

CITY OF COVINA, CALIFORNIA

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2021



Jorge A. Marquez, Mayor

***Patricia Cortez
Mayor Pro Tem***

***Walter Allen, III
Council Member***



***Victor Linares
Council Member***

***John C. King
Council Member***

Chris Marcarello, City Manager

Prepared by the City of Covina Administrative Services Department-Finance Division

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City Manager

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Administrative Services Department-Finance Division*

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CITY OF COVINA, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

YEAR ENDED JUNE 30, 2021

**PREPARED BY:
ADMINISTRATIVE SERVICES DEPARTMENT – FINANCE DIVISION**

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INTRODUCTORY SECTION

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**CITY OF COVINA, CALIFORNIA
ELECTED AND ADMINISTRATIVE OFFICIALS
2020-2021**

<u>Elected Officials</u>	<u>Term Expires</u>
Mayor: Jorge A. Marquez	June 2022
Mayor Pro Tem: Patricia Cortez	March 2024
Council Members: Walter Allen, III	March 2024
John C. King	June 2022
Victor Linares	June 2022
City Clerk: Mary Lou Walczak	June 2022
City Treasurer: Geoffrey Cobbett	June 2022
<u>Administrative Staff</u>	<u>Hire Date</u>
City Manager: * Chris Marcarello	January 2017
City Attorney: * Candice Lee	May 2015
Administrative Services Director: Anita Agramonte	July 2016
Police Chief: David Povero	July 1988
Fire Chief: ** Daryl L. Osby	February 2011
Public Works Director: Andy Bullington	June 2018
Parks and Recreation Director: Lisa Evans	July 1989
Community Development Director: Brian Lee	June 2015
Chief Deputy City Clerk: Nicole Alvarez	May 2015

* Appointed by City Council

** Appointed by Los Angeles County Fire District

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CITY OF COVINA

125 East College Street • Covina, California 91723-2199

March 1, 2022

Honorable Mayor and City Council
City of Covina
Covina, California

The Annual Comprehensive Financial Report for the City of Covina (City), California, as of June 30, 2021 and for the year then ended, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial statements are the responsibility of the City's management. Completeness and reliability of the information contained in this report is based upon a comprehensive framework of internal controls that is established for this purpose. The costs of internal control should not exceed the anticipated benefits. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Management's Discussion and Analysis (MD&A) interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variations in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City. MD&A complements this letter of transmittal and should be read in conjunction with it.

Independent Audit. City policy requires that its financial statements be audited by a certified public accountant. CliffordLarsonAllen, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2021. The auditor's report on the basic financial statements and required supplementary information is included in the financial section of this report.

The City is legally required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, *Audits of State and Local Governments*, if total federal grant expenditures exceed \$750,000 in a single year. The City of Covina is a recipient of federal, state and county assistance, and for Fiscal Year 2020-21 it will be subject to the requirements of a Single Audit as it did have Federal expenditures greater than the \$750,000 threshold.

Profile of the City of Covina

The City is a mature, suburban city located twenty-three miles east of downtown Los Angeles in the eastern portion of the San Gabriel Valley. The City encompasses an area of approximately seven square miles and is virtually built out. The current population is 48,833 according to the State of California Department of Finance.

The City is a general law city, incorporated in 1901. The City Council is composed of five members elected biannually at large to four year alternating terms. The Mayor and Mayor Pro Tem are selected by the City Council annually.

The City has a Council/Manager form of government. The City Manager is appointed by the City Council to manage the daily affairs of the City and to implement policies established by the City Council.

This report includes all the funds of the City. The City provides a full range of services including police and fire protection (via a contract with the Los Angeles County Fire Department); construction and maintenance of highways, streets and infrastructure; library and recreational services; public transportation; planning and economic development; housing; and administrative services. In addition to general municipal activities, the City provides water and sewer services.

The Council is required to adopt a final budget by June 30th of each fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, program (e.g., public safety), and activity (e.g., police patrol). Department heads may transfer resources within each activity as needed. The City Manager may transfer resources between activities within a fund. Transfers between funds require approval from the City Council.

In accordance with the reporting entity definition of the Governmental Accounting Standards Board, the City has included the Covina Public Financing Authority, the Successor Agency for the former Covina Redevelopment Agency (as of February 1, 2012), and the Covina Housing Authority in the financial report.

Several state and county agencies, as well as school districts, provide services to the City but do not meet the established criteria for inclusion, and accordingly are excluded from this report.

Economic Condition and Outlook

Much of the local development of the City occurred during the post-World War II building boom, which took place from the late 1940's through the 1960's. Prior to the building boom, the City was a major citrus producing area.

The character of the City is one of predominantly low to medium density residential and low-intensity commercial and light industrial uses. Single-family residential properties are the most common use. In addition, there are many commercial establishments, particularly community and neighborhood shopping centers, and a relatively large number of small to medium-sized professional offices and light manufacturing operations. The local economy is based on a variety of service, retail, and light manufacturing businesses as well as government agencies.

The City's economy always has been healthy, though relatively small in population and area. The City consistently ranks high in retail sales tax generation and sales tax per capita among San Gabriel Valley cities. This is primarily due to the mix of retail businesses located in the City as well as a voter-approved transaction and use tax. Despite being in the middle of the well-established San Gabriel Valley, Covina retains a small-town atmosphere. The nearby San Bernardino, Foothill, and Orange Freeways, and the Southern California Regional Rail Authority Metrolink Commuter Rail Line link the City to other areas of metropolitan Los Angeles.

Long-term Financial Planning

As part of a financial strategic plan, the City Council developed the following budget policy guidelines for budgetary and financial planning purposes:

Program - Base Budget

1. Appropriations

- Each program will identify activities and the recommended appropriations
- Identify recurring vs. nonrecurring appropriations
- Identify general vs. restricted appropriations
- Continuing appropriations for year-end
 - *Encumbrances and contractual commitments*
 - *Grant, restricted donation and capital project appropriations are considered life-cycle appropriations*
 - *All other appropriations shall lapse at year-end unless carried forward by City Council action*

2. Estimated Revenues

- Estimated revenues will be identified by fund, program and activity
- Fund types include general, special revenue, debt service, capital projects, enterprise and internal service
- Identify recurring vs. nonrecurring revenues
- Identify general revenues vs. restricted revenues

3. Fund Balances/Working Capital

- Program-base budget will calculate available fund balances and/or working capital available in the various funds
- Program-base budget will establish adequate reserves
 - *Capital needs*
 - *Offset economic hard times*

- *Stabilize fluctuations in cash flow requirements*
- *Emergency Situations*
- General Fund
 - *Minimum of 20% of operating expenses-reserve exclusive of risk management requirements*
 - *Excess reserves will be assigned for nonrecurring activities or capital improvements*
 - *Maintain general liability and worker's compensation reserves based on actuarial recommendations*
- Restricted Funds
 - *Reserves can be used for only restricted purposes*
 - *Excess reserves can be restricted for recurring and nonrecurring activities or capital improvements depending on the nature of the fund*

Program – Base Budget Will Link Resources with Results

1. *Identifying community needs for essential services*
2. *Describing the programs required to provide the essential services*
3. *Identifying the purpose of activities performed in delivering services*
4. *Establishing goals and objectives which define the nature and level of services required*
5. *Identifying resources required to perform program activities and accomplish goals and objectives*
6. *Setting standards to measure and evaluate*
 - Output and outcomes of program activities
 - Accomplishment of program activities
 - Staffing levels
 - Program activity revenue and appropriations
 - *Make budgetary and financial decisions on conservative estimates of revenues, expenditures and other financing sources and uses*
 - *The greater the uncertainty and/or volatility of the budgetary and financial estimates, the more conservative the estimates*

Program Base Budget-Change in Service

1. *The base budget is the required appropriation level needed to maintain the previous year budget service level*
2. *Change in service is the proposed increase or decrease in service level in the program-based budget activity*
3. *Increase in services shall be offset with new revenue or a corresponding decrease in other program services*
4. *Grants shall not have a negative impact on General Fund services*
5. *Future operating grants will not be funded by the General Fund unless there is a new revenue source or decrease in other program services*

Program – Base Budget Shall Be Balanced On a Long-Term Basis

1. *Ongoing and recurring costs shall be funded with ongoing and recurring revenues*
2. *One-time and nonrecurring costs shall be funded with excess ongoing revenues, available one-time revenues or excess reserves*
3. *One-time or nonrecurring revenues shall not fund ongoing cost*
4. *Current costs shall be recognized and funded in the current year, not deferred or funded in future years*
5. *Maintain current full costs providing City services*
6. *The General Fund shall try to maintain a minimum \$100,000 operating contingency for unanticipated events*
7. *Make conscious decisions about cost recovery and/or general tax subsidy of those services that benefit only a portion of the tax paying public*

Infrastructure Maintenance

1. *Identify preventive maintenance of infrastructure to minimize future expenditure*
2. *Amortize capital costs*
 - *Replacing or expanding existing facilities and equipment*
 - *With respect to equipment, rates shall be established to recover the replacement cost of each item at the end of its useful life*
 - *Facilities shall be amortized to cover ongoing maintenance and cyclical repairs, and for the replacement or expansion of major structures*

Exceptions

3. City Council/Agency Board authorization required for

- Emergencies
- Legal requirements
- Loans
- Accounting changes and prior period adjustments

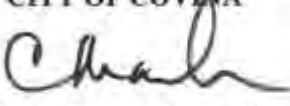
Implementation

- 1. The City Manager shall be responsible for the preparation and submission of the program-based budget.*
- 2. The City Manager shall be authorized to make the appropriate changes to adhere to the budget policy.*
- 3. Staff shall report to the City Council 30 days after the end of each fiscal quarter with an update on actual revenues and expenditures as shown in the adopted budget.*

A majority of the policy guidelines have been implemented to date.

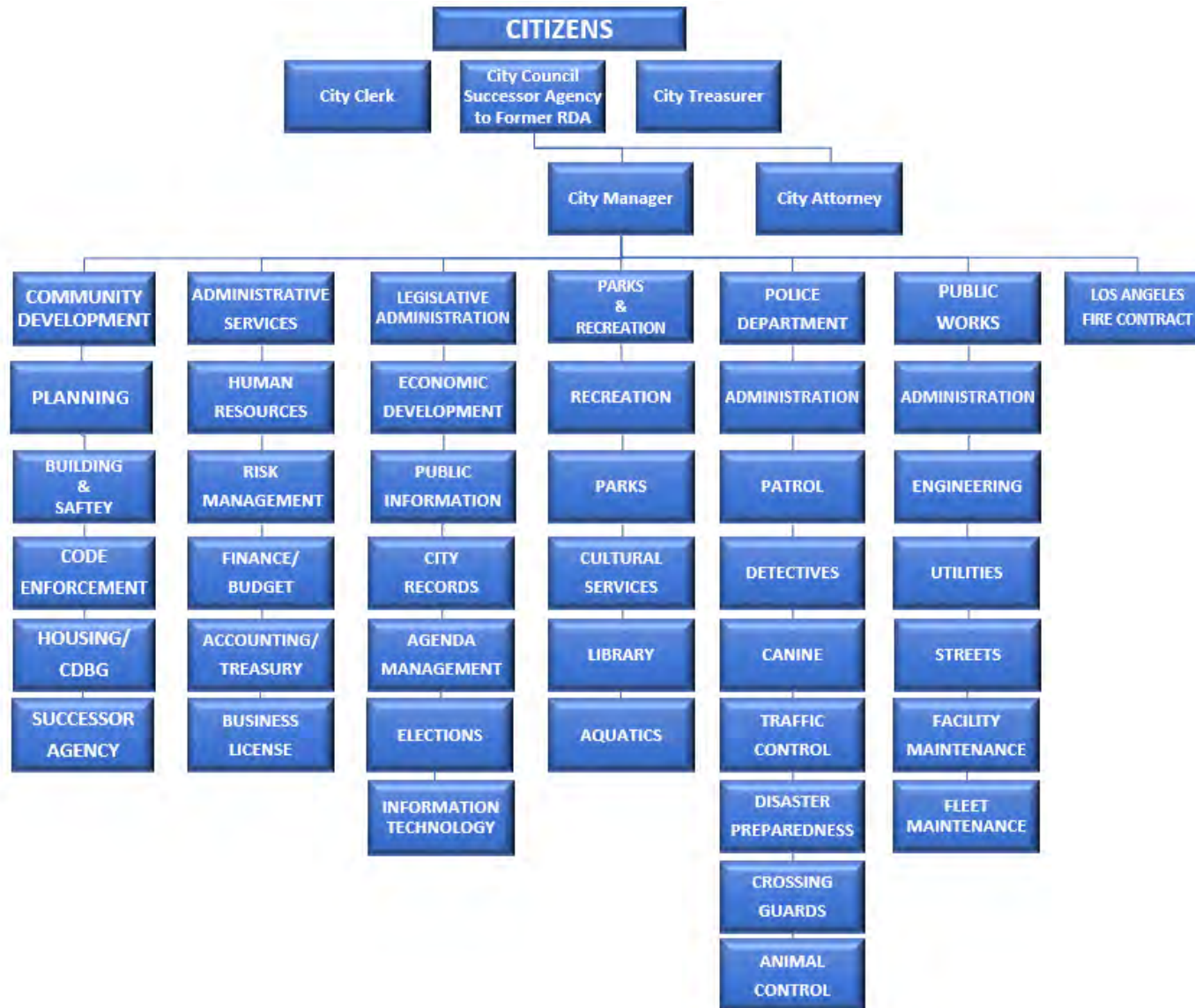
The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Administrative Services Department Finance Division with special recognition of Theresa Franke, Bessie Zou and Alan Sands. Credit also must be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City of Covina's finances and to the Department Directors for their cooperation and support during the annual audit.

Sincerely,

CITY OF COVINA

Christopher Marcarello
City Manager


Anita Agramonte
Administrative Services Director

**CITY OF COVINA
ORGANIZATION CHART
FISCAL YEAR 2020-2021**



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of City Council
of the City of Covina
Covina, California

Report on the Financial Statements

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 Covina (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Mayor and
Members of City Council
of the City of Covina

Opinions

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

Emphasis of Matter

As discussed in Note 23 to the financial statements, the City made a restatement to beginning net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the miscellaneous plan schedule of changes in the net pension liability and related ratios and the schedule of contributions, the safety plan schedule of proportionate share of the net pension liability and the schedule of contributions, the other post-employment benefit plan schedule of changes in the net OPEB liability and related ratios and the schedule of contributions - OPEB and the budgetary comparison schedules for the General Fund be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, the combining and individual fund financial statements and schedules (supplementary information) and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

The Honorable Mayor and
Members of City Council
of the City of Covina

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
February 14, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the City of Covina's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. This report is prepared in conjunction with the accompanying transmittal letter and basic financial statements and notes.

FINANCIAL HIGHLIGHTS

- * The assets of the City exceeded its liabilities at the close of the fiscal year by \$106,884,954. The Governmental Activities have a deficit unrestricted net position of \$37,601,064. Business-type Activities have unrestricted net position of \$14,518,926.
- * The City's net position for governmental and business-type activities increased by \$7,231,966 or 7.26% from the previous fiscal year.
- * The total cost of all City activities was \$70,947,722 for the current fiscal year. Net cost of all activities was \$35,975,218.
- * During the current fiscal year, the City's governmental activities net revenues exceeded net expenses by \$4,151,787.
- * In the City's business-type activities, net revenues exceeded net expenses by \$3,080,179.
- * The total fund balance of the City's governmental funds was \$35,499,658 at the close of the fiscal year. This includes \$20,800,219 fund balance of the General Fund, \$10,878,058 of which is unassigned and is available for spending at the City's discretion (see note 14 of Notes to the Financial Statements).
- * General Fund revenues and other financing sources (uses) exceeded expenditures by \$6,527,760 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

Statement of Net Position

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Statement of Activities

The Statement of Activities presents information showing how the City's net position changed during the 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*. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include General Government, Public Safety, Public Works, Culture and Recreation, Community Development, Transit, Redevelopment and Housing, and Interest on Long-Term Debt. The business-type activities include Water Utility, Environmental Protection, and Sewer.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements include not only the City itself (known as the *primary government*) but also the blending of the legally separate Covina Public Financing Authority, and Covina Housing Authority for which the City is financially accountable. These *component units* are therefore included as an integral part of the primary government.

Fund Financial Statements

A *fund* is a grouping of related accounts that is 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. All of the funds of the City can be divided in three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike 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 the City's near-term financing requirements.

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. This will provide a better understanding of the long-term impact of the City's near-term financing decisions. The Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General fund which is considered to be a major fund. Information from the other non-major governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of the report.

The City adopts an annual appropriated budget for all of the governmental funds. Budgetary comparison schedules have been provided in the required supplementary information section for the General fund to demonstrate compliance with the budget. Budgetary comparison schedules have been provided in the supplementary information section for the non-major governmental funds.

Proprietary Funds

The City maintains two different 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's enterprise funds account for the Water Utility, Environmental Protection and Sewer. *Internal service funds* are used to accumulate and allocate costs internally among various City functions. The City's internal service funds account for Information Technology, Central Equipment, Workers' Compensation, and Public Liability. These services predominately benefit governmental and have been allocated within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility, Environmental Protection and Sewer. Water and Sewer funds are considered to be major funds of the City. Conversely, all Central Equipment, Information Technology, Workers' Compensation, and Public Liability internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

Fiduciary Funds

Fiduciary funds (private purpose trust fund and custodial fund) are used to account for the assets and activities for which the City acts as trustee. The Statement of Fiduciary Net Position reports the assets and liabilities of the fund and the net position is reported as "held in trust for others".

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements exclude fiduciary funds.

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total Net Position

Net position reflects the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources and may serve over time as a useful indicator of the City's financial position.

As detailed in the *Government-Wide Financial Statements-Statement of Net Position*, the City's total net position for governmental and business-type activities was \$106.9 million at the close of the fiscal year, which is an increase of \$7.2 million or 8.32% from the previous fiscal year.

The largest portion of that net position, \$114.6 million, is in capital assets (land, buildings and structures, infrastructure, and machinery and equipment) less any related debt outstanding used to acquire those assets. Capital assets are acquired for the purpose of providing services and infrastructure and are unavailable for future spending. Resources needed to repay related debt outstanding must be provided from other sources before liquidating capital assets to satisfy these liabilities.

Additionally, \$15.4 million of the City's total net position represents resources that are subject to external restrictions such as public safety, transit, and capital projects. Those restrictions are designated by certain federal, state, and local statutes and may not be used by the City for ongoing obligations to citizens and creditors. This leaves the City with a deficit unrestricted net position of \$19.1 million.

Governmental Activities

This analysis focuses on the net position and changes in net position of the City's governmental activities, as presented in the Statement of Net Position.

The net position of the governmental activities represents 55.84% of the City's total net position. As reflected in the following table, restricted governmental activities net position increased by \$.9 million (6.5%) from the previous fiscal year. This portion of net position is subject to external restrictions relating to public safety, public works, community development, culture and recreation, transit and redevelopment and housing.

	2021	2020
Current and other assets	\$ 49,819,905	\$ 44,698,963
Capital assets	89,652,961	86,455,238
Deferred outflows	13,869,664	12,221,282
Total Assets and deferred outflows	153,342,530	143,375,483
Long-term liabilities outstanding	85,736,046	80,611,670
Other liabilities	4,436,593	4,239,811
Deferred inflows	3,483,069	3,983,279
Total Liabilities and deferred inflows	93,655,708	88,834,760
Net position:		
Net Investment in capital assets	81,877,731	84,273,491
Restricted	15,410,155	14,469,628
Unrestricted	(37,601,064)	(44,202,396)
Total net position	\$ 59,686,822	\$ 54,540,723

The following table compares fiscal year changes in revenues and expenses in governmental activities that comprise net position, as found in the Statement of Activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities Change in Net Position

Revenues	2021	2020
Program revenues:		
Charges for services	\$ 8,155,187	\$ 7,287,624
Operating grants and contributions	9,809,684	8,081,089
Capital grants and contributions	1,087,845	245,420
General revenues:		
Property taxes	14,862,914	13,812,070
General sales tax	10,793,459	9,296,400
Transaction and use tax	8,098,540	6,579,486
Utility users taxes	4,847,226	4,523,187
Other taxes	2,797,678	2,601,067
Investment earnings	(257,680)	620,835
Gain/(Loss) on sale of capital assets		54,268
Miscellaneous	478,063	49,645
Total Revenues	<u>60,672,916</u>	<u>53,151,091</u>
Expenses		
General government	3,131,410	3,356,218
Public safety	34,239,989	33,529,788
Public works	8,476,656	8,539,877
Culture and recreation	4,393,945	4,630,583
Community development	2,481,925	2,382,311
Transit	2,646,439	2,068,390
Redevelopment and housing	912,707	598,363
Interest on long term debt	238,058	251,550
Total expenses	<u>56,521,129</u>	<u>55,357,080</u>
Increase (Decrease) in net position before transfers		
Change in net position	4,151,787	(2,205,989)
Beginning net position	54,540,723	55,429,312
Restatements	994,312	1,317,400
Ending net position	<u>\$ 59,686,822</u>	<u>\$ 54,540,723</u>

As reflected above, the City's net revenues exceeded net expenses of governmental activities by \$4.1 million. Compared to the previous year, 2021 revenues show an increase of \$7.5 million while expenses increased by \$1.2 million.

The revenue increase in Charges for Services of \$868,000 includes Community Development activity, including building permits, plan review, and code enforcement activities which increased by \$449,000, while animal control revenue increased by \$108,000. Additionally, \$412,000 of the increase is attributable to overnight parking permits and late fees which were suspended for much of the prior fiscal year. The overall increase in charges for services was slightly offset by a \$201,000 reduction in Culture and Recreation revenues due to cancelled activities.

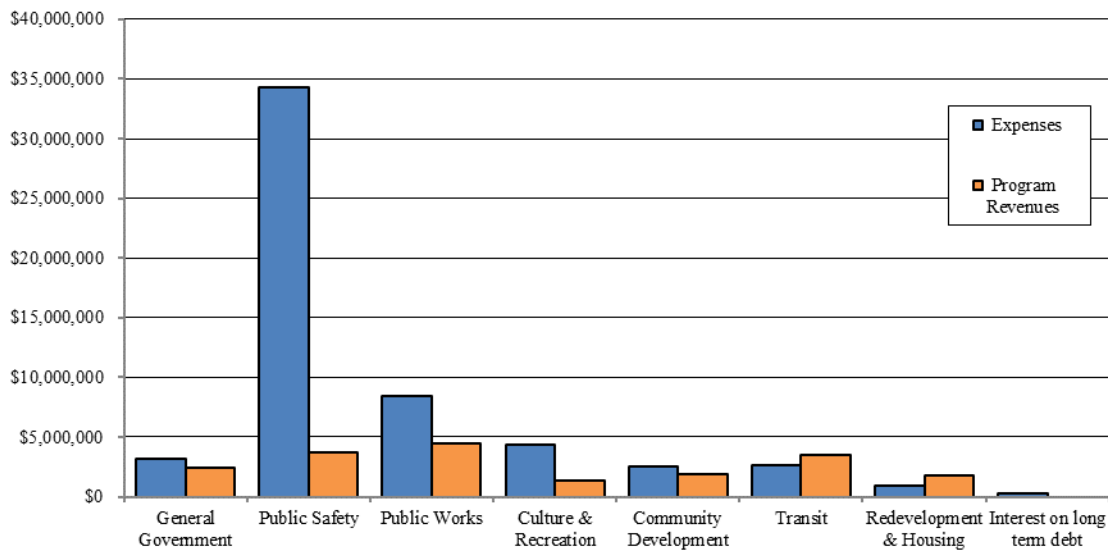
Other revenues that saw significant increases include transaction and use tax of \$1.5 million as well as an increase in sales tax of \$1.5 million. Property taxes increased by \$1 million reflecting a robust real estate market. In addition, operating grants reflect an increase of \$1.7 million which includes COVID-19 Relief Funds totaling \$660,000 from the Federal government and from Los Angeles County, and Measure W-Safe Clean Water Program revenue in the amount of \$929,000. The increase in capital grants of \$842,000 is attributable to \$888,000 in grant revenue received for Banna Park development. The increase in Miscellaneous Revenue reflects \$420,000 from the Prop A swap discussed in the following paragraph.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The increase in general government expenses reflects \$715,000 of increased cost of Public Safety and \$578,000 increase in transit costs. The Public Safety increase reflects an increase in PERS unfunded liability. The transit cost increase reflects a Prop A swap with the City of Beverly Hills in which Covina was able to sell \$600,000 of Prop A funds in exchange for \$420,000 added to the City's General Fund.

Net expenses reflected on the Statement of Activities are good indications of the extent to which the services provided by the City are financed from taxes paid by the citizens (general revenues) as opposed to recovering the cost of these services with user fees and other contributions (program revenues). Transit and Redevelopment and Housing program revenues are sufficient to cover related expenses. Community Development required \$591,096 in contributions from the General Fund, which is substantially less than in the prior fiscal year. In addition, Public Safety, Public Works and Culture and Recreation expenses are financed primarily from general revenues. Expenses and associated program revenues for each governmental function are reflected on the following table.

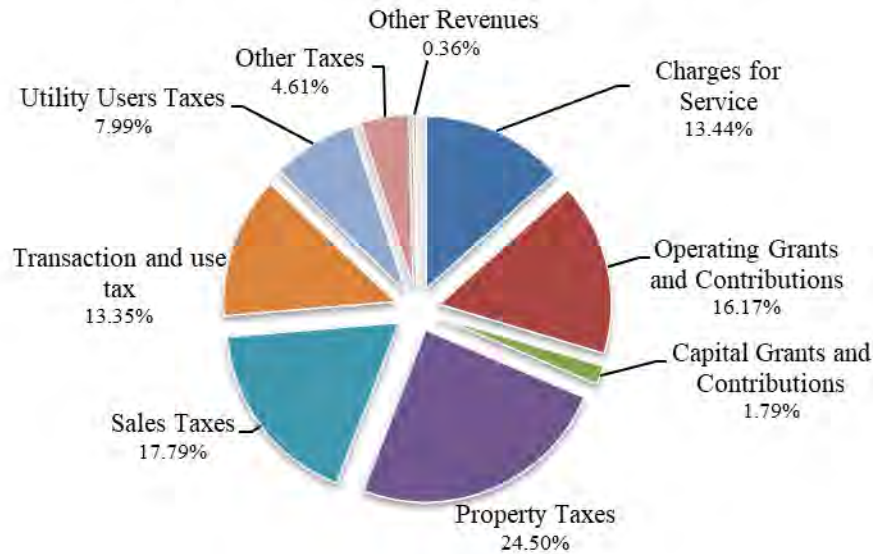
Expenses and Program Revenues-Governmental Activities



As reflected on the following graph, taxes, operating grants and contributions, and charges for services provide 100% of the overall revenue sources of the governmental activities. Taxes include property, sales, utility users and other taxes (transient occupancy, property transfer, business license and franchise). Other revenues experienced a net reduction, as interest earnings decreased. In addition, although the market value of the City's investments increased, the cost basis increased by a larger amount resulting in recognition of a net decrease to unrealized gains.

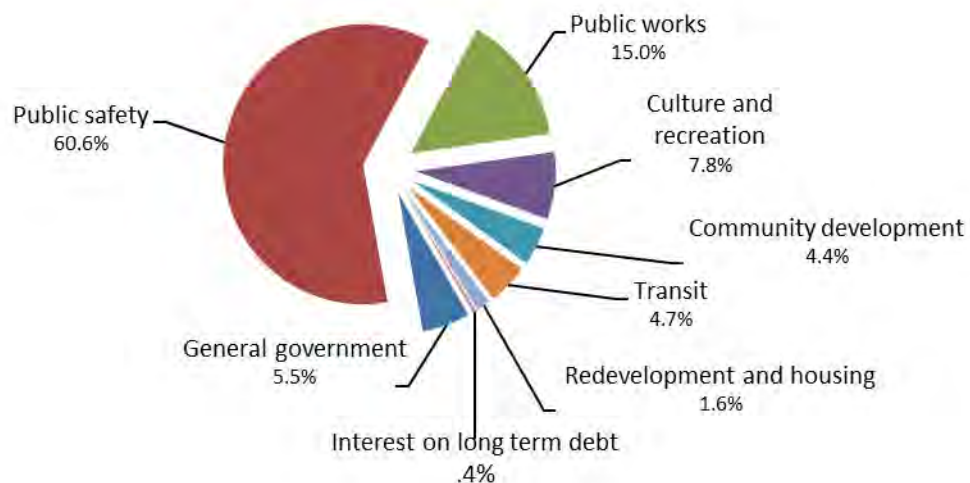
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue Sources-Governmental Activities



The next graph demonstrates governmental activity expenses by function/program. Note that public safety and public works represent 75.6% of the governmental activities' expenditures; this is consistent with the City's highest priority of citizen safety and well-being. Culture and recreation represent 7.8% of governmental activities as the City is committed to providing valuable programs to the community.

Functions/Program Expenses-Governmental Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

The analysis of business-type activities focuses on the net position and changes in net position of the City's Water Utility, Environmental Protection, and Sewer functions. The following table summarizes the business-type net position for fiscal years 2020 and 2021. Current year detail can be found in the *Government-Wide Financial Statements, Statement of Net Position*.

Business-Type Activities Net Position

	2021	2020
Current and other assets	\$ 35,611,102	\$ 31,212,623
Capital assets	50,206,724	47,943,365
Deferred outflows of resources	1,685,998	1,635,944
Total assets and deferred outflows	<u>87,503,824</u>	<u>80,791,932</u>
Long-term liabilities outstanding	37,719,469	34,211,883
Other liabilities	2,164,435	2,153,532
Deferred inflows of resources	421,788	308,564
Total liabilities	<u>40,305,692</u>	<u>36,673,979</u>
Net position		
Net Investment in capital assets	32,790,931	26,398,843
Restricted		-
Unrestricted	14,407,201	17,719,110
Total net position	<u>\$ 47,198,132</u>	<u>\$ 44,117,953</u>

The net position of the business-type activities represents 44.16% of the City's total net position and increased by \$3.1 million from the previous year. Restricted net position reflects amounts established for emergency needs and bond proceeds which are restricted to capital projects. The revenue and expense activity which generated the change in business type net position is reflected on the following table.

Business-type Change in Net Position

	2021	2020
Revenues		
Program Revenues:		
Charges for services	\$ 15,919,788	\$ 14,583,000
Operating grants and contributions	-	-
Capital grants and contributions	-	-
General revenues-investment earnings	1,609,324	524,565
Total Revenues	<u>17,529,112</u>	<u>15,107,565</u>
Expenses		
Water Utility	10,893,841	10,318,472
Environmental Protection	1,047,347	1,176,992
Sewer	2,485,405	2,829,014
Total Expenses	<u>14,426,593</u>	<u>14,324,478</u>
Change in net position before transfers	<u>3,102,519</u>	<u>783,087</u>
Transfers in (out)	(22,340)	-
Change in net position	<u>\$ 3,080,179</u>	<u>\$ 783,087</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

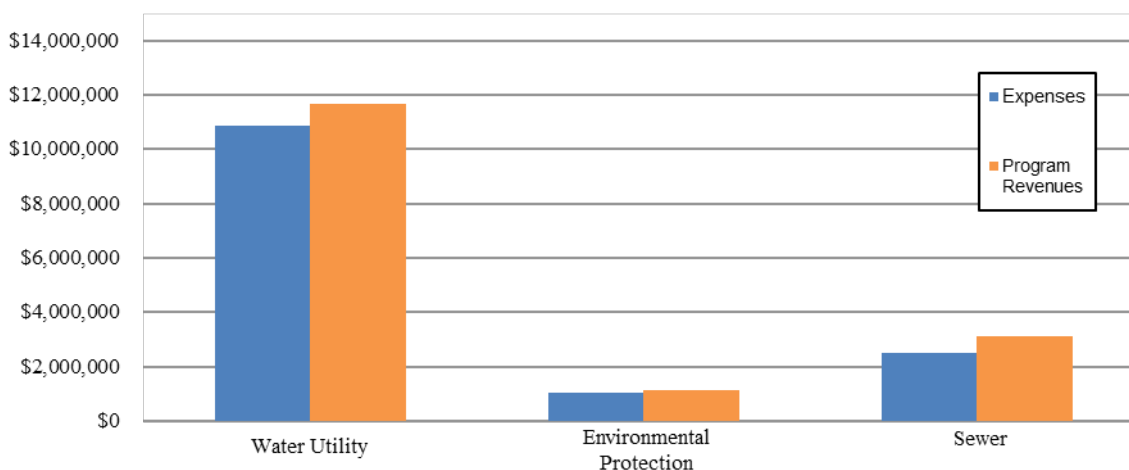
As reflected above, the City's business-type program revenues (charges for services) exceeded program expenses by \$1.5 million. Total business-type program revenues increased by \$1.3 million from the prior fiscal year. This reflects a \$1 million increase in water service charges as well as an increase in environmental protection service charges of \$141,000. General revenues increased by \$1.1 million due predominately to the increased earnings in the City's investment in Covina Irrigating Company.

Water, Sewer, and Environmental charges for services were sufficient to cover both operating and interest expenses for the respective functions during the fiscal year.

Total business-type expenses increased by \$102,115 from the previous fiscal year; a major factor is an increase of \$575,000 in the Water Utility expenditures reflecting increased PERS contributions and in Water Source and Supply cost. Although there was an increase in salaries and benefits, there was a decrease in Other Professional Fees previously paid for contracted customer service and billing services which are now performed by City staff.

Expenses and associated program revenues for each business-type function are reflected on the following table.

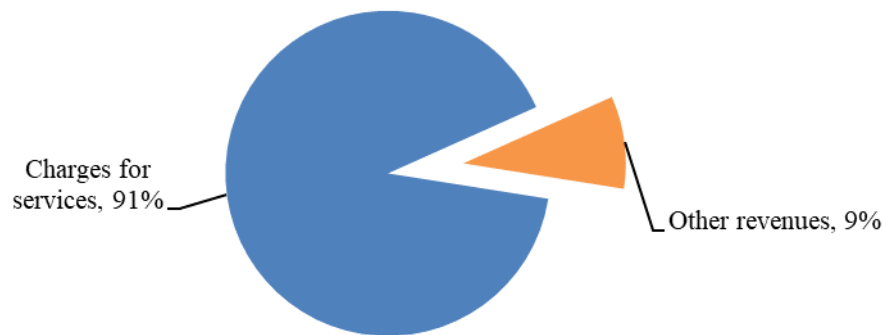
Expenses and Program Revenues-Business-type Activities



As reflected on the following chart, charges for services are the major source of revenue to be used for business-type activity operating and capital maintenance costs. Water Utility Charges for Services include water sales, service fees, connection fees and other miscellaneous charges. Environmental protection charges include fees for refuse and recycling services, compressed Natural Gas (CNG), and permit fees for storm water and industrial waste. Sewer charges for services include fees established to recover the cost of operating the sewer system throughout the City. Other revenues reflect investment earnings.

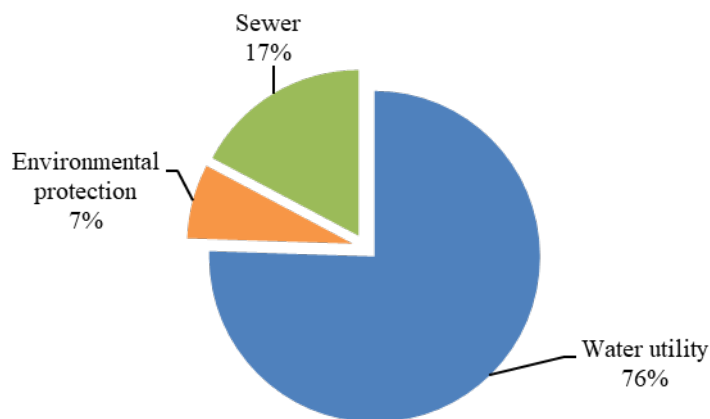
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues by Source - Business-type Activities



The next chart demonstrates business-type activity expenses by function/program. Water comprises the majority of expenditures, which includes water source and supply resale, administration, and depreciation.

Expenses by Function/Program - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of City government, reporting City operations in more detail than government-wide statements.

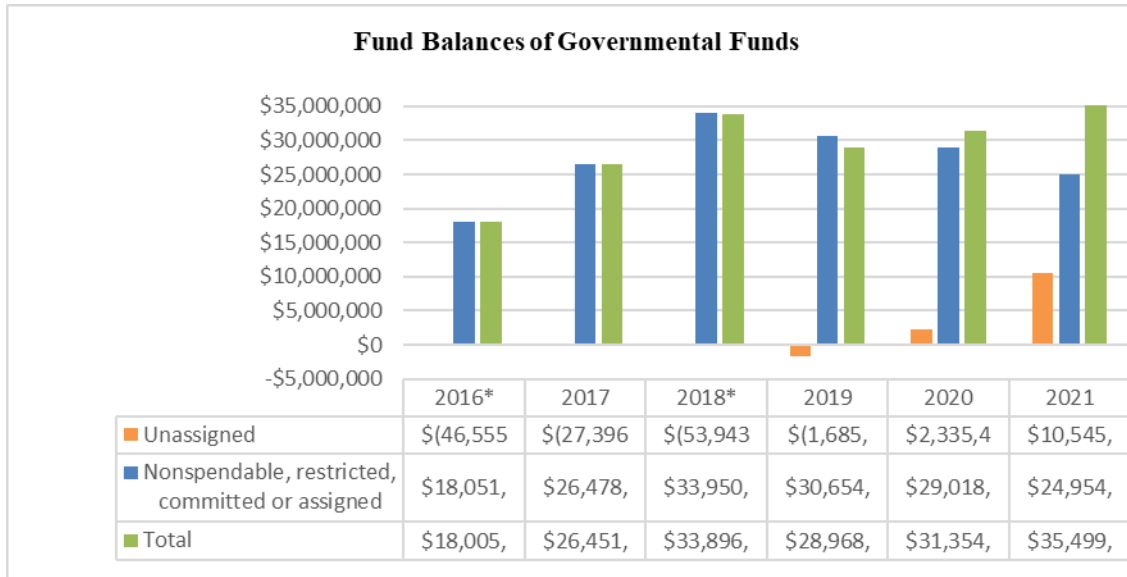
Governmental Funds

The focus of *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. This information assesses the City's financing requirements. *Unassigned fund balance* is a measure of the City's net resources available for designation or spending at the end of the fiscal year.

As of June 30, 2021, the City's governmental funds reported combined fund balances of \$35.5 million, an increase of \$4.1 million from the prior fiscal year. There is \$10.5 million of *Unassigned fund balance* available for designation and/or future spending at the City's discretion. The remaining fund balance is nonspendable, restricted, committed or assigned and is not available for spending at the City's discretion, as detailed in Note 14 of *Notes to the Financial Statements*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of fund balances of the governmental funds for fiscal years 2016-2021:



*Certain balances have been restated due to prior period adjustments.

The General Fund is the chief operating fund of the City. As displayed in the *Governmental Fund Financial Statements-Balance Sheet*, the fund balance of the General Fund at the end of Fiscal Year 2020-21 was \$20.8 million and is classified as follows: \$1 million non-spendable, \$8.5 million committed, \$388,000 restricted, \$17,117 assigned, and \$10.9 million unassigned. In keeping with the City Council's Reserve Policy, the \$8.5 million in committed fund balance reflects the City's Emergency Contingency Reserve and represents 20% of General Fund expenditures. Additionally, the unassigned fund balance in the General Fund represents 25.57% of total General Fund expenditures.

The fund balance of the General Fund increased by \$6.5 million during the fiscal year which is primarily attributable to Property Tax increase of \$1 million, Sales Tax and Transaction and Use Tax increase totaling \$3 million and the increase in other taxes of \$520,700. Increases in Licenses and Permits of \$604,000, Intergovernmental Revenue of \$356,000, and Charges for Services of \$300,000.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide statements, but provide detail specific to the City's water utility, environmental and sewer enterprises.

Net position of the Water Utility fund is \$38.6 million, an increase of \$2.2 million from the prior fiscal year. Of that, \$11.1 million is unrestricted. Environmental Protection fund unrestricted net position decreased to \$874,000 from \$984,000 in the prior year. The net position of the Sewer fund increased to \$8.4 million from \$7.5 million in the prior year. Of that, \$4.4 million is unrestricted. Other factors concerning the finances of these three funds are addressed in the discussion of the business-type activities.

General Fund Budgetary Highlights

Appropriation differences between the original budget and the final budget are \$258,000 which represents a .6% increase. The increases include appropriation carryovers from the prior fiscal year of \$101,669 and mid-year adjustments of \$1.3 million. Of those amounts, \$80,000 was carried over for Public Safety and \$20,000 was carried over for Literacy Support. Mid-year adjustments included \$1.4 million to cover Internal Service Fund charges, which were initially projected to be unfunded, which would have necessitated the use of reserves to fund Workers Compensation, Central Equipment and Information Technology. The mid-year appropriation increases were offset by reduced appropriations to the Parks and Recreation department due to their inability to hold classes and programs due to COVID-19.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of June 30, 2021, is \$139.9 million (net of accumulated depreciation). Capital assets include buildings and structures, improvements other than buildings, domain infrastructure, water system infrastructure, sanitary sewer infrastructure, machinery and equipment, and construction in progress. The following table is a summary of capital assets (net of accumulated depreciation) at June 30, 2021 and 2020.

	Capital Assets (net of depreciation)	
	2021	2020
Governmental activities		
Land	\$11,882,165	\$10,887,853
Buildings and structures	26,507,216	26,918,363
Improvements other than buildings	7,768,211	5,338,546
Public domain infrastructure	35,461,243	36,403,407
Sanitary sewer infrastructure	1,777,554	1,842,291
Machinery and equipment	2,834,118	3,277,073
Construction in progress	3,422,454	1,787,705
Total governmental activities	<u>89,652,961</u>	<u>86,455,238</u>
Business-type activities		
Land	377,408	377,408
Buildings and structures	8,914,113	9,005,735
Improvements other than buildings	569,803	536,742
Water system infrastructure	36,691,351	36,647,618
Machinery and equipment	1,945,882	1,288,804
Construction in progress	1,708,167	87,058
Total business-type activities	<u>50,206,724</u>	<u>47,943,365</u>
Total capital assets	<u>\$ 139,859,685</u>	<u>\$ 134,398,603</u>

Total capital assets, net of depreciation, increased from the prior year by \$5.5 million. This is due largely to Construction in progress increases as well as an increase in water system infrastructure in business-type activities. Note 8 of *Notes to the Financial Statements* provide additional capital asset information.

Debt Administration

At the end of the fiscal year, the City had total long-term debt outstanding of \$123.5 million. This includes notes, capital lease, revenue bonds payable, other post-employment benefits and net pension liabilities. On the following page is a summary of the outstanding debt (net of unamortized charges) at June 30, 2021 and 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Outstanding Debt (net of unamortized charges)		
	2021	2020
Governmental activities		
Compensated absences	\$ 3,753,275	\$ 3,762,261
Claims and judgments	7,682,000	7,247,000
Certificates of participation payable (COP)	5,083,068	5,279,627
Capital lease payable	-	244,087
Section 108 loan	2,125,000	2,250,000
Postemployment benefit obligation	5,186,444	5,025,398
Net pension liability	61,906,259	56,803,297
Total governmental activities	<u>85,736,046</u>	<u>80,611,670</u>
Business-type activities		
Compensated absences	523,436	490,965
Capital lease payable	-	2,206,909
Water Installment Agreement	18,290,271	
Revenue bonds payable	8,210,000	21,443,255
Postemployment benefit obligation	1,844,321	1,781,318
Net pension liability	8,851,440	8,289,436
Total business-type activities	<u>37,719,468</u>	<u>34,211,883</u>
Total outstanding debt	<u>\$ 123,455,514</u>	<u>\$ 114,823,553</u>

The increase in long-term debt from 2020 to 2021 in governmental activities was \$5.1 million predominately due to increase net pension liability. Business-type activities liabilities increased by \$3.5 million primarily due to entering into an installment purchase agreement to payoff water bonds and capital leases while at the same time increasing the debt to fund water capital projects.

The Covina Public Financing Authority maintains an "AA-" S&P Global rating for the wastewater revenue bonds.

Additional information on the City's long-term debt and other long-term liabilities can be found in Note 9, 13 and 17 of the *Notes to the Financial Statements*.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City applied sound budgeting practices and considered new residential and retail development in formulating a balanced budget for Fiscal Year 2021-22. Prudent, cost-saving budget practices, including pro-active debt management, will continue into future years.

The conservative budget policies put in place by Council direction, emphasized by the City Manager and supported by staff, as well as the voter approved transaction and use tax measure have enabled the City of Covina to remain fiscally solvent. As reflected on Note 14 of *Notes to the Financial Statements*, the City's emergency contingency reserve is \$8.5 million, or 20% of General Fund expenditures, which meets the Council's goal as set forth in the City's budget policy.

The City continues to be cautiously conservative in revenue and expenditure projections. With that in mind, the Fiscal Year 2021-22 budget projects an overall increase in revenues in comparison to Fiscal Year 2020-21. The bulk of the increase is in tax revenues and is mainly attributable to the reduced impact the COVID pandemic is anticipated to bear on the economy. This increase is partially offset by projected decreases in Other Revenues which included one-time revenues in the prior fiscal year.

Department budgets reflect slight increases attributed to increases in PERS unfunded liability costs and negotiated MOU adjustments, as well as the increase in the City's Fire Contract with Los Angeles County.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City will receive approximately \$11.4 million through the American Rescue Plan Act. The monies must be obligated for use by December 31, 2024 and fully expended by December 31, 2026. In August, 2021, the City Council accepted the first tranche of \$5.7 million and allocated the funds to programs supporting the public health response to COVID and addressing related negative economic impacts.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the City's finances. A copy of the financial report is available for review at the Covina Public Library, 234 North Second Avenue, Covina, California, 91723. You may also find a copy of the report online at www.covina.ca.gov. Questions concerning any of the information provided in this report should be addressed to City of Covina Finance Division, 125 East College Street, Covina, California, 91723.

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FINANCIAL STATEMENTS

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CITY OF COVINA
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 40,179,809	\$ 14,390,009	\$ 54,569,818
Cash and Investments - Restricted	-	11,122,771	11,122,771
Cash With Fiscal Agent	1,788	-	1,788
Receivables:			
Interest	29,642	-	29,642
Accounts	739,628	2,157,648	2,897,276
Due from Other Governments	5,260,997	74,160	5,335,157
Other	402,718	-	402,718
Loans and Notes	335,743	-	335,743
Internal Balances	1,789,254	(1,789,254)	-
Inventories	42,378	57,500	99,878
Prepays and Deposits	1,037,948	7,418	1,045,366
Investment in Covina Irrigating Company:	-	9,590,850	9,590,850
Capital Assets:			
Not Being Depreciated	15,304,619	2,085,575	17,390,194
Being Depreciated, Net	74,348,342	48,121,149	122,469,491
Total Assets	139,472,866	85,817,826	225,290,692
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	98,557	98,557
OPEB Related	1,596,866	581,441	2,178,307
Pension Related	12,272,798	1,006,000	13,278,798
Total Deferred Outflows Of Resources	13,869,664	1,685,998	15,555,662
LIABILITIES			
Accounts Payable	1,699,109	975,070	2,674,179
Accrued Liabilities	859,236	140,460	999,696
Deposits Payable	1,176,981	888,964	2,065,945
Interest Payable	41,417	138,710	180,127
Due to Other Governments	266,815	-	266,815
Unearned Revenue	393,035	21,231	414,266
Noncurrent Liabilities			
Due Within One Year	1,430,788	2,181,310	3,612,098
Due in More Than One Year:			
Long-Term Liabilities	17,212,555	24,842,398	42,054,953
Net Other Postemployment Benefit Liability	5,186,444	1,844,321	7,030,765
Net Pension Liability	61,906,259	8,851,440	70,757,699
Total Liabilities	90,172,639	39,883,904	130,056,543
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	126,408	126,408
Opeb Related	794,731	295,380	1,090,111
Pension Related	2,688,338	-	2,688,338
Total Deferred Inflows of Resources	3,483,069	421,788	3,904,857
NET POSITION			
Net Investment in Capital Assets	81,877,731	32,790,931	114,668,662
Restricted for:			
Public Safety	549,681	-	549,681
Public Works	5,056,026	-	5,056,026
Community Development	1,576,348	-	1,576,348
Culture and Recreation	1,036,714	-	1,036,714
Transit	2,994,589	-	2,994,589
Redevelopment and Housing	4,196,797	-	4,196,797
Unrestricted (Deficit)	(37,601,064)	14,407,201	(23,193,863)
Total Net Position	\$ 59,686,822	\$ 47,198,132	\$ 106,884,954

See accompanying Notes to Financial Statements.

**CITY OF COVINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 3,131,410	\$ 2,361,216	\$ 94,180	\$ -
Public Safety	34,239,989	1,655,557	2,031,475	-
Public Works	8,476,656	754,691	3,720,958	-
Culture and Recreation	4,393,945	306,697	99,241	937,845
Community Development	2,481,925	1,845,242	45,587	-
Transit	2,646,439	107,574	3,192,041	150,000
Redevelopment and Housing	912,707	1,124,210	626,202	-
Interest on Long-Term Debt	238,058	-	-	-
Total Governmental Activities	56,521,129	8,155,187	9,809,684	1,087,845
BUSINESS-TYPE ACTIVITIES				
Water Utility	10,893,841	11,681,271	-	-
Environmental Protection	1,047,347	1,144,576	-	-
Sewer Utility	2,485,405	3,093,941	-	-
Total Business-Type Activities	14,426,593	15,919,788	-	-
Total	\$ 70,947,722	\$ 24,074,975	\$ 9,809,684	\$ 1,087,845

GENERAL REVENUES

Taxes:

Property Taxes (Net of Pass-Through Payments)
General Sales Tax
Transaction and Use Tax
Transient Occupancy Taxes
Property Transfer Taxes
Business License Taxes
Utility Users Taxes
Franchise Taxes
Investment Earnings
Investment Gain in Covina Irrigating Company
Miscellaneous
Transfers
Total General Revenues

CHANGE IN NET POSITION

Net Position - Beginning of Year, as Restated

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (676,014)	\$ -	\$ (676,014)
(30,552,957)	-	(30,552,957)
(4,001,007)	-	(4,001,007)
(3,050,162)	-	(3,050,162)
(591,096)	-	(591,096)
803,176	-	803,176
837,705	-	837,705
(238,058)	-	(238,058)
(37,468,413)	-	(37,468,413)
-	787,430	787,430
-	97,229	97,229
-	608,536	608,536
-	1,493,195	1,493,195
(37,468,413)	1,493,195	(35,975,218)
14,862,914	-	14,862,914
10,793,459	-	10,793,459
8,098,540	-	8,098,540
3,661	-	3,661
216,776	-	216,776
357,655	-	357,655
4,847,226	-	4,847,226
2,219,586	-	2,219,586
(257,680)	236,885	(20,795)
-	1,372,439	1,372,439
455,723	-	455,723
22,340	(22,340)	-
41,620,200	1,586,984	43,207,184
4,151,787	3,080,179	7,231,966
55,535,035	44,117,953	99,652,988
\$ 59,686,822	\$ 47,198,132	\$ 106,884,954

See accompanying Notes to Financial Statements.

**CITY OF COVINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 17,963,233	\$ 14,515,616	\$ 32,478,849
Cash and Investments With Fiscal Agent	-	1,788	1,788
Receivables:			
Interest	29,642	-	29,642
Utility User Tax	402,718	-	402,718
Accounts	472,236	229,796	702,032
Loans	-	335,743	335,743
Due from Other Governments	3,821,707	1,439,290	5,260,997
Due from Other Funds	223,468	-	223,468
Prepaid Expenditures	1,008,903	22,553	1,031,456
	<u>\$ 23,921,907</u>	<u>\$ 16,544,786</u>	<u>\$ 40,466,693</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 857,391	\$ 789,479	\$ 1,646,870
Accrued Liabilities	797,255	39,603	836,858
Deposits Payable	1,041,609	135,372	1,176,981
Due to Other Funds	-	223,468	223,468
Due to Other Governments	-	266,815	266,815
Unearned Revenue	392,460	575	393,035
Total Liabilities	<u>3,088,715</u>	<u>1,455,312</u>	<u>4,544,027</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue	32,973	390,035	423,008
FUND BALANCES:			
Nonspendable	1,008,903	22,553	1,031,456
Committed	8,508,328	-	8,508,328
Restricted	387,764	14,909,282	15,297,046
Assigned	17,166	100,116	117,282
Unassigned	10,878,058	(332,512)	10,545,546
Total Fund Balances	<u>20,800,219</u>	<u>14,699,439</u>	<u>35,499,658</u>
	<u>\$ 23,921,907</u>	<u>\$ 16,544,786</u>	<u>\$ 40,466,693</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances			

See accompanying Notes to Financial Statements.

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

Total Fund Balances for Governmental Funds	\$	35,499,658
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore are not reported in the fund financial statements. This amount does not include \$1,053,416 of internal service funds net capital assets.

Capital Assets not Being Depreciated	\$	15,304,619	
Capital Assets Being Depreciated		192,315,711	
Accumulated Depreciation		<u>(119,020,785)</u>	88,599,545

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2020 are:

Loan Payable	(2,125,000)	
Bonds Payable	(4,875,000)	
Bond Premium	(208,068)	
Compensated Absences	(3,546,088)	
Accrued Interest	<u>(41,417)</u>	(10,795,573)

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 pensions 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 - Pension Related	11,979,083	
Deferred Inflows of Resources - Pension Related	(2,688,338)	
Net Pension Liability	(59,321,966)	
Deferred Outflows of Resources - OPEB Related	1,415,172	
Deferred Inflows of Resources - OPEB Related	(703,709)	
Net OPEB Liability	<u>(4,600,368)</u>	(53,920,126)

Internal Service funds are used by management to charge the costs of certain activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in governmental in the Statement of Net Position.

(119,690)

Receivables that are measurable but not available are recorded as deferred inflows of resources under the modified accrual basis of accounting.

423,008

Net Position of Governmental Activities

\$ 59,686,822

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

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property Taxes	\$ 14,703,781	\$ 159,133	\$ 14,862,914
Sales Tax, Intergovernmental	18,891,999	-	18,891,999
Transient Occupancy Taxes	3,661	-	3,661
Property Transfer Taxes	216,776	-	216,776
Business License Taxes	356,532	1,233	357,765
Utility User Taxes	4,847,226	-	4,847,226
Franchise Taxes	2,219,586	-	2,219,586
Licenses and Permits	1,603,293	-	1,603,293
Intergovernmental	1,138,964	9,027,351	10,166,315
Charges for Services	3,959,192	237,065	4,196,257
Fines and Forfeits	890,254	-	890,254
Special Assessments	-	1,469,594	1,469,594
Investment Earnings	(238,563)	178,918	(59,645)
Other	785,778	39,678	825,456
Total Revenues	<u>49,378,479</u>	<u>11,112,972</u>	<u>60,491,451</u>
EXPENDITURES			
Current:			
General Government	2,561,757	-	2,561,757
Public Safety	32,154,768	258,900	32,413,668
Public Works	2,219,373	4,742,690	6,962,063
Culture and Recreation	3,373,265	83,647	3,456,912
Community Development	2,232,247	45,587	2,277,834
Transit	-	2,277,196	2,277,196
Redevelopment and Housing	-	890,178	890,178
Capital Outlay	-	4,894,860	4,894,860
Debt Service:			
Principal Retirement	-	310,000	310,000
Interest and Fiscal Charges	229	250,715	250,944
Total Expenditures	<u>42,541,639</u>	<u>13,753,773</u>	<u>56,295,412</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,836,840	(2,640,801)	4,196,039
OTHER FINANCING SOURCES (USES):			
Transfers In	180,000	445,625	625,625
Transfers Out	(489,080)	(187,205)	(676,285)
Total Other Financing Sources (Uses)	<u>(309,080)</u>	<u>258,420</u>	<u>(50,660)</u>
NET CHANGE IN FUND BALANCE	6,527,760	(2,382,381)	4,145,379
Fund Balances - Beginning of Year	<u>14,272,459</u>	<u>17,081,820</u>	<u>31,354,279</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 20,800,219</u></u>	<u><u>\$ 14,699,439</u></u>	<u><u>\$ 35,499,658</u></u>

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds \$ 4,145,379

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

Governmental funds report capital outlays as expenditures and do not include capital contributions. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense and capital contributions are recognized as revenue. This is the amount by which capital outlay exceeded depreciation expense in the current period and the amount of capital contributions received.

Capital Outlay	\$ 7,813,707	
Deletions	(211,914)	
Depreciation Expense	<u>(5,190,543)</u>	2,411,250

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. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Principal Payments	310,000	
Amortization Premium on Bonds	<u>11,559</u>	321,559

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources. (3,049,372)

Other postemployment benefit expense reported in the governmental funds includes payment of premiums for the current year. In the Statement of Activities, OPEB expense includes the change in the net other postemployment benefit liability and OPEB related deferred inflows of resources. (100,797)

Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.

Changes in Interest Payable for the Current Year 1,328

Internal service funds are used by management to charge costs of activities involved in rendering services to departments within the City. The changes in net position of the internal service funds are included in the Statement of Activities. 286,939

Compensated absences are not reported in the governmental funds until such amounts become due and payable. (23,624)

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements. This amount represents the change during the fiscal year.

	<u>159,125</u>	
Change in Net Position of Governmental Activities	<u>\$ 4,151,787</u>	

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
CURRENT ASSETS					
Cash and Investments	\$ 5,834,027	\$ 6,349,912	\$ 2,206,070	\$ 14,390,009	\$ 7,700,960
Cash and Investments Restricted	7,996,956	3,125,815	-	11,122,771	-
Accounts Receivable, Net	1,922,700	-	234,948	2,157,648	37,596
Due from Other Governments	-	72,177	1,983	74,160	-
Prepaid Expenses	-	-	7,418	7,418	6,492
Inventories	57,500	-	-	57,500	42,378
Total Current Assets	15,811,183	9,547,904	2,450,419	27,809,506	7,787,426
NONCURRENT ASSETS					
Investment in Covina Irrigating Company	9,590,850	-	-	9,590,850	-
Capital Assets:					
Capital Assets, not Depreciated	788,838	1,099,051	197,686	2,085,575	-
Capital Assets, Depreciated, Net	38,851,582	8,290,841	978,726	48,121,149	1,053,416
Total Noncurrent Assets	49,231,270	9,389,892	1,176,412	59,797,574	1,053,416
Total Assets	65,042,453	18,937,796	3,626,831	87,607,080	8,840,842
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refunding	-	98,557	-	98,557	-
Deferred Amount on OPEB Plans	413,004	99,817	68,620	581,441	181,694
Deferred Amount on Pension Plans	671,144	223,953	110,903	1,006,000	293,715
Total Deferred Outflows of Resources	1,084,148	422,327	179,523	1,685,998	475,409
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	589,674	312,824	72,572	975,070	52,239
Accrued Liabilities	117,531	13,767	9,162	140,460	22,378
Deposits Payable	492,840	-	396,124	888,964	-
Interest Payable	90,080	48,630	-	138,710	-
Unearned Revenue	20,912	-	319	21,231	-
Compensated Absences	124,002	29,347	30,006	183,355	67,817
Revenue Bonds Payable	1,157,955	840,000	-	1,997,955	-
Total Current Liabilities	2,592,994	1,244,568	508,183	4,345,745	142,434
NONCURRENT LIABILITIES					
Compensated Absences	236,241	70,083	33,757	340,081	139,370
Revenue Bonds Payable	17,132,317	7,370,000	-	24,502,317	-
Claims Payable	-	-	-	-	7,682,000
Net OPEB Liability	1,330,542	292,421	221,358	1,844,321	586,076
Net Pension Liability	5,905,157	1,970,484	975,799	8,851,440	2,584,293
Total Noncurrent Liabilities	24,604,257	9,702,988	1,230,914	35,538,159	10,991,739
Total Liabilities	27,197,251	10,947,556	1,739,097	39,883,904	11,134,173
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts on OPEB Plans	207,119	53,885	34,376	295,380	91,022
Deferred Amount on Refunding	126,408	-	-	126,408	-
Total Deferred Inflows of Resources	333,527	53,885	34,376	421,788	91,022
NET POSITION					
Net Investment in Capital Assets	27,525,182	4,107,267	1,158,482	32,790,931	1,053,416
Unrestricted	11,070,641	4,251,415	874,399	16,196,455	(2,962,360)
Total Net Position	\$ 38,595,823	\$ 8,358,682	\$ 2,032,881	48,987,386	\$ (1,908,944)

Some amounts reported for business-type activities in the Statement of Activities are different to reflect the consolidation of internal service fund activities related to enterprise funds

(1,789,254)

Net Position of Business-Type Activities

\$ 47,198,132

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Water Sales	\$ 11,339,986	\$ -	\$ -	\$ 11,339,986	\$ -
Charges for Services and Motor Pool Charges	-	-	-	-	5,005,506
Environmental Fees	-	-	1,144,576	1,144,576	-
Sewer Fees	-	3,093,941	-	3,093,941	-
Fire Line Fees	341,285	-	-	341,285	-
Total Operating Revenues	11,681,271	3,093,941	1,144,576	15,919,788	5,005,506
OPERATING EXPENSES					
General and Administrative	2,407,823	1,848,785	394,339	4,650,947	3,651,306
Vehicle and Equipment Operation	-	-	-	-	977,462
Utility Billing	235,295	-	-	235,295	-
Customer Service	368,084	-	-	368,084	-
Sales Promotion	414	-	-	414	-
Source and Supply	3,561,787	-	-	3,561,787	-
Production and Storage	1,155,010	-	-	1,155,010	-
Transmission and Distribution	1,046,562	-	-	1,046,562	-
Street Sweeping	-	-	4,389	4,389	-
Environmental Services	-	-	290,089	290,089	-
Industrial Waste	-	-	28,564	28,564	-
Waste Management	-	-	301,487	301,487	-
Depreciation	1,443,409	225,865	27,997	1,697,271	282,872
Total Operating Expenses	10,218,384	2,074,650	1,046,865	13,339,899	4,911,640
OPERATING INCOME (LOSS)	1,462,887	1,019,291	97,711	2,579,889	93,866
NONOPERATING REVENUES (EXPENSES)					
Investment Income	124,618	92,306	19,961	236,885	-
Interest Expense	(751,779)	(210,644)	-	(962,423)	(4,198)
Investment Loss - CIC	1,372,439	-	-	1,372,439	-
Total Nonoperating Revenues (Expenses)	745,278	(118,338)	19,961	646,901	(4,198)
INCOME BEFORE TRANSFERS	2,208,165	900,953	117,672	3,226,790	89,668
TRANSFERS					
Transfers In	-	-	-	-	73,000
Transfers Out	(14,789)	(4,745)	(2,806)	(22,340)	-
Total Transfers	(14,789)	(4,745)	(2,806)	(22,340)	73,000
CHANGE IN NET POSITION	2,193,376	896,208	114,866	3,204,450	162,668
Net Position - Beginning of Year	36,402,447	7,462,474	1,918,015		(2,071,612)
NET POSITION - END OF YEAR	<u>\$ 38,595,823</u>	<u>\$ 8,358,682</u>	<u>\$ 2,032,881</u>		<u>\$ (1,908,944)</u>

Some amounts reported for business-type activities in the Statements of Activities are different to reflect the consolidation of internal service fund activities related to enterprise funds

(124,271)

\$ 3,080,179

See accompanying Notes to Financial Statements.

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

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from customers	\$ 13,185,081	\$ 3,054,773	\$ 1,128,054	\$ 17,367,908	\$ -
Cash Received from User Departments	-	-	-	-	5,048,916
Cash Payments to Suppliers of Goods and Services	(5,748,976)	(287,173)	(365,605)	(6,401,754)	(2,935,337)
Cash Payments to Employees for Services	(2,724,111)	(1,245,255)	(527,546)	(4,496,912)	(1,331,084)
Net Cash Provided by Operating Activities	4,711,994	1,522,345	234,903	6,469,242	782,495
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Received from Other Funds	-	-	-	-	73,000
Cash Paid to Other Funds	(14,789)	(4,745)	(2,806)	(22,340)	-
Cash Receipts from Joint Venture	1,372,439	-	-	1,372,439	-
Net Cash Provided by Noncapital Financing Activities	1,357,650	(4,745)	(2,806)	1,350,099	73,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(2,619,884)	(2,342,191)	(270,424)	(5,232,499)	(75,033)
Debt Issued	18,883,578	-	-	18,883,578	-
Debt Refunded	(14,615,164)	-	-	(14,615,164)	-
Principal Paid	(593,307)	(825,000)	-	(1,418,307)	(244,087)
Interest and Debt Issuance Costs	(779,390)	(202,631)	-	(982,021)	(8,396)
Net Cash Used by Capital And Related Financing Activities	275,833	(3,369,822)	(270,424)	(3,364,413)	(327,516)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	124,618	92,306	19,961	236,885	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,470,095	(1,759,916)	(18,366)	4,691,813	527,979
Cash and Cash Equivalents - Beginning of Year	7,360,888	11,235,643	2,224,436	20,820,967	7,172,981
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,830,983</u>	<u>\$ 9,475,727</u>	<u>\$ 2,206,070</u>	<u>\$ 25,512,780</u>	<u>\$ 7,700,960</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,462,887	\$ 1,019,291	\$ 97,711	\$ 2,579,889	\$ 93,866
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	1,443,409	225,865	27,997	1,697,271	282,872
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	1,503,810	-	(16,522)	1,487,288	43,410
(Increase) Decrease in Due from Other Governments	-	(39,168)	1,278	(37,890)	-
(Increase) Decrease in Inventory	(5,009)	-	-	(5,009)	(207)
(Increase) Decrease in Prepaid Items	59	59	(3,575)	(3,457)	(3,294)
(Increase) Decrease in Deferred Outflows of Resources on OPEB Plan	(89,984)	(30,026)	(14,869)	(134,879)	(39,381)
(Increase) Decrease in Deferred Outflows of Resources on Pension Plans	42,995	5,191	24,571	72,757	51,936
Increase (Decrease) in Accounts Payable	(192,407)	(9,578)	25,484	(176,501)	(1,294)
Increase (Decrease) in Accrued Liabilities	54,296	108,148	391	162,835	-
Increase (Decrease) in Deposits Payable	(5,179)	-	139,419	134,240	(495)
Increase (Decrease) in Unearned Revenue	5,610	-	319	5,929	-
(Increase) Decrease in Deferred Inflows of Resources of OPEB Plan	77,651	25,912	12,832	116,395	33,982
(Increase) Decrease in Deferred Inflows of Resources Pension Plans	(57,663)	(18,502)	(10,939)	(87,104)	(27,910)
Increase (Decrease) in Compensated Absences	11,955	11,442	9,074	32,471	(32,610)
Increase (Decrease) in Net Opeb Liability	42,031	14,026	6,946	63,003	18,396
Increase (Decrease) in Net Pension Liability	417,533	209,685	(65,214)	562,004	(71,776)
Increase (Decrease) in Claims Payable	-	-	-	-	435,000
Net Cash Provided by Operating Activities	<u>\$ 4,711,994</u>	<u>\$ 1,522,345</u>	<u>\$ 234,903</u>	<u>\$ 6,469,242</u>	<u>\$ 782,495</u>

See accompanying Notes to Financial Statements.

**CITY OF COVINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Private- Purpose Trust	Custodial Funds
ASSETS		
Cash and Investments	\$ 1,348,069	\$ 1,050
Cash and Investments - Fiscal Agent	2,978,979	-
Accounts Receivable	475	779
Interest Receivable	1,245	-
Prepaid Expenses	8,272	-
Land Held for Resale	2,391,502	-
Capital Assets, not Being Depreciated	148,765	-
Total Assets	<u>6,877,307</u>	<u>1,829</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	<u>53,009</u>	<u>-</u>
Total Deferred Outflows	53,009	-
LIABILITIES		
Accounts Payable and Accrued Liabilities	2,087	1,829
Accrued Liabilities	3,832	-
Interest Payable	34,519	-
Noncurrent Liabilities (Note 21):		
Due Within One Year	2,757,467	-
Due in More Than One Year	<u>6,232,621</u>	<u>-</u>
Total Liabilities	9,030,526	1,829
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Refunding	<u>120,634</u>	<u>-</u>
Total Deferred Inflows of Resources	120,634	-
NET POSITION		
Held for Dissolution of Community Redevelopment Agency	<u>(2,220,844)</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ (2,220,844)</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021

	Private- Purpose Trust	Custodial Funds
ADDITIONS		
Property Tax Revenue	\$ 3,260,788	\$ -
Charges for Services	160,218	-
Investment Earnings	141,238	-
Business Licenses Collected from Property Owners	-	14,447
Total Additions	<u>3,562,244</u>	<u>14,447</u>
DEDUCTIONS		
General and Administrative	247,022	14,447
Interest and Fiscal Charges	477,369	-
Program Expenses	547	-
Loss on Sale of Property	299,500	-
Total Deductions	<u>1,024,438</u>	<u>14,447</u>
CHANGE IN NET POSITION	2,537,806	-
Net Position - Beginning of Year as Restated	<u>(4,758,650)</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ (2,220,844)</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

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CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial statements of the City of Covina (City) include the financial activities of the City, the Covina Public Financing Authority and the Covina Housing Authority. Their financial operations are closely related, and the City Council has a continuing responsibility over the entities. The responsibility is determined based on budget adoption, taxing authority, funding and appointments of the governing board. Blended component units, although legally separate entities, are part of the City's operations and therefore data from these units are combined with data of the City.

Since the City Council acts as the Board of Directors and can impose its will on the Covina Public Financing Authority and the Covina Housing Authority, the City is the primary government and the other two entities are component units. Additionally, since the governing boards of the City and the two other component units are the same, there is a potential for the component units to provide specific financial benefits to or impose specific financial burdens on the City. Therefore, the financial statements of the City and the two component units are blended.

The City of Covina was incorporated in 1901 as a General Law City. The City provides a broad range of services to its citizens, including general government, public safety, streets, sanitation and health, culture and park facilities and social services.

The Covina Redevelopment Agency (Agency) was established in 1969, pursuant to the State of California, Health and Safety Code, Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of Covina. On June 28, 2011, Assembly Bill X1 26 (AB X1 26), the Dissolution bill was enacted. On December 29, 2011, the California Supreme Court upheld the constitutionality of AB X1 26, and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012. The legislation provides for successor agencies and oversight boards that are responsible for overseeing the dissolution process and wind down of redevelopment activity. On January 11, 2012, the City adopted a resolution declaring its intent to serve as the Successor Agency and on January 30, 2012, the City Council adopted a resolution to retain the Housing assets and functions of the former redevelopment agency and the Housing Authority of the City will serve as the Housing Successor Agency.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

The Successor Agency to the Covina Redevelopment Agency (SACRA) was created to serve as a custodian for the assets and to wind down the affairs of the former Agency. The SACRA is a separate public entity from the City, subject to the direction of an Oversight Board. In general, the SACRA's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the SACRA will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. The SACRA's is a fiduciary component unit and is reported as a fiduciary fund (private-purpose trust fund).

The Covina Public Financing Authority (Authority) is a joint powers authority organized pursuant to the State of California Government Code, Section 6500. The Authority exists under a Joint Exercise of Power Agreement between the City of Covina and the Covina Redevelopment Agency. Its purpose is to facilitate financing for public capital improvements of the City and the Agency. Separate financial statements are not prepared for the Authority.

The Covina Housing Authority (Housing Authority) was formed January 25, 2011, in order to continue to achieve the goals established by the Housing Element of the general plan. A housing authority collaborates with public, private and nonprofit entities agencies for the purpose of providing sanitary and safe housing for people of very low, low or moderate income within a city or county's territorial jurisdiction. The core activities of many housing authorities are primarily to build, acquire, own, manage and maintain residential rental units and to provide financial assistance for rentals or ownership in the private real estate market. A housing authority is governed by the state Housing Authority Law, and for purposes of major federal funding, if any is received, regulations of the U.S. Department of Housing and Urban Development (HUD). Further, a housing authority is not required under the Housing Authority Law to seek HUD or any other type of outside funding. On January 30, 2012, the City Council adopted a resolution to retain the Housing assets and functions of the dissolved Agency and the Housing Authority of the City will serve as the Housing Successor Agency. The activity is reflected in the Housing Authority Special Revenue Fund. Separate financial statements are not prepared for the Housing Authority.

The accounting policies of the City, the Authority and the Housing Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The accompanying financial statements are presented on the basis prescribed in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The financial statements of the City are as follows:

Government-Wide Financial Statements

The *Statement of Net Position and Statement of Activities* report information on all the activities of the primary government (including its blended component units). The City of Covina has no discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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 function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements of the City, including blended component units, are provided for major individual governmental, proprietary and fiduciary funds, which include the private-purpose trust fund and custodial fund. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary funds statements. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. Net position (assets plus deferred outflows of resources less liabilities less deferred inflows of resources) are segregated into net investment in capital assets (net of related debt), restricted and unrestricted components. The Statement of Activities and Statement of Revenues, Expenses and Changes in Fund Net Position of Proprietary Funds present increases (revenues) and decreases (expenses) in net total position. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Under this determination, unbilled service receivables are recorded at fiscal year-end.

Nonexchange transactions are typically described as taxes, fines and certain grants and donations. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. With this measurement focus, only current assets, current liabilities and current deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., when they become measurable and available to finance expenditures of the current period or soon enough thereafter to be used to pay liabilities of the current period). For this purpose, the City considers revenues including property taxes to be available if they are collected within 60 days of the end of the current fiscal period. Certain grant revenues are available if they are collected within months of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt, claims and judgments and compensated absences, which are recognized only when due and payable at fiscal year-end. General capital asset acquisitions and debt service principal payments are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, charges for services, grant revenues and investment earnings are susceptible to accrual and have been recognized as revenues of the current fiscal period. Licenses and permits and fines and forfeitures are not susceptible to accrual because they are not measurable until received in cash. Grant revenues earned but not received are recorded as a receivable, and grants received before the related revenue recognition criteria have been met are reported as unearned revenues.

The City reports the following major governmental funds:

General Fund

This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Water Utility Fund

This enterprise fund is used to account for general and administrative, utility billing, customer service, sales promotion, source and supply, production and storage and transmission and distribution operations.

Sewer Fund

This enterprise fund accounts for the operation and maintenance of the wastewater system within the City's boundaries.

Nonmajor Fund

This enterprise fund accounts for the general and administrative, environmental services, industrial waste and waste management operations.

Additionally, the City reports the following fund types:

Special Revenue Funds

These funds are used to account for specific revenue sources that are legally restricted or otherwise assigned for specific purposes.

Capital Projects Funds

These funds are used to account for capital expenditures funded by various sources

Internal Service Funds

These funds account for the central equipment, management information systems, workers' compensation and general liability services provided to other departments of the City.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds

Private-Purpose Trust Fund

This fund is to account for custodial responsibilities that are assigned to SACRA with the passage of AB X1 26 and was established on February 1, 2012. The fund accounts for the receipt of property tax revenues pursuant to the dissolution of the Agency and expenses incurred pursuant to the recognized obligation payment schedule (ROPS) approved by the State Department of Finance. This fund follows the accrual basis of accounting.

Custodial Funds

These funds are used to account for funds in which the City is acting as an agent for another entity. These funds are reported using the accrual basis of accounting.

As a rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this general rule are charges for the City water utility, sewer services and environmental services and indirect general government expenses to other functions and funds of the City. Elimination of the water utility, sewer service charges and environmental service charges would distort the direct costs and program revenues reported for the various functions concerned. Expenses reported in various funds include allocated indirect general government expenses.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses from operations generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer and nonmajor (Environmental) enterprise funds and the City's internal service funds are charges to customers for sales and services. The Water Utility recognizes as operating revenue capital improvement fees intended for construction and rehabilitation of the water system. Operating expenses for enterprise and internal service 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded, is employed in governmental funds. Amounts encumbered in the current year are treated as restricted, committed or assigned fund equity since they do not constitute expenditures or liabilities. At fiscal year-end, encumbrances outstanding are shown as restricted or assigned fund balance.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments, except for cash and investments with fiscal agents, are pooled with the City's pooled cash and investments and are therefore considered cash equivalents.

G. Investments

Investments are stated at fair value using quoted market prices. 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. Investment elements, including interest and changes in fair value, are aggregated and reported as investment earnings in the financial statements.

H. Inventories and Prepaid Items

Inventories are priced at the lower of cost or market on a first-in, first-out basis. The inventories consist primarily of water parts, vehicle and equipment parts and gasoline. Inventories of governmental funds are considered immaterial and are recorded as expenditures when purchased under the purchases method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements utilizing the consumption method.

I. Compensated Absences

The City permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and a portion of the sick pay are accrued when incurred in the government-wide and proprietary fund financial statements.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)J

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks, water, sewer and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with a cost of more than \$5,000 (more than \$1,000 for certain vehicles and information technology equipment) and an estimated useful life of more than two years. Such assets are recorded at historical or estimated historical cost. Contributed and donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major capital outlays and improvements are capitalized as projects are constructed.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Type of Asset</u>	<u>Life in Years</u>
Buildings and Structures	20 - 40 Years
Improvements Other than Buildings	20 Years
Public Domain Infrastructure	15 - 50 Years
Water System Infrastructure	20 - 50 Years
Sanitary Sewer System Infrastructure	20 - 50 Years
Machinery and Equipment	5 - 20 Years

K. Leased Property

The City receives some of its operating revenues in the form of rent payments from lessees of the parcels of land. The period of these leases could range from three to five years. The rent paid by each lessee is a set monthly amount determined by the lease agreement. All leases are cancellable.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leased Property (Continued)

The City owns and leases certain properties located in the City to various tenants. The following is a list of properties and tenants:

Lessee	Address Leased	Type of Property	Lease Term	Rent
			Beginning/Ending	
Verizon Wireless	3047 N. Roycove Dr.	Communications Site	7/1/20-6/30/25	\$ 3,500
Sprint/Nextel**	3047 N. Roycove Dr.	Communications Site	4/30/19-4/30/24	3,328
T-Mobile	3047 N. Roycove Dr.	Communications Site	11/14/19-11/14/24	2,596
The Mena co. dba Giovanni's	114 E. Italia	Commercial	Month-month	1,524
Bank of America	212 E. Badillo St.	ATM Site	12/4/18-12/3/23	4,312
AT&T	559 N. Citrus	Communications Site	9/3/18-9/3/23	3,290
Verizon Wireless	701 N. Sunflower	Communications Site	8/23/18-8/23/23	3,214

**Sprint/Nextel actually 1 company

L. Claims and Judgments

The accrual for workers' compensation and general liability claims is based upon an actuarial review of the past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2021 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) 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. 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 as fair value. CalPERS audited financial statements are publicly available reports that can be obtained on the CalPERS's website under Forms and Publications.

N. Other Postemployment Benefits (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 plan (OPEB Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position

Net position in the statement of net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets. This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt (including discounts and premiums) that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position. This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law or enabling legislation.

Unrestricted Net Position. This category represents net position of the City not restricted for any project or other purpose.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and 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, 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.
- Deferred outflows related to pensions and OPEB 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.
- 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 pensions and retiree healthcare benefits through the plans.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

- Deferred outflows from pensions from 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 expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred outflows related to pensions resulting from the net difference in projected and actual earnings on investments of the pension plans net position. These amounts are amortized over five years.

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

- Deferred gain on refunding, net of accumulated amortization, 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 inflows from grants that are reported as unavailable as these amounts are not available to pay current expenditures in governmental funds
- Deferred inflows related and OPEB 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.
- Deferred inflows from pensions and OPEB for changes in assumptions and for pensions from 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 expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred inflows from pensions from 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 expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred inflows related to OPEB resulting from the net difference in projected and actual earnings on investments of the pension plans net position. These amounts are amortized over five years.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Implementation of New GASB Pronouncements

The City adopted GASB Statement No. 84, *Fiduciary Activities* as of July 1, 2020. The adoption of the standard did not result in a restatement of net position.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Charges over Appropriations

For the fiscal year ended June 30, 2021, expenditures exceeded appropriations in the following programs:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Governmental Funds:			
Lighting Assessment District Special Revenue Fund	\$ 243,146	\$ 245,075	\$ (1,929)
Shopper's Lane Parking District Special Revenue Fund	7,500	8,704	(1,204)

Funds with deficit balances were as follows:

	<u>Amount</u>
Other Governmental Funds:	
TDA Grant Special Revenue Fund	\$ 8,620
Other Grants Special Revenue Fund	24,629
Internal Service Funds	
Management Information Systems	165,587
Workers Compensation	1,262,086
General Liability	1,507,559

The deficit in these funds will be reduced by transfers from the general fund or from receipt of grant revenues.

NOTE 3 CASH AND INVESTMENTS

The City is following the requirements associated with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. More commonly referred to as GASB 40, this statement adds to and changes financial statement disclosure requirements for cash and investments of local governments. GASB 40 amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements)*, and Reverse Repurchase Agreements, to address common deposit and investment risks related to credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, this statement requires certain disclosures of investments that have fair values with a high sensitivity to interest rate changes.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Funds		Total
			Private-Purpose Trust Fund	Cusodial Funds	
Statement of Net Position:					
Cash and Investments	\$ 40,179,809	\$ 14,390,009	\$ 1,348,069	\$ 1,050	\$ 55,918,937
Cash and Investments - Restricted	-	11,122,771	-	-	11,122,771
Cash and Investments With Fiscal Agent	1,788	-	2,978,979	-	2,980,767
Total Cash and Investments	<u>\$ 40,181,597</u>	<u>\$ 25,512,780</u>	<u>\$ 4,327,048</u>	<u>\$ 1,050</u>	<u>\$ 70,022,475</u>

Cash and Investments as of June 30, 2021

Consist of the Following:

Cash on Hand	\$ 7,935
Deposits With Financial Institutions	2,670,748
Deposits With Fiscal Agent	2,125,056
Investments	65,218,736
Total Cash and Investments	<u>\$ 70,022,475</u>

Authorized Investments

The table on the following page identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if 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 trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

	Maximum Maturity		Maximum Percentage of Portfolio		Maximum Investment in One Issuer		Minimum Credit Rating	
	CGC	Covina Policy	CGC	Covina Policy	CGC	Covina Policy	CGC	Covina Policy
Mutual Funds (Money Market Funds)	N/A	N/A	20%	10%	10%	None	AAA	AAA
Bankers Acceptance	180 days	180 days	40%	20%	30%	None	None	Prime
Commercial Paper	270 days	180 days	25%	15%	10%	None	A	Prime
Certificates and Time Deposits	5 years	2 years	30%	10%	None	None	None	None
Corporate Notes	5 years	2 years	30%	10%	None	None	A	AA-
U.S. Treasury Securities	5 years	5 years	None	30%	None	None	None	None
U.S. Agency Securities	5 years	5 years	None	30%	None	10%	None	None
Local Agency Investment Fund (LAIF)	N/A	N/A	None	None	None	None	None	None

Investments Authorized by Debt Agreements

Investment of debt proceeds and reserves held by bond trustees are governed by the debt agreements, rather than the general provisions of the California Government Code. The City and SACRA bond reserves are held in money market mutual funds.

Interest Rate Risk

Changes in interest rates could adversely affect the fair market values of an investment. The interest rate risk is monitored by the City by measuring the weighted average maturity of its portfolio. Generally, the longer the maturity of an investment, the greater sensitivity of its fair market value to changes in market interest rates.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The City manages its exposure to declines in market values by limiting the weighted average maturity of its investments to less than 24 months. The investments held by bond trustees are primarily invested in highly liquid money market mutual funds, and thus are not highly sensitive to interest rate fluctuations. The following table provides information concerning interest rate risk as of June 30, 2021.

	Fair Value	12 Months or Less	13 to 36 Months	25 to 60 Months	More than 60 Months
Investment Type:					
State Investment Pool (LAIF)	\$ 41,771,475	\$ 41,771,475	\$ -	\$ -	\$ -
U.S. Agency Securities	2,969,985	611,372	2,358,613	-	-
U.S. Treasury Securities	13,714,927	10,267,355	3,447,572	-	-
Money Market Mutual Funds	3,781,582	3,781,582	-	-	-
Held by Bond Trustee:					
Money Market Mutual Funds	2,980,767	2,980,767	-	-	-
Total	<u>\$ 65,218,736</u>	<u>\$ 59,412,551</u>	<u>\$ 5,806,185</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Certain investments, such as obligations, which are backed by the full faith and credit of the United States Government, are exempt from credit rating disclosures. 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 from Standard & Poor's as of fiscal year-end for each investment type:

	Fair Value	Minimum Credit Rating	AAA	AA+	Not Rated	Not Required to be Rated
Investment Type:						
State Investment Pool (LAIF)	\$ 41,771,475	N/A	\$ -	\$ -	\$ 41,771,475	\$ -
U.S. Agency Securities	2,969,985	N/A	-	2,969,985	-	-
U.S. Treasury Securities	13,714,927	N/A	-	-	-	13,714,927
Money Market Mutual Funds	3,781,582	A	3,781,582	-	-	-
Held by Bond Trustee:						
State Investment Pool (LAIF)	-	N/A	-	-	-	-
U.S. Treasury Securities	-	N/A	-	-	-	-
Money Market Mutual Funds	2,980,767	A	2,980,767	-	-	-
Total	<u>\$ 65,218,736</u>	N/A	<u>\$ 6,762,349</u>	<u>\$ 2,969,985</u>	<u>\$ 41,771,475</u>	<u>\$ 13,714,927</u>

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than U.S. Treasury securities, money market mutual funds and external investment pools) that represent 5% or more of total City investments.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 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. The fair 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.

As of June 30, 2021, all the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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 its pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on LAIF accounting records and recorded on an amortized basis.

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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Agency Securities	\$ 2,969,985	\$ -	\$ 2,969,985	\$ -
U.S. Treasury Securities	13,714,927	-	13,714,927	-
Total Investments Measured at Fair Value	16,684,912	<u>\$ -</u>	<u>\$ 16,684,912</u>	<u>\$ -</u>
Investments:				
State Investment Pool (LAIF)*	41,771,475			
Money Market Mutual Funds*	6,762,349			
Total Pooled Investments	<u>\$ 65,218,736</u>			

* Not subject to fair value measurement hierarchy.

NOTE 4 INTERFUND TRANSACTIONS

A. Interfund Balances

Operating receivables between funds are classified as due from or due to other funds. Negative individual fund cash and investment balances are offset by a due from other funds in the General Fund with a due to other funds set up in those funds owing the General Fund.

The following are due from and due to balances as of June 30, 2021:

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	<u>\$ 223,468</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

A. Interfund Balances (Continued)

Interfund Transfers

Transfers between funds are generally subsidies from one fund to another fund, funding of workers compensation and general liability reserves and reimbursement for expenditures incurred. The following are the interfund transfers for fiscal year ended June 30, 2021.

<u>Transfers In Fund</u>	<u>Transfers Out Fund</u>	<u>Amount</u>
General	Other Governmental Funds	\$ 180,000
Other Governmental Funds	Other Governmental Funds	7,205
Other Governmental Funds	General	438,420
Internal Service	General	50,660
Internal Service	Water Fund	14,789
Internal Service	Sewer Fund	4,745
Internal Service	Other Enterprise Funds	2,806
Total		<u>\$ 698,625</u>

B. Internal Balances

Internal balances represent the net interfund receivables and payables remaining after elimination of all such balances within governmental and business-type activities.

NOTE 5 PROPERTY TAXES

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied in September and are payable in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Any unpaid amounts at the end of the fiscal year are recorded as property taxes receivable. The County of Los Angeles bills and collects the property taxes and subsequently remits the amount due to the City of Covina in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied.

The County is permitted by State Law (Article XIII A of the California Constitution) to levy taxes at 1% of full market value (at time of purchase) and can increase the property's value no more than 2% per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 NOTES RECEIVABLE

The former Agency entered into agreement with Covina Gardens, KBS, L.P., a California Limited Partnership (Developer) to effectuate the Redevelopment Plan for the Covina Revitalization Project No. 1 by providing for the rehabilitation of residential rental housing development existing on a site acquired by the Developer which will maintain the supply and availability of low and moderate income housing, including very low-income units. The former Agency provided assistance to the Developer in the form of notes secured by a second deed of trust in the amount not to exceed \$4,742,000. The interest rate range is 2% per year, and notes receivable are due in 55 years. At June 30, 2021, the City has recorded an allowance for the balance of \$5,263,208 for principal of \$4,742,000 and accrued interest of \$521,208 as management is not certain if this amount will be collected.

NOTE 7 LOANS RECEIVABLE

The City's Community Development Block Grant (CDBG) program provides low-income housing and economic assistance to qualifying households and businesses. The loans do not require monthly repayment. In addition to CDBG loans, first-time homebuyer loans made by the former Covina Redevelopment Agency are now administered by the Housing Authority. The loans for the first-time homebuyer and for down payment assistance bear interest from 1.5% to 6.875%. The first-time home buyer loans are forgiven after 45 consecutive years of occupying the home purchased, while the down payment assistance is forgiven after 20 years of occupying the home purchased. The housing rehabilitation program loan is secured by a deed of trust on the property and is due upon sale or transfer of the title of the property. The outstanding balance as of June 30, 2021, of all loans was \$1,854,467. Due to the forgiveness feature of these loans the City has established an allowance for uncollectible loans in the amount of \$1,587,652.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 CAPITAL ASSETS

Governmental Activities

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020 as restated	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Capital Assets, not Depreciated:				
Land	\$ 11,882,165	\$ -	\$ -	\$ 11,882,165
Construction in Progress	1,787,705	7,362,488	5,727,739	3,422,454
Total Capital Assets, not Depreciated	13,669,870	7,362,488	5,727,739	15,304,619
Capital Assets, Depreciated:				
Buildings and Structures	39,648,330	371,057	-	40,019,387
Improvements Other than Buildings	10,572,840	3,124,986	255,208	13,442,618
Public Domain Infrastructure	123,198,692	2,423,566	-	125,622,258
Sanitary Sewer Infrastructure	6,221,681	-	-	6,221,681
Machinery and Equipment	11,515,016	334,381	202,397	11,647,000
Total Capital Assets, Depreciated	191,156,559	6,253,990	457,605	196,952,944
Less Accumulated Depreciation for:				
Buildings and Structures	12,729,967	782,204	-	13,512,171
Improvements Other than Buildings	5,234,294	483,408	43,295	5,674,407
Public Domain Infrastructure	86,795,285	3,365,730	-	90,161,015
Sanitary Sewer Infrastructure	4,379,390	64,737	-	4,444,127
Machinery and Equipment	8,237,943	777,336	202,397	8,812,882
Total Accumulated Depreciation	117,376,879	5,473,415	245,692	122,604,602
Total Capital Assets, Depreciated, Net	73,779,680	780,575	211,913	74,348,342
Total Capital Assets, Net	\$ 87,449,550	\$ 8,143,063	\$ 5,939,652	\$ 89,652,961

Depreciation expense was charged to the following categories:

Governmental Activities:	
General Government	\$ 289,164
Public Safety	365,245
Public Works	3,627,088
Culture and Recreation	565,796
Transit	343,250
Internal Service Funds Charged to Programs	282,872
Total Governmental Activities	<u>\$ 5,473,415</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Business-Type activities:				
Capital Assets, not Depreciated:				
Land	\$ 377,408	\$ -	\$ -	\$ 377,408
Construction in Progress	87,058	3,093,364	1,472,255	1,708,167
Total Capital Assets, not Depreciated	464,466	3,093,364	1,472,255	2,085,575
Capital Assets, Depreciated:				
Buildings and Structures	12,543,077	158,641	-	12,701,718
Improvements Other than Buildings	668,532	57,260	-	725,792
Water System Infrastructure	49,605,619	1,256,335	-	50,861,954
Machinery and Equipment	3,328,283	867,285	-	4,195,568
Total Capital Assets, Depreciated	66,145,511	2,339,521	-	68,485,032
Less Accumulated Depreciation for:				
Buildings and Structures	3,537,342	250,263	-	3,787,605
Improvements Other than Buildings	131,790	24,199	-	155,989
Water System Infrastructure	12,958,001	1,212,602	-	14,170,603
Machinery and Equipment	2,039,479	210,207	-	2,249,686
Total Accumulated Depreciation	18,666,612	1,697,271	-	20,363,883
Total Capital Assets, Depreciated, Net	47,478,899	642,250	-	48,121,149
Total Capital Assets, Net	\$ 47,943,365	\$ 3,735,614	\$ 1,472,255	\$ 50,206,724

Depreciation expense was charged to the following categories.

Business-Type Activities:	
Water Utility	\$ 1,443,409
Sewer	225,865
Nonmajor Fund - Environmental Protection	27,997
Total Business-Type Activities	<u>\$ 1,697,271</u>

NOTE 9 PENSION PLANS

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

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Miscellaneous	\$ 31,477,382	\$ 3,577,525	\$ -	\$ 4,710,434
CalPERS Safety	39,280,317	9,701,273	2,688,338	5,719,832
Total	<u>\$ 70,757,699</u>	<u>\$ 13,278,798</u>	<u>\$ 2,688,338</u>	<u>\$ 10,430,266</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

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

A. 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 five years of service. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five 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. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

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

	Miscellaneous		
	Prior to January 1, 2013	On or After January 1, 2013	
Hire Date			
Benefit Formula	2.5%@55	2.0%@62	
Benefit Vesting Schedule	5 Years of service	5 Years of service	
Benefit Payments	Monthly for life	Monthly for life	
Retirement Age	50 - 55	50 - 62	
Monthly Benefits, as A % of Eligible Compensation	2.0% - 2.7%	2.0% - 2.7%	
Required Employee Contribution Rates	8.00%	6.50%	
Required Employer Contribution Rates:			
Normal Cost Rate	11.483%	7.250%	
Payment of Unfunded Liability	\$ 2,125,328	\$ -	
	Safety		
	Prior to December 31, 2010	On or After January 1, 2011 and prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit Formula	3.0%@50	3%@55	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%	2.4% - 3%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	9.00%	13.75%
Required Employer Contribution Rates:			
Normal Cost Rate	25.540%	23.558%	13.884%
Payment of Unfunded Liability	\$ 2,460,366	\$ 4,572	\$ 4,736

Employees Covered

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

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	264
Inactive Employees Entitled to but not yet Receiving Benefits	308
Active Employees	113
Total	685

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the fiscal year ended June 30, 2021, employer contributions of \$2,995,659 and \$3,885,326 were made for the miscellaneous and safety plans, respectively.

B. Net Pension Liability

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

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Postretirement 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 postretirement mortality rates include 15 years of projected mortality improvement 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 less 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 COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

B. 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:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	0.04	4.93
Liquidity	1.00	-	(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; and inflation assets are included in both global equity securities and global debt securities.

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

(c) An expected inflation of 2.92% was 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.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2019 (Measurement Date)	\$ 95,804,648	\$ 66,061,430	\$ 29,743,218
Changes in the Year:			
Service Cost	1,493,026	-	1,493,026
Interest on the Total Pension Liability	6,728,565	-	6,728,565
Differences between Expected and Actual Experience	129,660	-	129,660
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Plan to Plan Resource Movement	-	(1,599)	1,599
Contribution - Employer	-	2,794,762	(2,794,762)
Contribution - Employee	-	652,852	(652,852)
Net Investment Income	-	3,264,202	(3,264,202)
Administrative Expenses	-	(93,130)	93,130
Other Miscellaneous Expense	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,150,041)	(5,150,041)	-
Net Changes	<u>3,201,210</u>	<u>1,467,046</u>	<u>1,734,164</u>
Balance at June 30, 2020. (Measurement Date)	<u>\$ 99,005,858</u>	<u>\$ 67,528,476</u>	<u>\$ 31,477,382</u>

Proportionate Share of Net Pension Liability

As of June 30, 2021 (measurement date of June 30, 2020), the City reported \$39,280,317 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 net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. 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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability (Continued)

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

	<u>Safety</u>
Proportion - June 30, 2019	0.566270%
Proportion - June 30, 2020	0.589590%
Change - Increase (Decrease)	0.023320%

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	\$ 44,553,003	\$ 56,877,791
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 31,477,382	\$ 39,280,317
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 20,749,658	\$ 24,839,924

Pension Plan Fiduciary Net Position

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

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2021, the City recognized pension expense of \$4,710,434 and \$5,719,832 for the Miscellaneous and Safety Plans, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 2,995,659	\$ -	\$ 3,885,326	\$ -
Differences Between Expected and Actual Experience	61,418	-	3,045,989	-
Change in Assumptions	-	-	-	(130,843)
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	1,916,231	(2,557,495)
Net Differences Between Projected and Actual Earnings on Plan Investments	520,448	-	853,727	-
Total	<u>\$ 3,577,525</u>	<u>\$ -</u>	<u>\$ 9,701,273</u>	<u>\$ (2,688,338)</u>

\$2,995,659 and \$3,885,326 reported as deferred outflows of resources related to contributions subsequent to the measurement date, for the Miscellaneous and Safety Plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>
2022	\$ (215,761)	\$ 638,392
2023	176,100	1,179,799
2024	346,381	881,653
2024	275,146	427,765
2026	-	-
Thereafter	-	-

Payable to the Pension Plan

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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 COMPENSATED ABSENCES

For governmental funds, accumulated vacation and sick leave benefits payable at June 30, 2021, was \$3,546,088. The short-term portion of \$1,031,471 and long-term portion of \$2,514,617 is not accounted in the governmental funds but is included in the governmental activities of the government-wide statements. Accumulated vacation and sick leave of \$207,187, of which \$67,817 represents the current portion, is recorded in the individual internal service funds and governmental activities of the government-wide financial statements. For enterprise funds, accumulated vacation and sick leave amounted to \$523,436 of which \$183,355 represents the current portion. The total amount is recorded within the respective proprietary funds and business-type activities of the government-wide statements.

NOTE 11 RISK MANAGEMENT

Workers' Compensation and General Liability

The City has a program of insurance for any liability to City employees arising under the workers' compensation laws for the State of California. By this action, the City will pay all claims up to \$500,000. Amounts in excess of \$500,000, up to \$150,000,000, are covered through an excess commercial insurer. There are no claims that exceed insurance coverage over the last three years.

The City established general liability and workers' compensation internal service funds. The funds have cash and investments of \$4,394,146 and \$1,193,147, respectively, which have been internally restricted for payment of outstanding workers' compensation and general liability claims.

Actual settlements accrued are accounted for in the appropriate fund. Estimates for all remaining outstanding claims, including an estimate for incurred but not reported claims (IBNR), are not accounted for in the individual funds but are reported in the governmental activities of the government-wide statements under claims and judgments. At June 30, 2021, total actual and estimated claims and judgments payable were as follows:

General Liability	\$ 2,437,000
Workers' Compensation	5,245,000
Total	<u>\$ 7,682,000</u>

The following are changes in the claims and judgments liability for fiscal years 2021 and 2020:

	Fiscal Year Ended June 30	
	2021	2020
Claims and Judgements - Beginning of Fiscal Year	\$ 7,247,000	\$ 7,138,000
Claims Incurred (Including IBNRs)	1,522,559	696,013
Claims Paid	<u>(1,087,559)</u>	<u>(587,013)</u>
Claims and Judgements - End of Fiscal Year	<u>\$ 7,682,000</u>	<u>\$ 7,247,000</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 CAPITALIZED LEASE OBLIGATIONS

Water Equipment

The City entered into a capital lease with Bank of America for water equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date in the City's capital assets. The capital lease was paid off with proceeds received from the BBVA Mortgage Corporation in December 2020.

The value of the assets acquired by the capital lease was \$1,430,152 as of June 30, 2021, net of accumulated depreciation of \$3,337,020.

Public Safety Radio

The City entered into a capital lease with Motorola Solutions, LLC for radio equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date in the City's capital assets. The final payment was made in fiscal year ended June 30, 2021.

The value of the assets acquired by the capital lease was \$332,771 as of June 30, 2021, net of accumulated depreciation of \$173,800.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 LONG-TERM LIABILITIES

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Current Portion
Governmental Activities:					
Other Long-Term Liabilities					
Compensated Absences	\$ 3,762,261	\$ 1,145,247	\$ 1,154,233	\$ 3,753,275	\$ 1,099,228
Claims and Judgments	7,247,000	1,522,559	1,087,559	7,682,000	-
Other Debt					
Certificates of Participation Payable (COP)	5,060,000	-	185,000	4,875,000	195,000
Unamortized Premium on COP	219,627	-	11,559	208,068	11,560
Direct Borrowings and Placements					
Capital Lease Payable	244,087	-	244,087	-	-
Section 108 Loan	2,250,000	-	125,000	2,125,000	125,000
Total Long-Term Liabilities, Net	<u>\$ 18,782,975</u>	<u>\$ 2,667,806</u>	<u>\$ 2,807,438</u>	<u>\$ 18,643,343</u>	<u>\$ 1,430,788</u>
Business-Type Activities:					
Other Long-Term Liabilities					
Compensated Absences	\$ 490,965	\$ 267,285	\$ 234,814	\$ 523,436	\$ 183,355
Direct Borrowings and Placements					
Capital Lease Payable	2,206,909	-	2,206,909	-	-
Water Installment Agreement	-	18,883,578	593,307	18,290,271	1,157,955
Other Debt					
Revenue Bonds Payable	21,325,000	-	13,115,000	8,210,000	840,000
Unamortized Premium on Revenue Bonds	118,255	-	118,255	-	-
Unamortized Discount on Revenue Bonds	-	-	-	-	-
Total Long-Term Liabilities, Net	<u>\$ 24,141,129</u>	<u>\$ 19,150,863</u>	<u>\$ 16,268,285</u>	<u>\$ 27,023,707</u>	<u>\$ 2,181,310</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Claims and judgments, compensated absences, net pension liability and net OPEB liability for the governmental activities are generally liquidated by the General Fund and Internal Service Funds.

Governmental Activities

Transportation Revenue Certificates of Participation, Series 2017 A

In August 2017, \$5,625,000 of 2017 Series A certificates of participation bonds were issued to provide funding to repair, upgrade or re-construct residential streets that are in poor to fair condition. The bonds mature annually through 2039, in amounts ranging from \$175,000 to \$355,000. Interest rates vary from 2.0% to a maximum of 5.0% and are payable semiannually on December 1 and June 1. At June 30, 2021, the outstanding balance of these bonds was \$4,875,000.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Transportation Revenue Certificates of Participation, Series 2017 A (Continued)

The total debt service requirements to maturity with respect to the certificates included in the governmental-type activities are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 195,000	\$ 169,988	\$ 364,988
2023	205,000	160,238	365,238
2024	215,000	149,988	364,988
2024	220,000	145,688	365,688
2026	225,000	140,738	365,738
2027-2031	1,250,000	580,462	1,830,462
2032-2036	1,530,000	304,150	1,834,150
2037-2040	1,035,000	65,312	1,100,312
Total	<u>\$ 4,875,000</u>	<u>\$ 1,716,564</u>	<u>\$ 6,591,564</u>

Section 108 Loan Payable

The County of Los Angeles provided funds under an interim agreement to loan \$2,500,000 to the City to provide funds for Covina Senior and Community Center. The advance under the interim agreement was replaced by a Section 108 loan under the Community Development Block Grant Program of the Department of Housing and Urban Development. The City makes annual principal amount of \$125,000 commencing August 1, 2018 and annually thereafter and semiannual interest payments on August 1 and February 1 each Year. At June 30, 2021, the outstanding loan balance was \$2,125,000.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 125,000	\$ 63,795	\$ 188,795
2023	125,000	60,596	185,596
2024	125,000	57,369	182,369
2025	125,000	54,065	179,065
2026	125,000	50,686	175,686
2027-2031	625,000	198,909	823,909
2032-2036	625,000	98,015	723,015
2037-2039	250,000	8,931	258,931
Total	<u>\$ 2,125,000</u>	<u>\$ 592,366</u>	<u>\$ 2,717,366</u>

Business-Type Activities

Revenue Bonds Payable, Sewer Enterprise Fund

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Revenue Bonds Payable, Sewer Enterprise Fund (Continued)

Wastewater Sewer Revenue Bonds – 2019 Taxable Wastewater Revenue Refunding Bonds

In August 2020, the City, issued \$9,930,000 2019 Taxable Wastewater Revenue Refunding Bonds (2019 Bonds) for the purpose of refunding the Sewer Revenue Bonds issued in 2009 and paying issuance costs related to the 2019 Bonds. Proceeds from the 2019 Bonds and reserve funds from the 2009 Bonds were deposited in a redemption fund to redeem the outstanding amount of \$10,740,000 2009 Bonds on October 1, 2019.

Interest on the 2019 Bonds is payable semi-annually on October 1 and April 1 of year at rates ranging from 1.966% to 2.686% with principal payable October 1 commencing October 1, 2019. The 2019 Bonds are not subject to optional redemption prior to their stated maturities. A reserve fund has not been established for the 2019 Bonds.

The bonds are secured by a pledge of the net revenues received by the City for the sewer fees. Net Revenues will be equal to 120% of the fiscal year debt service if there is a transfer from a rate stabilization fund. Net revenues without the inclusion of a transfer from the rate stabilization fund will be at least equal to 100% of the fiscal year debt service requirement. Total principal and interest remaining to be paid on the bonds is \$9,167,189. Principal and interest paid for the current fiscal year and total customer net revenues were \$1,027,631 and \$1,245,156.

The total debt service requirements to maturity with respect to the certificates included in the business-type activities are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 840,000	\$ 186,054	\$ 1,026,054
2023	855,000	168,768	1,023,768
2024	870,000	150,861	1,020,861
2026	885,000	132,088	1,017,088
2027	905,000	111,745	1,016,745
2027-2030	3,855,000	207,673	4,062,673
Total	<u>\$ 8,210,000</u>	<u>\$ 957,189</u>	<u>\$ 9,167,189</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Revenue Bonds Payable, Water Enterprise Fund

On December 10, 2010, the City issued \$15,000,000 of Revenue Bonds with an interest rate of 2.0% - 5.0% to refund \$1,290,000 outstanding 1999 Certificate of Participation bonds and to finance various capital projects amounting to \$12,715,285.

The 2010 Water Bonds were refunded with proceeds received from the issuance of the BBVA Mortgage Corporation debt.

BBVA Mortgage Corporation Note Payable

On December 1, 2020, the City through a private placement financed debt in the amount of \$18,883,578 to provide \$5,500,000 in funds for capital projects related to the water enterprise, deposit \$13,284,326 in an escrow fund to refund in advance the 2010 Water Revenue Bonds and the 2010 Lease payable with the remaining funds were used for costs of issuance. The interest rate on the debt is 1.97% with interest and principal payable April 1 and October 1 each year commencing April 1, 2021 through October 1, 2040. In consideration for the BBVA Mortgage Corporation (the Corporation) assistance in refinancing the City's prior obligations, the City sold water capital improvements to the Corporation and concurrently, the Corporation resold

Under the agreement, the City has covenanted that it will prescribe, revise and collect such charges for the services and facilities of its municipal water system which will produce gross revenues that will generate net revenues equal to 1.25 times the maximum debt service. Principal and interest paid for the current year for all water related debt and total customer net revenues were \$1,596,894 and \$2,906,296, respectively.

The advance refunding resulted in a cash flow savings of \$5,340,026 and a net present value savings of \$4,343,066.

The total debt service requirements to maturity with respect to the note payable included in the business-type activities are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,157,955	\$ 354,474	\$ 1,512,429
2023	1,140,756	331,945	1,472,701
2024	1,163,388	309,359	1,472,747
2025	1,185,418	286,330	1,471,748
2026	976,921	262,871	1,239,792
2027-2031	3,968,016	1,074,963	5,042,979
2032-2036	4,377,865	666,298	5,044,163
2037-2041	4,319,952	215,572	4,535,524
Total	<u>\$ 18,290,271</u>	<u>\$ 3,501,812</u>	<u>\$ 21,792,083</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2021, fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance. Nonspendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash (for example, inventories, prepaid amounts and due from successor agency in the General Fund).

Restricted Fund Balance. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance. Committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). Ordinance is the highest level of the City Council's approval.

Assigned Fund Balance. Assigned fund balance comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or official to which the City Council has delegated through its fund balance policy the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted or committed.

Unassigned Fund Balance. Unassigned fund Balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

The City Council adopted a Reserve Policy. The policy aims to help reduce the negative impact on the City in times of economic uncertainty and potential losses of funding from other governmental agencies. City reserves are restricted for one-time purposes. The policy establishes minimum requirements for General Fund nondepartmental reserves and provides guidelines for the use of these funds.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 FUND BALANCES (CONTINUED)

General Fund Nondepartmental Reserve Requirements

Appropriation for contingencies is maintained at 20% of total General Fund net appropriations for one-time emergencies and economic uncertainties. Excess fund balance at year-end must first be used to replenish the reserve amount at the 20% level.

	General Fund	Nonmajor Governmental	Total
Nonspendable:			
Prepaid Expenses	\$ 1,008,903	\$ 22,553	\$ 1,031,456
Total	1,008,903	22,553	1,031,456
Restricted:			
Culture and Recreation	316,402	696,003	1,012,405
Redevelopment and Housing	-	4,181,662	4,181,662
Community Development	-	1,690,170	1,690,170
Law Enforcement	71,362	688,329	759,691
Street and Transportation Projects	-	4,992,078	4,992,078
Air Quality Projects	-	101,151	101,151
Assessment Districts	-	1,298,102	1,298,102
Culture and Recreation	-	-	-
Other Capital Projects	-	1,261,787	1,261,787
Total	387,764	14,909,282	15,297,046
Committed:			
Emergency Contingency	8,508,328	-	8,508,328
Assigned:			
Culture and Recreation	-	100,116	100,116
Other Capital Projects	17,166	-	17,166
Total	17,166	100,116	117,282
Unassigned	10,878,058	(332,512)	10,545,546
Total	<u>\$ 20,800,219</u>	<u>\$ 14,699,439</u>	<u>\$ 35,499,658</u>

NOTE 15 CONTINGENCIES

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial position of the City.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 JOINT VENTURE

The Covina Irrigating Company (the Company) is a nonprofit mutual water company. The purpose of the Company is to develop, distribute, supply or deliver water at cost for irrigation and domestic uses of its stockholders. The governing board of directors consists of nine directors which are elected by the stockholders.

The City's investment in the Company has been recorded on the equity method of accounting and is shown as an "investment in joint venture" in the Water Utility Enterprise Fund. The City invested in the Company's shares solely to ensure that present and future water supply will be maintained at an adequate level. The City's equity share is 42.18%.

Complete financial statements for Covina Irrigating Company can be obtained from the Company. Summarized audited information for the fiscal year ended June 30, 2021, is as follows:

Operating Revenues	\$ 12,363,664
Operating Expenses	<u>(8,931,510)</u>
Operating Income	3,432,154
Nonoperating Income (Loss)	<u>(179,157)</u>
Net Income	<u><u>\$ 3,252,997</u></u>
Total Assets	<u><u>\$ 31,071,588</u></u>
Total Liabilities	\$ 9,216,818
Total Fund Equity	<u>21,854,770</u>
Total Liability and Fund Equity	<u><u>\$ 31,071,588</u></u>

The difference of the acquisition cost of shares by the City over the corresponding percentage of net position acquired at the time of acquisition is considered goodwill.

The City is also a participant in several cost-sharing agreements with other governmental units. There is no significant financial interest or ongoing financial responsibility on the part of the City with these agreements.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The City provides retiree medical benefits under the CalPERS health plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. This plan is a single-employer defined benefit plan and does not issue separate financial statements. Copies of the CalPERS's annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814. Eligible employees that do not participate in the CalPERS health plan are eligible to receive monthly payments from the City. These benefits are accounted for under the OPEB liability.

Eligibility

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at the June 30, 2020, measurement date:

Active Plan Members	171
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	151
Inactive Employees Entitled to but not Yet Receiving Benefit Payments	<u>-</u>
Total	<u><u>322</u></u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City and the City Council. The City must agree to make a defined monthly payment toward the cost of each retiree's overage.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total 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. The actuarial assumptions were based on a review of plan experience during the period June 30, 2018 to June 30, 2020.

Valuation Date	June 30, 2020
Funding Method	Entry-age normal cost, level percent of pay
Discount Rate	3.34%
Investment Rate of Return	4.50% per year net of expenses
Inflation	2.75%
Aggregate Payroll Increases	2.75%
Mortality Rate	Preretirement mortality rates from Calpers Experience Study (1997 -2015) Postretirement mortality rates for healthy recipients from Calpers Experience Study (1997-2015) 4.0% for 2020-2023; 5.2% for 2024-2069; and 4% for 2070 and later years. Medicare ages: 4% for 2020-2023 and 3.5% for 2024 and later years
Healthcare Trend Rate	

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real rate of return plus inflation (rounded to the nearest 25 basis point where appropriate).

The table below reflects the long-term expected real rate of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	20 %	4.40 %
U.S. Fixed	75	1.50
Cash Equivalents	5	0.10
Total	100 %	

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

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. This has resulted in a blended discount rate of 3.34%, which takes into account the long-term expected rate of return of 4.5% and the Bond Buyer 20-Bond GO Index municipal bond rate of 2.45%.

Change in Assumptions

The discount rate was changed from 3.17% to 3.34% and the healthcare trend rate was changed to 4.0% in 2020-2023, 5.2% for 2024-2069 and decreasing to 3.5% for 2070 and later years. Medicare age healthcare trend was 4.0% for 2020-2023 and 3.5% for 2024 and later years.

C. Change in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2019 (Measurement Date)	\$ 7,329,290	\$ 522,574	\$ 6,806,716
Changes Recognized for the Measurement Period:			
Service Cost	315,436	-	315,436
Interest on the Total OPEB Liability	234,306	-	234,306
Changes of Benefit Terms	70,024	-	70,024
Differences Between Expected and Actual			
Experience	770,579	-	770,579
Changes of Assumptions	(631,555)	-	(631,555)
Contribution from the Employer	-	510,755	(510,755)
Net Investment Income	-	27,077	(27,077)
Administrative Expenses	-	(3,091)	3,091
Benefit Payments	(510,755)	(510,755)	-
Net Changes During July 1, 2019 to June 30, 2020	248,035	23,986	224,049
Balance at June 30, 2020 (Measurement Date)	<u>\$ 7,577,325</u>	<u>\$ 546,560</u>	<u>\$ 7,030,765</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Change in the Net OPEB Liability (Continued)

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 (2.34%) or one percentage point higher (4.34%) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate	Current	Discount Rate
-1%	Discount Rate	+1%
\$	\$	\$
7,860,857	7,030,765	6,329,346

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 healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$	\$	\$
	6,536,307	7,030,765	7,653,748

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$604,620. At June 30, 2021, 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	\$ 556,834	\$ -
Differences Between Actual and Expected Experience	673,037	(532,320)
Change in Assumptions	942,481	(551,611)
Net Differences Between Projected and Actual Earnings	-	(226)
Total	<u>\$ 2,172,352</u>	<u>\$ (1,084,157)</u>

The change in assumptions and differences between actual and expected experience are amortized over the expected average remaining service life. The expected average remaining service life for the 2020 measurement period is 7.9 years.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

\$556,834 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 118,900
2023	118,898
2024	115,923
2025	104,403
2026	39,801
Thereafter	33,436

E. Payable to the OPEB Plan

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

NOTE 18 REBATABLE ARBITRAGE

The Successor Agency of the former Covina Redevelopment Agency is obligated to calculate arbitrage rebates on all tax allocation bonds. There was no rebatable arbitrage liability.

NOTE 19 RELATED PARTY TRANSACTIONS

The City entered into an agreement with Covina Irrigating Company (CIC) for the pumping, treating and delivering the water to City reservoirs. During the fiscal year, the City paid \$3,010,703 to the Covina Irrigating Company for the services of pumping, treating and delivery of water.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 20 ENCUMBRANCES

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities but, rather, as restricted or assigned governmental fund balance.

As of June 30, 2021, total governmental fund encumbrance balances for the City are as follows:

Park Development Fund	\$ 6,950
Transportation Fund	250,000
Nonmajor Governmental Fund	<u>1,947,000</u>
Total Governmental Funds	<u><u>\$ 2,203,950</u></u>

NOTE 21 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY (SACRA)

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency of the Covina 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 long-term liabilities are as follows:

Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Current Portion
Advances from City of Covina	\$ 2,107,307	\$ -	\$ 2,107,307	\$ -	\$ -
Compensated Absences	47,233	-	16,369	30,864	12,262
Tax Allocation Bonds	10,690,979	-	2,485,979	8,205,000	2,630,000
Accreted Interest	22,376	-	22,376	-	-
Unamortized Premium on Tax Allocation Bonds	869,429	-	115,205	754,224	115,205
Total Long-Term Liabilities, Net	<u><u>\$ 13,737,324</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,747,236</u></u>	<u><u>\$ 8,990,088</u></u>	<u><u>\$ 2,757,467</u></u>

Tax Allocation Revenue Bonds of 2004 Series B

On November 1, 2004, the Agency issued \$9,610,000 Tax Allocation Revenue Bonds of 2004, Series B. Interest is payable semiannually on June 1 and December 1 of each year at rates of interest ranging from 2.74% to 3.94%. The bonds are taxable and payment of principal on the bonds began December 1, 2005, and they are due on December 1 each year until 2023. The outstanding principal balance as of June 30, 2021 was \$1,075,000.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 21 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY (SACRA) (CONTINUED)

Long-Term Liabilities (Continued)

Tax Allocation Revenue Refunding Bonds of 2013, Series E

On December 24, 2013, the Successor Agency of the former Covina Redevelopment Agency issued (through the County of Los Angeles Redevelopment Refunding Authority) 2013E Tax Allocation Revenue Refunding Bonds in the amount of \$12,151,600. The purpose of the issue was to refund and defease the 1997 B Revenue Bonds and 2002 A Revenue Bonds plus accreted interest thereon. The proceeds from this issue plus any reserve funds remaining for the 1997 B and 2002 A bonds was used to fund an escrow account which were used to redeem the 1997 B and 2002 A bonds on January 22, 2014. The redemption price was equal to 100% of the 1997 B and 101% of the accreted value of the 2002 E.

The 2013 bonds are issued as \$9,460,000 in serial bonds with a maturity date of December 1, 2023. These bonds carry interest at 3-5%. Also issued was \$1,756,600 in Capital Appreciation Bonds with final maturity of December 1, 2020. Interest rates are 3.5-4%.

The bonds are secured by tax revenues generated within the project area and as allocated for the payment of the debt by the County of Los Angeles per recognized obligation schedule.

As a result of the refunding the Agency realized a net savings in the amount of \$3,136,892 and an economic gain (difference between present value of new debt versus old debt) of \$1,441,851.

The outstanding principal balance of the bonds at June 30, 2021, is \$6,820,000.

Tax Allocation Revenue Refunding Bonds of 2014, Series E

On December 17, 2014, the Successor Agency of the former Covina Redevelopment Agency issued (through the County of Los Angeles Redevelopment Refunding Authority) 2014A Tax Allocation Revenue Refunding Bonds in the amount of \$6,985,000. The purpose of the issue was to refund and defease the 1997 A Revenue Bonds and 2004 A Revenue Bonds. The proceeds from this issue plus any reserve funds remaining for the 1997 A and 2004 A bonds was used to fund an escrow account which was used to redeem the 1997 A and 2004 A bonds on January 8, 2015. The redemption price was equal to 100% of the 1997 A Revenue Bonds 2004 A Revenue Bonds.

The 2014 bonds were issued as \$6,985,000 in serial bonds with a maturity date of December 15, 2023. These bonds carry interest at 2-5%.

The bonds are secured by tax revenues generated within the project area and as allocated for the payment of the debt by the County of Los Angeles per recognized obligation schedule.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 21 SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY (SACRA) (CONTINUED)

Long-Term Liabilities (Continued)

Tax Allocation Revenue Refunding Bonds of 2014, Series E (Continued)

As a result of the refunding the Agency realized a net savings in the amount of \$2,014,490 and an economic gain (difference between present value of new debt versus old debt) of \$464,664.

The outstanding principal balance of the bonds at June 30, 2021, is \$310,000.

Debt Service requirements to maturity with respect to SACRA's Tax Allocation Bonds are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,630,000	\$ 347,849	\$ 2,977,849
2023	2,765,000	211,679	2,976,679
2024	2,810,000	70,944	2,880,944
Total	<u>\$ 8,205,000</u>	<u>\$ 630,472</u>	<u>\$ 8,835,472</u>

NOTE 22 CONTINGENCIES

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on the City's financial condition, liquidity, operations and workforce. The City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have a material effect on the City's results of future operations and financial position in fiscal year 2022.

NOTE 23 RESTATEMENT OF NET POSITION

The City restated the net position of the governmental activities from \$54,540,723 to \$55,535,035 to adjust for land contributed to the City in the amount of \$994,312 in prior years.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 24 SUBSEQUENT EVENT

The City issued \$62,795,000 Taxable Pension Bonds, Series 2021 dated August 1, 2021 to refund a portion of the City's obligations under the CalPERS Contract consisting of the City's current unfunded actuarial liability to the California Public Employee's Retirement System (CalPERS) as reported by CalPERS as of July 28, 2021 and to pay the costs of issuance of the bonds. Principal amounts are due annually on August 1 commencing August 1, 2022 and Interest at rates ranging from .299 percent to 3.001 percent is payable semi-annually on February 1 and August 1 commencing February 1, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF COVINA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS
LAST TEN FISCAL YEARS*

Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:							
Service cost	\$ 1,493,026	\$ 1,380,689	\$ 1,347,039	\$ 1,152,992	\$ 1,486,092	\$ 1,420,544	\$ 1,399,079
Interest on total pension liability	6,728,565	6,507,596	6,146,087	5,977,026	6,066,839	5,848,966	5,596,243
Differences between expected and actual experience	129,660	2,271,369	90,424	(3,886,390)	(362,755)	269,486	-
Changes in assumptions	-	-	(479,050)	5,024,331	-	(1,428,592)	-
Changes in benefits	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,150,041)	(4,817,247)	(4,633,255)	(4,314,593)	(4,154,693)	(4,028,300)	(3,984,640)
Net Change in Total Pension Liability	3,201,210	5,342,407	2,471,245	3,953,366	3,035,483	2,082,104	3,010,682
Total Pension Liability - Beginning of Year	95,804,648	90,462,241	87,990,996	84,037,630	81,002,147	78,920,043	75,909,361
Total Pension Liability - End of Year (a)	<u>\$ 99,005,858</u>	<u>\$ 95,804,648</u>	<u>\$ 90,462,241</u>	<u>\$ 87,990,996</u>	<u>\$ 84,037,630</u>	<u>\$ 81,002,147</u>	<u>\$ 78,920,043</u>
Plan Fiduciary Net Position:							
Contributions - employer	\$ 2,794,762	\$ 2,386,884	\$ 2,064,731	\$ 1,424,175	\$ 1,410,961	\$ 1,599,026	\$ 1,453,480
Contributions - employee	652,852	656,805	666,102	565,326	578,334	781,508	865,295
Plan to plan resource movement	(1,599)	-	(148)	24,693	-	9,481	-
Net investment income	3,264,202	4,117,352	5,103,206	6,234,088	296,745	1,328,803	8,890,960
Benefit payments	(5,150,041)	(4,817,247)	(4,633,255)	(4,314,593)	(4,154,693)	(4,028,300)	(3,984,640)
Administrative expense	(93,130)	(45,355)	(274,830)	(84,138)	(35,892)	(66,233)	-
Net Change in Plan Fiduciary Net Position	1,467,046	2,298,439	2,925,806	3,849,551	(1,904,545)	(375,715)	7,225,095
Plan Fiduciary Net Position - Beginning of Year	66,061,430	63,762,991	60,837,185	56,987,634	58,892,179	59,267,894	52,042,799
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 67,528,476</u>	<u>\$ 66,061,430</u>	<u>\$ 63,762,991</u>	<u>\$ 60,837,185</u>	<u>\$ 56,987,634</u>	<u>\$ 58,892,179</u>	<u>\$ 59,267,894</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 31,477,382</u>	<u>\$ 29,743,218</u>	<u>\$ 26,699,250</u>	<u>\$ 27,153,811</u>	<u>\$ 27,049,996</u>	<u>\$ 22,109,968</u>	<u>\$ 19,652,149</u>
Plan fiduciary net position as a percentage of the total pension liability	68.21%	68.95%	70.49%	69.14%	67.81%	72.70%	75.10%
Covered payroll	7,996,049	7,646,268	6,130,981	\$ 8,782,015	\$ 8,497,600	\$ 7,967,419	\$ 7,967,419
Net pension liability as percentage of covered payroll	393.66%	388.99%	435.48%	309.20%	318.33%	277.50%	246.66%

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:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

**CITY OF COVINA
SCHEDULE OF CONTRIBUTIONS – MISCELLANEOUS
LAST TEN FISCAL YEARS***

Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 2,995,659	\$ 2,794,762	\$ 2,386,725	\$ 1,424,175	\$ 1,430,571	\$ 1,599,026	\$ 1,453,480
Contributions in relation to the actuarially determined contributions	(2,995,659)	(2,794,762)	(2,386,725)	(2,078,674)	(1,430,571)	(1,599,026)	(1,453,480)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (654,499)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,882,583	\$ 7,996,049	\$ 7,646,268	\$ 6,130,981	\$ 8,782,015	\$ 8,497,600	\$ 7,967,419
Contributions as a percentage of covered payroll	38.00%	34.95%	31.21%	33.90%	16.29%	18.82%	18.24%

Notes to Schedule:

Valuation date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return		7.375% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(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) The valuation for June 30, 2012, 2013, 2014 and 2015 (applicable to fiscal years ended June 30, 2015, 2016, 2017 and 2018, respectively) included the same actuarial assumptions; 50 years (2%@55, 2.7%@55), 52 years (2%@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 and therefore only seven years are shown.

CITY OF COVINA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SAFETY
LAST TEN FISCAL YEARS*

	Safety						
Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.58950%	0.56627%	0.54852%	0.56064%	0.56696%	0.46197%	0.41430%
Plan's proportionate share of the net pension liability	\$ 39,280,317	\$ 35,349,515	\$ 32,026,302	\$ 30,950,899	\$ 26,302,740	\$ 19,035,092	\$ 15,540,223
Plan's covered payroll	\$ 6,490,821	\$ 6,548,655	\$ 6,325,051	\$ 6,325,051	\$ 6,672,936	\$ 6,433,232	\$ 6,575,024
Plan's proportionate share of the net pension liability as a percentage of covered payroll	605.17%	539.80%	506.34%	489.34%	394.17%	295.89%	236.35%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%	75.26%	85.14%	85.14%	79.48%	81.50%	84.45%

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:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

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

CITY OF COVINA
SCHEDULE OF CONTRIBUTIONS – SAFETY
LAST TEN FISCAL YEARS*

	Safety						
Fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 3,885,326	\$ 2,758,911	\$ 2,360,587	\$ 1,969,480	\$ 1,730,321	\$ 1,549,717	\$ 1,241,075
Contributions in relation to the actuarially determined contributions	(3,885,326)	(2,758,911)	(2,360,587)	(1,969,480)	(1,730,321)	(1,549,717)	(1,241,075)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,861,894	\$ 6,490,821	\$ 6,548,655	\$ 6,325,051	\$ 6,325,051	\$ 6,672,936	\$ 6,433,232
Contributions as a percentage of covered payroll	56.62%	42.50%	36.05%	31.14%	27.36%	23.22%	19.29%
Notes to Schedule:							
Valuation Date	6/30/2018	6/30/2017	6/30/2016	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	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.375% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(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 50/55 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 and therefore only seven years are shown.

CITY OF COVINA
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal year-end	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:				
Service cost	\$ 315,436	\$ 271,591	\$ 173,634	\$ 155,856
Interest on total OPEB liability	234,306	253,720	285,949	287,858
Changes in benefit terms	70,024	-	-	-
Difference between expected and actual experience	770,579	-	(963,933)	-
Change in assumptions and other inputs	(631,555)	355,233	1,264,415	-
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(510,755)</u>	<u>(457,669)</u>	<u>(411,596)</u>	<u>(413,635)</u>
Net Change in Total OPEB Liability	248,035	422,875	348,469	30,079
Total OPEB Liability - Beginning of Year	<u>7,329,290</u>	<u>6,906,415</u>	<u>6,557,946</u>	<u>6,527,867</u>
Total OPEB Liability - End of Year (a)	<u>7,577,325</u>	<u>7,329,290</u>	<u>6,906,415</u>	<u>6,557,946</u>
Plan Fiduciary Net Position:				
Contributions - employer	510,755	457,669	411,596	413,635
Net investment income	27,077	34,489	9,519	18,600
Administrative expenses	(3,091)	(2,728)	(2,630)	(2,372)
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(510,755)</u>	<u>(457,669)</u>	<u>(411,596)</u>	<u>(413,635)</u>
Net Change in Plan Fiduciary Net Position	23,986	31,761	6,889	16,228
Plan Fiduciary Net Position - Beginning of Year	<u>522,574</u>	<u>490,813</u>	<u>483,924</u>	<u>467,696</u>
Plan Fiduciary Net Position - End of Year (b)	<u>546,560</u>	<u>522,574</u>	<u>490,813</u>	<u>483,924</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 7,030,765</u>	<u>\$ 6,806,716</u>	<u>\$ 6,415,602</u>	<u>\$ 6,074,022</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.21%	7.13%	7.11%	7.38%
Covered - employee payroll	18,127,870	17,042,879	13,316,004	\$ 12,959,615
Net OPEB liability as percentage of covered - employee payroll	38.78%	39.94%	48.18%	46.87%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The fiscal year ended June 30, 2018 is the first year of implementation. For fiscal year ended June 30, 2020, discount rate was changed to 3.17% from 3.65%, inflation rate remained 3.0% and health care trend was changed to 5.9% in 2019 decreasing to 5% in 2028. For fiscal year ended June 30, 2021, the discount rate was changed to 3.34% from 3.17% and the health care trend rate was changed to 4% decreasing to 3.5% for 2024 and later years.

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

**CITY OF COVINA
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal year ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 556,834	\$ 511,353	\$ 497,668	\$ 409,995
Contributions in relation to the actuarially determined contributions	(477,026)	(511,353)	(497,668)	(409,995)
Contribution deficiency (excess)	<u>\$ 79,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	19,596,677	18,127,870	17,042,879	\$ 13,316,004
Contributions as a percentage of covered employee payroll	2.43%	2.82%	2.92%	3.08%
Notes to Schedule:				
Valuation Date	6/30/2020	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial cost method				
Amortization method				
Discount rate	2.45%	3.17%	3.65%	4.50%
Inflation	2.75%	3.00%	3.00%	2.75%
Mortality rate	(1)	(1)	(1)	(1)
Healthcare trend rate	(2)	(2)	(2)	(2)

(1) 2014 CalPERS Mortality Rate for Active Safety, Retired Safety and Active Miscellaneous

(2) 5.9% for 2019, trending to 5% by 2028 and later

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

CITY OF COVINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - JULY 1	\$ 14,272,459	\$ 14,272,459	\$ 14,272,459	\$ -
Resources (Inflows):				
Property Taxes	12,783,000	12,783,000	14,703,781	1,920,781
Sales Tax, Intergovernmental	12,885,000	15,000,000	18,891,999	3,891,999
Transient Occupancy Taxes	120,000	6,000	3,661	(2,339)
Property Transfer Taxes	150,000	150,000	216,776	66,776
Business License Taxes	256,000	306,000	356,532	50,532
Utility User Taxes	4,275,000	4,275,000	4,847,226	572,226
Franchise Taxes	1,741,000	1,768,000	2,219,586	451,586
Licenses and Permits	947,300	1,065,800	1,603,293	537,493
Intergovernmental	635,380	1,164,752	1,138,964	(25,788)
Charges for Services	3,804,053	3,399,953	3,959,192	559,239
Fines and Forfeits	760,000	625,000	890,254	265,254
Investment Earnings	133,000	133,000	(238,563)	(371,563)
Sale of Property	-	-	-	-
Miscellaneous	1,027,600	1,015,200	785,795	(229,405)
Transfers In	1,872,089	1,872,089	75,271	(1,796,818)
Amounts Available for Appropriation	55,661,881	57,836,253	63,726,226	5,889,973
Charges to Appropriations (Outflows):				
Current:				
General Government	1,866,911	2,230,877	2,561,757	(330,880)
Public Safety	31,991,954	32,371,640	32,154,768	216,872
Public Works	2,519,408	2,619,860	2,219,373	400,487
Culture and Recreation	4,506,070	3,881,235	3,373,265	507,970
Community Development	2,195,179	2,289,608	2,232,247	57,361
Debt Service:				
Principal Retirement	100,000	100,000	-	100,000
Interest and Fiscal Charges	500	500	229	271
Transfers Out	545,023	489,080	384,351	104,729
Total Charges to Appropriation	43,725,045	43,982,800	42,925,990	1,056,810
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 11,936,836</u>	<u>\$ 13,853,453</u>	<u>\$ 20,800,236</u>	<u>\$ 6,946,783</u>

CITY OF COVINA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. City departments submit budget and service requests to the City Manager. The City Manager prepares a recommended budget to be presented to the City Council.
2. The annual budget is adopted by the City Council on or before June 30 of each fiscal year after holding public hearings to receive input for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
3. The appropriated budget is prepared by fund, program and activity. Departments may make appropriation transfers within activities. The City Manager is authorized to make appropriation transfers between activities within funds excluding the contingency appropriation. The City Council approves total budgeted appropriations and any amendments between funds and the use of contingency appropriation. This appropriated budget covers City expenditures in all governmental funds. Actual expenditures may not exceed budgeted appropriations at the fund level. Budget figures used in the accompanying financial statements are the original budget including prior year carryovers and the final budget including current year amendments.
4. Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Encumbrances at year-end lapse, and then are added to the following year's budgeted appropriations.
5. Annual budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the proprietary funds, as the City is not legally required to adopt budgets for this fund type.
6. Appropriation for capital projects and certain grants and contributions authorized but not constructed or completed during the year lapse at year-end, and then are included as part of appropriations in the following years' annual budget.
7. Under Article XIII B of the California Constitution (the Gann Spending Limitation), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

SUPPLEMENTARY INFORMATION

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**CITY OF COVINA
OTHER GOVERNMENTAL FUNDS
NONMAJOR GOVERNMENTAL FUNDS**

Special revenue funds account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or local ordinance and /or resolution to finance particular functions, or activities. Non-major special revenue governmental funds of the City are as follows:

Community Development Block Grant Fund is a special revenue fund that accounts for the funding from the Department of Housing and Urban Development (HUD) in the form of a Community Block Grant (CDBG) program. The program has specific federal guidelines and all CDBG fund expenditures are monitored for compliance with both federally mandated rules and regulations and County of Los Angeles regulations.

Proposition A Transit Fund accounts for the receipts of the City's share of the 1/2 cent sales tax levied in Los Angeles County for local transit uses.

Law Enforcement Fund accounts for federal and state local law enforcement grants and subventions to finance certain police activities.

Narcotic Seizure Fund accounts for receipts and disbursements associated with the federal, state and local narcotic seizure programs.

State Gas Tax Fund accounts for money apportioned by state statutes of the State of California to provide financing for street maintenance and improvements.

Proposition C Local Return Fund accounts for financial activities for the City's share of Proposition C monies; designated for transportation related activities.

Air Quality Improvement Fund accounts for the motor vehicle fee for air and environmental improvements.

Municipal Parking District Fund accounts for receipts and expenditures for electricity, lot maintenance and engineering services in the various municipal parking lots.

Lighting Assessment District Fund accounts for special assessment collections from benefited properties for street lighting energy and maintenance.

Landscaping Assessment District Fund accounts for special assessment collections from benefited properties for landscape maintenance activities.

Community Facilities District Fund accounts for special assessment collections from benefited properties for community facilities maintenance activities.

Shoppers Lane Parking District Fund accounts for certain business tax registrations to finance parking maintenance and improvements in Shoppers Lane.

Measure M Fund accounts for monies received from Measure M allocation, which can be used to major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeway; pedestrian improvements; streetscapes; signal synchronizations; and transit operations.

**CITY OF COVINA
OTHER GOVERNMENTAL FUNDS
NONMAJOR GOVERNMENTAL FUNDS**

TDA Grant Fund accounts for monies received from the California State Transit Development Act of 1971 on a per capita basis to California cities for transit and non-transit related purposes that comply with regional transition plans, which can be used for construction of pedestrian and bicycle facilities.

Other Grants Fund accounts for the various state grant monies for various programs of the City.

Road Maintenance and Rehabilitation Act Fund accounts for the deferred maintenance on the state highway system and the local street and road system.

PEG access Television Fund accounts for the fees received from the cable operators for administration and improvement to any public, educational, and government access television.

Housing Authority Fund administers the housing assets, liabilities, duties, and obligations related to the housing activities retained by the City following the dissolution of the Covina Redevelopment Agency. This fund receives the majority of its revenues from collections and interest on loans.

Measure W accounts for the tax collected to provide a safe, clean water program.

Measure R Fund accounts for monies received from Measure R allocation, which can be used for major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeway; pedestrian improvements; streetscapes; signal synchronizations; and transit operations.

Capital projects funds are used to finance and account for the acquisition and construction of major capital facilities other than those financed by other governmental type and proprietary funds. Non-major capital projects governmental funds of the City are as follows:

General Capital Fund accounts for major infrastructure and general improvements not accounted for in other governmental and proprietary funds.

Covina Revitalization Projects Fund accounts for the proceeds from the issuance of 2004 Taxable Tax Allocation Bonds used for the Covina Revitalization Project No. One project cost.

Park Development Fund accounts for federal and state grant monies used for parkland acquisition and development.

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**CITY OF COVINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Community Development Block Grant	Proposition A	Law Enforcement
ASSETS			
Cash and Investments	\$ -	\$ 1,165,004	\$ 221,558
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	155	-
Loans	266,815	-	-
Due from Other Governments	60,216	-	198,733
Prepaid Expenditures	-	7,418	-
	<u>-</u>	<u>7,418</u>	<u>-</u>
Total Assets	<u>\$ 327,031</u>	<u>\$ 1,172,577</u>	<u>\$ 420,291</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 18,636	\$ 70,238	\$ 6,987
Accrued Liabilities	435	3,107	9,970
Deposits Payable	-	-	-
Due to Other Governments	266,815	-	-
Due to Other Funds	41,145	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>327,031</u>	<u>73,345</u>	<u>16,957</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	191,371
FUND BALANCES (DEFICITS)			
Nonspendable	-	7,418	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	421,973
Transportation and Street Projects	-	1,091,814	-
Air Quality Projects	-	-	-
Assessment Districts	-	-	-
Culture and Recreation	-	-	-
Other Capital Projects	-	-	-
Assigned:			
Culture and Recreation	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	(210,010)
Total Fund Balances (Deficits)	<u>-</u>	<u>1,099,232</u>	<u>211,963</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 327,031</u>	<u>\$ 1,172,577</u>	<u>\$ 420,291</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ 191,671	\$ 365,448	\$ 1,079,394	\$ 85,073	\$ 724,236	\$ 36,226
-	-	-	-	-	-
-	-	-	16,218	308	-
-	-	-	-	-	-
-	-	-	-	3,797	1,790
-	-	-	-	-	-
<u>\$ 191,671</u>	<u>\$ 365,448</u>	<u>\$ 1,079,394</u>	<u>\$ 101,291</u>	<u>\$ 728,341</u>	<u>\$ 38,016</u>
\$ -	\$ 63,284	\$ 41,332	\$ 140	\$ 19,562	\$ 17,007
-	-	10,288	-	38	-
-	-	-	-	-	18,125
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	63,284	51,620	140	19,600	35,132
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
191,671	-	-	-	-	-
-	302,164	1,027,774	-	-	-
-	-	-	101,151	-	-
-	-	-	-	708,741	2,884
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>191,671</u>	<u>302,164</u>	<u>1,027,774</u>	<u>101,151</u>	<u>708,741</u>	<u>2,884</u>
<u>\$ 191,671</u>	<u>\$ 365,448</u>	<u>\$ 1,079,394</u>	<u>\$ 101,291</u>	<u>\$ 728,341</u>	<u>\$ 38,016</u>

CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
ASSETS			
Cash and Investments	\$ 372,610	\$ 219,347	\$ 24,884
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	-	-
Loans	-	-	-
Due from Other Governments	1,834	4,951	-
Prepaid Expenditures	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 374,444</u>	<u>\$ 224,298</u>	<u>\$ 24,884</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 6,078	\$ 73	\$ -
Accrued Liabilities	1,798	-	-
Deposits Payable	18,125	10,500	-
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	575
Total Liabilities	<u>26,001</u>	<u>10,573</u>	<u>575</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	-	-
Air Quality Projects	-	-	-
Assessment Districts	348,443	213,725	24,309
Culture and Recreation	-	-	-
Other Capital Projects	-	-	-
Assigned:			
Culture and Recreation	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>348,443</u>	<u>213,725</u>	<u>24,309</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 374,444</u>	<u>\$ 224,298</u>	<u>\$ 24,884</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

Measure M	TDA Grant	Other Grants	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority
\$ 727,921	\$ -	\$ -	\$ 92,782	\$ 451,812	\$ 4,204,629
-	-	-	-	-	-
-	150,000	44,095	-	19,020	-
-	-	-	-	-	68,928
-	-	98,094	165,014	-	-
-	-	-	-	-	15,135
<u>\$ 727,921</u>	<u>\$ 150,000</u>	<u>\$ 142,189</u>	<u>\$ 257,796</u>	<u>\$ 470,832</u>	<u>\$ 4,288,692</u>
\$ 68,501	\$ 7,500	\$ 9,367	\$ 45,448	\$ 1,199	\$ 28,575
6,000	-	2,850	-	-	4,134
-	-	-	-	-	59,186
-	-	-	-	-	-
-	142,500	14,461	-	-	-
-	-	-	-	-	-
74,501	150,000	26,678	45,448	1,199	91,895
-	8,620	140,140	-	-	-
-	-	-	-	-	15,135
-	-	-	-	-	4,181,662
-	-	89,253	-	-	-
-	-	-	-	-	-
653,420	-	-	212,348	-	-
-	-	-	-	-	-
-	-	-	-	469,633	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(8,620)	(113,882)	-	-	-
<u>653,420</u>	<u>(8,620)</u>	<u>(24,629)</u>	<u>212,348</u>	<u>469,633</u>	<u>4,196,797</u>
<u>\$ 727,921</u>	<u>\$ 150,000</u>	<u>\$ 142,189</u>	<u>\$ 257,796</u>	<u>\$ 470,832</u>	<u>\$ 4,288,692</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Measure W	Measure R	Total Special Revenue Funds
ASSETS			
Cash and Investments	\$ 55,741	\$ 221,080	\$ 10,239,416
Cash and Investments - Restricted	-	1,788	1,788
Receivables:			
Accounts	-	-	229,796
Loans	-	-	335,743
Due from Other Governments	728,709	-	1,263,138
Prepaid Expenditures	-	-	22,553
	<u>-</u>	<u>-</u>	<u>22,553</u>
Total Assets	<u>\$ 784,450</u>	<u>\$ 222,868</u>	<u>\$ 12,092,434</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 143,433	\$ 85	\$ 547,445
Accrued Liabilities	983	-	39,603
Deposits Payable	-	-	105,936
Due to Other Governments	-	-	266,815
Due to Other Funds	-	-	198,106
Unearned Revenue	-	-	575
Total Liabilities	<u>144,416</u>	<u>85</u>	<u>1,158,480</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	340,131
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	22,553
Restricted for:			
Redevelopment and Housing	-	-	4,181,662
Community Development	-	-	89,253
Law Enforcement	-	-	613,644
Transportation and Street Projects	-	222,783	3,510,303
Air Quality Projects	-	-	101,151
Assessment Districts	-	-	1,298,102
Culture and Recreation	-	-	469,633
Other Capital Projects	640,034	-	640,034
Assigned:			
Culture and Recreation	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	(332,512)
Total Fund Balances (Deficits)	<u>640,034</u>	<u>222,783</u>	<u>10,593,823</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 784,450</u>	<u>\$ 222,868</u>	<u>\$ 12,092,434</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

General Projects	Covina Revitalization Projects	Park Development	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 2,443,158	\$ 1,833,042	\$ -	\$ 4,276,200	\$ 14,515,616
-	-	-	-	1,788
-	-	-	-	229,796
-	-	-	-	335,743
-	-	176,152	176,152	1,439,290
-	-	-	-	22,553
<u>\$ 2,443,158</u>	<u>\$ 1,833,042</u>	<u>\$ 176,152</u>	<u>\$ 4,452,352</u>	<u>\$ 16,544,786</u>
\$ 9,139	\$ 232,125	\$ 770	\$ 242,034	\$ 789,479
-	-	-	-	39,603
29,436	-	-	29,436	135,372
-	-	-	-	266,815
-	-	25,362	25,362	223,468
-	-	-	-	575
<u>38,575</u>	<u>232,125</u>	<u>26,132</u>	<u>296,832</u>	<u>1,455,312</u>
-	-	49,904	49,904	390,035
-	-	-	-	22,553
-	-	-	-	4,181,662
-	1,600,917	-	1,600,917	1,690,170
74,685	-	-	74,685	688,329
1,481,775	-	-	1,481,775	4,992,078
-	-	-	-	101,151
-	-	-	-	1,298,102
226,370	-	-	226,370	696,003
621,753	-	-	621,753	1,261,787
-	-	100,116	100,116	100,116
-	-	-	-	-
-	-	-	-	(332,512)
<u>2,404,583</u>	<u>1,600,917</u>	<u>100,116</u>	<u>4,105,616</u>	<u>14,699,439</u>
<u>\$ 2,443,158</u>	<u>\$ 1,833,042</u>	<u>\$ 176,152</u>	<u>\$ 4,452,352</u>	<u>\$ 16,544,786</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Community Development Block Grant	Proposition A	Law Enforcement
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	-
Intergovernmental	500,978	1,033,023	257,009
Charges for Services	-	68,096	-
Special Assessments	-	-	-
Investment Earnings	-	11,986	3,320
Miscellaneous	-	39,478	-
Total Revenues	<u>500,978</u>	<u>1,152,583</u>	<u>260,329</u>
EXPENDITURES			
Current:			
Public Safety	-	-	258,900
Public Works	-	-	-
Culture and Recreation	-	-	-
Community Development	-	-	-
Transit	-	2,277,196	-
Redevelopment and Housing	308,982	-	-
Capital Outlay	-	82,721	-
Principal Retirement	125,000	-	-
Interest	66,996	-	-
Total Expenditures	<u>500,978</u>	<u>2,359,917</u>	<u>258,900</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,207,334)	1,429
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(1,207,334)	1,429
Fund Balances (Deficits) - Beginning of Year	<u>-</u>	<u>2,306,566</u>	<u>210,534</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 1,099,232</u></u>	<u><u>\$ 211,963</u></u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ -	\$ -	\$ -	\$ -	\$ 159,133	\$ -
-	-	-	-	-	-
828	1,061,780	815,687	83,782	-	-
-	-	-	-	77,568	-
-	-	-	-	-	130,753
1,758	4,982	12,783	837	-	-
-	-	-	-	-	-
<u>2,586</u>	<u>1,066,762</u>	<u>828,470</u>	<u>84,619</u>	<u>236,701</u>	<u>130,753</u>
-	-	-	-	-	-
-	1,557,756	-	88,471	162,780	245,075
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,468,233	6,910	127,181	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,557,756</u>	<u>1,468,233</u>	<u>95,381</u>	<u>289,961</u>	<u>245,075</u>
2,586	(490,994)	(639,763)	(10,762)	(53,260)	(114,322)
-	-	-	-	-	100,000
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
2,586	(490,994)	(639,763)	(10,762)	(53,260)	(14,322)
<u>189,085</u>	<u>793,158</u>	<u>1,667,537</u>	<u>111,913</u>	<u>762,001</u>	<u>17,206</u>
<u>\$ 191,671</u>	<u>\$ 302,164</u>	<u>\$ 1,027,774</u>	<u>\$ 101,151</u>	<u>\$ 708,741</u>	<u>\$ 2,884</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	1,233
Intergovernmental	-	-	-
Charges for Services	-	-	13,676
Special Assessments	196,314	222,783	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>196,314</u>	<u>222,783</u>	<u>14,909</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	167,803	6,905	8,704
Culture and Recreation	-	-	-
Community Development	-	-	-
Transit	-	-	-
Redevelopment and Housing	-	-	-
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest	-	-	-
Total Expenditures	<u>167,803</u>	<u>6,905</u>	<u>8,704</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	28,511	215,878	6,205
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(180,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(180,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	28,511	35,878	6,205
Fund Balances (Deficits) - Beginning of Year	<u>319,932</u>	<u>177,847</u>	<u>18,104</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u><u>\$ 348,443</u></u>	<u><u>\$ 213,725</u></u>	<u><u>\$ 24,309</u></u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Measure M	TDA Grant	Other Grants	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
694,114	141,380	128,225	905,534	-	56,284
-	-	-	-	77,725	-
-	-	-	-	-	-
9,886	-	-	6,044	-	108,116
-	-	200	-	-	-
<u>704,000</u>	<u>141,380</u>	<u>128,425</u>	<u>911,578</u>	<u>77,725</u>	<u>164,400</u>
-	-	-	-	-	-
-	-	7,607	2,497,589	-	-
-	-	61,877	-	21,770	-
-	-	45,587	-	-	-
-	-	-	-	-	-
-	-	-	-	-	581,196
1,122,342	150,000	70,071	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,122,342</u>	<u>150,000</u>	<u>185,142</u>	<u>2,497,589</u>	<u>21,770</u>	<u>581,196</u>
(418,342)	(8,620)	(56,717)	(1,586,011)	55,955	(416,796)
-	-	-	-	-	338,420
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,420</u>
(418,342)	(8,620)	(56,717)	(1,586,011)	55,955	(78,376)
<u>1,071,762</u>	<u>-</u>	<u>32,088</u>	<u>1,798,359</u>	<u>413,678</u>	<u>4,275,173</u>
<u>\$ 653,420</u>	<u>\$ (8,620)</u>	<u>\$ (24,629)</u>	<u>\$ 212,348</u>	<u>\$ 469,633</u>	<u>\$ 4,196,797</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Measure W	Measure R	Total Special Revenue Funds
REVENUES			
Property Taxes	\$ -	\$ -	\$ 159,133
Business License Taxes	-	-	1,233
Intergovernmental	1,657,851	612,613	7,949,088
Charges for Services	-	-	237,065
Special Assessments	-	-	549,850
Investment Earnings	148	1,950	161,810
Miscellaneous	-	-	39,678
Total Revenues	1,657,999	614,563	9,097,857
EXPENDITURES			
Current:			
Public Safety	-	-	258,900
Public Works	-	-	4,742,690
Culture and Recreation	-	-	83,647
Community Development	-	-	45,587
Transit	-	-	2,277,196
Redevelopment and Housing	-	-	890,178
Capital Outlay	773,642	63,864	3,864,964
Principal Retirement	-	185,000	310,000
Interest	-	183,719	250,715
Total Expenditures	773,642	432,583	12,723,877
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	884,357	181,980	(3,626,020)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	438,420
Transfers Out	-	-	(180,000)
Total Other Financing Sources (Uses)	-	-	258,420
NET CHANGE IN FUND BALANCES	884,357	181,980	(3,367,600)
Fund Balances (Deficits) - Beginning of Year	(244,323)	40,803	13,961,423
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 640,034</u>	<u>\$ 222,783</u>	<u>\$ 10,593,823</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

General Projects	Covina Revitalization Projects	Park Development	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 159,133
-	-	-	-	1,233
-	322	1,077,941	1,078,263	9,027,351
-	-	-	-	237,065
919,744	-	-	919,744	1,469,594
-	17,108	-	17,108	178,918
-	-	-	-	39,678
<u>919,744</u>	<u>17,430</u>	<u>1,077,941</u>	<u>2,015,115</u>	<u>11,112,972</u>
-	-	-	-	258,900
-	-	-	-	4,742,690
-	-	-	-	83,647
-	-	-	-	45,587
-	-	-	-	2,277,196
-	-	-	-	890,178
172,737	407,793	449,366	1,029,896	4,894,860
-	-	-	-	310,000
-	-	-	-	250,715
<u>172,737</u>	<u>407,793</u>	<u>449,366</u>	<u>1,029,896</u>	<u>13,753,773</u>
747,007	(390,363)	628,575	985,219	(2,640,801)
-	-	7,205	7,205	445,625
-	(7,205)	-	(7,205)	(187,205)
<u>-</u>	<u>(7,205)</u>	<u>7,205</u>	<u>-</u>	<u>258,420</u>
747,007	(397,568)	635,780	985,219	(2,382,381)
<u>1,657,576</u>	<u>1,998,485</u>	<u>(535,664)</u>	<u>3,120,397</u>	<u>17,081,820</u>
<u>\$ 2,404,583</u>	<u>\$ 1,600,917</u>	<u>\$ 100,116</u>	<u>\$ 4,105,616</u>	<u>\$ 14,699,439</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ -	\$ -	\$ -
Resources (Inflows):			
Intergovernmental	806,354	500,978	(305,376)
Amounts Available for Appropriation	806,354	500,978	(305,376)
Charges to Appropriations (Outflows):			
Redevelopment and Housing	614,358	308,982	305,376
Debt Service:			
Principal	125,000	125,000	-
Interest and Fiscal Charges	66,996	66,996	-
Total Charges to Appropriation	806,354	500,978	305,376
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPOSITION A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 2,306,566	\$ 2,306,566	\$ -
Resources (Inflows):			
Intergovernmental	948,776	1,033,023	84,247
Charges for Services	248,869	68,096	(180,773)
Investment Earnings	9,720	11,986	2,266
Miscellaneous	35,529	39,478	3,949
Transfers In	-	-	-
Amounts Available for Appropriation	<u>3,549,460</u>	<u>3,459,149</u>	<u>(90,311)</u>
Charges to Appropriations (Outflows):			
Transit	2,791,187	2,277,196	513,991
Capital Outlay	250,000	82,721	167,279
Total Charges to Appropriation	<u>3,041,187</u>	<u>2,359,917</u>	<u>681,270</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 508,273</u></u>	<u><u>\$ 1,099,232</u></u>	<u><u>\$ 590,959</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 210,534	\$ 210,534	\$ -
Resources (Inflows):			
Intergovernmental	476,763	257,009	(219,754)
Investment Earnings	-	3,320	3,320
Transfers In	-	-	-
Amounts Available for Appropriation	<u>687,297</u>	<u>470,863</u>	<u>(216,434)</u>
Charges to Appropriations (Outflows):			
Public Safety	<u>516,302</u>	<u>258,900</u>	<u>257,402</u>
Total Charges to Appropriation	<u>516,302</u>	<u>258,900</u>	<u>257,402</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 170,995</u></u>	<u><u>\$ 211,963</u></u>	<u><u>\$ 40,968</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NARCOTICS SEIZURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 189,085	\$ 189,085	\$ -
Resources (Inflows):			
Intergovernmental	17,000	828	(16,172)
Investment Earnings	-	1,758	1,758
Transfers In	-	-	-
Amounts Available for Appropriation	<u>206,085</u>	<u>191,671</u>	<u>(14,414)</u>
Charges to Appropriations (Outflows):			
Total Charges to Appropriation	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 206,085</u></u>	<u><u>\$ 191,671</u></u>	<u><u>\$ (14,414)</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 793,158	\$ 793,158	\$ -
Resources (Inflows):			
Intergovernmental	1,096,254	1,061,780	(34,474)
Investment Earnings	9,643	4,982	(4,661)
Transfers In	-	-	-
Amounts Available for Appropriation	<u>1,899,055</u>	<u>1,859,920</u>	<u>(39,135)</u>
Charges to Appropriations (Outflows):			
Public Works	<u>1,922,228</u>	<u>1,557,756</u>	<u>364,472</u>
Total Charges to Appropriation	<u>1,922,228</u>	<u>1,557,756</u>	<u>364,472</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ (23,173)</u></u>	<u><u>\$ 302,164</u></u>	<u><u>\$ 325,337</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPOSITION C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,667,537	\$ 1,667,537	\$ -
Resources (Inflows):			
Intergovernmental	769,068	815,687	46,619
Charges for Services	-	-	-
Investment Earnings	11,077	12,783	1,706
Transfers In	-	-	-
Amounts Available for Appropriation	<u>2,447,682</u>	<u>2,496,007</u>	<u>48,325</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>2,007,589</u>	<u>1,468,233</u>	<u>539,356</u>
Total Charges to Appropriation	<u>2,007,589</u>	<u>1,468,233</u>	<u>539,356</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 440,093</u></u>	<u><u>\$ 1,027,774</u></u>	<u><u>\$ 587,681</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 111,913	\$ 111,913	\$ -
Resources (Inflows):			
Intergovernmental	55,800	83,782	27,982
Investment Earnings	-	837	837
Amounts Available for Appropriation	<u>167,713</u>	<u>196,532</u>	<u>28,819</u>
Charges to Appropriations (Outflows):			
Public Works	170,752	88,471	82,281
Capital Outlay	<u>6,863</u>	<u>6,910</u>	<u>(47)</u>
Total Charges to Appropriation	<u>177,615</u>	<u>95,381</u>	<u>82,234</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ (9,902)</u></u>	<u><u>\$ 101,151</u></u>	<u><u>\$ 111,053</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL PARKING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 762,001	\$ 762,001	\$ -
Resources (Inflows):			
Property Taxes	93,831	159,133	65,302
Charges for Services	72,310	77,568	5,258
Investment Earnings	-	-	-
Amounts Available for Appropriation	<u>928,142</u>	<u>998,702</u>	<u>70,560</u>
Charges to Appropriations (Outflows):			
Public Works	183,627	162,780	20,847
Capital Outlay	<u>300,000</u>	<u>127,181</u>	<u>172,819</u>
Total Charges to Appropriation	<u>483,627</u>	<u>289,961</u>	<u>193,666</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 444,515</u></u>	<u><u>\$ 708,741</u></u>	<u><u>\$ 264,226</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIGHTING ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ 17,206	\$ 17,206	\$ -
Resources (Inflows):			
Special Assessments	118,705	130,753	12,048
Transfers In	100,000	100,000	-
Amounts Available for Appropriation	235,911	247,959	12,048
Charges to Appropriations (Outflows):			
Public Works	243,146	245,075	(1,929)
Total Charges to Appropriation	243,146	245,075	(1,929)
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ (7,235)</u>	<u>\$ 2,884</u>	<u>\$ 10,119</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LANDSCAPING ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 319,932	\$ 319,932	\$ -
Resources (Inflows):			
Special Assessments	174,767	196,314	21,547
Amounts Available for Appropriation	494,699	516,246	21,547
Charges to Appropriations (Outflows):			
Public Works	176,985	167,803	9,182
Total Charges to Appropriation	176,985	167,803	9,182
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 317,714</u>	<u>\$ 348,443</u>	<u>\$ 30,729</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 177,847	\$ 177,847	\$ -
Resources (Inflows):			
Special Assessments	176,681	222,783	46,102
Amounts Available for Appropriation	354,528	400,630	46,102
Charges to Appropriations (Outflows):			
Public Works	9,285	6,905	2,380
Transfers Out	180,000	180,000	-
Total Charges to Appropriation	189,285	186,905	2,380
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 165,243</u>	<u>\$ 213,725</u>	<u>\$ 48,482</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SHOPPERS LANE PARKING DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 18,104	\$ 18,104	\$ -
Resources (Inflows):			
Business License Taxes	1,350	1,233	(117)
Charges for Services	7,650	13,676	6,026
Amounts Available for Appropriation	27,104	33,013	5,909
Charges to Appropriations (Outflows):			
Public Works	7,500	8,704	(1,204)
Total Charges to Appropriation	7,500	8,704	(1,204)
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 19,604</u>	<u>\$ 24,309</u>	<u>\$ 4,705</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,071,762	\$ 1,071,762	\$ -
Resources (inflows):			
Intergovernmental	653,708	694,114	40,406
Investment Earnings	-	9,886	9,886
Amounts Available for Appropriation	<u>1,725,470</u>	<u>1,775,762</u>	<u>50,292</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>1,697,394</u>	<u>1,122,342</u>	<u>575,052</u>
Total Charges to Appropriation	<u>1,697,394</u>	<u>1,122,342</u>	<u>575,052</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 28,076</u></u>	<u><u>\$ 653,420</u></u>	<u><u>\$ 625,344</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TDA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ -	\$ -	\$ -
Resources (inflows):			
Intergovernmental	159,260	141,380	(17,880)
Amounts Available for Appropriation	159,260	141,380	(17,880)
Charges to Appropriations (Outflows):			
Capital Outlay	159,260	150,000	9,260
Total Charges to Appropriation	159,260	150,000	9,260
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ (8,620)</u>	<u>\$ (8,620)</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 32,088	\$ 32,088	\$ -
Resources (Inflows):			
Intergovernmental	687,753	128,225	(559,528)
Miscellaneous	2,000	200	(1,800)
Amounts Available for Appropriation	<u>721,841</u>	<u>160,513</u>	<u>(561,328)</u>
Charges to Appropriations (Outflows):			
Public Safety	-	-	-
Public Works	35,754	7,607	28,147
Culture and Recreation	71,155	61,877	9,278
Community Development	525,000	45,587	479,413
Capital Outlay	70,199	70,071	128
Total Charges to Appropriation	<u>702,108</u>	<u>185,142</u>	<u>516,966</u>
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u><u>\$ 19,733</u></u>	<u><u>\$ (24,629)</u></u>	<u><u>\$ (44,362)</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,798,359	\$ 1,798,359	\$ -
Resources (Inflows):			
Intergovernmental	830,802	905,534	74,732
Investment Earnings	-	6,044	6,044
Amounts Available for Appropriation	<u>2,629,161</u>	<u>2,709,937</u>	<u>80,776</u>
Charges to Appropriations (Outflows):			
Public Works	<u>2,497,589</u>	<u>2,497,589</u>	<u>-</u>
Total Charges to Appropriation	<u>2,497,589</u>	<u>2,497,589</u>	<u>-</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 131,572</u></u>	<u><u>\$ 212,348</u></u>	<u><u>\$ 80,776</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PEG ACCESS TELEVISION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 413,678	\$ 413,678	\$ -
Resources (Inflows):			
Charges for Services	50,000	77,725	27,725
Amounts Available for Appropriation	463,678	491,403	27,725
Charges to Appropriations (Outflows):			
Culture and Recreation	23,800	21,770	2,030
Total Charges to Appropriation	23,800	21,770	2,030
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 439,878</u>	<u>\$ 469,633</u>	<u>\$ 29,755</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 4,275,173	\$ 4,275,173	\$ -
Resources (Inflows):			
Intergovernmental	104,684	56,284	(48,400)
Investment Earnings	-	108,116	108,116
Transfers in	753,639	338,420	(415,219)
Amounts Available for Appropriation	5,133,496	4,777,993	(355,503)
Charges to Appropriations (Outflows):			
Current:			
Redevelopment and Housing	3,362,129	581,196	2,780,933
Total Charges to Appropriation	3,362,129	581,196	2,780,933
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 1,771,367</u>	<u>\$ 4,196,797</u>	<u>\$ 2,425,430</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE W SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ (244,323)	\$ (244,323)	\$ -
Resources (Inflows):			
Intergovernmental	1,604,142	1,657,851	53,709
Investment Earnings	-	148	148
Amounts Available for Appropriation	<u>1,359,819</u>	<u>1,413,676</u>	<u>53,857</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>1,543,003</u>	<u>773,642</u>	<u>769,361</u>
Total Charges to Appropriation	<u>1,543,003</u>	<u>773,642</u>	<u>769,361</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ (183,184)</u></u>	<u><u>\$ 640,034</u></u>	<u><u>\$ 823,218</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 40,803	\$ 40,803	\$ -
Resources (Inflows):			
Intergovernmental	576,860	612,613	35,753
Investment Earnings	37,268	1,950	(35,318)
Amounts Available for Appropriation	654,931	655,366	435
Charges to Appropriations (Outflows):			
Capital Outlay	297,425	63,864	233,561
Debt Service:			
Principal Retirement	185,000	185,000	-
Interest and Fiscal Charges	184,238	183,719	519
Total Charges to Appropriation	666,663	432,583	234,080
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ (11,732)</u>	<u>\$ 222,783</u>	<u>\$ 234,515</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL PROJECTS FUND CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
BUDGETARY FUND BALANCE - JULY 1	\$ 1,657,576	\$ 1,657,576	\$ -
Resources (Inflows):			
Special Assessments	-	919,744	919,744
Amounts Available for Appropriation	1,657,576	2,577,320	919,744
Charges to Appropriations (Outflows):			
Capital Outlay	358,986	172,736	186,250
Total Charges to Appropriation	358,986	172,736	186,250
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 1,298,590</u></u>	<u><u>\$ 2,404,584</u></u>	<u><u>\$ 1,105,994</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COVINA REVITALIZATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,998,485	\$ 1,998,485	\$ -
Resources (Inflows):			
Intergovernmental	322	322	-
Investment Earnings	-	17,108	17,108
Amounts Available for Appropriation	<u>1,998,807</u>	<u>2,015,915</u>	<u>17,108</u>
Charges to Appropriations (Outflows):			
Capital Outlay	1,946,539	407,793	1,538,746
Transfers Out	<u>216,341</u>	<u>7,205</u>	<u>209,136</u>
Total Charges to Appropriation	<u>2,162,880</u>	<u>414,998</u>	<u>1,747,882</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ (164,073)</u></u>	<u><u>\$ 1,600,917</u></u>	<u><u>\$ 1,764,990</u></u>

CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – MAJOR FUND
PARK DEVELOPMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Budget		
BUDGETARY FUND BALANCE - JULY 1	\$ (535,664)	\$ (535,664)	\$ (535,664)	\$ -
Resources (Inflows):				
Intergovernmental	1,355,000	1,355,000	1,077,941	(277,059)
Transfers In	216,341	216,341	7,205	(209,136)
Amounts Available for Appropriation	1,035,677	1,035,677	549,482	(486,195)
Charges to Appropriations (Outflows):				
Capital Outlay	893,717	893,717	449,366	444,351
Total Charges to Appropriation	893,717	893,717	449,366	444,351
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 141,960</u>	<u>\$ 141,960</u>	<u>\$ 100,116</u>	<u>\$ (41,844)</u>

**CITY OF COVINA
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2021**

The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. Generally accepted accounting principles (GAAP) requires statement of net position items, and revenues and expenses of individual internal service funds be consolidated with the government-wide statement of net position and activities. GAAP still requires internal service funds to be presented in the financial statements.

The following are the individual internal service funds of the City:

Management Information Systems Fund accounts for the accumulation and allocation of costs associated with data processing and electronic information technology.

Central Equipment Fund accounts for the rental of motor vehicles to other departments and related costs.

Workers' Compensation Fund accounts for worker's compensation to other departments.

General Liability Fund accounts for general liability charges to other departments and related costs.

CITY OF COVINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICES FUNDS
JUNE 30, 2021

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
ASSETS:					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 730,955	\$ 1,382,712	\$ 4,394,146	\$ 1,193,147	\$ 7,700,960
Accounts Receivable	-	7,401	-	30,195	37,596
Prepaid Expenses	-	-	6,492	-	6,492
Inventories	-	42,378	-	-	42,378
Total Current Assets	730,955	1,432,491	4,400,638	1,223,342	7,787,426
NONCURRENT ASSETS					
Capital Assets:					
Being Depreciated, Net	386,630	666,786	-	-	1,053,416
Total Noncurrent Assets	386,630	666,786	-	-	1,053,416
Total Assets	1,117,585	2,099,277	4,400,638	1,223,342	8,840,842
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related	73,925	66,382	22,575	18,812	181,694
Pension Related	126,287	98,024	43,646	25,758	293,715
Total Deferred Outflow of Resources	200,212	164,406	66,221	44,570	475,409
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	7,784	16,363	2,269	25,823	52,239
Accrued Liabilities	11,313	6,594	2,394	2,077	22,378
Compensated Absences Payable	17,341	35,736	7,562	7,178	67,817
Total Current Liabilities	36,438	58,693	12,225	35,078	142,434
NONCURRENT LIABILITIES					
Compensated Absences Payable	63,087	65,033	6,503	4,747	139,370
Claims and Judgements	-	-	5,245,000	2,437,000	7,682,000
Net OPEB Liability	235,253	218,509	69,440	62,874	586,076
Net Pension Liability	1,111,152	862,480	384,024	226,637	2,584,293
Total Noncurrent Liabilities	1,409,492	1,146,022	5,704,967	2,731,258	10,991,739
Total Liabilities	1,445,930	1,204,715	5,717,192	2,766,336	11,134,173
DEFERRED INFLOWS OF RESOURCES					
OPEB Related	37,454	32,680	11,753	9,135	91,022
Pension Related	-	-	-	-	-
Total Deferred Inflows of Resources	37,454	32,680	11,753	9,135	91,022
NET POSITION					
Net Investment in Capital Assets	386,630	666,786	-	-	1,053,416
Unrestricted	(552,217)	359,502	(1,262,086)	(1,507,559)	(2,962,360)
Total Net Position	\$ (165,587)	\$ 1,026,288	\$ (1,262,086)	\$ (1,507,559)	\$ (1,908,944)

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2021

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
OPERATING REVENUES					
Charges for Services	\$ 1,415,830	\$ 994,042	\$ 1,048,445	\$ 1,205,855	\$ 4,664,172
Motor Pool Charges	-	341,334	-	-	341,334
Total Operating Revenues	1,415,830	1,335,376	1,048,445	1,205,855	5,005,506
OPERATING EXPENSES					
General and Administrative	1,118,064	62,662	233,846	2,236,734	3,651,306
Vehicle and Equipment Operation	-	977,462	-	-	977,462
Depreciation	79,891	202,981	-	-	282,872
Total Operating Expenses	1,197,955	1,243,105	233,846	2,236,734	4,911,640
OPERATING INCOME (LOSS)	217,875	92,271	814,599	(1,030,879)	93,866
NONOPERATING REVENUES (EXPENSES)					
Interest Expense	(4,198)	-	-	-	(4,198)
Nonoperating Revenues (Expenses)	(4,198)	-	-	-	(4,198)
INCOME (LOSS) BEFORE TRANSFERS	213,677	92,271	814,599	(1,030,879)	89,668
TRANSFERS					
Transfers In	-	-	73,000	-	73,000
Total Transfers	-	-	73,000	-	73,000
CHANGES IN NET POSITION	213,677	92,271	887,599	(1,030,879)	162,668
Total Net Position - Beginning of Year, as Restated	(379,264)	934,017	(2,149,685)	(476,680)	(2,071,612)
TOTAL NET POSITION - END OF YEAR	<u>\$ (165,587)</u>	<u>\$ 1,026,288</u>	<u>\$ (1,262,086)</u>	<u>\$ (1,507,559)</u>	<u>\$ (1,908,944)</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2021

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from User Departments	\$ 1,415,830	\$ 1,364,550	\$ 1,054,346	\$ 1,214,190	\$ 5,048,916
Payments to Suppliers of Goods or Services	(545,466)	(863,658)	(756,279)	(769,934)	(2,935,337)
Payments to Employees	(510,192)	(306,600)	(318,149)	(196,143)	(1,331,084)
Net Cash Provided (Used) by Operating Activities	360,172	194,292	(20,082)	248,113	782,495
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Received from Other Funds	-	-	73,000	-	73,000
Net Cash Provided by Noncapital Financing Activities	-	-	73,000	-	73,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest Paid on Capital Lease	(8,396)	-	-	-	(8,396)
Principal Paid on Capital Lease	(244,087)	-	-	-	(244,087)
Acquisition of Capital Assets	-	(75,033)	-	-	(75,033)
Net Cash Used by Capital and Related Financing Activities	(252,483)	(75,033)	-	-	(327,516)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	107,689	119,259	52,918	248,113	527,979
Cash and Cash Equivalents - Beginning of Year	623,266	1,263,453	4,341,228	945,034	7,172,981
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 730,955</u>	<u>\$ 1,382,712</u>	<u>\$ 4,394,146</u>	<u>\$ 1,193,147</u>	<u>\$ 7,700,960</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2021

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED (USED) BY					
OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 217,875	\$ 92,271	\$ 814,599	\$ (1,030,879)	\$ 93,866
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	79,891	202,981	-	-	282,872
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:					
Accounts Receivable	-	29,174	5,901	8,335	43,410
Prepays and Deposits	3,060	138	(6,492)	-	(3,294)
Inventory	-	(391)	-	184	(207)
Deferred Outflows of Resources - OPEB Related	(16,932)	(13,143)	(5,852)	(3,454)	(39,381)
Deferred Outflows of Resources - Pension Related	13,444	23,902	(11,519)	26,109	51,936
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:					
Accounts Payable and Accrued Liabilities	(83)	(19,639)	1,123	17,305	(1,294)
Deposits Payable	-	-	-	(495)	(495)
Compensated Absences Payable	14,258	(54,205)	3,813	3,524	(32,610)
Net OPEB Liability	7,909	6,139	2,734	1,614	18,396
Net Pension Liability	37,422	(74,431)	137,155	(171,922)	(71,776)
Claims Payable	-	-	(964,000)	1,399,000	435,000
Deferred Inflows of Resources - OPEB Related	14,611	11,341	5,050	2,980	33,982
Deferred Inflows of Resources - Pension Related	(11,283)	(9,845)	(2,594)	(4,188)	(27,910)
Total Adjustments	<u>142,297</u>	<u>102,021</u>	<u>(834,681)</u>	<u>1,278,992</u>	<u>688,629</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 360,172</u>	<u>\$ 194,292</u>	<u>\$ (20,082)</u>	<u>\$ 248,113</u>	<u>\$ 782,495</u>

**CITY OF COVINA
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2021**

Custodial funds are used to account for assets held by the City as trustee or agent for individuals, private organizations, or other governmental units or funds.

Downtown District Fund accounts for funds collected and disbursed by the City on behalf of the Downtown District Association members.

Prospero Park District Fund accounts for funds collected and disbursed by the City on behalf of the Prospero Park District Association members.

**CITY OF COVINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021**

	Downtown District	Prospero Park District	Total Custodial Funds
ASSETS			
Cash and Investments	\$ 925	\$ 125	\$ 1,050
Accounts Receivable	529	250	779
	<u>\$ 1,454</u>	<u>\$ 375</u>	<u>\$ 1,829</u>
LIABILITIES			
Due to Property Owners	<u>\$ 1,454</u>	<u>\$ 375</u>	<u>\$ 1,829</u>

CITY OF COVINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	Downtown District	Prospero Park District	Totals Custodial Funds
ADDITIONS			
Business Licenses Collected from Property Owners	\$ 8,422	\$ 6,025	\$ 14,447
Total Additions	8,422	6,025	14,447
DEDUCTIONS			
Distributions to Property Owners	8,422	6,025	14,447
Total Deductions	8,422	6,025	14,447
CHANGES IN NET POSITION	-	-	-
Net Position - Beginning of the Year as Restated	-	-	-
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATISTICAL SECTION

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**CITY OF COVINA
STATISTICAL SECTION**

This part of the City of Covina'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 says about the City's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 133

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's significant local revenue source, the property tax. 140

DEBT CAPACITY

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future. 146

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 152

OPERATING INFORMATION

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. 153

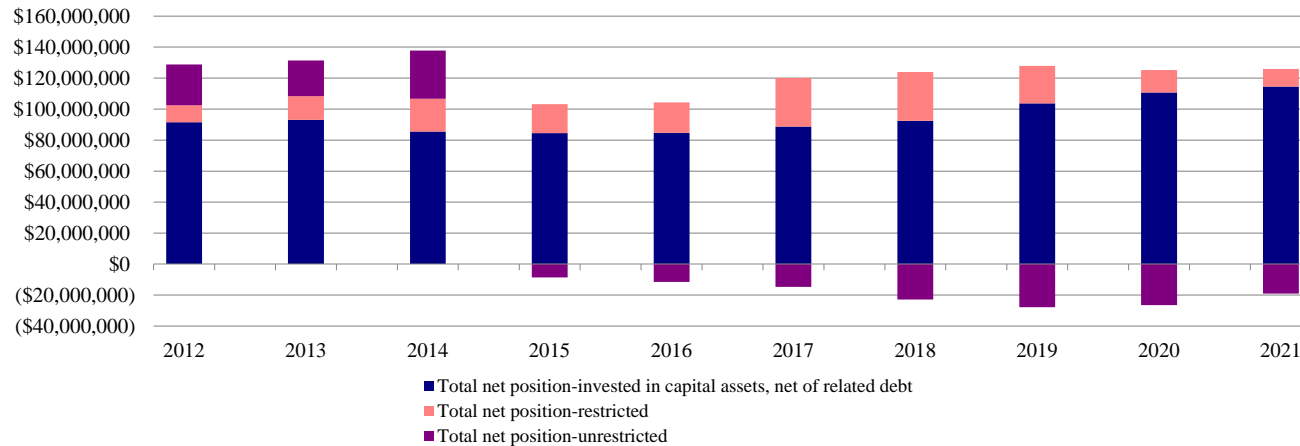
DEBT CONTINUING DISCLOSURE

These schedules contain information that complies with continuing disclosure requirements of each bond issued. 158

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CITY OF COVINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 78,351,025	\$ 74,270,261	\$ 72,284,235	\$ 70,723,029	\$ 70,757,663	\$ 74,371,948	\$ 74,766,840	\$ 84,857,338	\$ 84,273,491	\$ 81,877,731
Restricted	10,950,627	15,229,058	21,146,284	18,702,053	19,641,871	26,984,607	25,867,749	17,053,339	14,469,628	15,410,155
Unrestricted	11,892,631	11,385,702	8,634,314	(29,330,744)	(35,598,486)	(39,202,847)	(43,430,116)	(46,481,365)	(44,202,396)	(37,601,064)
Total governmental activities net position	<u>\$ 101,194,283</u>	<u>\$ 100,885,021</u>	<u>\$ 102,064,833</u>	<u>\$ 60,094,338</u>	<u>\$ 54,801,048</u>	<u>\$ 62,153,708</u>	<u>\$ 57,204,473</u>	<u>\$ 55,429,312</u>	<u>\$ 54,540,723</u>	<u>\$ 59,686,822</u>
Business-type activities										
Net investment in capital assets	\$ 13,160,600	\$ 18,808,805	\$ 13,256,130	\$ 13,766,584	\$ 13,901,014	\$ 14,333,903	\$ 17,635,065	\$ 18,856,666	\$ 26,398,843	\$ 32,790,931
Restricted	-	-	-	-	-	4,353,289	5,613,256	7,122,938	-	-
Unrestricted	14,357,963	11,741,520	22,391,275	20,749,710	24,142,448	24,413,236	20,585,317	18,672,662	17,719,110	14,407,201
Total business-type activities net position	<u>\$ 27,518,563</u>	<u>\$ 30,550,325</u>	<u>\$ 35,647,405</u>	<u>\$ 34,516,294</u>	<u>\$ 38,043,462</u>	<u>\$ 43,100,428</u>	<u>\$ 43,833,638</u>	<u>\$ 44,652,266</u>	<u>\$ 44,117,953</u>	<u>\$ 47,198,132</u>
Total net position										
Net investment in capital assets	\$ 91,511,625	\$ 93,079,066	\$ 85,540,365	\$ 84,489,613	\$ 84,658,677	\$ 88,705,851	\$ 92,401,905	\$ 103,714,004	\$ 110,672,334	\$ 114,668,662
Restricted	10,950,627	15,229,058	21,146,284	18,702,053	19,641,871	31,337,896	31,481,005	24,176,277	14,469,628	15,410,155
Unrestricted	26,250,594	23,127,222	31,025,589	(8,581,034)	(11,456,038)	(14,789,611)	(22,844,799)	(27,808,703)	(26,483,286)	(23,193,863)
Total net position	<u>\$ 128,712,846</u>	<u>\$ 131,435,346</u>	<u>\$ 137,712,238</u>	<u>\$ 94,610,632</u>	<u>\$ 92,844,510</u>	<u>\$ 105,254,136</u>	<u>\$ 101,038,111</u>	<u>\$ 100,081,578</u>	<u>\$ 98,658,676</u>	<u>\$ 106,884,954</u>



**CITY OF COVINA, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 1,154,723	\$ 1,923,009	\$ 879,859	\$ 1,188,341	\$ 4,618,977	\$ 5,786,202	\$ 1,370,482	\$ 2,082,578	\$ 3,356,218	\$ 3,131,410
Public safety	22,538,712	24,363,654	25,353,602	25,102,323	25,297,988	26,080,895	30,549,274	29,863,536	33,529,788	34,239,989
Public works	7,645,492	6,246,958	7,349,352	8,136,978	6,934,750	6,548,405	6,792,606	7,468,025	8,539,877	8,476,656
Culture and recreation	4,099,860	4,322,897	4,769,656	4,782,738	3,552,984	3,451,383	5,027,721	4,434,960	4,630,583	4,393,945
Community development	903,125	1,738,855	1,305,545	829,728	1,553,499	1,135,194	2,246,788	1,738,982	2,382,311	2,481,925
Transit	1,498,359	1,393,213	1,255,368	1,289,230	1,017,689	1,260,117	1,212,960	1,176,235	2,068,390	2,646,439
Redevelopment and housing	4,076,392	1,792,779	433,609	537,470	217,808	349,820	1,042,797	492,737	598,363	912,707
Interest on long-term debt	427,087	49,654	21,131	-	-	-	-	287,459	251,550	238,058
Total governmental activities expenses	<u>42,343,750</u>	<u>41,831,019</u>	<u>41,368,122</u>	<u>41,866,808</u>	<u>43,193,695</u>	<u>44,612,016</u>	<u>48,242,628</u>	<u>47,544,512</u>	<u>55,357,080</u>	<u>56,521,129</u>
Business-type activities:										
Water utility	8,156,273	9,276,555	9,757,890	8,776,576	8,369,874	8,056,727	12,815,344	10,289,222	10,318,472	10,893,841
Environmental protection	1,026,776	770,164	946,778	1,159,693	940,492	867,142	1,109,212	1,195,439	1,176,992	1,047,347
Sewer utility	916,194	1,272,822	1,564,254	1,729,052	1,575,182	1,429,207	1,757,186	2,444,970	2,829,014	2,485,405
Total business-type activities expenses	<u>10,099,243</u>	<u>11,319,541</u>	<u>12,268,922</u>	<u>11,665,321</u>	<u>10,885,548</u>	<u>10,353,076</u>	<u>15,681,742</u>	<u>13,929,631</u>	<u>14,324,478</u>	<u>14,426,593</u>
Total expenses	<u>\$ 52,442,993</u>	<u>\$ 53,150,560</u>	<u>\$ 53,637,044</u>	<u>\$ 53,532,129</u>	<u>\$ 54,079,243</u>	<u>\$ 54,965,092</u>	<u>\$ 63,924,370</u>	<u>\$ 61,474,143</u>	<u>\$ 69,681,558</u>	<u>\$ 70,947,722</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,537,347	\$ 356,673	\$ 482,450	\$ 435,274	\$ 338,362	\$ 290,160	\$ 2,232,037	\$ 2,192,160	\$ 2,162,262	2,361,216
Public safety	1,552,076	1,957,506	2,506,468	1,712,553	1,490,083	1,443,134	1,769,892	1,727,746	1,521,571	1,655,557
Public works	764,276	556,466	579,193	1,510,331	623,693	796,475	733,029	802,080	684,035	754,691
Culture and recreation	776,590	798,562	1,184,544	807,829	794,192	793,114	785,814	834,854	507,771	306,697
Community development	820,232	1,167,001	1,245,885	495,395	1,138,415	1,266,266	1,968,358	1,771,843	1,349,738	1,845,242
Transit	287,568	328,136	316,429	297,094	315,887	242,912	214,650	226,255	180,644	107,574
Redevelopment and housing	389,969	28,710	973,329	60,961	320,620	302,665	263,574	228,506	881,603	1,124,210
Operating grants and contributions	4,827,008	5,597,878	5,131,366	8,232,955	5,216,063	10,563,152	7,540,661	7,962,987	8,081,089	9,809,684
Capital grants and contributions	1,154,676	611,661	1,483,056	1,595,869	2,428,605	8,209,341	2,579,102	4,308,857	245,420	1,087,845
Total governmental activities program revenues	<u>12,109,742</u>	<u>11,402,593</u>	<u>13,902,720</u>	<u>15,148,261</u>	<u>12,665,920</u>	<u>23,907,219</u>	<u>18,087,117</u>	<u>20,055,288</u>	<u>15,614,133</u>	<u>19,052,716</u>

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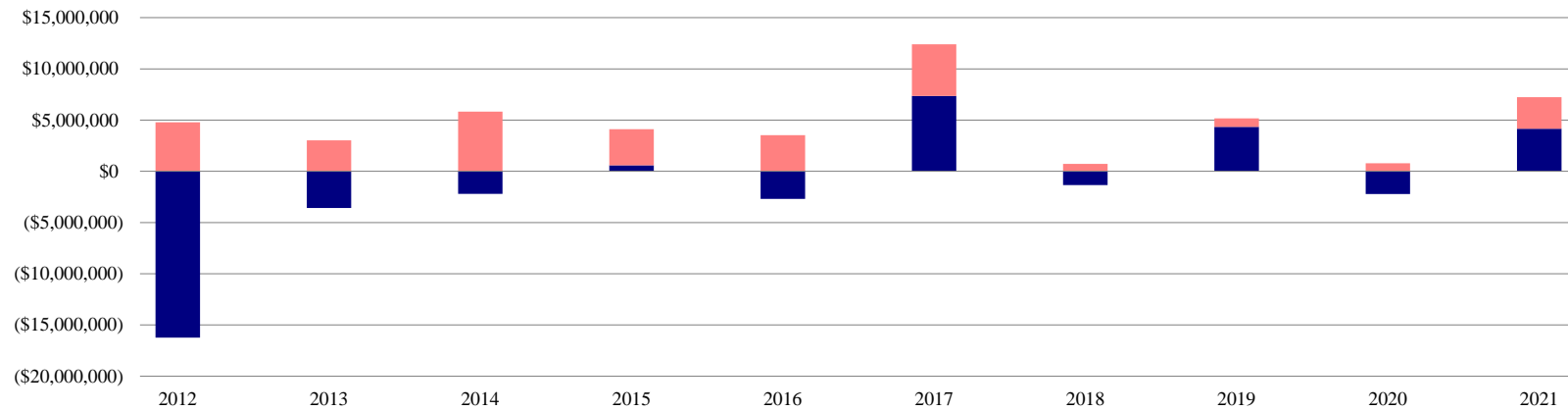
**CITY OF COVINA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Water utility	10,515,236	10,902,689	13,337,157	11,349,263	10,436,434	11,011,015	11,138,975	9,586,220	10,673,985	11,681,271
Environmental protection	1,227,298	925,221	1,317,849	1,240,317	1,159,700	1,313,194	1,170,122	1,190,124	1,003,527	1,144,576
Sewer utility	1,750,240	2,263,321	2,213,642	2,596,319	2,683,503	2,760,749	2,833,092	2,923,535	2,905,488	3,093,941
Operating grants and contributions	-	-	1,554	-	-	-	-	-	-	-
Capital grants and contributions	-	-	366,180	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>13,492,774</u>	<u>14,091,231</u>	<u>17,236,382</u>	<u>15,185,899</u>	<u>14,279,637</u>	<u>15,084,958</u>	<u>15,142,189</u>	<u>13,699,879</u>	<u>14,583,000</u>	<u>15,919,788</u>
Total program revenues	<u>\$ 25,602,516</u>	<u>\$ 25,493,824</u>	<u>\$ 31,139,102</u>	<u>\$ 30,334,160</u>	<u>\$ 26,945,557</u>	<u>\$ 38,992,177</u>	<u>\$ 33,229,306</u>	<u>\$ 33,755,167</u>	<u>\$ 30,197,133</u>	<u>\$ 34,972,504</u>
Net (expense) revenue										
Governmental activities	\$ (30,234,008)	\$ (30,428,426)	\$ (27,465,402)	\$ (26,718,547)	\$ (30,527,775)	\$ (20,704,797)	\$ (30,155,511)	\$ (27,489,224)	\$ (39,742,947)	\$ (37,468,413)
Business-type activities	<u>3,393,531</u>	<u>2,771,690</u>	<u>4,967,460</u>	<u>3,520,578</u>	<u>3,394,089</u>	<u>4,731,882</u>	<u>(539,553)</u>	<u>(229,752)</u>	<u>258,522</u>	<u>1,493,195</u>
Total net expense	<u>\$ (26,840,477)</u>	<u>\$ (27,656,736)</u>	<u>\$ (22,497,942)</u>	<u>\$ (23,197,969)</u>	<u>\$ (27,133,686)</u>	<u>\$ (15,972,915)</u>	<u>\$ (30,695,064)</u>	<u>\$ (27,718,976)</u>	<u>\$ (39,484,425)</u>	<u>\$ (35,975,218)</u>
General revenues										
Governmental activities:										
Property taxes	\$ 13,383,113	\$ 13,323,781	\$ 11,725,280	\$ 12,913,803	\$ 12,564,219	\$ 11,642,704	\$ 12,575,318	\$ 13,123,606	\$ 13,812,070	\$ 14,862,914
Sales taxes	5,323,574	5,835,052	5,643,574	6,569,382	7,929,069	9,164,440	8,950,753	9,315,358	9,296,400	10,793,459
Transaction and use tax	-	-	-	-	-	-	-	1,438,519	6,579,486	8,098,540
Transient occupancy taxes	316,609	395,589	349,310	99,716	482,727	327,570	388,491	240,946	130,831	3,661
Property transfer taxes	124,226	132,670	157,945	159,795	223,766	200,253	236,899	217,332	212,485	216,776
Business license taxes	373,299	259,692	415,362	326,818	328,716	337,626	348,793	372,756	347,110	357,655
Utility user taxes	4,553,173	5,065,228	5,055,632	5,033,846	4,632,448	4,689,894	4,573,428	4,590,983	4,523,187	4,847,226
Franchise taxes	1,314,343	1,465,788	1,480,237	1,549,731	1,447,780	1,449,399	1,594,522	1,625,802	1,910,641	2,219,586
Intergovernmental	24,598	-	-	-	-	-	-	-	-	-
Investment earnings	250,604	337,358	473,543	641,993	193,209	226,671	144,176	883,542	620,835	(257,680)
Transfers in/out	6,653	26,880	(33,927)	-	-	18,900	-	-	-	22,340
Gain on sale of land held for resale	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	10,105	6,614	-	-	32,551	-	-	15,129	54,268	-
Miscellaneous	-	-	-	-	-	-	-	12,562	49,645	455,723
Extraordinary loss	(11,674,077)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>14,006,220</u>	<u>26,848,652</u>	<u>25,266,956</u>	<u>27,295,084</u>	<u>27,834,485</u>	<u>28,057,457</u>	<u>28,812,380</u>	<u>31,836,535</u>	<u>37,536,958</u>	<u>41,620,200</u>
Business-type activities:										
Investment earnings	70,596	60,157	17,894	19,330	111,555	206,823	366,249	594,051	524,565	236,885
Investment earnings - CIC	1,333,565	226,795	809,727	2,109	21,524	137,161	906,514	454,329	-	1,372,439
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers in/out	(6,653)	(26,880)	33,927	-	-	(18,900)	-	-	-	(22,340)
Total general revenues	<u>\$ 15,403,728</u>	<u>\$ 27,108,724</u>	<u>\$ 26,128,504</u>	<u>\$ 27,316,523</u>	<u>\$ 27,967,564</u>	<u>\$ 28,382,541</u>	<u>\$ 30,085,143</u>	<u>\$ 32,884,915</u>	<u>\$ 38,061,523</u>	<u>\$ 43,207,184</u>

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**CITY OF COVINA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

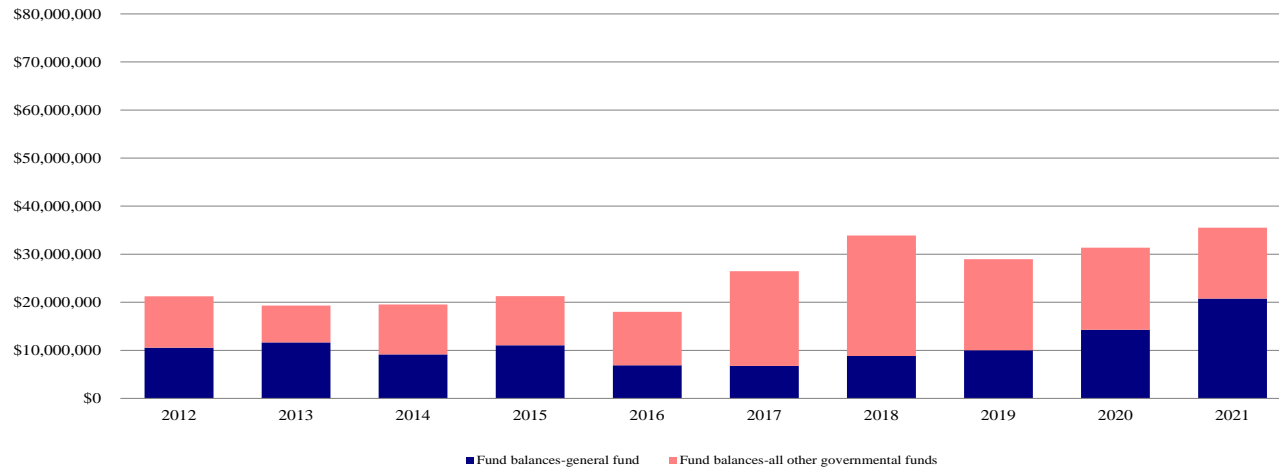
	2012	2013	2014	2015	Fiscal Year 2016	2017	2018	2019	2020	2021
Change in net position										
Governmental activities	\$ (16,227,788)	\$ (3,579,774)	\$ (2,198,446)	\$ 576,537	\$ (2,693,290)	\$ 7,352,660	\$ (1,343,131)	\$ 4,347,311	\$ (2,205,989)	\$ 4,151,787
Business-type activities	4,791,039	3,031,762	5,829,008	3,542,017	3,527,168	5,056,966	733,210	818,628	783,087	3,080,179
Total changes in net position	<u>\$ (11,436,749)</u>	<u>\$ (548,012)</u>	<u>\$ 3,630,562</u>	<u>\$ 4,118,554</u>	<u>\$ 833,878</u>	<u>\$ 12,409,626</u>	<u>\$ (609,921)</u>	<u>\$ 5,165,939</u>	<u>\$ (1,422,902)</u>	<u>\$ 7,231,966</u>



■ Change in net position-governmental activities ■ Change in net position-business-type activities

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Reserved										
Unreserved										
Nonspendable	\$ 621,981	\$ 28,941	\$ 28,094	\$ 3,354,570	\$ 753,534	\$ 3,247,152	\$ 3,116,097	\$ 2,620,620	\$ 2,621,554	\$ 1,008,903
Restricted	20,259	24,564	7,436,731	21,359	347,012	395,420	448,927	385,692	428,079	387,764
Committed	234,540	533,004	21,359	6,699,720	6,483,613	2,656,872	3,708,388	6,981,901	8,029,233	8,508,328
Assigned	473,342	478,106	1,680,892	979,197	-	442,472	1,561,848	42,726	25,940	17,166
Unassigned	9,187,601	10,580,310	-	-	(675,402)	-	-	-	3,167,653	10,878,058
Total general fund	<u>\$ 10,537,723</u>	<u>\$ 11,644,925</u>	<u>\$ 9,167,076</u>	<u>\$ 11,054,846</u>	<u>\$ 6,908,757</u>	<u>\$ 6,741,916</u>	<u>\$ 8,835,260</u>	<u>\$ 10,030,939</u>	<u>\$ 14,272,459</u>	<u>\$ 20,800,219</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable	-	-	-	-	-	-	-	\$ 5,631	\$ 1,159	\$ 22,553
Restricted	10,103,939	7,070,982	8,879,178	8,945,660	10,265,504	18,465,625	24,623,938	20,506,425	17,912,873	14,909,282
Assigned	856,857	953,958	1,497,633	1,338,429	877,646	1,270,910	491,368	111,473	0	100,116
Unassigned	(259,217)	(353,128)	(21,099)	(58,040)	(46,555)	(27,396)	(53,943)	(1,685,799)	(832,212)	(332,512)
Total all other governmental funds	<u>\$ 10,701,579</u>	<u>\$ 7,671,812</u>	<u>\$ 10,355,712</u>	<u>\$ 10,226,049</u>	<u>\$ 11,096,595</u>	<u>\$ 19,709,139</u>	<u>\$ 25,061,363</u>	<u>\$ 18,937,730</u>	<u>\$ 17,081,820</u>	<u>\$ 14,699,439</u>



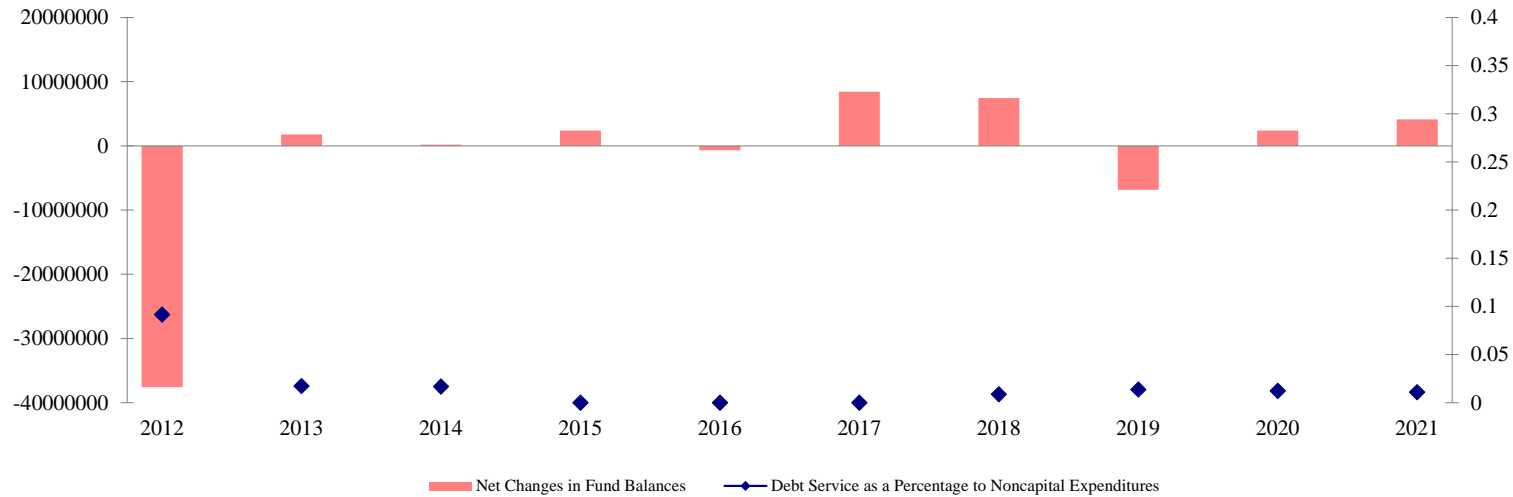
CITY OF COVINA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 25,706,551	\$ 26,934,344	\$ 24,578,908	\$ 26,901,523	\$ 27,608,725	\$ 27,811,886	\$ 28,668,204	\$ 30,925,091	\$ 36,812,970	\$ 41,399,927
Licenses and permits	609,209	878,549	756,173	965,527	888,120	1,128,331	1,698,138	1,307,877	999,449	1,603,293
Intergovernmental	6,006,293	5,178,331	7,338,277	6,062,377	7,850,431	12,122,236	7,968,101	9,388,149	8,487,182	10,166,315
Charges for services	3,181,384	2,658,584	2,748,519	2,850,307	2,746,174	2,484,969	4,713,987	5,000,622	4,011,688	4,196,257
Fines and forfeits	824,561	871,237	828,444	559,409	862,009	930,478	907,304	926,644	907,080	890,254
Special assessments	674,336	645,752	725,365	944,194	524,949	590,948	634,282	533,047	1,414,617	1,469,594
Investment earnings	243,762	3,304	186,627	206,047	193,209	226,671	380,716	1,281,892	1,430,498	(59,645)
Gain on land held for resale	-	-	-	-	-	-	-	-	-	-
Miscellaneous	714,743	296,007	1,369,723	3,766,447	240,998	550,247	723,058	570,700	738,688	825,456
Total revenues	37,960,839	37,466,108	38,532,036	42,255,831	40,914,615	45,845,766	45,693,790	49,934,022	54,802,172	60,491,451
Expenditures										
General government	1,819,595	274,806	503,430	232,379	3,928,177	3,476,163	2,235,447	1,790,386	2,593,801	2,561,757
Public safety	22,267,322	23,842,820	24,415,716	24,617,224	23,721,228	23,283,514	26,571,782	28,302,062	29,372,913	32,413,668
Public works	2,783,422	2,448,294	3,183,073	4,377,357	3,109,378	3,762,770	4,753,148	4,091,454	4,474,244	6,962,063
Culture and recreation	3,826,564	4,262,425	4,546,531	4,602,280	3,245,947	3,254,141	3,923,981	4,282,219	3,926,265	3,456,912
Community development	890,511	1,762,768	1,289,508	832,898	1,543,411	1,202,281	1,890,189	1,852,180	2,247,775	2,277,834
Transit	1,240,701	1,125,086	980,911	1,020,243	746,109	957,374	764,864	887,211	1,734,472	2,277,196
Redevelopment and housing	3,880,732	491,540	466,232	490,745	265,742	287,877	1,005,353	517,758	567,340	890,178
Capital outlay	2,744,828	890,079	2,823,296	3,419,189	5,030,166	1,175,943	2,617,687	15,518,582	6,985,453	4,894,860
Debt service:										
Principal	3,017,434	553,477	579,404	-	-	-	210,000	300,000	305,000	310,000
Interest and fiscal charges	685,036	48,115	23,501	-	-	-	155,078	233,481	252,136	250,944
Bond issuance costs	-	-	-	-	-	-	-	45,544	-	-
Payment to refunded bond account	-	-	-	-	-	-	-	-	-	-
Total expenditures	43,156,145	35,699,410	38,811,602	39,592,315	41,590,158	37,400,063	44,127,529	57,820,877	52,459,399	56,295,412
Excess of revenues over (under) expenditures	(5,195,306)	1,766,698	(279,566)	2,663,516	(675,543)	8,445,703	1,566,261	(7,886,855)	2,342,773	4,196,039

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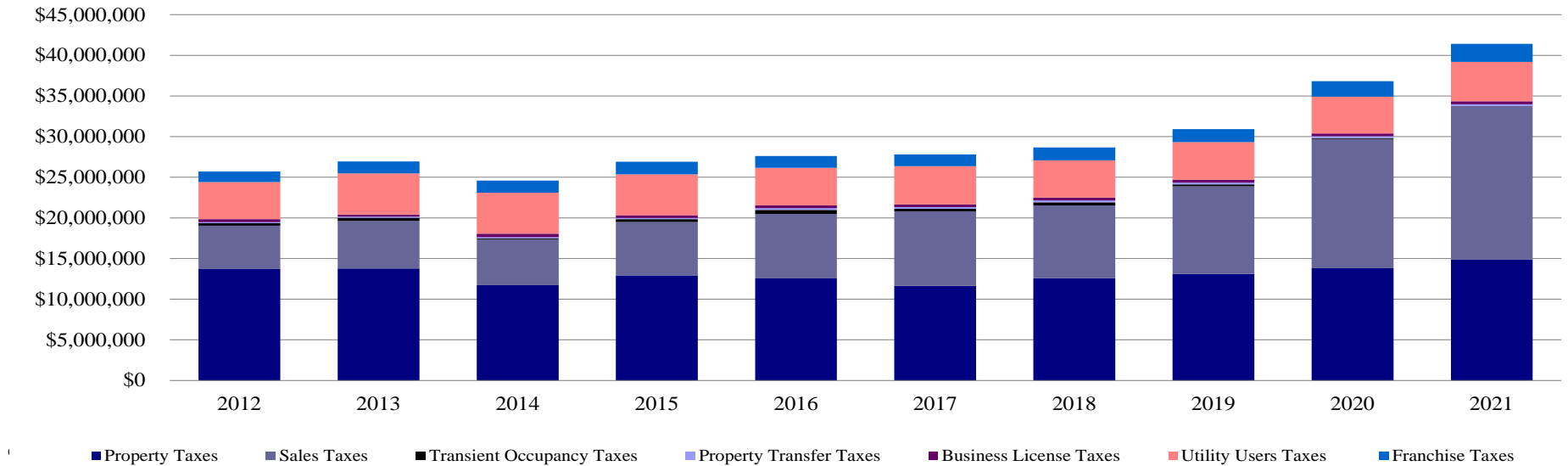
CITY OF COVINA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Other financing sources (uses)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Transfers in	\$ 4,134,433	\$ 544,408	\$ 977,149	\$ 2,161,548	\$ 2,317,808	\$ 1,373,629	\$ 1,186,303	\$ 2,422,806	\$ 1,195,374	\$ 625,625
Transfers out	(3,949,780)	(517,528)	(1,202,753)	(2,415,967)	(2,317,808)	(1,373,629)	(1,186,303)	(3,861,325)	(1,195,374)	(676,285)
Capital leases	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Tax allocation bonds issued	-	-	-	-	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-	5,625,000	2,500,000	-	-
Premium on debt issuance	-	-	-	-	-	-	254,307	-	-	-
Payment to refunded bond account	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale and disposal of capital assets	-	-	720,376	-	-	-	-	-	42,837	-
Total other financing sources (uses)	184,653	26,880	494,772	(254,419)	-	-	5,879,307	1,061,481	42,837	(50,660)
Extraordinary loss from dissolution of Redevelopment Agency	(32,576,216)	-	-	-	-	-	-	-	-	-
Net changes in fund balances	\$ (37,586,869)	\$ 1,793,578	\$ 215,206	\$ 2,409,097	\$ (675,543)	\$ 8,445,703	\$ 7,445,568	\$ (6,825,374)	\$ 2,385,610	\$ 4,145,379
Debt service as a percentage of noncapital expenditures	9.2%	1.7%	1.7%	0.0%	0.0%	0.0%	0.9%	1.4%	1.2%	1.1%



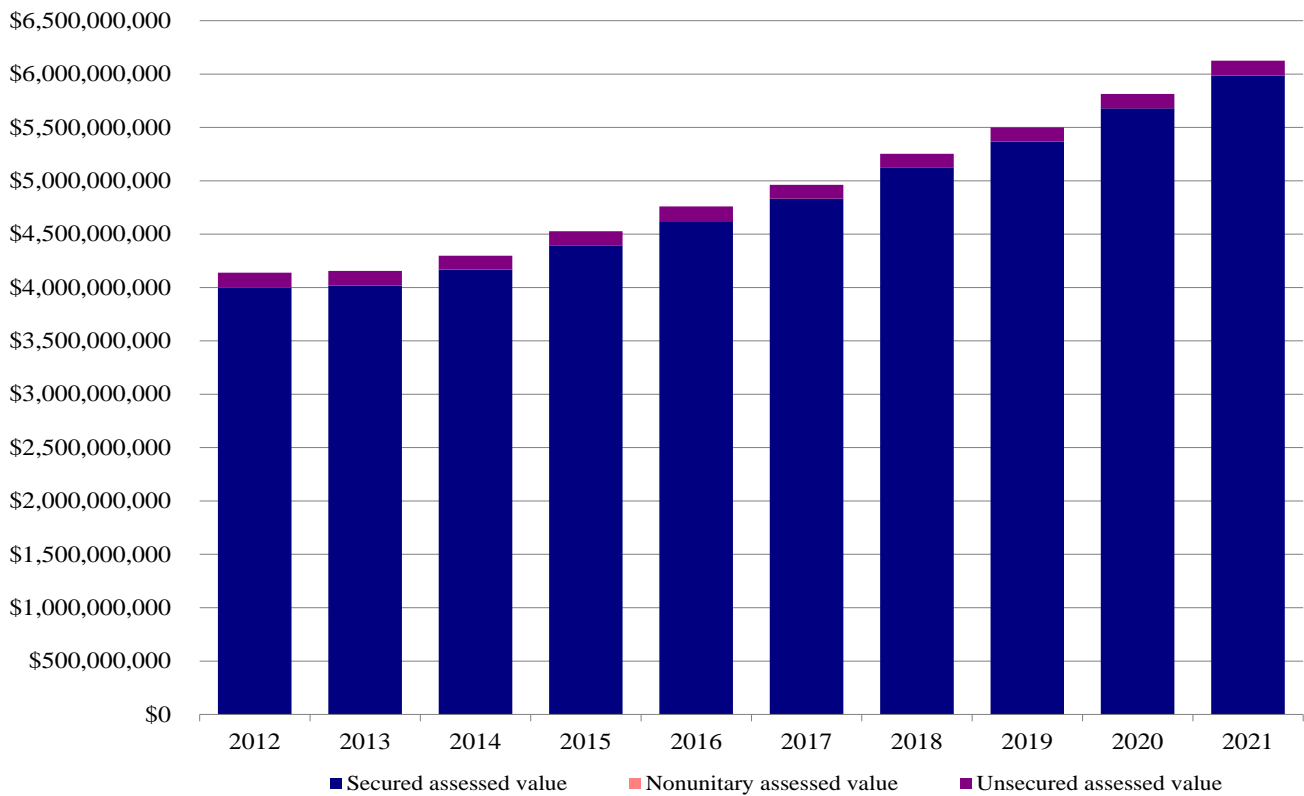
CITY OF COVINA, CALIFORNIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Taxes ⁽¹⁾	Sales Taxes	Transient Occupancy Taxes	Property Transfer Taxes	Business License Taxes	Utility Users Taxes	Franchise Taxes	Total
2012	13,701,328	5,323,574	316,609	124,226	373,299	4,553,173	1,314,343	25,706,552
2013	13,779,975	5,835,052	394,909	132,670	260,722	5,065,228	1,465,788	26,934,344
2014	11,725,280	5,643,574	100,878	157,945	415,362	5,055,632	1,480,237	24,578,908
2015	12,913,803	6,569,382	348,148	159,795	326,818	5,033,846	1,549,731	26,901,523
2016	12,564,219	7,929,069	482,727	223,766	328,716	4,632,448	1,447,780	27,608,725
2017	11,642,704	9,164,440	327,570	200,253	337,626	4,689,894	1,449,399	27,811,886
2018	12,575,318	8,950,753	388,491	236,899	348,793	4,573,428	1,594,522	28,668,204
2019	13,123,395	10,753,877	240,946	217,332	372,756	4,590,983	1,625,802	30,925,091
2020	13,812,820	15,875,886	130,831	212,485	347,120	4,523,187	1,910,641	36,812,970
2021	14,862,914	18,891,999	3,661	216,776	357,765	4,847,226	2,219,586	41,399,927



**CITY OF COVINA, CALIFORNIA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value ⁽¹⁾				Total Effective Rate (2)
	Secured	Nonunitary	Unsecured	Total	
2012	3,998,495,677	401,800	141,788,741	4,140,686,218	1.3968%
2013	4,019,604,449	401,800	135,484,540	4,155,490,789	1.4036%
2014	4,168,222,632	401,800	129,212,504	4,297,836,936	1.4047%
2015	4,391,097,348	401,800	136,165,789	4,527,664,937	1.4125%
2016	4,622,530,801	401,800	136,586,370	4,759,518,971	1.4548%
2017	4,833,140,987	656,500	129,151,190	4,962,948,677	1.4552%
2018	5,126,757,001	656,500	125,505,161	5,252,918,662	1.4801%
2019	5,368,832,086	53,800	130,846,429	5,499,732,315	1.4645%
2020	5,681,002,424	53,800	132,250,317	5,813,306,541	1.4974%
2021	5,986,855,692	9,148	138,241,671	6,125,106,511	1.4727%



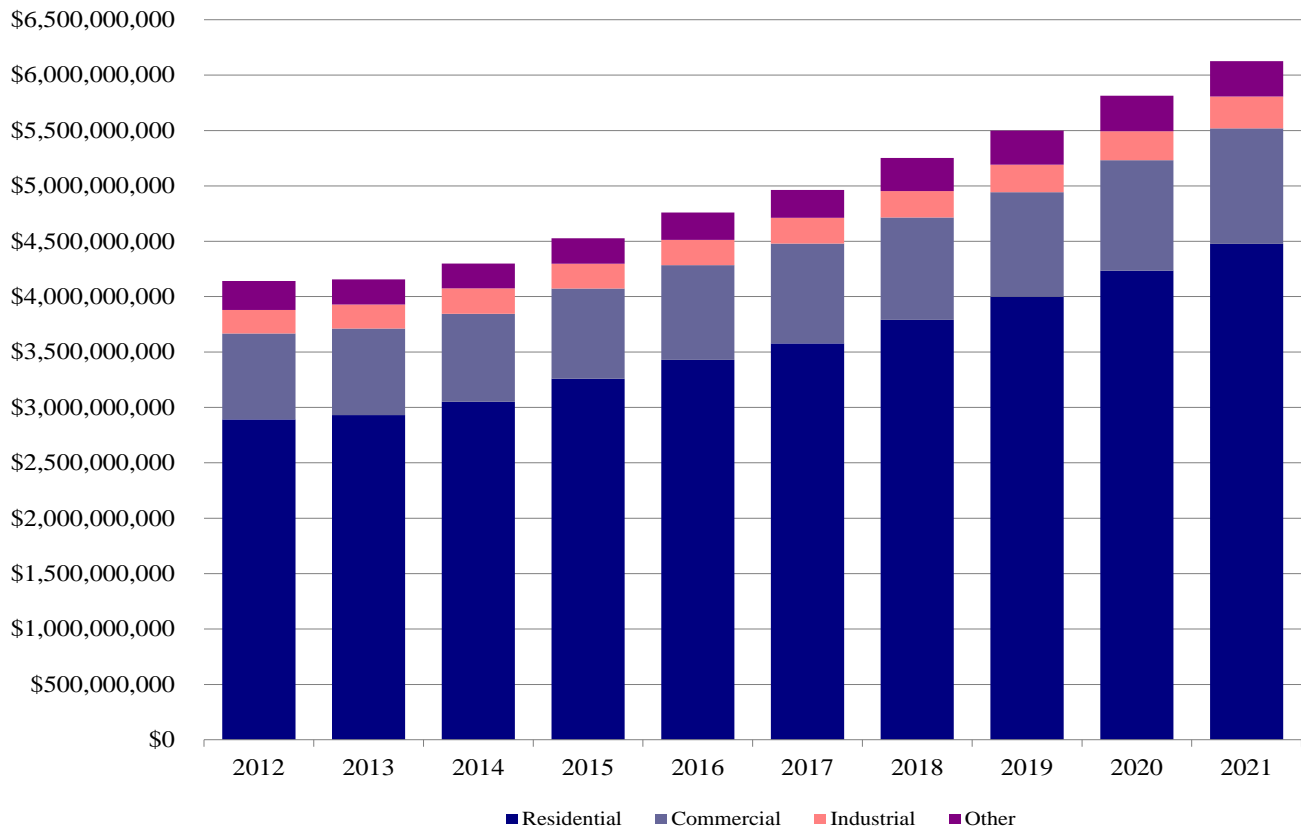
⁽¹⁾ Net of exemptions

⁽²⁾ Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical section by the total revenue base.

Source: Los Angeles County/Hdl Companies

**CITY OF COVINA, CALIFORNIA
ASSESSED VALUE OF TAXABLE PROPERTY BY USE
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value ⁽¹⁾					Total Effective Rate (2)
	Residential	Commercial	Industrial	Other	Total	
2012	2,890,966,936	778,029,259	211,825,282	259,864,741	4,140,686,218	1.3968%
2013	2,930,723,686	780,928,877	217,974,525	225,863,701	4,155,490,789	1.4036%
2014	3,051,809,271	794,611,256	228,672,928	222,743,481	4,297,836,936	1.4047%
2015	3,259,575,794	813,796,268	223,545,046	230,747,829	4,527,664,937	1.4125%
2016	3,429,044,663	855,846,637	228,745,403	245,882,268	4,759,518,971	1.4548%
2017	3,577,650,675	901,743,008	232,619,329	250,935,665	4,962,948,677	1.4552%
2018	3,790,868,304	923,889,405	237,982,559	300,178,394	5,252,918,662	1.4801%
2019	3,999,408,804	943,988,485	248,088,436	308,246,590	5,499,732,315	1.4645%
2020	4,236,209,336	995,891,012	261,497,564	319,708,629	5,813,306,541	1.4974%
2021	4,477,167,443	1,041,244,830	288,116,648	318,577,590	6,125,106,511	1.4727%



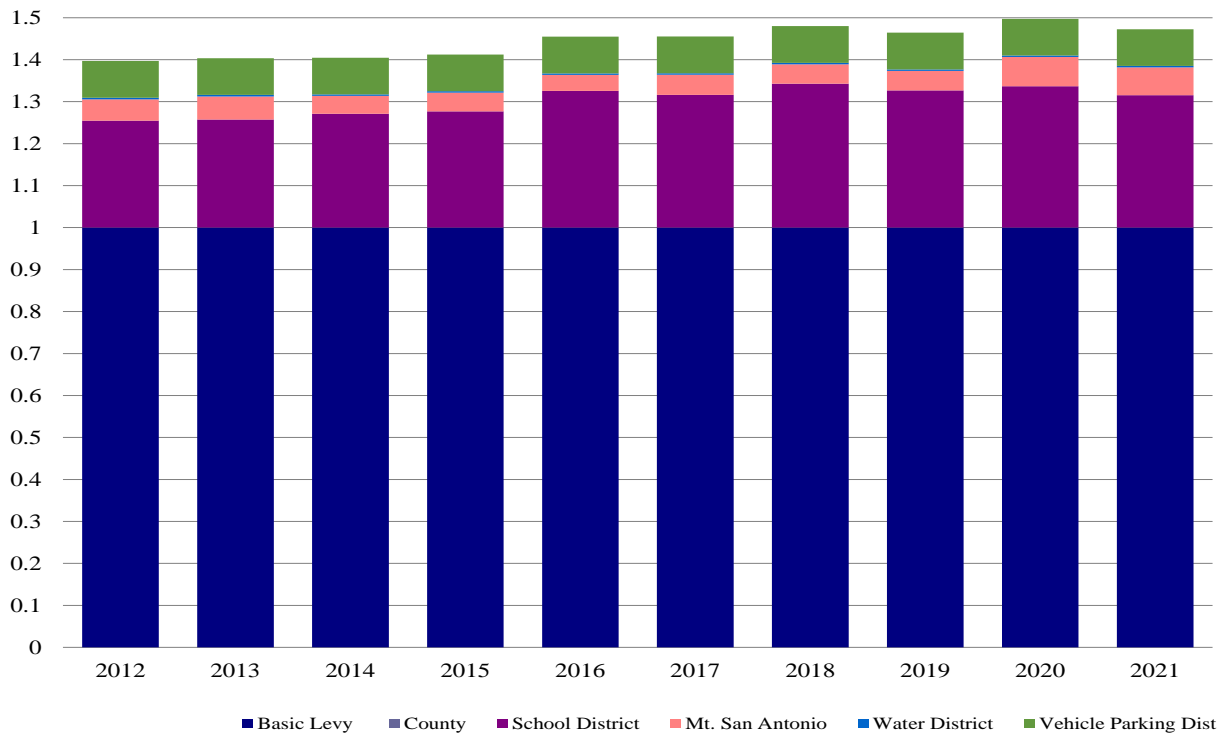
⁽¹⁾ Net of exemptions

⁽²⁾ Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical section by the total revenue base.

Source: Los Angeles County/Hdl Companies

**CITY OF COVINA, CALIFORNIA
PROPERTY TAX RATES ⁽¹⁾
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Basic Levy ⁽²⁾	County			School District ⁽³⁾	Community College District ⁽⁴⁾	Water District	Vehicle Parking District	Total Effective Rate ⁽⁵⁾
		General	Flood Control	Total					
2012	1.0000	0.0000	0.0000	0.0000	0.2547	0.0509	0.0037	0.0875	1.3968
2013	1.0000	0.0000	0.0000	0.0000	0.2577	0.0549	0.0035	0.0875	1.4036
2014	1.0000	0.0000	0.0000	0.0000	0.2713	0.0425	0.0035	0.0875	1.4047
2015	1.0000	0.0000	0.0000	0.0000	0.2770	0.0446	0.0035	0.0875	1.4125
2016	1.0000	0.0000	0.0000	0.0000	0.3258	0.0380	0.0035	0.0875	1.4548
2017	1.0000	0.0000	0.0000	0.0000	0.3162	0.0481	0.0035	0.0875	1.4553
2018	1.0000	0.0000	0.0000	0.0000	0.3431	0.0460	0.0035	0.0875	1.4801
2019	1.0000	0.0000	0.0000	0.0000	0.3267	0.0467	0.0035	0.0875	1.4645
2020	1.0000	0.0000	0.0000	0.0000	0.3368	0.0695	0.0035	0.0875	1.4974
2021	1.0000	0.0000	0.0000	0.0000	0.3156	0.0662	0.0035	0.0875	1.4727



⁽¹⁾ Per \$100 of assessed value

⁽²⁾ Basic levy for City (\$0.154), County (\$0.338), Covina Valley Unified School District (\$0.184), Educational Revenue Augmentation Fund (\$0.242) and other agencies (\$0.082).

⁽³⁾ Azusa Unified School District, Charter Oak Unified School District and Covina Valley Unified School District .

⁽⁴⁾ Citrus Community College District and Mt. San Antonio Community College District .

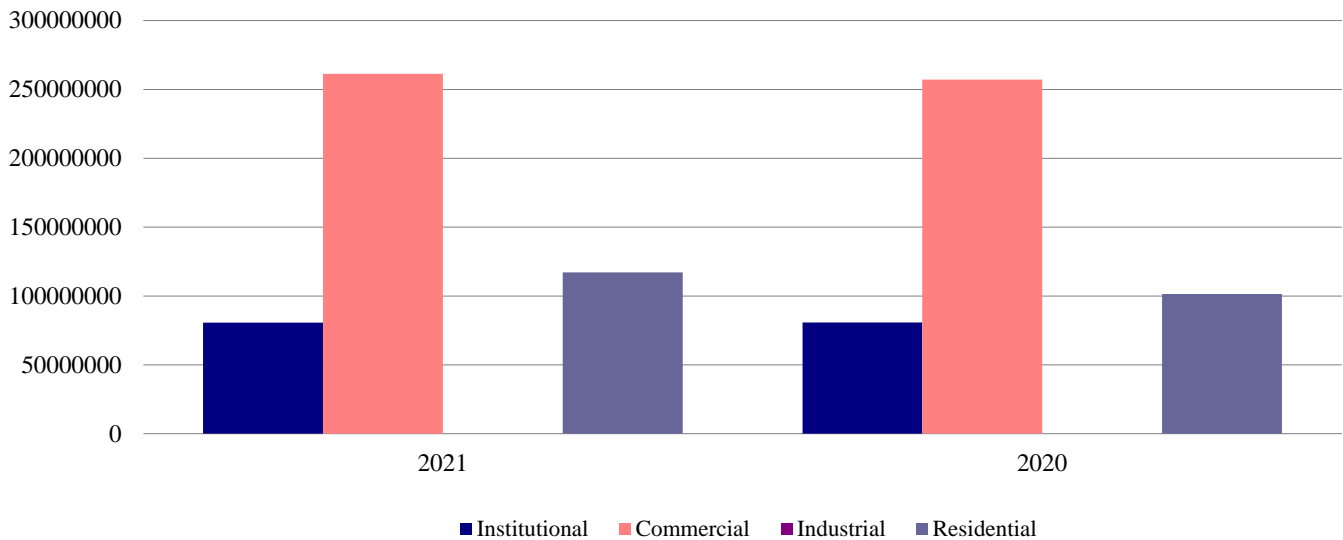
⁽⁵⁾ Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical section by the total revenue base.

Source: Los Angeles County/Hdl Companies .

**CITY OF COVINA, CALIFORNIA
PRINCIPAL PROPERTY OWNERS¹⁾
LAST TEN FISCAL YEARS**

Taxpayer	Primary Use	2021				2020			
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	
Ikea Property Inc	Commercial	\$ 71,301,987	1	1.16%		\$ 69,799,712	1	1.20%	
Vista Pointe Grand Apartments LLC	Residential	62,749,100	2	1.02%		48,108,114	5	0.83%	
KIR Covina Limited Partnership	Commercial	56,431,628	3	0.92%		55,325,137	2	0.95%	
Covina Grand Apartments LLC	Residential	54,331,106	4	0.89%		53,266,717	3	0.92%	
Emanate Health	Institutional	51,471,558	5	0.84%					
UIMC Covina LLC	Commercial	38,251,864	6	0.62%		37,501,832	6	0.65%	
FNL of Covina Partners LLC	Commercial	33,903,709	7	0.55%		33,238,937	7	0.57%	
LVGEM Hotel Corporation	Commercial	32,653,963	8	0.53%		32,439,795	8	0.56%	
CCP Covina 4003 LP	Institutional	29,201,258	9	0.48%		28,628,685	10	0.49%	
Spectrum Pacific West LLC	Commercial	28,800,179	10	0.47%					
Citrus Valley Health partners Inc	Institutional			0.00%		52,157,600	4	0.90%	
Time Warner Inc	Commercial			0.00%		28,869,844	9	0.50%	
				0.00%					
Total		<u>\$ 459,096,352</u>		<u>7.48%</u>		<u>\$ 439,336,373</u>		<u>7.57%</u>	

Principal Property Owners

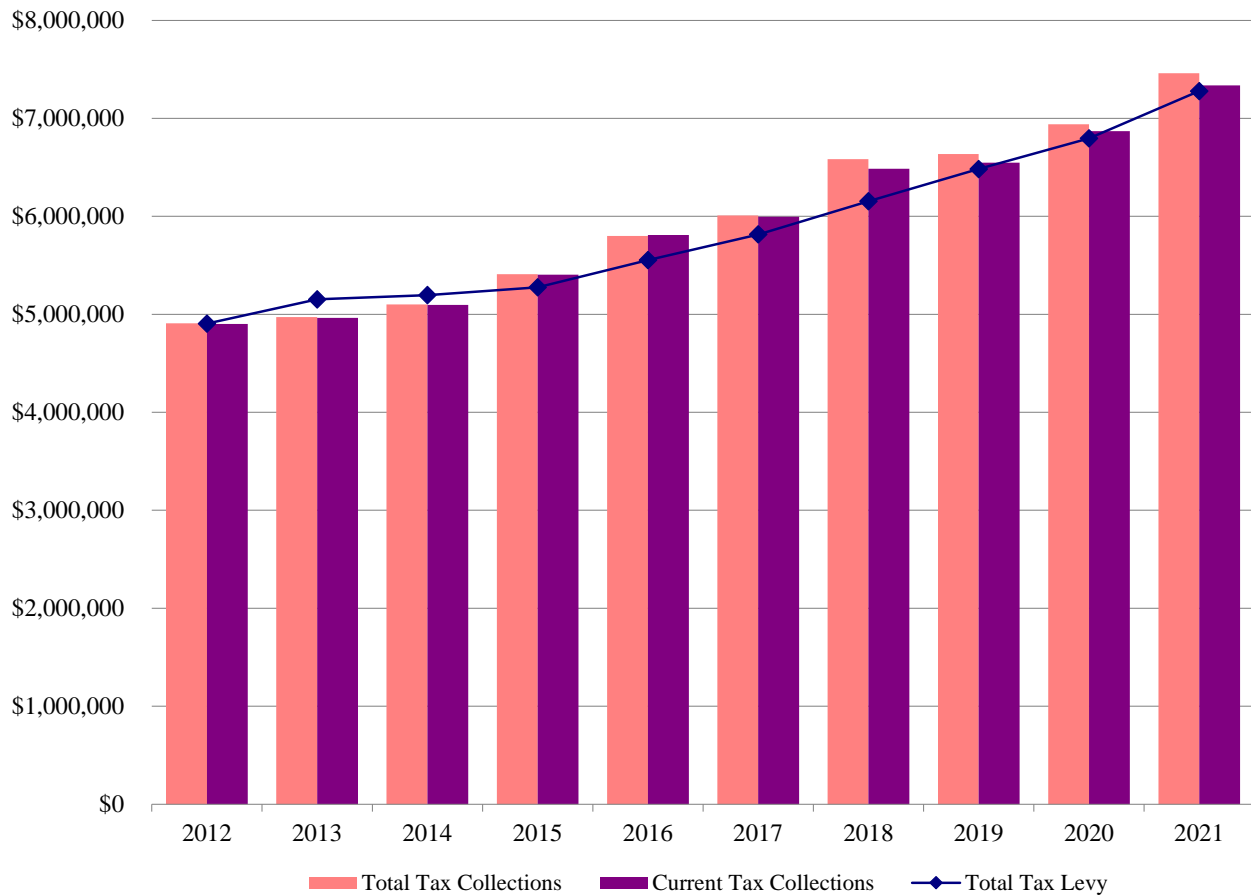


⁽¹⁾ Total assessed valuation of taxable property exclusive of exemptions.

Source: Los Angeles County/Hdl Companies

**CITY OF COVINA, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy ⁽²⁾	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
2012	4,905,372	4,901,258	99.9%	6,561	4,907,819	100.0%
2013	5,152,608	4,965,009	96.4%	6,505	4,971,514	96.5%
2014	5,195,545	5,095,292	98.1%	5,745	5,101,037	98.2%
2015	5,276,198	5,403,432	102.4%	6,191	5,409,623	102.5%
2016	5,553,269	5,809,940	104.6%	(9,333)	5,800,607	104.5%
2017	5,815,150	5,996,355	103.1%	11,769	6,008,124	103.3%
2018	6,154,437	6,485,903	105.4%	98,063	6,583,966	107.0%
2019	6,483,113	6,548,523	101.0%	87,221	6,635,744	102.4%
2020	6,795,929	6,868,907	101.1%	70,619	6,939,526	102.1%
2021	7,277,691	7,335,258	100.8%	125,446	7,460,704	102.5%



⁽¹⁾ Includes only City general property taxes of the General Fund and Municipal Parking District Special Revenue Fund

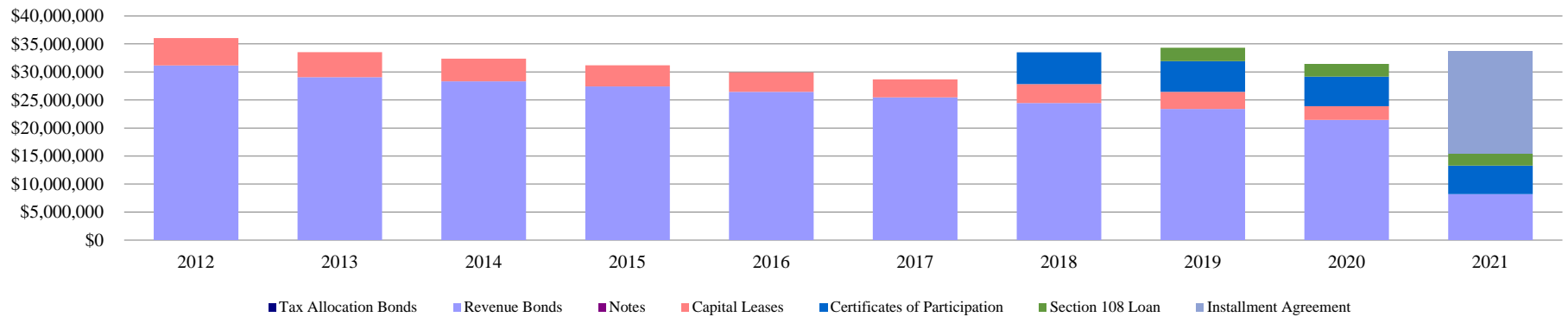
⁽²⁾ Includes secured and unsecured property tax levies exclusive of homeowner exemption, supplemental roll and in-lieu motor vehicle licenses.

Source: Los Angeles County.

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

Fiscal Year	Governmental Activities						Business Activities			Total	Percentage of Personal Income ⁽¹⁾	Percentage of Debt Per Capita ⁽¹⁾
	Tax Allocation Bonds ⁽²⁾	Certificates of Participation	Revenue Bonds	Notes	Capital Leases	Section 108 Loan	Installment Agreement	Revenue Bonds	Capital Leases			
2012	-	-	993,608	-	212,881	-	-	30,167,457	4,665,191	36,039,137	3.26%	0.13%
2013	-	-	506,804	-	109,404	-	-	28,556,637	4,355,402	33,528,247	3.70%	0.14%
2014	-	-	-	-	-	-	-	28,342,757	4,033,567	32,376,324	3.88%	0.15%
2015	-	-	-	-	-	-	-	27,419,747	3,764,539	31,184,286	4.00%	0.16%
2016	-	-	-	-	-	-	-	26,466,734	3,482,249	29,948,983	4.14%	0.16%
2017	-	-	-	-	-	-	-	25,483,722	3,186,043	28,669,765	4.38%	0.17%
2018	-	5,657,747	-	-	496,571	-	-	24,465,710	2,875,237	33,495,265	3.77%	0.15%
2019	-	5,471,187	-	-	496,571	2,375,000	-	23,407,697	2,549,111	34,299,566	3.88%	0.14%
2020	-	5,279,627	-	-	244,087	2,250,000	-	21,443,255	2,206,909	31,423,878	4.36%	0.16%
2021	-	5,083,068	-	-	-	2,125,000	18,290,271	8,210,000	-	33,708,339	4.23%	0.14%

Outstanding Debt by Type-Last Ten Fiscal Years



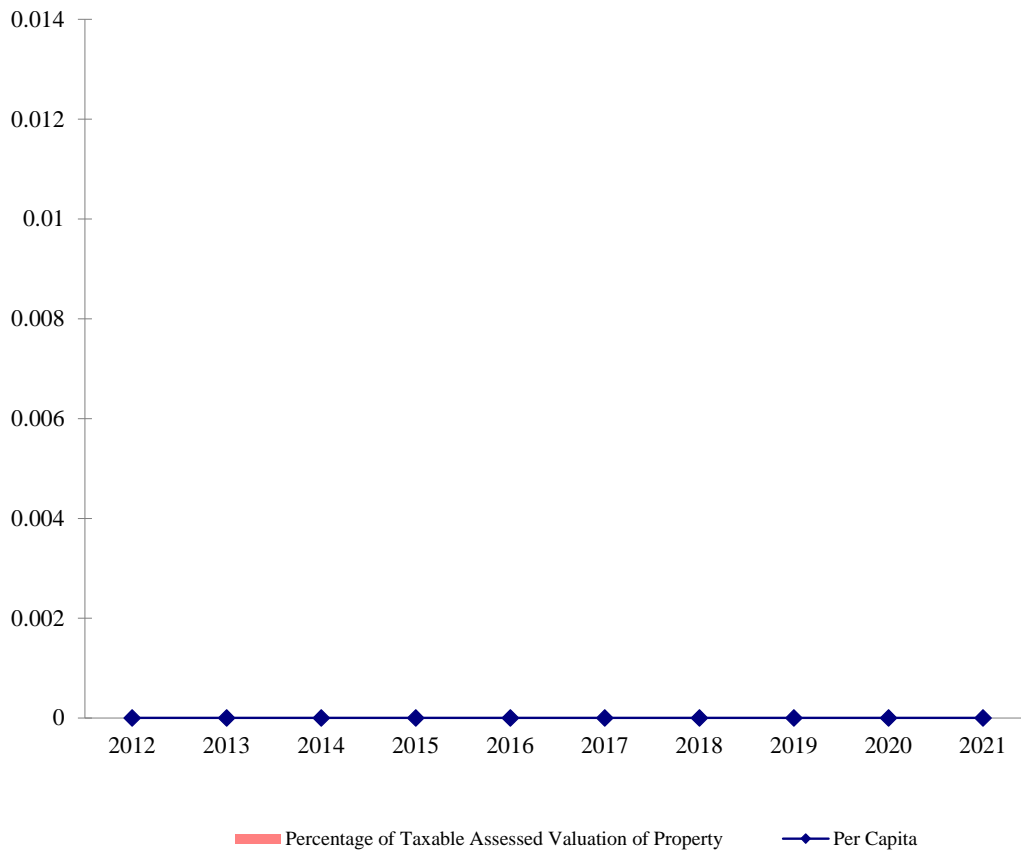
Note: Details regarding the City's outstanding debt can be found in the *notes to the financial statements*.

⁽¹⁾ See Demographic Statistics on page 152.

⁽²⁾ Due to the dissolution of the Covina Redevelopment Agency, the debt related to tax allocation bonds is no longer reported in this table.

CITY OF COVINA, CALIFORNIA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Tax Allocation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Taxable Assessed Valuation ⁽¹⁾ of Property	Per Capita ⁽²⁾
2012	-	-	-	0.00%	0.00%
2013	-	-	-	0.00%	0.00%
2014	-	-	-	0.00%	0.00%
2015	-	-	-	0.00%	0.00%
2016	-	-	-	0.00%	0.00%
2017	-	-	-	0.00%	0.00%
2018	-	-	-	0.00%	0.00%
2019	-	-	-	0.00%	0.00%
2020	-	-	-	0.00%	0.00%
2021	-	-	-	0.00%	0.00%



⁽¹⁾ See Assessed Value of Taxable Property-Last Ten Fiscal Years on page 141.

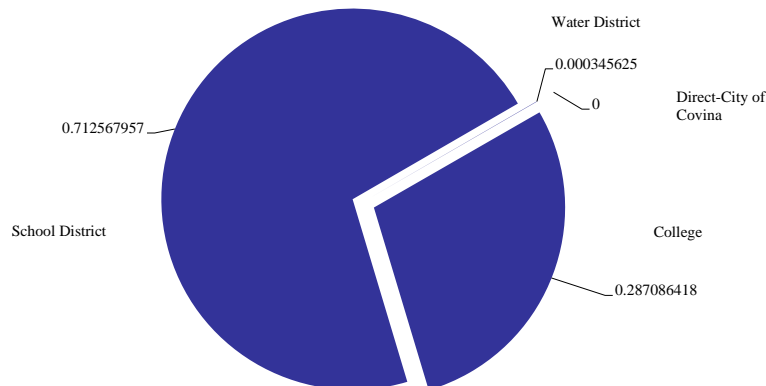
⁽²⁾ See Demographic Statistics on page 152.

⁽³⁾ Due to the dissolution of the Covina Redevelopment Agency, Tax Allocation Bonded Debt is no longer reported on this schedule.

CITY OF COVINA, CALIFORNIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF JUNE 30, 2021

Jurisdiction	Net General Activities Bonded and Capital Lease Debt Outstanding	Percentage Applicable to City of Covina ⁽²⁾	Amount Applicable to City of Covina
Direct-City of Covina ⁽¹⁾	\$ -	100.000%	\$ -
Overlapping:			
Water District:			
Metropolitan Water District	13,101,783	0.385%	50,386
College:			
Citrus CCD DS Refunding Bond Series 2013	7,980,302	0.338%	26,984
Citrus CCD DS 2004 Series 2014D	1,414,253	0.338%	4,782
Citrus CCD DS 2004, 2015 Series E	6,055,000	0.338%	20,474
Citrus CCD DS Ref Bonds 2015 Series A	80,055,000	0.338%	270,692
Mt. San Antonio CCD DS 2008 Series 13A	161,337,332	5.966%	9,625,262
Mt. San Antonio CCD DS 2008 Series 2013B	2,610,000	5.966%	155,711
Mt. San Antonio CCD DS 2013 Series A	18,045,000	5.966%	1,076,551
Mt. San Antonio CCD DS 2013 Series B	21,260,000	5.966%	1,268,355
Mt. San Antonio CCD DS 2008 Series 2015C	7,315,000	5.966%	436,407
Mt. San Antonio CCD DS 2015 Ref Bonds	16,415,000	5.966%	979,306
Mt. San Antonio CCD DS 2018 Series 2019A	288,690,000	5.966%	17,223,024
Mt. San Antonio CCD DS 20 Ref Ser A	180,433,674	5.966%	10,764,535
School District:			
Azusa Unified 2002 Series 2007	28,386,899	1.388%	394,068
Azusa Unified Refund Bond 2002 Series 2011	10,105,000	1.388%	140,278
Azusa Unified 2014 Series A	24,135,000	1.388%	335,043
Azusa Unified Refund Bond 2016	20,780,000	1.388%	288,469
Azusa Unified 2014 Series B	500,000	1.388%	6,941
Azusa Unified 2014 Series C	22,450,000	1.388%	311,652
Azusa Unified Ref BDS Ser 2019	22,115,000	1.388%	307,001
Charter Oak Unified 2012 Series A	24,840,000	38.487%	9,560,195
Charter Oak Unified 2015 Ref Bonds	8,175,000	38.487%	3,146,320
Charter Oak Unified 2012 Series B	8,225,000	38.487%	3,165,564
Charter Oak Unified Ref 2017	2,495,000	38.487%	960,253
Charter Oak Unified 2012 Ser C	10,000,000	38.487%	3,848,710
Covina Valley Unified 2001 Series B	8,328,416	42.518%	3,541,089
Covina Valley Unified 2001 Refund 2010 Ser A	1,025,000	42.518%	435,811
Covina Valley Unified 2012 Series A	4,815,000	42.518%	2,047,249
Covina Valley Unified 2013 Ref Bonds	10,560,000	42.518%	4,489,917
Covina Valley Unified 2012 Series B	36,145,000	42.518%	15,368,187
Covina Valley Unified 2012 Series C	12,000,000	42.518%	5,102,178
Covina Valley Unified 2012 Series C	2,650,000	42.518%	1,126,731
Covina Valley Unified 2016 Ref Bonds	15,900,000	42.518%	6,760,386
Covina Valley Unified 2012 Series D	28,515,000	42.518%	12,124,052
Covina Valley Unified 2012 Series E	14,000,000	42.518%	5,952,542
Covina Valley Unified 2019 Ref BDS	57,545,000	42.518%	24,467,072
Subtotal overlapping debt			145,782,177
Total direct and overlapping debt			\$ 145,782,177

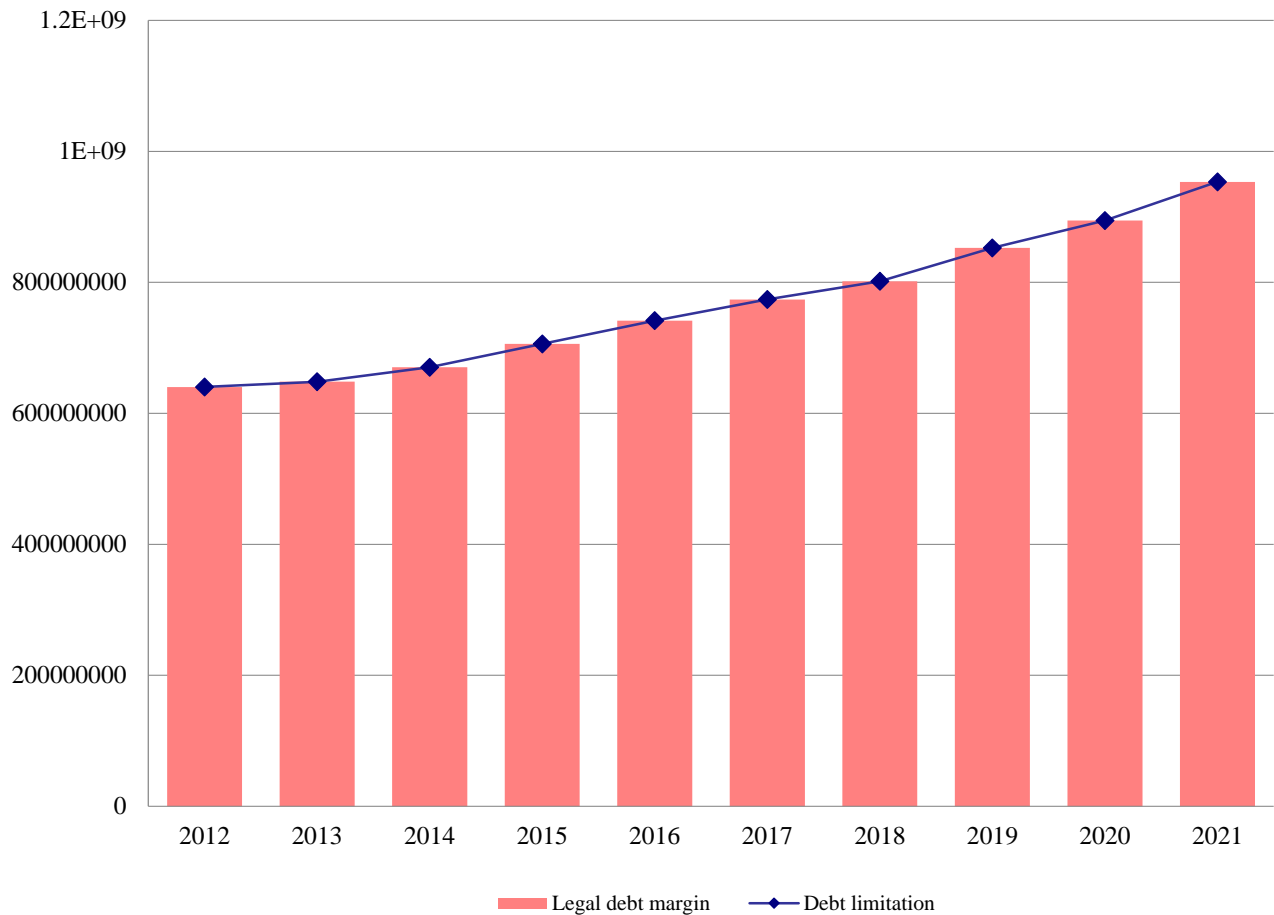
Amount Applicable to City of Covina



⁽¹⁾ Includes governmental activities debt reported in the Ratios of Outstanding Debt by Type on page 143.
⁽²⁾ The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.
Source: Los Angeles County/Hdl Companies

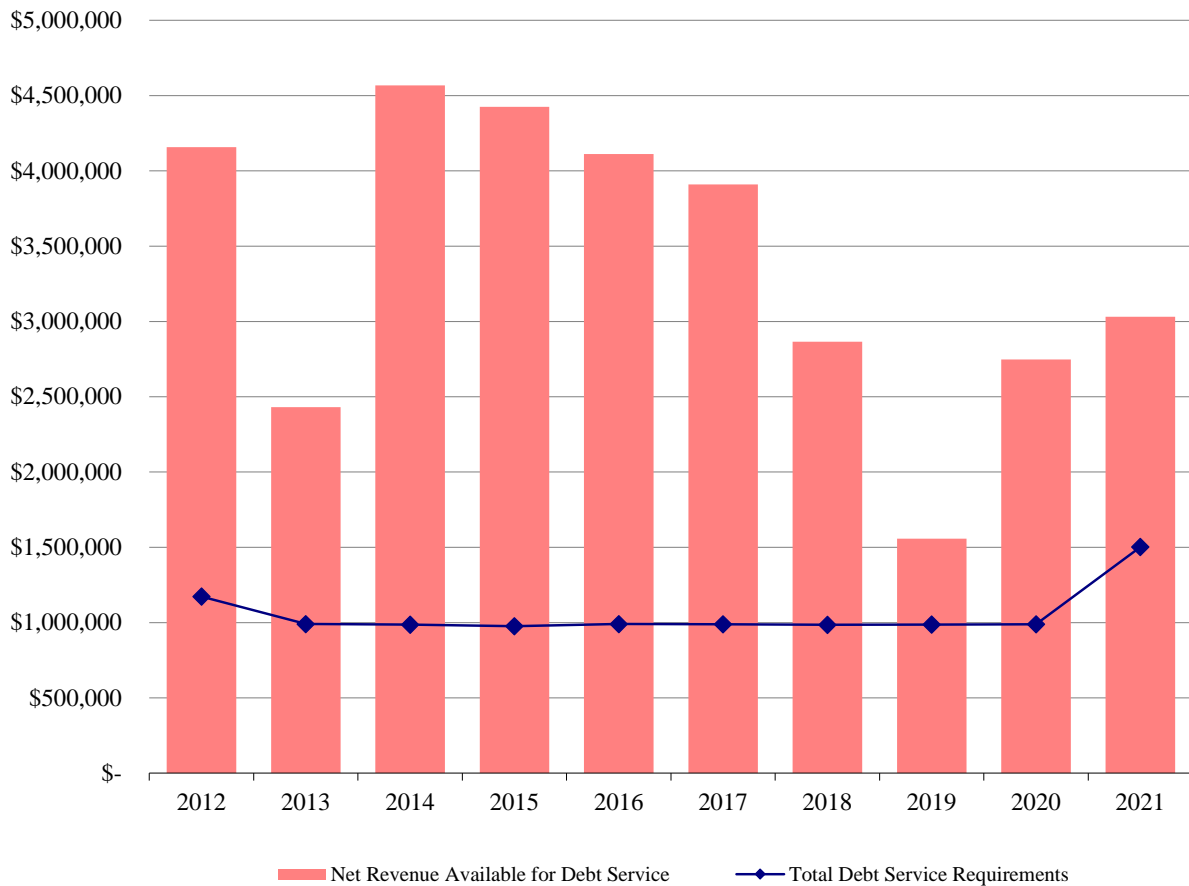
**CITY OF COVINA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Valuations			Legal Debt Margin		
	Assessed Value	Add Exemptions	Total Assessed Value	Debt Limitation- 15% of Total Assessed Value	Total Debt Applicable to Limitation	Legal Debt Margin
2012	4,140,686,218	127,379,664	4,268,065,882	640,209,882	-	640,209,882
2013	4,155,490,789	166,019,257	4,321,510,046	648,226,507	-	648,226,507
2014	4,297,836,936	171,312,269	4,469,149,205	670,372,381	-	670,372,381
2015	4,527,664,937	180,062,301	4,707,727,238	706,159,086	-	706,159,086
2016	4,759,518,971	183,697,385	4,943,216,356	741,482,453	-	741,482,453
2017	4,962,948,677	196,055,673	5,159,004,350	773,850,653	-	773,850,653
2018	5,252,918,662	91,194,219	5,344,112,881	801,616,932	-	801,616,932
2019	5,499,732,315	184,378,433	5,684,110,748	852,616,612	-	852,616,612
2020	5,813,838,744	149,727,735	5,963,566,479	894,534,972	-	894,534,972
2021	6,125,106,511	231,099,414	6,356,205,925	953,430,889	-	953,430,889



**CITY OF COVINA, CALIFORNIA
PLEDGED-REVENUE BOND COVERAGE
WATER UTILITY FUND INSTALLMENT AGREEMENT AND REVENUE BONDS
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	10,545,532	6,387,102	4,158,430	425,000	748,263	1,173,263	3.54
2013	10,933,333	8,501,999	2,431,334	250,000	740,263	990,263	2.46
2014	13,339,122	8,771,194	4,567,928	255,000	731,412	986,412	4.63
2015	11,350,293	6,924,720	4,425,573	265,000	710,708	975,708	4.54
2016	10,506,025	6,394,614	4,111,411	280,000	710,113	990,113	4.15
2017	11,148,725	7,238,966	3,909,759	290,000	698,713	988,713	3.95
2018	11,350,497	8,484,444	2,866,053	300,000	685,413	985,413	2.91
2019	9,876,708	8,319,258	1,557,450	315,000	671,613	986,613	1.58
2020	10,889,143	8,141,622	2,747,521	330,000	658,713	988,713	2.78
2021	11,805,889	8,774,975	3,030,914	933,307	569,062	1,502,369	2.02

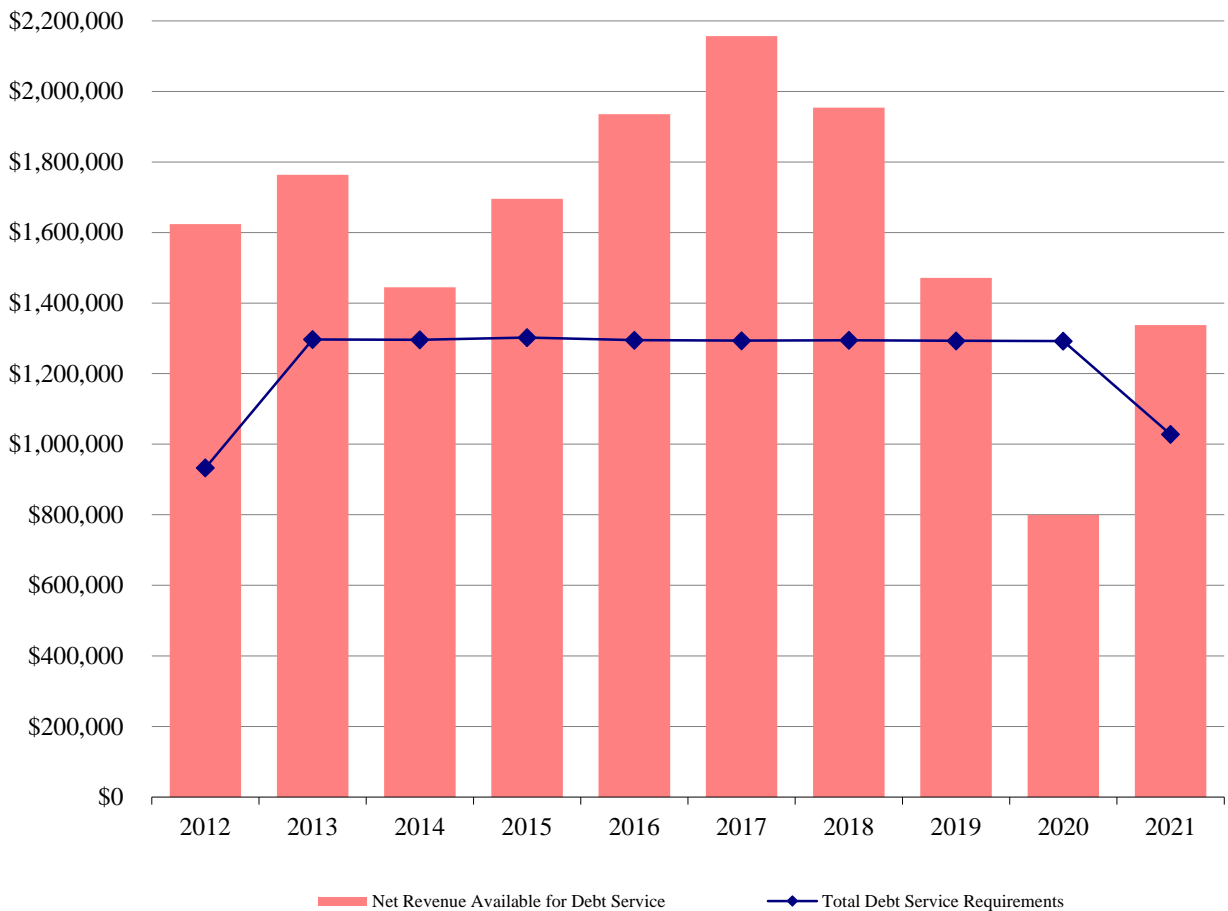


⁽¹⁾ Total revenues (including investment earnings) excluding joint venture investment income and gain on sale of capital assets.

⁽²⁾ Total operating expenses exclusive of depreciation.

**CITY OF COVINA, CALIFORNIA
PLEDGED-REVENUE BOND COVERAGE
SEWER FUND REVENUE BONDS
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	1,788,503	164,835	1,623,668	250,000	682,806	932,806	1.74
2013	2,285,996	522,657	1,763,339	625,000	671,867	1,296,867	1.36
2014	2,229,571	784,732	1,444,839	640,000	656,056	1,296,056	1.11
2015	2,614,619	919,254	1,695,365	660,000	642,063	1,302,063	1.30
2016	2,720,240	785,109	1,935,131	675,000	619,781	1,294,781	1.49
2017	2,818,015	661,138	2,156,877	695,000	598,363	1,293,363	1.67
2018	2,967,675	1,013,663	1,954,012	720,000	574,469	1,294,469	1.51
2019	3,193,723	1,721,983	1,471,740	745,000	547,900	1,292,900	1.14
2020	3,166,964	2,367,418	799,546	895,000	397,205	1,292,205	0.62
2021	3,186,247	1,848,785	1,337,462	825,000	202,631	1,027,631	1.30



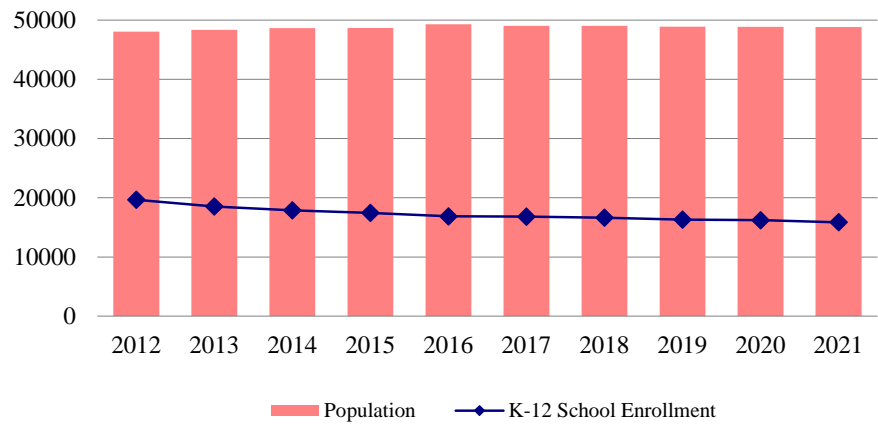
⁽¹⁾ Total revenues (including investment earnings) excluding gain on sale of capital assets.

⁽²⁾ Total operating expenses exclusive of depreciation.

CITY OF COVINA, CALIFORNIA DEMOGRAPHIC AND ECONOMIC STATISTICS

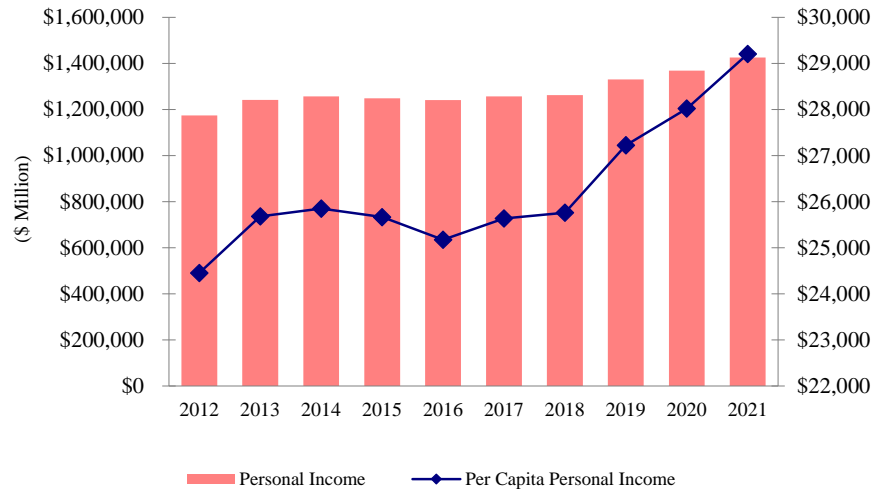
Last Ten Fiscal Years

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>K-12 School Enrollment</u> ⁽²⁾
2012	48,038	19,659
2013	48,357	18,524
2014	48,619	17,864
2015	48,640	17,432
2016	49,291	16,860
2017	49,011	16,806
2018	49,006	16,627
2019	48,876	16,294
2020	48,846	16,200
2021	48,833	15,854



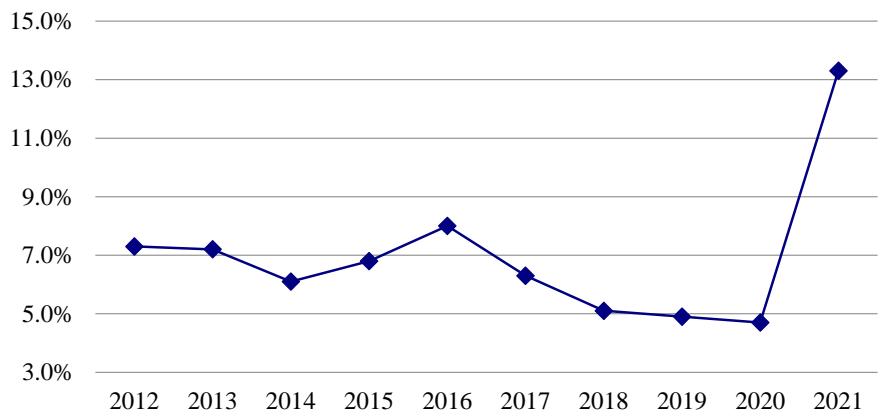
Last Ten Fiscal Years

<u>Year</u>	<u>Personal Income</u> ⁽³⁾ (\$ Thousand)	<u>Per Capita Personal Income</u> ⁽³⁾
2012	1,174,673	24,453
2013	1,241,808	25,680
2014	1,256,801	25,850
2015	1,248,346	25,665
2016	1,240,869	25,174
2017	1,256,462	25,636
2018	1,262,424	25,760
2019	1,330,564	27,223
2020	1,368,680	28,020
2021	1,426,212	29,205



Last Ten Fiscal Years

<u>Year</u>	<u>Unemployment Rate</u> ⁽⁴⁾
2012	7.3%
2013	7.2%
2014	6.1%
2015	6.8%
2016	8.0%
2017	6.3%
2018	5.1%
2019	4.9%
2020	4.7%
2021	13.3%



⁽¹⁾ State Department of Finance.

⁽²⁾ State Department of Education-Covina Valley and Charter Oak Unified School Districts.

⁽³⁾ HdL, Coren & Cone.

⁽⁴⁾ State Employment Development Department.

**CITY OF COVINA, CALIFORNIA
PRINCIPAL EMPLOYERS
AS OF JUNE 30, 2021**

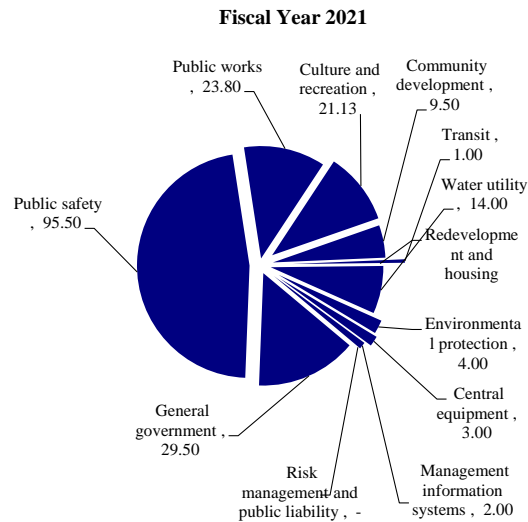
Employer	2021			2020		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Covina Valley Unified School District	1,365	1	8.90%	1,530	1	9.57%
Citrus Valley Health Partners-Intercommunity	829	2	5.41%	1,002	2	6.26%
Charter Oak Unified School District	630	3	4.11%	578	3	3.61%
Charter Homehealth	535	4	3.49%	353	4	2.21%
Ikea U.S. West, Inc.	325	5	2.12%	325	5	2.03%
Wal-Mart	265	6	1.73%	238	8	1.49%
City of Covina	244	7	1.59%	239	7	1.49%
Vitas Innovative Hospice Care	221	8	1.44%	221	9	1.38%
The Home Depot	211	9	1.38%	211	10	1.32%
Composites Horizons LLC	204	10	1.33%			
Lereta, LLC				251	6	1.57%
	<u>4,829</u>		<u>31.49%</u>	<u>4,948</u>		<u>30.94%</u>

Source: City of Covina Finance Department, Covina Valley and Charter Oak School Districts and Citrus Valley Medical Center

CITY OF COVINA, CALIFORNIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
General government	27.00	30.00	29.50	23.56	20.56	28.00	25.50	26.50	27.00	29.50
Public safety	91.00	94.00	94.50	99.50	100.50	112.00	99.50	98.50	98.50	95.50
Public works	28.00	25.50	26.50	19.50	19.50	25.00	21.80	21.80	22.80	23.80
Culture and recreation	65.50	57.00	56.50	43.18	43.41	30.94	21.95	22.47	21.93	21.13
Community development	2.50	6.00	5.00	14.50	16.50	7.00	6.50	7.50	9.50	9.50
Transit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Redevelopment and housing	3.50	-	-	-	-	-	-	-	-	-
Water utility	12.00	10.00	12.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Environmental protection	3.50	2.50	3.50	3.75	3.75	4.00	3.50	4.00	4.00	4.00
Central equipment	4.50	4.00	4.50	5.50	5.50	3.00	3.00	3.00	3.00	3.00
Management information systems	4.50	5.00	5.50	6.00	6.00	1.00	-	2.00	2.00	2.00
Risk management and public liability	-	-	-	-	-	-	-	-	1.00	-
Total full-time equivalent positions	<u>243.00</u>	<u>235.00</u>	<u>238.50</u>	<u>230.49</u>	<u>230.72</u>	<u>225.94</u>	<u>196.75</u>	<u>200.77</u>	<u>204.73</u>	<u>203.43</u>

Source: Finance Department Budget



CITY OF COVINA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION ⁽¹⁾
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Finance:										
Payroll checks issued	4,291	6,961	7,038	7,694	7,569	7,369	7,566	7,811	7,557	7,264
Accounts payable checks issued	8,591	7,498	7,093	6,374	5,729	5,281	5,296	5,500	5,153	5,445
Purchase orders issued	2,715	921	707	506	538	453	440	461	465	474
Community Development Block Grant (CDBG):										
Businesses assisted	6	6	2	4	-	-	-	-	-	6
Jobs created	4	13	14	12	-	-	3	5	11	4
Houses rehabilitated	7	3	6	4	3	2	1	-	-	-
Housing:										
Transitional House-Number of people served	14	18	14	17	17	22	11	14	13	21
Covenants-Monitoring affordable units	487	504	460	460	460	460	460	460	449	460
Public Safety										
Police:										
Physical arrests	3,070	2,805	2,322	2,987	2,038	676	3,005	2,746	2,406	2,534
Parking violations	11,786	12,603	10,831	9,367	8,380	10,062	3,035	8,955	12,678	15,301
Traffic violations	5,772	5,449	4,475	3,314	1,711	5,426	12,063	1,598	1,355	1,540
Fire:										
Number of calls answered	3,996	4,306	4,283	4,643	4,751	4,681	4,641	10,679	11,083	14,218
Inspections	802	2,319	2,279	2,279	1,389	2,583	1,472	2,843	2,383	1,964
Culture and Recreation										
Parks and Recreation:										
Leaders-in-Training participants	73	67	54	75	57	66	51	36	12	18
Youth sports participants	2,240	1,863	1,945	1,312	916	1,199	1,130	934	746	619
Leisure lifestyle classes participants	6,398	6,555	6,694	5,920	6,457	5,041	4,520	4,028	2,593	1,500
Cultural excursion program participants	494	543	489	580	565	595	406	468	326	150
Summer evening event attendees	25,950	25,000	25,000	25,000	25,000	16,975	17,170	10,100	9,200	1,500
Senior service participants (fee based)					3,202	2,296	1,036	1,248	939	364
Senior nutrition program meals served	15,522	15,539	16,565	18,336	14,641	12,798	11,642	11,628	19,088	33,758
Special events	53,000	53,000	53,000	53,000	50,000	50,000	50,000	45,000	40,000	5,000
Aquatic participants	8,244	9,620	10,716	8,750	6,446	8,134	6,011	5,850	3,884	2,800
Day Camp Participants					745	842	682	580	402	2,800
Library:										
Circulation										
Books/Audiobooks/CD/S	134,775	126,668	127,254	111,236	102,019	100,913	99,434	97,548	67,451	10,564
DVD's	11,255	9,729	9,065	7,500	5,806	4,987	4,141	3,314	1,928	53
Toys					978	2,588	3,436	4,241	2,784	-
E-books							1,381	3,201	4,466	5,880
Total Circulation	146,030	134,993	136,319	118,736	108,803	108,488	108,392	108,303	76,629	16,587
Gate Count	240,350	230,478	222,129	206,514	194,182	189,432	189,021	187,098	120,381	1,273
Computer Services										
Number of hours	14,787	14,220	14,976	13,860	10,782	10,374	12,825	12,891	6,298	45
Number of users	19,860	18,156	20,772	18,751	13,946	13,190	19,848	19,581	10,323	83
Library Cards										
City Residents - Newly Issued	2,219	2,125	2,197	1,760	1,520	1,427	1,413	1,364	963	153
Non-City Residents - Newly Issued	2,580	2,682	2,713	2,118	1,679	1,594	1,257	1,198	865	106
Total Number of Current Library Cards	⁽²⁾ 2,580	⁽²⁾ 2,682	25,031	28,909	32,108	35,129	37,927	40,087	32,824	33,083
Library materials added										
Books	2,797	3,169	4,903	3,439	2,580	2,866	2,475	1,827	1,600	1,736
CDs	112	120	86	298	222	196	131	198	156	191
Audiobooks	97	115	159	128	88	83	129	87	54	70
DVD's	232	194	221	181	150	215	155	212	154	145
Toys					119	99	97	67	27	-
Total Materials Added	3,238	3,598	5,369	4,046	3,159	3,459	2,987	2,391	1,991	2,142
Library Programs/Services										
Storytime participants	4,318	2,339	2,060	1,397	1,756	1,649	1,542	1,662	1,317	592
Adult/Young Adult program participants	700	540	895	423	464	470	536	902	869	370
Children's program participants	1,602	1,582	3,222	3,014	4,264	5,351	7,343	7,264	5,171	1,034
Summer Reading Program participants	890	890	702	620	705	799	848	1,076	350	319
Joint Summer Reading program participants	951	1,006	1,079	1,079	811	1,153	1,468	1,818	1,806	-
Accelerated Reader (AR) Testing Program Participants								1,861	2,665	-
In-N-Out Cover-to-Cover Reading Program			181	202	240	252	274	244	366	-
Outreach (Class Visits on and off-site, number of participants)							546	1,227	591	50
Homework Help Tutors	23*	16*	21*	12*	11	15	10	-	-	-
Homework Help Participants	1,132	1,410	1,120	738	997	529	418	-	-	-
Library volunteer hours ⁽³⁾	11,454	12,065	11,766	13,535	14,251	13,754	8,693	5,877	2,224	103

CITY OF COVINA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION (CONTINUED) ⁽¹⁾
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Literacy										
Number of tutors	37	36	29	27	23	23	22	20	16	1
Number of adults served	91	105	101	97	79	79	92	83	81	22
Number of children served	46	40	52	37	31	39	43	44	31	-
Reference Questions										
Adult/Circulation	9,808	12,055	20,907	20,436	21,418	22,561	20,281	20,778	15,607	1,200
Childrens	9,135	6,885	8,862	6,918	6,650	5,738	7,839	8,312	6,090	-
Total Reference Questions	18,943	18,940	29,769	27,354	28,068	28,299	28,120	29,090	21,697	1,200
Planning										
Planning reviews	465	254	281	610	1,733	1,820	1,911	283	156	388
Permits issued	422	1,911	2,204	2,253	1,344	1,411	1,482	71	-	147
Inspections	⁽²⁾	416	471	531	192	230	242	-	-	-
Building										
Building reviews	336	350	450	503	1,362	561	792	820	842	1,040
Permits issued	1,080	1,060	1,599	1,658	3,494	1,514	894	3,927	3,290	4,598
Inspections	5,441	5,375	6,078	6,029	4,464	3,038	5,137	4,265	4,506	3,646
Transit										
Average daily parking customers (station & structure paid)	886	823	821	845	747	⁽²⁾	⁽²⁾	666	40	276
Average monthly parking customers (structure paid)						1,296	688	608	433	326
Dial-A-Cab participants (monthly average)	1,639	1,981	1,920	1,918	1,158	1,454	1,584	1,722	1,468	933
Subsidized bus passes (monthly average)	60	44	53	53	28	52	48	50	30	11
Code Enforcement										
Total Inspections	13,919	5,591	4,601	4,434	1,840	1,902	2,956	834	2,113	1,467
Signs removed from public right of way	3,516	661	1,053	1,083	522	233	153	294	278	113
Industrial Waste Inspections	488	133	724	413	1	2	220	176	138	375
Water Utility										
Average daily consumption (gallons)	4,816,719	5,048,319	5,125,309	4,450,897	3,944,447	4,398,752	5,000,000	5,760,000	3,600,000	3,168,176
Meter reads	101,008	102,768	106,430	103,851	103,490	⁽²⁾	2,291	⁽²⁾	2,061	4,252
Meter replacements	73	14	74	6	88	⁽²⁾	32	77	28	37
Consumer responses	7,298	7,975	4,765	12,703	5,805	⁽²⁾	350	590	727	208
Service line repairs	99	83	111	62	48	⁽²⁾	59	43	33	108
Main line repairs	46	57	38	34	45	⁽²⁾	49	70	69	49
Street Maintenance										
Traffic sign remove/replace/install	565	1,392	234	92	185	153	118	102	201	185
Potholes repaired	1,502	2,415	2,738	4,058	3,629	4,645	3,802	5,390	6,379	3,981
Curb painted (lf)	51,424	22,884	10,117	15,436	17,860	37,370	16,960	75,262	26,788	21,239
Utility cuts repaired	24	5	15	-	⁽²⁾	⁽²⁾	20	73	87	76
Trees trimmed	352	305	474	799	2,163	231	255	129	158	84
Equipment Maintenance										
Preventative maintenance service	568	536	475	492	367	325	284	291	302	288
Safety inspections	626	564	516	563	425	371	320	319	327	332
New Tires	142	145	127	122	82	117	98	121	115	102
Tire repairs	253	248	282	315	177	183	164	167	122	177
Work orders completed	1,243	1,194	1,043	1,345	829	681	631	646	657	771
Environmental Protection										
Refuse collected (tons/month)	2,601	2,242	2,222	2,334	2,363	2,482	2,450	2,416	1,825	2,991
Recyclables collected (tons/month)	198	188	188	188	192	185	162	162	200	351
Green waste collected (tons/month)	536	525	483	469	463	462	457	469	366	929
Compressed natural gas sold (gallon equivalents)	19,093	13,865	59,351	28,080	33,845	30,999	30,182	29,045	14,427	13,691.04

⁽¹⁾ Information provided by various departments

⁽²⁾ Information not available.

⁽³⁾ Combination of Homework Help volunteer hours and Total volunteer hours.

* Revised

**CITY OF COVINA, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION ⁽¹⁾
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Buildings-civic center	1	1	1	1	1	1	1	1	1	1
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	27	26	24	23	23	20	20	20	21	22
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Arterial streets (miles)	35	35	35	35	35	35	35	35	47	47
Residential streets (miles)	82	82	82	81	87	81	81	81	80	80
Curb and gutter (miles)	240	240	240	240	230	230	230	230	230	230
Sidewalk (square feet)	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000
Traffic signals	60	60	60	60	65	65	65	65	70	70
Sanitary sewer (miles)	121	121	121	121	121	121	121	121	120	120
Storm water catch basins	71	82	82	82	82	71	112	112	112	112
Street trees	9,347	9,325	9,325	9,325	9,465	9,485	9,473	9,501	9,266	9,058
Parking structure (spaces)	125	125	125	125	110	110	110	110	110	110
Culture and recreation										
Parks and recreation:										
Park acreage	53	53	53	51	54	54	54	54	54	54
Parks	8	8	8	9	9	9	9	9	9	9
Horse-walking trails	1	1	1	1	1	1	1	1	1	1
Nature trails	1	1	1	1	1	1	1	1	1	1
Playground areas	8	8	8	8	9	9	9	9	9	9
Swimming pools	2	2	2	2	2	2	2	2	2	2
Softball fields	3	3	3	3	3	3	3	3	3	3
Baseball fields	3	3	3	3	3	3	3	3	3	3
Basketball courts	10	10	10	10	10	10	10	10	10	10
Roller hockey rinks	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Buildings and centers	12	12	12	12	13	13	13	13	13	13
Library buildings	1	1	1	1	1	1	1	1	1	1
Transit										
Parking structure (vehicle spaces)	655	655	655	655	665	665	665	665	663	663
Parking lot (secured bicycle spaces)	36	36	36	-	40	40	40	56	16	16
Transit vehicles	5	5	5	5	5	5	5	5	5	5
Housing										
Transitional housing	1	1	1	1	1	1	1	1	1	1
Water utility										
Water tanks	8	9	9	9	9	9	9	9	9	9
Pump stations	6	7	7	7	6	6	6	7	7	7
Water mains (miles)	102	102	102	102	102	102	102	102	102	111
Service meters	8,552	8,650	8,650	8,650	8,633	8,623	8,623	8,600	8,640	8,700
Fire hydrants	1,057	1,059	1,059	1,059	992	1,059	1,059	1,132	1,096	414

⁽¹⁾ Information provided by various departments for last nine fiscal years. There are no capital asset statistics available for community development and environmental protection.

⁽²⁾ Information not available.

CITY OF COVINA, CALIFORNIA CONTINUING DISCLOSURE WATER SYSTEM

Summary of Operations										
	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Water Purchased (in acre-feet)										
Covina Irrigating Company (CIC)	6,059.89	5,868.75	4,686.30	4,429.00	4,166.26	4,756.72	5,068.03	5,035.22	5,106.32	5,347.83
Three Valley Muni Water Dist(MWD)	-	238.50	1,427.10	931.00	467.20	198.00	62.70	-	-	151.00
Total Purchased	6,059.89	6,107.25	6,113.40	5,360.00	4,633.46	4,954.72	5,130.73	5,035.22	5,106.32	5,498.83
Potable Water Sold (in acre-feet)	5,410.57	5,479.33	5,738.46	4,986.00	4,418.34	4,508.53	4,909.82	4,720.74	4,620.64	4,825.99
Change from previous year	-0.15%	1.27%	4.73%	-13.11%	-11.39%	2.04%	8.90%	-3.85%	-2.12%	4.44%
Population	48,038	48,357	48,619	49,002	48,984	49,011	49,006	48,876	48,846	48,833
Cost of CIC Water \$/a-f	\$ 425.00	\$ 450.00	\$ 475.00	\$ 475.00	\$ 495.00	\$ 495.00	\$ 530.00	\$ 530.00	\$ 495.00	\$ 520.00
Cost of MWD Water \$/a-f	793.00	849.00	875.00	879.41	906.76	981.67	987.00	987.00	987.00	1,098.00
Number of Water Accounts⁽¹⁾	8,606	8,583	8,635	8,550	8,638	8,642	8,656	8,701	8,506	8,524

Water System Fund Revenues and Expenses ⁽²⁾										
	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
<u>Operating Revenue</u>										
Charges for Services	10,515,236	10,902,689	13,337,157	10,896,780	10,436,434	11,011,015	11,138,975	9,586,220	10,673,985	11,681,271
<u>Operating Expenses</u>										
Source & supply	2,943,016	3,325,059	3,944,941	3,146,588	2,707,841	2,849,099	3,190,768	3,116,482	3,067,435	3,561,787
Production & storage	507,877	645,858	497,422	556,304	911,509	1,072,317	2,224,760	928,941	1,093,228	1,155,010
Transmission & distribution	1,423,143	1,531,620	1,394,900	1,732,307	613,017	1,604,822	1,790,159	1,096,437	1,535,521	1,046,562
Customer acct & collections	857,370	1,182,150	1,082,024	1,061,295	1,363,414	1,474,373	1,347,476	1,304,399	906,296	603,793
Administrative & general	655,696	835,384	904,636	638,819	798,833	238,355	(68,719)	1,872,999	1,539,142	2,407,823
Depreciation	783,715	779,081	867,235	957,051	953,511	964,403	1,006,332	1,131,906	1,276,414	1,443,409
Total Operating Expenses	7,170,817	8,299,152	8,691,158	8,092,364	7,348,125	8,203,369	9,490,776	9,451,164	9,418,036	10,218,384
Net Revenues	3,344,419	2,603,537	4,645,999	2,804,416	3,088,309	2,807,646	1,648,199	135,056	1,255,949	1,462,887
2010 Bond Installment Payments	1,173,262	990,262	986,413	710,708	990,113	988,713	985,413	986,613	988,713	802,627
2020 BBVA Installment Payments										699,742
Coverage	2.85	2.63	4.71	3.95	3.12	2.84	1.67	0.14	1.27	0.97

Water Rates ⁽¹⁾									
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020		6/30/2021	6/30/2022*	
Minimum Charge:						Monthly Service Charge:			
5/8" & 3/4"	\$ 33.24	\$ 33.24	\$ 33.24	\$ 33.24	\$ 33.24	5/8" and 3/4"	\$ 36.22	\$ 37.67	
1"	49.44	49.44	49.44	49.44	49.44	1"	56.74	59.01	
1-1/2"	76.43	76.43	76.43	76.43	76.43	1-1/2"	103.65	107.80	
2"	115.15	115.15	115.15	115.15	115.15	2"	162.30	168.80	
3"	215.92	215.92	215.92	215.92	215.92	3"	349.95	363.95	
4"	359.84	359.84	359.84	359.84	359.84	4"	622.64	647.55	
6"	719.70	719.70	719.70	719.70	719.70	6"	1,376.19	1,431.24	
8"						Monthly Fire Line Service Charge:			
Charge per hundred cubic feet (hcf):						2"	20.09	20.90	
Single Family (0-16 ccf)	2.71	2.71	2.71	2.71	2.71	3"	45.24	47.05	
Single Family (17+ ccf)	3.02	3.02	3.02	3.02	3.02	4"	88.60	92.15	
Multi-Family (0-12 ccf)	2.71	2.71	2.71	2.71	2.71	6"	244.24	254.01	
Multi-Family (13+ ccf)	2.96	2.96	2.96	2.96	2.96	8"	512.69	533.20	
Commercial/Institutional	3.16	3.16	3.16	3.16	3.16	10"	916.49	953.15	
Industrial/Manufacturing	2.74	2.74	2.74	2.74	2.74	Consumption Rates:			
Irrigation/Landscaping	3.16	3.16	3.16	3.16	3.16	Single Family			
City/Miscellaneous	2.75	2.75	2.75	2.75	2.75	Tier 1 (0-14 ccf)	2.86	2.98	
Capital Improvements Projects Fee:						Tier 2 (15+ ccf)	3.36	3.50	
5/8" & 3/4"	2.54	2.54	2.54	2.54	2.54	Multi-Family			
1"	6.36	6.36	6.36	6.36	6.36	Uniform Rate	2.99	3.11	
1-1/2"	12.72	12.72	12.72	12.72	12.72	Commercial/Institutional	3.01	3.14	
2"	32.55	32.55	32.55	32.55	32.55	Industrial/Manufacturing	3.01	3.14	
3"	61.03	61.03	61.03	61.03	61.03	Irrigation/Landscaping	3.05	3.18	
4"	101.71	101.71	101.71	101.71	101.71	City/Miscellaneous	3.01	3.14	
6"	203.43	203.43	203.43	203.43	203.43	Construction	3.10	3.23	
8"									
Private Fire Standby Service:									
4"	21.71	21.71	21.71	21.71	21.71				
6"	63.09	63.09	63.09	63.09	63.09				
8"	134.46	134.46	134.46	134.46	134.46				
10"	241.80	241.80	241.80	241.80	241.80				

* Information presented is current as of 1/10/22

Largest Water Accounts ⁽¹⁾					
Customer	Type of Business	Consumption (in acre-feet)	% of total consumption	Revenue	% of total water sales
Covina School District	Governmental	113.11	2.34%	\$237,612.55	1.86%
Inter-Comm Health SVC	Commercial	88.91	1.84%	\$188,658.57	1.48%
Covina 023-Woods 206 LP	Multiple Family	58.77	1.22%	\$170,042.22	1.33%
Charter Oak Unified School Dist	Governmental	50.64	1.05%	\$88,237.60	0.69%
Miracle Mile Properties LP	Multiple Family	35.14	0.73%	\$64,610.54	0.51%
Spruell, Rosario O.	Multiple Family	27.98	0.58%	\$57,153.52	0.45%
Lvgem Hotel Corporation	Commercial	22.14	0.46%	\$40,647.16	0.32%
Gref GG Eastland Center L.P.	Commercial	21.42	0.44%	\$52,478.87	0.41%
Rayne Soft Water Svc	Commercial	19.81	0.41%	\$37,809.02	0.30%
Forbush, Lucienne	Multiple Family	17.17	0.36%	\$30,987.44	0.24%
TOTALS		455.09	9.43%	\$ 968,237	7.59%
GRAND TOTAL CONSUMPTION		4,825.99	GRAND TOTAL SALES		\$ 12,757,850

(1) Information obtained from Water information system

(2) Information obtained from Covina Comprehensive Annual Financial Report

**CITY OF COVINA, CALIFORNIA
CONTINUING DISCLOSURE
WASTEWATER SYSTEM**

	Sewer Fund Revenues and Expenses									
	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
<u>Operating Revenue</u>										
Special Assessments	1,750,240	2,263,321	2,213,642	2,596,318	2,683,503	2,760,749	2,833,092	2,923,535	2,905,488	3,093,941
<u>Operating Expenses</u>										
General & Administrative	164,835	522,657	784,732	919,254	785,109	661,138	1,013,663	1,721,983	2,367,418	1,848,785
Depreciation	28,319	42,314	110,795	167,735	167,735	167,735	167,735	168,680	179,627	225,865
Total Operating Expenses	193,154	564,971	895,527	1,086,989	952,844	828,873	1,181,398	1,890,663	2,547,045	2,074,650
Net Revenues	1,557,086	1,698,350	1,318,115	1,509,329	1,730,659	1,931,876	1,651,694	1,032,872	358,443	1,019,291
2009 Bond Installment Payments	932,806	1,296,869	1,296,056	1,298,981	1,294,781	1,293,363	1,294,469	1,292,900	266,966	
2019 Ref Bond Installment Payments									1,025,239	1,027,631
Coverage	1.67	1.31	1.02	1.16	1.34	1.49	1.28	0.80	0.28	0.99
	Sewer Rates ⁽¹⁾									
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021		
	8.62	10.36	10.57	10.88	11.21	11.45	11.45	11.45		

⁽¹⁾ Monthly Rates