



California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

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CITY OF COVINA, CALIFORNIA

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

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 OF COVINA, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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

YEAR ENDED JUNE 30, 2022

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

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**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INTRODUCTORY SECTION

ELECTED AND ADMINISTRATIVE OFFICIALS	I
LETTER OF TRANSMITTAL	II
ORGANIZATION CHART	VIII

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	11
MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)	15

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	30
STATEMENT OF ACTIVITIES	31

FUND FINANCIAL STATEMENTS

BALANCE SHEET – GOVERNMENTAL FUNDS	33
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	34
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	36
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	37
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	38
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	39
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	41
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	42
NOTES TO FINANCIAL STATEMENTS	44

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – MISCELLANEOUS	92
SCHEDULE OF CONTRIBUTIONS – MISCELLANEOUS	93
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – SAFETY	94
SCHEDULE OF CONTRIBUTIONS – SAFETY	95
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS	96
SCHEDULE OF CONTRIBUTIONS – OPEB	97
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	98
BUDGETARY COMPARISON SCHEDULE – OTHER GRANTS SPECIAL REVENUE FUND	99
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	100
SUPPLEMENTARY INFORMATION	
OTHER GOVERNMENTAL FUNDS	
DESCRIPTION OF OTHER GOVERNMENTAL FUNDS	103
COMBINING BALANCE SHEET	106
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	112
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGETARY COMPARISON SCHEDULES	
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND	118
PROPOSITION A SPECIAL REVENUE FUND	119
LAW ENFORCEMENT SPECIAL REVENUE FUND	120
NARCOTICS SEIZURE SPECIAL REVENUE FUND	121
STATE GAS TAX SPECIAL REVENUE FUND	122
PROPOSITION C SPECIAL REVENUE FUND	123
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND	124
MUNICIPAL PARKING SPECIAL REVENUE FUND	125

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

LIGHTING ASSESSMENT SPECIAL REVENUE FUND	126
LANDSCAPING ASSESSMENT SPECIAL REVENUE FUND	127
COMMUNITY FACILITIES DISTRICT ASSESSMENT SPECIAL REVENUE FUND	128
SHOPPERS LANE PARKING DISTRICT SPECIAL REVENUE FUND	129
MEASURE M SPECIAL REVENUE FUND	130
TDA GRANT SPECIAL REVENUE FUND	131
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND	132
PEG ACCESS TELEVISION SPECIAL REVENUE FUND	133
HOUSING AUTHORITY SPECIAL REVENUE FUND	134
MEASURE W SPECIAL REVENUE FUND	135
MEASURE R SPECIAL REVENUE FUND	136
CAPITAL PROJECTS FUNDS	
GENERAL PROJECTS FUND	137
COVINA REVITALIZATION PROJECTS FUND	138
PARK DEVELOPMENT CAPITAL PROJECTS FUND	139
TRANSPORTATION CAPITAL PROJECTS FUND	140
INTERNAL SERVICES FUNDS	
DESCRIPTION OF INTERNAL SERVICE FUNDS	141
COMBINING STATEMENT OF NET POSITION	142
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	143
COMBINING STATEMENT OF CASH FLOWS	144
CUSTODIAL FUNDS	
DESCRIPTION OF CUSTODIAL FUNDS	146
COMBINING STATEMENT OF FIDUCIARY NET POSITION	147
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	148

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

STATISTICAL SECTION (UNAUDITED)

DESCRIPTION OF STATISTICAL SECTION CONTENTS	151
NET POSITION BY COMPONENT	153
CHANGES IN NET POSITION	154
FUND BALANCES OF GOVERNMENTAL FUNDS	157
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	158
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE	160
ASSESSED VALUE OF TAXABLE PROPERTY	161
ASSESSED VALUE OF TAXABLE PROPERTY BY USE	162
PROPERTY TAX RATES	163
PRINCIPAL PROPERTY OWNERS	164
PROPERTY TAX LEVIES AND COLLECTIONS	165
RATIOS OF OUTSTANDING DEBT BY TYPE	166
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING	167
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT	168
LEGAL DEBT MARGIN INFORMATION	169
PLEDGED-REVENUE BOND COVERAGE – WATER UTILITY FUND INSTALLMENT AGREEMENT AND REVENUE BONDS	170
PLEDGED-REVENUE BOND COVERAGE – SEWER FUND REVENUE BONDS	171
DEMOGRAPHIC AND ECONOMIC STATISTICS	172
PRINCIPAL EMPLOYERS	173
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	174
OPERATING INDICATORS BY FUNCTION	175
CAPITAL ASSET STATISTICS BY FUNCTION	177
CONTINUING DISCLOSURE – WATER SYSTEM	178
CONTINUING DISCLOSURE – WASTEWATER SYSTEM	179

INTRODUCTORY SECTION

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**CITY OF COVINA, CALIFORNIA
ELECTED AND ADMINISTRATIVE OFFICIALS
2021-2022**

<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



CITY OF COVINA

125 East College Street • Covina, California 91723-2199

March 15, 2023

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, 2022 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. CliftonLarsonAllen, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2022. 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 2021-22 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 50,449 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:

Estimated Revenues

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

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

Fund Balances/Working Capital

- Budget will calculate available fund balances and/or working capital available in the various funds
- 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 shall be maintained
 - Excess reserves will be designated for nonrecurring activities or capital improvements
- Internal Service Funds
 - Maintain general liability and worker's compensation reserves based on actuarial recommendations.
 - Maintain sufficient reserves to fund equipment replacement at the end of its useful life
- Enterprise Funds
 - Maintain reserves as recommended by applicable rate studies
- Restricted Funds
 - Reserves can be used for only designated purposes
 - Excess reserves can be designated for recurring and nonrecurring activities or capital improvements depending on the nature of the fund

Community Needs Assessment, Monitoring and Reporting

- Identifying community needs for essential services
 - Describing the programs required to provide the essential services
 - Identifying the purpose of activities performed in delivering services
 - Identifying resources required to perform program activities and accomplish goals and objectives
- Monitoring 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

Changes in Service Levels

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

Budget Shall Be Balanced

- Ongoing and recurring costs shall be funded with ongoing and recurring revenues
- One-time and nonrecurring costs shall be funded with excess ongoing revenues, available one-time revenues or excess reserves
- One-time or nonrecurring revenues shall not fund ongoing costs
- Current costs shall be recognized and funded in the current year, not deferred or funded in future years whenever possible
- Budget sufficient funding levels to maintain current City services
- The General Fund shall try to maintain a minimum \$100,000 operating contingency for unanticipated events
- Make conscious decisions about cost recovery and/or general tax subsidy of those services that benefit only a portion of the tax paying public
- Formalize a five-year capital improvement program to identify priorities, service levels, funding sources and future impacts of decisions made today.

Infrastructure Maintenance

- Identify preventive maintenance of infrastructure to minimize future expenditures
 - Make conscious effort to 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

- City Council authorization is required except for:
 - Emergencies
 - Legal requirements
 - Accounting changes and prior period adjustments

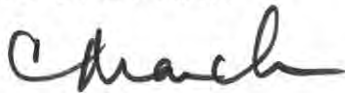
Implementation

- The City Manager shall be responsible for the preparation and submission of the budget
- The City Manager shall be authorized to make the appropriate changes to adhere to the budget policy
- Staff shall report to the City Council periodically (quarterly or semi-annually at a minimum) with an update on actual revenues and expenditures as shown in the adopted budget

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

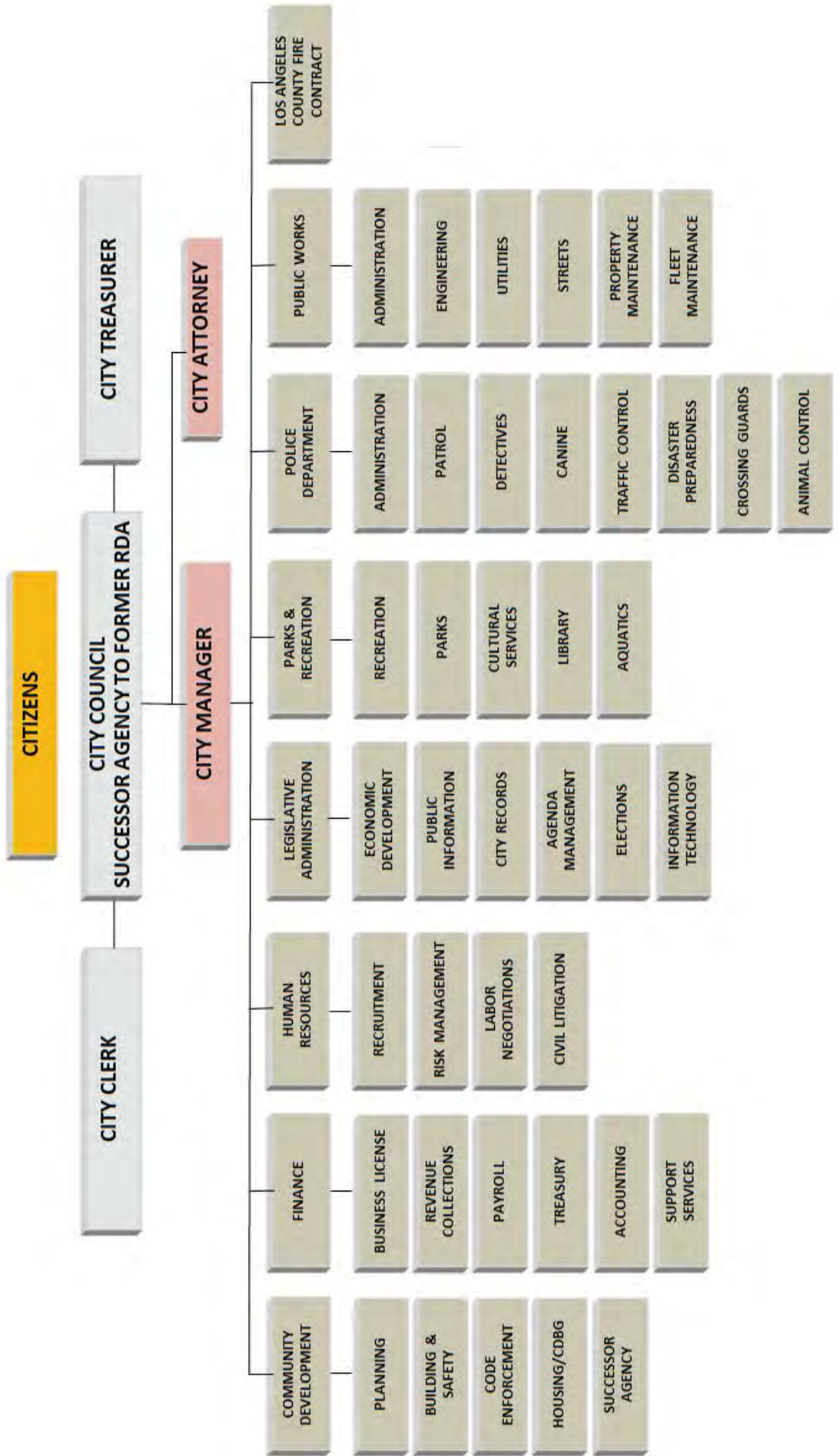


Christopher Marcarello
City Manager



Anita Agramonte
Administrative Services Director

CITY OF COVINA
ORGANIZATIONAL CHART
FISCAL YEAR 2021-2022



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 Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Covina as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023, on our consideration of the City of Covina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Covina'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 of Covina's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Irvine, California
March 15, 2023

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, 2022. This report is prepared in conjunction with the accompanying transmittal letter and basic financial statements and notes.

FINANCIAL HIGHLIGHTS

- * The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$115,811,381. The Governmental Activities have a deficit unrestricted net position of \$30,538,742. Business-type Activities have unrestricted net position of \$15,308,140.
- * The City's net position for governmental and business-type activities increased by \$8,926,427 or 8.35% from the previous fiscal year.
- * The total cost of all City activities was \$71,975,286 for the current fiscal year. Net cost of all activities was \$32,450,265.
- * During the current fiscal year, the City's governmental activities net revenues exceeded net expenditures by \$8,873,857.
- * In the City's business-type activities, net revenues exceeded net expenditures by \$52,570.
- * The total fund balance of the City's governmental funds was \$42,175,652 at the close of the fiscal year. This includes \$27,399,126 fund balance of the General Fund, \$6,786,935 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 \$6,598,907 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-six 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 and Other Grants Fund which are considered to be major funds. 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 \$115.8 million at the close of the fiscal year, which is an increase of \$8.9 million or 8.35% from the previous fiscal year.

The largest portion of that net position, \$115 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, \$16.07 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 \$15.23 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 59.20% of the City's total net position. As reflected in the following table, restricted governmental activities net position increased by \$664,088 (4%) from the previous fiscal year. This portion of net position is subject to external restrictions relating to public safety, public works, culture and recreation, transit and redevelopment and housing.

Governmental Activities Net Position

	2022	2021
Current and other assets	\$ 70,200,873	\$ 49,819,905
Capital assets	90,770,746	89,652,961
Deferred outflows	64,371,978	13,869,664
Total Assets and deferred outflows	<u>225,343,597</u>	<u>153,342,530</u>
Long-term liabilities outstanding	120,818,749	85,736,046
Other liabilities	10,422,112	4,436,593
Deferred inflows	25,542,057	3,483,069
Total Liabilities and deferred inflows	<u>156,782,918</u>	<u>93,655,708</u>
Net position:		
Net Investment in capital assets	83,025,178	81,877,731
Restricted	16,074,243	15,410,155
Unrestricted	<u>(30,538,742)</u>	<u>(37,601,064)</u>
Total net position	<u>\$ 68,560,679</u>	<u>\$ 59,686,822</u>

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	2022	2021
Program revenues:		
Charges for services	\$ 8,723,240	\$ 8,155,187
Operating grants and contributions	13,635,757	9,809,684
Capital grants and contributions	567,243	1,087,845
General revenues:		
Property taxes	15,338,132	14,862,914
General sales tax	11,426,354	10,793,459
Transaction and use tax	8,823,059	8,098,540
Utility users taxes	5,082,103	4,847,226
Other taxes	2,984,040	2,797,678
Investment earnings	(1,162,614)	(257,680)
Gain/(Loss) on sale of capital assets	462,215	
Miscellaneous	1,230,450	478,063
Total Revenues	67,109,979	60,672,916
Expenses		
General government	882,985	3,131,410
Public safety	45,084,190	34,239,989
Public works	6,580,415	8,476,656
Culture and recreation	1,600,700	4,393,945
Community development	2,333,315	2,481,925
Transit	862,651	2,646,439
Redevelopment and housing	183,561	912,707
Interest on long term debt	708,305	238,058
Total expenses	58,236,122	56,521,129
Increase (Decrease) in net position before transfers		
Change in net position	8,873,857	4,151,787
Beginning net position	59,686,822	54,540,723
Restatements	-	994,312
Ending net position	\$ 68,560,679	\$ 59,686,822

As reflected above, the City's net revenues exceeded net expenses of governmental activities by \$8.87 million. Compared to the previous year, 2022 revenues show an increase of \$6.4 million while expenses increased by \$1.7 million.

The revenue increase in Charges for Services of \$568,000 includes increases in General Government activities of \$175,000, which is partly attributable to increased antenna rental income of \$99,000. In addition, penalties were collected during the entire fiscal year, unlike periods during the prior two prior fiscal years when penalties were suspended due to the COVID pandemic. This contributed to increases in General Government and Public Safety revenue. Overnight parking fees also were collected for the entire fiscal year, which accounts for an increase of \$144,000 to Public Safety's total revenue. Other changes in Public Safety, such as increases in parking fines, are offset by reductions in patrol court fines which contributed to a net revenue increase of \$332,000. Culture and Recreation experienced a \$343,000 increase, due largely to the re-instatement of activities which had been limited or cancelled in prior fiscal years due to the COVID pandemic. In Community Development, there was increased fee revenue of \$200,000 due in large part to increased revenue associated with the Recreation Village Project. This revenue was offset by a reduction in Plan Review fees. Public Works experienced a revenue decrease of \$500,000, due largely to reduced development impact fees, offset slightly by increased Engineering Services revenue. Transit experienced a modest increase of \$19,000, and Housing revenues increased by \$18,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

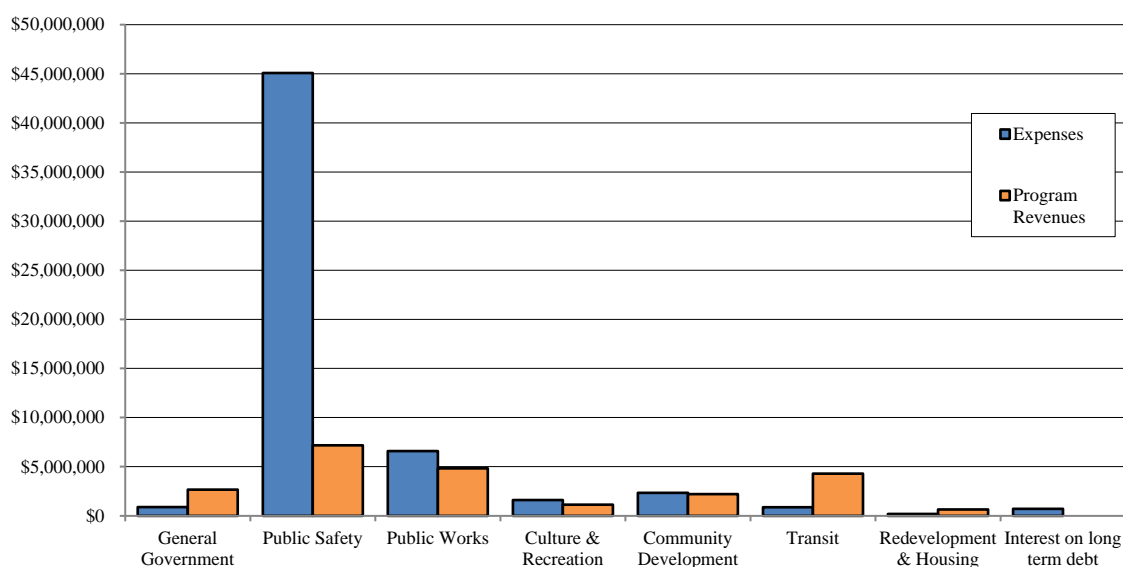
In addition to the above departmental revenue changes, Operating Grants increased by \$3.3 million. Of this, \$3.2 million reflects American Rescue Plan Act (ARPA) funds awarded to the City as part of the Federal Government's COVID relief efforts, the majority of which is reflected in Public Safety. Capital Grants and Contributions decreased by \$837,800, as the 2021 amount included a grant for Banna Park development.

Property tax revenue increased at a more modest rate than the previous fiscal year, as did sales and transaction and use taxes. Nonetheless, the total increases for those three revenue sources was \$1.8 million. Other taxes, including utility users tax, increased by \$421,000.

The change to other revenue sources reflect an increase in Miscellaneous Revenue reflecting increased transfers to Internal Service Funds from Enterprise Funds. Investment earnings reflect a reduction in the market value of City investments, most notably Local Agency Investment Fund (LAIF) valuations.

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). General Government, Transit, and Redevelopment and Housing program revenues were sufficient to cover related expenses. Public Safety, Public Works, and Culture & Recreation required general revenues to cover activities. Expenses and associated program revenues for each governmental function are reflected on the following table. Increases in staffing costs reflect negotiated wage increases as well as increases to pension liability costs.

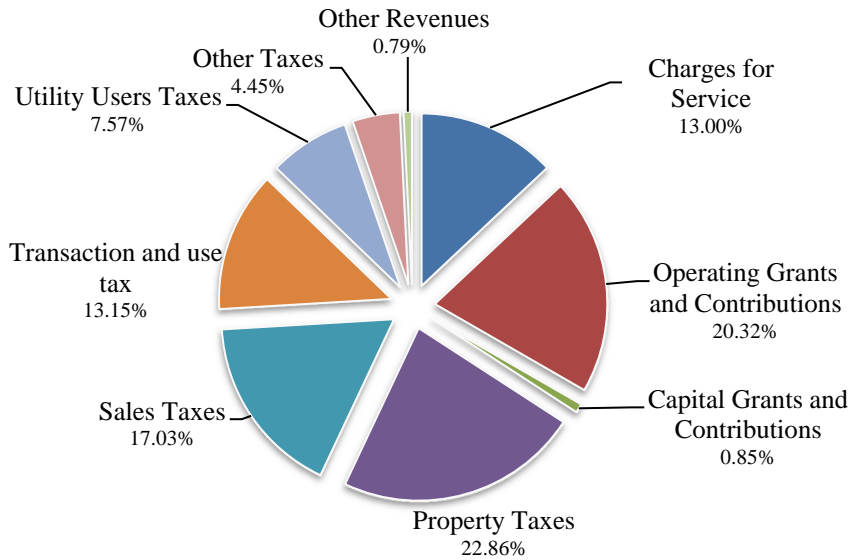
Expenses and Program Revenues-Governmental Activities



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).

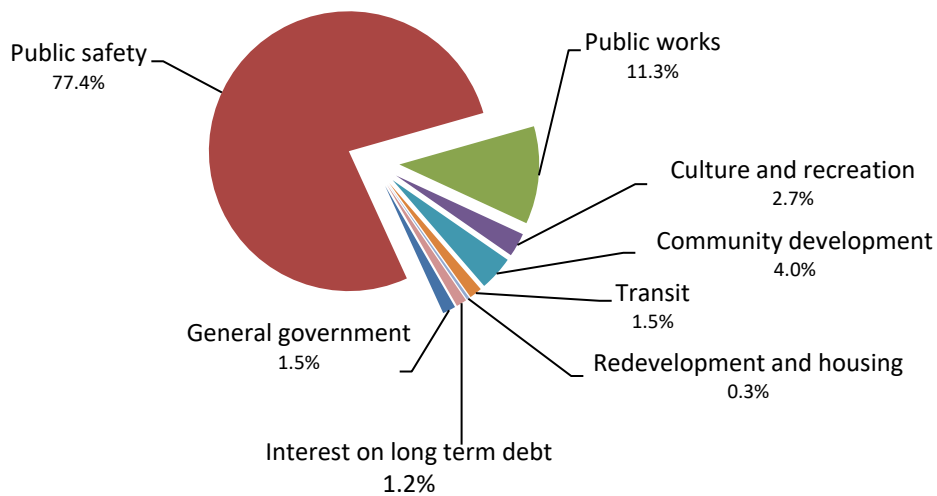
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue Sources-Governmental Activities



The next graph demonstrates governmental activity expenses by function/program. Note that public safety and public works represent 88.7% of the governmental activities' expenditures; this is consistent with the City's highest priority of citizen safety and well-being. Culture and recreation represent 2.7% 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 2021 and 2022. Current year detail can be found in the *Government-Wide Financial Statements, Statement of Net Position*.

Business-Type Activities Net Position

	2022	2021
Current and other assets	\$ 30,484,093	\$ 35,611,102
Capital assets	53,217,973	50,206,724
Deferred outflows of resources	8,441,833	1,685,998
Total assets and deferred outflows	<u>92,143,899</u>	<u>87,503,824</u>
Long-term liabilities outstanding	40,448,021	37,719,469
Other liabilities	1,941,926	2,164,435
Deferred inflows of resources	2,503,250	421,788
Total liabilities	<u>44,893,197</u>	<u>40,305,692</u>
Net position		
Net Investment in capital assets	31,942,562	32,679,206
Restricted		
Unrestricted	<u>15,308,140</u>	<u>14,518,926</u>
Total net position	<u>\$ 47,250,702</u>	<u>\$ 47,198,132</u>

The net position of the business-type activities represents 40.8% of the City's total net position and increased by \$52,570 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

	2022	2021
Revenues		
Program Revenues:		
Charges for services	\$ 16,306,957	\$ 15,919,788
Operating grants and contributions	291,824	-
General revenues-investment gain (loss)	<u>(1,786,768)</u>	<u>1,609,324</u>
Total Revenues	<u>14,812,013</u>	<u>17,529,112</u>
Expenses		
Water Utility	10,333,944	10,893,841
Environmental Protection	1,341,932	1,047,347
Sewer	<u>2,063,288</u>	<u>2,485,405</u>
Total Expenses	<u>13,739,164</u>	<u>14,426,593</u>
Change in net position before transfers	<u>1,072,849</u>	<u>3,102,519</u>
Transfers in (out)	<u>(1,020,279)</u>	<u>(22,340)</u>
Change in net position	<u>\$ 52,570</u>	<u>\$ 3,080,179</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

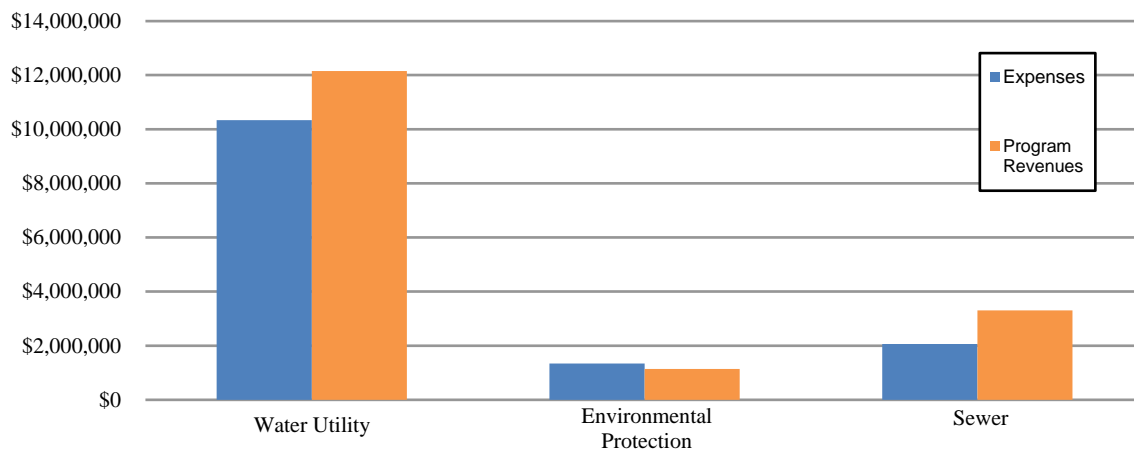
As reflected above, the City's business-type charges for services revenues exceeded program expenses by \$2.6 million. Total business-type program revenues increased by \$679,000 from the prior fiscal year. This includes a \$178,000 increase in water service charges and \$292,000 increase in Water Fund Grants reflecting revenue from a State funded grant to assist water customers during the COVID pandemic. Environmental protection service charges were \$2,500 less than the prior year, while sewer utility revenue increased by \$211,000. General revenues decreased by \$4.4 million due predominately to decreased earnings in the City's investment in Covina Irrigating Company which experienced reduced water sales and increased operating costs. Increased transfers to internal service funds also contributed to the difference.

Water and Sewer charges for services/operating grants were sufficient to cover both operating and interest expenses for the respective functions during the fiscal year. Environmental Protection's expenses exceeded charges for services by \$200,000, due in part to improvements to the Downtown Parking structure as well as increased transfers to the Internal Service Funds which had been underfunded in prior years.

Business-type expenses attributable to Water and Sewer utilities decreased by \$982,000 from the previous fiscal year due in large part to a reduction in the actuarially calculated net pension liability. Because this reduction is based on investment returns as of June 30, 2021, it is anticipated that the upcoming valuation may reflect increased pension liabilities.

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.

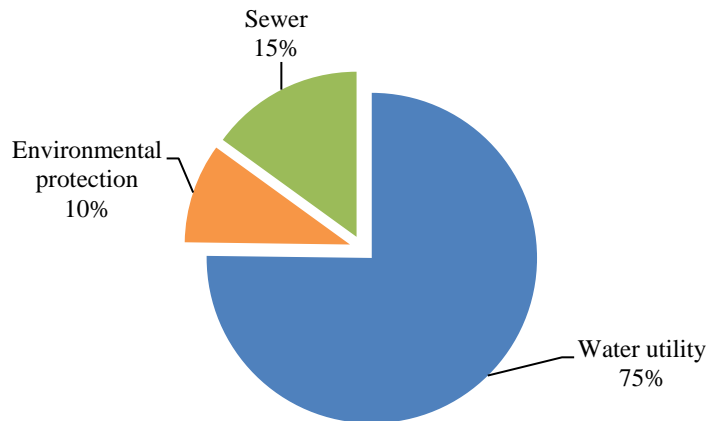
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues by Source - Business-type Activities



The next chart demonstrates business-type activity expenses by function/program. Water comprises the majority of expenses, 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.

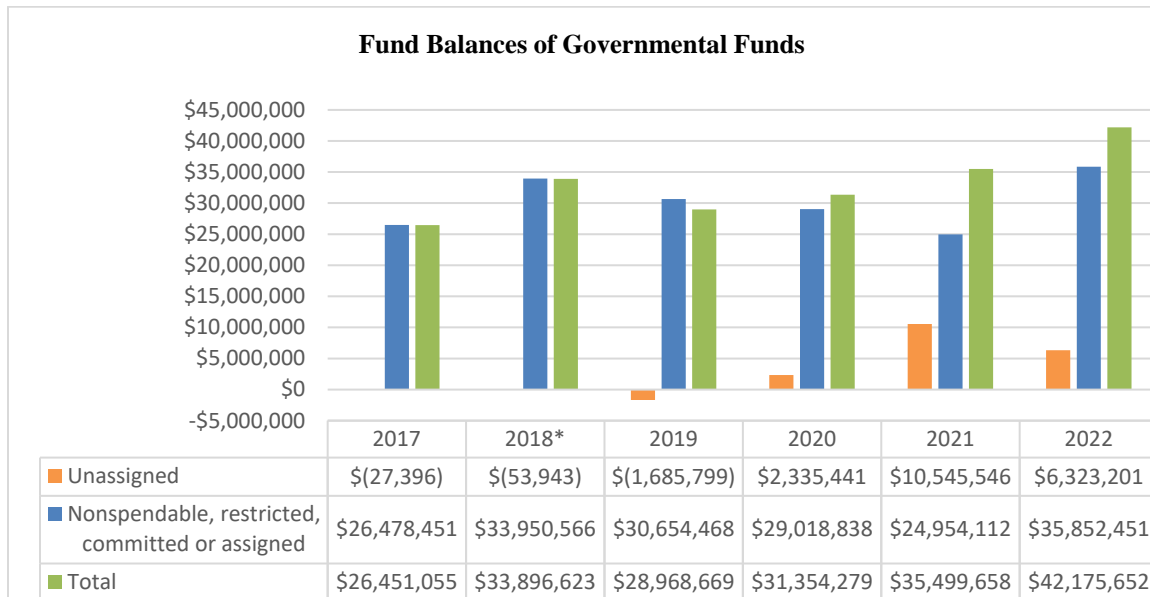
Governmental Funds

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, 2022, the City's governmental funds reported combined fund balances of \$42.2 million, an increase of \$6.7 million from the prior fiscal year. There is \$6.3 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 2017-2022:



*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 2021-22 was \$27.4 million and is classified as follows: \$82,000 non-spendable, \$20.1 million committed, \$7,000 assigned, and \$6.8 million unassigned. In keeping with the City Council's Reserve Policy, the committed fund balance meets the City's Emergency Contingency Reserve requirement of 20% of General Fund expenditures. Additionally, the unassigned fund balance in the General Fund represents 7.3% of total General Fund expenditures.

The fund balance of the General Fund increased by \$6.6 million during the fiscal year. While revenues increased by \$2.2 million, expenditures increased by \$50 million. In 2022, the City issued Pension Obligation Bonds, whose proceeds were used to pay additional unfunded pension liability. This additional expense of approximately \$47.8 million was offset by \$52 million in bond debt proceeds.

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 million, a decrease of \$611,000 from the prior fiscal year. Of that, \$12.1 million is unrestricted. Environmental Protection fund has a net position of \$1.8 million with unrestricted net position decreasing to \$478,000 from \$874,000 in the prior year. The net position of the Sewer fund increased to \$9.2 million from \$8.4 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 \$59.4 million which represents a 133% increase. The increase reflects additional unfunded pension liability that was paid with proceeds received from issuance of Pension Obligation Bonds. Mid-year adjustments included negotiated benefits that were not included in the initially adopted budget, as well as increases pertaining to utilities, janitorial services, building maintenance, computer maintenance, training and over-time costs in the Police Department, increase in legal fees in Human Resources and in Code Enforcement and an increase in consulting fees in Community Development to fund a development impact fee study and an ADU assessment. The increases were offset by reductions in various programs within the Parks and Recreation and Library department.

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, 2022, is \$144 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, 2022 and 2021.

Capital Assets (net of depreciation)		
	2022	2021
Governmental activities		
Land	\$12,335,553	\$11,882,165
Buildings and structures	26,145,088	26,507,216
Improvements other than buildings	8,703,523	7,768,211
Public domain infrastructure	35,158,532	35,461,243
Sanitary sewer infrastructure	1,712,817	1,777,554
Machinery and equipment	3,126,238	2,834,118
Construction in progress	3,349,224	3,422,454
Right to use assets	239,771	-
Total governmental activities	<u>\$90,770,746</u>	<u>\$89,652,961</u>
Business-type activities		
Land	377,408	377,408
Buildings and structures	9,007,187	8,914,113
Improvements other than buildings	1,466,540	569,803
Water system infrastructure	39,503,830	36,691,351
Machinery and equipment	1,690,145	1,945,882
Construction in progress	1,159,018	1,708,167
Right to use assets	13,845	-
Total business-type activities	<u>53,217,973</u>	<u>50,206,724</u>
Total capital assets	<u><u>\$143,988,719</u></u>	<u><u>\$ 139,859,685</u></u>

Total capital assets, net of depreciation, increased from the prior year by \$4.1 million. This is due largely to the Grand Water Main Replacement and the Sewer Relief Line project in business-type activities. Note 9 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 \$161.3 million. This includes notes, leases, 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, 2022 and 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Outstanding Debt (net of unamortized charges)

	2022	2021
Governmental activities		
Compensated absences	\$ 4,031,459	\$ 3,753,275
Claims and judgments	7,718,000	7,682,000
Certificates of participation payable (COP)	4,876,509	5,083,068
Pension Obligation Bonds	54,939,654	-
Lease Payable	227,389	-
Section 108 loan	2,000,000	2,125,000
Postemployment benefit obligation	4,510,568	5,186,444
Net pension liability	42,515,170	61,906,259
Total governmental activities	<u>120,818,749</u>	<u>85,736,046</u>
Business-type activities		
Compensated absences	608,089	523,436
Capital lease payable	13,934	-
Water Installment Agreement	17,132,316	18,290,271
Revenue bonds payable	7,370,000	8,210,000
Pension Obligation Bonds	7,855,346	-
Postemployment benefit obligation	1,587,567	1,844,321
Net pension liability	5,880,768	8,851,440
Total business-type activities	<u>40,448,020</u>	<u>37,719,468</u>
Total outstanding debt	<u>\$ 161,266,769</u>	<u>\$ 123,455,514</u>

The increase in long-term debt from 2021 to 2022 in governmental activities was \$35.1 million predominately due to the issuance of Pension Obligation Bonds, the proceeds of which were used to reduce future years' unfunded pension liability. Business-type activities liabilities increased by \$2.7 also due to the Pension Obligation Bonds and offset by reductions in other bonds payable balances and the net pension liability.

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 13, Note 10, and Note 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 2022-23. 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 meets the 20% of General Fund expenditures requirements established as the Council's goal 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 2022-23 budget projects an overall increase in revenues in comparison to Fiscal Year 2021-22. The increase is a reflection of increased tax revenues as well as American Rescue Plan Act (ARPA) funds.

In total, the City has been awarded approximately \$11.4 million in ARPA funds. The monies must be obligated for use by December 31, 2024 and fully expended by December 31, 2026. The City Council has allocated the funds to programs supporting the public health response to COVID and addressing related negative economic impacts. 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

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.covinaca.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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 60,627,465	\$ 18,825,371	\$ 79,452,836
Cash and Investments - Restricted	-	3,399,850	3,399,850
Cash With Fiscal Agent	43	-	43
Receivables:			
Accounts, Net	533,115	2,155,952	2,689,067
Due from Other Governments	5,700,315	88,134	5,788,449
Other	493,985	-	493,985
Loans and Notes	317,741	-	317,741
Internal Balances	1,726,137	(1,726,137)	-
Leases	635,895	-	635,895
Inventories	51,205	65,726	116,931
Prepaid Items and Deposits	114,972	10,504	125,476
Investment in Covina Irrigating Company:	-	7,664,693	7,664,693
Capital Assets:			
Not Being Depreciated	15,684,777	1,536,426	17,221,203
Being Depreciated, Net	75,085,969	51,681,547	126,767,516
Total Assets	160,971,619	83,702,066	244,673,685
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	86,489	86,489
OPEB Related	1,415,470	512,533	1,928,003
Pension Related	62,956,508	7,842,811	70,799,319
Total Deferred Outflows Of Resources	64,371,978	8,441,833	72,813,811
LIABILITIES			
Accounts Payable	2,178,214	641,099	2,819,313
Accrued Liabilities	832,817	103,874	936,691
Deposits Payable	1,107,873	982,087	2,089,960
Interest Payable	59,845	198,630	258,475
Due to Other Governments	222,880	-	222,880
Unearned Revenue	6,020,483	16,236	6,036,719
Noncurrent Liabilities:			
Due Within One Year	5,730,685	2,549,631	8,280,316
Due in More Than One Year:			
Long-Term Liabilities	68,062,326	30,430,055	98,492,381
Net Other Postemployment Benefit Liability	4,510,568	1,587,567	6,098,135
Net Pension Liability	42,515,170	5,880,768	48,395,938
Total Liabilities	131,240,861	42,389,947	173,630,808
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	119,925	119,925
Deferred Inflow Leases	590,283	-	590,283
OPEB Related	859,869	320,124	1,179,993
Pension Related	24,091,905	2,063,201	26,155,106
Total Deferred Inflows of Resources	25,542,057	2,503,250	28,045,307
NET POSITION			
Net Investment in Capital Assets	83,025,178	31,942,562	114,967,740
Restricted for:			
Public Safety	351,149	-	351,149
Public Works	4,318,170	-	4,318,170
Community Development	364,556	-	364,556
Culture and Recreation	961,494	-	961,494
Transit	6,246,458	-	6,246,458
Redevelopment and Housing	3,832,416	-	3,832,416
Unrestricted (Deficit)	(30,538,742)	15,308,140	(15,230,602)
Total Net Position	\$ 68,560,679	\$ 47,250,702	\$ 115,811,381

See accompanying Notes to Financial Statements.

**CITY OF COVINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 882,985	\$ 2,602,937	\$ 60,222	\$ -
Public Safety	45,084,190	2,049,262	5,116,480	-
Public Works	6,580,415	970,378	3,861,432	-
Culture and Recreation	1,600,700	687,296	127,534	317,238
Community Development	2,333,315	2,045,672	153,984	-
Transit	862,651	126,513	3,914,586	250,005
Redevelopment and Housing	183,561	241,182	401,519	-
Interest on Long-Term Debt	708,305	-	-	-
Total Governmental Activities	58,236,122	8,723,240	13,635,757	567,243
BUSINESS-TYPE ACTIVITIES				
Water Utility	10,333,944	11,859,488	291,824	-
Environmental Protection	1,341,932	1,142,051	-	-
Sewer Utility	2,063,288	3,305,418	-	-
Total Business-Type Activities	13,739,164	16,306,957	291,824	-
Total	\$ 71,975,286	\$ 25,030,197	\$ 13,927,581	\$ 567,243

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 (Loss) in Covina Irrigating Company
Gain on Property Sale
Miscellaneous
Transfers
Total General Revenues

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ 1,780,174	\$ -	\$ 1,780,174
(37,918,448)	-	(37,918,448)
(1,748,605)	-	(1,748,605)
(468,632)	-	(468,632)
(133,659)	-	(133,659)
3,428,453	-	3,428,453
459,140	-	459,140
(708,305)	-	(708,305)
(35,309,882)	-	(35,309,882)
-	1,817,368	1,817,368
-	(199,881)	(199,881)
-	1,242,130	1,242,130
-	2,859,617	2,859,617
(35,309,882)	2,859,617	(32,450,265)
15,338,132	-	15,338,132
11,426,354	-	11,426,354
8,823,059	-	8,823,059
95,950	-	95,950
278,481	-	278,481
363,496	-	363,496
5,082,103	-	5,082,103
2,246,113	-	2,246,113
(1,162,614)	139,389	(1,023,225)
-	(1,926,157)	(1,926,157)
462,215	-	462,215
210,171	-	210,171
1,020,279	(1,020,279)	-
44,183,739	(2,807,047)	41,376,692
8,873,857	52,570	8,926,427
59,686,822	47,198,132	106,884,954
\$ 68,560,679	\$ 47,250,702	\$ 115,811,381

See accompanying Notes to Financial Statements.

**CITY OF COVINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Other Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 25,190,957	\$ 3,204,248	\$ 17,756,493	\$ 46,151,698
Cash and Investments With Fiscal Agent	-	-	43	43
Receivables:				
Interest	95,799	-	180	95,979
Utility User Tax	398,006	-	-	398,006
Accounts	396,881	4,583	36,320	437,784
Leases	520,247	-	115,648	635,895
Loans	-	-	317,741	317,741
Due from Other Governments	4,343,747	66,123	1,290,445	5,700,315
Due from Other Funds	150,026	-	-	150,026
Prepaid Items	82,179	-	7,949	90,128
	<u>31,177,842</u>	<u>3,274,954</u>	<u>19,524,819</u>	<u>53,977,615</u>
Total Assets	\$ 31,177,842	\$ 3,274,954	\$ 19,524,819	\$ 53,977,615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,032,233	\$ 16,177	\$ 987,259	\$ 2,035,669
Accrued Liabilities	833,180	(398)	35	832,817
Deposits Payable	1,023,344	364	84,165	1,107,873
Due to Other Funds	-	-	150,026	150,026
Due to Other Governments	-	-	222,880	222,880
Unearned Revenue	380,109	3,143,102	2,497,272	6,020,483
Total Liabilities	<u>3,268,866</u>	<u>3,159,245</u>	<u>3,941,637</u>	<u>10,369,748</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	475,486	-	114,797	590,283
Unavailable Revenue	34,364	32,902	774,666	841,932
Total Deferred Inflows of Resources	<u>509,850</u>	<u>32,902</u>	<u>889,463</u>	<u>1,432,215</u>
FUND BALANCES				
Nonspendable	82,179	-	7,949	90,128
Committed	20,136,982	-	-	20,136,982
Restricted	385,762	82,807	15,149,504	15,618,073
Assigned	7,268	-	-	7,268
Unassigned	6,786,935	-	(463,734)	6,323,201
Total Fund Balances	<u>27,399,126</u>	<u>82,807</u>	<u>14,693,719</u>	<u>42,175,652</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,177,842</u>	<u>\$ 3,274,954</u>	<u>\$ 19,524,819</u>	<u>\$ 53,977,615</u>

See accompanying Notes to Financial Statements.

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

Total Fund Balances for Governmental Funds \$ 42,175,652

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 \$1,273,389 of internal service funds net capital assets.

Capital Assets not Being Depreciated	\$ 15,684,777	
Capital Assets Being Depreciated	197,630,630	
Accumulated Depreciation	<u>(123,818,050)</u>	89,497,357

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, 2022 are:

Loan Payable	(2,000,000)	
Bonds Payable	(4,680,000)	
Pension Obligation Bonds	(52,646,184)	
Bond Premium	(196,509)	
Leases	(81,462)	
Compensated Absences	(3,784,659)	
Accrued Interest	<u>(39,265)</u>	(63,428,079)

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	60,765,762	
Deferred Inflows of Resources - Pension Related	(23,515,588)	
Net Pension Liability	(40,872,484)	
Deferred Outflows of Resources - OPEB Related	1,253,026	
Deferred Inflows of Resources - OPEB Related	(761,934)	
Net OPEB Liability	<u>(3,996,213)</u>	(7,127,431)

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.

6,601,248

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

841,932

Net Position of Governmental Activities

\$ 68,560,679

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

	General Fund	Other Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 15,177,869	\$ -	\$ 160,263	\$ 15,338,132
Sales Tax, Intergovernmental	20,249,413	-	-	20,249,413
Transient Occupancy Taxes	95,950	-	-	95,950
Property Transfer Taxes	278,481	-	-	278,481
Business License Taxes	362,368	-	1,168	363,536
Utility User Taxes	5,082,103	-	-	5,082,103
Franchise Taxes	2,246,113	-	-	2,246,113
Licenses and Permits	1,442,013	-	-	1,442,013
Intergovernmental	920,671	533,826	11,745,596	13,200,093
Charges for Services	5,217,922	-	274,818	5,492,740
Fines and Forfeits	1,081,458	-	-	1,081,458
Special Assessments	-	-	592,885	592,885
Investment Earnings	(1,146,017)	162	165,800	(980,055)
Other	577,330	10,864	139,724	727,918
Total Revenues	51,585,674	544,852	13,080,254	65,210,780
EXPENDITURES				
Current:				
General Government	5,382,805	-	-	5,382,805
Public Safety	70,437,402	249,887	3,166,845	73,854,134
Public Works	3,823,677	7,106	2,002,508	5,833,291
Culture and Recreation	6,956,833	86,320	36,139	7,079,292
Community Development	5,278,203	94,103	59,823	5,432,129
Transit	-	-	951,556	951,556
Redevelopment and Housing	-	-	679,401	679,401
Capital Outlay	-	-	5,909,455	5,909,455
Debt Service:				
Principal Retirement	-	-	320,000	320,000
Interest and Fiscal Charges	483,781	-	238,235	722,016
Total Expenditures	92,362,701	437,416	13,363,962	106,164,079
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(40,777,027)	107,436	(283,708)	(40,953,299)
OTHER FINANCING SOURCES (USES)				
Transfers In	180,000	-	433,927	613,927
Transfers Out	(5,922,726)	-	(180,568)	(6,103,294)
Sale of Property	460,000	-	-	460,000
Lease Proceeds	12,476	-	-	12,476
Debt Proceeds	52,646,184	-	-	52,646,184
Total Other Financing Sources (Uses)	47,375,934	-	253,359	47,629,293
NET CHANGE IN FUND BALANCES	6,598,907	107,436	(30,349)	6,675,994
Fund Balances (Deficit) - Beginning of Year	20,800,219	(24,629)	14,724,068	35,499,658
FUND BALANCES - END OF YEAR	<u>\$ 27,399,126</u>	<u>\$ 82,807</u>	<u>\$ 14,693,719</u>	<u>\$ 42,175,652</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 6,675,994

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	\$ 11,589,072	
Deletions	(5,454,897)	
Depreciation Expense	(5,335,381)	
		798,794

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.

Pension Obligation Bonds	(52,646,184)	
Leases	(12,476)	
Principal Payments	320,000	
Amortization Premium on Bonds	11,559	
		(52,327,101)

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.

46,408,911

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.

383,784

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	2,152
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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.

6,720,938

Compensated absences are not reported in the governmental funds until such amounts become due and payable.

(208,539)

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.

418,924

Change in Net Position of Governmental Activities	\$ 8,873,857
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CITY OF COVINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
ASSETS					
CURRENT ASSETS					
Cash and Investments	\$ 10,390,886	\$ 6,507,850	\$ 1,926,635	\$ 18,825,371	\$ 14,475,767
Cash and Investments Restricted	2,099,761	1,300,089	-	3,399,850	-
Accounts Receivable, Net	1,921,394	-	234,558	2,155,952	95,331
Due from Other Governments	-	88,134	-	88,134	-
Prepaid Items	2,555	-	7,949	10,504	24,844
Inventories	65,726	-	-	65,726	51,205
Total Current Assets	14,480,322	7,896,073	2,169,142	24,545,537	14,647,147
NONCURRENT ASSETS					
Investment in Covina Irrigating Company	7,664,693	-	-	7,664,693	-
Capital Assets:					
Capital Assets, not Depreciated	509,551	1,024,512	2,363	1,536,426	-
Capital Assets, Depreciated, Net	40,575,697	9,800,134	1,305,716	51,681,547	1,273,389
Total Noncurrent Assets	48,749,941	10,824,646	1,308,079	60,882,666	1,273,389
Total Assets	63,230,263	18,720,719	3,477,221	85,428,203	15,920,536
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refunding	-	86,489	-	86,489	-
Deferred Amount on OPEB Plans	367,398	85,325	59,810	512,533	162,444
Deferred Amount on Pension Plans	5,190,556	1,649,469	1,002,786	7,842,811	2,190,746
Total Deferred Outflows of Resources	5,557,954	1,821,283	1,062,596	8,441,833	2,353,190
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	509,150	62,004	69,945	641,099	142,545
Accrued Liabilities	103,874	-	-	103,874	-
Deposits Payable	498,221	-	483,866	982,087	-
Interest Payable	130,987	59,944	7,699	198,630	20,580
Unearned Revenue	16,236	-	-	16,236	-
Compensated Absences	133,687	38,725	33,424	205,836	74,408
Lease Payable	3,402	-	-	3,402	43,392
Claims Payable	-	-	-	-	1,738,000
Pension Obligation Bonds Payable	229,921	76,722	37,994	344,637	100,621
Bonds Payable	1,140,756	855,000	-	1,995,756	-
Total Current Liabilities	2,766,234	1,092,395	632,928	4,491,557	2,119,546
NONCURRENT LIABILITIES					
Compensated Absences	263,471	88,156	50,626	402,253	172,392
Lease Payable	10,532	-	-	10,532	102,535
Pension Bonds Payable	5,010,701	1,672,014	827,994	7,510,709	2,192,849
Bonds Payable	15,991,561	6,515,000	-	22,506,561	-
Claims Payable	-	-	-	-	5,980,000
Net OPEB Liability	1,160,617	238,421	188,529	1,587,567	514,355
Net Pension Liability	3,892,030	1,236,820	751,918	5,880,768	1,642,686
Total Noncurrent Liabilities	26,328,912	9,750,411	1,819,067	37,898,390	10,604,817
Total Liabilities	29,095,146	10,842,806	2,451,995	42,389,947	12,724,363
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts on OPEB Plans	223,496	59,089	37,539	320,124	97,935
Deferred Amounts on Pension Plans	1,365,475	433,924	263,802	2,063,201	576,317
Deferred Amount on Refunding	119,925	-	-	119,925	-
Total Deferred Inflows of Resources	1,708,896	493,013	301,341	2,503,250	674,252
NET POSITION					
Net Investment in Capital Assets	25,793,259	4,841,224	1,308,079	31,942,562	1,076,627
Unrestricted	12,190,916	4,364,959	478,402	17,034,277	3,798,484
Total Net Position	\$ 37,984,175	\$ 9,206,183	\$ 1,786,481	48,976,839	\$ 4,875,111

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

Net Position of Business-Type Activities

(1,726,137)

\$ 47,250,702

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Water Sales	\$ 11,510,748	\$ -	\$ -	\$ 11,510,748	\$ -
Charges for Services and Motor Pool Charges	-	-	-	-	5,031,387
Environmental Fees	-	-	1,142,590	1,142,590	-
Sewer Fees	-	3,277,343	-	3,277,343	-
Fire Line Fees	313,159	-	-	313,159	-
Total Operating Revenues	11,823,907	3,277,343	1,142,590	16,243,840	5,031,387
OPERATING EXPENSES					
General and Administrative	1,748,816	1,529,927	455,022	3,733,765	3,194,281
Vehicle and Equipment Operation	-	-	-	-	1,191,813
Utility Billing	221,096	-	-	221,096	-
Customer Service	326,721	-	-	326,721	-
Sales Promotion	414	-	-	414	-
Source and Supply	3,202,530	-	-	3,202,530	-
Production and Storage	1,222,831	-	-	1,222,831	-
Transmission and Distribution	1,613,450	-	-	1,613,450	-
Street Sweeping	-	-	145,763	145,763	-
Environmental Services	-	-	201,469	201,469	-
Industrial Waste	-	-	59,621	59,621	-
Waste Management	-	-	408,158	408,158	-
Depreciation	1,504,189	288,962	46,886	1,840,037	302,314
Total Operating Expenses	9,840,047	1,818,889	1,316,919	12,975,855	4,688,408
OPERATING INCOME (LOSS)	1,983,860	1,458,454	(174,329)	3,267,985	342,979
NONOPERATING REVENUES (EXPENSES)					
Investment Income	78,932	48,323	12,134	139,389	-
Interest Expense	(445,963)	(228,404)	(17,092)	(691,459)	(47,593)
Investment Loss - CIC	(1,926,157)	-	-	(1,926,157)	-
Debt Issuance Costs	(47,934)	(15,995)	(7,921)	(71,850)	(20,977)
Intergovernmental	291,824	-	-	291,824	-
Total Nonoperating Revenues (Expenses)	(2,049,298)	(196,076)	(12,879)	(2,258,253)	(68,570)
INCOME (LOSS) BEFORE TRANSFERS	(65,438)	1,262,378	(187,208)	1,009,732	274,409
TRANSFERS					
Transfers In	-	-	-	-	6,509,646
Transfers Out	(546,210)	(414,877)	(59,192)	(1,020,279)	-
Total Transfers	(546,210)	(414,877)	(59,192)	(1,020,279)	6,509,646
CHANGE IN NET POSITION	(611,648)	847,501	(246,400)	(10,547)	6,784,055
Net Position - Beginning of Year	38,595,823	8,358,682	2,032,881		(1,908,944)
NET POSITION - END OF YEAR	<u>\$ 37,984,175</u>	<u>\$ 9,206,183</u>	<u>\$ 1,786,481</u>		<u>\$ 4,875,111</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

63,117
\$ 52,570

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from customers	\$ 11,542,352	\$ 3,261,386	\$ 1,142,980	\$ 15,946,718	\$ -
Cash Received from User Departments	-	-	-	-	4,973,652
Cash Payments to Suppliers of Goods and Services	(10,671,234)	(2,281,368)	(1,517,932)	(14,470,534)	(5,246,527)
Cash Payments to Employees for Services	(2,724,111)	(1,245,255)	(527,546)	(4,496,912)	(1,331,084)
Net Cash Used by Operating Activities	(1,852,993)	(265,237)	(902,498)	(3,020,728)	(1,603,959)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Received from Other Funds	-	-	-	-	6,509,646
Cash Paid to Other Funds	(546,210)	(414,877)	(59,192)	(1,020,279)	-
Proceeds from Pension Obligation Bonds	5,240,622	1,748,736	865,988	7,855,346	2,293,470
Net Cash Provided by Noncapital Financing Activities	4,694,412	1,333,859	806,796	6,835,067	8,803,116
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(2,931,710)	(1,723,716)	(170,854)	(4,826,280)	(317,421)
Intergovernmental grants	291,824	-	-	291,824	-
Principal Paid - Leases	(3,372)	-	-	(3,372)	-
Principal Paid	(1,157,955)	(840,000)	-	(1,997,955)	(59,028)
Interest and Debt Issuance Costs	(459,474)	(221,017)	(25,013)	(705,504)	(47,901)
Net Cash Used by Capital and Related Financing Activities	(4,260,687)	(2,784,733)	(195,867)	(7,241,287)	(424,350)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	78,932	48,323	12,134	139,389	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,340,336)	(1,667,788)	(279,435)	(3,287,559)	6,774,807
Cash and Cash Equivalents - Beginning of Year	13,830,983	9,475,727	2,206,070	25,512,780	7,700,960
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,490,647</u>	<u>\$ 7,807,939</u>	<u>\$ 1,926,635</u>	<u>\$ 22,225,221</u>	<u>\$ 14,475,767</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,983,860	\$ 1,458,454	\$ (174,329)	\$ 3,267,985	\$ 342,979
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:					
Depreciation	1,504,189	288,962	46,886	1,840,037	302,314
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	1,306	-	390	1,696	(57,735)
(Increase) Decrease in Due from Other Governments	-	(15,957)	1,983	(13,974)	-
(Increase) Decrease in Inventory	(8,226)	-	-	(8,226)	(8,827)
(Increase) Decrease in Prepaid Items	(2,555)	-	(531)	(3,086)	(18,352)
(Increase) Decrease in Deferred Outflows of Resources on OPEB Plan	45,606	14,492	8,810	68,908	19,250
(Increase) Decrease in Deferred Outflows of Resources on Pension Plans	(4,519,412)	(1,425,516)	(891,883)	(6,836,811)	(1,897,031)
Increase (Decrease) in Accounts Payable	(80,524)	(250,820)	(2,627)	(333,971)	67,928
Increase (Decrease) in Accrued Liabilities	(13,657)	(13,767)	(9,162)	(36,586)	-
Increase (Decrease) in Deposits Payable	5,381	-	87,742	93,123	-
Increase (Decrease) in Unearned Revenue	(4,676)	-	(319)	(4,995)	-
(Increase) Decrease in Deferred Inflows of Resources of OPEB Plan	16,377	5,204	3,163	24,744	6,913
(Increase) Decrease in Deferred Inflows of Resources Pension Plans	1,365,475	433,924	263,802	2,063,201	576,317
Increase (Decrease) in Compensated Absence:	36,915	27,451	20,287	84,653	39,613
Increase (Decrease) in Net OPEB Liability	(169,925)	(54,000)	(32,829)	(256,754)	(71,721)
Increase (Decrease) in Net Pension Liability	(2,013,127)	(733,664)	(223,881)	(2,970,672)	(941,607)
Increase (Decrease) in Claims Payable	-	-	-	-	36,000
Net Cash Used by Operating Activities	<u>\$ (1,852,993)</u>	<u>\$ (265,237)</u>	<u>\$ (902,498)</u>	<u>\$ (3,020,728)</u>	<u>\$ (1,603,959)</u>

See accompanying Notes to Financial Statements.

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

	Private- Purpose Trust	Custodial Funds
ASSETS		
Cash and Investments	\$ 1,182,746	\$ 2,161
Cash and Investments - Fiscal Agent	3,020,102	-
Accounts Receivable	-	866
Interest Receivable	990	-
Prepaid Items	4,763	-
Land Held for Resale	2,391,502	-
Capital Assets, not Being Depreciated	148,765	-
Total Assets	<u>6,748,868</u>	<u>3,027</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	31,806	-
Total Deferred Outflows of Resources	<u>31,806</u>	<u>-</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	2,059	3,027
Accrued Liabilities	-	-
Interest Payable	23,456	-
Noncurrent Liabilities:		
Due Within One Year	2,913,126	-
Due in More Than One Year	3,333,814	-
Total Liabilities	<u>6,272,455</u>	<u>3,027</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Refunding	72,381	-
Total Deferred Inflows of Resources	<u>72,381</u>	<u>-</u>
NET POSITION		
Held for Dissolution of Community Redevelopment Agency	<u>435,838</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ 435,838</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, 2022

	Private- Purpose Trust	Custodial Funds
ADDITIONS		
Property Tax Revenue	\$ 3,026,858	\$ -
Charges for Services	163,694	-
Investment Earnings	137,938	-
Business Licenses Collected from Property Owners	-	13,476
Total Additions	<u>3,328,490</u>	<u>13,476</u>
DEDUCTIONS		
General and Administrative	326,750	13,476
Interest and Fiscal Charges	340,294	-
Program Expenses	4,717	-
Total Deductions	<u>671,761</u>	<u>13,476</u>
CHANGE IN NET POSITION	2,656,729	-
Net Position - Beginning of Year as Restated	<u>(2,220,891)</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 435,838</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, 2022

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, 2022

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 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, 2022

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, 2022

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. 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 leases are reported as other financing sources.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Other Grants Special Revenue Fund

This fund accounts for the various state grant monies for various programs of the City.

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 – Environmental 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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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. Receivables

All accounts receivable are shown net of an allowance for uncollectible amounts. The allowance is estimated based on historical collections and a review of account receivable.

I. 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.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. 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 one year. 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 to 40 Years
Improvements Other than Buildings	20 Years
Public Domain Infrastructure	15 to 50 Years
Water System Infrastructure	20 to 50 Years
Sanitary Sewer System Infrastructure	20 to 50 Years
Machinery and Equipment	5 to 20 Years

L. Leased Property

Lessee

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leased Property (Continued)

Lessor

The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

For both the lessee and lessor the City uses the interest rate stated on the agreement when available. When the interest rate is not provided the City uses its estimated incremental borrowing rate as the discount rate.

M. 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, 2022 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.

N. 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.

O. 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, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding resulted from the difference between 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 on pension and other postemployment benefits are more fully discussed in Notes 10 and 17.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements. The City's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Notes 10 and 17. The statement of net position and the governmental funds balance sheet also reports a deferred inflow of resources related to leases.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The City has reported deferred inflows of resources related to unavailable revenues for grants. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Implementation of New GASB Pronouncements

GASB Statement No. 87, Leases

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

The City adopted the requirement of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Charges over Appropriations

For the fiscal year ended June 30, 2022, expenditures exceeded appropriations in the following programs:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Governmental Funds:			
Special Revenue Funds			
Law Enforcement	\$ 542,124	\$ 570,448	\$ (28,324)
Municipal Parking	433,020	435,748	(2,728)
Lighting Assessment	248,551	257,965	(9,414)
Shoppers Lane	7,600	9,246	(1,646)

Funds with deficit balances were as follows:

	<u>Amount</u>
Other Governmental Funds:	
Special Revenue Funds	
Law Enforcement	\$ 137,011
Lighting Assessment	24,461
Capital Project Funds	
Park Development	215,317
Transportation	86,945

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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business- Type Activities	Fiduciary Funds		Total
			Private- Purpose Trust Fund	Custodial Funds	
Statement of Net Position:					
Cash and Investments	\$ 60,627,465	\$ 18,825,371	\$ 1,182,746	\$ 2,161	\$ 80,637,743
Cash and Investments - Restricted	-	3,399,850	-	-	3,399,850
Cash and Investments With Fiscal Agent	43	-	3,020,102	-	3,020,145
Total Cash and Investments	<u>\$ 60,627,508</u>	<u>\$ 22,225,221</u>	<u>\$ 4,202,848</u>	<u>\$ 2,161</u>	<u>\$ 87,057,738</u>

Cash and Investments as of June 30, 2022

Consist of the Following:

Cash on Hand	\$ 7,935
Deposits With Financial Institutions	6,985,054
Deposits With Fiscal Agent	2,000,092
Investments	78,064,657
Total Cash and Investments	<u>\$ 87,057,738</u>

Authorized Investments

The table below 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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table:

	Fair Value	12 Months or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
Investment Type:					
State Investment Pool (LAIF)	\$ 54,900,458	\$ 54,900,458	\$ -	\$ -	\$ -
U.S. Agency Securities	9,119,493	2,301,343	2,900,970	3,917,180	-
U.S. Treasury Securities	3,372,773	485,102	2,887,671	-	-
Certificates of Deposit	6,694,625	244,976	2,661,601	3,788,048	-
Money Market Mutual Funds	957,164	957,164	-	-	-
Held by Bond Trustee:					
Money Market Mutual Funds	3,020,145	3,020,145	-	-	-
Total	<u>\$ 78,064,658</u>	<u>\$ 61,909,188</u>	<u>\$ 8,450,242</u>	<u>\$ 7,705,228</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)	\$ 54,900,458	N/A	\$ -	\$ -	\$ 54,900,458	\$ -
U.S. Agency Securities	9,119,493	N/A	-	9,119,493	-	-
U.S. Treasury Securities	3,372,773	N/A	-	-	-	3,372,773
Certificates of Deposit	6,694,625				6,694,625	
Money Market Mutual Funds	957,164	A	957,164	-	-	-
Held by Bond Trustee:						
State Investment Pool (LAIF)	-	N/A	-	-	-	-
U.S. Treasury Securities	-	N/A	-	-	-	-
Money Market Mutual Funds	3,020,145	A	3,020,145	-	-	-
Total	<u>\$ 78,064,658</u>	<u>N/A</u>	<u>\$ 3,977,309</u>	<u>\$ 9,119,493</u>	<u>\$ 61,595,083</u>	<u>\$ 3,372,773</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

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 deposit 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, 2022, 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, 2022

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, 2022:

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	\$ 9,119,493	\$ -	\$ 9,119,493	\$ -
U.S. Treasury Securities	3,372,773	-	3,372,773	-
Negotiable Certificates of Deposit	6,694,625	-	6,694,625	-
Total Investments Measured at Fair Value	19,186,891	\$ -	\$ 19,186,891	\$ -
Investments:				
State Investment Pool (LAIF)*	54,900,458			
Money Market Mutual Funds*	3,977,309			
Total Pooled Investments	\$ 78,064,658			

* Not subject to fair value measurement hierarchy.

NOTE 4 INTERFUND TRANSACTIONS

E. 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, 2022:

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	\$ 150,026

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

E. 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, 2022.

Transfers In Fund	Transfers Out Fund	Amount
General	Other Governmental Funds	\$ 180,000
Other Governmental Funds	Other Governmental Funds	568
Other Governmental Funds	General	433,359
Internal Service	General	5,489,367
Internal Service	Water Fund	546,210
Internal Service	Sewer Fund	414,877
Internal Service	Other Enterprise Funds	59,192
Total		<u>\$ 7,123,573</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 LEASE RECEIVABLE

The City, acting as lessor, leases wireless celltowers and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and do not provide for renewal options. During the year ended June 30, 2022, the City recognized \$293,409 and \$2,453 in lease revenue and interest revenue, respectively, pursuant to these contracts.

NOTE 6 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, 2022

NOTE 7 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, 2022, the City has recorded an allowance for the balance of \$5,190,360 for principal of \$4,742,000 and accrued interest of \$448,360 as management is not certain if this amount will be collected.

NOTE 8 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, 2022, of all loans was \$1,784,679. Due to the forgiveness feature of these loans the City has established an allowance for uncollectible loans in the amount of \$1,466,937.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 CAPITAL ASSETS

Governmental Activities

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance June 30, 2021 As Restated	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital Assets, not Depreciated:				
Land	\$ 11,882,165	\$ 453,388	\$ -	\$ 12,335,553
Construction in Progress	3,422,454	5,394,893	5,468,123	3,349,224
Total Capital Assets, not Depreciated	15,304,619	5,848,281	5,468,123	15,684,777
Capital Assets, Depreciated:				
Buildings and Structures	40,019,387	439,784	-	40,459,171
Improvements Other than Buildings	13,442,618	1,552,491	-	14,995,109
Public Domain Infrastructure	125,622,258	3,021,487	-	128,643,745
Sanitary Sewer Infrastructure	6,221,681	-	-	6,221,681
Machinery and Equipment	11,647,000	1,050,913	833,392	11,864,521
Right to Use Assets	194,092	122,358	-	316,450
Total Capital Assets, Depreciated	197,147,036	6,187,033	833,392	202,500,677
Less Accumulated Depreciation for:				
Buildings and Structures	13,512,171	801,912	-	14,314,083
Improvements Other than Buildings	5,674,407	630,410	13,231	6,291,586
Public Domain Infrastructure	90,161,015	3,324,198	-	93,485,213
Sanitary Sewer Infrastructure	4,444,127	64,737	-	4,508,864
Machinery and Equipment	8,812,882	739,759	814,358	8,738,283
Right to Use Assets	-	76,679	-	76,679
Total Accumulated Depreciation	122,604,602	5,637,695	827,589	127,414,708
Total Capital Assets, Depreciated, Net	74,542,434	549,338	5,803	75,085,969
Total Capital Assets, Net	\$ 89,847,053	\$ 6,397,619	\$ 5,473,926	\$ 90,770,746

Depreciation expense was charged to the following categories:

Governmental Activities:	
General Government	\$ 306,683
Public Safety	348,399
Public Works	3,672,819
Culture and Recreation	625,460
Transit	382,020
Internal Service Funds Charged to Programs	302,314
Total Governmental Activities	<u>\$ 5,637,695</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance June 30, 2021 As Restated	Additions	Deletions	Balance June 30, 2022
Business-Type activities:				
Capital Assets, not Depreciated:				
Land	\$ 377,408	\$ -	\$ -	\$ 377,408
Construction in Progress	1,708,167	4,795,611	5,344,760	1,159,018
Total Capital Assets, not Depreciated	2,085,575	4,795,611	5,344,760	1,536,426
Capital Assets, Depreciated:				
Buildings and Structures	12,701,718	349,484	6,897	13,044,305
Improvements Other than Buildings	725,792	944,936	-	1,670,728
Water System Infrastructure	50,861,954	4,088,709	-	54,950,663
Machinery and Equipment	4,195,568	-	31,925	4,163,643
Right to Use Assets	17,306	-	-	17,306
Total Capital Assets, Depreciated	68,502,338	5,383,129	38,822	73,846,645
Less Accumulated Depreciation for:				
Buildings and Structures	3,787,605	256,410	6,897	4,037,118
Improvements Other than Buildings	155,989	48,199	-	204,188
Water System Infrastructure	14,170,603	1,276,230	-	15,446,833
Machinery and Equipment	2,249,686	255,737	31,925	2,473,498
Right to Use Assets	-	3,461	-	3,461
Total Accumulated Depreciation	20,363,883	1,840,037	38,822	22,165,098
Total Capital Assets, Depreciated, Net	48,138,455	3,543,092	-	51,681,547
Total Capital Assets, Net	\$ 50,224,030	\$ 8,338,703	\$ 5,344,760	\$ 53,217,973

Depreciation expense was charged to the following categories.

Business-Type Activities:

Water Utility	\$ 1,504,189
Sewer	288,962
Nonmajor Fund - Environmental Protection	46,886
Total Business-Type Activities	<u>\$ 1,840,037</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 PENSION PLANS

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

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Miscellaneous	\$ 21,361,307	\$ 28,488,235	\$ (7,494,376)	\$ 856,048
CalPERS Safety	27,034,631	42,311,084	(18,660,730)	7,313,614
Total	<u>\$ 48,395,938</u>	<u>\$ 70,799,319</u>	<u>\$ (26,155,106)</u>	<u>\$ 8,169,662</u>

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

E. 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. PEPR 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, 2022

NOTE 10 PENSION PLANS (CONTINUED)

E. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at the measurement date of June 30, 2021, 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	7.69%	6.50%	
Required Employer Contribution Rates:			
Normal Cost Rate	11.380%	7.250%	
Payment of Unfunded Liability	\$ 2,379,422	\$ -	
	Safety		
		On or After	
	Prior to December 31, 2010	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	25.590%	23.620%	13.980%
Payment of Unfunded Liability	\$ 2,869,352	\$ 8,085	\$ 8,002

Employees Covered

At the measurement date of June 30, 2021, 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, 2022**

NOTE 10 PENSION PLANS (CONTINUED)

E. General Information about the Pension Plans (Continued)

Contributions

Section 20814 of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the fiscal year ended June 30, 2022, employer contributions of \$28,389,913 and \$36,196,719 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
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, 2022

NOTE 10 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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

Subsequent Events

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

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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 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, 2020 (Measurement Date)	\$ 99,005,858	\$ 67,528,476	\$ 31,477,382
Changes in the Year:			
Service Cost	1,411,076	-	1,411,076
Interest on the Total Pension Liability	6,951,248	-	6,951,248
Differences between Expected and Actual Experience	207,569	-	207,569
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	2,994,204	(2,994,204)
Contribution - Employee	-	648,674	(648,674)
Net Investment Income	-	15,110,547	(15,110,547)
Administrative Expenses	-	(67,457)	67,457
Other Miscellaneous Expense	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,397,430)	(5,397,430)	-
Net Changes	<u>3,172,463</u>	<u>13,288,538</u>	<u>(10,116,075)</u>
Balance at June 30, 2021. (Measurement Date)	<u>\$102,178,321</u>	<u>\$ 80,817,014</u>	<u>\$ 21,361,307</u>

Proportionate Share of Net Pension Liability

Safety Plan

As of June 30, 2022 (measurement date of June 30, 2021), the City reported \$27,034,631 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2022

NOTE 10 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, 2020 and 2021 was as follows:

	<u>Safety</u>
Proportion - June 30, 2020	0.589590%
Proportion - June 30, 2021	0.770330%
Change - Increase (Decrease)	0.180740%

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	\$ 34,746,921	\$ 45,034,138
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 21,361,307	\$ 27,034,631
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 10,371,041	\$ 12,250,259

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, 2022**

NOTE 10 PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2022, the City recognized pension expense of \$856,048 and \$7,313,614 for the Miscellaneous and Safety Plans, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 28,389,913	\$ -	\$ 36,196,719	\$ -
Differences Between Expected and Actual Experience	98,322	-	4,618,843	-
Change in Assumptions	-	-	-	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	1,495,522	(2,569,928)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(7,494,376)	-	(16,090,802)
Total	<u>\$ 28,488,235</u>	<u>\$ (7,494,376)</u>	<u>\$ 42,311,084</u>	<u>\$ (18,660,730)</u>

\$28,389,912 and \$36,196,179 reported as deferred outflows of resources related to contributions subsequent to the measurement date, for the Miscellaneous and Safety Plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>
2023	\$ (1,798,578)	\$ (2,141,614)
2024	(1,726,619)	(2,574,754)
2025	(1,797,855)	(3,402,032)
2026	(2,073,002)	(4,427,964)
2027	-	-
Thereafter	-	-

Payable to the Pension Plan

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

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 COMPENSATED ABSENCES

For governmental funds, accumulated vacation and sick leave benefits payable at June 30, 2022, was \$3,784,659. The short-term portion of \$1,091,098 and long-term portion of \$2,693,558 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 \$246,800, of which \$74,408 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 \$608,089 of which \$205,836 represents the current portion. The total amount is recorded within the respective proprietary funds and business-type activities of the government-wide statements.

	Balance June 30, 2022	Current Portion
Governmental Funds	\$ 3,784,659	\$ 1,091,098
Internal Service	246,800	74,408
Total Governmental Activities	4,031,459	1,165,506
Total Enterprise Funds	608,089	205,836

NOTE 12 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 \$3,017,261 and \$7,121,645, 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	\$ 2,254,000
Workers' Compensation	5,464,000
Total	<u>\$ 7,718,000</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 RISK MANAGEMENT (CONTINUED)

The following are changes in the claims and judgments liability for fiscal years 2022 and 2021:

	Fiscal Year Ended June 30	
	2022	2021
Claims and Judgements - Beginning of Fiscal Year	\$ 7,682,000	\$ 7,247,000
Claims Incurred (Including IBNRs)	978,166	1,522,559
Claims Paid	(942,166)	(1,087,559)
Claims and Judgements - End of Fiscal Year	<u>\$ 7,718,000</u>	<u>\$ 7,682,000</u>

NOTE 13 LONG-TERM LIABILITIES

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

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Current Portion
Governmental Activities:					
Other Long-Term Liabilities:					
Compensated Absences	\$ 3,753,275	\$ 1,554,005	\$ 1,275,821	\$ 4,031,459	\$ 1,165,506
Claims and Judgments	7,682,000	978,166	942,166	7,718,000	1,738,000
Other Debt:					
Certificates of Participation Payable (COP)	4,875,000	-	195,000	4,680,000	205,000
Unamortized Premium on COP	208,068	-	11,559	196,509	11,559
Pension Obligation Bonds	-	54,939,654	-	54,939,654	2,410,363
Direct Borrowings and Placements:					
Lease Payable	194,092	122,358	89,061	227,389	75,257
Section 108 Loan	2,125,000	-	125,000	2,000,000	125,000
Total Long-Term Liabilities, Net	<u>\$ 18,837,435</u>	<u>\$ 57,594,183</u>	<u>\$ 2,638,607</u>	<u>\$ 73,793,011</u>	<u>\$ 5,730,685</u>
	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Current Portion
Business-Type Activities:					
Other Long-Term Liabilities:					
Compensated Absences	\$ 523,436	\$ 320,362	\$ 235,709	\$ 608,089	\$ 205,836
Direct Borrowings and Placements:					
Lease Payable	17,306	-	3,372	13,934	3,402
Water Installment Agreement	18,290,271	-	1,157,955	17,132,316	1,140,756
Other Debt:					
Revenue Bonds Payable	8,210,000	-	840,000	7,370,000	855,000
Pension Obligation Bonds	-	7,855,346	-	7,855,346	344,637
Total Long-Term Liabilities, Net	<u>\$ 27,041,013</u>	<u>\$ 8,175,708</u>	<u>\$ 2,237,036</u>	<u>\$ 32,979,685</u>	<u>\$ 2,549,631</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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

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, 2022, the outstanding balance of these bonds was \$4,680,000. 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>
2023	\$ 205,000	\$ 160,238	\$ 365,238
2024	215,000	149,988	364,988
2025	220,000	145,688	365,688
2026	225,000	140,738	365,738
2027	230,000	135,112	365,112
2028-2032	1,310,000	524,000	1,834,000
2033-2037	1,575,000	257,843	1,832,843
2038-2040	700,000	32,969	732,969
Total	<u>\$ 4,680,000</u>	<u>\$ 1,546,576</u>	<u>\$ 6,226,576</u>

Leases

The City leases equipment and vehicles for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 and do not have renewal options.

Total future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 75,257	\$ 3,038	\$ 78,295
2024	66,807	1,915	68,722
2025	57,558	924	58,482
2026	23,538	257	23,795
2027	4,229	19	4,248
Total	<u>\$ 227,389</u>	<u>\$ 6,153</u>	<u>\$ 233,542</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Governmental Activities</u>
Equipment	\$ 96,042
Vehicles	220,408
Less: accumulated amortization	(76,679)
	<u>\$ 239,771</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

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, 2022, the outstanding loan balance was \$2,000,000.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	125,000	47,188	172,188
2028-2032	625,000	179,725	804,725
2033-2037	625,000	76,703	701,703
2038	125,000	2,241	127,241
Total	<u>\$ 2,000,000</u>	<u>\$ 528,573</u>	<u>\$ 2,528,573</u>

Pension Obligation Bonds

The City issued \$62,795,000 of Taxable Pension Obligation Bonds, Series 2021 (POB), dated August 1, 2021 to fund a portion of the City's obligations to CalPERS for the unfunded actuarial accrued liability with respect to the City's miscellaneous and safety defined benefit pension plans. The City allocated the POB between governmental activities and business-type activities as follows:

Governmental Activities	\$ 54,939,654
Business-Type Activities	<u>7,855,346</u>
	<u>\$ 62,795,000</u>

The POB is due from 2022 through 2046 in annual principal installments of \$65,000 to \$3,585,000. Interest rates range from 0.299% to 3.001% and interest is payable semiannually on February 1 and August 1. The total outstanding principal as of June 30, 2022, is \$62,795,000. The total annual debt service requirements on the POB are as follows:

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Pension Obligation Bonds (Continued)

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,755,000	\$ 1,335,758	\$ 4,090,758
2024	2,775,000	1,325,409	4,100,409
2025	2,785,000	1,308,903	4,093,903
2026	2,805,000	1,284,896	4,089,896
2027	2,835,000	1,252,752	4,087,752
2028-2032	14,865,000	5,520,544	20,385,544
2033-2037	16,550,000	3,762,585	20,312,585
2038-2042	13,390,000	1,508,603	14,898,603
2043-2046	4,035,000	222,449	4,257,449
Total	<u>\$ 62,795,000</u>	<u>\$ 17,521,899</u>	<u>\$ 80,316,899</u>

The annual debt service requirements will be allocated 97% to governmental activities and 3% to business-type activities.

Business-Type Activities

Leases

The City leases equipment under a noncancelable lease agreement. The lease expires at in 2026 and does not have a renewal option.

Total future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,402	\$ 193	\$ 3,595
2024	3,456	140	3,596
2025	3,510	85	3,595
2026	3,565	30	3,595
Total	<u>\$ 13,933</u>	<u>\$ 448</u>	<u>\$ 14,381</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Business-Type Activities</u>
Equipment	\$ 17,306
Less: accumulated amortization	(3,461)
	<u>\$ 13,845</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Revenue Bonds Payable, Sewer Enterprise Fund

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 \$8,141,136. Principal and interest paid for the current fiscal year and total customer net revenues were \$1,026,054 and \$1,754,480, respectively.

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>
2023	\$ 855,000	\$ 168,768	\$ 1,023,768
2024	870,000	150,861	1,020,861
2025	885,000	132,088	1,017,088
2026	905,000	111,745	1,016,745
2027	930,000	89,301	1,019,301
2028-2030	2,925,000	118,373	3,043,373
Total	<u>\$ 7,370,000</u>	<u>\$ 771,136</u>	<u>\$ 8,141,136</u>

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.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Revenue Bonds Payable, Water Enterprise Fund (Continued)

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 \$1,512,429 and \$3,509,799, respectively.

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>
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	763,400	245,786	1,009,186
2028-2032	4,046,141	996,428	5,042,569
2033-2037	4,463,607	579,624	5,043,231
2038-2041	3,392,685	134,995	3,527,680
Total	<u>\$ 17,132,316</u>	<u>\$ 3,147,338</u>	<u>\$ 20,279,654</u>

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, 2022, fund balances for governmental funds are made up of the following:

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 FUND BALANCES (CONTINUED)

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 (a) 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, 2022

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	Other Grants Fund	Nonmajor Governmental	Total
Nonspendable:				
Prepaid Items	\$ 82,179	\$ -	\$ 7,949	\$ 90,128
Total	82,179	-	7,949	90,128
Restricted:				
Culture and Recreation	314,391	162	961,332	1,275,885
Redevelopment and Housing	-	-	3,832,416	3,832,416
Community Development	-	82,645	281,911	364,556
Law Enforcement	71,371	-	351,149	422,520
Street and Transportation Projects	-	-	6,246,458	6,246,458
Air Quality Projects	-	-	153,406	153,406
Assessment Districts	-	-	1,222,610	1,222,610
Safe Clean Water Projects	-	-	643,810	643,810
Other Capital Projects	-	-	1,456,412	1,456,412
Total	385,762	82,807	15,149,504	15,618,073
Committed:				
Emergency Contingency	19,334,315	-	-	19,334,315
Community Development	546,500	-	-	546,500
Culture and Recreation	75,083	-	-	75,083
Other Capital Projects	181,084	-	-	181,084
	20,136,982	-	-	20,136,982
Assigned:				
Community Development	7,268	-	-	7,268
Total	7,268	-	-	7,268
Unassigned	6,786,935	-	(463,734)	6,323,201
Total	<u>\$27,399,126</u>	<u>\$ 82,807</u>	<u>\$ 14,693,719</u>	<u>\$ 42,175,652</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, 2022

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 42.19%.

Complete financial statements for Covina Irrigating Company can be obtained from the Company. Summarized audited information for the fiscal year ended June 30, 2022, is as follows:

Operating Revenues	\$ 17,209,592
Operating Expenses	<u>(21,630,550)</u>
Operating Income	(4,420,958)
Nonoperating Income (Loss)	<u>(144,478)</u>
Net Income	<u>\$ (4,565,436)</u>
Total Assets	<u>\$ 25,189,833</u>
Total Liabilities	\$ 7,900,499
Total Fund Equity	<u>17,289,334</u>
Total Liability and Fund Equity	<u>\$ 25,189,833</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, 2022**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

E. 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, 2021, measurement date:

Active Plan Members	171
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	151
Total	<u>322</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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 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	July 1, 2020
Funding Method	Entry-age normal cost, level percent of pay
Discount Rate	3.81%
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)
Healthcare Trend Rate	4.0% for 2021-2023; 5.2% for 2024-2069; and 4% for 2070 and later years. Medicare ages: 4% for 2021-2023 and 3.5% for 2024 and later years

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, 2022

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 3.81%, 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 1.92%.

Change in Assumptions

The discount rate was changed from 3.34% to 3.81%.

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, 2020 (Measurement Date)	\$ 7,577,325	\$ 546,560	\$ 7,030,765
Changes Recognized for the Measurement Period:			
Service Cost	263,838	-	263,838
Interest on the Total OPEB Liability	252,672	-	252,672
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(348,629)	-	(348,629)
Contribution from the Employer	-	1,056,834	(1,056,834)
Net Investment Income	-	47,030	(47,030)
Administrative Expenses	-	(3,353)	3,353
Benefit Payments	(556,834)	(556,834)	-
Net Changes During July 1, 2020 to June 30, 2021	(388,953)	543,677	(932,630)
Balance at June 30, 2021 (Measurement Date)	\$ 7,188,372	\$ 1,090,237	\$ 6,098,135

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 (2.81%) or one percentage point higher (4.81%) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate	Current	Discount Rate
-1%	Discount Rate	+1%
\$	\$	\$
6,874,677	6,098,135	5,439,683

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	\$	\$	\$
	5,592,816	6,098,135	6,735,404

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, 2022, the City recognized OPEB expense of \$561,806. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 654,251	\$ -
Differences Between Actual and Expected Experience	575,495	(388,449)
Change in Assumptions	698,257	(776,166)
Net Differences Between Projected and Actual Earnings	-	(15,378)
Total	<u>\$ 1,928,003</u>	<u>\$ (1,179,993)</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 2021 measurement period is 7.9 years.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

\$654,251 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 71,217
2024	68,242
2025	56,722
2026	(7,879)
2027	(26,532)
Thereafter	(68,011)

E. Payable to the OPEB Plan

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

NOTE 18 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 \$2,840,735 to the Covina Irrigating Company for the services of pumping, treating and delivery of water.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 19 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, 2022, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ 252,445
Nonmajor Governmental Fund	5,021,229
Total Governmental Funds	<u>\$ 5,273,674</u>

NOTE 20 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, 2022, was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Current Portion
Compensated Absences	\$ 30,864	\$ 2,057	\$ -	\$ 32,921	\$ 32,921
Tax Allocation Bonds	8,205,000	-	2,630,000	5,575,000	2,765,000
Accreted Interest	-	-	-	-	-
Unamortized Premium on Tax Allocation Bonds	754,224	-	115,205	639,019	115,205
Total Long-Term Liabilities, Net	<u>\$ 8,990,088</u>	<u>\$ 2,057</u>	<u>\$ 2,745,205</u>	<u>\$ 6,246,940</u>	<u>\$ 2,913,126</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, 2022 was \$735,000.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 20 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.

The outstanding principal balance of the bonds at June 30, 2022, is \$4,655,000.

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, 2022**

NOTE 20 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)

The outstanding principal balance of the bonds at June 30, 2022, is \$185,000.

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>
2023	\$ 2,765,000	\$ 211,679	\$ 2,976,679
2024	2,810,000	70,944	2,880,944
Total	<u>\$ 5,575,000</u>	<u>\$ 282,623</u>	<u>\$ 5,857,623</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal year ended	June 30, 2022	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, 2021	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	\$ 1,411,076	\$ 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	6,951,248	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	207,569	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	(5,397,430)	(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	3,172,463	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	99,005,858	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)	\$ 102,178,321	\$ 99,005,858	\$ 95,804,648	\$ 90,462,241	\$ 87,990,996	\$ 84,037,630	\$ 81,002,147	\$ 78,920,043
Plan Fiduciary Net Position:								
Contributions - employer	\$ 2,994,204	\$ 2,794,762	\$ 2,386,884	\$ 2,064,731	\$ 1,424,175	\$ 1,410,961	\$ 1,599,026	\$ 1,453,480
Contributions - employee	648,674	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	15,110,547	3,264,202	4,117,352	5,103,206	6,234,088	296,745	1,328,803	8,890,960
Benefit payments	(5,397,430)	(5,150,041)	(4,817,247)	(4,633,255)	(4,314,593)	(4,154,693)	(4,028,300)	(3,984,640)
Administrative expense	(67,457)	(93,130)	(45,355)	(274,830)	(84,138)	(35,892)	(66,233)	-
Net Change in Plan Fiduciary Net Position	13,288,538	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	67,528,476	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)	\$ 80,817,014	\$ 67,528,476	\$ 66,061,430	\$ 63,762,991	\$ 60,837,185	\$ 56,987,634	\$ 58,892,179	\$ 59,267,894
Net Pension Liability - Ending (a) - (b)	\$ 21,361,307	\$ 31,477,382	\$ 29,743,218	\$ 26,699,250	\$ 27,153,811	\$ 27,049,996	\$ 22,109,968	\$ 19,652,149
Plan fiduciary net position as a percentage of the total pension liability	79.09%	68.21%	68.95%	70.49%	69.14%	67.81%	72.70%	75.10%
Covered payroll	8,337,323	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	256.21%	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.

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 eight years are shown.

See accompanying Note to Required Supplementary Information.

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

Fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially determined contribution	\$ 3,287,810	\$ 2,995,659	\$ 2,794,762	\$ 2,386,725	\$ 1,424,175	\$ 1,430,571	\$ 1,599,026
Contributions in relation to the actuarially determined contributions	(28,389,913)	(2,995,659)	(2,794,762)	(2,386,725)	(2,078,674)	(1,430,571)	(1,599,026)
Contribution deficiency (excess)	<u>\$ (25,102,103)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (654,499)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,337,323	\$ 7,882,583	\$ 7,996,049	\$ 7,646,268	\$ 6,130,981	\$ 8,782,015	\$ 8,497,600
Contributions as a percentage of covered payroll	340.52%	38.00%	34.95%	31.21%	33.90%	16.29%	18.82%
Notes to Schedule:							
Valuation date	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
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	Fair Value
Inflation	2.50%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Mortality	(4)	(4)	(4)	(4)	(4)	(4)	(4)

- (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) 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 eight years are shown.

See accompanying Note to Required Supplementary Information.

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

	Safety							
Fiscal year ended	June 30, 2022	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, 2021	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	0.77033%	0.58950%	0.56627%	0.54852%	0.56064%	0.56696%	0.46197%	0.41430%
Plan's proportionate share of the net pension liability	\$ 27,034,631	\$ 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	\$ 6,861,894	\$ 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	393.98%	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	79.78%	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 eight years are shown.

See accompanying Note to Required Supplementary Information.

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

	Safety							
Fiscal year ended	June 30, 2022	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)	\$ 4,346,122	\$ 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	(36,196,719)	(3,885,326)	(2,758,911)	(2,360,587)	(1,969,480)	(1,730,321)	(1,549,717)	(1,241,075)
Contribution deficiency (excess)	<u>\$ (31,850,597)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,155,333	\$ 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	505.87%	56.62%	42.50%	36.05%	31.14%	27.36%	23.22%	19.29%
Notes to Schedule:								
Valuation Date	6/30/2019	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	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	15- Year Smoothed Market Method
Inflation	2.50%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Mortality	(5)	(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) 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 eight years are shown.

See accompanying Note to Required Supplementary Information.

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	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:					
Service cost	\$ 263,838	\$ 315,436	\$ 271,591	\$ 173,634	\$ 155,856
Interest on total OPEB liability	252,672	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	(348,629)	(631,555)	355,233	1,264,415	-
Benefit payments, including refunds and the implied subsidy benefit payments	(556,834)	(510,755)	(457,669)	(411,596)	(413,635)
Net Change in Total OPEB Liability	(388,953)	248,035	422,875	348,469	30,079
Total OPEB Liability - Beginning of Year	7,577,325	7,329,290	6,906,415	6,557,946	6,527,867
Total OPEB Liability - End of Year (a)	7,188,372	7,577,325	7,329,290	6,906,415	6,557,946
Plan Fiduciary Net Position:					
Contributions - employer	1,056,834	510,755	457,669	411,596	413,635
Net investment income	47,030	27,077	34,489	9,519	18,600
Administrative expenses	(3,353)	(3,091)	(2,728)	(2,630)	(2,372)
Benefit payments, including refunds and the implied subsidy benefit payments	(556,834)	(510,755)	(457,669)	(411,596)	(413,635)
Net Change in Plan Fiduciary Net Position	543,677	23,986	31,761	6,889	16,228
Plan Fiduciary Net Position - Beginning of Year	546,560	522,574	490,813	483,924	467,696
Plan Fiduciary Net Position - End of Year (b)	1,090,237	546,560	522,574	490,813	483,924
Net OPEB Liability - Ending (a)-(b)	\$ 6,098,135	\$ 7,030,765	\$ 6,806,716	\$ 6,415,602	\$ 6,074,022
Plan fiduciary net position as a percentage of the total OPEB liability	15.17%	7.21%	7.13%	7.11%	7.38%
Covered - employee payroll	19,596,677	18,127,870	17,042,879	13,316,004	\$ 12,959,615
Net OPEB liability as percentage of covered - employee payroll	31.12%	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. For fiscal year ended June 30, 2022, the discount rate was changed to 3.81% from 3.34% and the health care trend rate was changed to 4.0% for 2021-2023, 5.2% for 2024-2069 and 4.0% for 2070 and later

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

See accompanying Note to Required Supplementary Information.

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

Fiscal year ended	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 490,144	\$ 556,834	\$ 511,353	\$ 497,668	\$ 409,995
Contributions in relation to the actuarially determined contributions	(553,834)	(477,026)	(511,353)	(497,668)	(409,995)
Contribution deficiency (excess)	<u>\$ (63,690)</u>	<u>\$ 79,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	20,087,715	19,596,677	18,127,870	17,042,879	\$ 13,316,004
Contributions as a percentage of covered employee payroll	2.76%	2.43%	2.82%	2.92%	3.08%

Notes to Schedule:

Valuation Date	6/30/2020	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	1.92%	2.45%	3.17%	3.65%	4.50%
Inflation	2.75%	2.75%	3.00%	3.00%	2.75%
Mortality rate	(2)	(2)	(1)	(1)	(1)
Healthcare trend rate					

- (1) 2014 CalPERS Mortality Rate for Active Safety, Retired Safety and Active Miscellaneous
(2) 2017 CalPERS Mortality Rate for Active Safety, Retired Safety and Active Miscellaneous

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

See accompanying Note to Required Supplementary Information.

CITY OF COVINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - JULY 1	\$ 20,800,219	\$ 20,800,219	\$ 20,800,219	\$ -
Resources (Inflows):				
Property Taxes	13,715,000	14,006,000	15,177,869	1,171,869
Sales Tax, Intergovernmental	17,535,000	18,800,000	20,249,413	1,449,413
Transient Occupancy Taxes	10,000	50,000	95,950	45,950
Property Transfer Taxes	200,000	200,000	278,481	78,481
Business License Taxes	330,000	330,000	362,368	32,368
Utility User Taxes	4,500,000	4,680,000	5,082,103	402,103
Franchise Taxes	2,006,000	2,006,000	2,246,113	240,113
Licenses and Permits	1,218,800	1,234,800	1,442,013	207,213
Intergovernmental	638,000	664,638	920,671	256,033
Charges for Services	3,911,848	4,524,198	5,217,922	693,724
Fines and Forfeits	925,000	910,000	1,081,458	171,458
Investment Earnings	143,700	143,700	(1,146,017)	(1,289,717)
Sale of Property	-	-	460,000	460,000
Debt Proceeds	-	52,646,184	52,646,184	-
Miscellaneous	377,350	397,376	577,330	179,954
Transfers In	180,000	2,724,000	192,723	(2,531,277)
Amounts Available for Appropriation	66,490,917	124,117,115	125,684,800	1,567,685
Charges to Appropriations (Outflows):				
Current:				
General Government	2,548,810	5,846,461	5,316,041	530,420
Public Safety	33,215,187	72,590,296	70,437,402	2,152,894
Public Works	2,053,817	3,800,478	3,823,677	(23,199)
Culture and Recreation	4,619,437	7,531,858	6,956,833	575,025
Community Development	2,303,614	6,154,909	5,278,203	876,706
Debt Service:				
Interest and Fiscal Charges	-	482,781	483,781	(1,000)
Transfers Out	(166,764)	7,521,131	6,002,213	1,518,918
Total Charges to Appropriation	44,574,101	103,927,914	98,298,150	5,629,764
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 21,916,816</u>	<u>\$ 20,189,201</u>	<u>\$ 27,386,650</u>	<u>\$ 7,197,449</u>

See accompanying Note to Required Supplementary Information.

**CITY OF COVINA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ (24,629)	\$ (24,629)	\$ -
Resources (Inflows):			
Intergovernmental	4,052,286	533,826	(3,518,460)
Investment Earnings	-	162	
Miscellaneous	500	10,864	10,364
Amounts Available for Appropriation	<u>4,028,157</u>	<u>520,223</u>	<u>(3,508,096)</u>
Charges to Appropriations (Outflows):			
Public Safety	3,275,660	249,887	3,025,773
Public Works	30,186	7,106	23,080
Culture and Recreation	67,925	86,320	(18,395)
Community Development	525,000	94,103	430,897
Capital Outlay	51,789	-	51,789
Total Charges to Appropriation	<u>3,950,560</u>	<u>437,416</u>	<u>3,513,144</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 77,597</u></u>	<u><u>\$ 82,807</u></u>	<u><u>\$ 5,048</u></u>

See accompanying Note to Required Supplementary Information.

CITY OF COVINA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 other than the American Rescue Plan Act (ARPA) Fund which did not have an adopted budget. 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.

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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 (CONTINUED)**

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.

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.

American Rescue Plan Act (ARPA) Fund accounts for monies provided to the City to assist with COVID pandemic-related response activities supporting public health response, address negative economic impacts, replace public sector revenue loss, fund essential government services and certain water, sewer, and broadband infrastructure improvements.

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.

Transportation Fund accounts for monies used for various Public Works Capital Improvement Projects.

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**CITY OF COVINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Community Development Block Grant	Proposition A	Law Enforcement
ASSETS			
Cash and Investments	\$ -	\$ 1,554,246	\$ -
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	185	-
Interest	-	158	-
Leases	-	42,542	-
Loans	222,880	-	-
Due from Other Governments	36,208	-	324,604
Prepaid Items	-	7,949	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 259,088	\$ 1,605,080	\$ 324,604
	<hr/>	<hr/>	<hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 17,768	\$ 46,876	\$ 9,495
Accrued Liabilities	(39)	-	-
Deposits Payable	-	-	-
Due to Other Governments	222,880	-	-
Due to Other Funds	18,479	-	131,547
Unearned Revenue	-	122	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	259,088	46,998	141,042
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	-	41,800	-
Unavailable Revenue	-	-	320,573
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	-	41,800	320,573
FUND BALANCES (DEFICITS)			
Nonspendable	-	7,949	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	1,508,333	-
Air Quality Projects	-	-	-
Assessment Districts	-	-	-
Culture and Recreation	-	-	-
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	(137,011)
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficits)	-	1,516,282	(137,011)
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 259,088	\$ 1,605,080	\$ 324,604
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**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ 273,763	\$ -	\$ 1,569,801	\$ 137,485	\$ 507,619	\$ 559
-	-	-	-	-	-
-	-	-	16,061	1,155	-
-	-	-	-	22	-
-	-	-	-	73,106	-
-	-	-	-	-	-
-	95,162	-	-	28,751	3,098
-	-	-	-	-	-
<u>\$ 273,763</u>	<u>\$ 95,162</u>	<u>\$ 1,569,801</u>	<u>\$ 153,546</u>	<u>\$ 610,653</u>	<u>\$ 3,657</u>
\$ -	\$ 3,650	\$ 17,186	\$ 140	\$ 7,586	\$ 18,493
-	-	-	-	74	-
-	-	-	-	-	9,625
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,650	17,186	140	7,660	28,118
-	-	-	-	72,997	-
-	-	-	-	5	-
-	-	-	-	73,002	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
273,763	-	-	-	-	-
-	91,512	1,552,615	-	-	-
-	-	-	153,406	-	-
-	-	-	-	529,991	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(24,461)
<u>273,763</u>	<u>91,512</u>	<u>1,552,615</u>	<u>153,406</u>	<u>529,991</u>	<u>(24,461)</u>
<u>\$ 273,763</u>	<u>\$ 95,162</u>	<u>\$ 1,569,801</u>	<u>\$ 153,546</u>	<u>\$ 610,653</u>	<u>\$ 3,657</u>

CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
ASSETS			
Cash and Investments	\$ 401,666	\$ 276,856	\$ 34,081
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	-	-
Interest	-	-	-
Leases	-	-	-
Loans	-	-	-
Due from Other Governments	2,630	4,272	-
Prepaid Items	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 404,296</u>	<u>\$ 281,128</u>	<u>\$ 34,081</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 9,693	\$ 3,000	\$ -
Accrued Liabilities	-	-	-
Deposits Payable	9,625	4,000	-
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	568
	<hr/>	<hr/>	<hr/>
Total Liabilities	19,318	7,000	568
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	-	-	-
Unavailable Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	-	-
Air Quality Projects	-	-	-
Assessment Districts	384,978	274,128	33,513
Culture and Recreation	-	-	-
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficits)	384,978	274,128	33,513
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 404,296</u>	<u>\$ 281,128</u>	<u>\$ 34,081</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

Measure M	TDA Grant	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority
\$ 661,367	\$ -	\$ 1,034,597	\$ 511,263	\$ 3,831,534
-	-	-	-	-
-	-	-	18,919	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	94,861
-	-	178,577	-	-
-	-	-	-	-
<u>\$ 661,367</u>	<u>\$ -</u>	<u>\$ 1,213,174</u>	<u>\$ 530,182</u>	<u>\$ 3,926,395</u>
\$ 43,345	\$ -	\$ -	\$ 1,199	\$ 62,133
-	-	-	-	-
-	-	-	-	31,846
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>43,345</u>	<u>-</u>	<u>-</u>	<u>1,199</u>	<u>93,979</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	3,832,416
-	-	-	-	-
-	-	-	-	-
618,022	-	1,213,174	-	-
-	-	-	-	-
-	-	-	528,983	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>618,022</u>	<u>-</u>	<u>1,213,174</u>	<u>528,983</u>	<u>3,832,416</u>
\$ 661,367	\$ -	\$ 1,213,174	\$ 530,182	\$ 3,926,395

CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Measure W	Measure R	ARPA	Total Special Revenue Funds
ASSETS				
Cash and Investments	\$ 1,837,597	\$ 138,610	\$ 2,502,082	\$ 15,273,126
Cash and Investments - Restricted	-	43	-	43
Receivables:				
Accounts	-	-	-	36,320
Interest	-	-	-	180
Leases	-	-	-	115,648
Loans	-	-	-	317,741
Due from Other Governments	-	-	-	673,302
Prepaid Items	-	-	-	7,949
Total Assets	<u>\$ 1,837,597</u>	<u>\$ 138,653</u>	<u>\$ 2,502,082</u>	<u>\$ 16,424,309</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 135,634	\$ 435	\$ 5,500	\$ 382,133
Accrued Liabilities	-	-	-	35
Deposits Payable	-	-	-	55,096
Due to Other Governments	-	-	-	222,880
Due to Other Funds	-	-	-	150,026
Unearned Revenue	-	-	2,496,582	2,497,272
Total Liabilities	<u>135,634</u>	<u>435</u>	<u>2,502,082</u>	<u>3,307,442</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	-	-	-	114,797
Unavailable Revenue	-	-	-	320,578
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,375</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	7,949
Restricted for:				
Redevelopment and Housing	-	-	-	3,832,416
Community Development	-	-	-	-
Law Enforcement	-	-	-	273,763
Transportation and Street Projects	-	138,218	-	5,121,874
Air Quality Projects	-	-	-	153,406
Assessment Districts	-	-	-	1,222,610
Culture and Recreation	-	-	-	528,983
Storm Water	643,810	-	-	643,810
Other Capital Projects	1,058,153	-	-	1,058,153
Unassigned	-	-	-	(161,472)
Total Fund Balances (Deficits)	<u>1,701,963</u>	<u>138,218</u>	<u>-</u>	<u>12,681,492</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,837,597</u>	<u>\$ 138,653</u>	<u>\$ 2,502,082</u>	<u>\$ 16,424,309</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

General Projects	Covina Revitalization Projects	Park Development	Transportation	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 2,090,249	\$ 380,066	\$ 13,052	\$ -	\$ 2,483,367	\$ 17,756,493
-	-	-	-	-	43
-	-	-	-	-	36,320
-	-	-	-	-	180
-	-	-	-	-	115,648
-	-	-	-	-	317,741
-	-	367,143	250,000	617,143	1,290,445
-	-	-	-	-	7,949
<u>\$ 2,090,249</u>	<u>\$ 380,066</u>	<u>\$ 380,195</u>	<u>\$ 250,000</u>	<u>\$ 3,100,510</u>	<u>\$ 19,524,819</u>
\$ 28,602	\$ 98,155	\$ 228,369	\$ 250,000	\$ 605,126	\$ 987,259
-	-	-	-	-	35
29,069	-	-	-	29,069	84,165
-	-	-	-	-	222,880
-	-	-	-	-	150,026
-	-	-	-	-	2,497,272
<u>57,671</u>	<u>98,155</u>	<u>228,369</u>	<u>250,000</u>	<u>634,195</u>	<u>3,941,637</u>
-	-	-	-	-	114,797
-	-	367,143	86,945	454,088	774,666
-	-	367,143	86,945	454,088	889,463
-	-	-	-	-	7,949
-	-	-	-	-	3,832,416
-	281,911	-	-	281,911	281,911
77,386	-	-	-	77,386	351,149
1,124,584	-	-	-	1,124,584	6,246,458
-	-	-	-	-	153,406
-	-	-	-	-	1,222,610
432,349	-	-	-	432,349	961,332
-	-	-	-	-	643,810
398,259	-	-	-	398,259	1,456,412
-	-	(215,317)	(86,945)	(302,262)	(463,734)
<u>2,032,578</u>	<u>281,911</u>	<u>(215,317)</u>	<u>(86,945)</u>	<u>2,012,227</u>	<u>14,693,719</u>
<u>\$ 2,090,249</u>	<u>\$ 380,066</u>	<u>\$ 380,195</u>	<u>\$ 250,000</u>	<u>\$ 3,100,510</u>	<u>\$ 19,524,819</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Community Development Block Grant	Proposition A	Law Enforcement
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	-
Intergovernmental	274,518	1,233,509	219,288
Charges for Services	-	85,456	-
Special Assessments	-	-	-
Investment Earnings	-	8,764	2,186
Miscellaneous	-	41,057	-
Total Revenues	<u>274,518</u>	<u>1,368,786</u>	<u>221,474</u>
EXPENDITURES			
Current:			
Public Safety	-	-	570,448
Public Works	-	-	-
Culture and Recreation	-	-	-
Community Development	-	-	-
Transit	-	951,556	-
Redevelopment and Housing	85,723	-	-
Capital Outlay	-	180	-
Principal Retirement	125,000	-	-
Interest	63,795	-	-
Total Expenditures	<u>274,518</u>	<u>951,736</u>	<u>570,448</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	417,050	(348,974)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	417,050	(348,974)
Fund Balances (Deficits) - Beginning of Year	<u>-</u>	<u>1,099,232</u>	<u>211,963</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ -</u>	<u>\$ 1,516,282</u>	<u>\$ (137,011)</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ -	\$ -	\$ -	\$ -	\$ 160,263	\$ -
-	-	-	-	-	-
80,699	1,150,859	1,023,170	62,809	-	-
-	-	-	-	96,387	-
-	-	-	-	-	130,620
1,393	307	8,705	713	348	-
-	-	-	-	-	-
<u>82,092</u>	<u>1,151,166</u>	<u>1,031,875</u>	<u>63,522</u>	<u>256,998</u>	<u>130,620</u>
-	-	-	-	-	-
-	1,361,818	-	11,267	201,469	257,965
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	507,034	-	234,279	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,361,818</u>	<u>507,034</u>	<u>11,267</u>	<u>435,748</u>	<u>257,965</u>
82,092	(210,652)	524,841	52,255	(178,750)	(127,345)
-	-	-	-	-	100,000
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
82,092	(210,652)	524,841	52,255	(178,750)	(27,345)
191,671	302,164	1,027,774	101,151	708,741	2,884
<u>\$ 273,763</u>	<u>\$ 91,512</u>	<u>\$ 1,552,615</u>	<u>\$ 153,406</u>	<u>\$ 529,991</u>	<u>\$ (24,461)</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	1,168
Intergovernmental	-	-	-
Charges for Services	-	-	17,282
Special Assessments	196,499	241,182	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	196,499	241,182	18,450
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	159,964	779	9,246
Culture and Recreation	-	-	-
Community Development	-	-	-
Transit	-	-	-
Redevelopment and Housing	-	-	-
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest	-	-	-
Total Expenditures	159,964	779	9,246
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	36,535	240,403	9,204
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(180,000)	-
Total Other Financing Sources (Uses)	-	(180,000)	-
NET CHANGE IN FUND BALANCES	36,535	60,403	9,204
Fund Balances (Deficits) - Beginning of Year	348,443	213,725	24,309
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 384,978</u>	<u>\$ 274,128</u>	<u>\$ 33,513</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Measure M	TDA Grant	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
868,236	8,620	996,598	-	7,664
-	-	-	75,453	-
-	-	-	-	-
3,928	-	4,228	-	122,566
-	-	-	-	99,067
872,164	8,620	1,000,826	75,453	229,297
-	-	-	-	-
-	-	-	-	-
-	-	-	16,103	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	593,678
907,562	-	-	-	-
-	-	-	-	-
-	-	-	-	-
907,562	-	-	16,103	593,678
(35,398)	8,620	1,000,826	59,350	(364,381)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(35,398)	8,620	1,000,826	59,350	(364,381)
653,420	(8,620)	212,348	469,633	4,196,797
\$ 618,022	\$ -	\$ 1,213,174	\$ 528,983	\$ 3,832,416

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Measure W	Measure R	ARPA	Total Special Revenue Funds
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ 160,263
Business License Taxes	-	-	-	1,168
Intergovernmental	1,643,337	767,254	3,178,942	11,515,503
Charges for Services	240	-	-	274,818
Special Assessments	-	-	-	568,301
Investment Earnings	6,957	1,178	-	161,273
Miscellaneous	-	-	-	140,124
Total Revenues	1,650,534	768,432	3,178,942	12,821,450
EXPENDITURES				
Current:				
Public Safety	-	-	2,596,397	3,166,845
Public Works	-	-	-	2,002,508
Culture and Recreation	-	-	20,036	36,139
Community Development	-	-	59,823	59,823
Transit	-	-	-	951,556
Redevelopment and Housing	-	-	-	679,401
Capital Outlay	588,605	483,557	502,686	3,223,903
Principal Retirement	-	195,000	-	320,000
Interest	-	174,440	-	238,235
Total Expenditures	588,605	852,997	3,178,942	10,678,410
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,061,929	(84,565)	-	2,143,040
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	100,000
Transfers Out	-	-	-	(180,000)
Total Other Financing Sources (Uses)	-	-	-	(80,000)
NET CHANGE IN FUND BALANCES	1,061,929	(84,565)	-	2,063,040
Fund Balances (Deficits) - Beginning of Year	640,034	222,783	-	10,618,452
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,701,963</u>	<u>\$ 138,218</u>	<u>\$ -</u>	<u>\$ 12,681,492</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

General Projects	Covina Revitalization Projects	Park Development	Transportation	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,263
-	-	-	-	-	1,168
59	66,979	-	163,055	230,093	11,745,596
-	-	-	-	-	274,818
24,584	-	-	-	24,584	592,885
-	4,527	-	-	4,527	165,800
(400)	-	-	-	(400)	139,724
<u>24,243</u>	<u>71,506</u>	<u>-</u>	<u>163,055</u>	<u>258,804</u>	<u>13,080,254</u>
-	-	-	-	-	3,166,845
-	-	-	-	-	2,002,508
-	-	-	-	-	36,139
-	-	-	-	-	59,823
-	-	-	-	-	951,556
-	-	-	-	-	679,401
396,248	1,389,944	649,360	250,000	2,685,552	5,909,455
-	-	-	-	-	320,000
-	-	-	-	-	238,235
<u>396,248</u>	<u>1,389,944</u>	<u>649,360</u>	<u>250,000</u>	<u>2,685,552</u>	<u>13,363,962</u>
(372,005)	(1,318,438) -	(649,360)	(86,945)	(2,426,748)	(283,708)
-	-	333,927	-	333,927	433,927
-	(568)	-	-	(568)	(180,568)
<u>-</u>	<u>(568)</u>	<u>333,927</u>	<u>-</u>	<u>333,359</u>	<u>253,359</u>
(372,005)	(1,319,006)	(315,433)	(86,945)	(2,093,389)	(30,349)
<u>2,404,583</u>	<u>1,600,917</u>	<u>100,116</u>	<u>-</u>	<u>4,105,616</u>	<u>14,724,068</u>
<u>\$ 2,032,578</u>	<u>\$ 281,911</u>	<u>\$ (215,317)</u>	<u>\$ (86,945)</u>	<u>\$ 2,012,227</u>	<u>\$ 14,693,719</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ -	\$ -	\$ -
Resources (Inflows):			
Intergovernmental	460,161	274,518	(185,643)
Amounts Available for Appropriation	460,161	274,518	(185,643)
Charges to Appropriations (Outflows):			
Redevelopment and Housing	271,366	85,723	185,643
Debt Service:			
Principal	125,000	125,000	-
Interest and Fiscal Charges	63,795	63,795	-
Total Charges to Appropriation	460,161	274,518	185,643
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, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,099,232	\$ 1,099,232	\$ -
Resources (Inflows):			
Intergovernmental	1,055,195	1,233,509	178,314
Charges for Services	154,360	85,456	(68,904)
Investment Earnings	10,800	8,764	(2,036)
Miscellaneous	39,477	41,057	1,580
Transfers In	-	-	-
Amounts Available for Appropriation	<u>2,359,064</u>	<u>2,468,018</u>	<u>108,954</u>
Charges to Appropriations (Outflows):			
Transit	1,547,817	951,556	596,261
Capital Outlay	<u>309,855</u>	<u>180</u>	<u>309,675</u>
Total Charges to Appropriation	<u>1,857,672</u>	<u>951,736</u>	<u>905,936</u>
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 501,392</u>	<u>\$ 1,516,282</u>	<u>\$ 1,014,890</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 211,963	\$ 211,963	\$ -
Resources (Inflows):			
Intergovernmental	516,126	219,288	(296,838)
Investment Earnings	2,500	2,186	(314)
Amounts Available for Appropriation	730,589	433,437	(297,152)
Charges to Appropriations (Outflows):			
Public Safety	542,124	570,448	(28,324)
Total Charges to Appropriation	542,124	570,448	(28,324)
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ 188,465</u>	<u>\$ (137,011)</u>	<u>\$ (325,476)</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NARCOTICS SEIZURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 191,671	\$ 191,671	\$ -
Resources (Inflows):			
Intergovernmental	-	80,699	80,699
Investment Earnings	1,600	1,393	(207)
Transfers In	-	-	-
Amounts Available for Appropriation	<u>193,271</u>	<u>273,763</u>	<u>80,492</u>
Charges to Appropriations (Outflows):			
Total Charges to Appropriation	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 193,271</u></u>	<u><u>\$ 273,763</u></u>	<u><u>\$ 80,492</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 302,164	\$ 302,164	\$ -
Resources (Inflows):			
Intergovernmental	1,211,186	1,150,859	(60,327)
Investment Earnings	6,000	307	(5,693)
Amounts Available for Appropriation	1,519,350	1,453,330	(66,020)
Charges to Appropriations (Outflows):			
Public Works	1,521,600	1,361,818	159,782
Total Charges to Appropriation	1,521,600	1,361,818	159,782
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ (2,250)</u>	<u>\$ 91,512</u>	<u>\$ 93,762</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPOSITION C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,027,774	\$ 1,027,774	\$ -
Resources (Inflows):			
Intergovernmental	854,520	1,023,170	168,650
Investment Earnings	11,000	8,705	(2,295)
Amounts Available for Appropriation	1,893,294	2,059,649	166,355
Charges to Appropriations (Outflows):			
Capital Outlay	2,380,142	507,034	1,873,108
Total Charges to Appropriation	2,380,142	507,034	1,873,108
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ (486,848)</u>	<u>\$ 1,552,615</u>	<u>\$ 2,039,463</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 101,151	\$ 101,151	\$ -
Resources (Inflows):			
Intergovernmental	55,800	62,809	7,009
Investment Earnings	800	713	(87)
Amounts Available for Appropriation	157,751	164,673	6,922
Charges to Appropriations (Outflows):			
Public Works	142,666	11,267	131,399
Total Charges to Appropriation	142,666	11,267	131,399
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 15,085</u>	<u>\$ 153,406</u>	<u>\$ 138,321</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL PARKING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 708,741	\$ 708,741	\$ -
Resources (Inflows):			
Property Taxes	104,256	160,263	56,007
Charges for Services	80,344	96,387	16,043
Investment Earnings	-	348	348
Amounts Available for Appropriation	<u>893,341</u>	<u>965,739</u>	<u>72,398</u>
Charges to Appropriations (Outflows):			
Public Works	198,561	201,469	(2,908)
Capital Outlay	<u>234,459</u>	<u>234,279</u>	<u>180</u>
Total Charges to Appropriation	<u>433,020</u>	<u>435,748</u>	<u>(2,728)</u>
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 460,321</u>	<u>\$ 529,991</u>	<u>\$ 69,670</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIGHTING ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ 2,884	\$ 2,884	\$ -
Resources (Inflows):			
Special Assessments	133,076	130,620	(2,456)
Transfers In	100,000	100,000	-
Amounts Available for Appropriation	235,960	233,504	(2,456)
Charges to Appropriations (Outflows):			
Public Works	248,551	257,965	(9,414)
Total Charges to Appropriation	248,551	257,965	(9,414)
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ (12,591)</u>	<u>\$ (24,461)</u>	<u>\$ (11,870)</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LANDSCAPING ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 348,443	\$ 348,443	\$ -
Resources (Inflows):			
Special Assessments	199,025	196,499	(2,526)
Amounts Available for Appropriation	547,468	544,942	(2,526)
Charges to Appropriations (Outflows):			
Public Works	165,433	159,964	5,469
Total Charges to Appropriation	165,433	159,964	5,469
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 382,035</u>	<u>\$ 384,978</u>	<u>\$ 2,943</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 213,725	\$ 213,725	\$ -
Resources (Inflows):			
Special Assessments	176,681	241,182	64,501
Amounts Available for Appropriation	390,406	454,907	64,501
Charges to Appropriations (Outflows):			
Public Works	13,000	779	12,221
Transfers Out	180,000	180,000	-
Total Charges to Appropriation	193,000	180,779	12,221
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 197,406</u>	<u>\$ 274,128</u>	<u>\$ 76,722</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SHOPPERS LANE PARKING DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 24,309	\$ 24,309	\$ -
Resources (Inflows):			
Business License Taxes	2,000	1,168	(832)
Charges for Services	9,200	17,282	8,082
Amounts Available for Appropriation	35,509	42,759	7,250
Charges to Appropriations (Outflows):			
Public Works	7,600	9,246	(1,646)
Total Charges to Appropriation	7,600	9,246	(1,646)
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 27,909</u>	<u>\$ 33,513</u>	<u>\$ 5,604</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 653,420	\$ 653,420	\$ -
Resources (inflows):			
Intergovernmental	675,000	868,236	193,236
Investment Earnings	10,000	3,928	(6,072)
Amounts Available for Appropriation	1,338,420	1,525,584	187,164
Charges to Appropriations (Outflows):			
Capital Outlay	1,288,423	907,562	380,861
Total Charges to Appropriation	1,288,423	907,562	380,861
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 49,997</u>	<u>\$ 618,022</u>	<u>\$ 568,025</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TDA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ (8,620)	\$ (8,620)	\$ -
Resources (inflows):			
Intergovernmental	37,081	8,620	(28,461)
Amounts Available for Appropriation	28,461	-	(28,461)
Charges to Appropriations (Outflows):			
Capital Outlay	3,500	-	3,500
Total Charges to Appropriation	3,500	-	3,500
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 24,961</u>	<u>\$ -</u>	<u>\$ (24,961)</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 212,348	\$ 212,348	\$ -
Resources (Inflows):			
Intergovernmental	955,266	996,598	41,332
Investment Earnings	8,000	4,228	(3,772)
Amounts Available for Appropriation	1,175,614	1,213,174	37,560
Charges to Appropriations (Outflows):			
Total Charges to Appropriation	-	-	-
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 1,175,614</u>	<u>\$ 1,213,174</u>	<u>\$ 37,560</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PEG ACCESS TELEVISION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 469,633	\$ 469,633	\$ -
Resources (Inflows):			
Charges for Services	50,000	75,453	25,453
Amounts Available for Appropriation	519,633	545,086	25,453
Charges to Appropriations (Outflows):			
Culture and Recreation	25,100	16,103	8,997
Total Charges to Appropriation	25,100	16,103	8,997
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 494,533</u>	<u>\$ 528,983</u>	<u>\$ 34,450</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 4,196,797	\$ 4,196,797	\$ -
Resources (Inflows):			
Intergovernmental	467,379	7,664	(459,715)
Investment Earnings	36,000	122,566	86,566
Miscellaneous	-	99,067	99,067
Amounts Available for Appropriation	4,700,176	4,426,094	(274,082)
Charges to Appropriations (Outflows):			
Current:			
Redevelopment and Housing	3,680,909	593,678	3,087,231
Total Charges to Appropriation	3,680,909	593,678	3,087,231
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 1,019,267</u>	<u>\$ 3,832,416</u>	<u>\$ 2,813,149</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE W SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 640,034	\$ 640,034	\$ -
Resources (Inflows):			
Intergovernmental	1,500,283	1,643,337	143,054
	-	240	240
Investment Earnings	-	6,957	6,957
Amounts Available for Appropriation	<u>2,140,317</u>	<u>2,290,568</u>	<u>150,251</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>1,850,993</u>	<u>588,605</u>	<u>1,262,388</u>
Total Charges to Appropriation	<u>1,850,993</u>	<u>588,605</u>	<u>1,262,388</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 289,324</u></u>	<u><u>\$ 1,701,963</u></u>	<u><u>\$ 1,412,639</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 222,783	\$ 222,783	\$ -
Resources (Inflows):			
Intergovernmental	600,000	767,254	167,254
Investment Earnings	41,000	1,178	(39,822)
Amounts Available for Appropriation	<u>863,783</u>	<u>991,215</u>	<u>127,432</u>
Charges to Appropriations (Outflows):			
Capital Outlay	483,587	483,557	30
Debt Service:			
Principal Retirement	195,000	195,000	-
Interest and Fiscal Charges	<u>174,988</u>	<u>174,440</u>	<u>548</u>
Total Charges to Appropriation	<u>853,575</u>	<u>852,997</u>	<u>578</u>
BUDGETARY FUND BALANCE, JUNE 30	<u>\$ 10,208</u>	<u>\$ 138,218</u>	<u>\$ 128,010</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL PROJECTS FUND CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 2,404,583	\$ 2,404,583	\$ -
Resources (Inflows):			
Special Assessments	-	24,584	24,584
Amounts Available for Appropriation	2,873,734	2,428,826	(444,908)
Charges to Appropriations (Outflows):			
Capital Outlay	1,238,576	396,249	842,327
Total Charges to Appropriation	1,238,576	396,249	842,327
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 1,635,158</u>	<u>\$ 2,032,577</u>	<u>\$ 397,419</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COVINA REVITALIZATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,600,917	\$ 1,600,917	\$ -
Resources (Inflows):			
Intergovernmental	66,979	66,979	-
Investment Earnings	16,000	4,527	4,527
Amounts Available for Appropriation	1,683,896	1,672,423	4,527
Charges to Appropriations (Outflows):			
Capital Outlay	1,683,329	1,389,944	293,385
Transfers Out	567	568	(1)
Total Charges to Appropriation	1,683,896	1,390,512	293,384
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 281,911</u>	<u>\$ 297,911</u>

CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – MAJOR FUND
PARK DEVELOPMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Budget		
BUDGETARY FUND BALANCE - JULY 1	\$ 100,116	\$ 100,116	\$ 100,116	\$ -
Resources (Inflows):				
Intergovernmental	7,820,512	7,820,512	-	(7,820,512)
Transfers In	1,315,567	1,315,567	333,927	(981,640)
Amounts Available for Appropriation	9,236,195	9,236,195	434,043	(8,802,152)
Charges to Appropriations (Outflows):				
Capital Outlay	9,085,485	9,085,485	649,360	8,436,125
Total Charges to Appropriation	9,085,485	9,085,485	649,360	8,436,125
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ 150,710</u>	<u>\$ 150,710</u>	<u>\$ (215,317)</u>	<u>\$ (366,027)</u>

CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – MAJOR FUND
TRANSPORTATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE- JULY 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	1,750,000	2,000,000	163,055	(1,836,945)
Amounts Available for Appropriation	1,750,000	2,000,000	163,055	(1,836,945)
Charges to Appropriations (Outflows):				
Capital Outlay	1,750,000	2,550,000	250,002	2,299,998
Total Charges to Appropriation	1,750,000	2,550,000	250,002	2,299,998
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ -</u>	<u>\$ (550,000)</u>	<u>\$ (86,947)</u>	<u>\$ 463,053</u>

**CITY OF COVINA
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2022**

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, 2022

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
ASSETS:					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,857,992	\$ 2,478,869	\$ 7,121,645	\$ 3,017,261	\$ 14,475,767
Accounts Receivable	1,635	68,659	601	24,436	95,331
Prepaid Items	18,157	-	6,687	-	24,844
Inventories	-	51,205	-	-	51,205
Total Current Assets	1,877,784	2,598,733	7,128,933	3,041,697	14,647,147
NONCURRENT ASSETS					
Capital Assets:					
Being Depreciated, Net	479,213	794,176	-	-	1,273,389
Total Noncurrent Assets	479,213	794,176	-	-	1,273,389
Total Assets	2,356,997	3,392,909	7,128,933	3,041,697	15,920,536
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related	65,014	59,949	20,497	16,984	162,444
Pension Related	1,014,181	732,148	236,452	207,965	2,190,746
Total Deferred Outflow of Resources	1,079,195	792,097	256,949	224,949	2,353,190
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	58,913	15,824	2,127	65,681	142,545
Interest Payable	8,772	6,990	3,030	1,788	20,580
Compensated Absences Payable	22,960	35,983	8,000	7,465	74,408
Lease Payable	3,722	39,670	-	-	43,392
Pension Obligation Bonds Payable	43,264	33,581	14,952	8,824	100,621
Claims and Judgements	-	-	927,000	811,000	1,738,000
Total Current Liabilities	137,631	132,048	955,109	894,758	2,119,546
NONCURRENT LIABILITIES					
Compensated Absences Payable	83,197	73,195	9,019	6,981	172,392
Lease Payable	-	102,535	-	-	102,535
Pension Obligation Bonds Payable	942,845	731,840	325,856	192,308	2,192,849
Claims and Judgements	-	-	4,537,000	1,443,000	5,980,000
Net OPEB Liability	202,051	194,540	61,699	56,065	514,355
Net Pension Liability	760,463	548,986	177,299	155,938	1,642,686
Total Noncurrent Liabilities	1,988,556	1,651,096	5,110,873	1,854,292	10,604,817
Total Liabilities	2,126,187	1,783,144	6,065,982	2,749,050	12,724,363
DEFERRED INFLOWS OF RESOURCES					
OPEB Related	40,654	34,991	12,499	9,791	97,935
Pension Related	266,800	192,605	62,203	54,709	576,317
Total Deferred Inflows of Resources	307,454	227,596	74,702	64,500	674,252
NET POSITION					
Net Investment in Capital Assets	424,656	651,971	-	-	1,076,627
Unrestricted	577,895	1,522,295	1,245,198	453,096	3,798,484
Total Net Position	\$ 1,002,551	\$ 2,174,266	\$ 1,245,198	\$ 453,096	\$ 4,875,111

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2022

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
OPERATING REVENUES					
Charges for Services	\$ 1,181,505	\$ 1,052,379	\$ 1,124,403	\$ 1,138,220	\$ 4,496,507
Motor Pool Charges	-	534,880	-	-	534,880
Total Operating Revenues	1,181,505	1,587,259	1,124,403	1,138,220	5,031,387
OPERATING EXPENSES					
General and Administrative	1,093,950	11,655	1,126,362	962,314	3,194,281
Vehicle and Equipment Operation	-	1,191,813	-	-	1,191,813
Depreciation	90,935	211,379	-	-	302,314
Total Operating Expenses	1,184,885	1,414,847	1,126,362	962,314	4,688,408
OPERATING INCOME (LOSS)	(3,380)	172,412	(1,959)	175,906	342,979
NONOPERATING REVENUES (EXPENSES)					
Interest Expense	(19,463)	(17,433)	(6,727)	(3,970)	(47,593)
Debt issuance costs	(9,019)	(7,001)	(3,117)	(1,840)	(20,977)
Total Nonoperating Revenues (Expenses)	(28,482)	(24,434)	(9,844)	(5,810)	(68,570)
INCOME (LOSS) BEFORE TRANSFERS	(31,862)	147,978	(11,803)	170,096	274,409
TRANSFERS					
Transfers In	1,200,000	1,000,000	2,519,087	1,790,559	6,509,646
Total Transfers	1,200,000	1,000,000	2,519,087	1,790,559	6,509,646
CHANGES IN NET POSITION	1,168,138	1,147,978	2,507,284	1,960,655	6,784,055
Total Net Position - Beginning of Year	(165,587)	1,026,288	(1,262,086)	(1,507,559)	(1,908,944)
TOTAL NET POSITION - END OF YEAR	<u>\$ 1,002,551</u>	<u>\$ 2,174,266</u>	<u>\$ 1,245,198</u>	<u>\$ 453,096</u>	<u>\$ 4,875,111</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2022

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from User Departments	\$ 1,179,870	\$ 1,526,001	\$ 1,123,802	\$ 1,143,979	\$ 4,973,652
Payments to Suppliers of Goods or Services	(1,529,244)	(1,674,657)	(931,235)	(1,111,391)	(5,246,527)
Payments to Employees	(510,192)	(306,600)	(318,149)	(196,143)	(1,331,084)
Net Cash Used by Operating Activities	(859,566)	(455,256)	(125,582)	(163,555)	(1,603,959)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Received from Other Funds	1,200,000	1,000,000	2,519,087	1,790,559	6,509,646
Proceeds from Pension Bonds	986,109	765,421	340,808	201,132	2,293,470
Net Cash Provided by Noncapital Financing Activities	2,186,109	1,765,421	2,859,895	1,991,691	8,803,116
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest Paid on Pension Bonds	(19,710)	(17,355)	(6,814)	(4,022)	(47,901)
Principal Paid on Lease	(5,523)	(53,505)	-	-	(59,028)
Acquisition of Capital Assets	(174,273)	(143,148)	-	-	(317,421)
Net Cash Used by Capital and Related Financing Activities	(199,506)	(214,008)	(6,814)	(4,022)	(424,350)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,127,037	1,096,157	2,727,499	1,824,114	6,774,807
Cash and Cash Equivalents - Beginning of Year	730,955	1,382,712	4,394,146	1,193,147	7,700,960
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,857,992</u>	<u>\$ 2,478,869</u>	<u>\$ 7,121,645</u>	<u>\$ 3,017,261</u>	<u>\$ 14,475,767</u>

(Continued)

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2022

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Total
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH USED BY					
OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ (3,380)	\$ 172,412	\$ (1,959)	\$ 175,906	\$ 342,979
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	90,935	211,379	-	-	302,314
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:					
Accounts Receivable	(1,635)	(61,258)	(601)	5,759	(57,735)
Prepays Items and Deposits	(18,157)	-	(195)	-	(18,352)
Inventory	-	(8,827)	-	-	(8,827)
Deferred Outflows of Resources - OPEB Related	8,911	6,433	2,078	1,828	19,250
Deferred Outflows of Resources - Pension Related	(887,894)	(634,124)	(192,806)	(182,207)	(1,897,031)
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:					
Accounts Payable and Accrued Liabilities	39,816	(7,133)	(2,536)	37,781	67,928
Compensated Absences Payable	25,729	8,409	2,954	2,521	39,613
Net OPEB Liability	(33,202)	(23,969)	(7,741)	(6,809)	(71,721)
Net Pension Liability	(350,689)	(313,494)	(206,725)	(70,699)	(941,607)
Claims Payable	-	-	219,000	(183,000)	36,000
Deferred Inflows of Resources - OPEB Related	3,200	2,311	746	656	6,913
Deferred Inflows of Resources - Pension Related	266,800	192,605	62,203	54,709	576,317
Total Adjustments	<u>(856,186)</u>	<u>(627,668)</u>	<u>(123,623)</u>	<u>(339,461)</u>	<u>(1,946,938)</u>
Net Cash Used by Operating Activities	<u>\$ (859,566)</u>	<u>\$ (455,256)</u>	<u>\$ (125,582)</u>	<u>\$ (163,555)</u>	<u>\$ (1,603,959)</u>

**CITY OF COVINA
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022**

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, 2022**

	Downtown District	Prospero Park District	Total Custodial Funds
ASSETS			
Cash and Investments	\$ 1,250	\$ 911	\$ 2,161
Accounts Receivable	<u>866</u>	<u>-</u>	<u>866</u>
Total Assets	<u><u>\$ 2,116</u></u>	<u><u>\$ 911</u></u>	<u><u>\$ 3,027</u></u>
LIABILITIES			
Due to Property Owners	<u><u>\$ 2,116</u></u>	<u><u>\$ 911</u></u>	<u><u>\$ 3,027</u></u>

**CITY OF COVINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022**

	<u>Downtown District</u>	<u>Prospero Park District</u>	<u>Totals Custodial Funds</u>
ADDITIONS			
Business Licenses Collected from Property Owners	\$ 8,101	\$ 5,375	\$ 13,476
Total Additions	8,101	5,375	13,476
DEDUCTIONS			
Distributions to Property Owners	8,101	5,375	13,476
Total Deductions	8,101	5,375	13,476
CHANGES IN NET POSITION	-	-	-
Net Position - Beginning of the Year	-	-	-
NET POSITION - END OF YEAR	<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. 153

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's significant local revenue source, the property tax. 160

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. 166

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. 172

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. 173

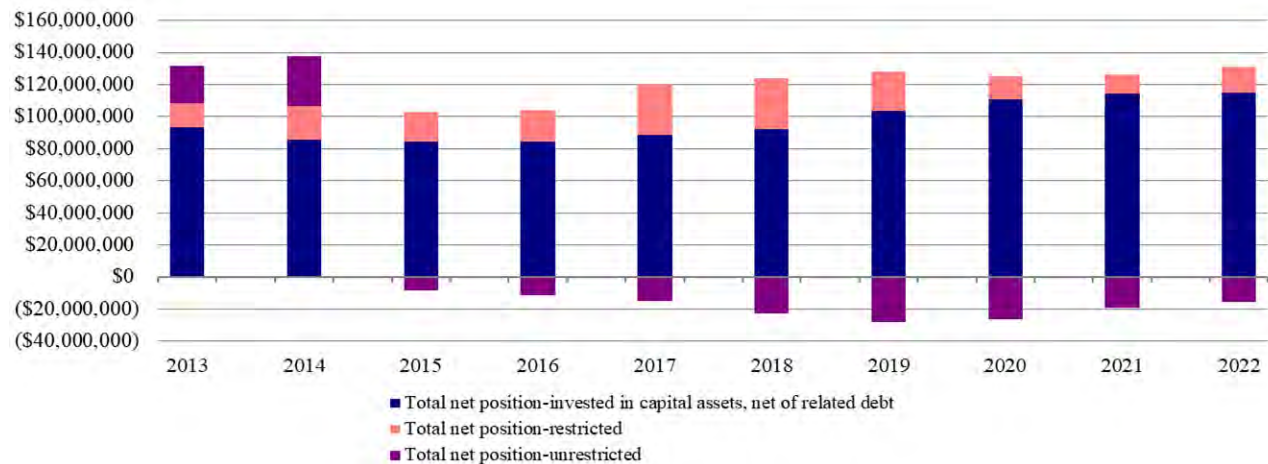
DEBT CONTINUING DISCLOSURE

These schedules contain information that complies with continuing disclosure requirements of each bond issued. 178

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 83,025,178
Restricted	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	16,074,243
Unrestricted	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)	(30,538,742)
Total governmental activities net position	<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>	<u>\$ 68,560,679</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 31,942,562
Restricted	-	-	-	-	4,353,289	5,613,256	7,122,938	-	-	-
Unrestricted	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	15,308,140
Total business-type activities net position	<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>	<u>\$ 47,250,702</u>
Total net position										
Net investment in capital assets	\$ 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	\$ 114,967,740
Restricted	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	16,074,243
Unrestricted	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)	(15,230,602)
Total net position	<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>	<u>\$ 115,811,381</u>



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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 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	\$ 882,985
Public safety	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	45,084,190
Public works	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	6,580,415
Culture and recreation	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	1,600,700
Community development	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	2,333,315
Transit	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	862,651
Redevelopment and housing	1,792,779	433,609	537,470	217,808	349,820	1,042,797	492,737	598,363	912,707	183,561
Interest on long-term debt	49,654	21,131	-	-	-	-	287,459	251,550	238,058	708,305
Total governmental activities expenses	<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>	<u>58,236,122</u>
Business-type activities:										
Water utility	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	10,333,944
Environmental protection	770,164	946,778	1,159,693	940,492	867,142	1,109,212	1,195,439	1,176,992	1,047,347	1,341,932
Sewer utility	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	2,063,288
Total business-type activities expenses	<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>	<u>13,739,164</u>
Total expenses	<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>	<u>\$ 71,975,286</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 356,673	\$ 482,450	\$ 435,274	\$ 338,362	\$ 290,160	\$ 2,232,037	\$ 2,192,160	\$ 2,162,262	2,361,216	2,602,937
Public safety	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	2,049,262
Public works	556,466	579,193	1,510,331	623,693	796,475	733,029	802,080	684,035	754,691	970,378
Culture and recreation	798,562	1,184,544	807,829	794,192	793,114	785,814	834,854	507,771	306,697	687,296
Community development	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	2,045,672
Transit	328,136	316,429	297,094	315,887	242,912	214,650	226,255	180,644	107,574	126,513
Redevelopment and housing	28,710	973,329	60,961	320,620	302,665	263,574	228,506	881,603	1,124,210	241,182
Operating grants and contributions	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	13,635,757
Capital grants and contributions	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	567,243
Total governmental activities program revenues	<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>	<u>22,926,240</u>

(Continued)

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Water utility	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	11,859,488
Environmental protection	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	1,142,051
Sewer utility	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	3,305,418
Operating grants and contributions	-	1,554	-	-	-	-	-	-	-	-
Capital grants and contributions	-	366,180	-	-	-	-	-	-	-	-
Total business-type activities program revenues	14,091,231	17,236,382	15,185,899	14,279,637	15,084,958	15,142,189	13,699,879	14,583,000	15,919,788	16,306,957
Total program revenues	\$ 25,493,824	\$ 31,139,102	\$ 30,334,160	\$ 26,945,557	\$ 38,992,177	\$ 33,229,306	\$ 33,755,167	\$ 30,197,133	\$ 34,972,504	\$ 39,233,197
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (35,309,882)
Business-type activities	2,771,690	4,967,460	3,520,578	3,394,089	4,731,882	(539,553)	(229,752)	258,522	1,493,195	2,859,617
Total net expense	\$ (27,656,736)	\$ (22,497,942)	\$ (23,197,969)	\$ (27,133,686)	\$ (15,972,915)	\$ (30,695,064)	\$ (27,718,976)	\$ (39,484,425)	\$ (35,975,218)	\$ (32,450,265)
General revenues										
Governmental activities:										
Property taxes	\$ 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	\$ 15,338,132
Sales taxes	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	11,426,354
Transaction and use tax	-	-	-	-	-	-	1,438,519	6,579,486	8,098,540	8,823,059
Transient occupancy taxes	395,589	349,310	99,716	482,727	327,570	388,491	240,946	130,831	3,661	95,950
Property transfer taxes	132,670	157,945	159,795	223,766	200,253	236,899	217,332	212,485	216,776	278,481
Business license taxes	259,692	415,362	326,818	328,716	337,626	348,793	372,756	347,110	357,655	363,496
Utility user taxes	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	5,082,103
Franchise taxes	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	2,246,113
Investment earnings	337,358	473,543	641,993	193,209	226,671	144,176	883,542	620,835	(257,680)	(1,162,614)
Transfers in/out	26,880	(33,927)	-	-	18,900	-	-	-	22,340	1,020,279
Gain on sale of capital assets	6,614	-	-	32,551	-	-	15,129	54,268	-	462,215
Miscellaneous	-	-	-	-	-	-	12,562	49,645	455,723	210,171
Extraordinary loss	-	-	-	-	-	-	-	-	-	-
Total governmental activities	26,848,652	25,266,956	27,295,084	27,834,485	28,057,457	28,812,380	31,836,535	37,536,958	41,620,200	44,183,739
Business-type activities:										
Investment earnings	60,157	17,894	19,330	111,555	206,823	366,249	594,051	524,565	236,885	139,389
Investment earnings - CIC	226,795	809,727	2,109	21,524	137,161	906,514	454,329	-	1,372,439	(1,926,157)
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers in/out	(26,880)	33,927	-	-	(18,900)	-	-	-	(22,340)	(1,020,279)
Total general revenues	\$ 27,108,724	\$ 26,128,504	\$ 27,316,523	\$ 27,967,564	\$ 28,382,541	\$ 30,085,143	\$ 32,884,915	\$ 38,061,523	\$ 43,207,184	\$ 41,376,692

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

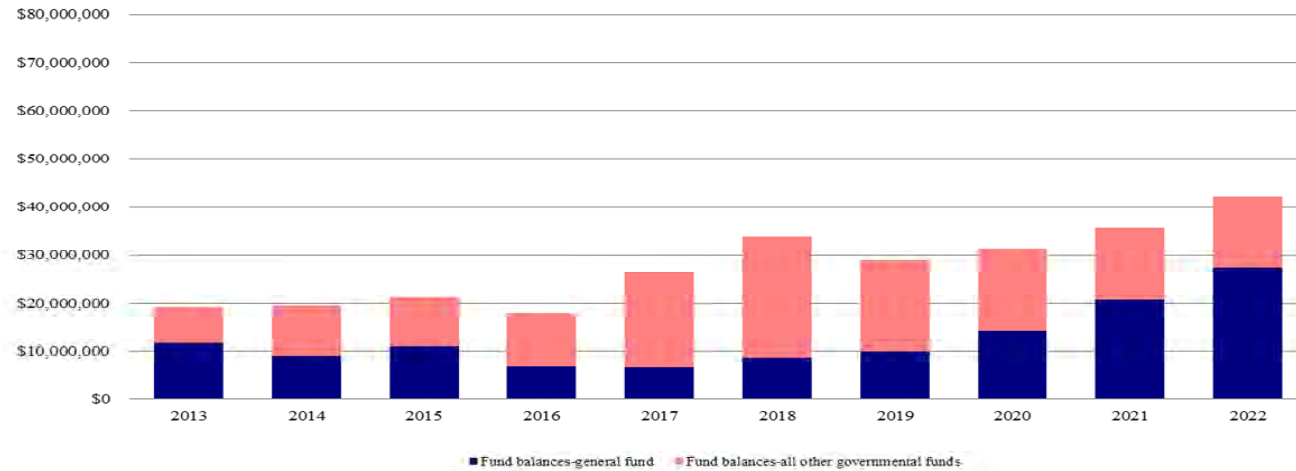
	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Change in net position										
Governmental activities	\$ (3,579,774)	\$ (2,198,446)	\$ 576,537	\$ (2,693,290)	\$ 7,352,660	\$ (1,343,131)	\$ 4,347,311	\$ (2,205,989)	\$ 4,151,787	\$ 8,873,857
Business-type activities	3,031,762	5,829,008	3,542,017	3,527,168	5,056,966	733,210	818,628	783,087	3,080,179	52,570
Total changes in net position	<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>	<u>\$ 8,926,427</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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Reserved										
Unreserved										
Nonspendable	\$ 28,941	\$ 28,094	\$ 3,354,570	\$ 753,534	\$ 3,247,152	\$ 3,116,097	\$ 2,620,620	\$ 2,621,554	\$ 1,008,903	\$ 82,179
Restricted	24,564	7,436,731	21,359	347,012	395,420	448,927	385,692	428,079	387,764	20,136,982
Committed	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	385,762
Assigned	478,106	1,680,892	979,197	-	442,472	1,561,848	42,726	25,940	17,166	7,268
Unassigned	10,580,310	-	-	(675,402)	-	-	-	3,167,653	10,878,058	6,786,935
Total general fund	<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>	<u>\$ 27,399,126</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable	-	-	-	-	-	-	\$ 5,631	\$ 1,159	\$ 22,553	\$ 7,949
Restricted	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	15,232,311
Assigned	953,958	1,497,633	1,338,429	877,646	1,270,910	491,368	111,473	0	100,116	-
Unassigned	(353,128)	(21,099)	(58,040)	(46,555)	(27,396)	(53,943)	(1,685,799)	(832,212)	(332,512)	(463,734)
Total all other governmental funds	<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>	<u>\$ 14,776,526</u>



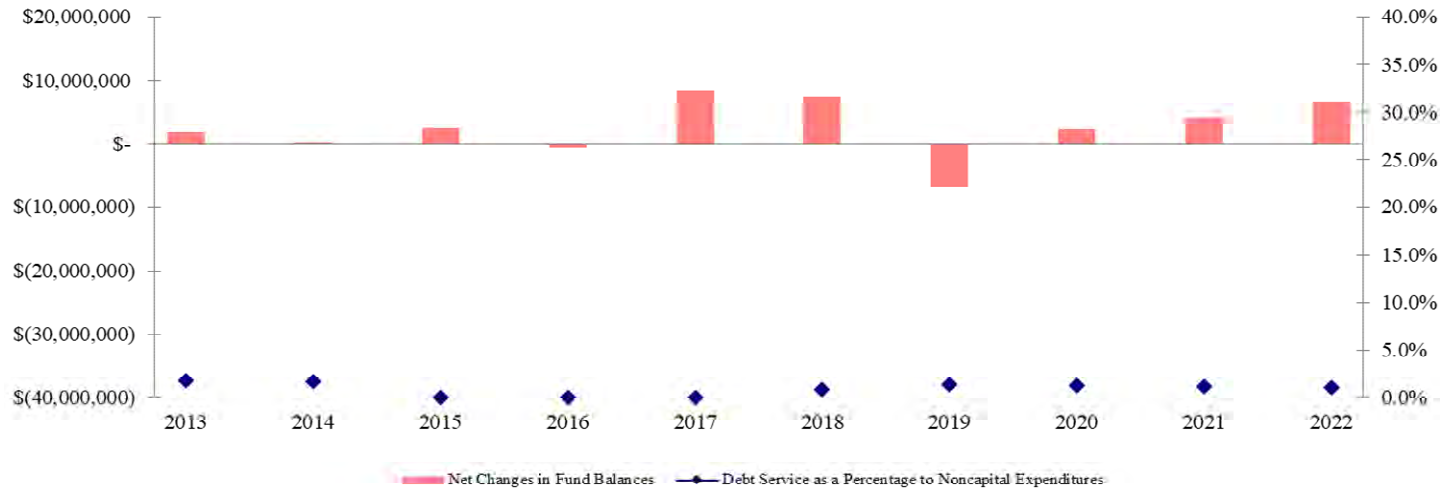
CITY OF COVINA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 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	\$ 43,653,728
Licenses and permits	878,549	756,173	965,527	888,120	1,128,331	1,698,138	1,307,877	999,449	1,603,293	1,442,013
Intergovernmental	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	13,200,093
Charges for services	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	5,492,740
Fines and forfeits	871,237	828,444	559,409	862,009	930,478	907,304	926,644	907,080	890,254	1,081,458
Special assessments	645,752	725,365	944,194	524,949	590,948	634,282	533,047	1,414,617	1,469,594	592,885
Investment earnings	3,304	186,627	206,047	193,209	226,671	380,716	1,281,892	1,430,498	(59,645)	(980,055)
Miscellaneous	296,007	1,369,723	3,766,447	240,998	550,247	723,058	570,700	738,688	825,456	727,918
Total revenues	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	65,210,780
Expenditures										
General government	274,806	503,430	232,379	3,928,177	3,476,163	2,235,447	1,790,386	2,593,801	2,561,757	5,382,805
Public safety	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	73,854,134
Public works	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	5,833,291
Culture and recreation	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	7,079,292
Community development	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	5,432,129
Transit	1,125,086	980,911	1,020,243	746,109	957,374	764,864	887,211	1,734,472	2,277,196	951,556
Redevelopment and housing	491,540	466,232	490,745	265,742	287,877	1,005,353	517,758	567,340	890,178	679,401
Capital outlay	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	5,909,455
Debt service:										
Principal	553,477	579,404	-	-	-	210,000	300,000	305,000	310,000	320,000
Interest and fiscal charges	48,115	23,501	-	-	-	155,078	233,481	252,136	250,944	722,016
Bond issuance costs	-	-	-	-	-	-	45,544	-	-	-
Total expenditures	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	106,164,079
Excess of revenues over (under) expenditures	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	(40,953,299)

(Continued)

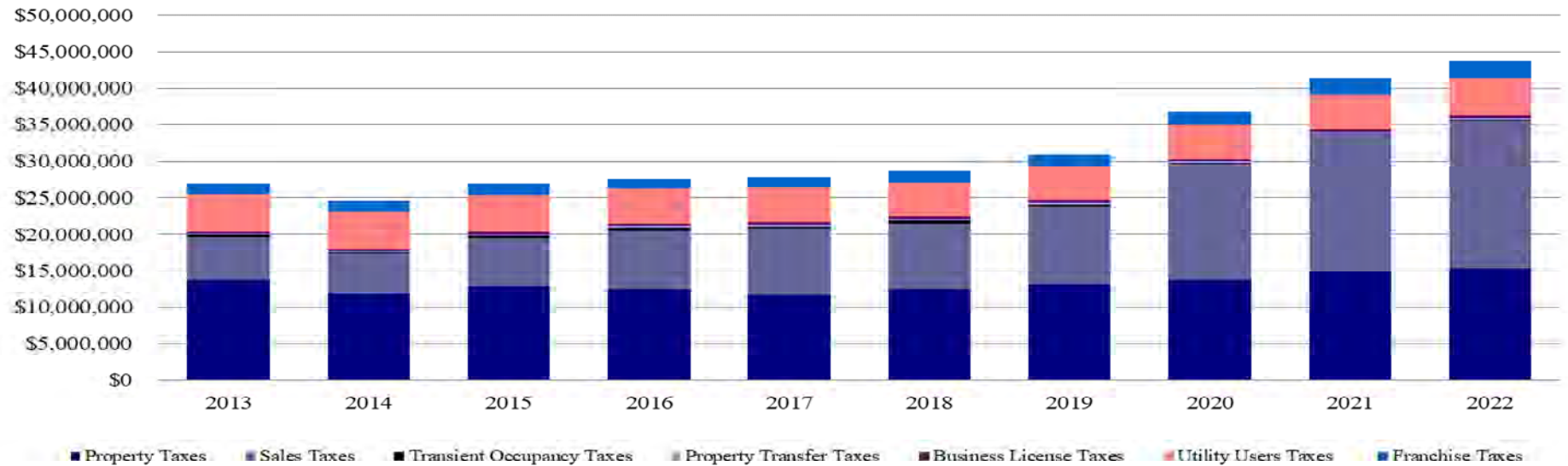
CITY OF COVINA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Other financing sources (uses)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transfers in	\$ 544,408	\$ 977,149	\$ 2,161,548	\$ 2,317,808	\$ 1,373,629	\$ 1,186,303	\$ 2,422,806	\$ 1,195,374	\$ 625,625	\$ 613,927
Transfers out	(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)	(6,103,294)
Capital leases	-	-	-	-	-	-	-	-	-	460,000
Loan Proceeds	-	-	-	-	-	-	-	-	-	12,476
Tax allocation bonds issued	-	-	-	-	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	5,625,000	2,500,000	-	-	52,646,184
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)	26,880	494,772	(254,419)	-	-	5,879,307	1,061,481	42,837	(50,660)	47,629,293
Net changes in fund balances	\$ 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	\$ 6,675,994
Debt service as a percentage of noncapital expenditures	1.7%	1.7%	0.0%	0.0%	0.0%	0.9%	1.4%	1.2%	1.1%	1.0%



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

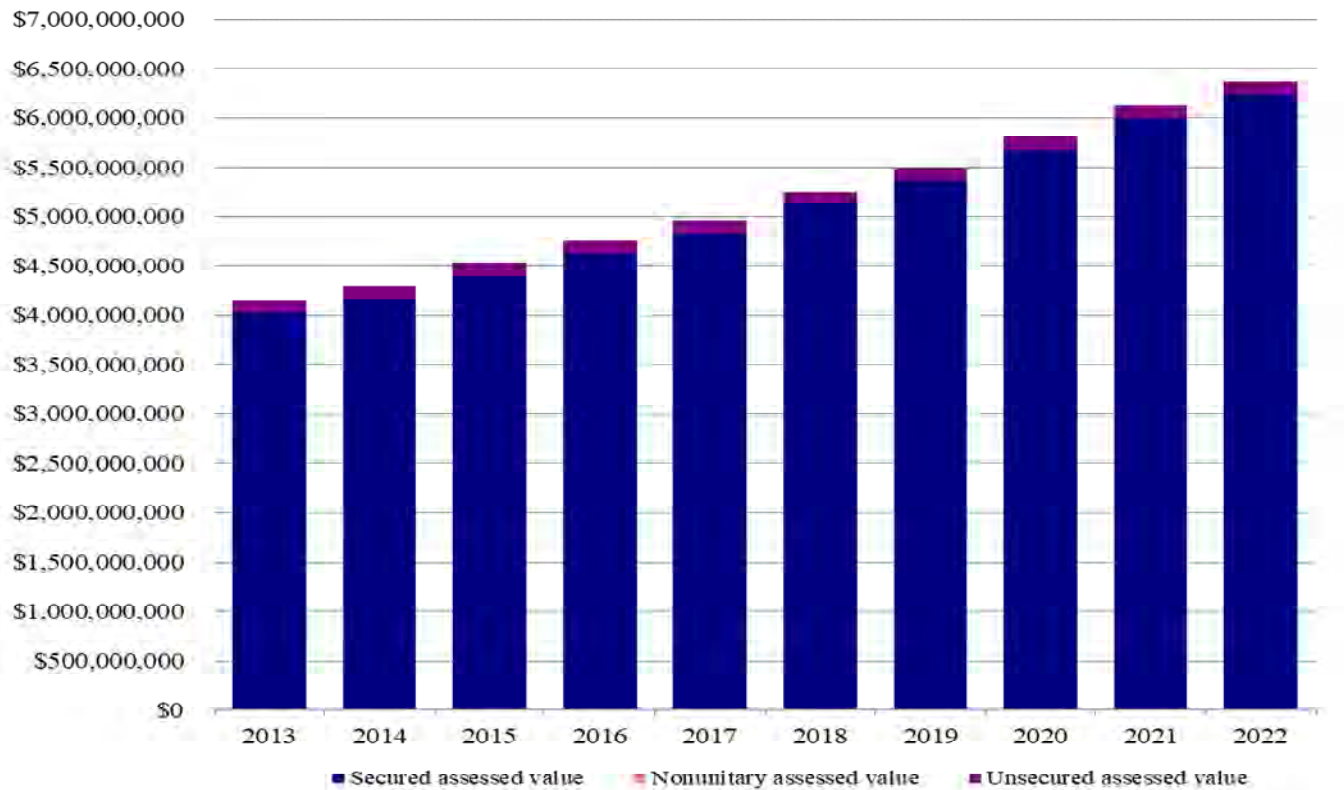
Fiscal Year	Property Taxes ⁽¹⁾	Sales Taxes	Transient Occupancy Taxes	Property Transfer Taxes	Business License Taxes	Utility Users Taxes	Franchise Taxes	Total
2013	13,779,975	5,835,052	394,909	132,670	260,722	5,065,228	1,465,788	26,934,344
2014	11,725,280	5,643,574	100,878	157,945	415,362	5,055,632	1,480,237	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
2022	15,338,132	20,249,413	95,950	278,481	363,536	5,082,103	2,246,113	43,653,728



⁽¹⁾ Includes both City property tax and Redevelopment Agency tax allocations up to 2012. Property tax in-lieu motor vehicle licenses are not included in amounts prior to fiscal year 2006.

**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	
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%
2022	6,237,377,853	9,148	125,747,512	6,363,134,513	1.4892%



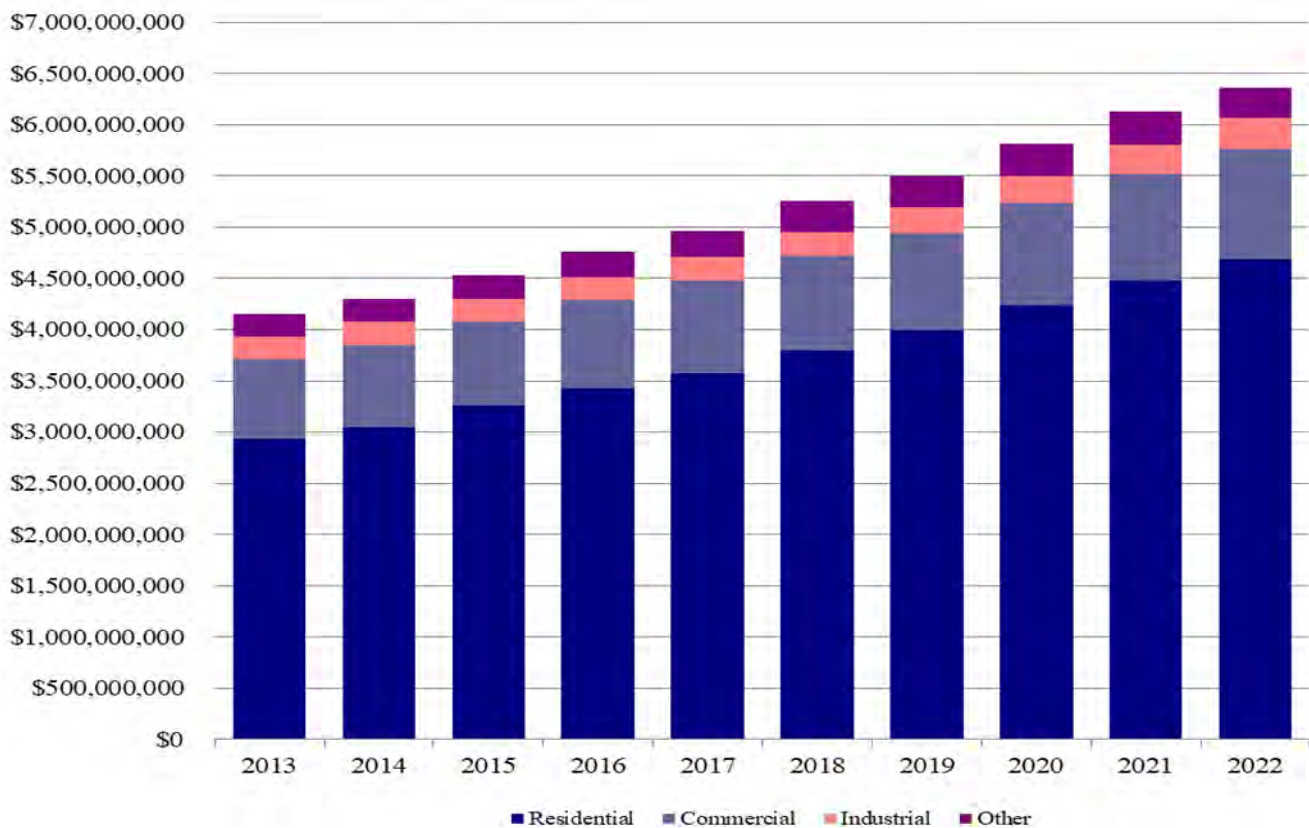
⁽¹⁾ Net of exemptions

⁽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	
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%
2022	4,685,689,429	1,078,429,108	307,074,332	291,941,644	6,363,134,513	1.4892%



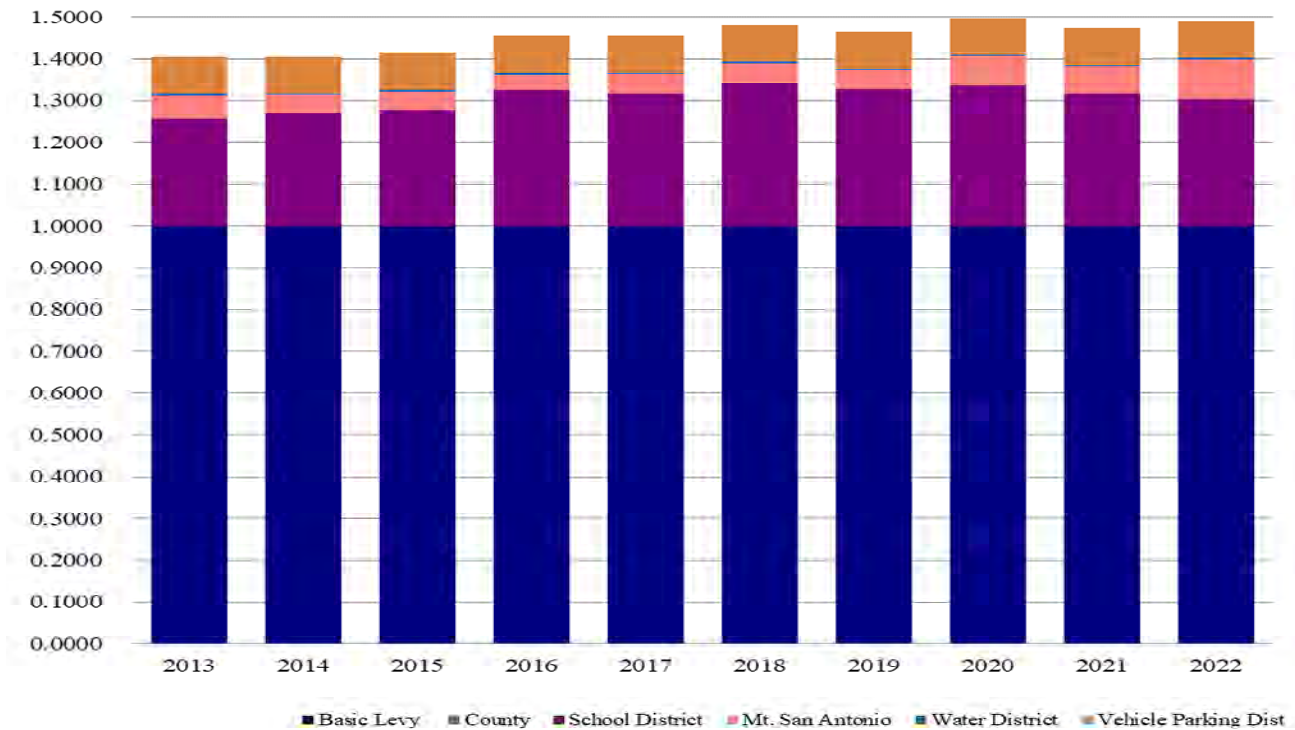
(1) Net of exemptions

(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					
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
2022	1.0000	0.0000	0.0000	0.0000	0.3038	0.0944	0.0035	0.0875	1.4892



⁽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

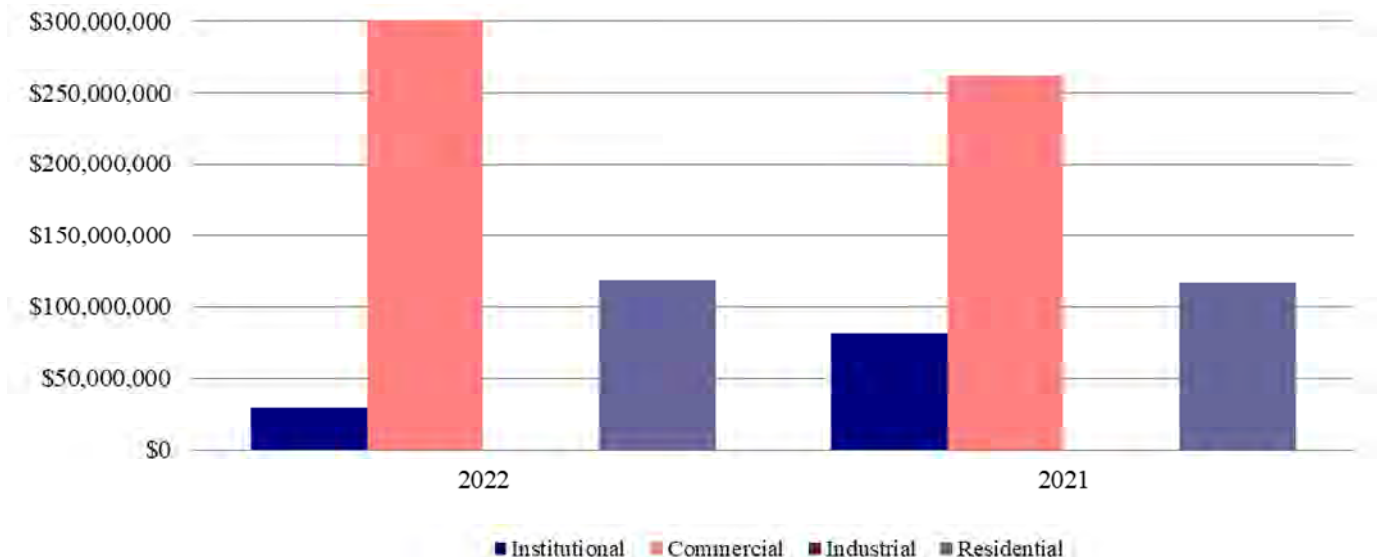
revenue for the government preparing the statistical section by the total revenue base.

Source: Los Angeles County/Hdl Companies .

**CITY OF COVINA, CALIFORNIA
PRINCIPAL PROPERTY OWNERS'
LAST TEN FISCAL YEARS**

Taxpayer	Primary Use	2022		Percentage of Total Taxable Assessed Value ⁽¹⁾	2021		Percentage of Total Taxable Assessed Value ⁽¹⁾
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Ikea Property Inc	Commercial	\$ 72,429,940	1	1.14%	\$ 71,301,987	1	1.16%
Vista Pointe Grand Apartments LLC	Residential	63,335,354	2	1.00%	62,749,100	5	1.02%
KIR Covina Limited Partnership	Commercial	57,016,246	3	0.90%	56,431,628	2	0.92%
Covina Grand Apartments LLC	Residential	54,893,487	4	0.86%	54,331,106	3	0.89%
Sierra Health and Life Insurance Comp	Institutional	40,272,949	5	0.63%			
UIMC Covina LLC	Commercial	38,648,149	6	0.61%	38,251,864	6	0.62%
FNL of Covina Partners LLC	Commercial	34,254,945	7	0.54%	33,903,709	7	0.55%
LVGEM Hotel Corporation	Commercial	33,053,607	8	0.52%	32,653,963	8	0.53%
CCP Covina 4003 LP	Institutional	29,503,782	9	0.46%	29,201,258	10	0.48%
Charter Communications	Commercial	29,327,356	10	0.46%	28,800,179		0.47%
Emanate Health	Institutional			0.00%	51,471,558	4	0.84%
Total		<u>\$ 452,735,815</u>		<u>7.12%</u>	<u>\$ 459,096,352</u>		<u>7.48%</u>

Principal Property Owners

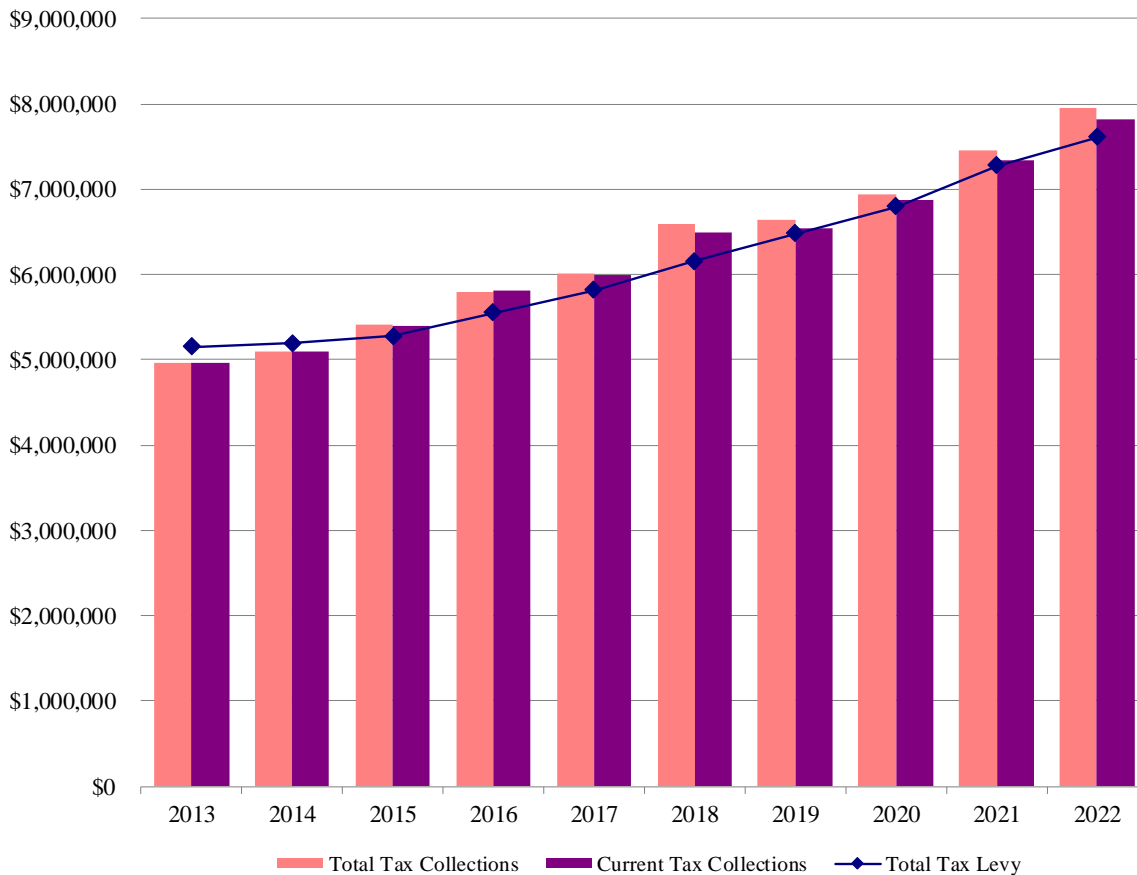


⁽¹⁾ Total assessed valuation of taxable property exclusive of exemptions.

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
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%
2022	7,609,654	7,827,091	102.9%	125,398	7,952,489	104.5%



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

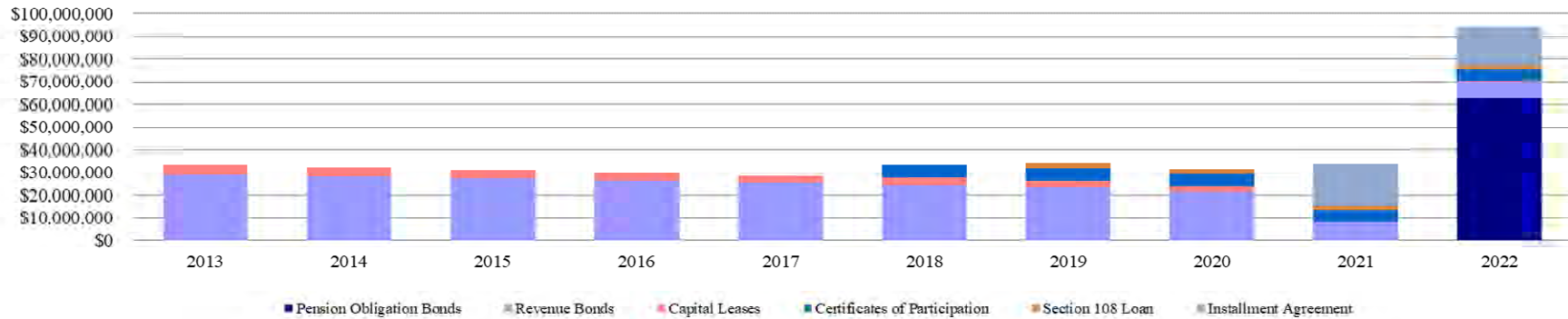
⁽²⁾ Includes secured and unsecured property tax levies exclusive of homeowner exemption, supplemental roll and in-lieu motor vehicle licenses.

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⁾
	Certificates of Participation	Revenue Bonds	Notes	Leases	Section 108 Loan	Pension Obligation Bonds	Installment Agreement	Revenue Bonds	Leases	Pension Obligation Bonds			
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%
2022	4,876,509	-	-	227,389	2,000,000	54,939,654	17,132,316	7,370,000	13,934	7,855,346	94,415,148	1.58%	0.05%

Outstanding Debt by Type-Last Ten Fiscal Years



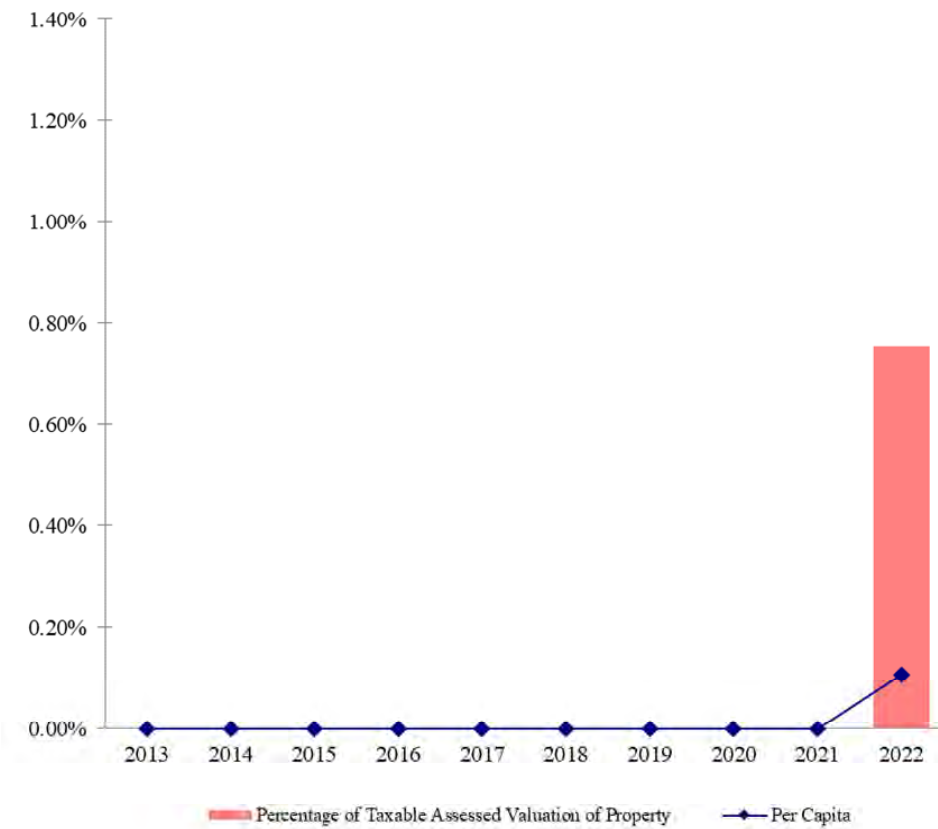
Note: Details regarding the City's outstanding debt can be found in the *notes to the financial statements*.

(1) See Demographic Statistics on page 172.

(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	Pension Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Taxable Assessed Valuation ⁽¹⁾ of Property	Per Capita ⁽²⁾
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%
2022	54,939,654	6,786,935	48,152,719	0.76%	0.00%



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

(1) See Assessed Value of Taxable Property-Last Ten Fiscal Years on page 161.

(2) See Demographic Statistics on page 172.

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

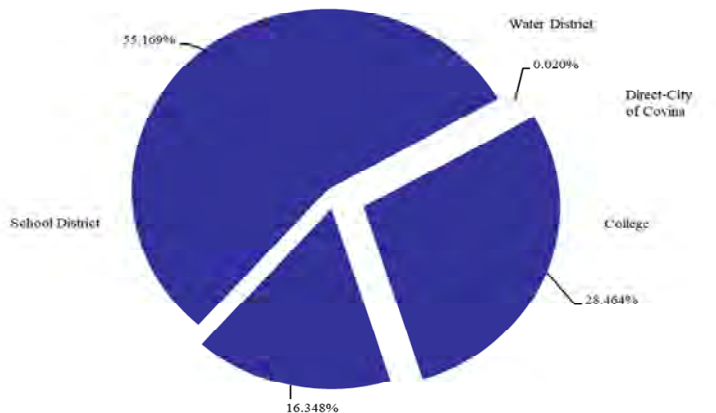
CITY OF COVINA, CALIFORNIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT

AS OF JUNE 30, 2022

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⁾	\$ 55,167,043	100.000%	\$ 55,167,043
Overlapping:			
Water District:			
Metropolitan Water District	13,101,783	0.385%	50,386
College:			
Citrus CCD DS Refunding Bond Series 2013	7,220,302	0.335%	24,155
Citrus CCD DS 2004 Series 2014D	1,016,152	0.334%	3,399
Citrus CCD DS 2004, 2015 Series E	2,255,000	0.335%	7,544
Citrus CCD DS Ref Bonds 2015 Series A	22,155,000	0.335%	74,118
Citrus CCD DS Ref Bonds 2020 Series A	41,625,000	0.335%	139,253
Citrus CCD DS2020 Series 2021A	69,740,000	0.335%	233,309
Mt. San Antonio CCD DS 2008 Series 13A	160,803,885	5.995%	9,640,072
Mt. San Antonio CCD DS 2008 Series 2013B	1,620,000	5.995%	97,118
Mt. San Antonio CCD DS 2013 Series A	12,320,000	5.995%	738,575
Mt. San Antonio CCD DS 2013 Series B	14,560,000	5.995%	872,861
Mt. San Antonio CCD DS 2008 Series 2015C	3,700,000	5.995%	221,812
Mt. San Antonio CCD DS 2015 Ref Bonds	3,290,000	5.995%	197,233
Mt. San Antonio CCD DS 2018 Series 2019A	265,125,000	5.995%	15,894,044
Mt. San Antonio CCD DS 2020 Ref Ser A	59,075,000	5.995%	3,541,502
Mt. San Antonio CCD DS 2008 Series 2020D	120,358,674	5.995%	7,215,412
Mt. San Antonio CCD DS 2008 Series 2020E	289,508,893	5.995%	17,355,840
School District:			
Azusa Unified 2002 Series 2007	27,855,339	1.400%	390,081
Azusa Unified Refund Bond 2002 Series 2011	7,875,000	1.400%	110,280
Azusa Unified 2014 Series A	24,135,000	1.400%	337,982
Azusa Unified Refund Bond 2016	7,376,550	1.400%	103,300
Azusa Unified 2014 Series B	250,000	1.400%	3,501
Azusa Unified 2014 Series C	20,525,000	1.400%	287,428
Azusa Unified Ref BDS Ser 2019	35,840,000	1.400%	501,896
Charter Oak Unified 2012 Series A	4,080,000	38.557%	1,573,118
Charter Oak Unified 2015 Ref Bonds	1,335,000	38.557%	514,733
Charter Oak Unified 2012 Series B	2,260,000	38.557%	871,384
Charter Oak Unified Ref 2017	4,065,000	38.557%	1,567,334
Charter Oak Unified 2012 Ser C	49,100,000	38.557%	18,931,391
Covina Valley Unified 2001 Series B	7,226,440	42.698%	3,085,557
Covina Valley Unified 2012 Series A	3,715,000	42.698%	1,586,236
Covina Valley Unified 2013 Ref Bonds	4,470,000	42.698%	1,908,608
Covina Valley Unified 2012 Series B	12,000,000	42.698%	5,123,779
Covina Valley Unified 2012 Series C	2,130,000	42.698%	909,471
Covina Valley Unified 2012 Series C	15,335,000	42.698%	6,547,762
Covina Valley Unified 2016 Ref Bonds	28,515,000	42.698%	12,175,379
Covina Valley Unified 2012 Series D	13,600,000	42.698%	5,806,949
Covina Valley Unified 2012 Series E	56,580,000	42.698%	24,158,617
Covina Valley Unified 2019 Ref BDS	47,850,000	42.698%	20,431,068
Subtotal overlapping debt			163,232,487
Total direct and overlapping debt			\$ 218,399,530

Amount Applicable to City of Covina

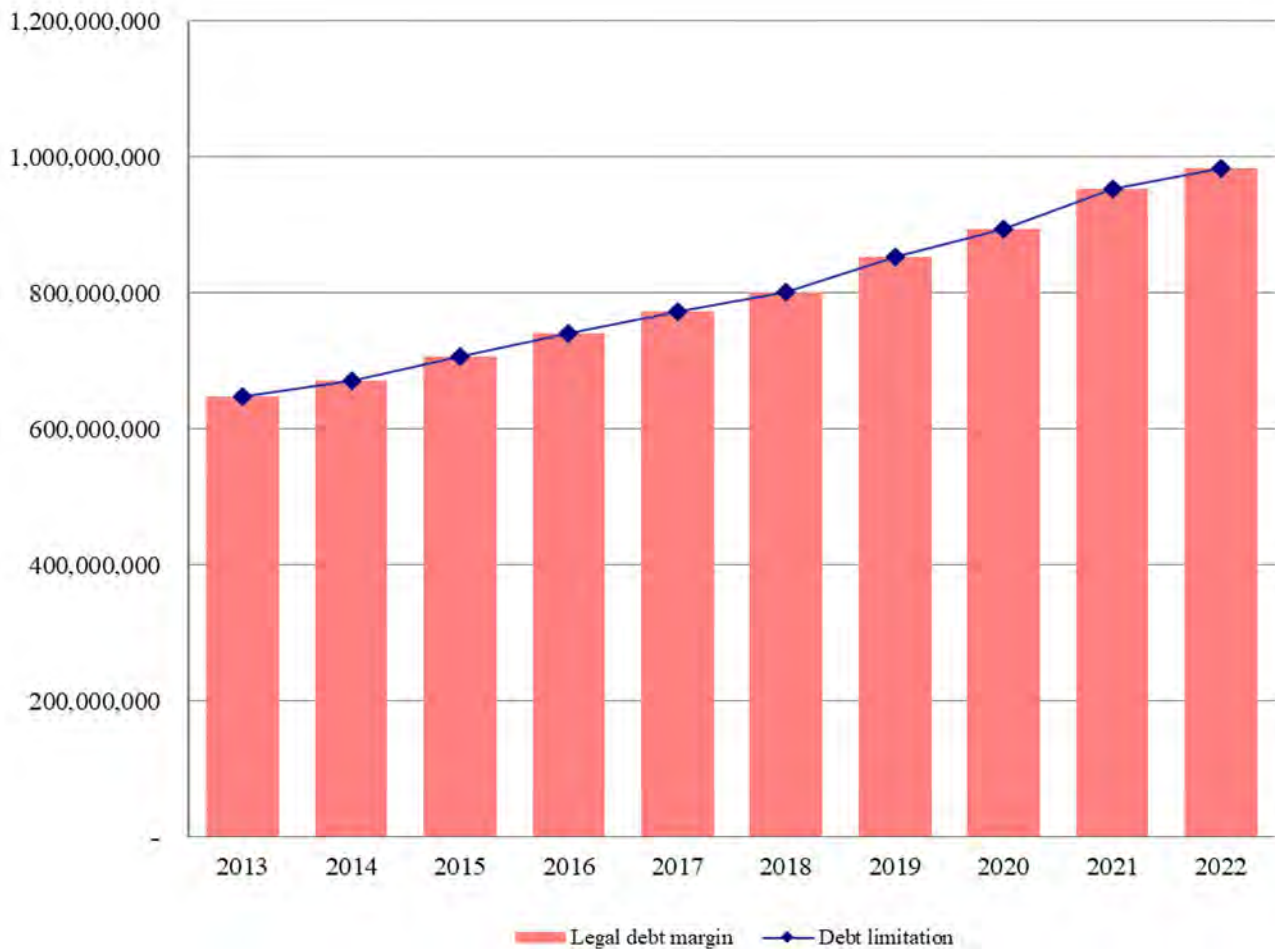


(1) Includes governmental activities debt reported in the Ratios of Outstanding Debt by Type on page 166.

(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

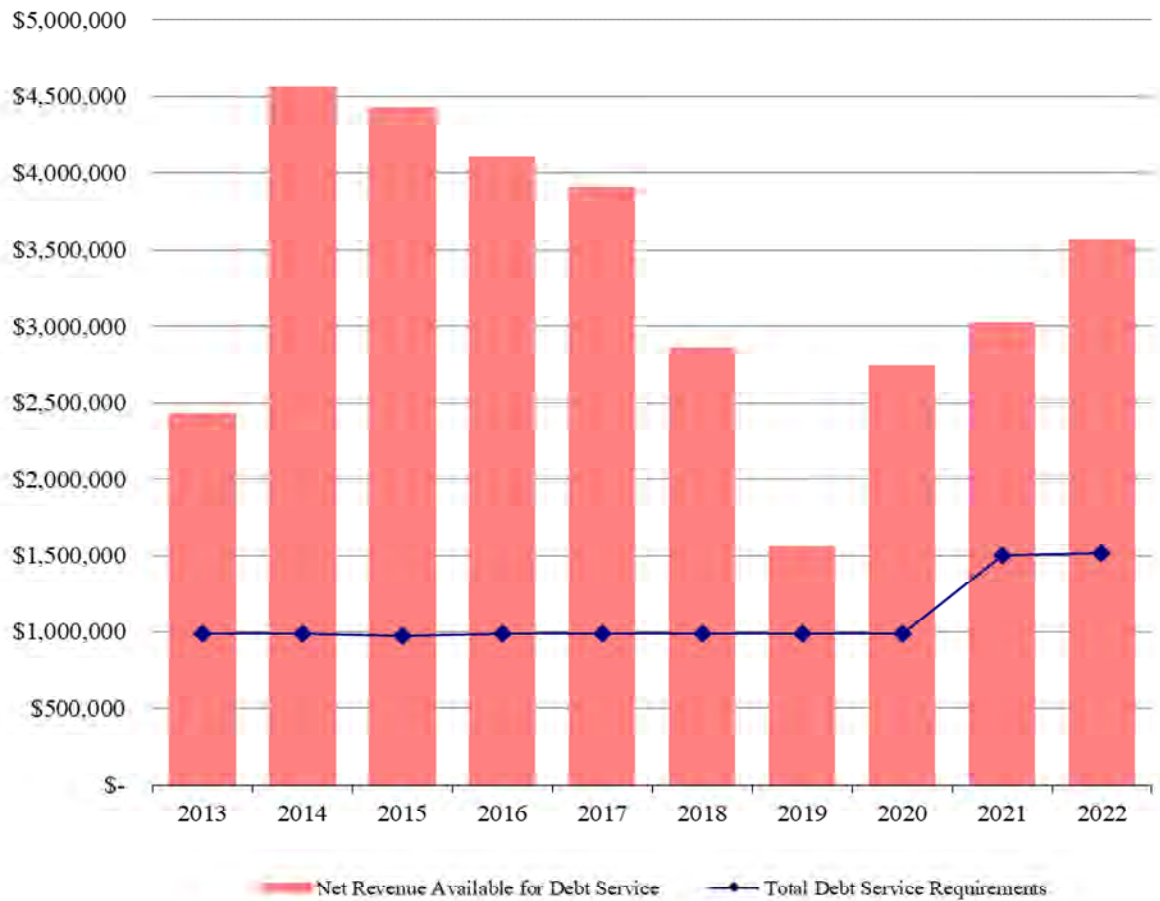
**CITY OF COVINA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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
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
2022	6,363,134,513	200,232,342	6,563,366,855	984,505,028	-	984,505,028



**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	
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
2022	11,902,839	8,335,858	3,566,981	1,157,955	354,474	1,512,429	2.36

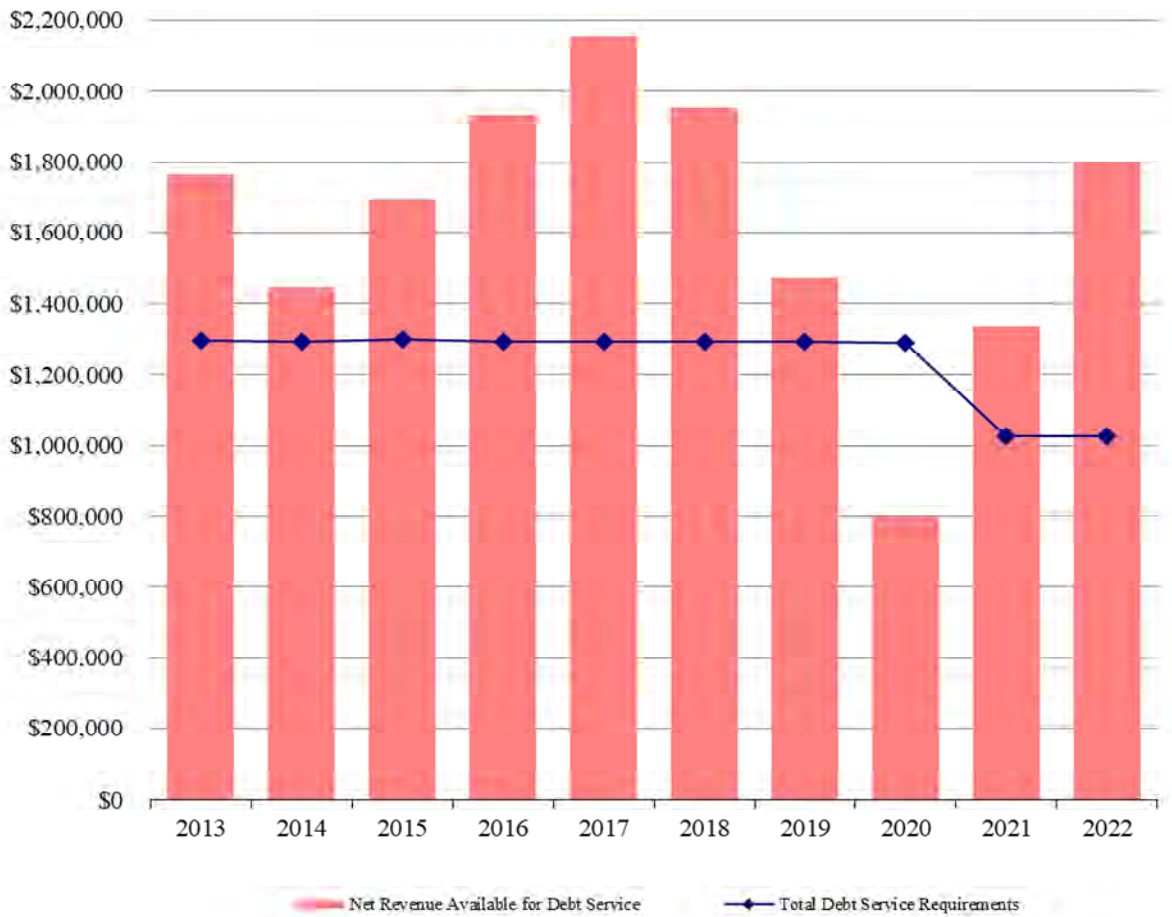


⁽¹⁾ Total revenues (including investment earnings) excluding joint venture investment income and gain on sale of capital assets.

⁽²⁾ Total operating expenses exclusive of depreciation.

**CITY OF COVINA, CALIFORNIA
PLEGDED-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	
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
2022	3,325,666	1,529,927	1,795,739	840,000	186,054	1,026,054	1.75



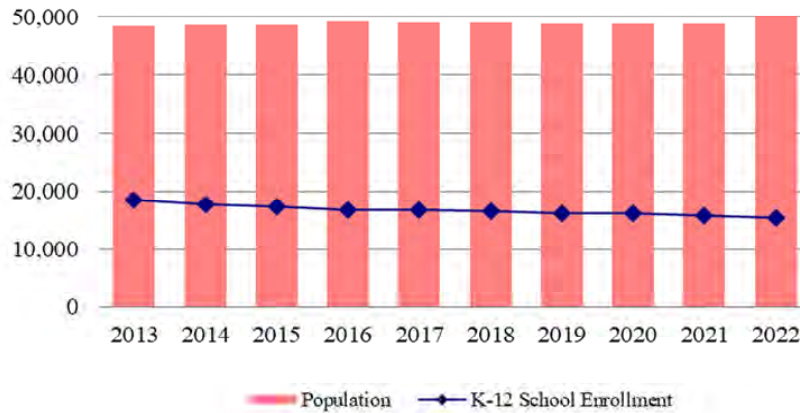
⁽¹⁾ Total revenues (including investment earnings) excluding gain on sale of capital assets.

⁽²⁾ Total operating expenses exclusive of depreciation.

CITY OF COVINA, CALIFORNIA DEMOGRAPHIC AND ECONOMIC STATISTICS

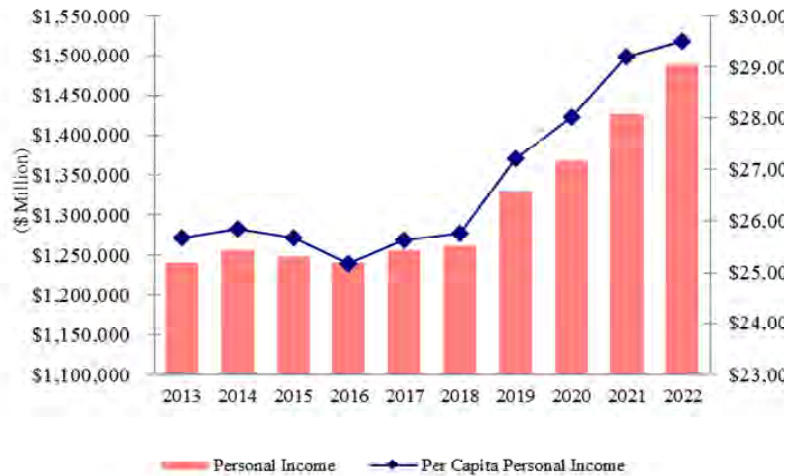
Last Ten Fiscal Years

Year	Population ⁽¹⁾	K-12 School Enrollment ⁽²⁾
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
2022	50,449	15,453



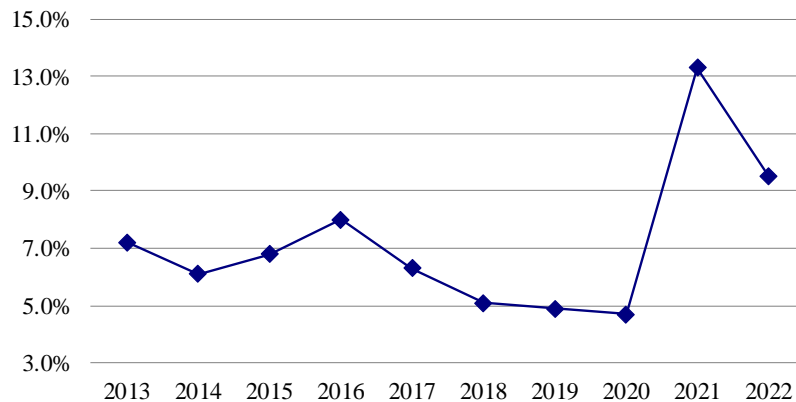
Last Ten Fiscal Years

Year	Personal Income ⁽³⁾ (\$ Thousand)	Per Capita Personal Income ⁽³⁾
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
2022	1,488,896	29,512



Last Ten Fiscal Years

Year	Unemployment Rate ⁽⁴⁾
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%
2022	9.5%



⁽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, 2022**

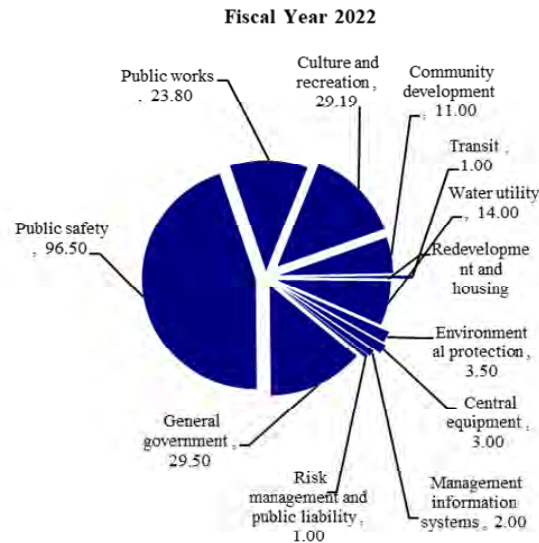
Employer	2022			2021		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Covina Valley Unified School District	1,316	1	8.72%	1,365	1	8.90%
Citrus Valley Health Partners-Intercommunity	924	2	6.12%	829	2	5.41%
Charter Oak Unified School District	668	3	4.43%	630	3	4.11%
Ikea U.S. West, Inc.	332	4	2.20%	325	5	2.12%
Wal-Mart	319	5	2.11%	265	6	1.73%
City of Covina	239	6	1.58%	244	7	1.59%
The Home Depot	238	7	1.58%	211	9	1.38%
Healthcare Partners Affiliates Medical Group	170	8	1.13%			
Bert's Mega Mall	150	9	0.99%			
Vitas Innovative Hospice Care	146	10	0.97%	221	8	1.44%
Charter Homehealth				535	4	3.49%
Composites Horizons LLC			0.00%	204	10	1.33%
	<u>4,502</u>		<u>29.83%</u>	<u>4,829</u>		<u>31.49%</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	2022
	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	96.50
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	29.19
Community development	2.50	6.00	5.00	14.50	16.50	7.00	6.50	7.50	9.50	11.00
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	3.50
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	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>214.49</u>

Source: Finance Department Budget



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Finance:										
Payroll checks issued	6,961	7,038	7,694	7,569	7,369	7,566	7,811	7,557	7,264	7,295
Accounts payable checks issued	7,498	7,093	6,374	5,729	5,281	5,296	5,500	5,153	5,445	5,380
Purchase orders issued	921	707	506	538	453	440	461	465	474	811
Community Development Block Grant (CDBG):										
Seniors Served by Information and Referral Program	N/A	N/A	N/A	N/A	N/A	218	216	168	125	203
Seniors Served by Case Management Program	N/A	N/A	N/A	N/A	N/A	64	64	33	49	88
Seniors Served by Nutrition Program	N/A	N/A	N/A	N/A	N/A	127	132	307	115	239
Persons Served by Literacy Program	N/A	N/A	N/A	N/A	N/A	19	16	20	14	10
Persons Served by Job Training	13	14	12	-	-	5	3	14	12	13
Houses rehabilitated	3	6	4	3	2	1	-	-	-	-
Housing:										
Transitional House-Number of people served	18	14	17	17	22	11	14	13	21	27
Covenants-Monitoring affordable units	504	460	460	460	460	460	460	449	460	460
Public Safety										
Police:										
Physical arrests	2,805	2,322	2,987	2,038	676	3,005	2,746	2,406	2,534	2,204
Parking violations	12,603	10,831	9,367	8,380	10,062	3,035	8,955	12,678	15,301	18,167
Traffic violations	5,449	4,475	3,314	1,711	5,426	12,063	1,598	1,355	1,540	2,068
Fire:										
Number of calls answered	4,306	4,283	4,643	4,751	4,681	4,641	10,679	11,083	14,218	8,961
Inspections	2,319	2,279	2,279	1,389	2,583	1,472	2,843	2,383	1,964	2,415
Culture and Recreation										
Parks and Recreation:										
Leaders-in-Training participants	67	54	75	57	66	51	36	12	18	28
Youth sports participants	1,863	1,945	1,312	916	1,199	1,130	934	746	619	1,224
Leisure lifestyle classes participants	6,555	6,694	5,920	6,457	5,041	4,520	4,028	2,593	1,500	2,461
Cultural excursion program participants	543	489	580	565	595	406	468	326	150	397
Summer evening event attendees	25,000	25,000	25,000	25,000	16,975	17,170	10,100	9,200	1,500	3,827
Senior service participants (fee based)				3,202	2,296	1,036	1,248	939	364	727
Senior nutrition program meals served	15,539	16,565	18,336	14,641	12,798	11,642	11,628	19,088	33,758	31,248
Special events attendees	53,000	53,000	53,000	50,000	50,000	50,000	45,000	40,000	5,000	25,000
Special event participants										654
Aquatic participants	9,620	10,716	8,750	6,446	8,134	6,011	5,850	3,884	2,800	2,107
Day Camp Participants				745	842	682	580	402	2,800	375
Library:										
Circulation										
Books/Audiobooks/CD'S	126,668	127,254	111,236	102,019	100,913	99,434	97,548	67,451	10,564	46,050
DVD's	9,729	9,065	7,500	5,806	4,987	4,141	3,314	1,928	53	704
Toys				978	2,588	3,436	4,241	2,784	-	-
E-books						1,381	3,201	4,466	5,880	4,051
Total Circulation	134,993	136,319	118,736	108,803	108,488	108,392	108,303	76,629	16,587	50,805
Gate Count	230,478	222,129	206,514	194,182	189,432	189,021	187,098	120,381	1,273	50,750
Computer Services										
Number of hours	14,220	14,976	13,860	10,782	10,374	12,825	12,891	6,298	45	900
Number of users	18,156	20,772	18,751	13,946	13,190	19,848	19,581	10,323	83	1,620
Library Cards										
City Residents - Newly Issued	2,125	2,197	1,760	1,520	1,427	1,413	1,364	963	153	666
Non-City Residents - Newly Issued	2,682	2,713	2,118	1,679	1,594	1,257	1,198	865	106	788
Total Number of Current Library Cards	(2) 25,031	25,031	28,909	32,108	35,129	37,927	40,087	32,824	33,083	34,434
Library materials added										
Books	3,169	4,903	3,439	2,580	2,866	2,475	1,827	1,600	1,736	1,605
CDs	120	86	298	222	196	131	198	156	191	117
Audiobooks	115	159	128	88	83	129	87	54	70	22
DVD's	194	221	181	150	215	155	212	154	145	179
Toys				119	99	97	67	27	-	-
Total Materials Added	3,598	5,369	4,046	3,159	3,459	2,987	2,391	1,991	2,142	1,923
Library Programs/Services										
Storytime participants	2,339	2,060	1,397	1,756	1,649	1,542	1,662	1,317	592	390
Adult/Young Adult program participants	540	895	423	464	470	536	902	869	370	703
Children's program participants	1,582	3,222	3,014	4,264	5,351	7,343	7,264	5,171	1,034	1,085
Summer Reading Program participants	890	702	620	705	799	848	1,076	350	319	385
Joint Summer Reading program participants	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	-	252
Outreach (Class Visits on and off-site, number of participants)						546	1,227	591	50	-
Homework Help Tutors	16*	21*	12*	11	15	10	-	-	-	-
Homework Help Participants	1,410	1,120	738	997	529	418	-	-	-	-
Library volunteer hours ⁽³⁾	12,065	11,766	13,535	14,251	13,754	8,693	5,877	2,224	103	40

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Literacy										
Number of tutors	36	29	27	23	23	22	20	16	1	1
Number of adults served	105	101	97	79	79	92	83	81	22	27
Number of children served	40	52	37	31	39	43	44	31	-	-
Reference Questions										
Adult/Circulation	12,055	20,907	20,436	21,418	22,561	20,281	20,778	15,607	1,200	12,500
Childrens	6,885	8,862	6,918	6,650	5,738	7,839	8,312	6,090	-	-
Total Reference Questions	18,940	29,769	27,354	28,068	28,299	28,120	29,090	21,697	1,200	12,500
Planning										
Planning reviews	254	281	610	1,733	1,820	1,911	283	156	388	633
Permits issued	1,911	2,204	2,253	1,344	1,411	1,482	71	-	147	633
Inspections	416	471	531	192	230	242	-	-	-	633
Building										
Building reviews	350	450	503	1,362	561	792	820	842	1,040	254
Permits issued	1,060	1,599	1,658	3,494	1,514	894	3,927	3,290	4,598	4,852
Inspections	5,375	6,078	6,029	4,464	3,038	5,137	4,265	4,506	3,646	5,812
Transit										
Average daily parking customers (station & structure paid)	823	821	845	747	⁽²⁾	⁽²⁾	666	40	276	376
Average monthly parking customers (structure paid)					1,296	688	608	433	326	261
Dial-A-Cab participants (monthly average)	1,981	1,920	1,918	1,158	1,454	1,584	1,722	1,468	933	1,010
Subsidized bus passes (monthly average)	44	53	53	28	52	48	50	30	11	11
Code Enforcement										
Total Inspections	5,591	4,601	4,434	1,840	1,902	2,956	834	2,113	1,467	1,951
Signs removed from public right of way	661	1,053	1,083	522	233	153	294	278	113	71
Industrial Waste Inspections	133	724	413	1	2	220	176	138	375	343
Water Utility										
Average daily consumption (gallons)	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	4,666,365
Meter reads	102,768	106,430	103,851	103,490	⁽²⁾	2,291	⁽²⁾	2,061	4,252	2,532
Meter replacements	14	74	6	88	⁽²⁾	32	77	28	37	59
Consumer responses	7,975	4,765	12,703	5,805	⁽²⁾	350	590	727	208	276
Service line repairs	83	111	62	48	⁽²⁾	59	43	33	108	50
Main line repairs	57	38	34	45	⁽²⁾	49	70	69	49	82
Street Maintenance										
Traffic sign remove/replace/install	1,392	234	92	185	153	118	102	201	185	185
Potholes repaired	2,415	2,738	4,058	3,629	4,645	3,802	5,390	6,379	3,981	2,792
Curb painted (lf)	22,884	10,117	15,436	17,860	37,370	16,960	75,262	26,788	21,239	4,257
Utility cuts repaired	5	15	-	⁽²⁾	⁽²⁾	20	73	87	76	155
Trees trimmed	305	474	799	2,163	231	255	129	158	84	185
Equipment Maintenance										
Preventative maintenance service	536	475	492	367	325	284	291	302	288	241
Safety inspections	564	516	563	425	371	320	319	327	332	261
New Tires	145	127	122	82	117	98	121	115	102	102
Tire repairs	248	282	315	177	183	164	167	122	177	185
Work orders completed	1,194	1,043	1,345	829	681	631	646	657	771	696
Environmental Protection										
Refuse collected (tons/month)	2,242	2,222	2,334	2,363	2,482	2,450	2,416	1,825	2,991	2,809
Recyclables collected (tons/month)	188	188	188	192	185	162	162	200	351	431
Green waste collected (tons/month)	525	483	469	463	462	457	469	366	929	905
Compressed natural gas sold (gallon equivalents)	13,865	59,351	28,080	33,845	30,999	30,182	29,045	14,427	13,691.04	25,989.00

⁽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>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>	<u>2022</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	26	24	23	23	20	20	20	21	22	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	47	47	47
Residential streets (miles)	82	82	81	87	81	81	81	80	80	80
Curb and gutter (miles)	240	240	240	230	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	65	65	65	65	70	70	71
Sanitary sewer (miles)	121	121	121	121	121	121	121	120	120	120
Storm water catch basins	82	82	82	82	71	112	112	112	112	112
Street trees	9,325	9,325	9,325	9,465	9,485	9,473	9,501	9,266	9,058	9,401
Parking structure (spaces)	125	125	125	110	110	110	110	110	110	110
Culture and recreation										
Parks and recreation:										
Park acreage	53	53	51	54	54	54	54	54	54	54
Parks	8	8	9	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	9	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	2
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	13	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	665	665	665	665	663	663	663
Parking lot (secured bicycle spaces)	36	36	-	40	40	40	56	16	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	9	9	9	9	9	9	9	9	9	9
Pump stations	7	7	7	6	6	6	7	7	7	7
Water mains (miles)	102	102	102	102	102	102	102	102	111	111
Service meters	8,650	8,650	8,650	8,633	8,623	8,623	8,600	8,640	8,700	8,851
Fire hydrants	1,059	1,059	1,059	992	1,059	1,059	1,132	1,096	414	1,158

⁽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										
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Water Purchased (in acre-feet)										
Covina Irrigating Company (CIC)	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	5,209.95
Three Valley Muni Water Dist(MWD)	238.50	1,427.10	931.00	467.20	198.00	62.70	-	-	151.00	23.50
Total Purchased	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	5,233.45
Potable Water Sold (in acre-feet)	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	4,647.69
Change from previous year	1.12%	4.73%	-13.11%	-11.39%	2.04%	8.90%	-3.85%	-2.12%	4.44%	-3.69%
Population	48,357	48,619	49,002	48,984	49,011	49,006	48,876	48,846	48,833	50,449
Cost of CIC Water \$/a-f	\$ 450.00	\$ 475.00	\$ 475.00	\$ 495.00	\$ 495.00	\$ 530.00	\$ 530.00	\$ 495.00	\$ 520.00	\$ 474.19
Cost of MWD Water \$/a-f	849.00	875.00	879.41	906.76	981.67	987.00	987.00	987.00	1,098.00	1,119.10
Number of Water Accounts⁽¹⁾	8,583	8,635	8,550	8,638	8,642	8,656	8,701	8,506	8,524	8,821

Water System Fund Revenues and Expenses ⁽²⁾										
	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	6/30/2022
<u>Operating Revenue</u>										
Charges for Services	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	11,823,907
<u>Operating Expenses</u>										
Source & supply	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	3,202,530
Production & storage	645,858	497,422	556,304	911,509	1,072,317	2,224,760	928,941	1,093,228	1,155,010	1,222,831
Transmission & distribution	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	1,613,450
Customer acct & collections	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	548,231
Administrative & general	835,384	904,636	638,819	798,833	238,355	(68,719)	1,872,999	1,539,142	2,407,823	1,748,816
Depreciation	779,081	867,235	957,051	953,511	964,403	1,006,332	1,131,906	1,276,414	1,443,409	1,504,189
Total Operating Expenses	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	9,840,047
Net Revenues	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	1,983,860
2010 Bond Installment Payments	990,262	986,413	710,708	990,113	988,713	985,413	986,613	988,713	802,627	1,512,429
2020 BBVA Installment Payments									699,742	56,842
Coverage	2.63	4.71	3.95	3.12	2.84	1.67	0.14	1.27	0.97	1.26

Water Rates ⁽¹⁾									
	6/30/2017	6/30/2018	6/30/2019	6/30/2020		6/30/2021	6/30/2022	6/30/2023*	
Minimum Charge:					Monthly Service Charge:				
5/8" & 3/4"	\$ 33.24	\$ 33.24	\$ 33.24	\$ 33.24	5/8" and 3/4"	\$ 36.22	\$ 37.67	39.18	
1"	49.44	49.44	49.44	49.44	1"	56.74	59.01	61.38	
1-1/2"	76.43	76.43	76.43	76.43	1-1/2"	103.65	107.80	112.12	
2"	115.15	115.15	115.15	115.15	2"	162.30	168.80	175.56	
3"	215.92	215.92	215.92	215.92	3"	349.95	363.95	378.51	
4"	359.84	359.84	359.84	359.84	4"	622.64	647.55	673.46	
6"	719.70	719.70	719.70	719.70	6"	1,376.19	1,431.24	1488.49	
8"					Monthly Fire Line Service Charge:				
Charge per hundred cubic feet (hcf):					2"	20.09	20.90	21.74	
Single Family (0-16 ccf)	2.71	2.71	2.71	2.71	3"	45.24	47.05	48.94	
Single Family (17+ ccf)	3.02	3.02	3.02	3.02	4"	88.60	92.15	95.84	
Multi-Family (0-12 ccf)	2.71	2.71	2.71	2.71	6"	244.24	254.01	264.18	
Multi-Family (13+ ccf)	2.96	2.96	2.96	2.96	8"	512.69	533.20	554.53	
Commercial/Institutional	3.16	3.16	3.16	3.16	10"	916.49	953.15	991.28	
Industrial/Manufacturing	2.74	2.74	2.74	2.74	Consumption Rates:				
Irrigation/Landscaping	3.16	3.16	3.16	3.16	Single Family				
City/Miscellaneous	2.75	2.75	2.75	2.75	Tier 1 (0-14 ccf)	2.86	2.98	3.10	
Capital Improvements Projects Fee:					Tier 2 (15+ ccf)	3.36	3.50	3.64	
5/8" & 3/4"	2.54	2.54	2.54	2.54	Multi-Family				
1"	6.36	6.36	6.36	6.36	Uniform Rate	2.99	3.11	3.24	
1-1/2"	12.72	12.72	12.72	12.72	Commercial/Institutional	3.01	3.14	3.27	
2"	32.55	32.55	32.55	32.55	Industrial/Manufacturing	3.01	3.14	3.27	
3"	61.03	61.03	61.03	61.03	Irrigation/Landscaping	3.05	3.18	3.31	
4"	101.71	101.71	101.71	101.71	City/Miscellaneous	3.01	3.14	3.27	
6"	203.43	203.43	203.43	203.43	Construction	3.10	3.23	3.36	
8"									
Private Fire Standby Service:									
4"	21.71	21.71	21.71	21.71					
6"	63.09	63.09	63.09	63.09					
8"	134.46	134.46	134.46	134.46					
10"	241.80	241.80	241.80	241.80					

* Information presented is current as of 1/12/23

Largest Water Accounts ⁽¹⁾					
Customer	Type of Business	Consumption (in acre-feet)	% of total consumption	Revenue	% of total water sales
Covina School District	Governmental	107.59	2.31%	\$208,890.51	1.75%
Inter-Comm Health SVC	Commercial	103.75	2.23%	\$190,409.55	1.59%
Covina 023-Woods 206 LP	Multiple Family	69.56	1.50%	\$150,069.50	1.26%
Charter Oak Unified School Dist	Governmental	48.58	1.05%	\$76,991.12	0.64%
Miracle Mile Properties LP	Multiple Family	37.30	0.80%	\$61,845.98	0.52%
Lvgem Hotel Corporation	Commercial	29.33	0.63%	\$47,995.53	0.40%
Spruell, Rosario O.	Multiple Family	24.10	0.52%	\$44,834.36	0.38%
Gref GG Eastland Center L.P.	Commercial	19.51	0.42%	\$48,103.73	0.40%
Sonrise Christian School	Commercial	19.44	0.42%	\$37,824.17	0.32%
Covina Pines HOA	Multiple Family	17.39	0.37%	\$36,998.13	0.31%
TOTALS		476.55	10.25%	\$ 903,963	7.57%
GRAND TOTAL CONSUMPTION		4,647.69		GRAND TOTAL SALES	\$ 11,938,813

(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									
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
<u>Operating Revenue</u>										
Special Assessments	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	3,277,343
<u>Operating Expenses</u>										
General & Administrative	522,657	784,732	919,254	785,109	661,138	1,013,663	1,721,983	2,367,418	1,848,785	1,529,927
Depreciation	42,314	110,795	167,735	167,735	167,735	167,735	168,680	179,627	225,865	288,962
Total Operating Expenses	564,971	895,527	1,086,989	952,844	828,873	1,181,398	1,890,663	2,547,045	2,074,650	1,818,889
Net Revenues	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	1,458,454
2009 Bond Installment Payments	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	1,026,054
2021 Pension Obligation Bonds										18,968
Coverage	1.31	1.02	1.16	1.34	1.49	1.28	0.80	0.28	0.99	1.40

Sewer Rates ⁽¹⁾							
6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
10.36	10.57	10.88	11.21	11.45	11.45	11.45	11.45

⁽¹⁾ Monthly Rates