



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

COVINA *California*

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COVINA, CALIFORNIA

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023

Patricia Cortez
Mayor

Walter Allen, III
Mayor Pro Tem

Hector Delgado
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*

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COVINA, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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

YEAR ENDED JUNE 30, 2023

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

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

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	31
STATEMENT OF ACTIVITIES	32

FUND FINANCIAL STATEMENTS

BALANCE SHEET – GOVERNMENTAL FUNDS	34
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	35
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	36
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	37
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	38
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	39
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	40
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	42
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	43
NOTES TO FINANCIAL STATEMENTS	45

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – MISCELLANEOUS	92
SCHEDULE OF CONTRIBUTIONS – MISCELLANEOUS	94
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – SAFETY	95
SCHEDULE OF CONTRIBUTIONS – SAFETY	96
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS	97
SCHEDULE OF CONTRIBUTIONS – OPEB	98
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	99
BUDGETARY COMPARISON SCHEDULE – MEASURE W SPECIAL REVENUE FUND	100
BUDGETARY COMPARISON SCHEDULE – PARK DEVELOPMENT CAPITAL PROJECT FUND	101
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	102

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS	105
COMBINING BALANCE SHEET	108
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	114
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGETARY COMPARISON SCHEDULES	
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND	120
PROPOSITION A SPECIAL REVENUE FUND	121
LAW ENFORCEMENT SPECIAL REVENUE FUND	122
NARCOTICS SEIZURE SPECIAL REVENUE FUND	123
STATE GAS TAX SPECIAL REVENUE FUND	124

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

PROPOSITION C SPECIAL REVENUE FUND	125
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND	126
MUNICIPAL PARKING SPECIAL REVENUE FUND	127
LIGHTING ASSESSMENT SPECIAL REVENUE FUND	128
LANDSCAPING ASSESSMENT SPECIAL REVENUE FUND	129
COMMUNITY FACILITIES DISTRICT ASSESSMENT SPECIAL REVENUE FUND	130
SHOPPERS LANE PARKING DISTRICT SPECIAL REVENUE FUND	131
MEASURE M SPECIAL REVENUE FUND	132
TDA GRANT SPECIAL REVENUE FUND	133
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND	134
PEG ACCESS TELEVISION SPECIAL REVENUE FUND	135
HOUSING AUTHORITY SPECIAL REVENUE FUND	136
MEASURE R SPECIAL REVENUE FUND	137
OTHER GRANTS SPECIAL REVENUE FUND	138
CAPITAL PROJECTS FUNDS	
GENERAL PROJECTS FUND	139
COVINA REVITALIZATION PROJECTS FUND	140
TRANSPORTATION CAPITAL PROJECTS FUND	141
NONMAJOR ENTERPRISE FUNDS	
DESCRIPTION OF NONMAJOR ENTERPRISE FUNDS	142
COMBINING STATEMENT OF NET POSITION	143
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	144
COMBINING STATEMENT OF CASH FLOWS	145
INTERNAL SERVICES FUNDS	
DESCRIPTION OF INTERNAL SERVICE FUNDS	147
COMBINING STATEMENT OF NET POSITION	148

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	149
COMBINING STATEMENT OF CASH FLOWS	150
CUSTODIAL FUNDS	
DESCRIPTION OF CUSTODIAL FUNDS	152
COMBINING STATEMENT OF FIDUCIARY NET POSITION	153
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	154
STATISTICAL SECTION (UNAUDITED)	
DESCRIPTION OF STATISTICAL SECTION CONTENTS	157
NET POSITION BY COMPONENT	159
CHANGES IN NET POSITION	160
FUND BALANCES OF GOVERNMENTAL FUNDS	163
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	164
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE	166
ASSESSED VALUE OF TAXABLE PROPERTY	167
ASSESSED VALUE OF TAXABLE PROPERTY BY USE	168
PROPERTY TAX RATES	169
PRINCIPAL PROPERTY OWNERS	170
PROPERTY TAX LEVIES AND COLLECTIONS	171
RATIOS OF OUTSTANDING DEBT BY TYPE	172
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING	173
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT	174
LEGAL DEBT MARGIN INFORMATION	175
PLEDGED-REVENUE BOND COVERAGE – WATER UTILITY FUND INSTALLMENT AGREEMENT AND REVENUE BONDS	176
PLEDGED-REVENUE BOND COVERAGE – SEWER FUND REVENUE BONDS	177
DEMOGRAPHIC AND ECONOMIC STATISTICS	178

**CITY OF COVINA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

PRINCIPAL EMPLOYERS	179
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	180
OPERATING INDICATORS BY FUNCTION	181
CAPITAL ASSET STATISTICS BY FUNCTION	183
CONTINUING DISCLOSURE – WATER SYSTEM	184
CONTINUING DISCLOSURE – WASTEWATER SYSTEM	185

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COVINA, CALIFORNIA
Elected and Administrative Officials
2022-2023

<u>Elected Official</u>	<u>Term Expires</u>
Mayor: Patricia Cortez	March 2024
Mayor Pro Tem: Walter Allen, III	March 2024
Council Members: Hector Delgado John C. King Victor Linares	June 2026 June 2026 June 2026
City Clerk: Andrew Aleman	June 2026
City Treasurer: Neil Polzin	June 2026
<u>Administrative Staff</u>	<u>Date of Hire</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: ** Anthony C. Marrone	February 2023
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: Fabian Velez	July 2018

*Appointed by City Council

**Appointed by Los Angeles County Fire District



CITY OF COVINA

125 East College Street • Covina, California 91723-2199

January 17, 2024

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, 2023 and for the year then ended, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

Independent Audit. City policy requires that its financial statements be audited by a certified public accountant. CliffordLarsonAllen, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2023. 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 2022-23 it is 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 50,350 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 and also acquired the Covina Theater in December 2022, which operates as an enterprise fund.

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

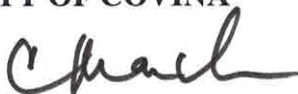
Implementation

- 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

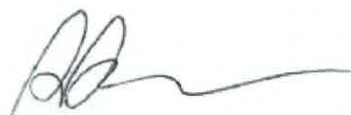
The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Administrative Services Department Finance Division with special recognition of Theresa Franke, Bessie Zou and Alan Sands. Credit also must be given to the Mayor and City 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

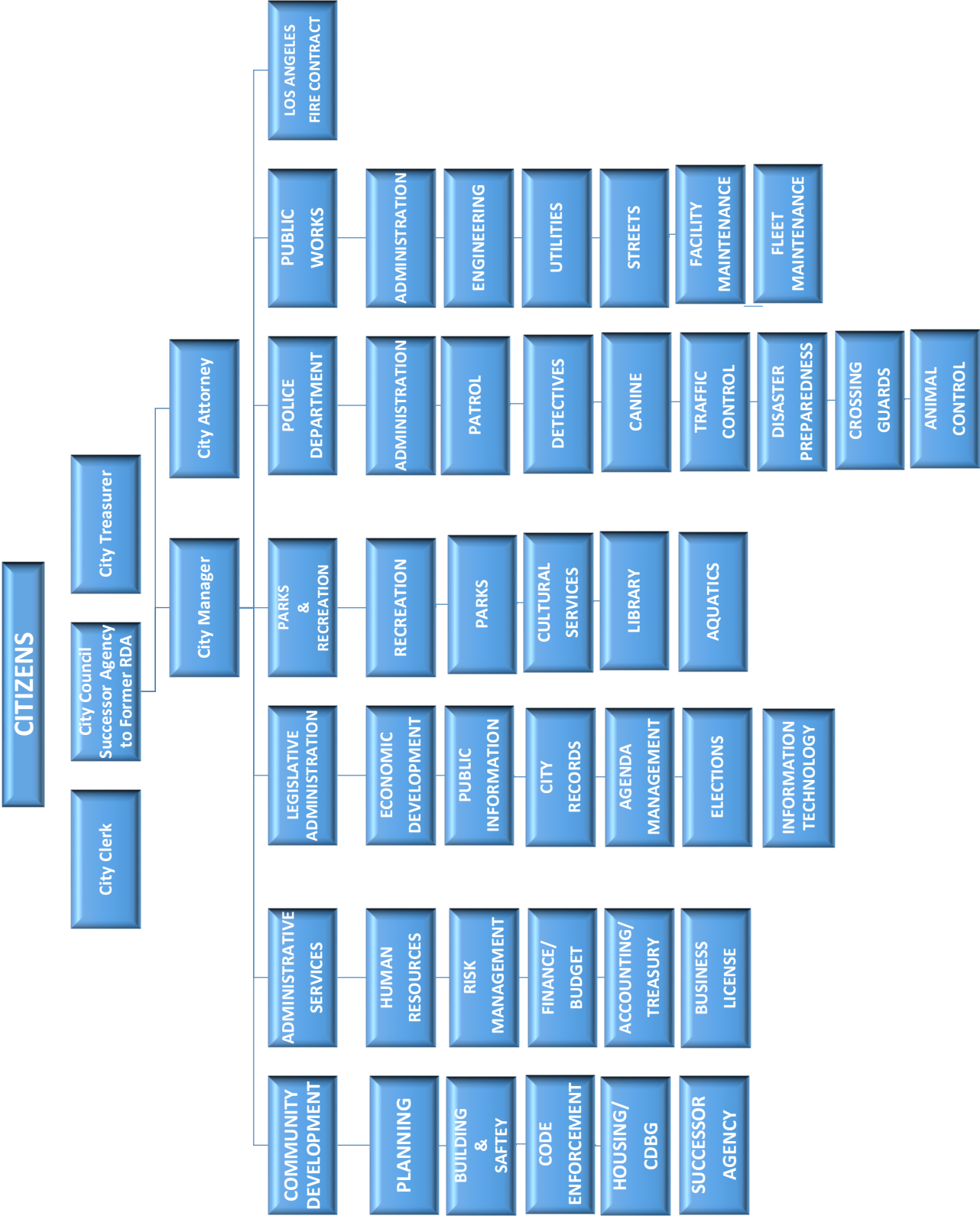


Christopher Marcarello
City Manager



Anita Agramonte
Administrative Services Director

CITY OF COVINA
ORGANIZATIONAL CHART
FISCAL YEAR 2022-2023



FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of City Council
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, 2023, 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, 2023, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, GASB No. 96, *Subscription-Based Information Technology Arrangements*. 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
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, Measure W Fund and Park Development 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 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 are 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
City of Covina

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, 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
January 17, 2024

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, 2023. 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 \$125,630,090. The Governmental Activities have a deficit unrestricted net position of \$35,785,873. Business-type Activities have unrestricted net position of \$14,148,677.
- * The City's net position for governmental and business-type activities increased by \$9,818,709 or 8.48% from the previous fiscal year.
- * The total cost of all City activities was \$86,833,573 for the current fiscal year. Net cost of all activities was \$37,081,422.
- * During the current fiscal year, the City's governmental activities net revenues exceeded net expenditures by \$7,530,335.
- * In the City's business-type activities, net revenues exceeded net expenditures by \$2,288,374.
- * The total fund balance of the City's governmental funds was \$56,508,903 at the close of the fiscal year. This includes \$33,317,806 fund balance of the General Fund, \$22,431,703 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 \$5,918,680 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, Theater and Sewer.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, Theater 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, Building Maintenance 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".

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$125.6 million at the close of the fiscal year, which is an increase of \$9.8 million or 8.48% from the previous fiscal year.

The largest portion of that net position, \$122 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, \$25.07 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 \$21.6 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 60.57% of the City's total net position. As reflected in the following table, restricted activities net position increased by \$9.0 million (56%) from the previous fiscal year. This change reflects a reduction in deferred outflows, which is offset by an increase in current assets and a decrease in long term liabilities, which is discussed in the Outstanding Debt section of this document. 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

	2023	2022
Current and other assets	\$ 89,421,113	\$ 70,200,873
Capital assets	94,706,502	90,770,746
Deferred outflows	36,370,048	64,371,978
Total Assets and deferred outflows	220,497,663	225,343,597
Long-term liabilities outstanding	102,426,984	120,818,749
Other liabilities	12,906,748	10,422,112
Deferred inflows	29,072,917	25,542,057
Total Liabilities and deferred inflows	144,406,649	156,782,918
Net position:		
Net Investment in capital assets	86,804,262	83,025,178
Restricted	25,072,625	16,074,243
Unrestricted	(35,785,873)	(30,538,742)
Total net position	\$ 76,091,014	\$ 68,560,679

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	2023	2022
Program revenues:		
Charges for services	\$ 8,951,403	\$ 8,723,240
Operating grants and contributions	22,818,540	13,635,757
Capital grants and contributions	2,206,174	567,243
General revenues:		
Property taxes	16,429,930	15,338,132
General sales tax	11,493,906	11,426,354
Transaction and use tax	8,787,686	8,823,059
Utility users taxes	6,041,869	5,082,103
Other taxes	3,233,932	2,984,040
Investment earnings	712,611	(1,162,614)
Gain/(Loss) on sale of capital assets	-	462,215
Miscellaneous and Transfers	(1,565,154)	1,230,450
Total Revenues	<u>79,110,897</u>	<u>67,109,979</u>
Expenses		
General government	3,792,606	882,985
Public safety	49,481,727	45,084,190
Public works	5,227,281	6,580,415
Culture and recreation	5,974,501	1,600,700
Community development	3,582,145	2,333,315
Transit	1,399,960	862,651
Redevelopment and housing	786,051	183,561
Interest on long term debt	1,336,291	708,305
Total expenses	<u>71,580,562</u>	<u>58,236,122</u>
Increase (Decrease) in net position before transfers		
Change in net position	7,530,335	8,873,857
Beginning net position	68,560,679	59,686,822
Ending net position	<u>\$ 76,091,014</u>	<u>\$ 68,560,679</u>

As reflected above, the City's net revenues exceeded net expenses of governmental activities by \$7.5 million. Compared to the previous year, 2023 revenues show an increase of \$12 million while expenses increased by \$13.3 million.

The revenue increase in Charges for Services of \$228,000 includes increases in Public Safety (court fine revenue increased by \$247,400), Culture and Recreation of \$47,000 (which continued a post-COVID increase), Community Development of \$18,000 and Public Works fee revenue increase of \$138,000 predominately due to Impact Fees. These increases were offset by a reduction in late fee revenue, as late fees were unusually high in the prior year due to COVID's impact on customers' ability to pay their bills timely.

In addition, Operating Grants increased by \$9.1 million. This primarily consists of \$640,000 in Public Safety grant increases, \$5.7 million in Public Works grants, and a \$3 million grant to partially fund the purchase of Covina Theater. Capital Grants increased by \$1.6 million, of which \$1.2 million is for transportation.

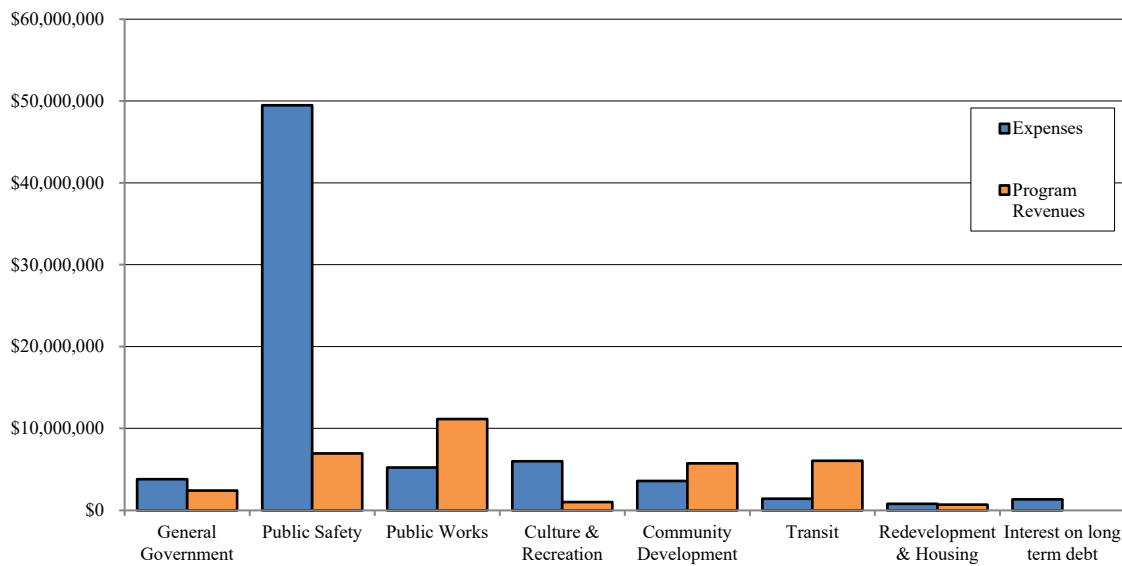
Property tax revenue increased by \$1 million, with a slight increase in sales and transaction and use taxes. Utility users tax increased by \$960,000 which reflects higher electricity and heating charges.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in other revenue sources include a \$98,000 increase in transient occupancy taxes, \$68,000 increase in business license taxes, investment earnings increase of \$1.9 million (reflecting higher interest rates and increased market value of City investments), all of which are offset by a reduction in miscellaneous revenue consisting mostly of a \$1.8 million transfer from the General Fund to the Theater Fund.

Net expenses reflected on the Statement of Activities are good indications of the extent to which the services provided by the City are financed from taxes paid by the citizens (general revenues) as opposed to recovering the cost of these services with user fees and other contributions (program revenues). Public Works, Community Development, Transit, and Redevelopment and Housing program revenues were sufficient to cover related expenses. General Government, Public Safety 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.

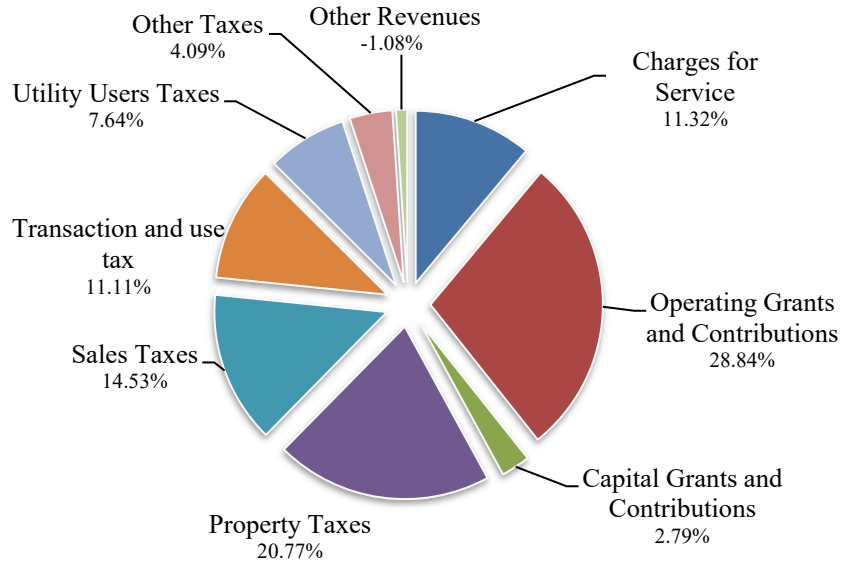
Expenses and Program Revenues-Governmental Activities



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).

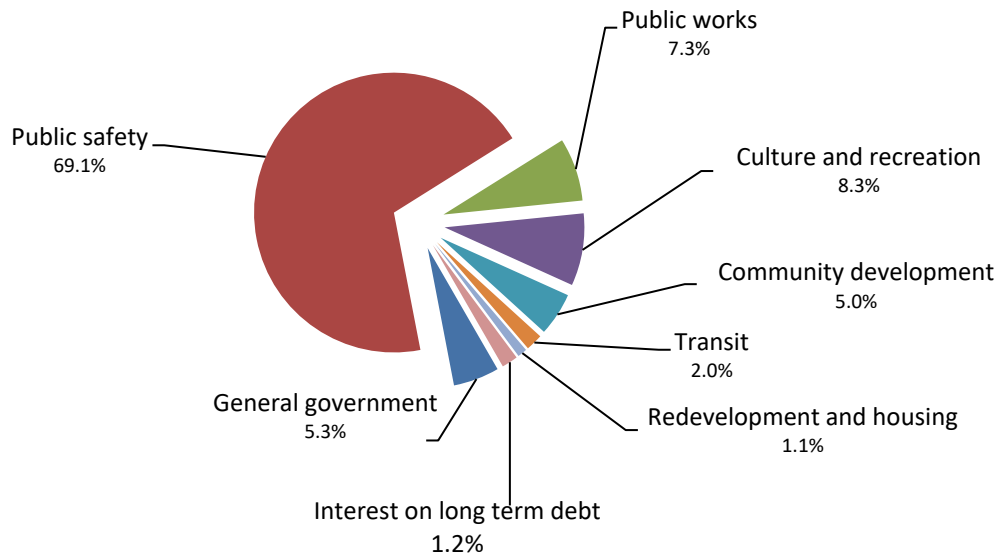
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue Sources-Governmental Activities



The next graph demonstrates governmental activity expenses by function/program. Note that public safety and public works represent 76.43% of the governmental activities' expenditures; this is consistent with the City's highest priority of citizen safety and well-being. Culture and recreation represent 8.3% 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, Theater, and Sewer functions. The following table summarizes the business-type net position for fiscal years 2022 and 2023. Current year detail can be found in the *Government-Wide Financial Statements, Statement of Net Position*.

Business-Type Activities Net Position

	2023	2022
Current and other assets	\$ 27,748,627	\$ 30,484,093
Capital assets	58,014,711	53,217,973
Deferred outflows of resources	2,970,227	8,441,833
Total assets and deferred outflows	88,733,565	92,143,899
Long-term liabilities outstanding	35,546,789	40,448,021
Other liabilities	2,935,775	1,941,926
Deferred inflows of resources	711,925	2,503,250
Total liabilities	39,194,489	44,893,197
Net position		
Net Investment in capital assets	35,390,399	31,942,562
Restricted		
Unrestricted	14,148,677	15,308,140
Total net position	\$ 49,539,076	\$ 47,250,702

The net position of the business-type activities represents 39.43% of the City's total net position and increased by \$2.3 million from the previous year. The decrease in current assets and deferred outflows was offset by the decrease in long-term liabilities (discussed in the Outstanding Debt section of this document) and deferred inflows, resulting in the net position increase. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Change in Net Position

	2023	2022
Revenues		
Program Revenues:		
Charges for services	\$ 15,774,880	\$ 16,306,957
Operating grants and contributions	1,154	291,824
General Revenues		
Investment gain (loss)	(129,871)	(1,786,768)
Miscellaneous	75,222	-
Total Revenues	<u>15,721,385</u>	<u>14,812,013</u>
Expenses		
Water Utility	11,001,848	10,333,944
Environmental Protection	1,455,858	1,341,932
Theater	493,523	
Sewer	2,301,782	2,063,288
Total Expenses	<u>15,253,011</u>	<u>13,739,164</u>
Change in net position before transfers	<u>468,374</u>	<u>1,072,849</u>
Transfers in (out)	<u>1,820,000</u>	<u>(1,020,279)</u>
Change in net position	<u>\$ 2,288,374</u>	<u>\$ 52,570</u>

As reflected above, the City's business-type charges for services revenues exceeded program expenses by \$522,000. Total business-type program revenues decreased by \$823,000 from the prior fiscal year. This includes a \$390,000 decrease in water charges for services and \$291,000 decrease in water fund grants which were received in 2022 to assist water customers during the COVID pandemic. Environmental protection service charges were \$87,500 more than the prior year, the Theater provided a new revenue source of \$33,000, while sewer utility revenue decreased by \$262,400, as 2022 had \$366,000 in new sewer connection revenue. General revenues increased by \$1.7 million due predominately to increased investment earnings.

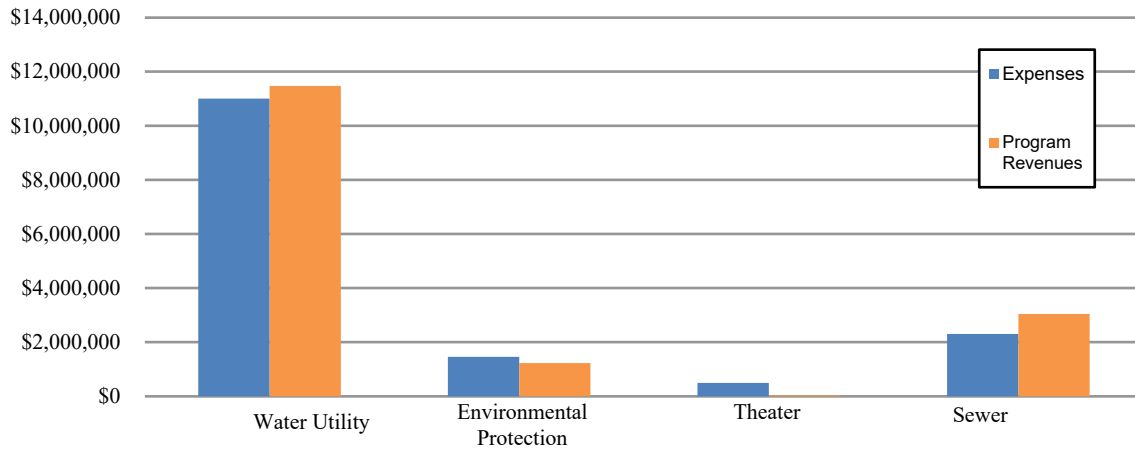
Water and Sewer charges for services/operating grants were sufficient to cover both operating and interest expenses for the respective functions during the fiscal year. Environmental Protection's expenses exceeded charges for services by \$226,000, due in part to improvements to the Downtown trash enclosures and Wingate Park cleanup.

Business-type expenses attributable to Water and Sewer utilities increased by \$906,000 from the previous fiscal year due in large part to increased pension liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

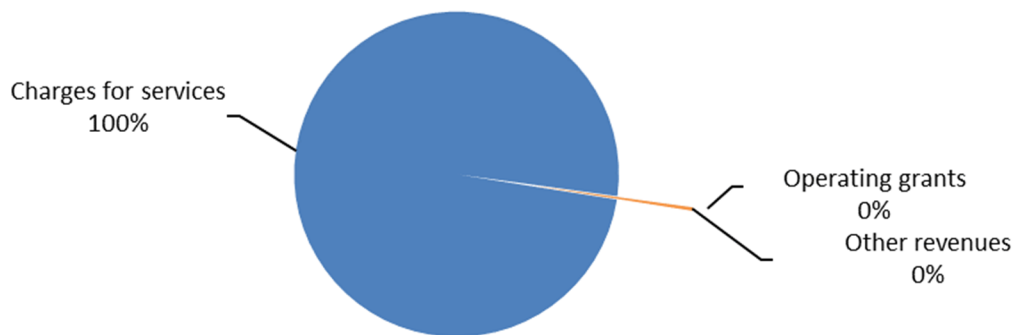
Expenses and associated program revenues for each business-type function are reflected on the following table.

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. Theater charges for services include fees for facility use, property rental, ticket sales and antenna rental. Sewer charges for services include fees established to recover the cost of operating the sewer system throughout the City. Other revenues reflect investment earnings.

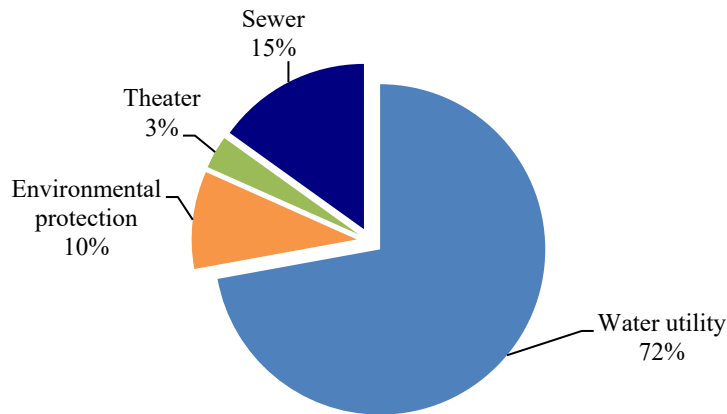
Revenues by Source - Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

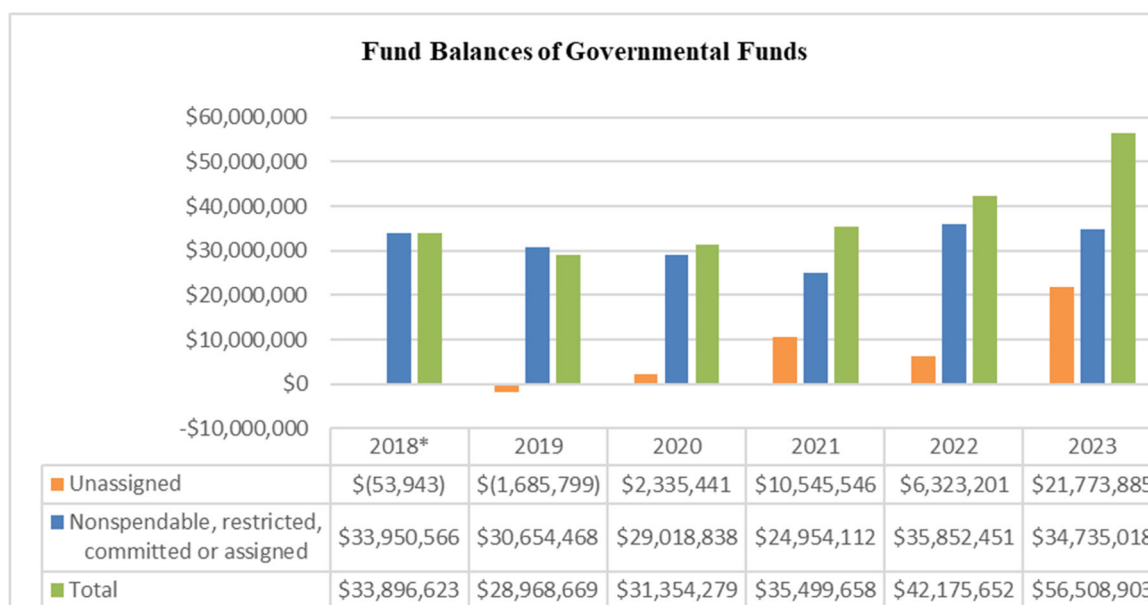
Governmental Funds

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, 2023, the City's governmental funds reported combined fund balances of \$56.5 million, an increase of \$14.3 million from the prior fiscal year. There is \$21.8 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 2018-2023:



*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 2022-23 was \$33.3 million and is classified as follows: \$99,500 non-spendable, \$10.4 million committed, \$363,000 restricted, \$1,100 assigned, and \$22.4 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 24.3% of total General Fund expenditures.

The fund balance of the General Fund increased by \$5.9 million during the fiscal year. While revenues increased by \$4 million, expenditures decreased by \$47 million. The reduction reflects \$47.8 million pension expenditures recognized in 2022 as a result of the issuance of Pension Obligation Bonds, which 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, theater and sewer enterprises.

Net position of the Water Utility fund is \$38.1 million, a increase of \$105,610 from the prior fiscal year. Of that, \$12.3 million is unrestricted. Environmental Protection and Theater have combined net positions of \$3 million with unrestricted net position decreasing to -\$1.7 million from \$478,000 in the prior year. The net position of the Sewer fund increased to \$9.9 million from \$9.2 million in the prior year. Of that, \$5.1 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 \$5.6 million which represents a 10.27% increase. The increase reflects additional funding appropriated for various projects including Covina Recreation Village (\$3.8 million) and a transfer to the Theater fund (\$1.8 million). Mid-year budget adjustments include increases pertaining to utilities, conferences, training, IT expenditures, the establishment of the Facility Maintenance fund and various professional services. The increases were offset by a reduction in expenses that were instead charged directly to the ARPA fund.

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, 2023, is \$152.7 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, 2023 and 2022.

Capital Assets (net of depreciation)		
	2023	2022
Governmental activities		
Land	\$12,335,553	\$12,335,553
Buildings and structures	28,502,366	26,145,088
Improvements other than buildings	8,259,225	8,703,523
Public domain infrastructure	37,126,099	35,158,532
Sanitary sewer infrastructure	1,648,080	1,712,817
Machinery and equipment	2,744,627	3,126,238
Construction in progress	3,623,307	3,349,224
Right to use assets	467,245	239,771
Total governmental activities	<u>\$94,706,502</u>	<u>\$90,770,746</u>
Business-type activities		
Land	377,408	377,408
Buildings and structures	12,050,600	9,007,187
Improvements other than buildings	2,417,779	1,466,540
Water system infrastructure	41,384,831	39,503,830
Machinery and equipment	1,654,758	1,690,145
Construction in progress	118,951	1,159,018
Right to use assets	10,384	13,845
Total business-type activities	<u>58,014,711</u>	<u>53,217,973</u>
Total capital assets	<u><u>\$152,721,213</u></u>	<u><u>\$143,988,719</u></u>

Total capital assets, net of depreciation, increased from the prior year by \$8.7 million. This is due largely to the purchase of the Covina Theater (6.3 million). 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 \$138 million. This includes notes, leases, subscriptions, 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, 2023 and 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Outstanding Debt (net of unamortized charges)

	2023	2022
Governmental activities		
Compensated absences	\$ 4,414,980	\$ 4,031,459
Claims and judgments	7,920,000	7,718,000
Certificates of participation payable (COP)	4,659,950	4,876,509
Pension Obligation Bonds	52,529,291	54,939,654
Lease Payable	153,335	227,389
Subscriptions Payable	305,403	-
Section 108 loan	1,875,000	2,000,000
Postemployment benefit obligation	4,846,003	4,510,568
Net pension liability	25,723,022	42,515,170
Total governmental activities	<u>102,426,984</u>	<u>120,818,749</u>
Business-type activities		
Compensated absences	643,568	608,089
Capital lease payable	10,531	13,934
Water Installment Agreement	15,991,560	17,132,316
Revenue bonds payable	6,515,000	7,370,000
Pension Obligation Bonds	7,510,709	7,855,346
Postemployment benefit obligation	1,708,693	1,587,567
Net pension liability	3,166,728	5,880,768
Total business-type activities	<u>35,546,789</u>	<u>40,448,020</u>
Total outstanding debt	<u>\$ 137,973,773</u>	<u>\$ 161,266,769</u>

The decrease in long-term debt from 2022 to 2023 in governmental activities of \$18.4 million predominately due to the reduction in net pension liability. Business-type activities liabilities increased by \$4.9 also due to the reduction in 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 proactive 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 2023-24 budget projects an overall increase in revenues in comparison to Fiscal Year 2022-23.

Department expenditure budgets reflect slight increases attributed to increases in negotiated MOU adjustments, as well as the increase in the City’s Fire Contract with Los Angeles County.

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.

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.covina.ca.gov. Questions concerning any of the information provided in this report should be addressed to City of Covina Finance Division, 125 East College Street, Covina, California, 91723.

FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COVINA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 79,899,810	\$ 25,745,439	\$ 105,645,249
Cash and Investments - Restricted	-	1,149,437	1,149,437
Cash With Fiscal Agent	291	-	291
Receivables:			
Accounts, Net	534,150	1,915,975	2,450,125
Due from Other Governments	5,820,641	63,181	5,883,822
Other	691,645	23,177	714,822
Loans and Notes	252,505	-	252,505
Internal Balances	1,508,060	(1,508,060)	-
Leases	456,532	277,739	734,271
Inventories	39,492	73,095	112,587
Prepaid Items and Deposits	217,987	8,644	226,631
Capital Assets:			
Not Being Depreciated	15,958,860	496,359	16,455,219
Being Depreciated, Net	78,747,642	57,518,352	136,265,994
Total Assets	184,127,615	85,763,338	269,890,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	74,421	74,421
OPEB Related	1,659,981	600,827	2,260,808
Pension Related	34,710,067	2,294,979	37,005,046
Total Deferred Outflows of Resources	36,370,048	2,970,227	39,340,275
LIABILITIES			
Accounts Payable	2,243,703	1,109,165	3,352,868
Accrued Liabilities	1,092,051	554,191	1,646,242
Deposits Payable	1,128,503	1,035,141	2,163,644
Interest Payable	57,481	210,880	268,361
Due to Other Governments	252,505	-	252,505
Unearned Revenue	8,132,505	26,398	8,158,903
Noncurrent Liabilities:			
Due Within One Year	5,991,665	2,614,034	8,605,699
Due in More Than One Year:			
Long-Term Liabilities	65,866,294	28,057,334	93,923,628
Net Other Postemployment Benefit Liability	4,846,003	1,708,693	6,554,696
Net Pension Liability	25,723,022	3,166,728	28,889,750
Total Liabilities	115,333,732	38,482,564	153,816,296
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	113,443	113,443
Deferred Inflow Leases	451,369	274,385	725,754
OPEB Related	833,508	310,606	1,144,114
Pension Related	27,788,040	13,491	27,801,531
Total Deferred Inflows of Resources	29,072,917	711,925	29,784,842
NET POSITION			
Net Investment in Capital Assets	86,804,262	35,390,399	122,194,661
Restricted for:			
Public Safety	497,622	-	497,622
Public Works	11,635,216	-	11,635,216
Community Development	396,861	-	396,861
Culture and Recreation	1,323,579	-	1,323,579
Transit	7,784,440	-	7,784,440
Redevelopment and Housing	3,434,907	-	3,434,907
Unrestricted (Deficit)	(35,785,873)	14,148,677	(21,637,196)
Total Net Position	\$ 76,091,014	\$ 49,539,076	\$ 125,630,090

See accompanying Notes to Financial Statements.

**CITY OF COVINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 3,792,606	\$ 2,328,058	\$ 79,896	\$ -
Public Safety	49,481,727	2,283,281	4,662,494	-
Public Works	5,227,281	1,108,388	9,865,306	174,960
Culture and Recreation	5,974,501	734,037	161,407	106,421
Community Development	3,582,145	2,063,716	3,557,675	113,374
Transit	1,399,960	144,349	4,088,667	1,811,419
Redevelopment and Housing	786,051	289,574	403,095	-
Interest on Long-Term Debt	1,336,291	-	-	-
Total Governmental Activities	71,580,562	8,951,403	22,818,540	2,206,174
BUSINESS-TYPE ACTIVITIES				
Water Utility	11,001,848	11,469,148	1,154	-
Environmental Protection	1,455,858	1,229,521	-	-
Theater	493,523	33,198	-	-
Sewer Utility	2,301,782	3,043,013	-	-
Total Business-Type Activities	15,253,011	15,774,880	1,154	-
Total	\$ 86,833,573	\$ 24,726,283	\$ 22,819,694	\$ 2,206,174

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 (Loss)

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, 2023

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (1,384,652)	\$ -	\$ (1,384,652)
(42,535,952)	-	(42,535,952)
5,921,373	-	5,921,373
(4,972,636)	-	(4,972,636)
2,152,620	-	2,152,620
4,644,475	-	4,644,475
(93,382)	-	(93,382)
(1,336,291)	-	(1,336,291)
(37,604,445)	-	(37,604,445)
-	468,454	468,454
-	(226,337)	(226,337)
-	(460,325)	(460,325)
-	741,231	741,231
-	523,023	523,023
(37,604,445)	523,023	(37,081,422)
16,429,930	-	16,429,930
11,493,906	-	11,493,906
8,787,686	-	8,787,686
193,649	-	193,649
214,879	-	214,879
431,423	-	431,423
6,041,869	-	6,041,869
2,393,981	-	2,393,981
712,611	(129,871)	582,740
254,846	75,222	330,068
(1,820,000)	1,820,000	-
45,134,780	1,765,351	46,900,131
7,530,335	2,288,374	9,818,709
68,560,679	47,250,702	115,811,381
<u>\$ 76,091,014</u>	<u>\$ 49,539,076</u>	<u>\$ 125,630,090</u>

See accompanying Notes to Financial Statements.

**CITY OF COVINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Measure W	ARPA	Park Development	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 30,427,350	\$ 8,790,682	\$ 4,786,016	\$ 2,786,586	\$ 15,864,522	\$ 62,655,156
Cash and Investments With Fiscal Agent	-	-	-	-	291	291
Receivables:						
Interest	306,716	-	-	-	6	306,722
Utility User Tax	384,923	-	-	-	-	384,923
Accounts	405,199	-	-	-	55,036	460,235
Leases	434,991	-	-	-	21,541	456,532
Loans	-	-	-	-	252,505	252,505
Due from Other Governments	4,272,820	154	-	169,145	1,378,053	5,820,172
Due from Other Funds	775,873	-	-	-	-	775,873
Prepaid Items	99,526	-	91,667	-	8,445	199,638
Total Assets	\$ 37,107,398	\$ 8,790,836	\$ 4,877,683	\$ 2,955,731	\$ 17,580,399	\$ 71,312,047
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 756,119	\$ 39,210	\$ 155,004	\$ 103,041	\$ 1,047,462	\$ 2,100,836
Accrued Liabilities	1,036,567	-	-	-	55,484	1,092,051
Deposits Payable	1,082,619	-	-	-	45,884	1,128,503
Due to Other Funds	-	-	-	-	775,873	775,873
Due to Other Governments	-	-	-	-	252,505	252,505
Unearned Revenue	455,443	-	4,722,679	2,688,510	265,873	8,132,505
Total Liabilities	3,330,748	39,210	4,877,683	2,791,551	2,443,081	13,482,273
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Leases	429,899	-	-	-	21,470	451,369
Unavailable Revenue	28,945	-	-	169,144	671,413	869,502
Total Deferred Inflows of Resources	458,844	-	-	169,144	692,883	1,320,871
FUND BALANCES						
Nonspendable	99,526	-	-	-	8,445	107,971
Committed	10,422,833	-	-	-	-	10,422,833
Restricted	362,653	8,751,626	-	-	15,088,844	24,203,123
Assigned	1,091	-	-	-	-	1,091
Unassigned	22,431,703	-	-	(4,964)	(652,854)	21,773,885
Total Fund Balances (Deficits)	33,317,806	8,751,626	-	(4,964)	14,444,435	56,508,903
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 37,107,398	\$ 8,790,836	\$ 4,877,683	\$ 2,955,731	\$ 17,580,399	\$ 71,312,047

See accompanying Notes to Financial Statements.

CITY OF COVINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances for Governmental Funds \$ 56,508,903

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 \$1,332,011 of internal service funds net capital assets.

Capital Assets not Being Depreciated	\$ 15,958,860	
Capital Assets Being Depreciated	206,438,482	
Accumulated Depreciation	<u>(129,022,851)</u>	93,374,491

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, 2023 are:

Loan Payable	(1,875,000)	
Bonds Payable	(4,475,000)	
Pension Obligation Bonds	(50,336,442)	
Bond Premium	(184,950)	
Leases	(50,800)	
Subscriptions	(305,403)	
Compensated Absences	(4,140,681)	
Accrued Interest	<u>(37,084)</u>	(61,405,360)

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	33,837,231	
Deferred Inflows of Resources - Pension Related	(27,782,910)	
Net Pension Liability	(24,518,639)	
Deferred Outflows of Resources - OPEB Related	1,463,956	
Deferred Inflows of Resources - OPEB Related	(738,798)	
Net OPEB Liability	<u>(4,285,581)</u>	(22,024,741)

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.

8,768,219

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

869,502

Net Position of Governmental Activities

\$ 76,091,014

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Measure W	ARPA	Park Development	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 16,235,596	\$ -	\$ -	\$ -	\$ 184,002	\$ 16,419,598
Sales Tax, Intergovernmental	20,281,592	-	-	-	-	20,281,592
Transient Occupancy Taxes	193,649	-	-	-	-	193,649
Property Transfer Taxes	214,879	-	-	-	-	214,879
Business License Taxes	430,348	-	-	-	1,090	431,438
Utility User Taxes	6,041,869	-	-	-	-	6,041,869
Franchise Taxes	2,393,981	-	-	-	-	2,393,981
Licenses and Permits	1,565,187	-	-	-	-	1,565,187
Intergovernmental	959,936	7,362,948	3,449,428	304,422	12,461,069	24,537,803
Charges for Services	4,752,066	-	-	-	298,835	5,050,901
Fines and Forfeits	1,340,191	-	-	-	-	1,340,191
Special Assessments	-	-	-	-	880,496	880,496
Investment Earnings	367,176	107,610	-	-	262,398	737,184
Other	766,551	-	-	-	48,008	814,559
Total Revenues	55,543,021	7,470,558	3,449,428	304,422	14,135,898	80,903,327
EXPENDITURES						
Current:						
General Government	2,599,832	-	-	-	-	2,599,832
Public Safety	29,910,759	-	3,002,355	-	3,464,619	36,377,733
Public Works	2,359,745	-	-	-	1,779,213	4,138,958
Culture and Recreation	4,493,659	-	22,082	-	72,130	4,587,871
Community Development	2,876,568	-	353,344	-	-	3,229,912
Transit	-	-	-	-	967,643	967,643
Redevelopment and Housing	-	-	-	-	719,415	719,415
Capital Outlay	-	420,895	71,647	810,581	5,637,635	6,940,758
Debt Service:						
Principal Retirement	2,309,742	-	-	-	330,000	2,639,742
Interest and Fiscal Charges	1,124,775	-	-	-	225,256	1,350,031
Total Expenditures	45,675,080	420,895	3,449,428	810,581	13,195,911	63,551,895
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,867,941	7,049,663	-	(506,159)	939,987	17,351,432
OTHER FINANCING SOURCES (USES)						
Transfers In	300,000	-	-	716,512	514,568	1,531,080
Transfers Out	(4,251,080)	-	-	-	(300,000)	(4,551,080)
Lease Proceeds	1,819	-	-	-	-	1,819
Total Other Financing Sources (Uses)	(3,949,261)	-	-	716,512	214,568	(3,018,181)
NET CHANGE IN FUND BALANCES	5,918,680	7,049,663	-	210,353	1,154,555	14,333,251
Fund Balances (Deficits) - Beginning of Year	27,399,126	1,701,963	-	(215,317)	13,289,880	42,175,652
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 33,317,806</u>	<u>\$ 8,751,626</u>	<u>\$ -</u>	<u>\$ (4,964)</u>	<u>\$ 14,444,435</u>	<u>\$ 56,508,903</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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 14,333,251

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	\$ 9,006,876	
Deletions	(52,877)	
Depreciation Expense	<u>(5,562,434)</u>	3,391,565

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.

Leases	30,662	
Subscriptions	180,166	
Principal Payments	2,639,742	
Amortization Premium on Bonds	<u>11,559</u>	2,862,129

Pension expenditures reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources. (14,842,008)

Other postemployment benefit expenditures 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. (55,302)

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 2,181

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. 2,166,971

Compensated absences are not reported in the governmental funds until such amounts become due and payable. (356,022)

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. 27,570

Change in Net Position of Governmental Activities \$ 7,530,335

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
CURRENT ASSETS					
Cash and Investments	\$ 19,667,285	\$ 3,488,771	\$ 2,589,383	\$ 25,745,439	\$ 17,244,654
Cash and Investments Restricted	-	1,149,437	-	1,149,437	-
Accounts Receivable, Net	1,614,683	-	301,292	1,915,975	73,915
Interest Receivable	-	22,711	466	23,177	-
Lease Receivable	-	-	68,198	68,198	-
Due from Other Governments	-	63,181	-	63,181	469
Prepaid Items	285	-	8,359	8,644	18,349
Inventories	73,095	-	-	73,095	39,492
Total Current Assets	21,355,348	4,724,100	2,967,698	29,047,146	17,376,879
NONCURRENT ASSETS					
Advance to Theater Fund	-	2,750,000	-	2,750,000	-
Lease Receivable	-	-	209,541	209,541	-
Capital Assets:					
Capital Assets, not Depreciated	452,488	26,175	17,696	496,359	-
Capital Assets, Depreciated, Net	41,334,017	11,441,330	4,743,005	57,518,352	1,332,011
Total Noncurrent Assets	41,786,505	14,217,505	4,970,242	60,974,252	1,332,011
Total Assets	63,141,853	18,941,605	7,937,940	90,021,398	18,708,890
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Refunding	-	74,421	-	74,421	-
Deferred Amount on OPEB Plans	426,571	103,929	70,327	600,827	196,025
Deferred Amount on Pension Plans	1,538,060	483,563	273,356	2,294,979	872,836
Total Deferred Outflows of Resources	1,964,631	661,913	343,683	2,970,227	1,068,861
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	641,481	326,293	141,391	1,109,165	142,867
Accrued Liabilities	554,191	-	-	554,191	-
Deposits Payable	533,951	-	501,190	1,035,141	-
Interest Payable	125,078	55,439	30,363	210,880	20,397
Unearned Revenue	26,398	-	-	26,398	-
Compensated Absences	151,190	45,127	33,735	230,052	88,052
Lease Payable	3,456	-	-	3,456	40,293
Claims Payable	-	-	-	-	1,738,000
Pension Obligation Bonds Payable	231,591	77,278	38,269	347,138	101,352
Bonds Payable	1,163,388	870,000	-	2,033,388	-
Total Current Liabilities	3,430,724	1,374,137	744,948	5,549,809	2,130,961
NONCURRENT LIABILITIES					
Compensated Absences	267,930	91,340	54,246	413,516	186,247
Advance from Sewer Fund	-	-	2,750,000	2,750,000	-
Lease Payable	7,075	-	-	7,075	62,242
Pension Bonds Payable	5,009,031	1,672,014	789,725	7,470,770	2,091,497
Bonds Payable	14,598,251	5,567,722	-	20,165,973	-
Claims Payable	-	-	-	-	6,182,000
Net OPEB Liability	1,241,794	263,943	202,956	1,708,693	560,422
Net Pension Liability	2,122,293	667,245	377,190	3,166,728	1,204,383
Total Noncurrent Liabilities	23,246,374	8,262,264	4,174,117	35,682,755	10,286,791
Total Liabilities	26,677,098	9,636,401	4,919,065	41,232,564	12,417,752
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts on OPEB Plans	217,117	57,083	36,406	310,606	94,710
Deferred Amounts on Pension Plans	9,041	2,843	1,607	13,491	5,130
Deferred Amounts on Leases	-	-	274,385	274,385	-
Deferred Amount on Refunding	113,443	-	-	113,443	-
Total Deferred Inflows of Resources	339,601	59,926	312,398	711,925	99,840
NET POSITION					
Net Investment in Capital Assets	25,793,259	4,841,224	4,755,916	35,390,399	1,193,739
Unrestricted	12,296,526	5,065,967	(1,705,756)	15,656,737	6,066,420
Total Net Position	\$ 38,089,785	\$ 9,907,191	\$ 3,050,160	51,047,136	\$ 7,260,159
Some amounts reported for business-type activities in the Statement of Activities are different to reflect the consolidation of internal service fund activities related to enterprise funds				(1,508,060)	
Net Position of Business-Type Activities				\$ 49,539,076	

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Water Sales	\$ 11,043,023	\$ -	\$ -	\$ 11,043,023	\$ -
Charges for Services and Motor Pool Charges	-	-	33,198	33,198	7,586,166
Environmental Fees	-	-	1,230,334	1,230,334	-
Sewer Fees	-	2,894,697	-	2,894,697	-
Fire Line Fees	358,099	-	-	358,099	-
Total Operating Revenues	11,401,122	2,894,697	1,263,532	15,559,351	7,586,166
OPERATING EXPENSES					
General and Administrative	2,426,168	1,731,926	1,097,801	5,255,895	4,762,459
Vehicle and Equipment Operation	-	-	-	-	1,272,311
Utility Billing	175,436	-	-	175,436	-
Customer Service	257,203	-	-	257,203	-
Sales Promotion	414	-	-	414	-
Source and Supply	3,376,108	-	-	3,376,108	-
Production and Storage	1,380,661	-	-	1,380,661	-
Transmission and Distribution	1,374,982	-	-	1,374,982	-
Street Sweeping	-	-	151,150	151,150	-
Environmental Services	-	-	200,472	200,472	-
Industrial Waste	-	-	21,221	21,221	-
Waste Management	-	-	339,611	339,611	-
Depreciation	1,579,745	356,327	100,589	2,036,661	315,804
Total Operating Expenses	10,570,717	2,088,253	1,910,844	14,569,814	6,350,574
OPERATING INCOME (LOSS)	830,405	806,444	(647,312)	989,537	1,235,592
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Loss)	(294,818)	108,093	56,854	(129,871)	-
Interest Expense	(431,131)	(213,529)	(41,085)	(685,745)	(50,544)
Rental Income	-	-	75,222	75,222	-
Intergovernmental	1,154	-	-	1,154	-
Total Nonoperating Revenues (Expenses)	(724,795)	(105,436)	90,991	(739,240)	(50,544)
INCOME (LOSS) BEFORE TRANSFERS	105,610	701,008	(556,321)	250,297	1,185,048
TRANSFERS					
Transfers In	-	-	1,820,000	1,820,000	1,200,000
Total Transfers	-	-	1,820,000	1,820,000	1,200,000
CHANGE IN NET POSITION	105,610	701,008	1,263,679	2,070,297	2,385,048
Net Position - Beginning of Year	37,984,175	9,206,183	1,786,481		4,875,111
NET POSITION - END OF YEAR	<u>\$ 38,089,785</u>	<u>\$ 9,907,191</u>	<u>\$ 3,050,160</u>		<u>\$ 7,260,159</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

218,077
\$ 2,288,374

See accompanying Notes to Financial Statements.

**CITY OF COVINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from customers	\$ 11,707,833	\$ 2,919,650	\$ 1,196,798	\$ 15,824,281	\$ -
Cash Received from User Departments	-	-	-	-	7,607,113
Cash Payments to Suppliers of Goods and Services	(4,797,614)	(425,826)	(1,158,305)	(6,381,745)	(3,975,328)
Cash Payments to Employees for Services	(3,006,006)	(862,063)	(502,864)	(4,370,933)	(1,493,732)
Net Cash Used by Operating Activities	3,904,213	1,631,761	(464,371)	5,071,603	2,138,053
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Received from Other Funds	-	-	1,820,000	1,820,000	1,200,000
Advance Received Other Funds	-	-	2,750,000	2,750,000	-
Advance Paid to Other Funds	-	(2,750,000)	-	(2,750,000)	-
Net Cash Provided by Noncapital Financing Activities	-	(2,750,000)	4,570,000	1,820,000	1,200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(2,281,003)	(999,186)	(3,553,211)	(6,833,400)	(374,426)
Intergovernmental grants	1,154	-	-	1,154	-
Cash Received - Leases	-	-	110,357	110,357	-
Principal Paid - Leases	(3,402)	-	-	(3,402)	(43,392)
Principal Paid	(1,370,677)	(931,722)	(37,994)	(2,340,393)	(100,621)
Interest and Debt Issuance Costs	(443,522)	(228,677)	(18,421)	(690,620)	(50,727)
Net Cash Used by Capital and Related Financing Activities	(4,097,450)	(2,159,585)	(3,499,269)	(9,756,304)	(569,166)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	(294,818)	108,093	56,388	(130,337)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(488,055)	(3,169,731)	662,748	(2,995,038)	2,768,887
Cash and Cash Equivalents - Beginning of Year	20,155,340	7,807,939	1,926,635	29,889,914	14,475,767
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 19,667,285</u>	<u>\$ 4,638,208</u>	<u>\$ 2,589,383</u>	<u>\$ 26,894,876</u>	<u>\$ 17,244,654</u>

See accompanying Notes to Financial Statements.

CITY OF COVINA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 830,405	\$ 806,444	\$ (647,312)	\$ 989,537	\$ 1,235,592
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:					
Depreciation	1,579,745	356,327	100,589	2,036,661	315,804
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	306,711	-	(66,734)	239,977	21,416
(Increase) Decrease in Due from Other Governments	-	24,953	-	24,953	(469)
(Increase) Decrease in Inventory	(7,369)	-	-	(7,369)	11,713
(Increase) Decrease in Prepaid Items	2,270	-	(410)	1,860	6,495
(Increase) Decrease in Deferred Outflows of Resources on OPEB Plan	(59,173)	(18,604)	(10,517)	(88,294)	(33,581)
(Increase) Decrease in Deferred Outflows of Resources on Pension Plans	3,652,496	1,165,906	729,430	5,547,832	1,317,910
Increase (Decrease) in Accounts Payable	132,331	264,289	71,446	468,066	322
Increase (Decrease) in Accrued Liabilities	450,317	-	-	450,317	-
Increase (Decrease) in Deposits Payable	35,730	-	17,324	53,054	-
Increase (Decrease) in Unearned Revenue	10,161	-	-	10,161	-
(Increase) Decrease in Deferred Inflows of Resources of OPEB Plan	(6,379)	(2,006)	(1,133)	(9,518)	(3,225)
(Increase) Decrease in Deferred Inflows of Resources Pension Plans	(1,356,434)	(431,081)	(262,195)	(2,049,710)	(571,187)
Increase (Decrease) in Deferred Inflows of Resources Leases	-	-	(38,489)	(38,489)	-
Increase (Decrease) in Compensated Absences	21,962	9,586	3,931	35,479	27,499
Increase (Decrease) in Net OPEB Liability	81,177	25,522	14,427	121,126	46,067
Increase (Decrease) in Net Pension Liability	(1,769,737)	(569,575)	(374,728)	(2,714,040)	(438,303)
Increase (Decrease) in Claims Payable	-	-	-	-	202,000
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,904,213</u>	<u>\$ 1,631,761</u>	<u>\$ (464,371)</u>	<u>\$ 5,071,603</u>	<u>\$ 2,138,053</u>

See accompanying Notes to Financial Statements.

**CITY OF COVINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Private- Purpose Trust	Custodial Funds
ASSETS		
Cash and Investments	\$ 862,722	\$ 250
Cash and Investments - Fiscal Agent	3,116,602	-
Accounts Receivable	-	753
Interest Receivable	4,224	-
Prepaid Items	1,253	-
Land Held for Resale	2,391,502	-
Capital Assets, not Being Depreciated	148,765	-
Total Assets	<u>6,525,068</u>	<u>1,003</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	<u>10,602</u>	<u>-</u>
Total Deferred Outflows of Resources	10,602	-
LIABILITIES		
Accounts Payable and Accrued Liabilities	17,207	1,003
Accrued Liabilities	-	-
Interest Payable	11,824	-
Noncurrent Liabilities:		
Due Within One Year	2,823,192	-
Due in More Than One Year	<u>547,127</u>	<u>-</u>
Total Liabilities	3,399,350	1,003
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Refunding	<u>24,127</u>	<u>-</u>
Total Deferred Inflows of Resources	24,127	-
NET POSITION		
Held for Dissolution of Community Redevelopment Agency	<u>3,112,193</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ 3,112,193</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, 2023

	Private- Purpose Trust	Custodial Funds
ADDITIONS		
Property Tax Revenue	\$ 2,960,668	\$ -
Charges for Services	166,414	-
Investment Earnings	241,987	-
Business Licenses Collected from Property Owners	-	11,638
Total Additions	<u>3,369,069</u>	<u>11,638</u>
DEDUCTIONS		
General and Administrative	431,884	11,638
Interest and Fiscal Charges	203,556	-
Program Expenses	57,274	-
Total Deductions	<u>692,714</u>	<u>11,638</u>
CHANGE IN NET POSITION	2,676,355	-
Net Position - Beginning of Year	<u>435,838</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,112,193</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023**

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, 2023

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. 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. 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, 2023

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, 2023**

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.

Measure W Special Revenue Fund

This fund accounts for the tax collected to provide a safe, clean water program.

American Rescue Plan Act (ARPA) Special Revenue Fund

This 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.

Park Development Capital Projects Fund

This fund accounts for federal and state grant monies used for parkland acquisition and development.

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.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Enterprise Funds

These funds accounts for the general and administrative, environmental services, industrial waste, waste management operations and theater operations.

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.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses from operations generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer and nonmajor (Environmental) enterprise funds and the City's internal service funds are charges to customers for sales and services. The Water Utility recognizes as operating revenue capital improvement fees intended for construction and rehabilitation of the water system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Encumbrances

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

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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Subscription-Based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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 the shorter of the lease term or its useful life.

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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 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.

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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

R. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirement of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Charges over Appropriations

For the fiscal year ended June 30, 2023, 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			
Lighting Assessment	\$ 248,894	\$ 273,118	\$ (24,224)
Shoppers Lane	8,700	8,854	(154)

Funds with deficit balances were as follows:

	<u>Amount</u>
Park Development Capital Projects Fund	\$ 4,964
Other Governmental Funds:	
Special Revenue Funds	
Law Enforcement	15,415
Lighting Assessment	56,332
Capital Project Funds	
Transportation	581,107

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

NOTE 3 CASH AND INVESTMENTS

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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2023 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	\$ 79,899,810	\$ 25,745,439	\$ 862,722	\$ 250	\$ 106,508,221
Cash and Investments - Restricted	-	1,149,437	-	-	1,149,437
Cash and Investments With Fiscal Agent	291	-	3,116,602	-	3,116,893
Total Cash and Investments	<u>\$ 79,900,101</u>	<u>\$ 26,894,876</u>	<u>\$ 3,979,324</u>	<u>\$ 250</u>	<u>\$ 110,774,551</u>

Cash and Investments as of June 30, 2023

Consist of the Following:

Cash on Hand	\$ 6,972
Deposits With Financial Institutions	5,965,143
Investments With Fiscal Agent	1,875,087
Investments	102,927,349
Total Cash and Investments	<u>\$ 110,774,551</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

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.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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)	\$ 44,668,769	\$ 44,668,769	\$ -	\$ -	\$ -
U.S. Agency Securities	28,374,862	2,931,710	10,760,930	14,682,222	-
Negotiable Certificates of Deposit	19,385,250	4,621,507	8,983,031	5,780,712	-
Money Market Mutual Funds	269,784	269,784	-	-	-
Held by Bond Trustee:					
Money Market Mutual Funds	3,116,893	3,116,893	-	-	-
Total	<u>\$ 95,815,558</u>	<u>\$ 55,608,663</u>	<u>\$ 19,743,961</u>	<u>\$ 20,462,934</u>	<u>\$ -</u>
Not subject to investment rate risk					
Covina Irrigating Company	<u>\$ 7,111,791</u>				
Total Investments	<u>\$ 102,927,349</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)	\$ 44,668,769	N/A	\$ -	\$ -	\$ 44,668,769	\$ -
U.S. Agency Securities	28,374,862	N/A	-	28,374,862	-	-
Negotiable Certificates of Deposit	19,385,250	N/A	-	-	19,385,250	-
Money Market Mutual Funds	269,784	A	269,784	-	-	-
Held by Bond Trustee:						
Money Market Mutual Funds	3,116,893	A	3,116,893	-	-	-
Total	<u>\$ 95,815,558</u>	N/A	<u>\$ 3,386,677</u>	<u>\$ 28,374,862</u>	<u>\$ 64,054,019</u>	<u>\$ -</u>
Not subject to credit risk						
Covina Irrigating Company	<u>\$ 7,111,791</u>					
Total Investments	<u>\$ 102,927,349</u>					

Concentration of Credit Risk

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

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments other than the following provision for deposits: The California Government Code requires that a financial institution secure 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, 2023, 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.

Investment in Covina Irrigating Company

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 in the Water Utility Enterprise Fund. The City's equity share is 42.19%.

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, 2023

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, 2023:

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	\$ 28,374,862	\$ -	\$ 28,374,862	\$ -
Negotiable Certificates of Deposit	19,385,250	-	19,385,250	-
Total Investments Measured at Fair Value	47,760,112	<u>\$ -</u>	<u>\$ 47,760,112</u>	<u>\$ -</u>
Investments:				
State Investment Pool (LAIF)*	44,668,769			
Money Market Mutual Funds*	3,386,677			
Covina Irrigating Company*	7,111,791			
Total Pooled Investments	<u>\$ 102,927,349</u>			

* Not subject to fair value measurement hierarchy.

NOTE 4 INTERFUND TRANSACTIONS

A. Interfund Balances

Operating receivables between funds are classified as due from or due to other funds. Negative individual fund cash and investment balances are offset by a due from other funds in the General Fund with a due to other funds set up in those funds owing the General Fund. The following are due from and due to balances as of June 30, 2023:

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	<u>\$ 775,873</u>

Advance

Advances were made to the Theater Enterprise Fund from the Sewer Enterprise Fund during fiscal year 2022-2023. The advance was used to assist in the purchase of the performing arts center. Interest on the outstanding balance on advances payable is charged at an annual rate of 1.57%. Payments will start in December 2023 and the advance will mature in December 2042. At June 30, 2023, the outstanding balance was \$2,750,000.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

A. Interfund Balances (Continued)

Interfund Transfers

Transfers between funds are generally subsidies from one fund to another fund, funding of workers compensation and general liability reserves. The following are the interfund transfers for fiscal year ended June 30, 2023.

Transfers In Fund	Transfers Out Fund	Amount
General	Other Governmental Funds	\$ 300,000
Other Governmental Funds	General	514,568
Park Development	General	716,512
Other Enterprise Funds	General	1,820,000
Internal Service	General	1,200,000
Total		\$ 4,551,080

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 cell towers 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, 2023, the City recognized \$331,750 and \$5,809 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, 2023

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, 2023, the City has recorded an allowance for the balance of \$5,256,075 for principal of \$4,742,000 and accrued interest of \$514,075 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, 2023 of all loans was \$1,754,581. Due to the forgiveness feature of these loans the City has established an allowance for uncollectible loans in the amount of \$1,502,076.

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 CAPITAL ASSETS

Governmental Activities

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance June 30, 2022 As Restated	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital Assets, not Depreciated:				
Land	\$ 12,335,553	\$ -	\$ -	\$ 12,335,553
Construction in Progress	3,349,224	5,681,433	5,407,350	3,623,307
Total Capital Assets, not Depreciated	15,684,777	5,681,433	5,407,350	15,958,860
Capital Assets, Depreciated:				
Buildings and Structures	40,459,171	3,204,211	15,030	43,648,352
Improvements Other than Buildings	14,995,109	191,680	333,000	14,853,789
Public Domain Infrastructure	128,643,745	5,322,643	-	133,966,388
Sanitary Sewer Infrastructure	6,221,681	-	-	6,221,681
Machinery and Equipment	11,864,521	334,616	267,420	11,931,717
Right to Use Assets	802,018	1,819	9,245	794,592
Total Capital Assets, Depreciated	202,986,245	9,054,969	624,695	211,416,519
Less Accumulated Depreciation for:				
Buildings and Structures	14,314,083	846,307	14,404	15,145,986
Improvements Other than Buildings	6,291,586	635,978	333,000	6,594,564
Public Domain Infrastructure	93,485,213	3,355,076	-	96,840,289
Sanitary Sewer Infrastructure	4,508,864	64,737	-	4,573,601
Machinery and Equipment	8,738,283	716,227	267,420	9,187,090
Right to Use Assets	76,679	259,913	9,245	327,347
Total Accumulated Depreciation	127,414,708	5,878,238	624,069	132,668,877
Total Capital Assets, Depreciated, Net	75,571,537	3,176,731	626	78,747,642
Total Capital Assets, Net	<u>\$ 91,256,314</u>	<u>\$ 8,858,164</u>	<u>\$ 5,407,976</u>	<u>\$ 94,706,502</u>

Depreciation expense was charged to the following categories:

Governmental Activities:	
General Government	\$ 370,558
Public Safety	619,775
Public Works	3,816,183
Culture and Recreation	696,983
Transit	374,739
Total Governmental Activities	<u>\$ 5,878,238</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Business-Type Activities:				
Capital Assets, not Depreciated:				
Land	\$ 377,408	\$ -	\$ -	\$ 377,408
Construction in Progress	1,159,018	3,126,202	4,166,269	118,951
Total Capital Assets, not Depreciated	1,536,426	3,126,202	4,166,269	496,359
Capital Assets, Depreciated:				
Buildings and Structures	13,044,305	3,337,845	-	16,382,150
Improvements Other than Buildings	1,670,728	1,041,336	-	2,712,064
Water System Infrastructure	54,950,663	3,250,220	-	58,200,883
Machinery and Equipment	4,163,643	244,065	-	4,407,708
Right to Use Assets	17,306	-	-	17,306
Total Capital Assets, Depreciated	73,846,645	7,873,466	-	81,720,111
Less Accumulated Depreciation for:				
Buildings and Structures	4,037,118	294,432	-	4,331,550
Improvements Other than Buildings	204,188	90,097	-	294,285
Water System Infrastructure	15,446,833	1,369,219	-	16,816,052
Machinery and Equipment	2,473,498	279,452	-	2,752,950
Right to Use Assets	3,461	3,461	-	6,922
Total Accumulated Depreciation	22,165,098	2,036,661	-	24,201,759
Total Capital Assets, Depreciated, Net	51,681,547	5,836,805	-	57,518,352
Total Capital Assets, Net	<u>\$ 53,217,973</u>	<u>\$ 8,963,007</u>	<u>\$ 4,166,269</u>	<u>\$ 58,014,711</u>

Depreciation expense was charged to the following categories.

Business-Type Activities:	
Water Utility	\$ 1,579,745
Sewer	356,327
Nonmajor Fund - Other Enterprise Funds	100,589
Total Business-Type Activities	<u>\$ 2,036,661</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 PENSION PLANS

The following is a summary of pension related items for the year ended June 30, 2023:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Miscellaneous	\$ 11,936,406	\$ 8,650,507	\$ 50,851	\$ 4,375,788
CalPERS Safety	16,953,344	28,354,539	27,750,680	15,206,271
Total	<u>\$ 28,889,750</u>	<u>\$ 37,005,046</u>	<u>\$ 27,801,531</u>	<u>\$ 19,582,059</u>

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

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's Safety (police) cost sharing defined benefit plan and the Miscellaneous (all other) Plan, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of service. 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, 2023

NOTE 10 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at the measurement date of June 30, 2022, 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	7.64%	6.50%
Required Employer Contribution Rates:		
Normal Cost Rate	10.850%	7.250%
Payment of Unfunded Liability	\$ 485,205	\$ -

	Safety		
	Prior to December 31, 2010	On or After January 1, 2011 and Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit Formula	3.0%@50	3%@55	2.7%@57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3%	2.4% - 3%	2.0% - 2.7%
Required Employee Contribution Rates	8.99%	8.99%	13.75%
Required Employer Contribution Rates:			
Normal Cost Rate	25.640%	23.680%	13.660%
Payment of Unfunded Liability	\$ 634,289	\$ 12,581	\$ 12,310

Employees Covered

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	275
Inactive Employees Entitled to but not yet Receiving Benefits	307
Active Employees	111
Total	693

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

A. 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, 2023, employer contributions of \$1,407,490 and \$2,241,062 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% 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, 2023**

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:

Leverage	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	100.00 %	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. 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, 2023

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, 2021 (Measurement Date)	\$ 102,178,321	\$ 80,817,014	\$ 21,361,307
Changes in the Year:			
Service Cost	1,576,526	-	1,576,526
Interest on the Total Pension Liability	7,125,461	-	7,125,461
Differences between Expected and Actual Experience	(107,352)	-	(107,352)
Changes in Assumptions	3,217,843	-	3,217,843
Contribution - Employer	-	28,388,909	(28,388,909)
Contribution - Employee	-	675,453	(675,453)
Net Investment Income	-	(7,776,639)	7,776,639
Administrative Expenses	-	(50,344)	50,344
Benefit Payments, Including Refunds of Employee Contributions	(5,619,036)	(5,619,036)	-
Net Changes	6,193,442	15,618,343	(9,424,901)
Balance at June 30, 2022 (Measurement Date)	<u>\$ 108,371,763</u>	<u>\$ 96,435,357</u>	<u>\$ 11,936,406</u>

Proportionate Share of Net Pension Liability Safety Plan

As of June 30, 2023 (measurement date of June 30, 2022), the City reported \$16,953,344 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2023

NOTE 10 PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability Safety Plan (Continued)

The City's proportionate share of the net pension liability for the Safety Plan as of the measurement dates ended June 30, 2021 and 2022 was as follows:

	<u>Safety</u>
Proportion - June 30, 2021	0.770330%
Proportion - June 30, 2022	0.246720%
Change - Increase (Decrease)	-0.523610%

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	5.90%	5.90%
Net Pension Liability	\$ 26,586,957	\$ 36,504,827
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 11,936,406	\$ 16,953,344
1% Increase	7.90%	7.90%
Net Pension Liability (Asset)	\$ (25,657)	\$ 974,424

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, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized pension expense of \$4,375,788 and \$15,206,271 for the Miscellaneous and Safety Plans, respectively. At June 30, 2023, 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	\$ 1,407,490	\$ -	\$ 2,241,062	\$ -
Differences Between Expected and Actual Experience	-	(50,851)	701,637	(184,100)
Change in Assumptions	1,524,241	-	1,709,410	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	21,025,260	(27,566,580)
Net Differences Between Projected and Actual Earnings on Plan Investments	5,718,776	-	2,677,170	-
Total	<u>\$ 8,650,507</u>	<u>\$ (50,851)</u>	<u>\$ 28,354,539</u>	<u>\$ (27,750,680)</u>

\$1,407,490 and \$2,241,062 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, 2024. 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>
2024	\$ 2,575,834	\$ (1,096,870)
2025	1,031,208	(1,232,634)
2026	756,061	(940,806)
2027	2,829,063	1,633,107
2028	-	-
Thereafter	-	-

Payable to the Pension Plan

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 COMPENSATED ABSENCES

For governmental funds, accumulated vacation and sick leave benefits payable at June 30, 2023, was \$4,140,681. The short-term portion of \$1,139,555 and long-term portion of \$3,001,126 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 \$274,299, of which \$88,052 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 \$643,568 of which \$230,052 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, 2023	Current Portion
Governmental Funds	\$ 4,140,681	\$ 1,139,555
Internal Service	274,299	88,052
Total Governmental Activities	<u>\$ 4,414,980</u>	<u>\$ 1,227,607</u>
 Total Enterprise Funds	 <u>\$ 643,568</u>	 <u>\$ 230,052</u>

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 \$4,086,513 and \$7,398,729, respectively.

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, 2023, total actual and estimated claims and judgments payable were as follows:

General Liability	\$ 2,217,000
Workers' Compensation	5,703,000
Total	<u>\$ 7,920,000</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 RISK MANAGEMENT (CONTINUED)

The following are changes in the claims and judgments liability for fiscal years 2023 and 2022:

	Fiscal Year Ended June 30	
	2023	2022
Claims and Judgements - Beginning of Fiscal Year	\$ 7,718,000	\$ 7,682,000
Claims Incurred (Including IBNRs)	891,609	978,166
Claims Paid	(689,609)	(942,166)
Claims and Judgements - End of Fiscal Year	<u>\$ 7,920,000</u>	<u>\$ 7,718,000</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, 2023:

	Balance July 1, 2022 As Restated	Additions	Deletions	Balance June 30, 2023	Current Portion
Governmental Activities:					
Other Long-Term Liabilities:					
Compensated Absences	\$ 4,031,459	\$ 1,752,251	\$ 1,368,730	\$ 4,414,980	\$ 1,227,607
Claims and Judgments	7,718,000	891,609	689,609	7,920,000	1,738,000
Lease Payable	227,389	1,819	75,873	153,335	67,403
Other Debt:					
Certificates of Participation Payable (COP)	4,680,000	-	205,000	4,475,000	215,000
Unamortized Premium on COP	196,509	-	11,559	184,950	11,559
Pension Obligation Bonds	54,939,654	-	2,410,363	52,529,291	2,427,862
Direct Borrowings and Placements:					
Subscriptions Payable	485,569	-	180,166	305,403	179,234
Section 108 Loan	2,000,000	-	125,000	1,875,000	125,000
Total Long-Term Liabilities, Net	<u>\$ 74,278,580</u>	<u>\$ 2,645,679</u>	<u>\$ 5,066,300</u>	<u>\$ 71,857,959</u>	<u>\$ 5,991,665</u>
	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Current Portion
Business-Type Activities:					
Other Long-Term Liabilities:					
Compensated Absences	\$ 608,089	\$ 299,673	\$ 264,194	\$ 643,568	\$ 230,052
Lease Payable	13,934	-	3,403	10,531	3,456
Direct Borrowings and Placements:					
Water Installment Agreement	17,132,316	-	1,140,756	15,991,560	1,163,388
Other Debt:					
Revenue Bonds Payable	7,370,000	-	855,000	6,515,000	870,000
Pension Obligation Bonds	7,855,346	-	344,637	7,510,709	347,138
Total Long-Term Liabilities, Net	<u>\$ 32,979,685</u>	<u>\$ 299,673</u>	<u>\$ 2,607,990</u>	<u>\$ 30,671,368</u>	<u>\$ 2,614,034</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, 2023

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, 2023, the outstanding balance of these bonds was \$4,475,000. 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>
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	235,000	129,650	364,650
2029-2033	1,370,000	464,300	1,834,300
2034-2038	1,625,000	209,769	1,834,769
2039-2040	355,000	11,094	366,094
Total	<u>\$ 4,475,000</u>	<u>\$ 1,386,339</u>	<u>\$ 5,861,339</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>
2024	\$ 67,403	\$ 1,934	\$ 69,337
2025	58,165	933	59,098
2026	23,538	257	23,795
2027	4,229	19	4,248
Total	<u>\$ 153,335</u>	<u>\$ 3,143</u>	<u>\$ 156,478</u>

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

	<u>Governmental Activities</u>
Equipment	\$ 88,615
Vehicles	220,408
Less: Accumulated Amortization	(147,354)
Total	<u>\$ 161,669</u>

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Subscription-Based Information Technology Arrangements

The City has entered into subscription based-information technology arrangements (SBITAs) for various software applications. The SBITA arrangements expire at various dates through 2025 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$485,569 and \$179,993, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 179,234	\$ 4,782	\$ 184,016
2025	126,169	1,981	128,150
Total	<u>\$ 305,403</u>	<u>\$ 6,763</u>	<u>\$ 312,166</u>

Section 108 Loan Payable

The County of Los Angeles provided funds under an interim agreement to loan \$2,500,000 to the City to provide funds for Covina Senior and Community Center. The advance under the interim agreement was replaced by a Section 108 loan under the Community Development Block Grant Program of the Department of Housing and Urban Development. The City makes annual principal amount of \$125,000 commencing August 1, 2018 and annually thereafter and semiannual interest payments on August 1 and February 1 each Year. At June 30, 2023, the outstanding loan balance was \$1,875,000.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	125,000	43,606	168,606
2029-2033	625,000	159,984	784,984
2034-2038	625,000	55,078	680,078
Total	<u>\$ 1,875,000</u>	<u>\$ 467,976</u>	<u>\$ 2,342,976</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

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	\$ 52,529,291
Business-Type Activities	7,510,709
	<u>\$ 60,040,000</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, 2023, is \$60,040,000. The total annual debt service requirements on the POB are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,870,000	1,211,853	4,081,853
2029-2033	15,145,000	5,227,118	20,372,118
2034-2038	16,985,000	3,313,290	20,298,290
2039-2043	11,165,000	1,140,155	12,305,155
2044-2046	2,675,000	121,766	2,796,766
Total	<u>\$ 60,040,000</u>	<u>\$ 16,186,142</u>	<u>\$ 76,226,142</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 in 2026 and does not have a renewal option.

Total future principal and interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,456	\$ 140	\$ 3,596
2025	3,510	85	3,595
2026	3,565	30	3,595
Total	<u>\$ 10,531</u>	<u>\$ 255</u>	<u>\$ 10,786</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Leases (Continued)

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

	Business-Type Activities
Equipment	\$ 17,306
Less: Accumulated Amortization	(6,922)
Total	<u>\$ 10,384</u>

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 \$7,117,368. Principal and interest paid for the current fiscal year and customer net revenues were \$1,023,768 and \$1,162,771, 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>
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	950,000	65,135	1,015,135
2029-2030	1,975,000	53,238	2,028,238
Total	<u>\$ 6,515,000</u>	<u>\$ 602,368</u>	<u>\$ 7,117,368</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Revenue Bonds Payable, Water Enterprise Fund

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 customer net revenues were \$1,472,701 and \$2,410,150, 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>
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	777,173	230,689	1,007,862
2029-2033	4,126,788	916,315	5,043,103
2034-2038	4,551,008	491,277	5,042,285
2039-2041	2,447,464	72,767	2,520,231
Total	<u>\$ 15,991,560</u>	<u>\$ 2,815,394</u>	<u>\$ 18,806,954</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, 2023, fund balances for governmental funds are made up of the following:

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

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 FUND BALANCES (CONTINUED)

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, 2023

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	Measure W	ARPA	Park Development	Nonmajor Governmental	Total
Nonspendable:						
Prepaid Items	\$ 99,526	\$ -	\$ -	\$ -	\$ 8,445	\$ 107,971
Total	99,526	-	-	-	8,445	107,971
Restricted:						
Culture and Recreation	292,674	-	-	-	1,030,905	1,323,579
Redevelopment and Housing	-	-	-	-	3,434,907	3,434,907
Community Development	-	-	-	-	396,861	396,861
Law Enforcement	69,979	-	-	-	427,643	497,622
Transportation and Street Projects	-	-	-	-	7,784,440	7,784,440
Air Quality Projects	-	-	-	-	212,519	212,519
Assessment Districts	-	-	-	-	1,482,674	1,482,674
Storm Water	-	-	-	-	6,032	6,032
Other Capital Projects	-	8,751,626	-	-	312,863	9,064,489
Total	362,653	8,751,626	-	-	15,088,844	24,203,123
Committed:						
Emergency Contingency	9,626,961	-	-	-	-	9,626,961
Community Development	305,189	-	-	-	-	305,189
City Clerk	1,391	-	-	-	-	1,391
Finance	6,500	-	-	-	-	6,500
Law Enforcement	42,679	-	-	-	-	42,679
Culture and Recreation	14,433	-	-	-	-	14,433
Other Capital Projects	425,680	-	-	-	-	425,680
Total	10,422,833	-	-	-	-	10,422,833
Assigned:						
Community Development	1,091	-	-	-	-	1,091
Total	1,091	-	-	-	-	1,091
Unassigned	22,431,703	-	-	(4,964)	(652,854)	21,773,885
Total	<u>\$ 33,317,806</u>	<u>\$ 8,751,626</u>	<u>\$ -</u>	<u>\$ (4,964)</u>	<u>\$ 14,444,435</u>	<u>\$ 56,508,903</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, 2023**

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

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

Eligibility

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at the June 30, 2022 measurement date:

Active Plan Members	173
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	<u>146</u>
Total	<u><u>319</u></u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City and the City Council. The City must agree to make a defined monthly payment toward the cost of each retiree's overage. For fiscal year 2023, \$453,322 was contributed as insurance premiums, and an implicit subsidy \$106,667 totaling \$559,989.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 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 July 1, 2020 to June 30, 2022.

Valuation Date	June 30, 2022
Funding Method	Entry-age normal cost, level percent of pay
Discount Rate	4.28%
Investment Rate of Return	4.50% per year net of expenses
Inflation	2.75%
Aggregate Payroll Increases	2.75%
Mortality Rate - Miscellaneous	Preretirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study. Postretirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study.
Mortality Rate - Safety	Preretirement Mortality Rates for Public Agency Police and Fire from 2021 CalPERS Experience Study. Postretirement Mortality Rates for Public Agency Police and Fire from 2021 CalPERS Experience Study. 6.50 percent for 2022, 6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030- 2039, 4.75 percent for 2040- 2049, 4.50 percent for 2050- 2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2022-2029 and 4.00 percent for 2030 and later years.
Healthcare Trend Rate	

Long-Term Expected Rate of Return

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

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

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	20 %	4.40 %
U.S. Fixed	75 %	1.80 %
Cash Equivalents	5 %	0.20 %
Total	100 %	

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 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 4.28%, 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 3.69%.

Change in Assumptions

The discount rate was changed from 3.81% to 4.28%.

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, 2021 (Measurement Date)	\$ 7,188,372	\$ 1,090,237	\$ 6,098,135
Changes Recognized for the Measurement Period:			
Service Cost	252,323	-	252,323
Interest on the Total OPEB Liability	273,031	-	273,031
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	737,525	-	737,525
Changes of Assumptions	(286,721)	-	(286,721)
Contribution from the Employer	-	654,251	(654,251)
Net Investment Income	-	(127,979)	127,979
Administrative Expenses	-	(6,675)	6,675
Benefit Payments	(554,251)	(554,251)	-
Net Changes During July 1, 2021 to June 30, 2022	421,907	(34,654)	456,561
Balance at June 30, 2022 (Measurement Date)	<u>\$ 7,610,279</u>	<u>\$ 1,055,583</u>	<u>\$ 6,554,696</u>

CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 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 (3.28%) or one percentage point higher (5.28%) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate	Current	Discount Rate
-1%	Discount Rate	+1%
\$	\$	\$
7,415,723	6,554,696	5,832,813

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

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$	\$	\$
	6,017,720	6,554,696	7,234,292

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, 2023, the City recognized OPEB expense of \$647,866. At June 30, 2023, 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	\$ 559,989	\$ -
Differences Between Actual and Expected Experience	1,114,447	(244,578)
Change in Assumptions	454,033	(899,536)
Net Differences Between Projected and Actual Earnings	132,339	-
Total	<u>\$ 2,260,808</u>	<u>\$ (1,144,114)</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 2022 measurement period is 7.3 years.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

\$559,989 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, 2024. 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>
2024	\$ 166,274
2025	154,754
2026	90,153
2027	71,500
2028	33,462
Thereafter	40,562

E. Payable to the OPEB Plan

At June 30, 2023, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

NOTE 17 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 \$2,993,392 to the Covina Irrigating Company for the services of pumping, treating and delivery of water.

NOTE 18 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.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 18 ENCUMBRANCES (CONTINUED)

As of June 30, 2023, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ 66,971
Measure W	233,723
ARPA Fund	774,790
Park Development Fund	237,152
Nonmajor Governmental Fund	2,918,183
Total Governmental Funds	<u>\$ 4,230,819</u>

NOTE 19 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, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Current Portion
Compensated Absences	\$ 32,921	\$ 3,585	\$ -	\$ 36,506	\$ 13,192
Tax Allocation Bonds	5,575,000	-	2,765,000	2,810,000	2,810,000
Unamortized Premium on Tax Allocation Bonds	639,019	-	115,206	523,813	-
Total Long-Term Liabilities, Net	<u>\$ 6,246,940</u>	<u>\$ 3,585</u>	<u>\$ 2,880,206</u>	<u>\$ 3,370,319</u>	<u>\$ 2,823,192</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, 2023 was \$375,000.

**CITY OF COVINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 19 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, 2023 is \$2,385,000.

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, 2023**

NOTE 19 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 June 30, 2023 (Continued)

The outstanding principal balance of the bonds at June 30, 2023 is \$50,000.

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>
2024	<u>\$ 2,810,000</u>	<u>\$ 70,944</u>	<u>\$ 2,880,944</u>

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year Ended June 30, Measurement Period June 30,	2023 2022	2022 2021	2021 2020	2020 2019
Total Pension Liability:				
Service Cost	\$ 1,576,526	\$ 1,411,076	\$ 1,493,026	\$ 1,380,689
Interest on Total Pension Liability	7,125,461	6,951,248	6,728,565	6,507,596
Differences Between Expected and Actual Experience	(107,352)	207,569	129,660	2,271,369
Changes in Assumptions	3,217,843	-	-	-
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,619,036)	(5,397,430)	(5,150,041)	(4,817,247)
Net Change in Total Pension Liability	6,193,442	3,172,463	3,201,210	5,342,407
Total Pension Liability - Beginning of Year	102,178,321	99,005,858	95,804,648	90,462,241
Total Pension Liability - End of Year (a)	<u>\$ 108,371,763</u>	<u>\$ 102,178,321</u>	<u>\$ 99,005,858</u>	<u>\$ 95,804,648</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 28,388,909	\$ 2,994,204	\$ 2,794,762	\$ 2,386,884
Contributions - Employee	675,453	648,674	652,852	656,805
Plan to Plan Resource Movement	-	-	(1,599)	-
Net Investment Income	(7,776,639)	15,110,547	3,264,202	4,117,352
Benefit Payments	(5,619,036)	(5,397,430)	(5,150,041)	(4,817,247)
Administrative Expense	(50,344)	(67,457)	(93,130)	(45,355)
Net Change in Plan Fiduciary Net Position	15,618,343	13,288,538	1,467,046	2,298,439
Plan Fiduciary Net Position - Beginning of Year	80,817,014	67,528,476	66,061,430	63,762,991
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 96,435,357</u>	<u>\$ 80,817,014</u>	<u>\$ 67,528,476</u>	<u>\$ 66,061,430</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 11,936,406</u>	<u>\$ 21,361,307</u>	<u>\$ 31,477,382</u>	<u>\$ 29,743,218</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.99%	79.09%	68.21%	68.95%
Covered Payroll	\$ 8,337,323	\$ 7,882,583	\$ 7,996,049	\$ 7,646,268
Net Pension Liability as Percentage of Covered Payroll	143.17%	270.99%	393.66%	388.99%

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, 2022: There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023: The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

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

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended June 30, Measurement Period June 30,	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Total Pension Liability:					
Service Cost	\$ 1,347,039	\$ 1,152,992	\$ 1,486,092	\$ 1,420,544	\$ 1,399,079
Interest on Total Pension Liability	6,146,087	5,977,026	6,066,839	5,848,966	5,596,243
Differences Between Expected and Actual Experience	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	(4,633,255)	(4,314,593)	(4,154,693)	(4,028,300)	(3,984,640)
Net Change in Total Pension Liability	2,471,245	3,953,366	3,035,483	2,082,104	3,010,682
Total Pension Liability - Beginning of Year	87,990,996	84,037,630	81,002,147	78,920,043	75,909,361
Total Pension Liability - End of Year (a)	<u>\$ 90,462,241</u>	<u>\$ 87,990,996</u>	<u>\$ 84,037,630</u>	<u>\$ 81,002,147</u>	<u>\$ 78,920,043</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 2,064,731	\$ 1,424,175	\$ 1,410,961	\$ 1,599,026	\$ 1,453,480
Contributions - Employee	666,102	565,326	578,334	781,508	865,295
Plan to Plan Resource Movement	(148)	24,693	-	9,481	-
Net Investment Income	5,103,206	6,234,088	296,745	1,328,803	8,890,960
Benefit Payments	(4,633,255)	(4,314,593)	(4,154,693)	(4,028,300)	(3,984,640)
Administrative Expense	(274,830)	(84,138)	(35,892)	(66,233)	-
Net Change in Plan Fiduciary Net Position	2,925,806	3,849,551	(1,904,545)	(375,715)	7,225,095
Plan Fiduciary Net Position - Beginning of Year	60,837,185	56,987,634	58,892,179	59,267,894	52,042,799
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 63,762,991</u>	<u>\$ 60,837,185</u>	<u>\$ 56,987,634</u>	<u>\$ 58,892,179</u>	<u>\$ 59,267,894</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 26,699,250</u>	<u>\$ 27,153,811</u>	<u>\$ 27,049,996</u>	<u>\$ 22,109,968</u>	<u>\$ 19,652,149</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.49%	69.14%	67.81%	72.70%	75.10%
Covered Payroll	\$ 6,130,981	\$ 8,782,015	\$ 8,497,600	\$ 7,967,419	\$ 7,967,419
Net Pension Liability as Percentage of Covered Payroll	435.48%	309.20%	318.33%	277.50%	246.66%

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,407,490	\$ 3,287,810	\$ 2,995,659	\$ 2,794,762	\$ 2,386,725	\$ 1,424,175	\$ 1,430,571	\$ 1,599,026	\$ 1,453,480
Contributions in Relation to the Actuarially Determined Contributions	(1,407,490)	(28,389,913)	(2,995,659)	(2,794,762)	(2,386,725)	(2,078,674)	(1,430,571)	(1,599,026)	(1,453,480)
Contribution Deficiency (Excess)	\$ -	\$ (25,102,103)	\$ -	\$ -	\$ -	\$ (654,499)	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,786,730	\$ 8,337,323	\$ 7,882,583	\$ 7,996,049	\$ 7,646,268	\$ 6,130,981	\$ 8,782,015	\$ 8,497,600	\$ 7,967,419
Contributions as a Percentage of Covered Payroll	16.02%	340.52%	38.00%	34.95%	31.21%	33.90%	16.29%	18.82%	18.24%
Notes to Schedule: Valuation Date	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 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	Entry Age
Amortization Method	(1)	(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	Fair Value	15-Year Smoothed Market Method
Inflation	2.30%	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)	(2)
Investment Rate of Return	6.90% (3)	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	(4)	(4)	(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.

See accompanying Note to Required Supplementary Information.

CITY OF COVINA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
SAFETY
LAST TEN MEASUREMENT PERIODS*

Fiscal Year Ended June 30, Measurement Period June 30,	Safety								
	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Plan's Proportion of the Net Pension Liability	0.24672%	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	\$ 16,953,344	\$ 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	\$ 7,155,333	\$ 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	236.93%	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%	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, 2022: There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023: The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

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

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended June 30,	Safety								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 2,241,062	\$ 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	<u>(2,241,062)</u>	<u>(36,196,719)</u>	<u>(3,885,326)</u>	<u>(2,758,911)</u>	<u>(2,360,587)</u>	<u>(1,969,480)</u>	<u>(1,730,321)</u>	<u>(1,549,717)</u>	<u>(1,241,075)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (31,850,597)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,971,446	\$ 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	28.11%	505.87%	56.62%	42.50%	36.05%	31.14%	27.36%	23.22%	19.29%
Notes to Schedule: Valuation Date	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 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	Entry Age
Amortization Method	(1)	(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	Fair Value	15-Year Smoothed Market Method
Inflation	2.30%	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)	(2)
Investment Rate of Return	6.9% (3)	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	(4)	(4)	(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 nine 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 MEASUREMENT PERIODS*

Fiscal Year-End June 30,	2023	2022	2021	2020	2019	2018
Measurement Date June 30,	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 252,323	\$ 263,838	\$ 315,436	\$ 271,591	\$ 173,634	\$ 155,856
Interest on Total OPEB Liability	273,031	252,672	234,306	253,720	285,949	287,858
Changes in Benefit Terms	-	-	70,024	-	-	-
Difference Between Expected and Actual Experience	737,525	-	770,579	-	(963,933)	-
Change in Assumptions and Other Inputs	(286,721)	(348,629)	(631,555)	355,233	1,264,415	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	<u>(554,251)</u>	<u>(556,834)</u>	<u>(510,755)</u>	<u>(457,669)</u>	<u>(411,596)</u>	<u>(413,635)</u>
Net Change in Total OPEB Liability	421,907	(388,953)	248,035	422,875	348,469	30,079
Total OPEB Liability - Beginning of Year	<u>7,188,372</u>	<u>7,577,325</u>	<u>7,329,290</u>	<u>6,906,415</u>	<u>6,557,946</u>	<u>6,527,867</u>
Total OPEB Liability - End of Year (a)	<u>7,610,279</u>	<u>7,188,372</u>	<u>7,577,325</u>	<u>7,329,290</u>	<u>6,906,415</u>	<u>6,557,946</u>
Plan Fiduciary Net Position:						
Contributions - Employer	654,251	1,056,834	510,755	457,669	411,596	413,635
Net Investment Income	(127,979)	47,030	27,077	34,489	9,519	18,600
Administrative Expenses	(6,675)	(3,353)	(3,091)	(2,728)	(2,630)	(2,372)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	<u>(554,251)</u>	<u>(556,834)</u>	<u>(510,755)</u>	<u>(457,669)</u>	<u>(411,596)</u>	<u>(413,635)</u>
Net Change in Plan Fiduciary Net Position	(34,654)	543,677	23,986	31,761	6,889	16,228
Plan Fiduciary Net Position - Beginning of Year	<u>1,090,237</u>	<u>546,560</u>	<u>522,574</u>	<u>490,813</u>	<u>483,924</u>	<u>467,696</u>
Plan Fiduciary Net Position - End of Year (b)	<u>1,055,583</u>	<u>1,090,237</u>	<u>546,560</u>	<u>522,574</u>	<u>490,813</u>	<u>483,924</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 6,554,696</u>	<u>\$ 6,098,135</u>	<u>\$ 7,030,765</u>	<u>\$ 6,806,716</u>	<u>\$ 6,415,602</u>	<u>\$ 6,074,022</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.87%	15.17%	7.21%	7.13%	7.11%	7.38%
Covered - Employee Payroll	\$ 20,087,715	\$ 19,596,677	\$ 18,127,870	\$ 17,042,879	\$ 13,316,004	\$ 12,959,615
Net OPEB Liability as Percentage of Covered - Employee Payroll	32.63%	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 3.03%, 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 June 30, 2023, the discount rate was changed to 4.28% from 3.81% and the health care trend rate was changed to 6.50 percent for 2022, 6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare rates: 4.50 percent for 2022-2029 and 4.00 percent for 2030 and later years.

* Fiscal year 2018 was the first year of implementation and therefore only six 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 June 30,	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 701,634	\$ 490,144	\$ 556,834	\$ 511,353	\$ 497,668	\$ 409,995
Contributions in Relation to the Actuarially Determined Contributions	(559,989)	(553,834)	(477,026)	(511,353)	(497,668)	(409,995)
Contribution Deficiency (Excess)	<u>\$ 141,645</u>	<u>\$ (63,690)</u>	<u>\$ 79,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 21,814,848	\$ 20,087,715	\$ 19,596,677	\$ 18,127,870	\$ 17,042,879	\$ 13,316,004
Contributions as a Percentage of Covered Employee Payroll	2.57%	2.76%	2.43%	2.82%	2.92%	3.08%
Notes to Schedule:						
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2017

Methods and Assumptions Used to Determine Contribution Rates:

Discount Rate	3.69%	1.92%	2.45%	3.17%	3.65%	4.50%
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	2.75%
Mortality Rate	(2)	(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 six years are shown.

See accompanying Note to Required Supplementary Information.

CITY OF COVINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - JULY 1	\$ 27,399,126	\$ 27,399,126	\$ 27,399,126	\$ -
Resources (Inflows):				
Property Taxes	14,519,000	14,619,000	16,235,596	1,616,596
Sales Tax, Intergovernmental	19,000,000	19,900,000	20,281,592	381,592
Transient Occupancy Taxes	50,000	160,000	193,649	33,649
Property Transfer Taxes	200,000	200,000	214,879	14,879
Business License Taxes	335,000	335,000	430,348	95,348
Utility User Taxes	4,840,000	4,970,000	6,041,869	1,071,869
Franchise Taxes	2,106,000	2,106,000	2,393,981	287,981
Licenses and Permits	1,355,500	1,395,500	1,565,187	169,687
Intergovernmental	686,006	712,751	959,936	247,185
Charges for Services	4,564,183	4,480,171	4,752,066	271,895
Fines and Forfeits	910,000	910,000	1,340,191	430,191
Investment Earnings	89,000	89,000	367,176	278,176
Miscellaneous	195,605	608,210	766,551	158,341
Lease Proceeds	-	-	1,819	1,819
Transfers In	3,300,000	300,000	300,000	-
Amounts Available for Appropriation	79,549,420	78,184,758	83,243,966	5,059,208
Charges to Appropriations (Outflows):				
Current:				
General Government	2,755,528	3,041,526	2,599,832	441,694
Public Safety	35,338,837	32,481,837	29,910,759	2,571,078
Public Works	2,547,419	2,675,969	2,359,745	316,224
Culture and Recreation	4,957,054	5,211,367	4,493,659	717,708
Community Development	2,718,534	4,019,479	2,876,568	1,142,911
Debt Service:				
Principal Retirement	2,309,742	2,309,742	2,309,742	-
Interest and Fiscal Charges	1,119,875	1,122,925	1,124,775	(1,850)
Transfers Out	2,725,772	9,204,727	4,251,080	4,953,647
Total Charges to Appropriation	54,472,761	60,067,572	49,926,160	10,141,412
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 25,076,659</u>	<u>\$ 18,117,186</u>	<u>\$ 33,317,806</u>	<u>\$ 15,200,620</u>

See accompanying Note to Required Supplementary Information.

**CITY OF COVINA
BUDGETARY COMPARISON SCHEDULE
MEASURE W FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,701,963	\$ 1,701,963	\$ -
Resources (Inflows):			
Intergovernmental	7,865,084	7,362,948	(502,136)
Investment Earnings	2,800	107,610	104,810
Amounts Available for Appropriation	9,569,847	9,172,521	(397,326)
Charges to Appropriations (Outflows):			
Capital Outlay	1,711,922	420,895	1,291,027
Total Charges to Appropriation	1,711,922	420,895	1,291,027
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 7,857,925</u></u>	<u><u>\$ 8,751,626</u></u>	<u><u>\$ 893,701</u></u>

See accompanying Note to Required Supplementary Information.

CITY OF COVINA
BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Budget		
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ (215,317)	\$ (215,317)	\$ (215,317)	\$ -
Resources (Inflows):				
Intergovernmental	16,547,532	16,547,532	304,422	(16,243,110)
Transfers In	4,446,898	4,446,898	716,512	(3,730,386)
Amounts Available for Appropriation	20,779,113	20,779,113	805,617	(19,973,496)
Charges to Appropriations (Outflows):				
Capital Outlay	20,501,518	20,501,518	810,581	19,690,937
Total Charges to Appropriation	20,501,518	20,501,518	810,581	19,690,937
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ 277,595</u>	<u>\$ 277,595</u>	<u>\$ (4,964)</u>	<u>\$ (282,559)</u>

See accompanying Note to Required Supplementary Information.

CITY OF COVINA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

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.

SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

**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 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.

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

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.

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

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF COVINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Community Development Block Grant	Proposition A	Law Enforcement
ASSETS			
Cash and Investments	\$ -	\$ 2,022,614	\$ 1,304
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	15,045	-
Interest	-	-	-
Leases	-	-	-
Loans	252,505	-	-
Due from Other Governments	21,974	-	71,065
Prepaid Items	-	8,360	-
	<u>-</u>	<u>8,360</u>	<u>-</u>
Total Assets	<u>\$ 274,479</u>	<u>\$ 2,046,019</u>	<u>\$ 72,369</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,682	\$ 90,959	\$ 5,188
Accrued Liabilities	-	-	-
Deposits Payable	-	-	-
Due to Other Governments	252,505	-	-
Due to Other Funds	18,292	-	67,182
Unearned Revenue	-	122	-
Total Liabilities	<u>274,479</u>	<u>91,081</u>	<u>72,370</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	-	-	-
Unavailable Revenue	-	-	15,414
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>15,414</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	8,360	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	1,946,578	-
Air Quality Projects	-	-	-
Assessment Districts	-	-	-
Culture and Recreation	-	-	-
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	(15,415)
Total Fund Balances (Deficits)	<u>-</u>	<u>1,954,938</u>	<u>(15,415)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 274,479</u>	<u>\$ 2,046,019</u>	<u>\$ 72,369</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ 336,817	\$ 78,803	\$ 1,654,064	\$ 195,834	\$ 659,475	\$ -
-	-	-	-	-	-
-	-	-	16,825	1,383	-
-	-	-	-	6	-
-	-	-	-	21,541	-
-	-	-	-	-	-
-	112,649	-	-	14,529	2,543
-	-	-	-	-	-
<u>\$ 336,817</u>	<u>\$ 191,452</u>	<u>\$ 1,654,064</u>	<u>\$ 212,659</u>	<u>\$ 696,934</u>	<u>\$ 2,543</u>
\$ -	\$ 2,945	\$ 82,140	\$ 140	\$ 7,817	\$ 20,206
-	-	-	-	138	-
-	-	-	-	-	13,875
-	-	-	-	-	-
-	-	-	-	-	24,794
-	-	-	-	5	-
-	2,945	82,140	140	7,960	58,875
-	-	-	-	21,470	-
-	-	-	-	-	-
-	-	-	-	21,470	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
336,817	-	-	-	-	-
-	188,507	1,571,924	-	-	-
-	-	-	212,519	-	-
-	-	-	-	667,504	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(56,332)
<u>336,817</u>	<u>188,507</u>	<u>1,571,924</u>	<u>212,519</u>	<u>667,504</u>	<u>(56,332)</u>
<u>\$ 336,817</u>	<u>\$ 191,452</u>	<u>\$ 1,654,064</u>	<u>\$ 212,659</u>	<u>\$ 696,934</u>	<u>\$ 2,543</u>

CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
ASSETS			
Cash and Investments	\$ 529,675	\$ 248,940	\$ 42,546
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	-	-
Interest	-	-	-
Leases	-	-	-
Loans	-	-	-
Due from Other Governments	2,437	9,125	-
Prepaid Items	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 532,112</u>	<u>\$ 258,065</u>	<u>\$ 42,546</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,155	\$ -	\$ -
Accrued Liabilities	-	-	-
Deposits Payable	13,875	-	-
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	523
Total Liabilities	<hr/> 17,030	<hr/> -	<hr/> 523
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	-	-	-
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	<hr/> -	<hr/> -	<hr/> -
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	-	-
Air Quality Projects	-	-	-
Assessment Districts	515,082	258,065	42,023
Culture and Recreation	-	-	-
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<hr/> 515,082	<hr/> 258,065	<hr/> 42,023
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 532,112</u>	<u>\$ 258,065</u>	<u>\$ 42,546</u>

**CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

Measure M	TDA Grant	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority
\$ 864,652	\$ -	\$ 2,196,807	\$ 567,607	\$ 3,519,344
-	-	-	-	-
-	-	-	16,378	-
-	-	-	-	-
-	-	-	-	-
191	-	200,677	-	-
-	-	-	-	85
<u>\$ 864,843</u>	<u>\$ -</u>	<u>\$ 2,397,484</u>	<u>\$ 583,985</u>	<u>\$ 3,519,429</u>
\$ 450,424	\$ -	\$ -	\$ 1,200	\$ 66,303
-	-	-	-	-
-	-	-	-	18,134
-	-	-	-	-
-	-	-	-	-
<u>450,424</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>84,437</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	85
-	-	-	-	3,434,907
-	-	-	-	-
414,419	-	2,397,484	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	582,785	-
-	-	-	-	-
-	-	-	-	-
<u>414,419</u>	<u>-</u>	<u>2,397,484</u>	<u>582,785</u>	<u>3,434,992</u>
<u>\$ 864,843</u>	<u>\$ -</u>	<u>\$ 2,397,484</u>	<u>\$ 583,985</u>	<u>\$ 3,519,429</u>

CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Measure R	Other Grants Fund	Total Special Revenue Funds
ASSETS			
Cash and Investments	\$ 471,388	\$ 382,480	\$ 13,772,350
Cash and Investments - Restricted	291	-	291
Receivables:			
Accounts	-	5,405	55,036
Interest	-	-	6
Leases	-	-	21,541
Loans	-	-	252,505
Due from Other Governments	-	-	435,190
Prepaid Items	-	-	8,445
Total Assets	<u>\$ 471,679</u>	<u>\$ 387,885</u>	<u>\$ 14,545,364</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 16,630	\$ 750,789
Accrued Liabilities	-	-	138
Deposits Payable	-	-	45,884
Due to Other Governments	-	-	252,505
Due to Other Funds	-	-	110,268
Unearned Revenue	-	240,223	240,873
Total Liabilities	<u>-</u>	<u>256,853</u>	<u>1,400,457</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	-	-	21,470
Unavailable Revenue	-	-	15,414
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>36,884</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	8,445
Restricted for:			
Redevelopment and Housing	-	-	3,434,907
Community Development	-	-	-
Law Enforcement	-	-	336,817
Transportation and Street Projects	471,679	131,032	7,121,623
Air Quality Projects	-	-	212,519
Assessment Districts	-	-	1,482,674
Culture and Recreation	-	-	582,785
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	(71,747)
Total Fund Balances (Deficits)	<u>471,679</u>	<u>131,032</u>	<u>13,108,023</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 471,679</u>	<u>\$ 387,885</u>	<u>\$ 14,545,364</u>

CITY OF COVINA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

General Projects	Covina Revitalization Projects	Transportation	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 1,819,454	\$ 272,718	\$ -	\$ 2,092,172	\$ 15,864,522
-	-	-	-	291
-	-	-	-	55,036
-	-	-	-	6
-	-	-	-	21,541
-	-	-	-	252,505
188,268	-	754,595	942,863	1,378,053
-	-	-	-	8,445
<u>\$ 2,007,722</u>	<u>\$ 272,718</u>	<u>\$ 754,595</u>	<u>\$ 3,035,035</u>	<u>\$ 17,580,399</u>
\$ 200,794	\$ 6,889	\$ 88,990	\$ 296,673	\$ 1,047,462
55,346	-	-	55,346	55,484
-	-	-	-	45,884
-	-	-	-	252,505
-	-	665,605	665,605	775,873
25,000	-	-	25,000	265,873
<u>281,140</u>	<u>6,889</u>	<u>754,595</u>	<u>1,042,624</u>	<u>2,443,081</u>
-	-	-	-	21,470
74,892	-	581,107	655,999	671,413
<u>74,892</u>	<u>-</u>	<u>581,107</u>	<u>655,999</u>	<u>692,883</u>
-	-	-	-	8,445
-	-	-	-	3,434,907
-	265,829	-	265,829	265,829
90,826	-	-	90,826	427,643
793,849	-	-	793,849	7,915,472
-	-	-	-	212,519
-	-	-	-	1,482,674
448,120	-	-	448,120	1,030,905
6,032	-	-	6,032	6,032
312,863	-	-	312,863	312,863
-	-	(581,107)	(581,107)	(652,854)
<u>1,651,690</u>	<u>265,829</u>	<u>(581,107)</u>	<u>1,336,412</u>	<u>14,444,435</u>
<u>\$ 2,007,722</u>	<u>\$ 272,718</u>	<u>\$ 754,595</u>	<u>\$ 3,035,035</u>	<u>\$ 17,580,399</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Community Development Block Grant	Proposition A	Law Enforcement
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	-
Intergovernmental	403,095	1,322,690	551,457
Charges for Services	-	102,550	-
Special Assessments	-	-	-
Investment Earnings	-	39,260	2,715
Miscellaneous	-	41,799	-
Total Revenues	403,095	1,506,299	554,172
EXPENDITURES			
Current:			
Public Safety	-	-	432,576
Public Works	-	-	-
Culture and Recreation	-	-	-
Transit	-	967,643	-
Redevelopment and Housing	217,498	-	-
Capital Outlay	-	100,000	-
Debt Service:			
Principal Retirement	125,000	-	-
Interest	60,597	-	-
Total Expenditures	403,095	1,067,643	432,576
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	438,656	121,596
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCES	-	438,656	121,596
Fund Balances (Deficits) - Beginning of Year	-	1,516,282	(137,011)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ -	\$ 1,954,938	\$ (15,415)

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ -	\$ -	\$ -	\$ -	\$ 184,002	\$ -
-	-	-	-	-	-
56,908	1,288,404	1,064,677	66,595	-	-
-	-	-	-	110,114	-
-	-	-	-	-	131,628
6,146	2,136	34,876	3,680	163	-
-	-	-	-	-	-
<u>63,054</u>	<u>1,290,540</u>	<u>1,099,553</u>	<u>70,275</u>	<u>294,279</u>	<u>131,628</u>
-	-	-	-	-	-
-	1,193,545	-	11,162	156,766	273,118
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,080,244	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,193,545</u>	<u>1,080,244</u>	<u>11,162</u>	<u>156,766</u>	<u>273,118</u>
63,054	96,995	19,309	59,113	137,513	(141,490)
-	-	-	-	-	109,619
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,619</u>
63,054	96,995	19,309	59,113	137,513	(31,871)
<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>\$ 336,817</u>	<u>\$ 188,507</u>	<u>\$ 1,571,924</u>	<u>\$ 212,519</u>	<u>\$ 667,504</u>	<u>\$ (56,332)</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	1,090
Intergovernmental	-	-	-
Charges for Services	-	-	16,274
Special Assessments	206,744	289,574	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>206,744</u>	<u>289,574</u>	<u>17,364</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	76,640	5,637	8,854
Culture and Recreation	-	-	-
Transit	-	-	-
Redevelopment and Housing	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest	-	-	-
Total Expenditures	<u>76,640</u>	<u>5,637</u>	<u>8,854</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	130,104	283,937	8,510
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(300,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	130,104	(16,063)	8,510
Fund Balances (Deficits) - Beginning of Year	<u>384,978</u>	<u>274,128</u>	<u>33,513</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 515,082</u>	<u>\$ 258,065</u>	<u>\$ 42,023</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Measure M	TDA Grant	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
903,023	-	1,145,223	-	-
-	-	-	69,897	-
-	-	-	-	-
15,736	-	39,087	-	100,759
-	-	-	-	3,734
<u>918,759</u>	<u>-</u>	<u>1,184,310</u>	<u>69,897</u>	<u>104,493</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	16,095	-
-	-	-	-	-
-	-	-	-	501,917
1,122,362	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,122,362</u>	<u>-</u>	<u>-</u>	<u>16,095</u>	<u>501,917</u>
(203,603)	-	1,184,310	53,802	(397,424)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(203,603)	-	1,184,310	53,802	(397,424)
618,022	-	1,213,174	528,983	3,832,416
<u>\$ 414,419</u>	<u>\$ -</u>	<u>\$ 2,397,484</u>	<u>\$ 582,785</u>	<u>\$ 3,434,992</u>

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Measure R	Other Grants Fund	Total Special Revenue Funds
REVENUES			
Property Taxes	\$ -	\$ -	\$ 184,002
Business License Taxes	-	-	1,090
Intergovernmental	798,277	3,187,000	10,787,349
Charges for Services	-	-	298,835
Special Assessments	-	-	627,946
Investment Earnings	9,704	2,794	257,056
Miscellaneous	-	-	45,533
Total Revenues	807,981	3,189,794	12,201,811
EXPENDITURES			
Current:			
Public Safety	-	3,032,043	3,464,619
Public Works	-	53,491	1,779,213
Culture and Recreation	-	56,035	72,130
Transit	-	-	967,643
Redevelopment and Housing	-	-	719,415
Capital Outlay	104,861	-	2,407,467
Debt Service:			
Principal Retirement	205,000	-	330,000
Interest	164,659	-	225,256
Total Expenditures	474,520	3,141,569	9,965,743
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	333,461	48,225	2,236,068
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	109,619
Transfers Out	-	-	(300,000)
Total Other Financing Sources (Uses)	-	-	(190,381)
NET CHANGE IN FUND BALANCES	333,461	48,225	2,045,687
Fund Balances (Deficits) - Beginning of Year	138,218	82,807	11,062,336
	-	-	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 471,679	\$ 131,032	\$ 13,108,023

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

General Projects	Covina Revitalization Projects	Transportation	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 184,002
-	-	-	-	1,090
253,145	-	1,420,575	1,673,720	12,461,069
-	-	-	-	298,835
252,550	-	-	252,550	880,496
-	5,342	-	5,342	262,398
2,475	-	-	2,475	48,008
<u>508,170</u>	<u>5,342</u>	<u>1,420,575</u>	<u>1,934,087</u>	<u>14,135,898</u>
-	-	-	-	3,464,619
-	-	-	-	1,779,213
-	-	-	-	72,130
-	-	-	-	967,643
-	-	-	-	719,415
889,058	21,424	2,319,686	3,230,168	5,637,635
-	-	-	-	330,000
-	-	-	-	225,256
<u>889,058</u>	<u>21,424</u>	<u>2,319,686</u>	<u>3,230,168</u>	<u>13,195,911</u>
(380,888)	(16,082)	(899,111)	(1,296,081)	939,987
-	-	404,949	404,949	514,568
-	-	-	-	(300,000)
<u>-</u>	<u>-</u>	<u>404,949</u>	<u>404,949</u>	<u>214,568</u>
(380,888)	(16,082)	(494,162)	(891,132)	1,154,555
<u>2,032,578</u>	<u>281,911</u>	<u>(86,945)</u>	<u>2,227,544</u>	<u>13,289,880</u>
<u>\$ 1,651,690</u>	<u>\$ 265,829</u>	<u>\$ (581,107)</u>	<u>\$ 1,336,412</u>	<u>\$ 14,444,435</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ -	\$ -	\$ -
Resources (Inflows):			
Intergovernmental	481,465	403,095	(78,370)
Amounts Available for Appropriation	481,465	403,095	(78,370)
Charges to Appropriations (Outflows):			
Redevelopment and Housing	295,868	217,498	78,370
Debt Service:			
Principal	125,000	125,000	-
Interest and Fiscal Charges	60,597	60,597	-
Total Charges to Appropriation	481,465	403,095	78,370
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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,516,282	\$ 1,516,282	\$ -
Resources (Inflows):			
Intergovernmental	1,216,368	1,322,690	106,322
Charges for Services	104,371	102,550	(1,821)
Investment Earnings	7,500	39,260	31,760
Miscellaneous	42,699	41,799	(900)
Amounts Available for Appropriation	<u>2,887,220</u>	<u>3,022,581</u>	<u>135,361</u>
Charges to Appropriations (Outflows):			
Transit	1,906,146	967,643	938,503
Capital Outlay	100,000	100,000	-
Total Charges to Appropriation	<u>2,006,146</u>	<u>1,067,643</u>	<u>938,503</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 881,074</u></u>	<u><u>\$ 1,954,938</u></u>	<u><u>\$ 1,073,864</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ (137,011)	\$ (137,011)	\$ -
Resources (Inflows):			
Intergovernmental	520,587	551,457	30,870
Investment Earnings	2,500	2,715	215
Amounts Available for Appropriation	<u>386,076</u>	<u>417,161</u>	<u>31,085</u>
Charges to Appropriations (Outflows):			
Public Safety	551,738	432,576	119,162
Total Charges to Appropriation	<u>551,738</u>	<u>432,576</u>	<u>119,162</u>
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u><u>\$ (165,662)</u></u>	<u><u>\$ (15,415)</u></u>	<u><u>\$ 150,247</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NARCOTICS SEIZURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 273,763	\$ 273,763	\$ -
Resources (Inflows):			
Intergovernmental	-	56,908	56,908
Investment Earnings	1,100	6,146	5,046
Amounts Available for Appropriation	<u>274,863</u>	<u>336,817</u>	<u>61,954</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 274,863</u></u>	<u><u>\$ 336,817</u></u>	<u><u>\$ 61,954</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 91,512	\$ 91,512	\$ -
Resources (Inflows):			
Intergovernmental	1,412,590	1,288,404	(124,186)
Investment Earnings	1,200	2,136	936
Amounts Available for Appropriation	1,505,302	1,382,052	(123,250)
Charges to Appropriations (Outflows):			
Public Works	1,465,000	1,193,545	271,455
Total Charges to Appropriation	1,465,000	1,193,545	271,455
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 40,302</u>	<u>\$ 188,507</u>	<u>\$ 148,205</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPOSITION C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,552,615	\$ 1,552,615	\$ -
Resources (Inflows):			
Intergovernmental	988,209	1,064,677	76,468
Investment Earnings	7,000	34,876	27,876
Amounts Available for Appropriation	<u>2,547,824</u>	<u>2,652,168</u>	<u>104,344</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>2,531,403</u>	<u>1,080,244</u>	<u>1,451,159</u>
Total Charges to Appropriation	<u>2,531,403</u>	<u>1,080,244</u>	<u>1,451,159</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 16,421</u></u>	<u><u>\$ 1,571,924</u></u>	<u><u>\$ 1,555,503</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 153,406	\$ 153,406	\$ -
Resources (Inflows):			
Intergovernmental	62,000	66,595	4,595
Investment Earnings	800	3,680	2,880
Amounts Available for Appropriation	<u>216,206</u>	<u>223,681</u>	<u>7,475</u>
Charges to Appropriations (Outflows):			
Public Works	<u>216,206</u>	<u>11,162</u>	<u>205,044</u>
Total Charges to Appropriation	<u>216,206</u>	<u>11,162</u>	<u>205,044</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ -</u></u>	<u><u>\$ 212,519</u></u>	<u><u>\$ 212,519</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL PARKING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 529,991	\$ 529,991	\$ -
Resources (Inflows):			
Property Taxes	104,256	184,002	79,746
Charges for Services	80,344	110,114	29,770
Investment Earnings	-	163	163
Amounts Available for Appropriation	<u>714,591</u>	<u>824,270</u>	<u>109,679</u>
Charges to Appropriations (Outflows):			
Public Works	<u>178,793</u>	<u>156,766</u>	<u>22,027</u>
Total Charges to Appropriation	<u>178,793</u>	<u>156,766</u>	<u>22,027</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 535,798</u></u>	<u><u>\$ 667,504</u></u>	<u><u>\$ 131,706</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIGHTING ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ (24,461)	\$ (24,461)	\$ -
Resources (Inflows):			
Special Assessments	139,275	131,628	(7,647)
Transfers In	109,619	109,619	-
Amounts Available for Appropriation	<u>224,433</u>	<u>216,786</u>	<u>(7,647)</u>
Charges to Appropriations (Outflows):			
Public Works	248,894	273,118	(24,224)
Total Charges to Appropriation	<u>248,894</u>	<u>273,118</u>	<u>(24,224)</u>
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u><u>\$ (24,461)</u></u>	<u><u>\$ (56,332)</u></u>	<u><u>\$ (31,871)</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LANDSCAPING ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 384,978	\$ 384,978	\$ -
Resources (Inflows):			
Special Assessments	211,389	206,744	(4,645)
Amounts Available for Appropriation	<u>596,367</u>	<u>591,722</u>	<u>(4,645)</u>
Charges to Appropriations (Outflows):			
Public Works	151,054	76,640	74,414
Total Charges to Appropriation	<u>151,054</u>	<u>76,640</u>	<u>74,414</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 445,313</u></u>	<u><u>\$ 515,082</u></u>	<u><u>\$ 69,769</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT ASSESSMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 274,128	\$ 274,128	\$ -
Resources (Inflows):			
Special Assessments	176,681	289,574	112,893
Amounts Available for Appropriation	450,809	563,702	112,893
Charges to Appropriations (Outflows):			
Public Works	8,850	5,637	3,213
Transfers Out	300,000	300,000	-
Total Charges to Appropriation	308,850	305,637	3,213
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 141,959</u>	<u>\$ 258,065</u>	<u>\$ 116,106</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SHOPPERS LANE PARKING DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 33,513	\$ 33,513	\$ -
Resources (Inflows):			
Business License Taxes	2,000	1,090	(910)
Charges for Services	13,000	16,274	3,274
Amounts Available for Appropriation	48,513	50,877	2,364
Charges to Appropriations (Outflows):			
Public Works	8,700	8,854	(154)
Total Charges to Appropriation	8,700	8,854	(154)
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 39,813</u>	<u>\$ 42,023</u>	<u>\$ 2,210</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 618,022	\$ 618,022	\$ -
Resources (Inflows):			
Intergovernmental	1,839,977	903,023	(936,954)
Investment Earnings	3,600	15,736	12,136
Amounts Available for Appropriation	2,461,599	1,536,781	(924,818)
Charges to Appropriations (Outflows):			
Capital Outlay	2,302,078	1,122,362	1,179,716
Total Charges to Appropriation	2,302,078	1,122,362	1,179,716
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 159,521</u>	<u>\$ 414,419</u>	<u>\$ 254,898</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TDA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ -	\$ -	\$ -
Resources (Inflows):			
Intergovernmental	45,978	-	(45,978)
Amounts Available for Appropriation	45,978	-	(45,978)
Charges to Appropriations (Outflows):			
Capital Outlay	1,000	-	1,000
Total Charges to Appropriation	1,000	-	1,000
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 44,978</u>	<u>\$ -</u>	<u>\$ (44,978)</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 1,213,174	\$ 1,213,174	\$ -
Resources (Inflows):			
Intergovernmental	1,113,132	1,145,223	32,091
Investment Earnings	2,000	39,087	37,087
Amounts Available for Appropriation	<u>2,328,306</u>	<u>2,397,484</u>	<u>69,178</u>
Charges to Appropriations (Outflows):			
Total Charges to Appropriation	<u>1,110,881</u>	<u>-</u>	<u>1,110,881</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 1,217,425</u></u>	<u><u>\$ 2,397,484</u></u>	<u><u>\$ 1,180,059</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PEG ACCESS TELEVISION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 528,983	\$ 528,983	\$ -
Resources (Inflows):			
Charges for Services	75,000	69,897	(5,103)
Amounts Available for Appropriation	<u>603,983</u>	<u>598,880</u>	<u>(5,103)</u>
Charges to Appropriations (Outflows):			
Culture and Recreation	18,300	16,095	2,205
Total Charges to Appropriation	<u>18,300</u>	<u>16,095</u>	<u>2,205</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 585,683</u></u>	<u><u>\$ 582,785</u></u>	<u><u>\$ (2,898)</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 3,832,416	\$ 3,832,416	\$ -
Resources (Inflows):			
Intergovernmental	1,269,791	-	(1,269,791)
Investment Earnings	29,500	100,759	71,259
Miscellaneous	-	3,734	3,734
Amounts Available for Appropriation	<u>5,131,707</u>	<u>3,936,909</u>	<u>(1,194,798)</u>
Charges to Appropriations (Outflows):			
Current:			
Redevelopment and Housing	<u>4,289,457</u>	<u>501,917</u>	<u>3,787,540</u>
Total Charges to Appropriation	<u>4,289,457</u>	<u>501,917</u>	<u>3,787,540</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 842,250</u></u>	<u><u>\$ 3,434,992</u></u>	<u><u>\$ 2,592,742</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE, JULY 1	\$ 138,218	\$ 138,218	\$ -
Resources (Inflows):			
Intergovernmental	741,156	798,277	57,121
Investment Earnings	3,000	9,704	6,704
Amounts Available for Appropriation	<u>882,374</u>	<u>946,199</u>	<u>63,825</u>
Charges to Appropriations (Outflows):			
Capital Outlay	107,500	104,861	2,639
Debt Service:			
Principal Retirement	205,000	205,000	-
Interest and Fiscal Charges	165,238	164,659	579
Total Charges to Appropriation	<u>477,738</u>	<u>474,520</u>	<u>3,218</u>
BUDGETARY FUND BALANCE, JUNE 30	<u><u>\$ 404,636</u></u>	<u><u>\$ 471,679</u></u>	<u><u>\$ 67,043</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 82,807	\$ 82,807	\$ -
Resources (Inflows):			
Intergovernmental	3,852,889	3,187,000	(665,889)
Investment Earnings	-	2,794	2,794
Amounts Available for Appropriation	3,935,696	3,272,601	(663,095)
Charges to Appropriations (Outflows):			
Public Safety	3,093,938	3,032,043	61,895
Public Works	100,078	53,491	46,587
Culture and Recreation	239,479	56,035	183,444
Community Development	300,000	-	300,000
Capital Outlay	97,366	-	97,366
Total Charges to Appropriation	3,830,861	3,141,569	689,292
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ 104,835</u>	<u>\$ 131,032</u>	<u>\$ 26,197</u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL PROJECTS FUND CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 2,032,578	\$ 2,032,578	\$ -
Resources (Inflows):			
Intergovernmental	504,092	253,145	(250,947)
Special Assessments	-	252,550	252,550
Miscellaneous	-	2,475	2,475
Amounts Available for Appropriation	<u>2,536,670</u>	<u>2,540,748</u>	<u>4,078</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>2,181,745</u>	<u>889,058</u>	<u>1,292,687</u>
Total Charges to Appropriation	<u>2,181,745</u>	<u>889,058</u>	<u>1,292,687</u>
BUDGETARY FUND BALANCE - JUNE 30	<u><u>\$ 354,925</u></u>	<u><u>\$ 1,651,690</u></u>	<u><u>\$ 1,296,765</u></u>

**CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
COVINA REVITALIZATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BUDGETARY FUND BALANCE - JULY 1	\$ 281,911	\$ 281,911	\$ -
Resources (Inflows):			
Investment Earnings	500	5,342	4,842
Amounts Available for Appropriation	<u>282,411</u>	<u>287,253</u>	<u>4,842</u>
Charges to Appropriations (Outflows):			
Capital Outlay	282,411	21,424	260,987
Total Charges to Appropriation	<u>282,411</u>	<u>21,424</u>	<u>260,987</u>
BUDGETARY FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 265,829</u>	<u>\$ 265,829</u>

CITY OF COVINA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – MAJOR FUND
TRANSPORTATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - JULY 1	\$ (86,945)	\$ (86,945)	\$ (86,945)	\$ -
Resources (Inflows):				
Intergovernmental	3,500,000	5,549,085	1,420,575	(4,128,510)
Transfers In	500,000	1,050,000	404,949	(645,051)
Amounts Available for Appropriation	3,913,055	6,512,140	1,738,579	(4,773,561)
Charges to Appropriations (Outflows):				
Capital Outlay	4,000,000	6,512,140	2,319,686	4,192,454
Total Charges to Appropriation	4,000,000	6,512,140	2,319,686	4,192,454
BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30	<u>\$ (86,945)</u>	<u>\$ -</u>	<u>\$ (581,107)</u>	<u>\$ (581,107)</u>

**CITY OF COVINA
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023**

The following are the individual nonmajor enterprise funds of the City:

Environmental Fund accounts for the general and administrative, environmental services, industrial waste and waste management operations.

Theater Fund accounts for the operation and production of public entertainment and economic development in downtown Covina.

CITY OF COVINA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023

	Environmental Fund	Theater Fund	Total Non-Major Enterprise Funds
ASSETS			
CURRENT ASSETS			
Cash and Investments	\$ 1,596,421	\$ 992,962	\$ 2,589,383
Accounts Receivable, Net	290,142	11,150	301,292
Interest Receivable	-	466	466
Lease Receivable	-	68,198	68,198
Prepaid Items	8,359	-	8,359
Total Current Assets	1,894,922	1,072,776	2,967,698
NONCURRENT ASSETS			
Lease Receivable	-	209,541	209,541
Capital Assets:			
Capital Assets, not Depreciated	17,696	-	17,696
Capital Assets, Depreciated, Net	1,444,365	3,298,640	4,743,005
Total Noncurrent Assets	1,462,061	3,508,181	4,970,242
Total Assets	3,356,983	4,580,957	7,937,940
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on OPEB Plans	70,327	-	70,327
Deferred Amount on Pension Plans	273,356	-	273,356
Total Deferred Outflows of Resources	343,683	-	343,683
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	70,522	70,869	141,391
Deposits Payable	495,701	5,489	501,190
Interest Payable	7,652	22,711	30,363
Compensated Absences	33,735	-	33,735
Pension Obligation Bonds Payable	38,269	-	38,269
Total Current Liabilities	645,879	99,069	744,948
NONCURRENT LIABILITIES			
Compensated Absences	54,246	-	54,246
Advance from Sewer Fund	-	2,750,000	2,750,000
Pension Bonds Payable	789,725	-	789,725
Net OPEB Liability	202,956	-	202,956
Net Pension Liability	377,190	-	377,190
Total Noncurrent Liabilities	1,424,117	2,750,000	4,174,117
Total Liabilities	2,069,996	2,849,069	4,919,065
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on OPEB Plans	36,406	-	36,406
Deferred Amounts on Pension Plans	1,607	-	1,607
Total Deferred Inflows of Resources	38,013	274,385	312,398
NET POSITION			
Net Investment in Capital Assets	1,457,276	3,298,640	4,755,916
Unrestricted	135,381	(1,841,137)	(1,705,756)
Total Net Position	\$ 1,592,657	\$ 1,457,503	\$ 3,050,160

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023

	Environmental Fund	Theater Fund	Total Non-Major Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ -	\$ 33,198	\$ 33,198
Environmental Fees	1,230,334	-	1,230,334
Total Operating Revenues	1,230,334	33,198	1,263,532
OPERATING EXPENSES			
General and Administrative	661,401	436,400	1,097,801
Street Sweeping	151,150	-	151,150
Environmental Services	200,472	-	200,472
Industrial Waste	21,221	-	21,221
Waste Management	339,611	-	339,611
Depreciation	66,177	34,412	100,589
Total Operating Expenses	1,440,032	470,812	1,910,844
OPERATING INCOME (LOSS)	(209,698)	(437,614)	(647,312)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	34,248	22,606	56,854
Interest Expense	(18,374)	(22,711)	(41,085)
Rental Income	-	75,222	75,222
Total Nonoperating Revenues	15,874	75,117	90,991
INCOME (LOSS) BEFORE TRANSFERS	(193,824)	(362,497)	(556,321)
TRANSFERS			
Transfers In	-	1,820,000	1,820,000
Total Transfers	-	1,820,000	1,820,000
CHANGE IN NET POSITION	(193,824)	1,457,503	1,263,679
Net Position - Beginning of Year	1,786,481	-	1,786,481
NET POSITION - END OF YEAR	<u>\$ 1,592,657</u>	<u>\$ 1,457,503</u>	<u>\$ 3,050,160</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023

	Environmental Fund	Theater Fund	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from customers	\$ 1,174,750	\$ 22,048	\$ 1,196,798
Cash Payments to Suppliers of Goods and Services	(768,413)	(389,892)	(1,158,305)
Cash Payments to Employees for Services	(494,225)	(8,639)	(502,864)
Net Cash Used by Operating Activities	(87,888)	(376,483)	(464,371)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds	-	1,820,000	1,820,000
Advances from Other Funds	-	2,750,000	2,750,000
Net Cash Provided by Noncapital Financing Activities	-	4,570,000	4,570,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(220,159)	(3,333,052)	(3,553,211)
Cash Received - Leases	-	110,357	110,357
Principal Paid	(37,994)	-	(37,994)
Interest and Debt Issuance Costs	(18,421)	-	(18,421)
Net Cash Used by Capital and Related Financing Activities	(276,574)	(3,222,695)	(3,499,269)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	34,248	22,140	56,388
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(330,214)	992,962	662,748
Cash and Cash Equivalents - Beginning of Year	1,926,635	-	1,926,635
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,596,421</u>	<u>\$ 992,962</u>	<u>\$ 2,589,383</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023

	Environmental Fund	Theater Fund	Total Non-Major Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Loss	\$ (209,698)	\$ (437,614)	\$ (647,312)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:			
Depreciation	66,177	34,412	100,589
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	(55,584)	(11,150)	(66,734)
(Increase) Decrease in Prepaid Items	(410)	-	(410)
(Increase) Decrease in Deferred Outflows of Resources on OPEB Plan	(10,517)	-	(10,517)
(Increase) Decrease in Deferred Outflows of Resources on Pension Plans	729,430	-	729,430
Increase (Decrease) in Accounts Payable	577	70,869	71,446
Increase (Decrease) in Deposits Payable	11,835	5,489	17,324
Increase (Decrease) in Deferred Inflows of Resources of OPEB Plan	(1,133)	-	(1,133)
Increase (Decrease) in Deferred Inflows of Resources Pension Plans	(262,195)	-	(262,195)
Increase (Decrease) in Deferred Inflows of Resources Leases	-	(38,489)	(38,489)
Increase (Decrease) in Compensated Absences	3,931	-	3,931
Increase (Decrease) in Net OPEB Liability	14,427	-	14,427
Increase (Decrease) in Net Pension Liability	(374,728)	-	(374,728)
Net Cash Used by Operating Activities	<u>\$ (87,888)</u>	<u>\$ (376,483)</u>	<u>\$ (464,371)</u>

**CITY OF COVINA
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2023**

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.

Building Maintenance Fund accounts for all maintenance and improvement activities for all City facilities with the exception of the Police Department.

CITY OF COVINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICES FUNDS
JUNE 30, 2023

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
ASSETS:						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 2,069,386	\$ 2,862,314	\$ 7,398,729	\$ 4,086,513	\$ 827,712	\$ 17,244,654
Accounts Receivable	-	58,389	-	14,026	1,500	73,915
Due from Other Governments	-	469	-	-	-	469
Prepaid Items	11,662	-	6,687	-	-	18,349
Inventories	-	39,492	-	-	-	39,492
Total Current Assets	2,081,048	2,960,664	7,405,416	4,100,539	829,212	17,376,879
NONCURRENT ASSETS						
Capital Assets:						
Being Depreciated, Net	394,023	849,572	-	-	88,416	1,332,011
Total Noncurrent Assets	394,023	849,572	-	-	88,416	1,332,011
Total Assets	2,475,071	3,810,236	7,405,416	4,100,539	917,628	18,708,890
DEFERRED OUTFLOWS OF RESOURCES						
OPEB Related	76,896	67,969	24,557	22,942	3,661	196,025
Pension Related	308,823	208,477	105,536	154,844	95,156	872,836
Total Deferred Outflow of Resources	385,719	276,446	130,093	177,786	98,817	1,068,861
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	4,504	63,816	1,076	38,330	35,141	142,867
Interest Payable	8,713	6,896	3,011	1,777	-	20,397
Compensated Absences Payable	24,319	35,866	8,020	8,724	11,123	88,052
Lease Payable	-	40,293	-	-	-	40,293
Pension Obligation Bonds Payable	43,578	33,825	15,061	8,888	-	101,352
Claims and Judgements	-	-	927,000	811,000	-	1,738,000
Total Current Liabilities	81,114	180,696	954,168	868,719	46,264	2,130,961
NONCURRENT LIABILITIES						
Compensated Absences Payable	50,478	83,753	14,049	16,460	21,507	186,247
Lease Payable	-	62,242	-	-	-	62,242
Pension Obligation Bonds Payable	899,267	698,015	310,795	183,420	-	2,091,497
Claims and Judgements	-	-	4,776,000	1,406,000	-	6,182,000
Net OPEB Liability	218,351	205,543	67,269	64,237	5,022	560,422
Net Pension Liability	426,130	287,667	145,624	213,662	131,300	1,204,383
Total Noncurrent Liabilities	1,594,226	1,337,220	5,313,737	1,883,779	157,829	10,286,791
Total Liabilities	1,675,340	1,517,916	6,267,905	2,752,498	204,093	12,417,752
DEFERRED INFLOWS OF RESOURCES						
OPEB Related	39,374	34,125	12,061	9,150	-	94,710
Pension Related	1,815	1,226	620	910	559	5,130
Total Deferred Inflows of Resources	41,189	35,351	12,681	10,060	559	99,840
NET POSITION						
Net Investment in Capital Assets	394,023	711,300	-	-	88,416	1,193,739
Unrestricted	750,238	1,822,115	1,254,923	1,515,767	723,377	6,066,420
Total Net Position	\$ 1,144,261	\$ 2,533,415	\$ 1,254,923	\$ 1,515,767	\$ 811,793	\$ 7,260,159

CITY OF COVINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2023

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
OPERATING REVENUES						
Charges for Services	\$ 1,248,477	\$ 1,444,152	\$ 1,197,335	\$ 2,262,770	\$ 856,096	\$ 7,008,830
Motor Pool Charges	-	577,336	-	-	-	577,336
Total Operating Revenues	1,248,477	2,021,488	1,197,335	2,262,770	856,096	7,586,166
OPERATING EXPENSES						
General and Administrative	1,184,878	159,437	1,180,379	1,195,832	1,041,933	4,762,459
Vehicle and Equipment Operation	-	1,272,311	-	-	-	1,272,311
Depreciation	100,967	212,467	-	-	2,370	315,804
Total Operating Expenses	1,285,845	1,644,215	1,180,379	1,195,832	1,044,303	6,350,574
OPERATING INCOME (LOSS)	(37,368)	377,273	16,956	1,066,938	(188,207)	1,235,592
NONOPERATING REVENUES (EXPENSES)						
Interest Expense	(20,922)	(18,124)	(7,231)	(4,267)	-	(50,544)
Total Nonoperating Revenues (Expenses)	(20,922)	(18,124)	(7,231)	(4,267)	-	(50,544)
INCOME (LOSS) BEFORE TRANSFERS	(58,290)	359,149	9,725	1,062,671	(188,207)	1,185,048
TRANSFERS						
Transfers In	200,000	-	-	-	1,000,000	1,200,000
Total Transfers	200,000	-	-	-	1,000,000	1,200,000
CHANGES IN NET POSITION	141,710	359,149	9,725	1,062,671	811,793	2,385,048
Total Net Position - Beginning of Year	1,002,551	2,174,266	1,245,198	453,096	-	4,875,111
TOTAL NET POSITION - END OF YEAR	<u>\$ 1,144,261</u>	<u>\$ 2,533,415</u>	<u>\$ 1,254,923</u>	<u>\$ 1,515,767</u>	<u>\$ 811,793</u>	<u>\$ 7,260,159</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2023

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from User Departments	\$ 1,250,112	\$ 2,031,289	\$ 1,197,936	\$ 2,273,180	\$ 854,596	\$ 7,607,113
Payments to Suppliers of Goods or Services	(596,960)	(1,027,203)	(700,469)	(1,007,443)	(643,253)	(3,975,328)
Payments to Employees	(558,014)	(261,309)	(198,181)	(183,383)	(292,845)	(1,493,732)
Net Cash Used by Operating Activities	95,138	742,777	299,286	1,082,354	(81,502)	2,138,053
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash Received from Other Funds	200,000	-	-	-	1,000,000	1,200,000
Proceeds from Pension Bonds	-	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	200,000	-	-	-	1,000,000	1,200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest Paid on Pension Bonds	(20,981)	(18,218)	(7,250)	(4,278)	-	(50,727)
Principal Paid on Pension Bonds	(43,264)	(33,581)	(14,952)	(8,824)	-	(100,621)
Principal Paid on Lease	(3,722)	(39,670)	-	-	-	(43,392)
Acquisition of Capital Assets	(15,777)	(267,863)	-	-	(90,786)	(374,426)
Net Cash Used by Capital and Related Financing Activities	(83,744)	(359,332)	(22,202)	(13,102)	(90,786)	(569,166)
NET INCREASE IN CASH AND CASH EQUIVALENTS	211,394	383,445	277,084	1,069,252	827,712	2,768,887
Cash and Cash Equivalents - Beginning of Year	1,857,992	2,478,869	7,121,645	3,017,261	-	14,475,767
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,069,386</u>	<u>\$ 2,862,314</u>	<u>\$ 7,398,729</u>	<u>\$ 4,086,513</u>	<u>\$ 827,712</u>	<u>\$ 17,244,654</u>

CITY OF COVINA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICES FUNDS
YEAR ENDED JUNE 30, 2023

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (37,368)	\$ 377,273	\$ 16,956	\$ 1,066,938	\$ (188,207)	\$ 1,235,592
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	100,967	212,467	-	-	2,370	315,804
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:						
Accounts Receivable	1,635	10,270	601	10,410	(1,500)	21,416
Due from Other Governments	-	(469)				(469)
Prepays Items and Deposits	6,495	-	-	-	-	6,495
Inventory	-	11,713	-	-	-	11,713
Deferred Outflows of Resources - OPEB Related	(11,882)	(8,020)	(4,060)	(5,958)	(3,661)	(33,581)
Deferred Outflows of Resources - Pension Related	705,358	523,671	130,916	53,121	(95,156)	1,317,910
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:						
Accounts Payable and Accrued Liabilities	(54,409)	47,992	(1,051)	(27,351)	35,141	322
Compensated Absences Payable	(31,360)	10,441	5,050	10,738	32,630	27,499
Net OPEB Liability	16,300	11,003	5,570	8,172	5,022	46,067
Net Pension Liability	(334,333)	(261,319)	(31,675)	57,724	131,300	(438,303)
Claims Payable	-	-	239,000	(37,000)	-	202,000
Deferred Inflows of Resources - OPEB Related	(1,280)	(866)	(438)	(641)	-	(3,225)
Deferred Inflows of Resources - Pension Related	(264,985)	(191,379)	(61,583)	(53,799)	559	(571,187)
Total Adjustments	<u>132,506</u>	<u>365,504</u>	<u>282,330</u>	<u>15,416</u>	<u>106,705</u>	<u>902,461</u>
Net Cash Used by Operating Activities	<u>\$ 95,138</u>	<u>\$ 742,777</u>	<u>\$ 299,286</u>	<u>\$ 1,082,354</u>	<u>\$ (81,502)</u>	<u>\$ 2,138,053</u>

**CITY OF COVINA
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023**

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, 2023

	Downtown District	Prospero Park District	Total Custodial Funds
ASSETS			
Cash and Investments	\$ 125	\$ 125	\$ 250
Accounts Receivable	641	112	753
	<u>\$ 766</u>	<u>\$ 237</u>	<u>\$ 1,003</u>
LIABILITIES			
Due to Property Owners	<u>\$ 766</u>	<u>\$ 237</u>	<u>\$ 1,003</u>

**CITY OF COVINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023**

	Downtown District	Prospero Park District	Totals Custodial Funds
ADDITIONS			
Business Licenses Collected from Property Owners	\$ 6,775	\$ 4,863	\$ 11,638
Total Additions	6,775	4,863	11,638
DEDUCTIONS			
Distributions to Property Owners	6,775	4,863	11,638
Total Deductions	6,775	4,863	11,638
CHANGES IN NET POSITION	-	-	-
Net Position - Beginning of the Year	-	-	-
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

**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. 159

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's significant local revenue source, the property tax. 166

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. 172

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. 178

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. 179

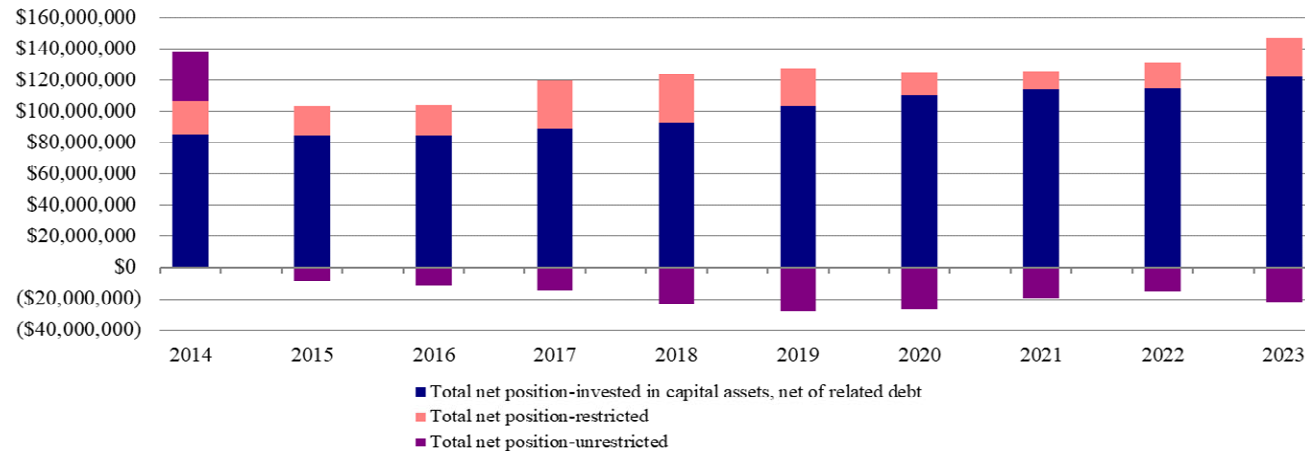
DEBT CONTINUING DISCLOSURE

These schedules contain information that complies with continuing disclosure requirements of each bond issued. 184

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 86,804,262
Restricted	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	25,072,625
Unrestricted	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)	(35,785,873)
Total governmental activities net position	<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>	<u>\$ 76,091,014</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 35,390,399
Restricted	-	-	-	4,353,289	5,613,256	7,122,938	-	-	-	-
Unrestricted	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	14,148,677
Total business-type activities net position	<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>	<u>\$ 49,539,076</u>
Total net position										
Net investment in capital assets	\$ 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	\$ 122,194,661
Restricted	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	25,072,625
Unrestricted	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)	(21,637,196)
Total net position	<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>	<u>\$ 125,630,090</u>



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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 3,792,606
Public safety	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	49,481,727
Public works	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	5,227,281
Culture and recreation	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	5,974,501
Community development	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	3,582,145
Transit	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	1,399,960
Redevelopment and housing	433,609	537,470	217,808	349,820	1,042,797	492,737	598,363	912,707	183,561	786,051
Interest on long-term debt	21,131	-	-	-	-	287,459	251,550	238,058	708,305	1,336,291
Total governmental activities expenses	<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>	<u>71,580,562</u>
Business-type activities:										
Water utility	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	11,001,848
Environmental protection	946,778	1,159,693	940,492	867,142	1,109,212	1,195,439	1,176,992	1,047,347	1,341,932	1,455,858
Sewer utility	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	2,301,782
Theater	-	-	-	-	-	-	-	-	-	493,523
Total business-type activities expenses	<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>	<u>15,253,011</u>
Total expenses	<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>	<u>\$ 86,833,573</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 482,450	\$ 435,274	\$ 338,362	\$ 290,160	\$ 2,232,037	\$ 2,192,160	\$ 2,162,262	2,361,216	2,602,937	2,328,058
Public safety	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	2,283,281
Public works	579,193	1,510,331	623,693	796,475	733,029	802,080	684,035	754,691	970,378	1,108,388
Culture and recreation	1,184,544	807,829	794,192	793,114	785,814	834,854	507,771	306,697	687,296	734,037
Community development	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	2,063,716
Transit	316,429	297,094	315,887	242,912	214,650	226,255	180,644	107,574	126,513	144,349
Redevelopment and housing	973,329	60,961	320,620	302,665	263,574	228,506	881,603	1,124,210	241,182	289,574
Operating grants and contributions	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	22,818,540
Capital grants and contributions	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	2,206,174
Total governmental activities program revenues	<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>	<u>33,976,117</u>

(Continued)

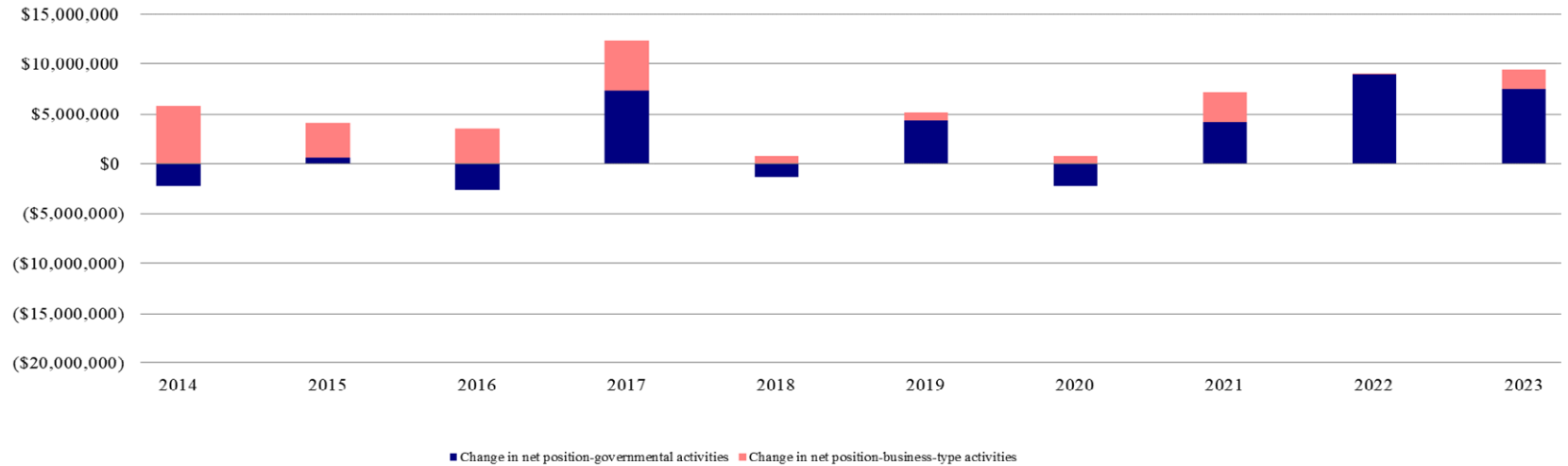
**CITY OF COVINA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Water utility	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	11,469,148
Environmental protection	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	1,229,521
Theater	-	-	-	-	-	-	-	-	-	33,198
Sewer utility	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	3,043,013
Operating grants and contributions	1,554	-	-	-	-	-	-	-	-	1,154
Capital grants and contributions	366,180	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	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	15,776,034
Total program revenues	<u>\$ 31,139,102</u>	<u>\$ 30,334,160</u>	<u>\$ 26,945,557</u>	<u>\$ 38,992,177</u>	<u>\$ 33,229,306</u>	<u>\$ 33,755,167</u>	<u>\$ 30,197,133</u>	<u>\$ 34,972,504</u>	<u>\$ 39,233,197</u>	<u>\$ 49,752,151</u>
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (37,604,445)
Business-type activities	4,967,460	3,520,578	3,394,089	4,731,882	(539,553)	(229,752)	258,522	1,493,195	2,859,617	523,023
Total net expense	<u>\$ (22,497,942)</u>	<u>\$ (23,197,969)</u>	<u>\$ (27,133,686)</u>	<u>\$ (15,972,915)</u>	<u>\$ (30,695,064)</u>	<u>\$ (27,718,976)</u>	<u>\$ (39,484,425)</u>	<u>\$ (35,975,218)</u>	<u>\$ (32,450,265)</u>	<u>\$ (37,081,422)</u>
General revenues										
Governmental activities:										
Property taxes	\$ 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	\$ 16,429,930
Sales taxes	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	11,493,906
Transaction and use tax	-	-	-	-	-	1,438,519	6,579,486	8,098,540	8,823,059	8,787,686
Transient occupancy taxes	349,310	99,716	482,727	327,570	388,491	240,946	130,831	3,661	95,950	193,649
Property transfer taxes	157,945	159,795	223,766	200,253	236,899	217,332	212,485	216,776	278,481	214,879
Business license taxes	415,362	326,818	328,716	337,626	348,793	372,756	347,110	357,655	363,496	431,423
Utility user taxes	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	6,041,869
Franchise taxes	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	2,393,981
Investment earnings	473,543	641,993	193,209	226,671	144,176	883,542	620,835	(257,680)	(1,162,614)	712,611
Transfers in/out	(33,927)	-	-	18,900	-	-	-	22,340	1,020,279	(1,820,000)
Gain on sale of capital assets	-	-	32,551	-	-	15,129	54,268	-	462,215	-
Miscellaneous	-	-	-	-	-	12,562	49,645	455,723	210,171	254,846
Extraordinary loss	-	-	-	-	-	-	-	-	-	-
Total governmental activities	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	45,134,780
Business-type activities:										
Investment earnings	17,894	19,330	111,555	206,823	366,249	594,051	524,565	236,885	139,389	(129,871)
Investment earnings - CIC	809,727	2,109	21,524	137,161	906,514	454,329	-	1,372,439	(1,926,157)	-
Miscellaneous	-	-	-	-	-	-	-	-	-	75,222
Transfers in/out	33,927	-	-	(18,900)	-	-	-	(22,340)	(1,020,279)	1,820,000
Total general revenues	<u>\$ 26,128,504</u>	<u>\$ 27,316,523</u>	<u>\$ 27,967,564</u>	<u>\$ 28,382,541</u>	<u>\$ 30,085,143</u>	<u>\$ 32,884,915</u>	<u>\$ 38,061,523</u>	<u>\$ 43,207,184</u>	<u>\$ 41,376,692</u>	<u>\$ 46,900,131</u>

(Continued)

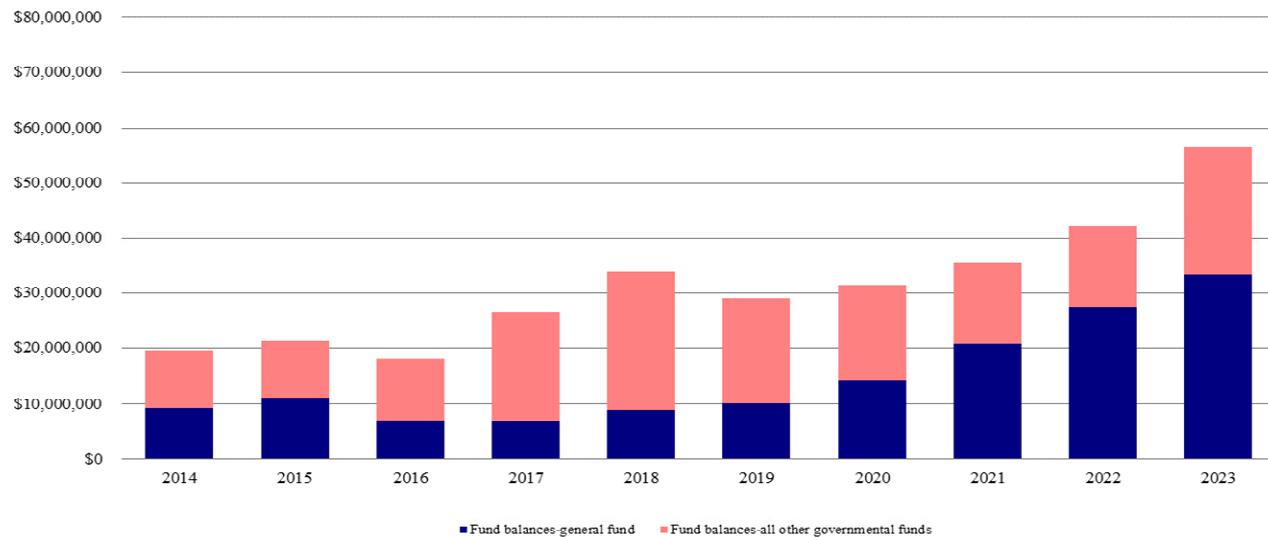
**CITY OF COVINA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Change in net position										
Governmental activities	\$ (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	\$ 7,530,335
Business-type activities	5,829,008	3,542,017	3,527,168	5,056,966	733,210	818,628	783,087	3,080,179	52,570	2,288,374
Total changes in net position	<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>	<u>\$ 9,818,709</u>



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Reserved										
Unreserved										
Nonspendable	\$ 28,094	\$ 3,354,570	\$ 753,534	\$ 3,247,152	\$ 3,116,097	\$ 2,620,620	\$ 2,621,554	\$ 1,008,903	\$ 82,179	\$ 99,526
Restricted	7,436,731	21,359	347,012	395,420	448,927	385,692	428,079	387,764	20,136,982	10,422,833
Committed	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	362,653
Assigned	1,680,892	979,197	-	442,472	1,561,848	42,726	25,940	17,166	7,268	1,091
Unassigned	-	-	(675,402)	-	-	-	3,167,653	10,878,058	6,786,935	22,431,703
Total general fund	<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>	<u>\$ 33,317,806</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,631	\$ 1,159	\$ 22,553	\$ 7,949	\$ 8,445
Restricted	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	23,840,470
Assigned	1,497,633	1,338,429	877,646	1,270,910	491,368	111,473	-	100,116	-	-
Unassigned	(21,099)	(58,040)	(46,555)	(27,396)	(53,943)	(1,685,799)	(832,212)	(332,512)	(463,734)	(657,818)
Total all other governmental funds	<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>	<u>\$ 23,191,097</u>



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

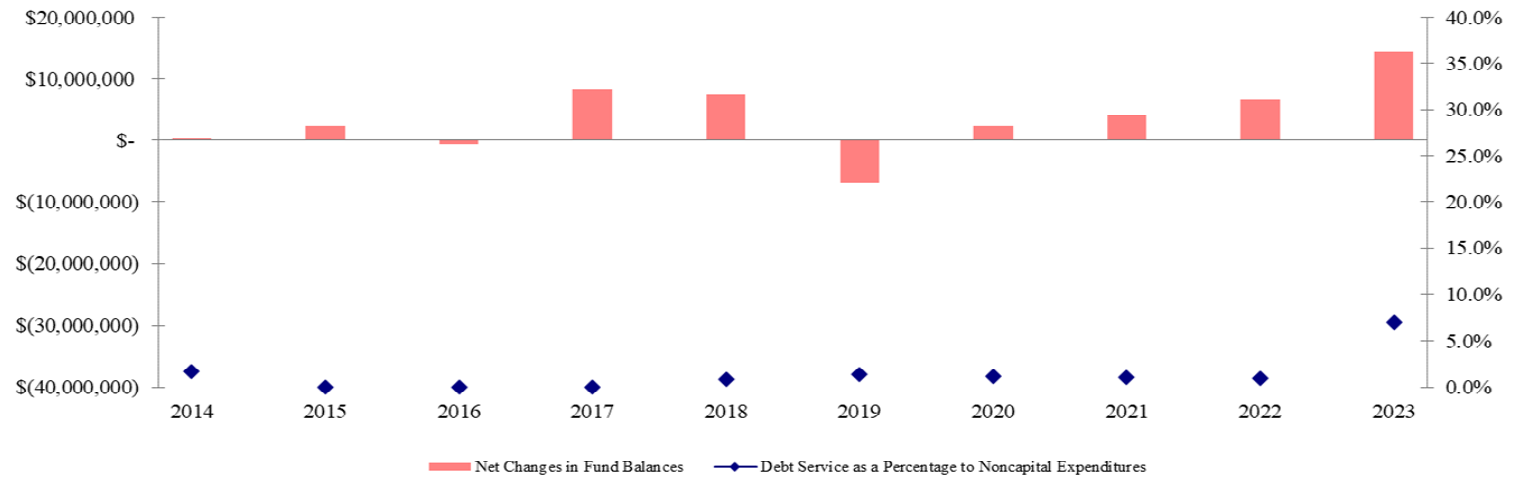
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 24,578,908	\$ 26,901,523	\$ 27,608,725	\$ 27,811,886	\$ 28,668,204	\$ 30,925,091	\$ 36,812,970	\$ 41,399,927	\$ 43,653,728	\$ 45,977,006
Licenses and permits	756,173	965,527	888,120	1,128,331	1,698,138	1,307,877	999,449	1,603,293	1,442,013	1,565,187
Intergovernmental	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	24,537,803
Charges for services	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	5,050,901
Fines and forfeits	828,444	559,409	862,009	930,478	907,304	926,644	907,080	890,254	1,081,458	1,340,191
Special assessments	725,365	944,194	524,949	590,948	634,282	533,047	1,414,617	1,469,594	592,885	880,496
Investment earnings	186,627	206,047	193,209	226,671	380,716	1,281,892	1,430,498	(59,645)	(980,055)	737,184
Miscellaneous	1,369,723	3,766,447	240,998	550,247	723,058	570,700	738,688	825,456	727,918	814,559
Total revenues	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	80,903,327
Expenditures										
General government	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	2,599,832
Public safety	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	36,377,733
Public works	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	4,138,958
Culture and recreation	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	4,587,871
Community development	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	3,229,912
Transit	980,911	1,020,243	746,109	957,374	764,864	887,211	1,734,472	2,277,196	951,556	967,643
Redevelopment and housing	466,232	490,745	265,742	287,877	1,005,353	517,758	567,340	890,178	679,401	719,415
Capital outlay	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	6,940,758
Debt service:										
Principal	579,404	-	-	-	210,000	300,000	305,000	310,000	320,000	2,639,742
Interest and fiscal charges	23,501	-	-	-	155,078	233,481	252,136	250,944	722,016	1,350,031
Bond issuance costs	-	-	-	-	-	45,544	-	-	-	-
Total expenditures	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	63,551,895
Excess of revenues over (under) expenditures	(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)	17,351,432

(Continued)

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

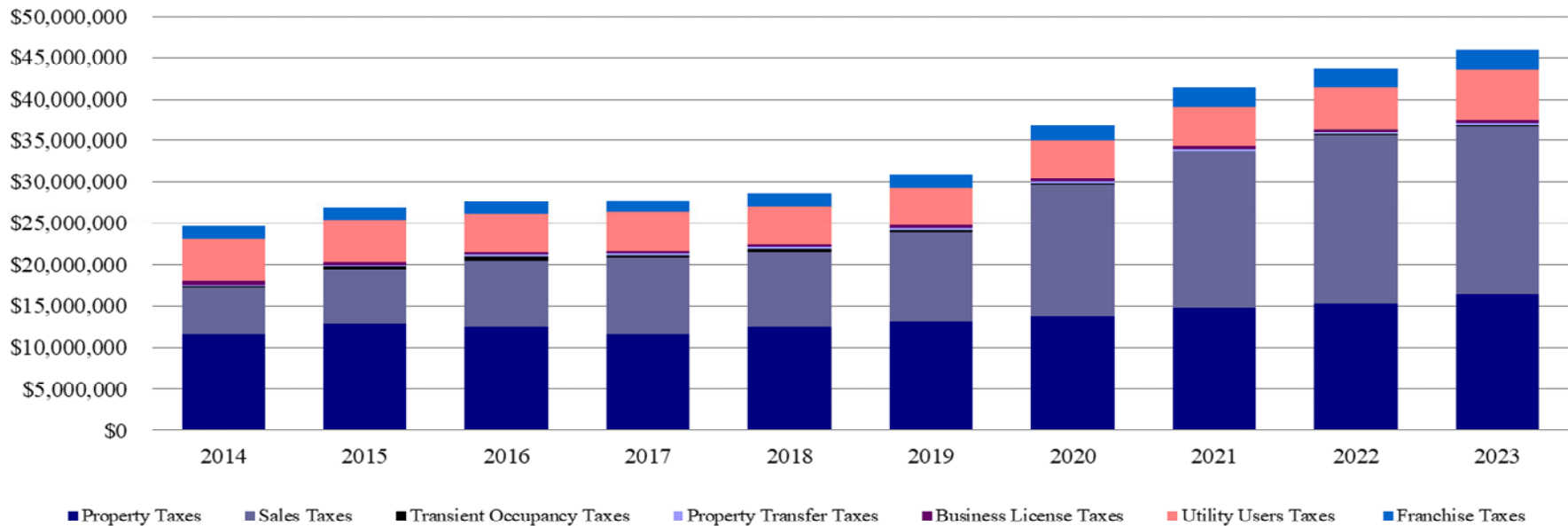
Other financing sources (uses)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transfers in	\$ 977,149	\$ 2,161,548	\$ 2,317,808	\$ 1,373,629	\$ 1,186,303	\$ 2,422,806	\$ 1,195,374	\$ 625,625	\$ 613,927	\$ 1,531,080
Transfers out	(1,202,753)	(2,415,967)	(2,317,808)	(1,373,629)	(1,186,303)	(3,861,325)	(1,195,374)	(676,285)	(6,103,294)	(4,551,080)
Capital leases	-	-	-	-	-	-	-	-	460,000	-
Loan Proceeds	-	-	-	-	-	-	-	-	12,476	1,819
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)	494,772	(254,419)	-	-	5,879,307	1,061,481	42,837	(50,660)	47,629,293	(3,018,181)
Net changes in fund balances	\$ 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	\$ 14,333,251

Debt service as a percentage of noncapital expenditures	1.7%	0.0%	0.0%	0.0%	0.9%	1.4%	1.2%	1.1%	1.0%	7.0%
---	------	------	------	------	------	------	------	------	------	------



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

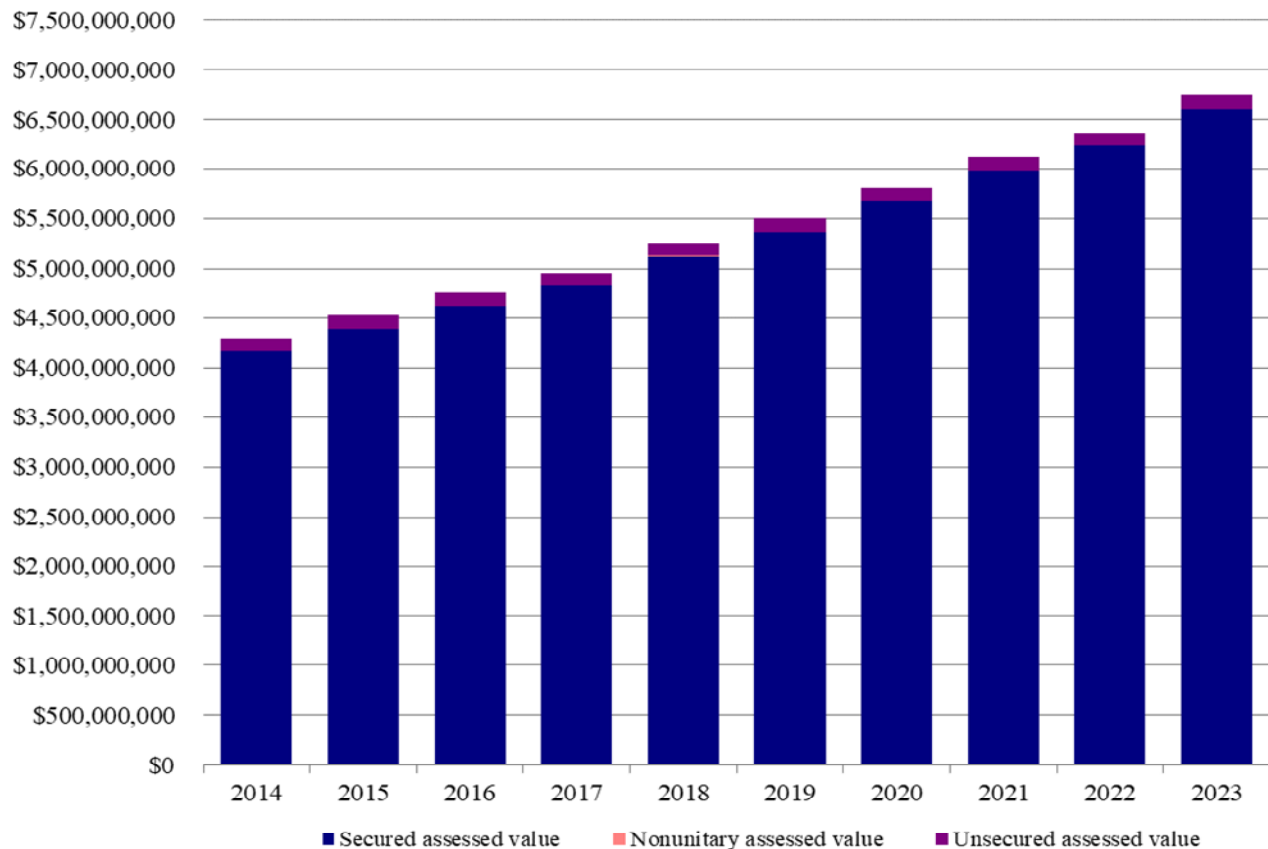
Fiscal Year	Property Taxes ⁽¹⁾	Sales Taxes	Transient Occupancy Taxes	Property Transfer Taxes	Business License Taxes	Utility Users Taxes	Franchise Taxes	Total
2014	\$ 11,725,280	\$ 5,643,574	\$ 100,878	\$ 157,945	\$ 415,362	\$ 5,055,632	\$ 1,480,237	\$ 24,578,908
2015	12,913,803	6,569,382	348,148	159,795	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
2023	16,419,598	20,281,592	193,649	214,879	431,438	6,041,869	2,393,981	45,977,006



⁽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	
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%
2023	6,605,639,837	9,148	144,173,457	6,749,822,442	1.4829%



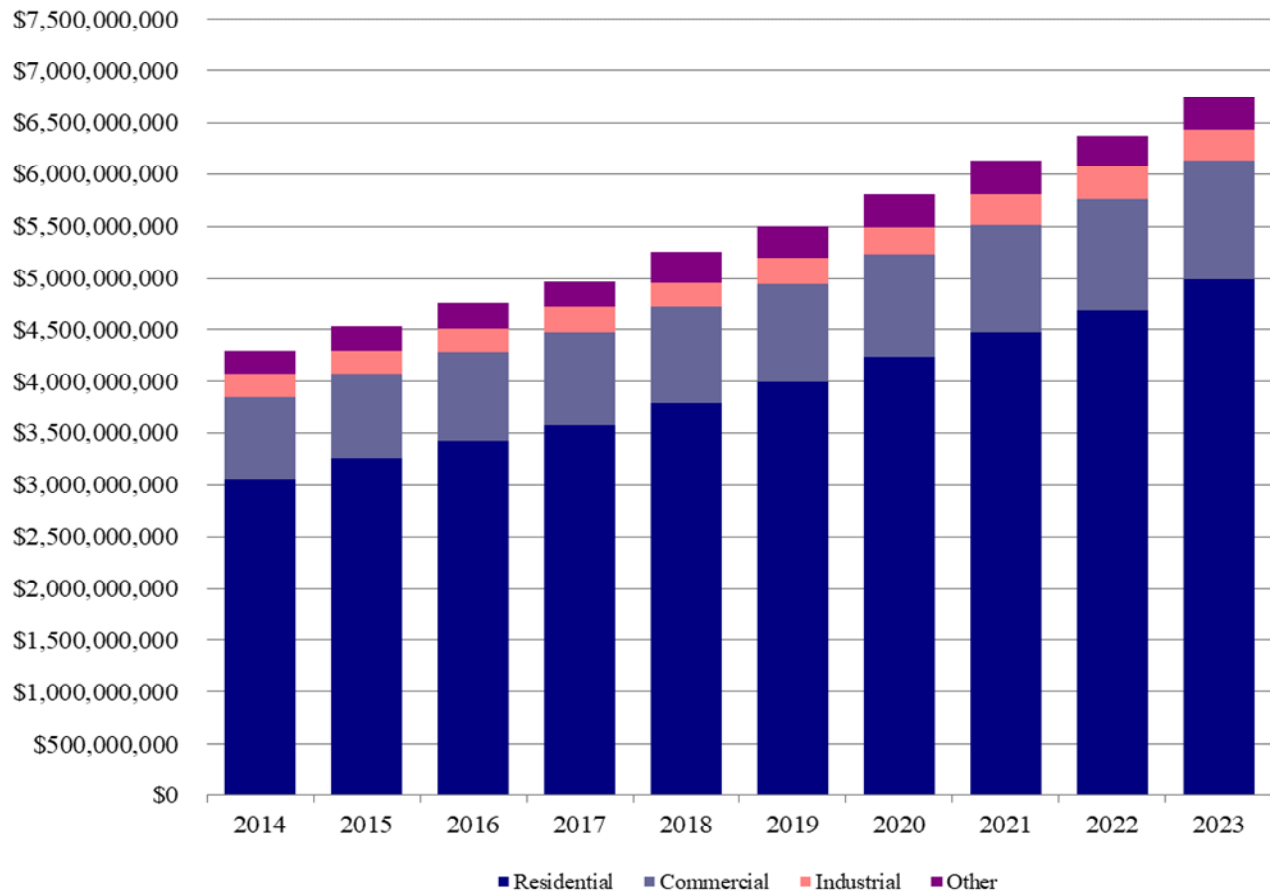
⁽¹⁾ Net of exemptions

⁽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	
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%
2023	4,989,022,923	1,136,324,463	312,388,220	312,086,836	6,749,822,442	1.4829%



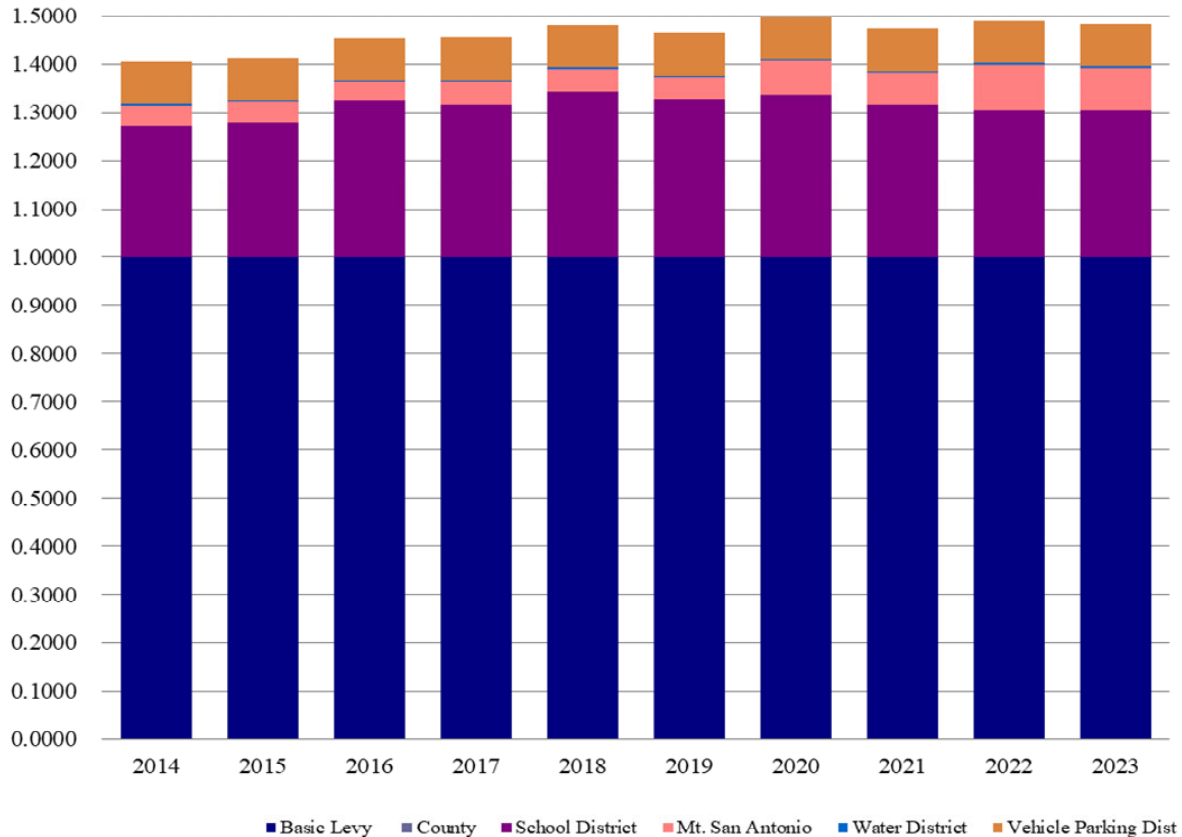
⁽¹⁾ Net of exemptions

⁽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		Vehicle Parking District	Total Effective Rate ⁽⁵⁾
		General	Flood Control	Total		College District ⁽⁴⁾	Water District		
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
2023	1.0000	0.0000	0.0000	0.0000	0.3041	0.0878	0.0035	0.0875	1.4829



⁽¹⁾ Per \$100 of assessed value

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

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

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

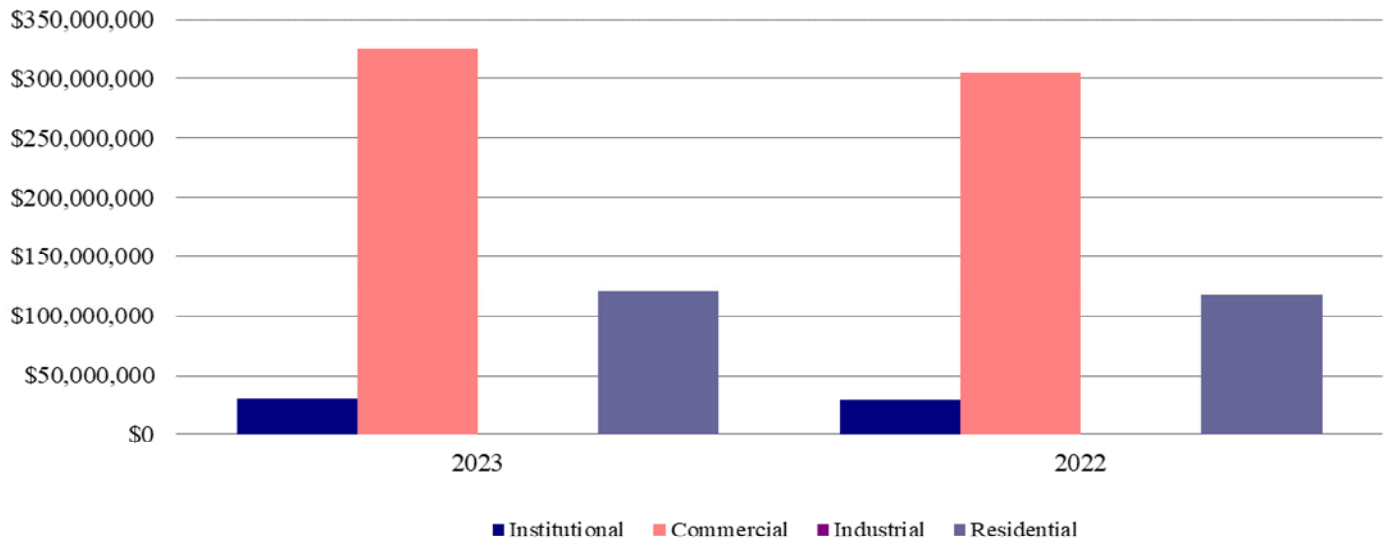
⁽⁵⁾ Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical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

Source: Los Angeles County/Hdl Companies .

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

Taxpayer	Primary Use	2023				2022			
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	
Ikea Property Inc	Commercial	\$ 81,855,358	1	1.21%		\$ 72,429,940	1	1.14%	
Vista Pointe Grand Apartments LLC	Residential	64,618,483	2	0.96%		63,335,354	2	1.00%	
KIR Covina Limited Partnership	Commercial	58,156,556	3	0.86%		57,016,246	3	0.90%	
Covina Grand Apartments LLC	Residential	55,981,867	4	0.83%		54,893,487	4	0.86%	
Sierra Health and Life Insurance Compa	Commercial	49,320,000	5	0.73%		40,272,949	5	0.63%	
UIMC Covina LLC	Commercial	39,421,109	6	0.58%		38,648,149	6	0.61%	
FNL of Covina Partners LLC	Commercial	34,940,037	7	0.52%		34,254,945	7	0.54%	
LVGEM Hotel Corporation	Commercial	31,466,951	8	0.47%		33,053,607	8	0.52%	
Charter Communications	Commercial	30,283,485	9	0.45%		29,327,356	10	0.46%	
CCP Covina 4003 LP	Institutional	30,093,855	10	0.45%		29,503,782	9	0.46%	
Total		<u>\$ 476,137,701</u>		<u>7.06%</u>		<u>\$ 452,735,815</u>		<u>7.12%</u>	

Principal Property Owners

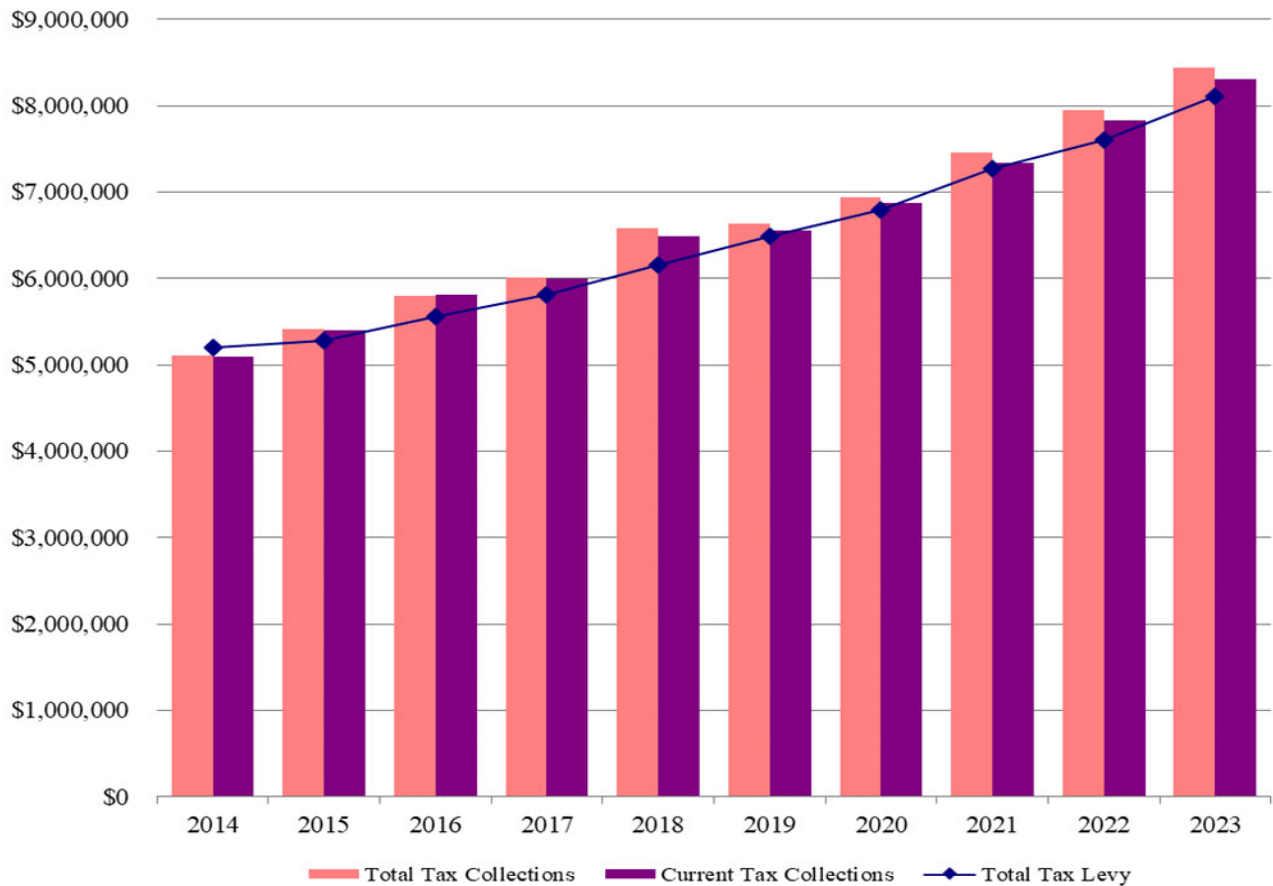


⁽¹⁾ Total assessed valuation of taxable property exclusive of exemptions.

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
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%
2023	8,111,743	8,311,716	102.5%	122,754	8,434,470	104.0%



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

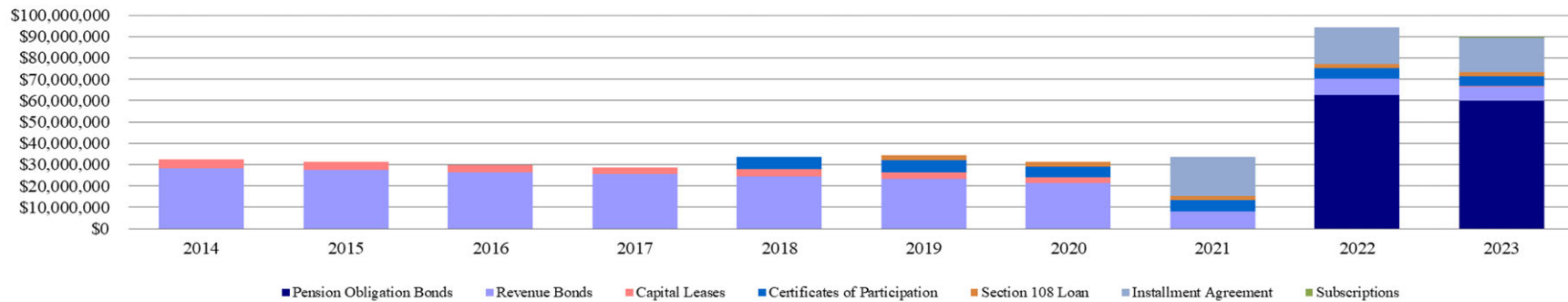
⁽²⁾ Includes secured and unsecured property tax levies exclusive of homeowner exemption, supplemental roll and in-lieu motor vehicle licenses.

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			
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%
2023	4,659,950	305,403	-	153,335	1,875,000	52,529,291	15,991,560	6,515,000	10,531	7,510,709	89,550,779	1.92%	0.06%

Outstanding Debt by Type-Last Ten Fiscal Years



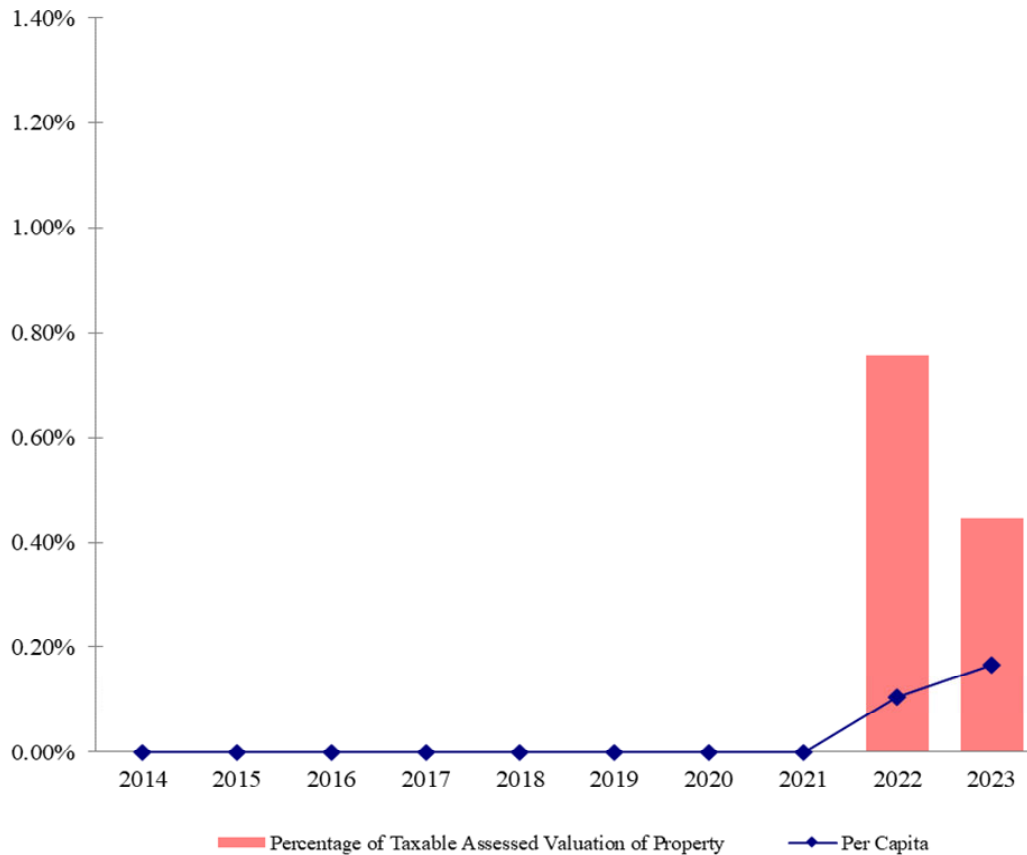
Note: Details regarding the City's outstanding debt can be found in the *notes to the financial statements*.

⁽¹⁾ See Demographic Statistics on page 178.

⁽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⁾
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%
2023	52,529,291	22,431,703	30,097,588	0.45%	0.17%



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 167.

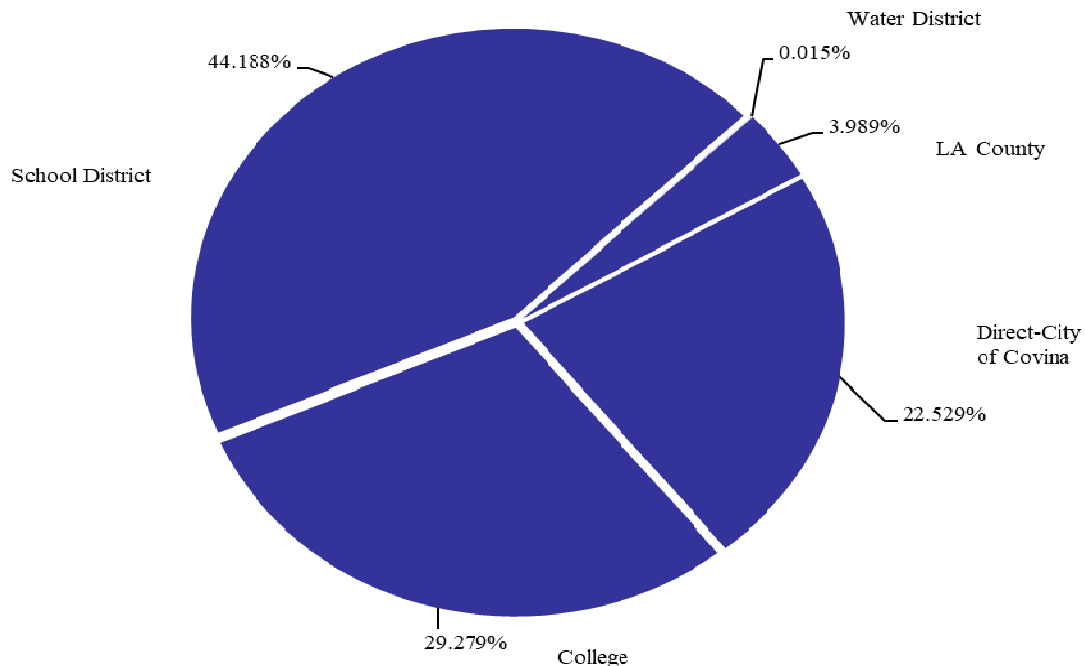
⁽²⁾ See Demographic Statistics on page 178.

⁽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, 2023**

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⁾	\$ 52,682,626	100.000%	\$ 52,682,626
Overlapping:			
Water District:			
Metropolitan Water District	19,215,000	0.186%	35,740
College:			
Citrus Community College District	130,475,302	0.320%	417,521
Mt. San Antonio Community College District	882,482,780	5.985%	52,816,594
Mt. San Antonio Community College District Certificates	254,500,000	5.985%	15,231,825
School District:			
Azusa Unified School District	133,098,432	1.313%	1,747,582
Azusa Unified School District General Fund Obligations	4,289,000	1.313%	56,315
Charter Oak Unified School District	58,820,000	38.462%	22,623,348
Charter Oak Unified School District Certificates of	775,000	38.462%	298,081
Covina-Valley Unified School District	184,178,129	42.678%	78,603,542
Los Angeles County:			
Los Angeles County General Fund Obligations	2,601,551,282	0.356%	9,261,523
Los Angeles County Superintendent of Schools	3,403,487	0.356%	12,116
Los Angeles County Sanitation District No. 22 Authority	405,950	13.168%	53,455
Subtotal overlapping debt			181,157,642
Total direct and overlapping debt			\$ 233,840,268

Amount Applicable to City of Covina



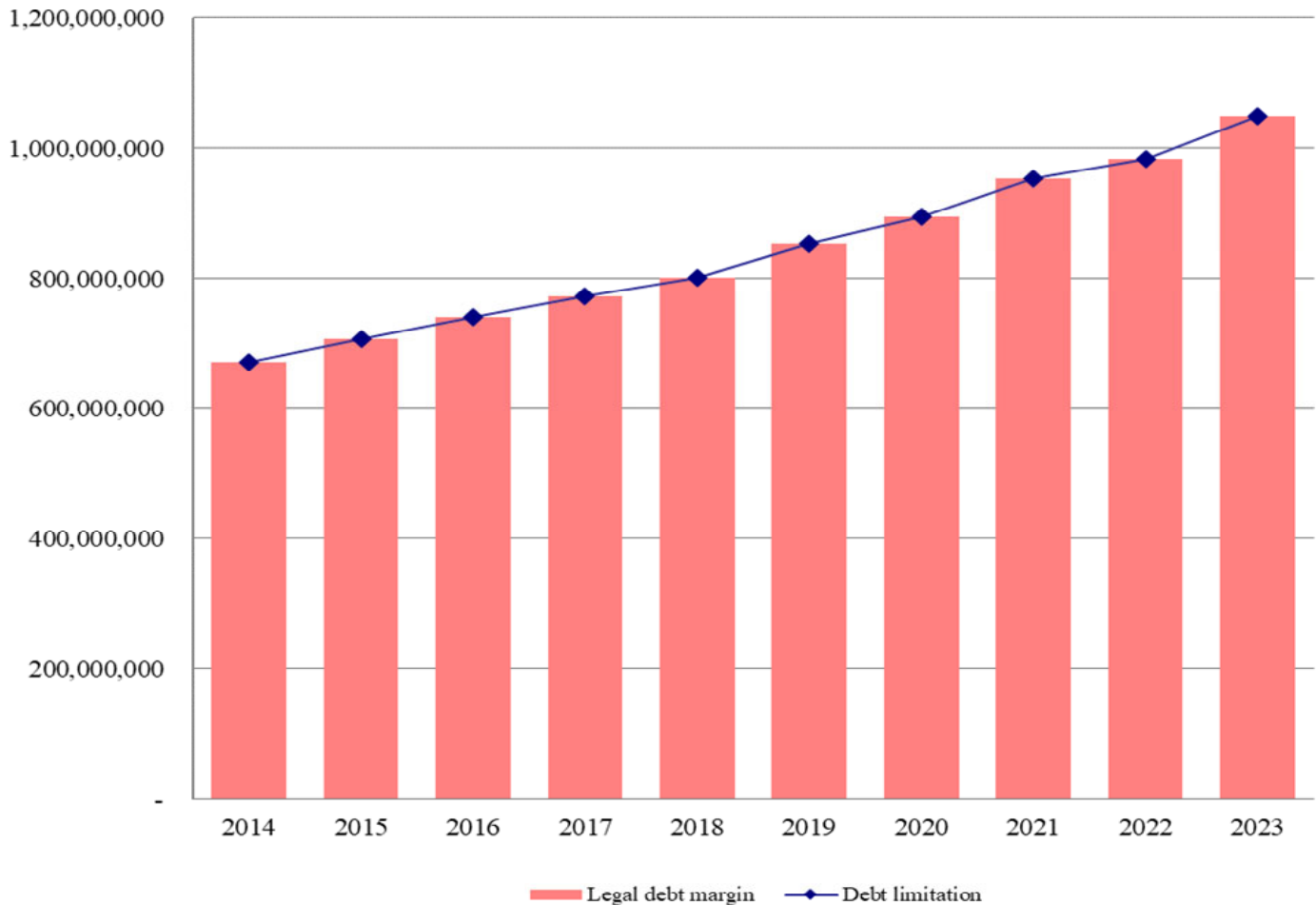
⁽¹⁾ Includes governmental activities debt reported in the Ratios of Outstanding Debt by Type on page 172.

⁽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

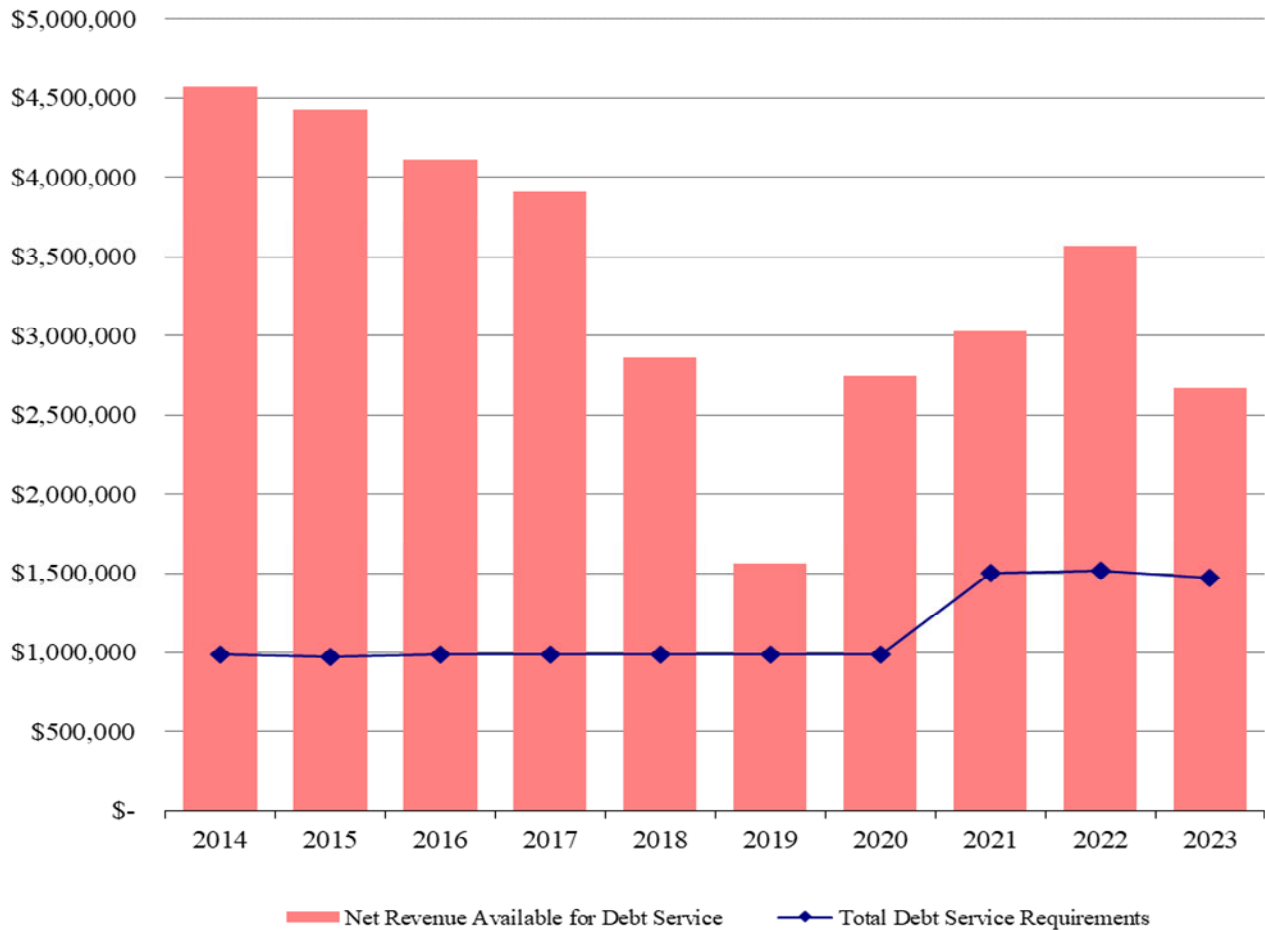
**CITY OF COVINA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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
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
2023	6,749,822,442	254,387,103	7,004,209,545	1,050,631,432	-	1,050,631,432



**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	
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
2023	11,659,206	8,990,972	2,668,234	1,140,756	331,945	1,472,701	1.81

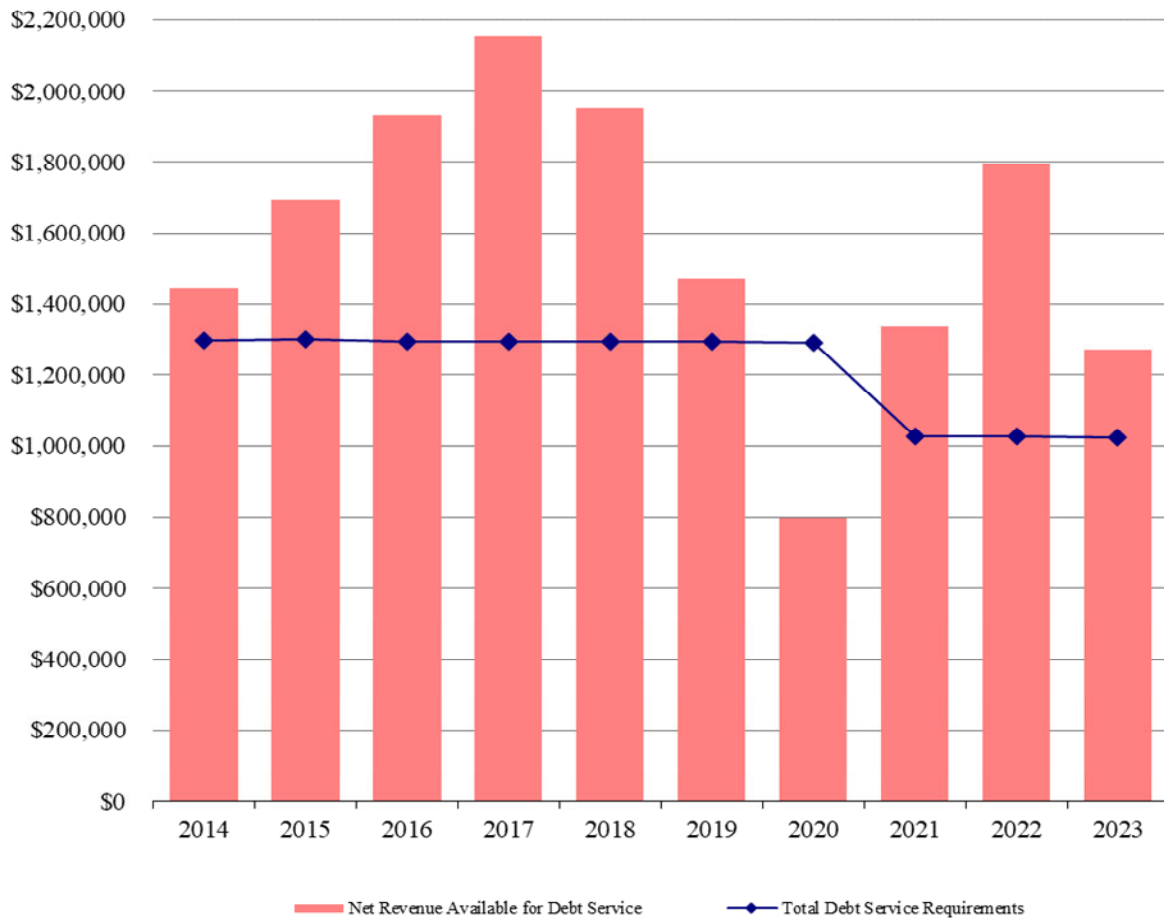


⁽¹⁾ Total revenues (including investment earnings) excluding joint venture investment income and gain on sale of capital assets.

⁽²⁾ Total operating expenses exclusive of depreciation.

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

Fiscal Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2023	3,002,790	1,731,926	1,270,864	855,000	168,768	1,023,768	1.24



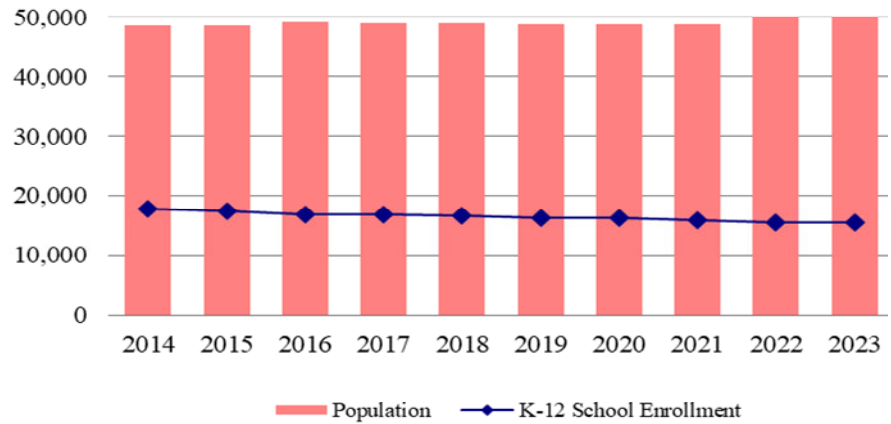
⁽¹⁾ Total revenues (including investment earnings) excluding gain on sale of capital assets.

⁽²⁾ Total operating expenses exclusive of depreciation.

CITY OF COVINA, CALIFORNIA DEMOGRAPHIC AND ECONOMIC STATISTICS

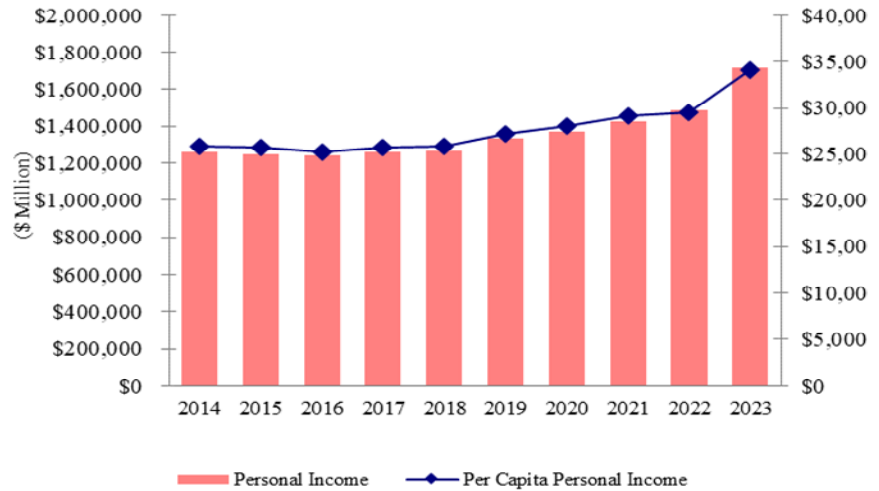
Last Ten Fiscal Years

Year	Population ⁽¹⁾	K-12 School Enrollment ⁽²⁾
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
2023	50,350	15,413



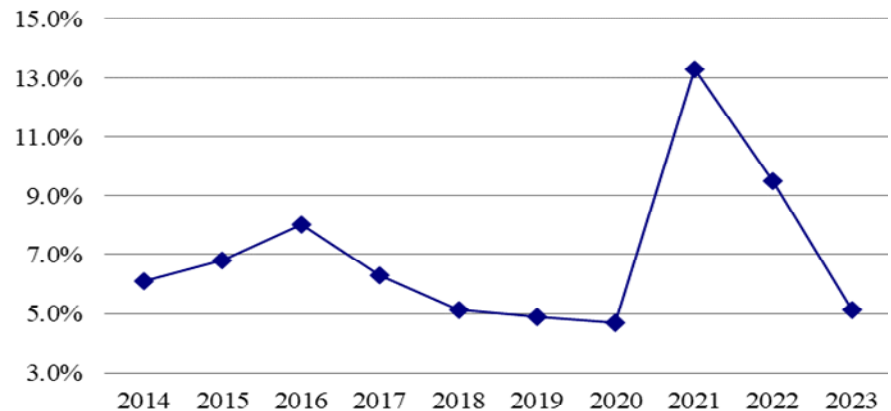
Last Ten Fiscal Years

Year	Personal Income ⁽³⁾ (\$ Thousand)	Per Capita Personal Income ⁽³⁾
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
2023	1,717,049	34,102



Last Ten Fiscal Years

Year	Unemployment Rate ⁽⁴⁾
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%
2023	5.1%



⁽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, 2023**

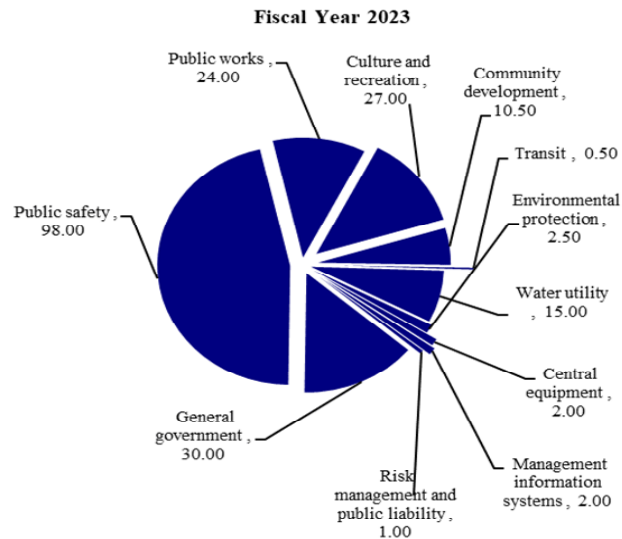
Employer	2023			2022		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Covina Valley Unified School District	1,351	1	9.37%	1,316	1	8.72%
Citrus Valley Health Partners-Intercommunity	926	2	6.42%	924	2	6.12%
Charter Oak Unified School District	677	3	4.70%	668	3	4.43%
Ikea U.S. West, Inc.	292	4	2.03%	332	4	2.20%
Wal-Mart	287	5	1.99%	319	5	2.11%
City of Covina	252	6	1.75%	239	6	1.58%
Howard J. Chudler & Associates, Inc	232	7	1.61%	-	-	0.00%
The Home Depot	189	8	1.31%	238	7	1.58%
Bert's Mega Mall	165	9	1.14%	150	9	0.99%
Healthcare Partners Affiliates Medical Group	151	10	1.05%	170	8	1.13%
Vitas Innovative Hospice Care	-	-	0.00%	146	10	0.97%
	<u>4,522</u>		<u>31.36%</u>	<u>4,502</u>		<u>29.83%</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

	2013	2014	2015	2016	2017	2018	2019	2020	2022	2023
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
General government	29.50	23.56	20.56	28.00	25.50	26.50	27.00	29.50	29.50	30.00
Public safety	94.50	99.50	100.50	112.00	99.50	98.50	98.50	95.50	96.50	98.00
Public works	26.50	19.50	19.50	25.00	21.80	21.80	22.80	23.80	23.80	24.00
Culture and recreation	56.50	43.18	43.41	30.94	21.95	22.47	29.67	30.08	29.19	27.00
Community development	5.00	14.50	16.50	7.00	6.50	7.50	9.50	9.50	11.00	10.50
Transit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Redevelopment and housing	12.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00
Water utility	3.50	3.75	3.75	4.00	3.50	4.00	4.00	4.00	3.50	2.50
Environmental protection	4.50	5.50	5.50	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Central equipment	5.50	6.00	6.00	1.00	-	2.00	2.00	2.00	2.00	2.00
Management information systems	-	-	-	-	-	-	1.00	-	1.00	1.00
Total full-time equivalent positions	<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>212.47</u>	<u>212.38</u>	<u>214.49</u>	<u>212.50</u>

Source: Finance Department Budget



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

	<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>	<u>2023</u>
General Government										
Finance:										
Payroll checks issued	7,038	7,694	7,569	7,369	7,566	7,811	7,557	7,264	7,295	7,518
Accounts payable checks issued	7,093	6,374	5,729	5,281	5,296	5,500	5,153	5,445	5,380	5,234
Purchase orders issued	707	506	538	453	440	461	465	474	811	887
Community Development Block Grant (CDBG):										
Seniors Served by Information and Referral Program	N/A	N/A	N/A	N/A	218	216	168	125	203	69
Seniors Served by Case Management Program	N/A	N/A	N/A	N/A	64	64	33	49	88	80
Seniors Served by Nutrition Program	N/A	N/A	N/A	N/A	127	132	307	115	239	341
Persons Served by Literacy Program	N/A	N/A	N/A	N/A	19	16	20	14	10	21
Persons Served by Job Training	14	12	-	-	5	3	14	12	13	11
Houses rehabilitated	6	4	3	2	1	-	-	-	-	1
Housing:										
Transitional House-Number of people served	14	17	17	22	11	14	13	21	27	15
Covenants-Monitoring affordable units	460	460	460	460	460	460	449	460	460	460
Public Safety										
Police:										
Physical arrests	2,322	2,987	2,038	676	3,005	2,746	2,406	2,534	2,204	2,499
Parking violations	10,831	9,367	8,380	10,062	3,035	8,955	12,678	15,301	18,167	14,016
Traffic violations	4,475	3,314	1,711	5,426	12,063	1,598	1,355	1,540	2,068	1,895
Fire:										
Number of calls answered	4,283	4,643	4,751	4,681	4,641	10,679	11,083	14,218	8,961	14,411
Inspections	2,279	2,279	1,389	2,583	1,472	2,843	2,383	1,964	2,415	1,756
Culture and Recreation										
Parks and Recreation:										
Leaders-in-Training participants	54	75	57	66	51	36	12	18	28	28
Youth sports participants	1,945	1,312	916	1,199	1,130	934	746	619	1,224	814
Leisure lifestyle classes participants	6,694	5,920	6,457	5,041	4,520	4,028	2,593	1,500	2,461	1,637
Cultural excursion program participants	489	580	565	595	406	468	326	150	397	420
Summer evening event attendees	25,000	25,000	25,000	16,975	17,170	10,100	9,200	1,500	3,827	6,275
Senior service participants (fee based)			3,202	2,296	1,036	1,248	939	364	727	357
Senior nutrition program meals served	16,565	18,336	14,641	12,798	11,642	11,628	19,088	33,758	31,248	42,627
Special events attendees	53,000	53,000	50,000	50,000	50,000	45,000	40,000	5,000	25,000	19,189
Special event participants									654	288
Aquatic participants	10,716	8,750	6,446	8,134	6,011	5,850	3,884	2,800	2,107	1,189
Day Camp Participants			745	842	682	580	402	2,800	375	415
Library:										
Circulation										
Books/Audiobooks/CD'S	127,254	111,236	102,019	100,913	99,434	97,548	67,451	10,564	46,050	54,321
DVD's	9,065	7,500	5,806	4,987	4,141	3,314	1,928	53	704	813
Toys			978	2,588	3,436	4,241	2,784	-	-	-
E-books					1,381	3,201	4,466	5,880	4,051	4,444
Total Circulation	136,319	118,736	108,803	108,488	108,392	108,303	76,629	16,587	50,805	59,578
Gate Count	222,129	206,514	194,182	189,432	189,021	187,098	120,381	1,273	50,750	48,992
Computer Services										
Number of hours	14,976	13,860	10,782	10,374	12,825	12,891	6,298	45	900	1,890
Number of users	20,772	18,751	13,946	13,190	19,848	19,581	10,323	83	1,620	2,916
Library Cards										
City Residents - Newly Issued	2,197	1,760	1,520	1,427	1,413	1,364	963	153	666	1,048
Non-City Residents - Newly Issued	2,713	2,118	1,679	1,594	1,257	1,198	865	106	788	954
Total Number of Current Library Cards	25,031	28,909	32,108	35,129	37,927	40,087	32,824	33,083	34,434	36,436
Library materials added										
Books	4,903	3,439	2,580	2,866	2,475	1,827	1,600	1,736	1,605	1,659
CDs	86	298	222	196	131	198	156	191	117	-
Audiobooks	159	128	88	83	129	87	54	70	22	-
DVD's	221	181	150	215	155	212	154	145	179	76
Toys			119	99	97	67	27	-	-	-
Total Materials Added	5,369	4,046	3,159	3,459	2,987	2,391	1,991	2,142	1,923	1,697
Library Programs/Services										
Storytime participants	2,060	1,397	1,756	1,649	1,542	1,662	1,317	592	390	805
Adult/Young Adult program participants	895	423	464	470	536	902	869	370	703	1,225
Children's program participants	3,222	3,014	4,264	5,351	7,343	7,264	5,171	1,034	1,085	1,398
Summer Reading Program participants	702	620	705	799	848	1,076	350	319	385	386
Joint Summer Reading program participants	1,079	1,079	811	1,153	1,468	1,818	1,806	-	-	-
Accelerated Reader (AR) Testing Program Participants						1,861	2,665	-	-	84
In-N-Out Cover-to-Cover Reading Program	181	202	240	252	274	244	366	-	252	269
Outreach (Class Visits on and off-site, number of participants)					546	1,227	591	50	-	400
Homework Help Tutors	21*	12*	11	15	10	-	-	-	-	-
Homework Help Participants	1,120	738	997	529	418	-	-	-	-	-
Library volunteer hours ⁽¹⁾	11,766	13,535	14,251	13,754	8,693	5,877	2,224	103	40	121

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Literacy										
Number of tutors	29	27	23	23	22	20	16	1	1	2
Number of adults served	101	97	79	79	92	83	81	22	27	27
Number of children served	52	37	31	39	43	44	31	-	-	-
Reference Questions										
Adult/Circulation	20,907	20,436	21,418	22,561	20,281	20,778	15,607	1,200	12,500	17,562
Childrens	8,862	6,918	6,650	5,738	7,839	8,312	6,090	-	-	-
Total Reference Questions	29,769	27,354	28,068	28,299	28,120	29,090	21,697	1,200	12,500	17,562
Planning										
Planning reviews	281	610	1,733	1,820	1,911	283	156	388	633	741
Permits issued	2,204	2,253	1,344	1,411	1,482	71	-	147	633	741
Inspections	471	531	192	230	242	-	-	-	633	741
Building										
Building reviews	450	503	1,362	561	792	820	842	1,040	254	284
Permits issued	1,599	1,658	3,494	1,514	894	3,927	3,290	4,598	4,852	335
Inspections	6,078	6,029	4,464	3,038	5,137	4,265	4,506	3,646	5,812	6,102
Transit										
Average daily parking customers (station & structure paid)	821	845	747	⁽²⁾	⁽²⁾	666	40	276	376	587
Average monthly parking customers (structure paid)				1,296	688	608	433	326	261	203
Dial-A-Cab participants (monthly average)	1,920	1,918	1,158	1,454	1,584	1,722	1,468	933	1,010	890
Subsidized bus passes (monthly average)	53	53	28	52	48	50	30	11	11	13
Code Enforcement										
Total Inspections	4,601	4,434	1,840	1,902	2,956	834	2,113	1,467	1,951	1,890
Signs removed from public right of way	1,053	1,083	522	233	153	294	278	113	71	42
Industrial Waste Inspections	724	413	1	2	220	176	138	375	343	139
Water Utility										
Average daily consumption (gallons)	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	4,007,146
Meter reads	106,430	103,851	103,490	⁽²⁾	2,291	⁽²⁾	2,061	4,252	2,532	2,419
Meter replacements	74	6	88	⁽²⁾	32	77	28	37	59	31
Consumer responses	4,765	12,703	5,805	⁽²⁾	350	590	727	208	276	291
Service line repairs	111	62	48	⁽²⁾	59	43	33	108	50	38
Main line repairs	38	34	45	⁽²⁾	49	70	69	49	82	40
Street Maintenance										
Traffic sign remove/replace/install	234	92	185	153	118	102	201	185	185	57
Potholes repaired	2,738	4,058	3,629	4,645	3,802	5,390	6,379	3,981	2,792	5,736
Curb painted (lf)	10,117	15,436	17,860	37,370	16,960	75,262	26,788	21,239	4,257	15,918
Utility cuts repaired	15	-	⁽²⁾	⁽²⁾	20	73	87	76	155	21
Trees trimmed	474	799	2,163	231	255	129	158	84	185	284
Equipment Maintenance										
Preventative maintenance service	475	492	367	325	284	291	302	288	241	254
Safety inspections	516	563	425	371	320	319	327	332	261	281
New Tires	127	122	82	117	98	121	115	102	102	101
Tire repairs	282	315	177	183	164	167	122	177	185	191
Work orders completed	1,043	1,345	829	681	631	646	657	771	696	684
Environmental Protection										
Refuse collected (tons/month)	2,222	2,334	2,363	2,482	2,450	2,416	1,825	2,991	2,809	3,016
Recyclables collected (tons/month)	188	188	192	185	162	162	200	351	431	487
Green waste collected (tons/month)	483	469	463	462	457	469	366	929	905	509
Compressed natural gas sold (gallon equivalents)	59,351	28,080	33,845	30,999	30,182	29,045	14,427	13,691.04	25,989.00	25,130.00

⁽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>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>	<u>2023</u>
General Government										
Finance:										
Payroll checks issued	7,038	7,694	7,569	7,369	7,566	7,811	7,557	7,264	7,295	7,518
Accounts payable checks issued	7,093	6,374	5,729	5,281	5,296	5,500	5,153	5,445	5,380	5,234
Purchase orders issued	707	506	538	453	440	461	465	474	811	887
Community Development Block Grant (CDBG):										
Seniors Served by Information and Referral Program	N/A	N/A	N/A	N/A	218	216	168	125	203	69
Seniors Served by Case Management Program	N/A	N/A	N/A	N/A	64	64	33	49	88	80
Seniors Served by Nutrition Program	N/A	N/A	N/A	N/A	127	132	307	115	239	341
Persons Served by Literacy Program	N/A	N/A	N/A	N/A	19	16	20	14	10	21
Persons Served by Job Training	14	12	-	-	5	3	14	12	13	11
Houses rehabilitated	6	4	3	2	1	-	-	-	-	1
Housing:										
Transitional House-Number of people served	14	17	17	22	11	14	13	21	27	15
Covenants-Monitoring affordable units	460	460	460	460	460	460	449	460	460	460
Public Safety										
Police:										
Physical arrests	2,322	2,987	2,038	676	3,005	2,746	2,406	2,534	2,204	2,499
Parking violations	10,831	9,367	8,380	10,062	3,035	8,955	12,678	15,301	18,167	14,016
Traffic violations	4,475	3,314	1,711	5,426	12,063	1,598	1,355	1,540	2,068	1,895
Fire:										
Number of calls answered	4,283	4,643	4,751	4,681	4,641	10,679	11,083	14,218	8,961	14,411
Inspections	2,279	2,279	1,389	2,583	1,472	2,843	2,383	1,964	2,415	1,756
Culture and Recreation										
Parks and Recreation:										
Leaders-in-Training participants	54	75	57	66	51	36	12	18	28	28
Youth sports participants	1,945	1,312	916	1,199	1,130	934	746	619	1,224	814
Leisure lifestyle classes participants	6,694	5,920	6,457	5,041	4,520	4,028	2,593	1,500	2,461	1,637
Cultural excursion program participants	489	580	565	595	406	468	326	150	397	420
Summer evening event attendees	25,000	25,000	25,000	16,975	17,170	10,100	9,200	1,500	3,827	6,275
Senior service participants (fee based)			3,202	2,296	1,036	1,248	939	364	727	357
Senior nutrition program meals served	16,565	18,336	14,641	12,798	11,642	11,628	19,088	33,758	31,248	42,627
Special events attendees	53,000	53,000	50,000	50,000	50,000	45,000	40,000	5,000	25,000	19,189
Special event participants									654	288
Aquatic participants	10,716	8,750	6,446	8,134	6,011	5,850	3,884	2,800	2,107	1,189
Day Camp Participants			745	842	682	580	402	2,800	375	415
Library:										
Circulation										
Books/Audiobooks/CD'S	127,254	111,236	102,019	100,913	99,434	97,548	67,451	10,564	46,050	54,321
DVD's	9,065	7,500	5,806	4,987	4,141	3,314	1,928	53	704	813
Toys			978	2,588	3,436	4,241	2,784	-	-	-
E-books					1,381	3,201	4,466	5,880	4,051	4,444
Total Circulation	136,319	118,736	108,803	108,488	108,392	108,303	76,629	16,587	50,805	59,578
Gate Count	222,129	206,514	194,182	189,432	189,021	187,098	120,381	1,273	50,750	48,992
Computer Services										
Number of hours	14,976	13,860	10,782	10,374	12,825	12,891	6,298	45	900	1,890
Number of users	20,772	18,751	13,946	13,190	19,848	19,581	10,323	83	1,620	2,916
Library Cards										
City Residents - Newly Issued	2,197	1,760	1,520	1,427	1,413	1,364	963	153	666	1,048
Non-City Residents - Newly Issued	2,713	2,118	1,679	1,594	1,257	1,198	865	106	788	954
Total Number of Current Library Cards	25,031	28,909	32,108	35,129	37,927	40,087	32,824	33,083	34,434	36,436
Library materials added										
Books	4,903	3,439	2,580	2,866	2,475	1,827	1,600	1,736	1,605	1,659
CDs	86	298	222	196	131	198	156	191	117	-
Audiobooks	159	128	88	83	129	87	54	70	22	-
DVD's	221	181	150	215	155	212	154	145	179	76
Toys			119	99	97	67	27	-	-	-
Total Materials Added	5,369	4,046	3,159	3,459	2,987	2,391	1,991	2,142	1,923	1,697
Library Programs/Services										
Storytime participants	2,060	1,397	1,756	1,649	1,542	1,662	1,317	592	390	805
Adult/Young Adult program participants	895	423	464	470	536	902	869	370	703	1,225
Children's program participants	3,222	3,014	4,264	5,351	7,343	7,264	5,171	1,034	1,085	1,398
Summer Reading Program participants	702	620	705	799	848	1,076	350	319	385	386
Joint Summer Reading program participants	1,079	1,079	811	1,153	1,468	1,818	1,806	-	-	-
Accelerated Reader (AR) Testing Program Participants						1,861	2,665	-	-	84
In-N-Out Cover-to-Cover Reading Program	181	202	240	252	274	244	366	-	252	269
Outreach (Class Visits on and off-site, number of participants)					546	1,227	591	50	-	400
Homework Help Tutors	21*	12*	11	15	10	-	-	-	-	-
Homework Help Participants	1,120	738	997	529	418	-	-	-	-	-
Library volunteer hours ⁽³⁾	11,766	13,535	14,251	13,754	8,693	5,877	2,224	103	40	121

CITY OF COVINA, CALIFORNIA CONTINUING DISCLOSURE WATER SYSTEM

Summary of Operations										
	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	6/30/2023
Water Purchased (in acre-feet)										
Covina Irrigating Company (CIC)	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	4,395.59
Three Valley Muni Water Dist(MWD)	1,427.10	931.00	467.20	198.00	62.70	-	-	151.00	23.50	92.80
Total Purchased	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	5,233.45
Potable Water Sold (in acre-feet)	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	4,003.99
Change from previous year	5.90%	-13.11%	-11.39%	2.04%	8.90%	-3.85%	-2.12%	4.44%	-3.69%	-13.85%
Population	48,619	49,002	48,984	49,011	49,006	48,876	48,846	48,833	50,449	50,350
Cost of CIC Water \$/a-f	\$ 475.00	\$ 475.00	\$ 495.00	\$ 495.00	\$ 530.00	\$ 530.00	\$ 495.00	\$ 520.00	\$ 474.19	\$ 476.00
Cost of MWD Water \$/a-f	875.00	879.41	906.76	981.67	987.00	987.00	987.00	1,098.00	1,119.10	1,104.02
Number of Water Accounts⁽¹⁾	8,635	8,550	8,638	8,642	8,656	8,701	8,506	8,524	8,821	9,044

Water System Fund Revenues and Expenses ⁽²⁾										
	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	6/30/2023
Operating Revenue										
Charges for Services	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	11,401,122
Operating Expenses										
Source & supply	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	3,376,108
Production & storage	497,422	556,304	911,509	1,072,317	2,224,760	928,941	1,093,228	1,155,010	1,222,831	1,380,661
Transmission & distribution	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	1,374,982
Customer acct & collections	1,082,024	1,061,295	1,363,414	1,474,373	1,347,476	1,304,399	906,296	603,793	548,231	433,053
Administrative & general	904,636	638,819	798,833	238,355	(68,719)	1,872,999	1,539,142	2,407,823	1,748,816	2,426,168
Depreciation	867,235	957,051	953,511	964,403	1,006,332	1,131,906	1,276,414	1,443,409	1,504,189	1,579,745
Total Operating Expenses	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	10,570,717
Net Revenues	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	830,405
2010 Bond Installment Payments	986,413	710,708	990,113	988,713	985,413	986,613	988,713	802,627	1,512,429	1,472,701
2020 BBVA Installment Payments								699,742	56,842	341,398
Coverage	4.71	3.95	3.12	2.84	1.67	0.14	1.27	0.97	1.26	0.46

Water Rates ⁽¹⁾										
	6/30/2018	6/30/2019	6/30/2020		6/30/2021	6/30/2022	6/30/2023	6/30/2024		
Minimum Charge:				Monthly Service Charge:						
5/8" & 3/4"	\$ 33.24	\$ 33.24	\$ 33.24	5/8" and 3/4"	\$ 36.22	\$ 37.67	39.18	40.75		
1"	49.44	49.44	49.44	1"	56.74	59.01	61.38	63.84		
1-1/2"	76.43	76.43	76.43	1-1/2"	103.65	107.80	112.12	116.61		
2"	115.15	115.15	115.15	2"	162.30	168.80	175.56	182.59		
3"	215.92	215.92	215.92	3"	349.95	363.95	378.51	393.66		
4"	359.84	359.84	359.84	4"	622.64	647.55	673.46	700.40		
6"	719.70	719.70	719.70	6"	1,376.19	1,431.24	1488.49	1548.03		
8"				Monthly Fire Line Service Charge:						
Charge per hundred cubic feet (hcf):				2"	20.09	20.90	21.74	22.61		
Single Family (0-16 ccf)	2.71	2.71	2.71	3"	45.24	47.05	48.94	50.90		
Single Family (17+ ccf)	3.02	3.02	3.02	4"	88.60	92.15	95.84	99.68		
Multi-Family (0-12 ccf)	2.71	2.71	2.71	6"	244.24	254.01	264.18	274.75		
Multi-Family (13+ ccf)	2.96	2.96	2.96	8"	512.69	533.20	554.53	576.72		
Commercial/Institutional	3.16	3.16	3.16	10"	916.49	953.15	991.28	1030.94		
Industrial/Manufacturing	2.74	2.74	2.74	Consumption Rates:						
Irrigation/Landscaping	3.16	3.16	3.16	Single Family						
City/Miscellaneous	2.75	2.75	2.75	Tier 1 (0-14 ccf)	2.86	2.98	3.10	3.23		
Capital Improvements Projects Fee:				Tier 2 (15+ ccf)	3.36	3.50	3.64	3.79		
5/8" & 3/4"	2.54	2.54	2.54	Multi-Family						
1"	6.36	6.36	6.36	Uniform Rate	2.99	3.11	3.24	3.37		
1-1/2"	12.72	12.72	12.72	Commercial/Institutional	3.01	3.14	3.27	3.41		
2"	32.55	32.55	32.55	Industrial/Manufacturing	3.01	3.14	3.27	3.41		
3"	61.03	61.03	61.03	Irrigation/Landscaping	3.05	3.18	3.31	3.45		
4"	101.71	101.71	101.71	City/Miscellaneous	3.01	3.14	3.27	3.41		
6"	203.43	203.43	203.43	Construction	3.10	3.23	3.36	3.50		
8"										
Private Fire Standby Service:										
4"	21.71	21.71	21.71							
6"	63.09	63.09	63.09							
8"	134.46	134.46	134.46							
10"	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	83.59	2.09%	\$183,962.03	1.67%
Inter-Comm Health SVC	Commercial	67.24	1.68%	\$143,920.68	1.30%
Covina 023-Woods 206 LP	Multiple Family	59.65	1.49%	\$145,837.92	1.32%
Charter Oak Unified School Dist	Governmental	46.45	1.16%	\$76,919.62	0.70%
Lvgem Hotel Corporation	Commercial	30.64	0.77%	\$51,690.40	0.47%
Spruell, Rosario O.	Multiple Family	22.21	0.55%	\$44,213.24	0.40%
Gref GG Eastland Center L.P.	Commercial	18.99	0.47%	\$42,181.47	0.38%
Miracle Mile Properties LP	Multiple Family	18.61	0.46%	\$37,123.58	0.34%
Covina Pines HOA	Multiple Family	18.52	0.46%	\$40,342.65	0.37%
Mobilair Estates	Multiple Family	16.26	0.41%	\$28,518.82	0.26%
TOTALS		382.16	9.54%	\$ 794,710	7.20%
GRAND TOTAL CONSUMPTION		4,003.99	GRAND TOTAL SALES		\$ 11,037,339

(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									
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
<u>Operating Revenue</u>										
Special Assessments	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	2,894,697
<u>Operating Expenses</u>										
General & Administrative	784,732	919,254	785,109	661,138	1,013,663	1,721,983	2,367,418	1,848,785	1,529,927	1,731,926
Depreciation	110,795	167,735	167,735	167,735	167,735	168,680	179,627	225,865	288,962	356,327
Total Operating Expenses	895,527	1,086,989	952,844	828,873	1,181,398	1,890,663	2,547,045	2,074,650	1,818,889	2,088,253
Net Revenues	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	806,444
2009 Bond Installment Payments	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	1,023,768
2021 Pension Obligation Bonds									18,968	113,921
Coverage	1.02	1.16	1.34	1.49	1.28	0.80	0.28	0.99	1.40	0.71
	Sewer Rates ⁽¹⁾									
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023		
	10.57	10.88	11.21	11.45	11.45	11.45	11.45	11.45		

⁽¹⁾ Monthly Rates