating Expenses	<u>3,993,030</u>	<u>5,372,088</u>	<u>3,997,175</u>
<b>OPERATING LOSS</b>	(1,943,176)	(3,207,853)	(446,486)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	-	-	101,085
Investment Income	-	(510,044)	51,203
Interest and Fiscal Charges	-	-	(4,791)
Loss on Sale of Property and Equipment	-	-	(5,143)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(510,044)</u>	<u>142,354</u>
<b>NET LOSS BEFORE TRANSFERS</b>	(1,943,176)	(3,717,897)	(304,132)
<b>TRANSFERS</b>			
Transfers In	-	-	198,001
Transfers Out	-	-	(100,023)
Total Transfers	<u>-</u>	<u>-</u>	<u>97,978</u>
<b>CHANGE IN NET POSITION</b>	(1,943,176)	(3,717,897)	(206,154)
Net Position - Beginning of Year	<u>2,987,666</u>	<u>1,108,344</u>	<u>3,684,820</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,044,490</u>	<u>\$ (2,609,553)</u>	<u>\$ 3,478,666</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2022**

	Facilities/ Maintenance	Totals
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,169,400	\$ 9,517,124
Other	7,895	424,949
Total Operating Revenues	2,177,295	9,942,073
<b>OPERATING EXPENSES</b>		
Salaries	692,976	2,205,345
Maintenance and Operations	1,611,770	3,539,575
Insurance Premiums and Legal Fees	-	1,918,747
Claims and Benefits	-	7,354,177
Depreciation and Amortization	172,514	821,709
Total Operating Expenses	2,477,260	15,839,553
<b>OPERATING LOSS</b>	(299,965)	(5,897,480)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	-	101,085
Investment Income	14,554	(444,287)
Interest and Fiscal Charges	(25,499)	(30,290)
Loss on Sale of Property and Equipment	-	(5,143)
Total Nonoperating Revenues (Expenses)	(10,945)	(378,635)
<b>NET LOSS BEFORE TRANSFERS</b>	(310,910)	(6,276,115)
<b>TRANSFERS</b>		
Transfers In	34,400	232,401
Transfers Out	(120,000)	(220,023)
Total Transfers	(85,600)	12,378
<b>CHANGE IN NET POSITION</b>	(396,510)	(6,263,737)
Net Position - Beginning of Year	3,108,251	10,889,081
<b>NET POSITION - END OF YEAR</b>	\$ 2,711,741	\$ 4,625,344

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2022**

	Risk Management	Compensation/ Benefits	Motor Pool/ Equipment
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for Interfund Services	\$ 2,049,854	\$ 2,165,435	\$ 3,586,726
Payments to Suppliers	(1,852,267)	(1,388,590)	(1,864,916)
Payments to Employees	-	(41,253)	(1,541,872)
Net Cash Provided (Used) By Operating Activities	<u>197,587</u>	<u>735,592</u>	<u>179,938</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Paid to Other Funds	-	-	(100,023)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Received from Other Funds	-	-	198,001
Proceeds from Capital Grant	-	-	101,085
Acquisition of Capital Assets	-	-	(139,844)
Proceeds from Sale of Assets	-	-	12,292
Principal Payments on Leases	-	-	(404,238)
Principal Payments on Bonds	-	-	(12,007)
Interest and Fiscal Charges	-	-	(482)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(245,193)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Purchases	-	(510,044)	-
Investment Income	-	-	51,203
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(510,044)</u>	<u>51,203</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>197,587</u>	<u>225,548</u>	<u>(114,075)</u>
Cash and Cash Equivalents - Beginning of Year	<u>5,438,944</u>	<u>11,369,230</u>	<u>2,661,808</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,636,531</u>	<u>\$ 11,594,778</u>	<u>\$ 2,547,733</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION</b>			
Current Assets - Cash and Investments	\$ 5,636,531	\$ 7,591,884	\$ 2,547,733
Restricted Assets - Cash and Investments Held in Pension Trust	-	4,002,894	-
Total Cash and Cash Equivalents	<u>\$ 5,636,531</u>	<u>\$ 11,594,778</u>	<u>\$ 2,547,733</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Loss	\$ (1,943,176)	\$ (3,207,853)	\$ (446,486)
Depreciation and Amortization	-	-	649,195
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	1,200	36,037
(Increase) Decrease in Prepaid Items	-	-	(31,285)
(Increase) Decrease in Inventories	-	-	19,976
Increase (Decrease) in Accounts Payable and Other Liabilities	(74,148)	6,958	(17,996)
Increase (Decrease) in Claims Payable	2,214,911	3,976,540	-
Increase (Decrease) in Compensated Absences Payable	-	(41,253)	(29,503)
Net Cash Provided (Used) by Operating Activities	<u>\$ 197,587</u>	<u>\$ 735,592</u>	<u>\$ 179,938</u>
<b>NONCASH FINANCING, CAPITAL, OR INVESTING ACTIVITIES</b>			
Capital Assets Acquired through Lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,783</u>

**CITY OF WESTMINSTER, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2022**

	Facilities/ Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts for Interfund Services	\$ 2,177,792	\$ 9,979,807
Payments to Suppliers	(1,715,322)	(6,821,095)
Payments to Employees	(696,180)	(2,279,305)
Net Cash Provided (Used) By Operating Activities	(233,710)	879,407
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Paid to Other Funds	(120,000)	(220,023)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Received from Other Funds	34,400	232,401
Proceeds from Capital Grant	-	101,085
Acquisition of Capital Assets	(34,400)	(174,244)
Proceeds from Sale of Assets	-	12,292
Principal Payments on Leases	-	(404,238)
Principal Payments on Bonds	(91,259)	(103,266)
Interest and Fiscal Charges	(3,660)	(4,142)
Net Cash Used by Capital and Related Financing Activities	(94,919)	(340,112)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Purchases	-	(510,044)
Investment Income	14,554	65,757
Net Cash Provided (Used) by Investing Activities	14,554	(444,287)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(434,075)	(125,015)
Cash and Cash Equivalents - Beginning of Year	867,050	20,337,032
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 432,975	\$ 20,212,017
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION</b>		
Current Assets - Cash and Investments	\$ 432,975	\$ 16,209,123
Restricted Assets - Cash and Investments Held in Pension Trust	-	4,002,894
Total Cash and Cash Equivalents	\$ 432,975	\$ 20,212,017
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (299,965)	\$ (5,897,480)
Depreciation and Amortization	172,514	821,709
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	497	37,734
(Increase) Decrease in Prepaid Items	-	(31,285)
(Increase) Decrease in Inventories	-	19,976
Increase (Decrease) in Accounts Payable and Other Liabilities	(103,552)	(188,738)
Increase (Decrease) in Claims Payable	-	6,191,451
Increase (Decrease) in Compensated Absences Payable	(3,204)	(73,960)
Net Cash Provided (Used) by Operating Activities	\$ (233,710)	\$ 879,407
<b>NONCASH FINANCING, CAPITAL, OR INVESTING ACTIVITIES</b>		
Capital Assets Acquired through Lease	\$ -	\$ 289,783

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## **STATISTICAL SECTION**

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**CITY OF WESTMINSTER, CALIFORNIA**  
**DESCRIPTION OF STATISTICAL SECTION CONTENTS**  
**JUNE 30, 2022**

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,				
	2022	2021	2020	2019	2018
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 181,792,073	\$ 186,402,466	\$ 192,927,504	\$ 200,733,298	\$ 217,710,821
Restricted	56,657,394	55,860,876	41,489,439	36,240,191	37,011,787
Unrestricted	(96,417,176)	(92,831,922)	(83,173,275)	(82,197,759)	(100,941,993)
Total Governmental Activities Net Assets	<u>\$ 142,032,291</u>	<u>\$ 149,431,420</u>	<u>\$ 151,243,668</u>	<u>\$ 154,775,730</u>	<u>\$ 153,780,615</u>
<b>BUSINESS-TYPE ACTIVITY</b>					
Invested in Capital Assets, Net of Related Debt	\$ 25,255,927	\$ 26,240,195	\$ 27,223,005	\$ 28,383,603	\$ 26,175,414
Restricted	-	-	-	117,132	114,589
Unrestricted	15,293,980	10,751,230	5,941,410	2,719,644	3,436,021
Total Business-Type Activity Net Assets	<u>\$ 40,549,907</u>	<u>\$ 36,991,425</u>	<u>\$ 33,164,415</u>	<u>\$ 31,220,379</u>	<u>\$ 29,726,024</u>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$ 207,048,000	\$ 212,642,661	\$ 220,150,509	\$ 229,116,901	\$ 243,886,235
Restricted	56,657,394	55,860,876	41,489,439	36,357,323	37,126,376
Unrestricted	(81,123,196)	(82,080,692)	(77,231,865)	(79,478,115)	(97,505,972)
Total Primary Government Net Assets	<u>\$ 182,582,198</u>	<u>\$ 186,422,845</u>	<u>\$ 184,408,083</u>	<u>\$ 185,996,109</u>	<u>\$ 183,506,639</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,				
	2017	2016	2015	2014	2013
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 227,269,999	\$ 232,222,529	\$ 205,398,439	\$ 212,179,772	\$ 233,128,695
Restricted	27,073,245	18,560,287	18,906,200	20,922,791	18,418,248
Unrestricted	<u>(52,891,903)</u>	<u>(45,089,856)</u>	<u>(38,262,036)</u>	<u>47,925,059</u>	<u>59,794,122</u>
Total Governmental Activities Net Assets	<u>\$ 201,451,341</u>	<u>\$ 205,692,960</u>	<u>\$ 186,042,603</u>	<u>\$ 281,027,622</u>	<u>\$ 311,341,065</u>
<b>BUSINESS-TYPE ACTIVITY</b>					
Invested in Capital Assets, Net of Related Debt	\$ 28,530,266	\$ 29,107,174	\$ 28,666,666	\$ 28,061,606	\$ 27,137,496
Restricted	113,146	112,665	112,548	113,103	113,158
Unrestricted	<u>6,047,304</u>	<u>6,152,733</u>	<u>7,379,655</u>	<u>7,704,313</u>	<u>7,390,477</u>
Total Business-Type Activity Net Assets	<u>\$ 34,690,716</u>	<u>\$ 35,372,572</u>	<u>\$ 36,158,869</u>	<u>\$ 35,879,022</u>	<u>\$ 34,641,131</u>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$ 255,800,265	\$ 261,329,703	\$ 234,065,105	\$ 240,241,378	\$ 260,266,191
Restricted	27,186,391	18,672,952	19,018,748	21,035,894	18,531,406
Unrestricted	<u>(46,844,599)</u>	<u>(38,937,123)</u>	<u>(30,882,381)</u>	<u>55,629,372</u>	<u>67,184,599</u>
Total Primary Government Net Assets	<u>\$ 236,142,057</u>	<u>\$ 241,065,532</u>	<u>\$ 222,201,472</u>	<u>\$ 316,906,644</u>	<u>\$ 345,982,196</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,				
	2022	2021	2020	2019	2018
<b>EXPENSES</b>					
Governmental Activities:					
General Government	\$ 5,902,029	\$ 6,927,973	\$ 6,788,590	\$ 4,827,179	\$ 5,401,118
Public Safety	55,939,045	49,653,897	51,215,645	49,134,686	46,362,520
Public Works	13,318,804	13,584,616	13,747,708	13,854,705	13,934,252
Community Development	12,144,529	11,282,285	10,081,232	4,845,123	5,847,143
Community Services	3,943,976	3,117,789	3,245,549	3,497,900	3,604,104
Interest on Long-Term Debt	40,619	53,242	66,480	90,161	114,028
Total Governmental Activities Expenses	<u>91,289,002</u>	<u>84,619,802</u>	<u>85,145,204</u>	<u>76,249,754</u>	<u>75,263,165</u>
Business-Type Activity:					
Water Enterprise	<u>15,595,896</u>	<u>15,000,910</u>	<u>15,820,968</u>	<u>15,504,540</u>	<u>16,377,091</u>
Total Business-Type Activity Expenses	<u>15,595,896</u>	<u>15,000,910</u>	<u>15,820,968</u>	<u>15,504,540</u>	<u>16,377,091</u>
Total Primary Government Expenses	106,884,898	99,620,712	100,966,172	91,754,294	91,640,256
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
General Government	1,305,198	1,040,986	1,266,362	1,149,664	1,690,706
Public Safety	4,484,007	4,221,413	4,076,533	3,875,102	3,661,542
Public Works	583,450	635,402	820,428	411,959	587,671
Community Development	3,850,238	3,534,337	6,602,076	2,109,265	2,641,720
Community Services	219,406	95,182	151,858	206,660	202,353
Operating Grants and Contributions	10,779,692	10,753,411	9,411,769	7,809,684	6,950,890
Capital Grants and Contributions	961,141	2,793,635	371,229	110,317	61,823
Total Governmental Activities Program Revenues	<u>22,183,132</u>	<u>23,074,366</u>	<u>22,700,255</u>	<u>15,672,651</u>	<u>15,796,705</u>
Business-Type Activities:					
Charges for Services:					
Water Enterprise	18,886,264	18,630,480	17,569,859	16,880,396	16,198,871
Operating Grants and Contributions	52,200	-	-	-	-
Total Business-Type Activity Program Revenues	<u>18,938,464</u>	<u>18,630,480</u>	<u>17,569,859</u>	<u>16,880,396</u>	<u>16,198,871</u>
Total Primary Government Program Revenues	41,121,596	41,704,846	40,270,114	32,553,047	31,995,576
<b>NET REVENUES (EXPENSES)</b>					
Governmental Activities	(69,105,870)	(61,545,436)	(62,444,949)	(60,577,103)	(59,466,460)
Business-Type Activity	<u>3,342,568</u>	<u>3,629,570</u>	<u>1,748,891</u>	<u>1,375,856</u>	<u>(178,220)</u>
Total Net Revenues (Expenses)	<u>\$ (65,763,302)</u>	<u>\$ (57,915,866)</u>	<u>\$ (60,696,058)</u>	<u>\$ (59,201,247)</u>	<u>\$ (59,644,680)</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,				
	2017	2016	2015	2014	2013
<b>EXPENSES</b>					
Governmental Activities:					
General Government	\$ 4,350,036	\$ 3,595,489	\$ 3,280,458	\$ 3,312,809	\$ 3,145,098
Public Safety	43,809,880	44,860,014	40,616,802	44,091,261	38,072,257
Public Works	11,583,654	11,596,949	11,358,510	12,016,265	11,889,094
Community Development	7,625,758	8,276,191	8,417,841	7,843,505	5,393,309
Community Services	2,893,874	3,021,121	2,854,580	2,863,068	2,722,324
Interest on Long-Term Debt	142,149	164,648	185,852	201,770	218,241
Total Governmental Activities Expenses	<u>70,405,351</u>	<u>71,514,412</u>	<u>66,714,043</u>	<u>70,328,678</u>	<u>61,440,323</u>
Business-Type Activity:					
Water Enterprise	14,045,523	13,600,864	13,625,444	12,879,866	12,204,823
Total Business-Type Activity Expenses	<u>14,045,523</u>	<u>13,600,864</u>	<u>13,625,444</u>	<u>12,879,866</u>	<u>12,204,823</u>
Total Primary Government Expenses	84,450,874	85,115,276	80,339,487	83,208,544	73,645,146
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
General Government	1,231,459	1,494,713	1,708,850	1,723,410	1,332,542
Public Safety	3,487,204	2,816,217	2,901,892	3,152,528	2,392,084
Public Works	951,852	1,267,530	1,535,590	1,505,347	1,529,292
Community Development	3,546,329	3,219,518	2,583,435	2,253,350	2,192,448
Community Services	223,802	280,281	351,225	358,651	328,483
Operating Grants and Contributions	9,141,531	6,984,437	8,827,408	8,656,867	7,357,298
Capital Grants and Contributions	72,760	7,548,627	16,638,708	3,435,672	13,785,183
Total Governmental Activities Program Revenues	<u>18,654,937</u>	<u>23,611,323</u>	<u>34,547,108</u>	<u>21,085,825</u>	<u>28,917,330</u>
Business-Type Activities:					
Charges for Services:					
Water Enterprise	13,319,917	12,731,731	14,202,098	14,742,082	14,805,527
Operating Grants and Contributions	-	-	-	-	-
Total Business-Type Activity Program Revenues	<u>13,319,917</u>	<u>12,731,731</u>	<u>14,202,098</u>	<u>14,742,082</u>	<u>14,805,527</u>
Total Primary Government Program Revenues	31,974,854	36,343,054	48,749,206	35,827,907	43,722,857
<b>NET REVENUES (EXPENSES)</b>					
Governmental Activities	(51,750,414)	(47,903,089)	(32,166,935)	(49,242,853)	(32,522,993)
Business-Type Activity	<u>(725,606)</u>	<u>(869,133)</u>	<u>576,654</u>	<u>1,862,216</u>	<u>2,600,704</u>
Total Net Revenues (Expenses)	<u>\$ (52,476,020)</u>	<u>\$ (48,772,222)</u>	<u>\$ (31,590,281)</u>	<u>\$ (47,380,637)</u>	<u>\$ (29,922,289)</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,				
	2022	2021	2020	2019	2018
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET ASSETS</b>					
Governmental Revenues:					
Unrestricted Taxes:					
Transactions and Use Taxes	\$ 16,645,283	\$ 14,573,087	\$ 12,764,803	\$ 13,538,135	\$ 12,138,125
Property Taxes, Levied for					
General Purposes	21,057,656	19,872,432	18,970,784	19,374,827	17,358,075
Utility Users Taxes	4,832,234	4,464,874	4,329,225	4,411,518	4,557,811
Motor Vehicle Taxes	-	-	-	-	-
Other Taxes	3,530,074	3,168,818	3,185,627	3,562,629	3,627,884
Unrestricted Investment Earnings	(4,685,026)	84,958	3,469,077	3,103,684	(41,593)
Intergovernmental Revenue - Sales					
Taxes	19,861,724	17,534,019	16,158,371	17,511,972	16,663,263
Transfers	(25,000)	35,000	35,000	69,453	35,000
Extraordinary Item	-	-	-	-	-
Total Governmental Activities	<u>61,216,945</u>	<u>59,733,188</u>	<u>58,912,887</u>	<u>61,572,218</u>	<u>54,338,565</u>
Business-Type Activity:					
Unrestricted Investment Earnings	190,914	232,439	230,145	187,952	128,409
Transfers	25,000	(35,000)	(35,000)	(69,453)	(35,000)
Total Business-Type Activity	<u>215,914</u>	<u>197,439</u>	<u>195,145</u>	<u>118,499</u>	<u>93,409</u>
Total Primary Government	<u>61,432,859</u>	<u>59,930,627</u>	<u>59,108,032</u>	<u>61,690,717</u>	<u>54,431,974</u>
<b>CHANGES IN NET ASSETS</b>					
Governmental Activities	(7,888,925)	(1,812,248)	(3,532,062)	995,115	(5,127,895)
Business-Type Activity	<u>3,558,482</u>	<u>3,827,009</u>	<u>1,944,036</u>	<u>1,494,355</u>	<u>(84,811)</u>
Total Primary Government	<u>\$ (4,330,443)</u>	<u>\$ 2,014,761</u>	<u>\$ (1,588,026)</u>	<u>\$ 2,489,470</u>	<u>\$ (5,212,706)</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,				
	2017	2016	2015	2014	2013
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET ASSETS</b>					
Governmental Revenues:					
Unrestricted Taxes:					
Transactions and Use Taxes	\$ 3,064,761	\$ -	\$ -	\$ -	\$ -
Property Taxes, Levied for					
General Purposes	15,727,357	15,186,466	13,867,837	13,038,715	16,304,916
Utility Users Taxes	4,496,482	4,595,948	4,917,994	5,063,905	4,928,588
Motor Vehicle Taxes	-	-	38,642	40,004	48,337
Other Taxes	3,489,715	3,558,019	3,340,556	3,205,784	3,110,512
Unrestricted Investment Earnings	(108,819)	965,817	550,512	632,038	(222,757)
Intergovernmental Revenue - Sales					
Taxes	17,663,949	16,044,115	15,749,960	15,523,825	13,931,661
Transfers	35,000	35,000	(4,525,088)	660,654	3,385,481
Extraordinary Item	1,677,350	27,168,081	(16,963,040)	(19,235,515)	-
Total Governmental Activities	<u>46,045,795</u>	<u>67,553,446</u>	<u>16,977,373</u>	<u>18,929,410</u>	<u>41,486,738</u>
Business-Type Activity:					
Unrestricted Investment Earnings	78,750	117,837	108,353	36,327	86,479
Transfers	(35,000)	(35,000)	4,525,088	(660,654)	(3,385,481)
Total Business-Type Activity	<u>43,750</u>	<u>82,837</u>	<u>4,633,441</u>	<u>(624,327)</u>	<u>(3,299,002)</u>
Total Primary Government	<u>46,089,545</u>	<u>67,636,283</u>	<u>21,610,814</u>	<u>18,305,083</u>	<u>38,187,736</u>
<b>CHANGES IN NET ASSETS</b>					
Governmental Activities	(5,704,619)	19,650,357	(15,189,562)	(30,313,443)	8,963,745
Business-Type Activity	(681,856)	(786,296)	5,210,095	1,237,889	(698,298)
Total Primary Government	<u>\$ (6,386,475)</u>	<u>\$ 18,864,061</u>	<u>\$ (9,979,467)</u>	<u>\$ (29,075,554)</u>	<u>\$ 8,265,447</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,				
	2022	2021	2020	2019	2018
<b>GENERAL FUND</b>					
Nonspendable	\$ 70,693	\$ 188,018	\$ 182,248	\$ 67,076	\$ 60,471
Committed	11,312,182	10,826,211	10,603,349	10,141,831	9,561,065
Assigned	2,696,420	2,696,420	2,696,420	2,696,420	2,696,420
Unassigned	24,067,147	21,128,660	16,654,740	13,026,119	11,346,148
Total General Fund	<u>\$ 38,146,442</u>	<u>\$ 34,839,309</u>	<u>\$ 30,136,757</u>	<u>\$ 25,931,446</u>	<u>\$ 23,664,104</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	\$ -	\$ 480	\$ -	\$ -	\$ 12,675
Restricted	51,200,080	50,199,360	38,241,232	34,160,856	37,683,195
Assigned	20,654,692	25,310,584	39,666,673	44,007,432	22,077,035
Unassigned	-	-	-	-	(460,469)
Total All Other Governmental Funds	<u>\$ 71,854,772</u>	<u>\$ 75,510,424</u>	<u>\$ 77,907,905</u>	<u>\$ 78,168,288</u>	<u>\$ 59,312,436</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,				
	2017	2016	2015	2014	2013
<b>GENERAL FUND</b>					
Nonspendable	\$ 33,695	\$ 27,125	\$ 47,687	\$ 52,290	\$ 33,750
Committed	9,197,836	-	-	-	-
Assigned	2,696,420	-	-	-	-
Unassigned	8,904,597	22,473,917	22,069,159	24,105,648	25,881,185
Total General Fund	<u>\$ 20,832,548</u>	<u>\$ 22,501,042</u>	<u>\$ 22,116,846</u>	<u>\$ 24,157,938</u>	<u>\$ 25,914,935</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ 25,919,581	\$ 27,491,378
Restricted	36,772,473	33,487,248	32,727,621	9,454,051	7,015,881
Assigned	15,774,481	18,513,114	20,118,196	22,643,343	21,114,572
Unassigned	(186,360)	(1,894,658)	(261,909)	(753,634)	-
Total All Other Governmental Funds	<u>\$ 52,360,594</u>	<u>\$ 50,105,704</u>	<u>\$ 52,583,908</u>	<u>\$ 57,263,341</u>	<u>\$ 55,621,831</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,				
	2022	2021	2020	2019	2018
<b>REVENUES</b>					
Taxes	\$ 51,185,163	\$ 46,725,159	\$ 43,865,897	\$ 45,968,953	\$ 41,667,325
Licenses and Permits	1,243,869	1,079,964	1,231,688	792,649	859,108
Fines	701,784	790,627	631,030	669,359	771,613
Investment and Rental	(2,298,954)	750,413	4,499,042	4,059,519	1,255,074
Intergovernmental	24,089,484	24,538,883	21,232,119	21,010,794	19,920,479
Charges for Services	6,855,397	6,276,804	9,062,314	4,641,153	5,464,976
Other	2,100,317	280,390	911,316	454,798	617,706
Total Revenues	<u>83,877,060</u>	<u>80,442,240</u>	<u>81,433,406</u>	<u>77,597,225</u>	<u>70,556,281</u>
<b>EXPENDITURES</b>					
Current:					
General Government	5,848,161	6,834,863	6,306,566	4,338,833	4,453,928
Public Safety	50,842,118	47,729,063	46,636,567	46,341,940	43,249,561
Public Works	4,602,418	4,745,764	5,217,680	4,965,284	4,753,540
Community Development	8,711,017	9,455,041	8,486,974	7,527,068	7,314,064
Community Services	2,656,179	2,369,198	2,547,405	2,712,756	2,651,021
Capital Outlay	11,280,442	6,549,620	8,229,491	5,280,934	4,509,240
Debt Service:					
Principal Retirement	246,734	236,159	225,585	433,547	419,446
Interest and Fiscal Charges	11,229	20,832	30,137	47,478	65,257
Bond Issuance Cost	-	-	-	-	-
Total Expenditures	<u>84,198,298</u>	<u>77,940,540</u>	<u>77,680,405</u>	<u>71,647,840</u>	<u>67,416,057</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(321,238)	2,501,700	3,753,001	5,949,385	3,140,224
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Equipment and Property	10,097	6,073	708	14,480,481	6,007,963
Issuance of Notes and Bonds	-	-	-	-	-
Transfers In	6,928,582	10,058,332	5,470,865	14,236,299	14,058,427
Transfers Out	(6,965,960)	(10,261,034)	(5,279,646)	(13,542,971)	(13,424,216)
Total Other Financing Sources (Uses)	<u>(27,281)</u>	<u>(196,629)</u>	<u>191,927</u>	<u>15,173,809</u>	<u>6,642,174</u>
<b>NET CHANGE IN FUND BALANCES, BEFORE EXTRAORDINARY ITEM</b>	(348,519)	2,305,071	3,944,928	21,123,194	9,782,398
<b>EXTRAORDINARY ITEM</b>	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (348,519)</u>	<u>\$ 2,305,071</u>	<u>\$ 3,944,928</u>	<u>\$ 21,123,194</u>	<u>\$ 9,782,398</u>
Debt Service as a Percentage of Noncapital Expenditures	0.3%	0.4%	0.4%	0.7%	0.7%

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,				
	2017	2016	2015	2014	2013
<b>REVENUES</b>					
Taxes	\$ 30,849,080	\$ 27,374,545	\$ 25,593,873	\$ 24,223,416	\$ 27,359,600
Licenses and Permits	847,246	924,622	841,683	590,133	562,390
Fines	888,134	981,486	1,054,360	1,056,336	842,025
Investment and Rental	849,487	1,895,092	1,461,106	1,530,365	642,884
Intergovernmental	21,766,716	19,286,430	21,163,169	20,579,512	18,818,714
Charges for Services	6,798,588	7,223,368	7,053,125	7,374,392	6,465,147
Other	1,071,736	648,332	499,627	814,517	537,382
Total Revenues	<u>63,070,987</u>	<u>58,333,875</u>	<u>57,666,943</u>	<u>56,168,671</u>	<u>55,228,142</u>
<b>EXPENDITURES</b>					
Current:					
General Government	4,193,584	2,854,956	2,837,553	2,645,794	2,731,616
Public Safety	40,378,014	39,667,745	38,154,641	36,080,703	35,564,705
Public Works	4,163,081	4,120,634	4,059,709	3,988,725	4,143,916
Community Development	6,464,433	7,152,897	7,352,977	6,246,260	4,890,935
Community Services	2,456,758	2,548,588	2,350,030	2,198,832	2,091,606
Capital Outlay	7,443,447	9,043,703	4,565,323	5,875,873	5,977,328
Debt Service:					
Principal Retirement	401,823	384,200	370,100	356,001	345,427
Interest and Fiscal Charges	84,348	99,875	114,819	125,661	136,065
Bond Issuance Cost	-	-	-	-	-
Total Expenditures	<u>65,585,488</u>	<u>65,872,598</u>	<u>59,805,152</u>	<u>57,517,849</u>	<u>55,881,598</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,514,501)	(7,538,723)	(2,138,209)	(1,349,178)	(653,456)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Equipment and Property	6,233	8,073	10,414	7,202	10,275
Issuance of Notes and Bonds	-	-	-	-	-
Transfers In	8,875,548	6,281,711	11,444,395	11,883,373	12,236,170
Transfers Out	(8,921,234)	(6,181,505)	(16,037,125)	(11,453,494)	(8,842,784)
Total Other Financing Sources (Uses)	<u>(39,453)</u>	<u>108,279</u>	<u>(4,582,316)</u>	<u>437,081</u>	<u>3,403,661</u>
<b>NET CHANGE IN FUND BALANCES, BEFORE EXTRAORDINARY ITEM</b>	(2,553,954)	(7,430,444)	(6,720,525)	(912,097)	2,750,205
<b>EXTRAORDINARY ITEM</b>	<u>1,677,350</u>	<u>5,336,436</u>	<u>-</u>	<u>796,610</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (876,604)</u>	<u>\$ (2,094,008)</u>	<u>\$ (6,720,525)</u>	<u>\$ (115,487)</u>	<u>\$ 2,750,205</u>
Debt Service as a Percentage of Noncapital Expenditures	0.8%	0.8%	0.9%	0.9%	1.0%

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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	0.00409	0.00410	0.00394	0.00397	0.00066	0.00066	0.00066	0.00066	0.00066	0.48930
Total City Direct Rate	0.09852	0.09853	0.09837	0.09840	0.09509	0.09509	0.09509	0.09509	0.09509	0.58373
Overlapping Rates:										
Special Districts	0.04380	0.04380	0.04380	0.04380	0.04400	0.04380	0.04380	0.04400	0.04400	0.04400
County of Orange	0.15487	0.15487	0.15487	0.15487	0.15277	0.15487	0.15487	0.15277	0.15277	0.15277
School Districts	0.70690	0.70690	0.70690	0.70700	0.70980	0.70690	0.70690	0.70980	0.70980	0.70980
Total Direct Rate	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00010</u>	<u>1.00100</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00100</u>	<u>1.00100</u>	<u>1.00100</u>

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	2022		2013	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Westminster Mall LLC	\$142,132,451	1.36%		
WRI West Gate South LP	79,076,893	0.76%	\$67,730,199	0.97%
FG Goldenwest Senior Apartments LP	72,374,601	0.69%		
PK I Pavilions Place LP	67,885,000	0.65%	49,186,273	0.70%
Land Partners Company	53,186,556	0.51%	61,671,112	0.88%
An Tang Dao Trust	51,109,600	0.49%	25,215,477	0.36%
Jasmine Place Associates LLC	49,487,608	0.47%		
WRW Properties LLC	45,866,593	0.44%		
Prologis Targeted US Logistics Fund LP	45,365,565	0.43%		
Turbulent Enterprises LP	42,638,489	0.41%		
Retail Property Trust	-	-	124,995,015	1.78%
Asian Garden Limited	-	-	39,199,329	0.56%
CPII Park Lane LLC	-	-	30,277,689	0.43%
Mary Warne-Parks Trust-Bolsa-Bushard	-	-	22,950,000	0.33%
Delma Corporation	-	-	21,329,287	0.30%
CLPF-7400 Hazard LLC	-	-	20,853,294	0.30%
	<u>\$649,123,356</u>	<u>6.21%</u>	<u>\$463,407,675</u>	<u>6.61%</u>

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
2022	\$ 2,495,132	\$ 2,454,680	98.38%	\$ 2,454,680	98.38%
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%

Note: The amounts presented include City secured and supplemental 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	
2022	\$ 3,048,693,649	\$ 101,456,395	\$ 82,540,972	\$ 3,067,609,072
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

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 2021/22 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
\$ 10,664,939,578	\$ 169,718,290	\$ 191,308,534	\$ 10,643,349,334	9.85200% *
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%

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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
2022	\$ 19,861,724	\$ 16,645,283	\$ 21,057,656	\$ 4,832,234	\$ 1,396,905	\$ 1,192,877	\$ 940,292	\$ 65,926,971
2021	17,534,019	14,573,087	19,872,431	4,464,874	1,423,562	1,145,183	600,073	59,613,229
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

\*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				
	2021	2020	2019	2018	2017
Apparel Stores	\$ 55,062	\$ 34,041	\$ 58,130	\$ 63,429	\$ 62,984
General Merchandise	201,256	182,801	200,701	209,888	218,329
Food Stores	48,911	47,631	43,787	45,523	43,289
Eating and Drinking Places	194,220	139,198	190,430	189,296	184,474
Building Materials	132,371	119,658	124,828	128,353	115,548
Auto Dealers and Supplies	498,749	446,635	438,965	448,208	447,791
Service Stations	108,657	68,754	103,581	115,353	105,133
Other Retail Stores	210,131	158,536	198,330	225,518	225,287
All Other Outlets	409,827	396,404	338,294	296,807	284,566
Total	<u>\$ 1,859,184</u>	<u>\$ 1,593,658</u>	<u>\$ 1,697,046</u>	<u>\$ 1,722,375</u>	<u>\$ 1,687,401</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  
TAXABLE SALES BY CATEGORY (CONTINUED)  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS OF DOLLARS)**

	Calendar Years				
	2016	2015	2014	2013	2012
Apparel Stores	\$ 68,310	\$ 70,768	\$ 73,730	\$ 74,280	\$ 67,173
General Merchandise	228,899	209,801	215,447	225,258	228,156
Food Stores	42,464	42,548	43,129	42,086	42,831
Eating and Drinking Places	170,304	158,720	151,288	141,528	128,108
Building Materials	95,642	89,293	75,341	70,814	65,448
Auto Dealers and Supplies	453,185	417,142	341,467	357,507	294,940
Service Stations	96,168	117,433	144,742	149,043	153,040
Other Retail Stores	229,420	216,333	208,819	209,440	207,822
All Other Outlets	296,228	281,701	264,968	233,252	195,909
Total	<u>\$ 1,680,620</u>	<u>\$ 1,603,739</u>	<u>\$ 1,518,931</u>	<u>\$ 1,503,208</u>	<u>\$ 1,383,427</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 2021			Calendar Year 2012		
	Taxable Sales	Rank	Percent of Total City Taxable Sales	Taxable Sales	Rank	Percent of Total City Taxable Sales
Auto Dealers and Supplies	\$498,749	1	26.83%	\$294,940	1	21.31%
All Other Outlets	409,827	2	22.04%	196,016	4	14.16%
General Merchandise	210,131	3	11.30%	228,156	2	16.49%
Other Retail Stores	201,256	4	10.82%	208,197	3	15.04%
Eating and Drinking Places	194,220	5	10.45%	128,213	6	9.26%
Building Materials	132,371	6	7.12%	65,451	8	4.73%
Service Stations	108,657	7	5.84%	153,040	5	11.06%
Food Stores	48,911	8	2.63%	42,831	9	3.09%
Apparel Stores	55,062	9	2.96%	67,173	7	4.85%

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	2022		2013	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
City of Westminster	\$ 342,440	1.90%	\$ 309,461	2.15%
Westminster School District	272,828	1.52%	133,128	0.92%
Arnel Mangement	256,729	1.43%	181,914	1.26%
Los Alisos	245,429	1.36%	99,363	0.69%
Garden Grove Unified	157,095	0.87%	166,569	1.16%
Huntington Beach Union High School	131,904	0.73%	85,382	0.59%
Westminster Village HOA	109,865	0.61%	84,044	0.58%
Mission Del Amo Mobile Home Park	84,136	0.47%	81,256	0.56%
Mobile Community Mgt Co	84,097	0.47%	-	0.00%
Prado Verde Estates	83,858	0.47%	-	0.00%
Pembrook Mgmt Company	-	0.00%	73,704	0.51%
Tres Vidas Apartments	-	0.00%	70,309	0.49%
<b>Total</b>	<b><u>\$ 1,768,381</u></b>		<b><u>\$ 1,285,130</u></b>	
<b>Total Metered Water Sales</b>	<b><u>\$ 18,000,304</u></b>		<b><u>\$ 14,393,181</u></b>	

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

<u>Fiscal Year Ended June 30,</u>	<u>Fixed Customer Charge</u> *	<u>Variable Commodity Charge</u> *
2022	17.30	3.42
	Base Rate (Service Charge)	
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

Note:

\* Rates are based on 5/8" meter, which is the standard household meter size per 8 week billing cycle. Commodity charge rate is per 100 cubic feet of water. The City charges an excess-use rate above normal demand. Reporting of the billing changed from monthly base rate to fixed customer charge in FY 22 due to resolution currently in place. Previously reported base rate does not include meter charge.

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	
2022	\$ 13,466,125	\$ 103,570	\$ 3,001,037	\$ 94,469	\$ 16,665,201
2021	13,671,194	133,258	2,817,894	105,799	16,728,145
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

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				Total Governmental Activities
	Tax Allocation Bonds	Leases Payable	Certificates of Participation	Notes Payable	
2022	\$ -	\$ 758,366	\$ -	\$ -	\$ 758,366
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

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			
\$ 655,000	\$ 923,555	\$ 1,578,555	\$ 2,336,921	0.10%	26
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

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		
2022	\$ -	\$ -	\$ -	0.00%	\$ -
2021	-	-	-	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%	-

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, 2022**

2021-22 Assessed Valuation:		<u>\$ 10,675,124,295</u>	
	<u>Percentage Applicable (1)</u>	<u>Total Debt 6/30/2022</u>	<u>City's Share of Debt 6/30/22</u>
Overlapping Tax and Assessment Debt:			
Metropolitan Water District	0.314%	\$ 20,175,000	\$ 63,350
Coast Community College District	6.601%	945,799,424	62,432,220
Garden Grove Unified School District	8.883%	532,420,000	47,294,869
Huntington Beach Union High School District	12.664%	163,654,998	20,725,269
Ocean View School District	5.169%	129,630,000	6,700,575
Westminster School District	62.899%	125,314,596	78,821,628
Total Overlapping Tax and Assessment Debt		<u>\$ 1,916,994,018</u>	<u>\$ 216,037,911</u>
Direct and Overlapping General Fund Debt:			
Orange County General Fund Obligations	1.566%	\$ 376,780,000	\$ 5,900,375
Orange County Pension Obligations	1.566%	521,784,000	8,171,137
Orange County Board of Education Certificates of Participation	1.566%	11,620,000	181,969
Coast Community College District Certificates of Participation	6.601%	1,865,000	123,109
Coast Community College District Pension Obligation Bonds	6.601%	1,825,000	120,468
Huntington Beach Union High School District Certificates of Participation	12.664%	58,406,090	7,396,547
Ocean View School District Certificates of Participation	5.169%	16,310,000	843,064
Westminster School District Certificates of Participation	62.899%	29,660,000	18,655,843
<b>City of Westminster Certificates of Participation</b>	<b>100.000%</b>	-	-
<b>City of Westminster Leases Payable</b>	<b>100.000%</b>	<b>758,366</b>	<b>758,366</b>
Total Gross Direct and Overlapping General Fund Debt		<u>\$ 1,019,008,456</u>	\$ 42,150,878
Less: MWDOC Water Facilities Corporation (100% self-supporting)			-
Total Net Direct and Overlapping General Fund Debt			<u>\$ 42,150,878</u>
Overlapping Tax Increment Debt: (Successor Agency):	100.000%	<u>\$ 95,645,000</u>	<u>\$ 95,645,000</u>
Total Direct Debt			<u>\$ 758,366</u>
Total Gross Overlapping Debt			\$ 353,075,423
Total Net Overlapping Debt			\$ 353,075,423
Gross Combined Total Debt			\$ 353,833,789 (2)
Net Combined Total Debt			\$ 353,833,789

(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 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.02%
<b>Total Direct Debt (\$758,356)</b>	<b>0.01%</b>
Gross Combined Total Debt	3.31%
Net Combined Total Debt	3.31%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$7,525,542,889):

Total Overlapping Tax Increment Debt	1.27%
--------------------------------------	-------

Source: California Municipal Statistics

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

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Assessed Valuation	\$ 10,675,124,295	\$ 10,290,575,674	\$ 9,801,405,362	\$ 9,391,193,921	\$ 8,907,507,276
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,668,781,074	2,572,643,919	2,450,351,341	2,347,798,480	2,226,876,819
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	400,317,161	385,896,588	367,552,701	352,169,772	334,031,523
Total Net Debt Applicable to Limitation: General Obligation Bonds	-	-	-	-	-
Legal Debt Margin	<u>\$ 400,317,161</u>	<u>\$ 385,896,588</u>	<u>\$ 367,552,701</u>	<u>\$ 352,169,772</u>	<u>\$ 334,031,523</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,				
	2017	2016	2015	2014	2013
Assessed Valuation	\$ 8,410,334,862	\$ 8,279,643,537	\$ 7,628,668,713	\$ 7,176,140,802	\$ 7,023,383,445
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,102,583,716	2,069,910,884	1,907,167,178	1,794,035,201	1,755,845,861
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	315,387,557	310,486,633	286,075,077	269,105,280	263,376,879
Total Net Debt Applicable to Limitation: General Obligation Bonds	-	-	-	-	-
Legal Debt Margin	<u>\$ 315,387,557</u>	<u>\$ 310,486,633</u>	<u>\$ 286,075,077</u>	<u>\$ 269,105,280</u>	<u>\$ 263,376,879</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					
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	\$ 19,077,178	\$ 13,565,719	\$ 5,511,459	\$ 385,979	\$ 75,277	11.95
2021	18,862,921	13,944,479	4,918,442	368,395	90,075	10.73
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

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)
2022	90,393	252.2	76,054	3.30%
2021	91,466	235.7	71,072	8.90%
2020	92,421	223.4	68,909	18.90%
2019	92,610	232.3	72,128	3.20%
2018	94,476	220.7	69,782	3.70%
2017	93,533	208.9	69,188	5.50%
2016	94,073	200.0	68,414	6.10%
2015	92,106	193.1	60,013	6.20%
2014	91,652	180.4	57,573	7.50%
2013	91,169	169.8	56,519	9.20%

Sources:

- (1) State Department of Finance
- (2) Department of Transportation - Orange County Economic Forecast 2017-2050.
- (3) U.S. Dept of Labor, Bureau of Labor & Statistics

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

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Westminster School District*	1,102	2.71%	671	1.44%
Kindred Hospital-Westminster	479	1.18%	557	1.20%
Target**	357	0.88%	178	0.38%
City of Westminster**	334	0.82%	352	0.76%
Walmart	225	0.55%	380	0.82%
Home Depot	180	0.44%	185	0.40%
Macy's	178	0.44%	260	0.56%
Costco	168	0.41%	-	-
Westminster High School	150	0.37%	230	0.49%
Honda World	148	0.36%	185	0.40%
JC Penney Co	-	-	167	0.36%

"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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	29	32	35	42	33	30	39	38	32	22
Public safety	141	139	151	148	143	130	142	135	145	141
Public works	27	30	31	32	28	28	30	26	29	28
Community development	32	42	41	34	29	23	24	22	19	22
Community service	49	55	46	67	57	56	59	53	54	49
Water	31	29	26	26	28	25	27	24	24	25
Total	<u>309</u>	<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>

Source: City Finance Department

**CITY OF WESTMINSTER, CALIFORNIA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Arrests	2,188	2,129	2,356	2,340	2,262	2,359	2,540	2,646	2,528	2,960
Traffic violations	4,589	4,490	4,945	3,551	3,636	1,067	1,831	2,991	6,424	5,566
Parking violations	12,704	16,210	12,045	13,221	12,952	20,314	21,308	22,965	19,979	12,525
Fire:										
Number of calls answered	9,053	8,357	7,870	7,086	7,669	7,421	7,441	6,880	6,201	6,446
Inspections conducted	1,074	142	742	1,520	1,383	1,459	1,694	1,013	1,028	513
Public works:										
Street resurfacing (miles)	9.30	9.30	7.40	6.50	9.40	4.00	4.00	3.10	5.00	5.50
Parks and recreation:										
Number of recreation classes	1,331	1,150	1,372	846	1,239	1,134	1,288	1,347	1,218	1,081
Number of facility rentals	94	2	74	136	113	106	88	80	59	72
Water:										
New connections	83	57	65	54	71	76	80	43	28	33
Average daily consumption (in hundred cubic feet)	12,213	12,759	11,822	11,938	12,676	11,841	11,480	13,678	14,374	14,054

\*Includes replacement meters

**CITY OF WESTMINSTER, CALIFORNIA  
CAPITAL ASSETS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	187	180	180	180	180
Streetlights	4,713	4,733	4,733	4,733	4,733	4,733	4,733	4,733	4,733	4,733
Traffic signals	71	71	71	71	71	71	71	68	68	68
Parks and recreation:										
Parks	23	23	23	23	23	23	24	24	24	24
Community centers	2	2	2	2	2	2	2	2	1	1
Water										
Water mains (miles)	240	240	240	240	240	240	235	230	230	230
Maximum daily capacity (in acre per feet per day)	83	83	83	83	83	83	82	90	90	73

Source: City of Westminster