



# Annual Comprehensive Financial Report

*For the Fiscal Year Ended June 30, 2024*



CITY OF  
**COVINA**

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# CITY OF COVINA, CALIFORNIA

## Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2024

John C. King  
Mayor

Victor Linares  
Mayor Pro Tem

Hector Delgado  
Council Member



Walter Allen, III  
Council Member

Patricia Cortez  
Council Member

Chris Marcarello  
City Manager

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

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**CITY OF COVINA, CALIFORNIA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

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

**YEAR ENDED JUNE 30, 2024**

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

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## **INTRODUCTORY SECTION**

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**CITY OF COVINA, CALIFORNIA  
ELECTED AND ADMINISTRATIVE OFFICIALS  
2023-2024**

<b><u>Elected Officials</u></b>	<b><u>Term Expires</u></b>
Mayor: John C. King	June 2026
Mayor Pro Tem: Victor Linares	June 2026
Council Members: Walter Allen, III Patricia Cortez Hector Delgado	March 2028 March 2028 June 2026
City Clerk: Andrew Aleman	June 2026
City Treasurer: Neil Polzin	June 2026
<b><u>Administrative Staff</u></b>	<b><u>Date of Hire</u></b>
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 Rafael Fajardo – Interim Director	June 2018 June 2019
Parks and Recreation Director: Lisa Evans	July 1989
Community Development Director: Brian Lee	June 2015
Chief Deputy City Clerk: Fabian Velez	June 2018

\*Appointed by City Council

\*\*Appointed by Los Angeles County Fire District



# CITY OF COVINA

125 East College Street ● Covina, California 91723-2199

January 9, 2025

Honorable Mayor and City Council  
City of Covina  
Covina, California

The Annual Comprehensive Financial Report for the City of Covina (the City), California, as of June 30, 2024 and for the year then ended, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

**Independent Audit.** City policy requires that its financial statements be audited by a certified public accountant. CliftonLarsonAllen, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2024. 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 obligated to conduct an annual single audit in accordance with the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Uniform Guidance for *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 2023-24 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 50,485 according to the State of California Department of Finance.

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

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

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

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

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

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

## **Economic Condition and Outlook**

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

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

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

## **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



### Fund Balances/Working Capital (continued)

- 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

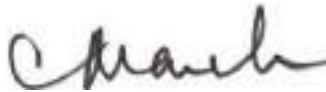
Implementation

- 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 to 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**

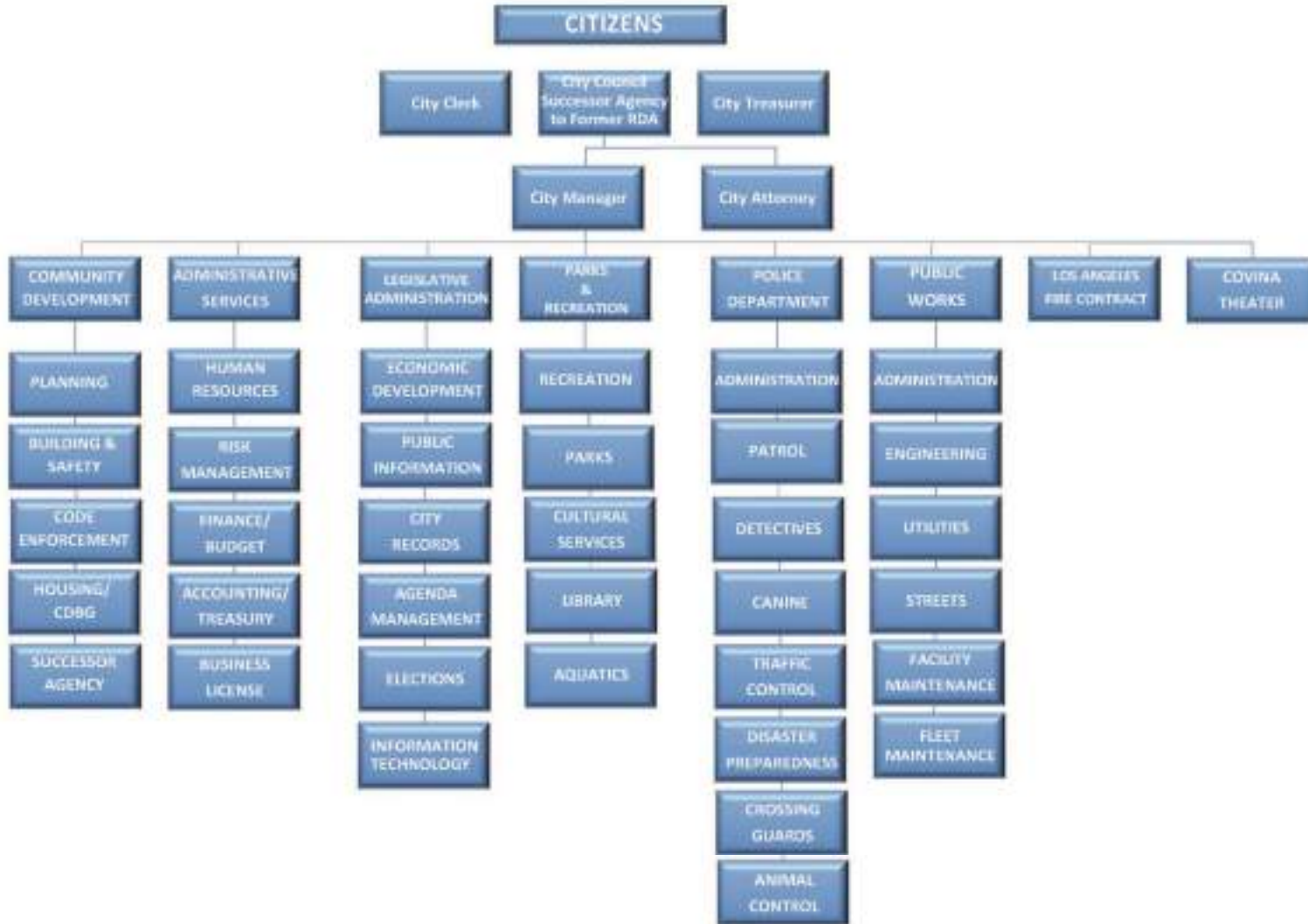


Christopher Marcarello  
City Manager



Theresa Franke  
Interim Director of Finance

CITY OF COVINA  
 ORGANIZATIONAL CHART  
 FISCAL YEAR 2023-2024



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

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 (the City), as of and for the year ended June 30, 2024, 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, 2024, 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.

We did not audit the financial statements of the Covina Irrigating Company which represents 12% of the assets of the water enterprise fund and 9% of the assets of the business-type activities as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included as an investment in the Covina Irrigating Company in the water enterprise fund, is based solely on the report of the other auditors.

#### ***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.

#### ***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.

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.



Honorable Mayor and  
Members of City Council  
City of Covina

***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 postemployment benefit plan schedule of changes in the net OPEB liability and related ratios and the schedule of contributions - OPEB and the budgetary comparison schedules for the General Fund, and Measure W Fund be presented to supplement the basic financial statements. Such information, is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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***

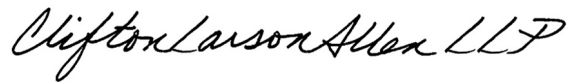
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover 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.

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 9, 2025, 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 9, 2025

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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, 2024. 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 \$143,870,291. The Governmental Activities have a deficit unrestricted net position of \$32,082,117. Business-type Activities have unrestricted net position of \$10,890,907.
- \* The City's net position for governmental and business-type activities increased by \$18,240,201 or 14.52% from the previous fiscal year.
- \* The total cost of all City activities was \$85,057,806 for the current fiscal year. Net cost of all activities was \$33,991,793.
- \* During the current fiscal year, the City's governmental activities net revenues exceeded net expenditures by \$13,403,582.
- \* In the City's business-type activities, net revenues exceeded net expenditures by \$4,836,619.
- \* The total fund balance of the City's governmental funds was \$68,810,772 at the close of the fiscal year. This includes \$39,288,907 fund balance of the General Fund, \$22,984,173 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 \$5,971,101 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.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

***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.

**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.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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, Building Maintenance 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.

**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.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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 \$143.9 million at the close of the fiscal year, which is an increase of \$18.2 million or 14.52% from the previous fiscal year.

The largest portion of that net position, \$133.7 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, \$31.41 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 \$21.2 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 62.21% of the City's total net position. As reflected in the following table, restricted governmental activities net position increased by \$6.3 million (25.27%) from the previous fiscal year. This portion of net position is subject to external restrictions relating to public safety, public works, community development, culture and recreation, transit and redevelopment and housing.

**Governmental Activities Net Position**

	2024	2023
Current and other assets	\$ 102,549,897	\$ 89,421,113
Capital assets	97,584,565	94,706,502
Deferred outflows	25,855,578	36,370,048
Total Assets and deferred outflows	225,990,040	220,497,663
Long-term liabilities outstanding	102,686,260	102,426,984
Other liabilities	12,395,347	12,906,748
Deferred inflows	21,413,837	29,072,917
Total Liabilities and deferred inflows	136,495,444	144,406,649
Net position:		
Net Investment in capital assets	90,168,855	86,804,262
Restricted	31,407,858	25,072,625
Unrestricted	(32,082,117)	(35,785,873)
Total net position	\$ 89,494,596	\$ 76,091,014

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.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Governmental Activities Change in Net Position**

<b>Revenues</b>	2024	2023
Program revenues:		
Charges for services	\$ 8,834,709	\$ 8,951,403
Operating grants and contributions	20,963,432	22,818,540
Capital grants and contributions	1,697,052	2,206,174
General revenues:		
Property taxes	17,707,380	16,429,930
General sales tax	10,701,878	11,493,906
Transaction and use tax	8,535,570	8,787,686
Utility users taxes	6,024,393	6,041,869
Other taxes	3,304,190	3,233,932
Investment earnings	4,149,726	712,611
Miscellaneous	88,194	(1,565,154)
Total Revenues	<u>82,006,524</u>	<u>79,110,897</u>
<b>Expenses</b>		
General government	3,607,340	3,792,606
Public safety	38,426,544	49,481,727
Public works	12,272,245	5,227,281
Culture and recreation	6,428,184	5,974,501
Community development	4,229,689	3,582,145
Transit	1,595,151	1,399,960
Redevelopment and housing	728,375	786,051
Interest on long term debt	1,315,414	1,336,291
Total expenses	<u>68,602,942</u>	<u>71,580,562</u>
Increase in net position before transfers		
Change in net position	13,403,582	7,530,335
Beginning net position	<u>76,091,014</u>	<u>68,560,679</u>
Ending net position	<u>\$ 89,494,596</u>	<u>\$ 76,091,014</u>

As reflected above, the City's total revenues exceeded total expenses of governmental activities by \$13.4 million. Compared to the previous year, 2024 revenues show an increase of \$2.9 million while expenses decreased by \$3.0 million.

The revenue decrease in Charges for Services of \$116,700 includes a decrease of \$117,000 in Public Works Engineering Services as well as a decrease in Street Development Impact Fee revenue of \$123,000. The decrease in Development Impact Fees was anticipated, as the prior year's revenue was higher than usual. In addition, Public Safety experienced a reduction of \$138,000 in parking citation revenue, due to staffing challenges faced by the contracted service provider. Court fines decreased by \$113,000 as there were a reduced number of citations issued. These reductions were partially offset by revenue increases in Community Development (includes Code Enforcement Fines increase of \$52,000 and \$88,000 increase in Quimby fees), Culture and Recreation (departmental net revenue increase of \$30,000) and Public Safety's crossing guard revenue increase of \$124,000.

**CITY OF COVINA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Operating Grants decreased by \$1.9 million. This difference is due in large part to a one-time \$3 million grant received in FY 2022-23 for the Covina Theater. Grant revenue increases that offset this reduction include Public Works grant increases totaling \$762,000, Culture and Recreation grant increases of \$107,000 and Transit grant increases of \$216,000. As in FY 2023, Public Safety utilized American Rescue Plan Act revenue replacement of \$3 million for Fire Services.

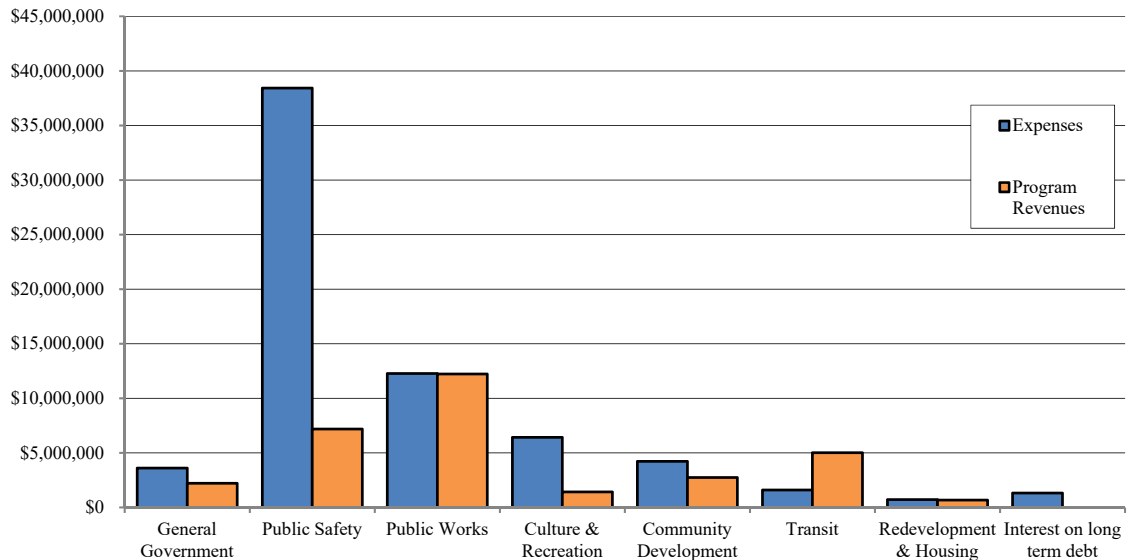
Capital Grants decreased by \$509,000. The decrease is due in part to the Covina Park Playground Equipment grant received in 2022-23, \$304,400, as well as a \$245,200 decrease in Transit grants and \$103,300 decrease in Public Works grants.

Property tax revenue increased by \$1.2 million. However, the City experienced a decrease of \$792,000 in sales and transaction and use taxes. This decline is reflective of reduced purchases of consumer goods, attributable in part to higher interest rates. Utility users tax decreased slightly (\$17,000), as FY 2022-23 experienced sharp spikes in utility costs.

Changes in other revenue sources include a \$59,000 increase in transient occupancy taxes and a \$20,000 decrease in property transfer taxes. In addition, there is a \$59,000 increase in franchise taxes and investment earnings increase of \$3.4 million (reflecting higher interest rates and increased market value of City investments).

Net expenses reflected on the Statement of Activities are good indications of the extent to which the services provided by the City are financed from taxes paid by the citizens (general revenues) as opposed to recovering the cost of these services with user fees and other contributions (program revenues). Transit program revenues were sufficient to cover related expenditures. General Government, Public Safety, Public Works, Community Development, Culture & Recreation and Redevelopment & Housing required general revenues to subsidize expenditures. Expenses and associated program revenues for each governmental function are reflected on the following table. One change of note is the decrease in Public Safety expenditures: this primarily reflects the change in Public Safety Pension Obligation expense from 2023 (\$12.97 million) to 2024 (\$2 million).

**Expenses and Program Revenues-Governmental Activities**

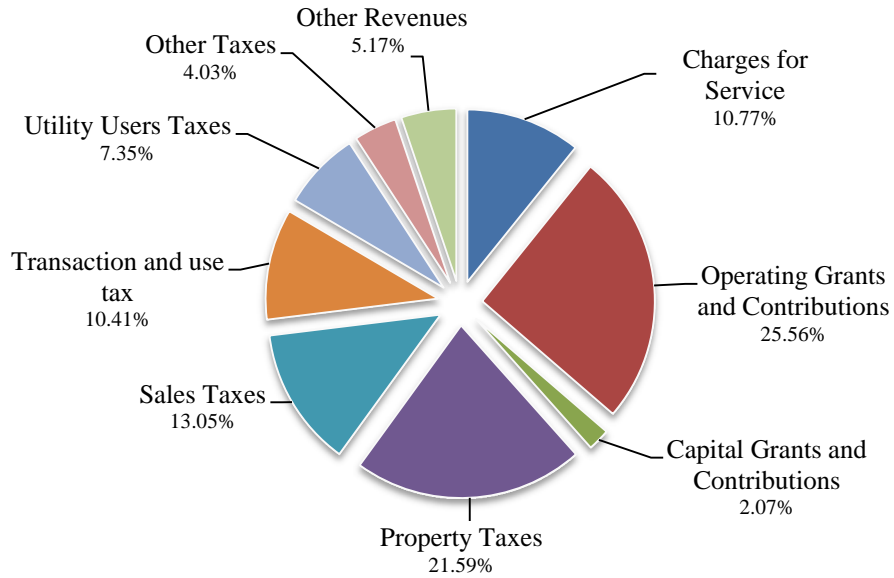




**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

As reflected on the following graph, taxes, grants and contributions, and charges for services provide 100% of the overall revenue sources of the governmental activities. Taxes include property, sales, transaction & use, utility users and other taxes (transient occupancy, property transfer, business license and franchise).

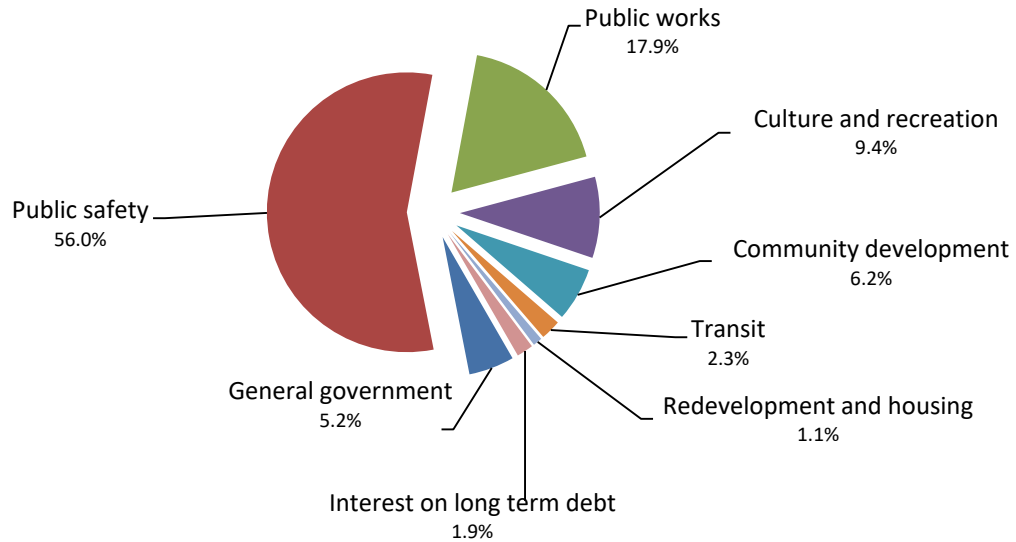
**Revenue Sources-Governmental Activities**



The next graph demonstrates governmental activity expenses by function/program. Note that public safety and public works represent 73.9% of the governmental activities' expenditures; this is consistent with the City's highest priority of citizen safety and well-being. Culture and recreation represent 9.4% of governmental activities as the City is committed to providing valuable programs to the community.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Functions/Program Expenses-Governmental Activities**



**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 2023 and 2024. Current year detail can be found in the *Government-Wide Financial Statements, Statement of Net Position*.

**Business-Type Activities Net Position**

	2024	2023
Current and other assets	\$ 26,159,205	\$ 27,748,627
Capital assets	62,997,021	58,014,711
Deferred outflows of resources	2,329,262	2,970,227
Total assets and deferred outflows	<u>91,485,488</u>	<u>88,733,565</u>
Long-term liabilities outstanding	33,651,218	35,546,789
Other liabilities	2,786,407	2,935,775
Deferred inflows of resources	672,168	711,925
Total liabilities	<u>37,109,793</u>	<u>39,194,489</u>
Net position		
Net Investment in capital assets	43,484,788	35,390,399
Unrestricted	10,890,907	14,148,677
Total net position	<u>\$ 54,375,695</u>	<u>\$ 49,539,076</u>

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

The net position of the business-type activities represents 37.79% of the City's total net position and increased by \$4.8 million from the previous year. Restricted net position reflects amounts established for emergency needs and bond proceeds which are restricted to capital projects. The revenue and expense activity which generated the change in business type net position is reflected on the following table.

**Business-type Change in Net Position**

	<u>2024</u>	<u>2023</u>
Revenues		
Program Revenues:		
Charges for services	\$ 16,539,480	\$ 15,774,880
Operating grants and contributions	31,572	1,154
Capital Grants and Contributions	2,999,768	-
General Revenues		
Investment gain (loss)	1,611,110	(500,194)
Miscellaneous	93,959	75,222
Total Revenues	<u>21,275,889</u>	<u>15,351,062</u>
 Expenses		
Water Utility	12,037,535	11,001,848
Environmental Protection	1,432,770	1,455,858
Theater	530,467	493,523
Sewer	2,454,092	2,301,782
Total Expenses	<u>16,454,864</u>	<u>15,253,011</u>
Change in net position before transfers	<u>4,821,025</u>	<u>98,051</u>
Transfers in (out)	<u>15,594</u>	<u>1,820,000</u>
Change in net position	<u>\$ 4,836,619</u>	<u>\$ 1,918,051</u>

As reflected above, the City's business-type charges for services revenues exceeded program expenses by \$85,000. Total business-type program revenues increased by \$3.8 million from the prior fiscal year. Water sales increased by \$825,000 and Sewer utility revenue increased by \$20,000. Environmental Protection service charges were \$105,000 less than the prior year, as the City did not have any land developments that paid applicable storm water fees in 2023-24. In addition, in FY 2022-23 Environmental Protection received catch-up payments for a rate change. Fiscal Year 2023-24 was the Theater's first full year of operation with ticket sales of \$171,000. The increase in capital grants and contributions of \$2.9 million reflects the grant funded portion of the Theater transferred from the general fund to the Theater fund. General revenues increased by \$2.1 million due predominately to increased investment earnings.

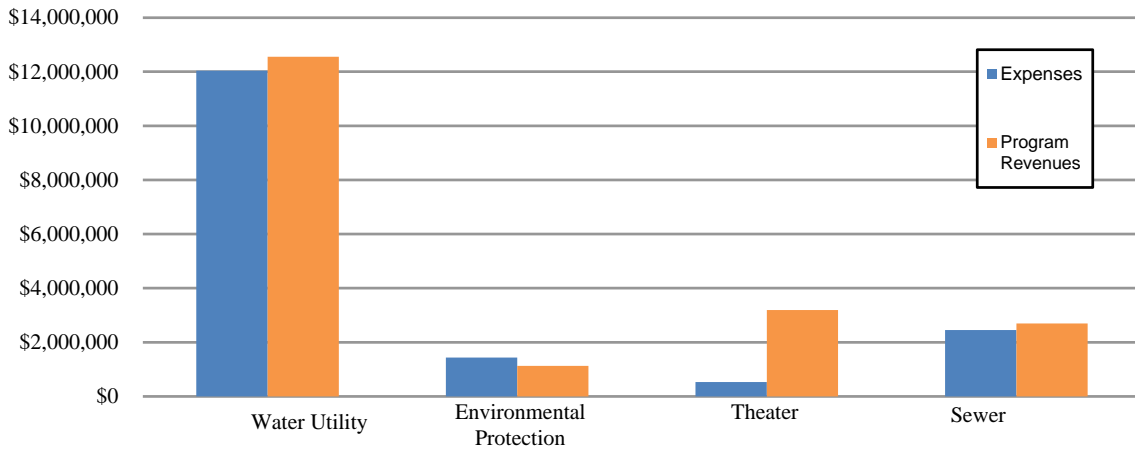
Water and Sewer charges for services/operating grants were sufficient to cover operating expenses for the respective functions during the fiscal year. Although Environmental Protection's expenses remained relatively constant, reduced revenue caused program expenses to exceed program revenues by \$305,000, with projects including trash enclosures and the addition of storm water infiltration systems.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Business-type expenses attributable to Water increased by \$1.0 million due in large part to increased water supply costs (\$314,000), production and storage (\$104,000) water transmission and distribution (\$393,000) and general & administrative expenses (\$212,000) which include negotiated wage/benefit increases. Sewer utilities increased by \$152,000 from the previous fiscal year, reflecting \$16,000 increased administrative expenses and \$113,000 increased operating expenses (including a motor vehicle purchase).

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.

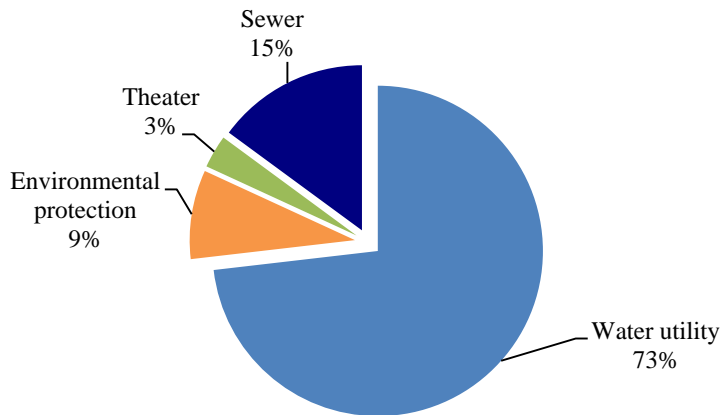
**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Revenues by Source - Business-type Activities**



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

**Expenses by Function/Program - Business-type Activities**



**FINANCIAL ANALYSIS OF THE CITY FUNDS**

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

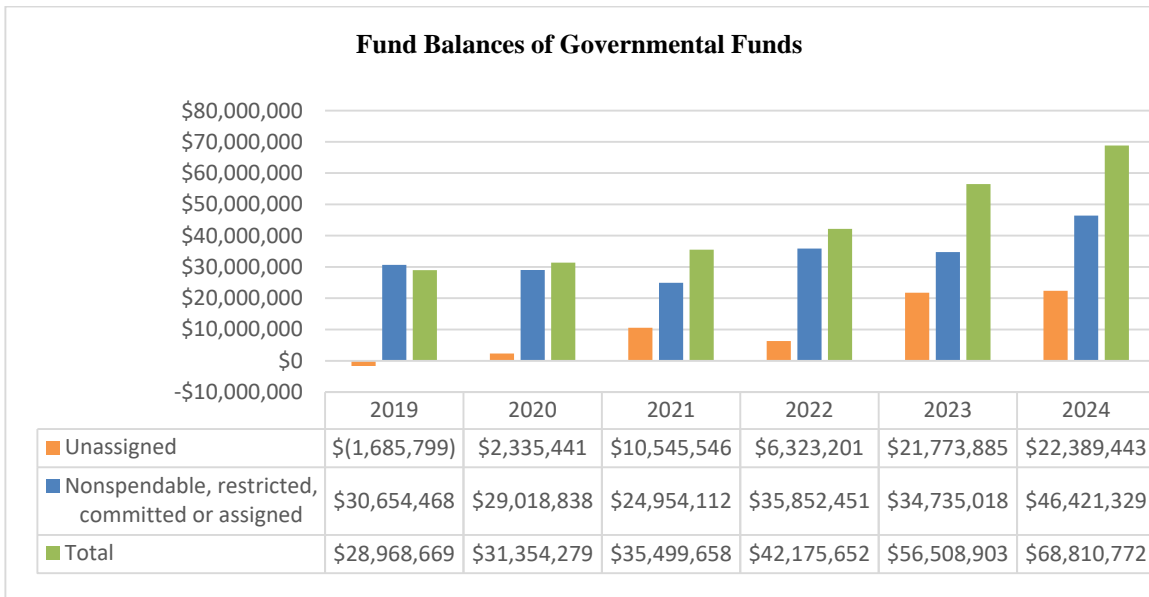
**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**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, 2024, the City's governmental funds reported combined fund balances of \$68.8 million, an increase of \$12.3 million from the prior fiscal year. There is \$22.4 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*.

The following is a summary of fund balances of the governmental funds for fiscal years 2019-2024:



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 2023-24 was \$39.3 million and is classified as follows: \$93,000 nonspendable, \$15.9 million committed, \$1,000 assigned, and \$23 million unassigned. In keeping with the City Council's Reserve Policy, the committed emergency contingency fund balance meets the City's Emergency Contingency Reserve requirement of 20% of General Fund expenditures.

The fund balance of the General Fund increased by \$6 million during the fiscal year. Revenues and expenditures experienced steady growth, each increasing by approximately by \$2.4 million.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**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 \$39.7 million, an increase of \$1,605,268 from the prior fiscal year. Of that, \$12 million is unrestricted. Environmental Protection and Theater have combined net positions of \$5.8 million with unrestricted net position decreasing to -\$2.4 million from \$-1.7 million in the prior year. The net position of the Sewer fund increased to \$10.4 million from \$9.9 million in the prior year. Of that, \$2.8 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 \$11.3 million which represents a 21% increase. The increase reflects additional funding appropriated for various projects including Covina Recreation Village (\$3.1 million), Covina Skate Park (\$1 million), as well as funding of internal service funds (\$770,000). Community Development's budgeted appropriations increased to reflect the anticipated net cost of acquiring Kia property (\$2.7 million). In addition, Community Development budgeted an increase in consultant fees for plan check services (\$250,000), and various community projects such as: the Job Creation Program (\$250,000), Business Capital Improvement Program (\$120,000), Hollenbeck Park Pickle Ball Project (\$112,000), Unlicensed Food Vendor Enforcement (\$115,000), and Covina Theater Improvements (\$85,500). Mid-year budget adjustments included reductions to budgeted sales tax and engineering revenue, while increasing property tax and UUT revenue. Appropriations were increased reflecting changes to elected official's salary and benefits, legal fees, code enforcement overtime for unlicensed vendor activities, and various professional services.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for governmental and business-type activities as of June 30, 2024, is \$160.6 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, 2024 and 2023.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

<b>Capital Assets (net of depreciation)</b>		
	2024	2023
<b>Governmental activities</b>		
Land	\$12,335,553	\$12,335,553
Buildings and structures	25,257,168	28,502,366
Improvements other than buildings	9,844,678	8,259,225
Public domain infrastructure	39,833,645	37,126,099
Sanitary sewer infrastructure	1,583,343	1,648,080
Machinery and equipment	3,085,708	2,744,627
Construction in progress	5,286,758	3,623,307
Right to use assets	357,712	467,245
Total governmental activities	\$97,584,565	\$94,706,502
<b>Business-type activities</b>		
Land	377,408	377,408
Buildings and structures	14,718,952	12,050,600
Improvements other than buildings	2,961,521	2,417,779
Water system infrastructure	41,401,856	41,384,831
Machinery and equipment	1,698,387	1,654,758
Construction in progress	1,831,974	118,951
Right to use assets	6,923	10,384
Total business-type activities	62,997,021	58,014,711
Total capital assets	\$160,581,586	\$152,721,213

Total capital assets, net of depreciation, increased from the prior year by \$7.9 million. Completed projects which contributed to this increase include Rowland Ave. Street Rehabilitation (\$2.1 million), Covina Skate Park (\$1.5 million), street resurfacing (\$1.4 million), police department locker room renovation (\$897,000) and a water main replacement (\$1.6 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, 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, 2024 and 2023.



**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Outstanding Debt  
(net of unamortized charges)**

	2024	2023
<b>Governmental activities</b>		
Compensated absences	\$ 4,619,632	\$ 4,414,980
Claims and judgments	8,476,693	7,920,000
Certificates of participation payable (COP)	4,433,391	4,659,950
Pension Obligation Bonds	50,101,430	52,529,291
Lease Payable	203,417	153,335
Subscriptions Payable	129,180	305,403
Section 108 loan	1,750,000	1,875,000
Postemployment benefit obligation	4,806,311	4,846,003
Net pension liability	28,166,206	25,723,022
Total governmental activities	102,686,260	102,426,984
<b>Business-type activities</b>		
Compensated absences	742,837	643,568
Capital lease payable	7,076	10,531
Water Installment Agreement	14,828,173	15,991,560
Revenue bonds payable	5,645,000	6,515,000
Pension Obligation Bonds	7,163,570	7,510,709
Postemployment benefit obligation	1,694,719	1,708,693
Net pension liability	3,569,843	3,166,728
Total business-type activities	33,651,218	35,546,789
Total outstanding debt	\$ 136,337,478	\$ 137,973,773

The \$259,000 long-term debt increase in governmental activities from 2023 to 2024 is due to increases in compensated absences (\$205,000), claims and judgements (\$557,000), leases payable (\$50,000) and net pension liability (\$2.4 million). All other long-term debt in governmental activities decreased. Although increases were seen in business-type activities' compensated absences (\$99,000) and net pension liability (\$403,000) all other business-type activities decreased, netting to a decrease of \$1.9 million.

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 10, Note 13, and Note 16 of the *Notes to the Financial Statements*.

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

The City applied sound budgeting practices and considered new development, consumer spending, and other relevant factors in formulating a balanced budget for Fiscal Year 2024-25. Prudent, cost-saving budget practices, including pro-active debt management, will continue into future years.

**CITY OF COVINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

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 2024-25 budget projects an overall increase in revenues in comparison to Fiscal Year 2023-24. The increase includes increased tax revenues, with the exception of sales tax which is expected to slow based on consumer purchasing changes.

Increases to budgeted departmental expenditures reflect negotiated salary and benefit increases as well as increases to unfunded liability costs. In addition, activity of the former redevelopment agency results in reduced administrative funding, requiring that some staff costs be absorbed by the general fund. In addition, Community Development expenses reflect the purchase of property from the former redevelopment agency. Another contributing factor is that FY 2023-24 is the final year of ARPA funding, with a large share of fire service costs transitioning back to the general fund.

**REQUESTS FOR INFORMATION**

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

## **FINANCIAL STATEMENTS**

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**CITY OF COVINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 85,226,990	\$ 24,513,069	\$ 109,740,059
Cash and Investments - Restricted	-	757,185	757,185
Cash With Fiscal Agent	508	-	508
Receivables:			
Accounts, Net	475,573	2,005,117	2,480,690
Due from Other Governments	12,858,669	47,773	12,906,442
Other	878,096	22,066	900,162
Loans and Notes	278,522	-	278,522
Leases	1,039,159	340,491	1,379,650
Internal Balances	1,581,138	(1,581,138)	-
Inventories	63,876	47,013	110,889
Prepaid Items and Deposits	147,366	7,629	154,995
Capital Assets:			
Not Being Depreciated/Amortized	17,622,311	2,209,382	19,831,693
Being Depreciated/Amortized, Net	79,962,254	60,787,639	140,749,893
Total Assets	200,134,462	89,156,226	289,290,688
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	-	62,352	62,352
OPEB Related	1,460,569	530,616	1,991,185
Pension Related	24,395,009	1,736,294	26,131,303
Total Deferred Outflows of Resources	25,855,578	2,329,262	28,184,840
<b>LIABILITIES</b>			
Accounts Payable	2,927,378	1,408,502	4,335,880
Accrued Liabilities	940,832	44,063	984,895
Deposits Payable	4,145,145	1,107,231	5,252,376
Interest Payable	55,519	198,977	254,496
Due to Other Governments	278,522	-	278,522
Unearned Revenue	4,047,951	27,634	4,075,585
Noncurrent Liabilities:			
Due Within One Year	6,414,766	2,672,104	9,086,870
Due in More Than One Year:			
Long-Term Liabilities	63,298,977	25,714,552	89,013,529
Net Other Postemployment Benefit Liability	4,806,311	1,694,719	6,501,030
Net Pension Liability	28,166,206	3,569,843	31,736,049
Total Liabilities	115,081,607	36,437,625	151,519,232
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	-	106,961	106,961
Deferred Inflow Leases	1,022,716	331,021	1,353,737
OPEB Related	616,456	234,186	850,642
Pension Related	19,774,665	-	19,774,665
Total Deferred Inflows of Resources	21,413,837	672,168	22,086,005
<b>NET POSITION</b>			
Net Investment in Capital Assets	90,168,855	43,484,788	133,653,643
Restricted for:			
Public Safety	700,779	-	700,779
Public Works	19,057,095	-	19,057,095
Community Development	276,800	-	276,800
Culture and Recreation	1,437,004	-	1,437,004
Transit	6,875,434	-	6,875,434
Redevelopment and Housing	3,060,746	-	3,060,746
Unrestricted (Deficit)	(32,082,117)	10,890,907	(21,191,210)
Total Net Position	\$ 89,494,596	\$ 54,375,695	\$ 143,870,291

See accompanying Notes to Financial Statements.

**CITY OF COVINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 3,607,340	\$ 2,166,584	\$ 52,640	\$ -
Public Safety	38,426,544	2,307,522	4,877,949	-
Public Works	12,272,245	882,087	10,625,585	720,541
Culture and Recreation	6,428,184	774,565	242,454	413,289
Community Development	4,229,689	2,233,865	515,669	-
Transit	1,595,151	143,607	4,304,761	563,222
Redevelopment and Housing	728,375	326,479	344,374	-
Interest on Long-Term Debt	1,315,414	-	-	-
Total Governmental Activities	<u>68,602,942</u>	<u>8,834,709</u>	<u>20,963,432</u>	<u>1,697,052</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water Utility	12,037,535	12,523,664	31,572	-
Environmental Protection	1,432,770	1,128,094	-	-
Theater	530,467	191,693	-	2,999,768
Sewer Utility	2,454,092	2,696,029	-	-
Total Business-Type Activities	<u>16,454,864</u>	<u>16,539,480</u>	<u>31,572</u>	<u>2,999,768</u>
Total	<u>\$ 85,057,806</u>	<u>\$ 25,374,189</u>	<u>\$ 20,995,004</u>	<u>\$ 4,696,820</u>

**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

**CHANGES 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, 2024**

Net Revenue (Expense) and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (1,388,116)	\$ -	\$ (1,388,116)
(31,241,073)	-	(31,241,073)
(44,032)	-	(44,032)
(4,997,876)	-	(4,997,876)
(1,480,155)	-	(1,480,155)
3,416,439	-	3,416,439
(57,522)	-	(57,522)
(1,315,414)	-	(1,315,414)
(37,107,749)	-	(37,107,749)
-	517,701	517,701
-	(304,676)	(304,676)
-	2,660,994	2,660,994
-	241,937	241,937
-	3,115,956	3,115,956
(37,107,749)	3,115,956	(33,991,793)
17,707,380	-	17,707,380
10,701,878	-	10,701,878
8,535,570	-	8,535,570
252,508	-	252,508
194,695	-	194,695
404,183	-	404,183
6,024,393	-	6,024,393
2,452,804	-	2,452,804
4,149,726	1,611,110	5,760,836
103,788	93,959	197,747
(15,594)	15,594	-
50,511,331	1,720,663	52,231,994
13,403,582	4,836,619	18,240,201
76,091,014	49,539,076	125,630,090
\$ 89,494,596	\$ 54,375,695	\$ 143,870,291

See accompanying Notes to Financial Statements.

**CITY OF COVINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General Fund	Measure W	ARPA	Park Development	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 40,955,093	\$ 9,003,005	\$ 543,355	\$ 2,466,502	\$ 14,055,924	\$ 67,023,879
Cash and Investments With Fiscal Agent	-	-	-	-	508	508
Receivables:						
Interest	318,440	-	-	-	7,369	325,809
Utility User Tax	552,287	-	-	-	-	552,287
Accounts	341,000	-	-	-	31,439	372,439
Leases	626,094	-	-	-	413,065	1,039,159
Loans	-	-	-	-	278,522	278,522
Due from Other Governments	3,738,719	7,130,084	-	614,953	1,374,478	12,858,234
Due from Other Funds	236,494	-	-	-	-	236,494
Prepaid Items	92,959	-	-	-	828	93,787
	<u>\$ 46,861,086</u>	<u>\$ 16,133,089</u>	<u>\$ 543,355</u>	<u>\$ 3,081,455</u>	<u>\$ 16,162,133</u>	<u>\$ 82,781,118</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,451,079	\$ 20,779	\$ 102,445	\$ 229,866	\$ 609,608	\$ 2,413,777
Accrued Liabilities	953,705	-	-	-	262	953,967
Deposits Payable	4,136,432	-	-	-	8,713	4,145,145
Due to Other Funds	-	-	-	-	236,494	236,494
Due to Other Governments	-	-	-	-	278,522	278,522
Unearned Revenue	401,825	-	440,910	2,688,510	516,706	4,047,951
Total Liabilities	<u>6,943,041</u>	<u>20,779</u>	<u>543,355</u>	<u>2,918,376</u>	<u>1,650,305</u>	<u>12,075,856</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows - Leases	611,688	-	-	-	411,028	1,022,716
Unavailable Revenue	17,450	-	-	547,443	306,881	871,774
Total Deferred Inflows of Resources	<u>629,138</u>	<u>-</u>	<u>-</u>	<u>547,443</u>	<u>717,909</u>	<u>1,894,490</u>
<b>FUND BALANCES</b>						
Nonspendable	92,959	-	-	-	828	93,787
Committed	15,878,181	-	-	-	-	15,878,181
Restricted	332,545	16,112,310	-	-	14,003,457	30,448,312
Assigned	1,049	-	-	-	-	1,049
Unassigned	22,984,173	-	-	(384,364)	(210,366)	22,389,443
Total Fund Balances (Deficits)	<u>39,288,907</u>	<u>16,112,310</u>	<u>-</u>	<u>(384,364)</u>	<u>13,793,919</u>	<u>68,810,772</u>
	<u>\$ 46,861,086</u>	<u>\$ 16,133,089</u>	<u>\$ 543,355</u>	<u>\$ 3,081,455</u>	<u>\$ 16,162,133</u>	<u>\$ 82,781,118</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 46,861,086</u>	<u>\$ 16,133,089</u>	<u>\$ 543,355</u>	<u>\$ 3,081,455</u>	<u>\$ 16,162,133</u>	<u>\$ 82,781,118</u>

See accompanying Notes to Financial Statements.



**CITY OF COVINA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Total Fund Balances for Governmental Funds \$ 68,810,772

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 \$2,708,288 of internal service funds net capital assets.

Capital Assets Not Being Depreciated	\$ 16,670,775	
Capital Assets Being Depreciated	212,477,807	
Accumulated Depreciation	<u>(134,272,305)</u>	94,876,277

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, 2024 are:

Loan Payable	(1,750,000)	
Bonds Payable	(4,260,000)	
Pension Obligation Bonds	(48,009,932)	
Bond Premium	(173,391)	
Leases	(141,175)	
Subscriptions	(129,180)	
Compensated Absences	(4,409,843)	
Accrued Interest	<u>(35,362)</u>	(58,908,883)

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	23,787,077	
Deferred Inflows of Resources - Pension Related	(19,774,665)	
Net Pension Liability	(26,916,288)	
Deferred Outflows of Resources - OPEB Related	1,282,852	
Deferred Inflows of Resources - OPEB Related	(541,674)	
Net OPEB Liability	<u>(4,249,533)</u>	(26,412,231)

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.

10,256,887

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

871,774

Net Position of Governmental Activities

\$ 89,494,596

**CITY OF COVINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General Fund	Measure W	ARPA	Park Development	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 17,520,212	\$ -	\$ -	\$ -	\$ 187,168	\$ 17,707,380
Sales Tax, Intergovernmental	19,237,448	-	-	-	-	19,237,448
Transient Occupancy Taxes	252,508	-	-	-	-	252,508
Property Transfer Taxes	194,695	-	-	-	-	194,695
Business License Taxes	402,844	-	-	-	1,344	404,188
Utility User Taxes	6,024,393	-	-	-	-	6,024,393
Franchise Taxes	2,452,804	-	-	-	-	2,452,804
Licenses and Permits	1,866,645	-	-	-	-	1,866,645
Intergovernmental	1,141,804	7,861,857	4,281,768	67,510	9,430,693	22,783,632
Charges for Services	4,011,448	-	-	-	344,496	4,355,944
Fines and Forfeits	1,108,302	-	-	-	-	1,108,302
Special Assessments	-	-	-	-	853,971	853,971
Investment Earnings	3,371,912	353,131	-	-	458,657	4,183,700
Other	421,608	-	-	-	172,627	594,235
Total Revenues	<u>58,006,623</u>	<u>8,214,988</u>	<u>4,281,768</u>	<u>67,510</u>	<u>11,448,956</u>	<u>82,019,845</u>
<b>EXPENDITURES</b>						
Current:						
General Government	2,820,455	-	-	-	-	2,820,455
Public Safety	31,954,594	-	3,182,925	-	664,614	35,802,133
Public Works	2,209,301	-	-	-	4,314,859	6,524,160
Culture and Recreation	4,871,349	-	9,089	-	210,237	5,090,675
Community Development	3,255,509	-	369,213	32,622	-	3,657,344
Transit	-	-	-	-	1,091,975	1,091,975
Redevelopment and Housing	-	-	-	-	670,497	670,497
Capital Outlay	-	854,304	720,541	2,176,449	4,443,722	8,195,016
Debt Service:						
Principal Retirement	2,326,509	-	-	-	446,120	2,772,629
Interest and Fiscal Charges	1,114,449	-	-	-	214,246	1,328,695
Total Expenditures	<u>48,552,166</u>	<u>854,304</u>	<u>4,281,768</u>	<u>2,209,071</u>	<u>12,056,270</u>	<u>67,953,579</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	9,454,457	7,360,684	-	(2,141,561)	(607,314)	14,066,266
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	300,000	-	-	1,762,161	396,993	2,459,154
Transfers Out	(3,828,705)	-	-	-	(546,315)	(4,375,020)
Subscription Proceeds	3,991	-	-	-	-	3,991
Lease Proceeds	41,358	-	-	-	106,120	147,478
Total Other Financing Sources (Uses)	<u>(3,483,356)</u>	<u>-</u>	<u>-</u>	<u>1,762,161</u>	<u>(43,202)</u>	<u>(1,764,397)</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,971,101	7,360,684	-	(379,400)	(650,516)	12,301,869
Fund Balances (Deficits) - Beginning 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>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 39,288,907</u>	<u>\$ 16,112,310</u>	<u>\$ -</u>	<u>\$ (384,364)</u>	<u>\$ 13,793,919</u>	<u>\$ 68,810,772</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, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 12,301,869

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	\$ 10,089,226	
Deletions	(2,947,687)	
Depreciation Expense	<u>(5,639,753)</u>	1,501,786

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	(90,375)	
Subscriptions	176,223	
Principal Payments	2,666,510	
Amortization Premium on Bonds	<u>11,559</u>	2,763,917

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.

(4,439,558)

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.

52,068

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

Changes in Interest Payable for the Current Year		1,722
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Internal service funds are used by management to charge costs of activities involved in rendering services to departments within the City. The changes in net position of the internal service funds are included in the statement of activities.

1,488,668

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

(269,162)

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.

2,272

Change in Net Position of Governmental Activities

\$ 13,403,582

See accompanying Notes to Financial Statements.

**CITY OF COVINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 19,035,751	\$ 3,523,477	\$ 1,953,841	\$ 24,513,069	\$ 18,203,111
Cash and Investments Restricted	-	757,185	-	757,185	-
Accounts Receivable, Net	1,645,392	-	359,725	2,005,117	103,134
Interest Receivable	-	21,736	330	22,066	-
Lease Receivable	-	-	47,847	47,847	-
Due from Other Governments	-	47,773	-	47,773	435
Prepaid Items	3,257	3,255	1,117	7,629	53,579
Inventories	47,013	-	-	47,013	63,876
Total Current Assets	<u>20,731,413</u>	<u>4,353,426</u>	<u>2,362,860</u>	<u>27,447,699</u>	<u>18,424,135</u>
Noncurrent Assets:					
Advance to Theater Fund	-	2,631,892	-	2,631,892	-
Lease Receivable	-	-	292,644	292,644	-
Capital Assets:					
Capital Assets, Not Depreciated/Amortized	2,191,686	-	17,696	2,209,382	951,536
Capital Assets, Depreciated/Amortized, Net	<u>41,144,469</u>	<u>11,490,582</u>	<u>8,152,588</u>	<u>60,787,639</u>	<u>1,756,752</u>
Total Noncurrent Assets	<u>43,336,155</u>	<u>14,122,474</u>	<u>8,462,928</u>	<u>65,921,557</u>	<u>2,708,288</u>
Total Assets	<u>64,067,568</u>	<u>18,475,900</u>	<u>10,825,788</u>	<u>93,369,256</u>	<u>21,132,423</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amount on Refunding	-	62,352	-	62,352	-
Deferred Amount on OPEB Plans	378,578	90,151	61,887	530,616	177,717
Deferred Amount on Pension Plans	<u>1,171,127</u>	<u>336,205</u>	<u>228,962</u>	<u>1,736,294</u>	<u>607,932</u>
Total Deferred Outflows of Resources	<u>1,549,705</u>	<u>488,708</u>	<u>290,849</u>	<u>2,329,262</u>	<u>785,649</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	1,194,733	75,763	138,006	1,408,502	497,626
Accrued Liabilities	4,063	-	40,000	44,063	2,840
Deposits Payable	568,219	-	539,012	1,107,231	-
Interest Payable	118,910	50,751	29,316	198,977	20,157
Unearned Revenue	27,634	-	-	27,634	-
Compensated Absences	162,058	53,718	34,010	249,786	59,444
Lease Payable	3,510	-	-	3,510	38,935
Claims Payable	-	-	-	-	2,143,000
Pension Obligation Bonds Payable	232,425	77,558	38,407	348,390	101,717
Bonds Payable	<u>1,185,418</u>	<u>885,000</u>	<u>-</u>	<u>2,070,418</u>	<u>-</u>
Total Current Liabilities	<u>3,496,970</u>	<u>1,142,790</u>	<u>818,751</u>	<u>5,458,511</u>	<u>2,863,719</u>
Noncurrent Liabilities:					
Compensated Absences	320,311	105,575	67,165	493,051	150,345
Advance from Sewer Fund	-	-	2,631,892	2,631,892	-
Lease Payable	3,566	-	-	3,566	23,307
Pension Bonds Payable	4,546,685	1,517,177	751,318	6,815,180	1,989,781
Bonds Payable	<u>13,642,755</u>	<u>4,760,000</u>	<u>-</u>	<u>18,402,755</u>	<u>-</u>
Claims Payable	-	-	-	-	6,333,693
Net OPEB Liability	1,232,241	261,201	201,277	1,694,719	556,778
Net Pension Liability	<u>2,407,852</u>	<u>691,243</u>	<u>470,748</u>	<u>3,569,843</u>	<u>1,249,918</u>
Total Noncurrent Liabilities	<u>22,153,410</u>	<u>7,335,196</u>	<u>4,122,400</u>	<u>33,611,006</u>	<u>10,303,822</u>
Total Liabilities	<u>25,650,380</u>	<u>8,477,986</u>	<u>4,941,151</u>	<u>39,069,517</u>	<u>13,167,541</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts on OPEB Plans	164,879	42,087	27,220	234,186	74,782
Deferred Amounts on Leases	-	-	331,021	331,021	-
Deferred Amount on Refunding	<u>106,961</u>	<u>-</u>	<u>-</u>	<u>106,961</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>271,840</u>	<u>42,087</u>	<u>358,241</u>	<u>672,168</u>	<u>74,782</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	27,715,425	7,599,079	8,170,284	43,484,788	2,399,256
Unrestricted	<u>11,979,628</u>	<u>2,845,456</u>	<u>(2,353,039)</u>	<u>12,472,045</u>	<u>6,276,493</u>
Total Net Position	<u>\$ 39,695,053</u>	<u>\$ 10,444,535</u>	<u>\$ 5,817,245</u>	<u>55,956,833</u>	<u>\$ 8,675,749</u>

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

(1,581,138)

Net Position of Business-Type Activities

\$ 54,375,695

See accompanying Notes to Financial Statements.

**CITY OF COVINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer	Other	Total	Internal Service Funds
			Enterprise Funds	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Water Sales	\$ 11,868,255	\$ -	\$ -	\$ 11,868,255	\$ -
Charges for Services and Motor					
Pool Charges	-	-	191,693	191,693	7,657,273
Environmental Fees	-	-	1,125,616	1,125,616	-
Sewer Fees	-	2,914,954	-	2,914,954	-
Fire Line Fees	512,040	-	-	512,040	-
Total Operating Revenues	<u>12,380,295</u>	<u>2,914,954</u>	<u>1,317,309</u>	<u>16,612,558</u>	<u>7,657,273</u>
<b>OPERATING EXPENSES</b>					
General and Administrative	2,561,139	1,852,922	890,152	5,304,213	6,524,530
Vehicle and Equipment Operation	-	-	-	-	1,211,210
Utility Billing	71,560	-	-	71,560	-
Customer Service	416,196	-	-	416,196	-
Sales Promotion	414	-	-	414	-
Source and Supply	3,690,592	-	-	3,690,592	-
Production and Storage	1,484,185	-	-	1,484,185	-
Transmission and Distribution	1,768,174	-	-	1,768,174	-
Street Sweeping	-	-	165,669	165,669	-
Environmental Services	-	-	237,710	237,710	-
Industrial Waste	-	-	62,556	62,556	-
Waste Management	-	-	325,973	325,973	-
Depreciation	1,638,002	406,018	220,770	2,264,790	356,737
Total Operating Expenses	<u>11,630,262</u>	<u>2,258,940</u>	<u>1,902,830</u>	<u>15,792,032</u>	<u>8,092,477</u>
<b>OPERATING INCOME (LOSS)</b>	750,033	656,014	(585,521)	820,526	(435,204)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income (Loss)	1,329,202	199,712	82,196	1,611,110	-
Interest Expense	(407,273)	(195,152)	(60,407)	(662,832)	(49,478)
Rental Income	-	-	93,959	93,959	-
Intergovernmental	31,572	-	-	31,572	-
Total Nonoperating Revenues (Expenses)	<u>953,501</u>	<u>4,560</u>	<u>115,748</u>	<u>1,073,809</u>	<u>(49,478)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,703,534	660,574	(469,773)	1,894,335	(484,682)
<b>TRANSFERS</b>					
Transfers In	-	-	245,564	245,564	1,900,272
Transfers Out	(98,266)	(123,230)	(8,474)	(229,970)	-
Capital Contributions	-	-	2,999,768	2,999,768	-
Total Transfers	<u>(98,266)</u>	<u>(123,230)</u>	<u>3,236,858</u>	<u>3,015,362</u>	<u>1,900,272</u>
<b>CHANGE IN NET POSITION</b>	1,605,268	537,344	2,767,085	4,909,697	1,415,590
Net Position - Beginning of Year	<u>38,089,785</u>	<u>9,907,191</u>	<u>3,050,160</u>		<u>7,260,159</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 39,695,053</u>	<u>\$ 10,444,535</u>	<u>\$ 5,817,245</u>		<u>\$ 8,675,749</u>

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

(73,078)

Net Position of Business-Type Activities

\$ 4,836,619

See accompanying Notes to Financial Statements.

**CITY OF COVINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities			Governmental Activities	
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from customers	\$ 12,349,586	\$ 2,930,362	\$ 1,258,876	\$ 16,538,824	\$ -
Cash Received from User Departments	-	-	-		7,628,088
Cash Payments to Suppliers of Goods and Services	(5,772,985)	(986,591)	(736,522)	(7,496,098)	(5,033,266)
Cash Payments to Employees for Services	(3,464,636)	(932,737)	(660,109)	(5,057,482)	(1,612,261)
Net Cash Provided (Used) by Operating Activities	3,111,965	1,011,034	(137,755)	3,985,244	982,561
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash Received from Other Funds	-	118,108	245,564	363,672	1,900,272
Cash Paid to Other Funds	(98,266)	(123,230)	(8,474)	(229,970)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(98,266)	(5,122)	237,090	133,702	1,900,272
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(3,187,652)	(429,095)	(630,585)	(4,247,332)	(1,733,014)
Intergovernmental grants	31,572	-	-	31,572	-
Cash Received - Leases	-	-	31,207	31,207	-
Principal Paid - Leases	(3,456)	-	-	(3,456)	(40,293)
Principal Paid	(1,394,977)	(947,279)	(156,377)	(2,498,633)	(101,351)
Interest and Debt Issuance Costs	(419,922)	(186,796)	(61,454)	(668,172)	(49,718)
Net Cash Used by Capital and Related Financing Activities	(4,974,435)	(1,563,170)	(817,209)	(7,354,814)	(1,924,376)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income	1,329,202	199,712	82,332	1,611,246	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(631,534)	(357,546)	(635,542)	(1,624,622)	958,457
Cash and Cash Equivalents - Beginning of Year	19,667,285	4,638,208	2,589,383	26,894,876	17,244,654
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 19,035,751</u>	<u>\$ 4,280,662</u>	<u>\$ 1,953,841</u>	<u>\$ 25,270,254</u>	<u>\$ 18,203,111</u>

See accompanying Notes to Financial Statements.

**CITY OF COVINA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities				Governmental
	Water Utility	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 750,033	\$ 656,014	\$ (585,521)	\$ 820,526	\$ (435,204)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,638,002	406,018	220,770	2,264,790	356,737
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in:					
Accounts Receivable	(30,709)	-	(58,433)	(89,142)	(29,219)
Due from Other Governments	-	15,408	-	15,408	34
Inventory	26,082	-	-	26,082	(24,384)
Prepaid Items	(2,972)	(3,255)	7,242	1,015	(35,230)
Deferred Outflows of Resources of OPEB Plan	47,993	13,778	8,440	70,211	18,308
Deferred Outflows of Resources of Pension Plans	366,933	147,358	44,394	558,685	264,904
Increase (Decrease) in:					
Accounts Payable	553,252	(250,530)	36,615	339,337	357,599
Accrued Liabilities	(550,128)	-	-	(550,128)	-
Deposits Payable	34,268	-	37,822	72,090	-
Unearned Revenue	1,235	-	-	1,235	-
Deferred Inflows of Resources of OPEB Plan	(52,238)	(14,996)	(9,186)	(76,420)	(19,928)
Deferred Inflows of Resources of Pension Plans	(9,041)	(2,843)	(1,607)	(13,491)	(5,130)
Deferred Inflows of Resources Leases	-	-	56,636	56,636	-
Compensated Absences	63,249	22,826	13,194	99,269	(64,510)
Net OPEB Liability	(9,553)	(2,742)	(1,679)	(13,974)	(3,644)
Net Pension Liability	285,559	23,998	93,558	403,115	45,535
Claims Payable	-	-	-	-	556,693
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,111,965</u>	<u>\$ 1,011,034</u>	<u>\$ (137,755)</u>	<u>\$ 3,985,244</u>	<u>\$ 982,561</u>
<b>NONCASH FINANCING, CAPITAL OR INVESTING ACTIVITIES</b>					
Capital Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,999,768</u>	<u>\$ 2,999,768</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF COVINA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2024**

	Private- Purpose Trust	Other Postemployment Benefit Trust Fund	Custodial Funds
<b>ASSETS</b>			
Cash and Investments	\$ 1,113,564	\$ 1,394,676	\$ 1,500
Accounts Receivable	-	-	787
Interest Receivable	6,302	-	-
Land Held for Resale	2,391,502	-	-
Capital Assets, Not Being Depreciated	148,765	-	-
Total Assets	3,660,133	1,394,676	2,287
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	1,814	-	2,287
Noncurrent Liabilities:			
Due Within One Year	14,382	-	-
Due in More Than One Year	25,980	-	-
Total Liabilities	42,176	-	2,287
<b>NET POSITION</b>			
Held for OPEB	-	1,394,676	-
Held for Dissolution of Community Redevelopment Agency	3,617,957	-	-
Total Net Position	\$ 3,617,957	\$ 1,394,676	\$ -

See accompanying Notes to Financial Statements.



**CITY OF COVINA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Private- Purpose Trust	Other Postemployment Benefit Trust Fund	Custodial Funds
<b>ADDITIONS</b>			
Property Tax Revenue	\$ 33,405	\$ -	\$ -
Charges for Services	169,742	-	-
Contributions - Employer	-	200,000	-
Contributions - Rollover	-	1,089,281	-
Investment Earnings	650,194	107,600	-
Business Licenses Collected from Property Owners	-	-	13,159
Total Additions	<u>853,341</u>	<u>1,396,881</u>	<u>13,159</u>
<b>DEDUCTIONS</b>			
General and Administrative	259,723	2,205	13,159
Interest and Fiscal Charges	60,373	-	-
Program Expenses	27,481	-	-
Total Deductions	<u>347,577</u>	<u>2,205</u>	<u>13,159</u>
<b>CHANGE IN NET POSITION</b>	505,764	1,394,676	-
Net Position - Beginning of Year	<u>3,112,193</u>	<u>-</u>	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,617,957</u>	<u>\$ 1,394,676</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The financial statements of the City of Covina (the 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 (the 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, 2024**

**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 (the 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 (the 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, 2024**

**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, 2024**

**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, 2024**

**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.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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.

Other Postemployment Benefit Trust Fund

The fund is to account for resources that are held in an irrevocable trust for the benefit of participants in the City's other postemployment benefit plan.

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, 2024**

**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, 2024**

**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 purchase's 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, 2024**

**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, 2024**

**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, 2024 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, 2024**

**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**

During the year ended June 30, 2024, the City implemented GASB Statement No. 100 *Accounting Changes and Error Corrections – An Amendment to GASB Statement No. 62*, which defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The Statement prescribes the accounting and financial reporting for each type of accounting change and for error corrections. Implementation of GASB Statement No. 100 did not have any direct impact on the presentation of the City's financial statements.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Charges over Appropriations**

For the fiscal year ended June 30, 2024, expenditures exceeded appropriations in the following programs:

	Budget	Actual	Variance with Final Budget
Other Governmental Funds:			
Special Revenue Funds:			
Air Quality Improvement	\$ 217,073	\$ 321,018	\$ (103,945)
Lighting Assessment	256,364	293,790	(37,426)
TDA Grant	37,574	37,872	(298)

Funds with deficit balances were as follows:

	Amount
Park Development Capital Projects Fund	\$ 384,364
Other Governmental Funds:	
Special Revenue Funds:	
Lighting Assessment	69,764
Other Grants	68,339
Capital Project Funds:	
Transportation	72,263

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, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business- Type Activities	Fiduciary Funds			Total
			Private- Purpose Trust Fund	Other Postemployment Benefit Trust Fund	Custodial Funds	
Statement of Net Position:						
Cash and Investments	\$ 85,226,990	\$ 24,513,069	\$ 1,113,564	\$ 1,394,676	\$ 1,500	\$ 112,249,799
Cash and Investments - Restricted	-	757,185	-	-	-	757,185
Cash and Investments With Fiscal Agent	508	-	-	-	-	508
Total Cash and Investments	<u>\$ 85,227,498</u>	<u>\$ 25,270,254</u>	<u>\$ 1,113,564</u>	<u>\$ 1,394,676</u>	<u>\$ 1,500</u>	<u>\$ 113,007,492</u>

Cash and Investments as of  
June 30, 2024:

Consist of the Following:

Cash on Hand	\$ 7,780
Deposits With Financial Institutions	7,222,308
Investments	<u>105,777,404</u>
Total Cash and Investments	<u>\$ 113,007,492</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
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.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

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

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

	Fair Value	12 Months or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
Investment Type:					
State Investment Pool (LAIF)	\$ 32,265,486	\$ 32,265,486	\$ -	\$ -	\$ -
U.S. Agency Securities	41,630,598	4,952,100	10,721,810	25,956,688	-
Negotiable Certificates of Deposit	21,876,939	7,566,669	10,862,777	3,447,493	-
Money Market Mutual Funds	648,967	648,967	-	-	-
Held by OPEB Trust:					
Money Market Mutual Funds	1,380,698	1,380,698	-	-	-
Held by Bond Trustee:					
Money Market Mutual Funds	508	508	-	-	-
Total	97,803,196	<u>\$ 46,813,920</u>	<u>\$ 21,584,587</u>	<u>\$ 29,404,181</u>	<u>\$ -</u>
Not Subject to Investment Rate Risk:					
Covina Irrigating Company	<u>7,974,208</u>				
Total Investments	<u>\$ 105,777,404</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:



**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk (Continued)**

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:

Investment Type:	Fair Value	Minimum Credit Rating	AAA	AA+	Not Rated	Not Required to be Rated
State Investment Pool (LAIF)	\$ 32,265,486	N/A	\$ -	\$ -	\$ 32,265,486	\$ -
U.S. Agency Securities	41,630,598	N/A	-	41,630,598	-	-
Negotiable Certificates of Deposit	21,876,939	N/A	-	-	21,876,939	-
Money Market Mutual Funds	648,967	A	648,967	-	-	-
Held by OPEB Trust:						
Money Market Mutual Funds	1,380,698	N/A	-	-	-	1,380,698
Held by Bond Trustee:						
Money Market Mutual Funds	508	N/A	508	-	-	-
Total	<u>97,803,196</u>		<u>\$ 649,475</u>	<u>\$ 41,630,598</u>	<u>\$ 54,142,425</u>	<u>\$ 1,380,698</u>
Not Subject to Credit Risk						
Covina Irrigating Company	<u>7,974,208</u>					
Total Investments	<u>\$ 105,777,404</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.

**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, 2024, all the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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.

The City pool investment has the following recurring fair value measurements as of June 30, 2024:

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)
<b>Debt Securities:</b>				
U.S. Agency Securities	\$ 41,630,598	\$ -	\$ 41,630,598	\$ -
Negotiable Certificates of Deposit	21,876,939	-	21,876,939	-
Total Investments Measured at Fair Value	63,507,537	<u>\$ -</u>	<u>\$ 63,507,537</u>	<u>\$ -</u>
<b>Investments:</b>				
State Investment Pool (LAIF)*	32,265,486			
Money Market Mutual Funds*	2,030,173			
Covina Irrigating Company*	7,974,208			
Total Pooled Investments	<u>\$ 105,777,404</u>			

\* Not subject to fair value measurement hierarchy.

The annual money-weighted rate of return on fiduciary OPEB plan investments (calculated as the internal rate of return on plan investments, net of plan investment expense) for the year ended June 30, 2024, was 10.35%. The annual money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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, 2024:

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	\$ 236,494

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 started in December 2023 and the advance will mature in December 2042. At June 30, 2024, the outstanding balance was \$2,631,892.

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, 2024.

Transfers In Fund	Transfers Out Fund	Amount
General	Other Governmental Funds	\$ 300,000
Other Governmental Funds	General	396,993
Park Development	General	1,762,161
Other Enterprise Funds	General	245,564
Internal Service	Water Fund	98,266
Internal Service	Sewer Fund	123,230
Internal Service	General	1,423,987
Internal Service	Other Governmental Funds	246,315
Internal Service	Other Enterprise Funds	8,474
Total		\$ 4,604,990

**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 2029 and do not provide for renewal options. During the year ended June 30, 2024, the City recognized \$355,301 and \$28,678 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**CITY OF COVINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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.

**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, 2024, the City has recorded an allowance for the balance of \$5,350,915 for principal of \$4,742,000 and accrued interest of \$608,915 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, 2024, of all loans was \$1,815,737. Due to the forgiveness feature of these loans the City has established an allowance for uncollectible loans in the amount of \$1,537,215.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 CAPITAL ASSETS**

**Governmental Activities**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Governmental Activities:				
Capital Assets, Not Depreciated/Amortization:				
Land	\$ 12,335,553	\$ -	\$ -	\$ 12,335,553
Construction in Progress	3,623,307	10,131,408	8,467,957	5,286,758
Total Capital Assets, Not Depreciated/Amortization	15,958,860	10,131,408	8,467,957	17,622,311
Capital Assets, Depreciated/Amortized:				
Buildings and Structures	43,648,352	562,952	3,009,208	41,202,096
Improvements Other Than Buildings	14,853,789	2,277,981	19,200	17,112,570
Public Domain Infrastructure	133,966,388	6,092,453	-	140,058,841
Sanitary Sewer Infrastructure	6,221,681	-	-	6,221,681
Machinery and Equipment	11,931,717	1,102,910	206,013	12,828,614
Right-to-Use Assets	794,592	151,469	132,541	813,520
Total Capital Assets, Depreciated/Amortization	211,416,519	10,187,765	3,366,962	218,237,322
Less: Accumulated Depreciation/Amortization for:				
Buildings and Structures	15,145,986	831,787	32,845	15,944,928
Improvements Other Than Buildings	6,594,564	692,228	18,900	7,267,892
Public Domain Infrastructure	96,840,289	3,384,907	-	100,225,196
Sanitary Sewer Infrastructure	4,573,601	64,737	-	4,638,338
Machinery and Equipment	9,187,090	761,829	206,013	9,742,906
Right-to-Use Assets	327,347	261,002	132,541	455,808
Total Accumulated Depreciation/Amortization	132,668,877	5,996,490	390,299	138,275,068
Total Capital Assets, Depreciated/Amortization, Net	78,747,642	4,191,275	2,976,663	79,962,254
Total Capital Assets, Net	<u>\$ 94,706,502</u>	<u>\$ 14,322,683</u>	<u>\$ 11,444,620</u>	<u>\$ 97,584,565</u>

Depreciation/Amortization expense was charged to the following categories:

Governmental Activities:	
General Government	\$ 343,029
Public Safety	631,303
Public Works	3,877,420
Culture and Recreation	766,570
Transit	378,168
Total Governmental Activities	<u>\$ 5,996,490</u>

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities**

	Balance June 30, 2023	Additions/ Transfers	Deletions	Balance June 30, 2024
Business-Type Activities:				
Capital Assets, Not Depreciated/Amortization:				
Land	\$ 377,408	\$ -	\$ -	\$ 377,408
Construction in Progress	118,951	3,906,407	2,193,384	1,831,974
Total Capital Assets, Not Depreciated/Amortization	496,359	3,906,407	2,193,384	2,209,382
Capital Assets, Depreciated/Amortization:				
Buildings and Structures	16,382,150	3,059,940	-	19,442,090
Improvements Other Than Buildings	2,712,064	655,364	-	3,367,428
Water System Infrastructure	58,200,883	1,447,379	-	59,648,262
Machinery and Equipment	4,407,708	371,394	-	4,779,102
Right-to-Use Assets	17,306	-	-	17,306
Total Capital Assets, Depreciated Depreciated/Amortization	81,720,111	5,534,077	-	87,254,188
Less: Accumulated Depreciation/Amortization for:				
Buildings and Structures	4,331,550	391,588	-	4,723,138
Improvements Other Than Buildings	294,285	111,622	-	405,907
Water System Infrastructure	16,816,052	1,430,354	-	18,246,406
Machinery and Equipment	2,752,950	327,765	-	3,080,715
Right-to-Use Assets	6,922	3,461	-	10,383
Total Accumulated Depreciated/Amortization	24,201,759	2,264,790	-	26,466,549
Total Capital Assets, Depreciated/Amortization, Net	57,518,352	3,269,287	-	60,787,639
Total Capital Assets, Net	<u>\$ 58,014,711</u>	<u>\$ 7,175,694</u>	<u>\$ 2,193,384</u>	<u>\$ 62,997,021</u>

Depreciation/Amortization expense was charged to the following categories.

Business-Type Activities:	
Water Utility	\$ 1,638,002
Sewer	406,018
Nonmajor Fund - Other Enterprise Funds	220,770
Total Business-Type Activities	<u>\$ 2,264,790</u>

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS**

The following is a summary of pension related items for the year ended June 30, 2024:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Miscellaneous	\$ 13,527,254	\$ 6,535,295	\$ -	\$ 4,781,479
CalPERS Safety	18,208,795	19,596,008	19,774,665	3,772,507
Total	<u>\$ 31,736,049</u>	<u>\$ 26,131,303</u>	<u>\$ 19,774,665</u>	<u>\$ 8,553,986</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 multiemployer 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. PEPRA 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, 2024**

**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, 2023, are summarized as follows:

	Miscellaneous		
	Prior to January 1, 2013	On or After January 1, 2013	
Hire Date			
Benefit Formula	2.5%@55	2.0%@62	
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	
Benefit Payments	Monthly for Life	Monthly for Life	
Retirement Age	50 - 55	50 - 62	
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.7%	2.0% - 2.7%	
Required Employee Contribution Rates	8.13%	6.50%	
Required Employer Contribution Rates:			
Normal Cost Rate	11.870%	8.250%	
Payment of Unfunded Liability	\$ -	\$ -	-
	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%	14.50%
Required Employer Contribution Rates:			
Normal Cost Rate	29.090%	26.110%	14.500%
Payment of Unfunded Liability	\$ -	\$ -	\$ 5,758

Employees Covered

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	279
Inactive Employees Entitled to But Not Yet Receiving Benefits	319
Active Employees	109
Total	707



**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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, 2024, employer contributions of \$1,093,602 and \$1,734,540 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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
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, 2024**

**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:

<u>Leverage</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a) (b)</u>
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	<u>(5.00)</u>	<u>(0.59)</u>
Total	<u>100.00 %</u>	

(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, 2024**

**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, 2022 (Measurement Date)	\$ 108,371,763	\$ 96,435,357	\$ 11,936,406
Changes in the Year:			
Service Cost	1,633,504	-	1,633,504
Interest on the Total Pension Liability	7,368,866	-	7,368,866
Differences between Expected and Actual Experience	420,345	-	420,345
Changes in Assumptions	-	-	-
Contribution - Employer	-	1,440,158	(1,440,158)
Contribution - Employee	-	740,739	(740,739)
Net Investment Income	-	5,721,884	(5,721,884)
Administrative Expenses	-	(70,914)	70,914
Benefit Payments, Including Refunds of Employee Contributions	(5,627,420)	(5,627,420)	-
Net Changes	<u>3,795,295</u>	<u>2,204,447</u>	<u>1,590,848</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 112,167,058</u>	<u>\$ 98,639,804</u>	<u>\$ 13,527,254</u>

**Proportionate Share of Net Pension Liability Safety Plan**

As of June 30, 2024 (measurement date of June 30, 2023), the City reported \$18,208,795 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2024**

**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, 2022 and 2023 was as follows:

	<u>Safety</u>
Proportion - June 30, 2022	0.246720%
Proportion - June 30, 2023	0.243600%
Change - Increase (Decrease)	-0.003120%

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 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 28,594,472	\$ 38,548,441
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 13,527,254	\$ 18,208,795
1% Increase	7.90%	7.90%
Net Pension Liability (Asset)	\$ 1,211,507	\$ 1,579,686

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, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

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

For the year ended June 30, 2024, the City recognized pension expense of \$4,781,479 and \$3,772,507 for the Miscellaneous and Safety Plans, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,093,602	\$ -	\$ 1,734,540	\$ -
Differences Between Expected and Actual Experience	186,820	-	1,336,861	(114,449)
Change in Assumptions	-	-	1,062,690	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	12,970,048	(19,660,216)
Net Differences Between Projected and Actual Earnings on Plan Investments	5,254,873	-	2,491,869	-
Total	<u>\$ 6,535,295</u>	<u>\$ -</u>	<u>\$ 19,596,008</u>	<u>\$ (19,774,665)</u>

\$1,093,602 and \$1,734,540 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, 2025. 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>
2025	\$ 1,377,663	\$ (1,752,109)
2026	915,696	(1,453,240)
2027	2,988,698	1,222,600
2028	159,636	69,552
2029	-	-
Thereafter	-	-

**Payable to the Pension Plan**

At June 30, 2024, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 11 COMPENSATED ABSENCES**

For governmental funds, accumulated vacation and sick leave benefits payable at June 30, 2024, was \$4,409,843. The short-term portion of \$1,207,805 and long-term portion of \$3,202,038 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 \$209,789, of which \$59,444 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 \$742,837 of which \$249,786 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, 2024	Current Portion
Governmental Funds	\$ 4,409,843	\$ 1,207,805
Internal Service	209,789	59,444
Total Governmental Activities	\$ 4,619,632	\$ 1,267,249
Total Enterprise Funds	\$ 742,837	\$ 249,786

**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 \$4,282,950 and \$7,612,015, 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 judgements. At June 30, 2024, total actual and estimated claims and judgments payable were as follows:

General Liability	\$ 3,894,657
Workers' Compensation	4,582,036
Total	\$ 8,476,693

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 RISK MANAGEMENT (CONTINUED)**

The following are changes in the claims and judgments liability for fiscal years 2024 and 2023:

	Fiscal Year Ended June 30	
	2024	2023
Claims and Judgements - Beginning of Fiscal Year	\$ 7,920,000	\$ 7,718,000
Claims Incurred (Including IBNRs)	1,801,357	891,609
Claims Paid	(1,244,664)	(689,609)
Claims and Judgements - End of Fiscal Year	\$ 8,476,693	\$ 7,920,000

**NOTE 13 LONG-TERM LIABILITIES**

The following is a summary of changes in the long-term liabilities for the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Current Portion
<b>Governmental Activities:</b>					
<b>Other Long-Term Liabilities:</b>					
Compensated Absences	\$ 4,414,980	\$ 1,803,982	\$ 1,599,330	\$ 4,619,632	\$ 1,267,249
Claims and Judgments	7,920,000	1,801,357	1,244,664	8,476,693	2,143,000
Lease Payable	153,335	146,213	96,131	203,417	83,498
<b>Other Debt:</b>					
Certificates of Participation Payable (COP)	4,475,000	-	215,000	4,260,000	220,000
Unamortized Premium on COP	184,950	-	11,559	173,391	11,559
Pension Obligation Bonds	52,529,291	-	2,427,861	50,101,430	2,436,610
<b>Direct Borrowings and Placements:</b>					
Subscriptions Payable	305,403	5,256	181,479	129,180	127,850
Section 108 Loan	1,875,000	-	125,000	1,750,000	125,000
Total Long-Term Liabilities, Net	\$ 71,857,959	\$ 3,756,808	\$ 5,901,024	\$ 69,713,743	\$ 6,414,766
	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Current Portion
<b>Business-Type Activities:</b>					
<b>Other Long-Term Liabilities:</b>					
Compensated Absences	\$ 643,568	\$ 392,002	\$ 292,733	\$ 742,837	\$ 249,786
Lease Payable	10,531	-	3,455	7,076	3,510
<b>Direct Borrowings and Placements:</b>					
Water Installment Agreement	15,991,560	-	1,163,387	14,828,173	1,185,418
<b>Other Debt:</b>					
Revenue Bonds Payable	6,515,000	-	870,000	5,645,000	885,000
Pension Obligation Bonds	7,510,709	-	347,139	7,163,570	348,390
Total Long-Term Liabilities, Net	\$ 30,671,368	\$ 392,002	\$ 2,676,714	\$ 28,386,656	\$ 2,672,104

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, 2024**

**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, 2024, the outstanding balance of these bonds was \$4,260,000. 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>
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	250,000	117,900	367,900
2030-2034	1,425,000	407,500	1,832,500
2035-2039	1,675,000	159,763	1,834,763
Total	<u>\$ 4,260,000</u>	<u>\$ 1,236,351</u>	<u>\$ 5,496,351</u>

Leases

The City leases equipment and vehicles for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2029 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>
2025	\$ 83,498	\$ 5,129	\$ 88,627
2026	49,893	3,431	53,324
2027	31,645	2,131	33,776
2028	23,067	1,051	24,118
2029	15,314	279	15,593
Total	<u>\$ 203,417</u>	<u>\$ 12,021</u>	<u>\$ 215,438</u>

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

	<u>Governmental Activities</u>
Equipment	\$ 104,989
Vehicles	326,529
Less: Accumulated Amortization	<u>(202,680)</u>
Total	<u>\$ 228,838</u>

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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 2026 and provide for renewal options.

As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$382,002 and \$253,128, 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>
2025	\$ 127,850	\$ 2,090	\$ 129,940
2026	1,330	52	1,382
Total	<u>\$ 129,180</u>	<u>\$ 2,142</u>	<u>\$ 131,322</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, 2024, the outstanding loan balance was \$1,750,000.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	125,000	39,947	164,947
2030-2034	625,000	139,703	764,703
2035-2038	500,000	35,413	535,413
Total	<u>\$ 1,750,000</u>	<u>\$ 410,608</u>	<u>\$ 2,160,608</u>

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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	\$ 50,101,430
Business-Type Activities	7,163,570
Total	<u><u>\$ 57,265,000</u></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, 2024, is \$57,265,000. 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>
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	2,915,000	1,163,612	4,078,612
2030-2034	15,450,000	4,906,527	20,356,527
2035-2039	16,605,000	2,842,994	19,447,994
2040-2044	8,895,000	839,155	9,734,155
2045-2046	2,105,000	50,043	2,155,043
Total	<u><u>\$ 57,265,000</u></u>	<u><u>\$ 14,860,734</u></u>	<u><u>\$ 72,125,734</u></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>
2025	\$ 3,510	\$ 85	\$ 3,595
2026	3,566	30	3,596
Total	<u><u>\$ 7,076</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 7,191</u></u>

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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	(10,383)
Total	\$ 6,923

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 \$6,096,507. Principal and interest paid for the current fiscal year and customer net revenues were \$1,020,861 and \$1,062,032, 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>
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	975,000	39,808	1,014,808
2030	1,000,000	13,430	1,013,430
Total	\$ 5,645,000	\$ 451,507	\$ 6,096,507

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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 \$1,472,747 and \$2,388,035, 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>
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	792,577	215,301	1,007,878
2030-2034	4,209,367	834,627	5,043,994
2035-2039	4,642,062	401,175	5,043,237
2040-2041	1,481,255	29,255	1,510,510
Total	<u>\$ 14,828,173</u>	<u>\$ 2,506,034</u>	<u>\$ 17,334,207</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, 2024, 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, 2024**

**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, 2024**

**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
<b>Nonspendable:</b>						
Prepaid Items	\$ 92,959	\$ -	\$ -	\$ -	\$ 828	\$ 93,787
Total	92,959	-	-	-	828	93,787
<b>Restricted:</b>						
Culture and Recreation	265,624	-	-	-	1,171,380	1,437,004
Redevelopment and Housing	-	-	-	-	3,060,746	3,060,746
Community Development	-	-	-	-	276,800	276,800
Law Enforcement	66,921	-	-	-	546,086	613,007
Transportation and Street Projects	-	-	-	-	6,875,434	6,875,434
Air Quality Projects	-	-	-	-	51,040	51,040
Assessment Districts	-	-	-	-	1,585,464	1,585,464
Storm Water	-	-	-	-	1,779	1,779
Other Capital Projects	-	16,112,310	-	-	434,728	16,547,038
Total	332,545	16,112,310	-	-	14,003,457	30,448,312
<b>Committed:</b>						
Emergency Contingency	10,216,235	-	-	-	-	10,216,235
Community Development	5,446,552	-	-	-	-	5,446,552
Engineering	7,817	-	-	-	-	7,817
City Attorney	3,431	-	-	-	-	3,431
Finance	14,965	-	-	-	-	14,965
Law Enforcement	87,772	-	-	-	-	87,772
Culture and Recreation	20,466	-	-	-	-	20,466
Other Capital Projects	80,943	-	-	-	-	80,943
Total	15,878,181	-	-	-	-	15,878,181
<b>Assigned:</b>						
Community Development	1,049	-	-	-	-	1,049
Total	1,049	-	-	-	-	1,049
<b>Unassigned</b>						
	22,984,173	-	-	(384,364)	(210,366)	22,389,443
Total	<u>\$ 39,288,907</u>	<u>\$ 16,112,310</u>	<u>\$ -</u>	<u>\$ (384,364)</u>	<u>\$ 13,793,919</u>	<u>\$ 68,810,772</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, 2024**

**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, 2023 measurement date:

Active Plan Members	173
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	146
Total	<u>319</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 2024, \$444,595 was contributed as insurance premiums, \$200,000 to the trust, and an implicit subsidy \$104,613 totaling \$749,208.

**B. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.



**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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	4.30%
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. 6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040- 2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2023-2029 and 4.00% 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, 2024**

**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 4.30%, 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 3.86%.

Change in Assumptions

The discount rate was changed from 4.28% to 4.30%.

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

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022 (Measurement Date)	\$ 7,610,279	\$ 1,055,583	\$ 6,554,696
Changes Recognized for the Measurement Period:			
Service Cost	219,590	-	219,590
Interest on the Total OPEB Liability	323,307	-	323,307
Changes of Assumptions	(15,932)	-	(15,932)
Contribution from the Employer	-	557,768	(557,768)
Net Investment Income	-	29,046	(29,046)
Administrative Expenses	-	(6,183)	6,183
Benefit Payments	(557,768)	(557,768)	-
Net Changes During July 1, 2022 to June 30, 2023	(30,803)	22,863	(53,666)
Balance at June 30, 2023 (Measurement Date)	<u>\$ 7,579,476</u>	<u>\$ 1,078,446</u>	<u>\$ 6,501,030</u>

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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 1-percentage-point lower (3.30%) or 1-percentage-point higher (5.30%) than the current discount rate:

	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
Net OPEB Liability (Asset)	\$ 7,372,611	\$ 6,501,030	\$ 5,771,216

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

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 5,905,972	\$ 6,501,030	\$ 7,258,278

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, 2024, the City recognized OPEB expense of \$669,472. At June 30, 2024, 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	\$ 749,208	\$ -
Differences Between Actual and Expected Experience	915,874	(100,707)
Change in Assumptions	209,809	(749,935)
Net Differences Between Projected and Actual Earnings	116,294	-
Total	\$ 1,991,185	\$ (850,642)

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 2023 measurement period is 7.3 years.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 16 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

\$749,208 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, 2025. 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>
2025	\$ 156,235
2026	91,634
2027	72,982
2028	34,945
2029	19,853
Thereafter	15,686

**E. Payable to the OPEB Plan**

At June 30, 2024, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

**F. GASB 74**

For the measurement date June 30, 2024, as prescribed by GASB 74, the Total OPEB liability is \$7,524,677, the OPEB plan fiduciary net position is \$1,394,677 and the Net OPEB liability is \$6,130,002.

**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 \$3,179,310 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, 2024**

**NOTE 18 ENCUMBRANCES (CONTINUED)**

As of June 30, 2024, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ 144,547
Measure W	195,278
ARPA Fund	131,837
Park Development Fund	1,374,695
Nonmajor Governmental Fund	2,242,451
Total Governmental Funds	<u>\$ 4,088,808</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, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Current Portion
Compensated Absences	\$ 36,506	\$ 3,856	\$ -	\$ 40,362	\$ 14,382
Tax Allocation Bonds	2,810,000	-	2,810,000	-	-
Unamortized Premium on Tax Allocation Bonds	523,813	-	523,813	-	-
Total Long-Term Liabilities, Net	<u>\$ 3,370,319</u>	<u>\$ 3,856</u>	<u>\$ 3,333,813</u>	<u>\$ 40,362</u>	<u>\$ 14,382</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 were due and paid off on December 1, 2023.

**CITY OF COVINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**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 were paid off during fiscal year 2023-2024.

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 outstanding principal balance of the bonds were paid off during fiscal year 2023-2024.

**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,	2024	2023	2022	2021	2020
Measurement Period June 30,	2023	2022	2021	2020	2019
Total Pension Liability:					
Service Cost	\$ 1,633,504	\$ 1,576,526	\$ 1,411,076	\$ 1,493,026	\$ 1,380,689
Interest on Total Pension Liability	7,368,866	7,125,461	6,951,248	6,728,565	6,507,596
Differences Between Expected and Actual Experience	420,345	(107,352)	207,569	129,660	2,271,369
Changes in Assumptions	-	3,217,843	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,627,420)	(5,619,036)	(5,397,430)	(5,150,041)	(4,817,247)
Net Change in Total Pension Liability	3,795,295	6,193,442	3,172,463	3,201,210	5,342,407
Total Pension Liability - Beginning of Year	108,371,763	102,178,321	99,005,858	95,804,648	90,462,241
Total Pension Liability - End of Year (a)	112,167,058	108,371,763	102,178,321	99,005,858	95,804,648
Plan Fiduciary Net Position:					
Contributions - Employer	1,440,158	28,388,909	2,994,204	2,794,762	2,386,884
Contributions - Employee	740,739	675,453	648,674	652,852	656,805
Plan to Plan Resource Movement	-	-	-	(1,599)	-
Net Investment Income	5,721,884	(7,776,639)	15,110,547	3,264,202	4,117,352
Benefit Payments	(5,627,420)	(5,619,036)	(5,397,430)	(5,150,041)	(4,817,247)
Administrative Expense	(70,914)	(50,344)	(67,457)	(93,130)	(45,355)
Net Change in Plan Fiduciary Net Position	2,204,447	15,618,343	13,288,538	1,467,046	2,298,439
Plan Fiduciary Net Position - Beginning of Year	96,435,357	80,817,014	67,528,476	66,061,430	63,762,991
Plan Fiduciary Net Position - End of Year (b)	98,639,804	96,435,357	80,817,014	67,528,476	66,061,430
Net Pension Liability - Ending (a)-(b)	\$ 13,527,254	\$ 11,936,406	\$ 21,361,307	\$ 31,477,382	\$ 29,743,218
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.94%	88.99%	79.09%	68.21%	68.95%
Covered Payroll	\$ 8,786,730	\$ 8,337,323	\$ 7,882,583	\$ 7,996,049	\$ 7,646,268
Net Pension Liability as Percentage of Covered Payroll	153.95%	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%.

From fiscal year June 30, 2023 to June 30, 2024: There were no significant changes in assumptions.

See accompanying Note to Required Supplementary Information.



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

Fiscal Year Ended June 30,	2019	2018	2017	2016	2015
Measurement Period June 30,	2018	2017	2016	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)	-
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	<u>2,471,245</u>	<u>3,953,366</u>	<u>3,035,483</u>	<u>2,082,104</u>	<u>3,010,682</u>
Total Pension Liability - Beginning of Year	<u>87,990,996</u>	<u>84,037,630</u>	<u>81,002,147</u>	<u>78,920,043</u>	<u>75,909,361</u>
Total Pension Liability - End of Year (a)	90,462,241	87,990,996	84,037,630	81,002,147	78,920,043
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	<u>2,925,806</u>	<u>3,849,551</u>	<u>(1,904,545)</u>	<u>(375,715)</u>	<u>7,225,095</u>
Plan Fiduciary Net Position - Beginning of Year	<u>60,837,185</u>	<u>56,987,634</u>	<u>58,892,179</u>	<u>59,267,894</u>	<u>52,042,799</u>
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,	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 1,093,602	\$ 1,440,158	\$ 3,287,810	\$ 2,995,659	\$ 2,794,762
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,093,602)</u>	<u>(1,440,158)</u>	<u>(28,389,913)</u>	<u>(2,995,659)</u>	<u>(2,794,762)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,102,103)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,876,443	\$ 8,786,730	\$ 8,337,323	\$ 7,882,583	\$ 7,996,049
Contributions as a Percentage of Covered Payroll	11.07%	16.39%	340.52%	38.00%	34.95%
Notes to Schedule:					
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.63%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Mortality	(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 CONTRIBUTIONS  
MISCELLANEOUS (CONTINUED)  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,386,725	\$ 1,424,175	\$ 1,430,571	\$ 1,599,026	\$ 1,453,480
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,386,725)</u>	<u>(2,078,674)</u>	<u>(1,430,571)</u>	<u>(1,599,026)</u>	<u>(1,453,480)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (654,499)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,646,268	\$ 6,130,981	\$ 8,782,015	\$ 8,497,600	\$ 7,967,419
Contributions as a Percentage of Covered Payroll	31.21%	33.90%	16.29%	18.82%	18.24%
Notes to Schedule:					
Valuation Date	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
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Mortality	(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,	2024	2023	2022	2021	2020
Measurement Period June 30,	2023	2022	2021	2020	2019
Plan's Proportion of the Net Pension Liability	0.24360%	0.24672%	0.77033%	0.58950%	0.56627%
Plan's Proportionate Share of the Net Pension Liability	\$ 18,208,795	\$ 16,953,344	\$ 27,034,631	\$ 39,280,317	\$ 35,349,515
Plan's Covered Payroll	\$ 7,971,446	\$ 7,155,333	\$ 6,861,894	\$ 6,490,821	\$ 6,548,655
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	228.43%	236.93%	393.98%	605.17%	539.80%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	87.72%	79.78%	79.78%	75.26%	75.26%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016: GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017: There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018: The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 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%.

From fiscal year June 30, 2023 to June 30, 2024: There were no significant changes in assumptions.

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended June 30,	2019	2018	2017	2016	2015
Measurement Period June 30,	2018	2017	2016	2015	2014
Plan's Proportion of the Net Pension Liability	0.54852%	0.56064%	0.56696%	0.46197%	0.41430%
Plan's Proportionate Share of the Net Pension Liability	\$ 32,026,302	\$ 30,950,899	\$ 26,302,740	\$ 19,035,092	\$ 15,540,223
Plan's Covered Payroll	\$ 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	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	85.14%	85.14%	79.48%	81.50%	84.45%

*See accompanying Note to Required Supplementary Information.*

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

Fiscal Year Ended June 30,	2024	2023	2022	2021	2020
Contractually Required Contribution (Actuarially Determined)	\$ 1,734,540	\$ 2,241,062	\$ 4,346,122	\$ 3,885,326	\$ 2,758,911
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,734,540)</u>	<u>(2,241,062)</u>	<u>(36,196,719)</u>	<u>(3,885,326)</u>	<u>(2,758,911)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,850,597)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,153,199	\$ 7,971,446	\$ 7,155,333	\$ 6,861,894	\$ 6,490,821
Contributions as a Percentage of Covered Payroll	21.27%	28.11%	505.87%	56.62%	42.50%

Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
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Methods and Assumptions Used to Determine

Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.63%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.9% (3)	6.9% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Mortality	(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 CONTRIBUTIONS –  
SAFETY (CONTINUED)  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 2,360,587	\$ 1,969,480	\$ 1,730,321	\$ 1,549,717	\$ 1,241,075
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,360,587)</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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,548,655	\$ 6,325,051	\$ 6,325,051	\$ 6,672,936	\$ 6,433,232
Contributions as a Percentage of Covered Payroll	36.05%	31.14%	27.36%	23.22%	19.29%

Notes to Schedule:

Valuation Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and Assumptions Used to Determine

Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Mortality	(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**  
**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN MEASUREMENT PERIODS\***

Fiscal Year-End June 30,	2024	2023	2022	2021	2020	2019	2018
Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>							
Service Cost	\$ 219,590	\$ 252,323	\$ 263,838	\$ 315,436	\$ 271,591	\$ 173,634	\$ 155,856
Interest on Total OPEB Liability	323,307	273,031	252,672	234,306	253,720	285,949	287,858
Difference Between Expected and Actual Experience	-	737,525	-	770,579	-	(963,933)	-
Change in Assumptions and Other Inputs	(15,932)	(286,721)	(348,629)	(631,555)	355,233	1,264,415	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(557,768)	(554,251)	(556,834)	(510,755)	(457,669)	(411,596)	(413,635)
<b>Net Change in Total OPEB Liability</b>	<b>(30,803)</b>	<b>421,907</b>	<b>(388,953)</b>	<b>248,035</b>	<b>422,875</b>	<b>348,469</b>	<b>30,079</b>
<b>Total OPEB Liability - Beginning of Year</b>	<b>7,610,279</b>	<b>7,188,372</b>	<b>7,577,325</b>	<b>7,329,290</b>	<b>6,906,415</b>	<b>6,557,946</b>	<b>6,527,867</b>
<b>Total OPEB Liability - End of Year (a)</b>	<b>7,579,476</b>	<b>7,610,279</b>	<b>7,188,372</b>	<b>7,577,325</b>	<b>7,329,290</b>	<b>6,906,415</b>	<b>6,557,946</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - Employer	557,768	654,251	1,056,834	510,755	457,669	411,596	413,635
Net Investment Income	29,046	(127,979)	47,030	27,077	34,489	9,519	18,600
Administrative Expenses	(6,183)	(6,675)	(3,353)	(3,091)	(2,728)	(2,630)	(2,372)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(557,768)	(554,251)	(556,834)	(510,755)	(457,669)	(411,596)	(413,635)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>22,863</b>	<b>(34,654)</b>	<b>543,677</b>	<b>23,986</b>	<b>31,761</b>	<b>6,889</b>	<b>16,228</b>
<b>Plan Fiduciary Net Position - Beginning of Year</b>	<b>1,055,583</b>	<b>1,090,237</b>	<b>546,560</b>	<b>522,574</b>	<b>490,813</b>	<b>483,924</b>	<b>467,696</b>
<b>Plan Fiduciary Net Position - End of Year (b)</b>	<b>1,078,446</b>	<b>1,055,583</b>	<b>1,090,237</b>	<b>546,560</b>	<b>522,574</b>	<b>490,813</b>	<b>483,924</b>
<b>Net OPEB Liability - Ending (a)-(b)</b>	<b>\$ 6,501,030</b>	<b>\$ 6,554,696</b>	<b>\$ 6,098,135</b>	<b>\$ 7,030,765</b>	<b>\$ 6,806,716</b>	<b>\$ 6,415,602</b>	<b>\$ 6,074,022</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>14.23%</b>	<b>13.87%</b>	<b>15.17%</b>	<b>7.21%</b>	<b>7.13%</b>	<b>7.11%</b>	<b>7.38%</b>
<b>Covered - Employee Payroll</b>	<b>\$ 21,814,848</b>	<b>\$ 20,087,715</b>	<b>\$ 19,596,677</b>	<b>\$ 18,127,870</b>	<b>\$ 17,042,879</b>	<b>\$ 13,316,004</b>	<b>\$ 12,959,615</b>
<b>Net OPEB Liability as Percentage of Covered - Employee Payroll</b>	<b>29.80%</b>	<b>32.63%</b>	<b>31.12%</b>	<b>38.78%</b>	<b>39.94%</b>	<b>48.18%</b>	<b>46.87%</b>

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The fiscal year ended June 30, 2018 is the first year of implementation. For fiscal year ended June 30, 2020, discount rate was changed to 3.17% from 3.65%, inflation rate remained 3.0% and health care trend was changed to 5.9% in 2019 decreasing to 5% in 2028. For fiscal year ended June 30, 2021, the discount rate was changed to 3.34% from 3.17% and the health care trend rate was changed to 4% decreasing to 3.5% for 2024 and later years. For fiscal year ended June 30, 2022, the discount rate was changed to 3.81% from 3.34% and the health care trend rate was changed to 4.0% for 2021-2023, 5.2% for 2024-2069 and 4.0% for 2070 and later. For fiscal year ended 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% for 2022, 6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2022-2029 and 4.00% for 2030 and later years. For fiscal year ended June 30, 2024, the discount rate was changed to 4.30% from 4.28% and the health care trend rate was changed to 6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2023-2029 and 4.00% for 2030 and later years.

\* Fiscal year 2018 was the first year of implementation and, therefore, only seven 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,	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 720,929	\$ 701,634	\$ 490,144	\$ 556,834	\$ 511,353	\$ 497,668	\$ 409,995
Contributions in Relation to the Actuarially Determined Contributions	(749,208)	(559,989)	(553,834)	(477,026)	(511,353)	(497,668)	(409,995)
Contribution Deficiency (Excess)	<u>\$ (28,279)</u>	<u>\$ 141,645</u>	<u>\$ (63,690)</u>	<u>\$ 79,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 22,483,367	\$ 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	3.33%	2.57%	2.76%	2.43%	2.82%	2.92%	3.08%

Notes to Schedule:

Valuation Date	June 30, 2022	June 30, 2022	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	4.30%	4.28%	3.69%	2.45%	3.17%	3.65%	4.50%
Inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	2.75%
Mortality Rate	(2)	(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 seven years are shown.

**CITY OF COVINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 33,317,806	\$ 33,317,806	\$ 33,317,806	\$ -
Resources (Inflows):				
Property Taxes	15,464,000	16,164,000	17,520,212	1,356,212
Sales Tax, Intergovernmental	20,000,000	19,700,000	19,237,448	(462,552)
Transient Occupancy Taxes	160,000	220,000	252,508	32,508
Property Transfer Taxes	200,000	200,000	194,695	(5,305)
Business License Taxes	345,000	345,000	402,844	57,844
Utility User Taxes	5,065,000	5,734,000	6,024,393	290,393
Franchise Taxes	2,152,000	2,175,000	2,452,804	277,804
Licenses and Permits	1,368,500	1,823,897	1,866,645	42,748
Intergovernmental	848,500	952,044	1,141,804	189,760
Charges for Services	3,939,014	3,744,134	4,011,448	267,314
Fines and Forfeits	835,000	820,000	1,108,302	288,302
Investment Earnings	220,000	220,000	3,371,912	3,151,912
Miscellaneous	445,180	446,980	421,608	(25,372)
Subscriptions Proceeds	-	-	3,991	3,991
Lease Proceeds	-	-	41,358	41,358
Transfers In	300,000	300,000	300,000	-
Amounts Available for Appropriation	<u>84,660,000</u>	<u>86,162,861</u>	<u>91,669,778</u>	<u>5,506,917</u>
Charges to Appropriations (Outflows):				
Current:				
General Government	3,382,561	3,506,426	2,820,455	685,971
Public Safety	34,512,614	35,049,493	31,954,594	3,094,899
Public Works	2,585,898	2,585,898	2,209,301	376,597
Culture and Recreation	5,639,549	5,731,562	4,871,349	860,213
Community Development	2,808,399	6,653,379	3,255,509	3,397,870
Debt Service:				
Principal Retirement	2,326,509	2,326,509	2,326,509	-
Interest and Fiscal Charges	1,108,108	1,108,108	1,114,449	(6,341)
Transfers Out	1,598,684	8,336,179	3,828,705	4,507,474
Total Charges to Appropriation	<u>53,962,322</u>	<u>65,297,554</u>	<u>52,380,871</u>	<u>12,916,683</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 30,697,678</u>	<u>\$ 20,865,307</u>	<u>\$ 39,288,907</u>	<u>\$ 18,423,600</u>

See accompanying Note to Required Supplementary Information.

**CITY OF COVINA  
BUDGETARY COMPARISON SCHEDULE  
MEASURE W FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 8,751,626	\$ 8,751,626	\$ -
Resources (Inflows):			
Intergovernmental	7,865,084	7,861,857	(3,227)
Investment Earnings	7,800	353,131	345,331
Amounts Available for Appropriation	<u>16,624,510</u>	<u>16,966,614</u>	<u>342,104</u>
Charges to Appropriations (Outflows):			
Capital Outlay	<u>15,909,465</u>	<u>854,304</u>	<u>15,055,161</u>
Total Charges to Appropriation	<u>15,909,465</u>	<u>854,304</u>	<u>15,055,161</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u><u>\$ 715,045</u></u>	<u><u>\$ 16,112,310</u></u>	<u><u>\$ 15,397,265</u></u>

See accompanying Note to Required Supplementary Information.

(JH)

**CITY OF COVINA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**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**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF COVINA  
OTHER GOVERNMENTAL FUNDS  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

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

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

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

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

Measure 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. Nonmajor 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.



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**CITY OF COVINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

<b>ASSETS</b>	Community Development Block Grant	Proposition A	Law Enforcement
Cash and Investments	\$ -	\$ 2,405,557	\$ 98,513
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	15,055	-
Interest	-	6,595	-
Leases	-	178,614	-
Loans	278,522	-	-
Due from Other Governments	15,636	-	43,921
Prepaid Items	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 294,158</u>	<u>\$ 2,605,821</u>	<u>\$ 142,434</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,599	\$ 105,872	\$ 2,257
Accrued Liabilities	-	-	-
Deposits Payable	-	-	-
Due to Other Governments	278,522	-	-
Due to Other Funds	13,037	-	-
Unearned Revenue	-	-	-
Total Liabilities	<hr/> 294,158	<hr/> 105,872	<hr/> 2,257
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Leases	-	178,417	-
Unavailable Revenue	-	-	8,031
Total Deferred Inflows of Resources	<hr/> -	<hr/> 178,417	<hr/> 8,031
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	2,321,532	132,146
Air Quality Projects	-	-	-
Assessment Districts	-	-	-
Culture and Recreation	-	-	-
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<hr/> -	<hr/> 2,321,532	<hr/> 132,146
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 294,158</u>	<u>\$ 2,605,821</u>	<u>\$ 142,434</u>

**CITY OF COVINA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ 342,636	\$ 122,959	\$ 1,151,258	\$ 51,185	\$ 818,625	\$ -
-	-	-	-	-	-
-	-	-	-	1,768	-
-	-	-	-	774	-
-	-	-	-	234,451	-
-	-	-	-	-	-
-	119,805	87,156	-	3,969	2,093
-	828	-	-	-	-
<u>\$ 342,636</u>	<u>\$ 243,592</u>	<u>\$ 1,238,414</u>	<u>\$ 51,185</u>	<u>\$ 1,059,587</u>	<u>\$ 2,093</u>
\$ -	\$ 83,914	\$ 34,730	\$ 145	\$ 13,586	\$ 21,595
-	-	-	-	157	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	50,262
-	-	-	-	5	-
-	83,914	34,730	145	13,748	71,857
-	-	-	-	232,611	-
-	-	-	-	-	-
-	-	-	-	232,611	-
-	828	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
342,636	-	-	-	-	-
-	158,850	1,203,684	-	-	-
-	-	-	51,040	-	-
-	-	-	-	813,228	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(69,764)
<u>342,636</u>	<u>159,678</u>	<u>1,203,684</u>	<u>51,040</u>	<u>813,228</u>	<u>(69,764)</u>
<u>\$ 342,636</u>	<u>\$ 243,592</u>	<u>\$ 1,238,414</u>	<u>\$ 51,185</u>	<u>\$ 1,059,587</u>	<u>\$ 2,093</u>

**CITY OF COVINA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

<b>ASSETS</b>	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
Cash and Investments	\$ 654,466	\$ 81,662	\$ 57,401
Cash and Investments - Restricted	-	-	-
Receivables:			
Accounts	-	-	27
Interest	-	-	-
Leases	-	-	-
Loans	-	-	-
Due from Other Governments	1,762	5,086	-
Prepaid Items	-	-	-
<b>Total Assets</b>	<b><u>\$ 656,228</u></b>	<b><u>\$ 86,748</u></b>	<b><u>\$ 57,428</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 23,936	\$ -	\$ -
Accrued Liabilities	103	-	-
Deposits Payable	-	3,500	-
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	629
<b>Total Liabilities</b>	<b><u>24,039</u></b>	<b><u>3,500</u></b>	<b><u>629</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Leases	-	-	-
Unavailable Revenue	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted for:			
Redevelopment and Housing	-	-	-
Community Development	-	-	-
Law Enforcement	-	-	-
Transportation and Street Projects	-	-	-
Air Quality Projects	-	-	-
Assessment Districts	632,189	83,248	56,799
Culture and Recreation	-	-	-
Storm Water	-	-	-
Other Capital Projects	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b><u>632,189</u></b>	<b><u>83,248</u></b>	<b><u>56,799</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 656,228</u></b>	<b><u>\$ 86,748</u></b>	<b><u>\$ 57,428</u></b>

**CITY OF COVINA  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024**

Measure M	TDA Grant	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority	Measure R
\$ 227,652	\$ -	\$ 1,613,132	\$ 588,632	\$ 3,142,143	\$ 810,243
-	-	-	-	-	508
-	-	-	14,281	-	-
-	-	-	-	-	-
-	-	-	-	-	-
74,328	-	230,786	-	-	65,560
-	-	-	-	-	-
<u>\$ 301,980</u>	<u>\$ -</u>	<u>\$ 1,843,918</u>	<u>\$ 602,913</u>	<u>\$ 3,142,143</u>	<u>\$ 876,311</u>
\$ 42,338	\$ -	\$ 114,158	\$ 1,200	\$ 76,184	\$ 10,676
-	-	-	-	-	-
-	-	-	-	5,213	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,338	-	114,158	1,200	81,397	10,676
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,060,746	-
-	-	-	-	-	-
-	-	-	-	-	-
259,642	-	1,729,760	-	-	865,635
-	-	-	-	-	-
-	-	-	601,713	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
259,642	-	1,729,760	601,713	3,060,746	865,635
<u>\$ 301,980</u>	<u>\$ -</u>	<u>\$ 1,843,918</u>	<u>\$ 602,913</u>	<u>\$ 3,142,143</u>	<u>\$ 876,311</u>

**CITY OF COVINA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Other Grants Fund	Total Special Revenue Funds	General Projects
<b>ASSETS</b>			
Cash and Investments	\$ 182,028	\$ 12,348,092	\$ 1,431,032
Cash and Investments - Restricted	-	508	-
Receivables:			
Accounts	308	31,439	-
Interest	-	7,369	-
Leases	-	413,065	-
Loans	-	278,522	-
Due from Other Governments	259,796	909,898	2
Prepaid Items	-	828	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 442,132</u>	<u>\$ 13,989,721</u>	<u>\$ 1,431,034</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 28,051	\$ 561,241	\$ 17,225
Accrued Liabilities	2	262	-
Deposits Payable	-	8,713	-
Due to Other Governments	-	278,522	-
Due to Other Funds	-	63,299	-
Unearned Revenue	255,830	256,464	-
Total Liabilities	<u>283,883</u>	<u>1,168,501</u>	<u>17,225</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Leases	-	411,028	-
Unavailable Revenue	226,588	234,619	-
Total Deferred Inflows of Resources	<u>226,588</u>	<u>645,647</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	828	-
Restricted for:			
Redevelopment and Housing	-	3,060,746	-
Community Development	-	-	-
Law Enforcement	-	342,636	71,304
Transportation and Street Projects	-	6,671,249	336,331
Air Quality Projects	-	51,040	-
Assessment Districts	-	1,585,464	-
Culture and Recreation	-	601,713	569,667
Storm Water	-	-	1,779
Other Capital Projects	-	-	434,728
Unassigned	(68,339)	(138,103)	-
Total Fund Balances (Deficits)	<u>(68,339)</u>	<u>12,175,573</u>	<u>1,413,809</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 442,132</u>	<u>\$ 13,989,721</u>	<u>\$ 1,431,034</u>

**CITY OF COVINA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

Covina Revitalization Projects	Transportation	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 276,800	\$ -	\$ 1,707,832	\$ 14,055,924
-	-	-	508
-	-	-	31,439
-	-	-	7,369
-	-	-	413,065
-	-	-	278,522
-	464,578	464,580	1,374,478
-	-	-	828
<u>\$ 276,800</u>	<u>\$ 464,578</u>	<u>\$ 2,172,412</u>	<u>\$ 16,162,133</u>
\$ -	\$ 31,142	\$ 48,367	\$ 609,608
-	-	-	262
-	-	-	8,713
-	-	-	278,522
-	173,195	173,195	236,494
-	260,242	260,242	516,706
-	464,579	481,804	1,650,305
-	-	-	411,028
-	72,262	72,262	306,881
-	72,262	72,262	717,909
-	-	-	828
-	-	-	3,060,746
276,800	-	276,800	276,800
-	-	71,304	413,940
-	-	336,331	7,007,580
-	-	-	51,040
-	-	-	1,585,464
-	-	569,667	1,171,380
-	-	1,779	1,779
-	-	434,728	434,728
-	(72,263)	(72,263)	(210,366)
<u>276,800</u>	<u>(72,263)</u>	<u>1,618,346</u>	<u>13,793,919</u>
<u>\$ 276,800</u>	<u>\$ 464,578</u>	<u>\$ 2,172,412</u>	<u>\$ 16,162,133</u>

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Community Development Block Grant	Proposition A	Law Enforcement
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	-
Intergovernmental	344,374	1,386,179	329,120
Charges for Services	-	143,607	-
Special Assessments	-	-	-
Investment Earnings	-	101,033	4,808
Miscellaneous	-	-	-
Total Revenues	<u>344,374</u>	<u>1,630,819</u>	<u>333,928</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	186,367
Public Works	-	-	-
Culture and Recreation	-	-	-
Transit	-	1,091,975	-
Redevelopment and Housing	162,005	-	-
Capital Outlay	-	172,250	-
Debt Service:			
Principal Retirement	125,000	-	-
Interest	57,369	-	-
Total Expenditures	<u>344,374</u>	<u>1,264,225</u>	<u>186,367</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	366,594	147,561
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease Proceeds	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	366,594	147,561
Fund Balances (Deficits) - Beginning of Year	<u>-</u>	<u>1,954,938</u>	<u>(15,415)</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,321,532</u>	<u>\$ 132,146</u>



**CITY OF COVINA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

Narcotics Seizure	State Gas Tax	Proposition C	Air Quality Improvement	Municipal Parking District	Lighting Assessment District
\$ -	\$ -	\$ -	\$ -	\$ 187,168	\$ -
-	-	-	-	-	-
-	1,388,704	1,109,612	50,787	-	-
-	-	-	-	117,958	-
-	-	-	-	-	131,674
13,792	4,916	55,396	2,632	5,707	-
-	-	-	-	-	-
<u>13,792</u>	<u>1,393,620</u>	<u>1,165,008</u>	<u>53,419</u>	<u>310,833</u>	<u>131,674</u>
7,973	-	-	-	-	-
-	1,422,449	-	214,898	165,109	293,790
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,533,248	-	-	-
-	-	-	106,120	-	-
-	-	-	-	-	-
<u>7,973</u>	<u>1,422,449</u>	<u>1,533,248</u>	<u>321,018</u>	<u>165,109</u>	<u>293,790</u>
5,819	(28,829)	(368,240)	(267,599)	145,724	(162,116)
-	-	-	106,120	-	-
-	-	-	-	-	148,684
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>106,120</u>	<u>-</u>	<u>148,684</u>
5,819	(28,829)	(368,240)	(161,479)	145,724	(13,432)
<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>\$ 342,636</u>	<u>\$ 159,678</u>	<u>\$ 1,203,684</u>	<u>\$ 51,040</u>	<u>\$ 813,228</u>	<u>\$ (69,764)</u>

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

	Landscaping Assessment District	Community Facilities District	Shoppers Lane Parking District
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Business License Taxes	-	-	1,344
Intergovernmental	-	-	-
Charges for Services	-	-	23,100
Special Assessments	205,499	326,479	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>205,499</u>	<u>326,479</u>	<u>24,444</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Public Works	88,392	4,981	9,668
Culture and Recreation	-	-	-
Transit	-	-	-
Redevelopment and Housing	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest	-	-	-
Total Expenditures	<u>88,392</u>	<u>4,981</u>	<u>9,668</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	117,107	321,498	14,776
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease Proceeds	-	-	-
Transfers In	-	-	-
Transfers Out	-	(496,315)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(496,315)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	117,107	(174,817)	14,776
Fund Balances (Deficits) - Beginning of Year	<u>515,082</u>	<u>258,065</u>	<u>42,023</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 632,189</u>	<u>\$ 83,248</u>	<u>\$ 56,799</u>

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

Measure M	TDA Grant	Road Maintenance and Rehabilitation	PEG Access Television	Housing Authority	Measure R
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
939,447	37,574	1,324,237	-	-	831,949
-	-	-	59,831	-	-
-	-	-	-	-	-
17,933	298	74,185	-	129,992	33,635
-	-	-	-	-	-
<u>957,380</u>	<u>37,872</u>	<u>1,398,422</u>	<u>59,831</u>	<u>129,992</u>	<u>865,584</u>
-	-	-	-	-	-
-	-	2,066,146	-	-	-
-	-	-	40,903	-	-
-	-	-	-	-	-
-	-	-	-	504,238	-
1,112,157	37,872	-	-	-	99,751
-	-	-	-	-	215,000
-	-	-	-	-	156,877
<u>1,112,157</u>	<u>37,872</u>	<u>2,066,146</u>	<u>40,903</u>	<u>504,238</u>	<u>471,628</u>
(154,777)	-	(667,724)	18,928	(374,246)	393,956
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(154,777)</u>	<u>-</u>	<u>(667,724)</u>	<u>18,928</u>	<u>(374,246)</u>	<u>393,956</u>
414,419	-	2,397,484	582,785	3,434,992	471,679
<u>\$ 259,642</u>	<u>\$ -</u>	<u>\$ 1,729,760</u>	<u>\$ 601,713</u>	<u>\$ 3,060,746</u>	<u>\$ 865,635</u>

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

	Other Grants Fund	Total Special Revenue Funds	General Projects
<b>REVENUES</b>			
Property Taxes	\$ -	\$ 187,168	\$ -
Business License Taxes	-	1,344	-
Intergovernmental	488,836	8,230,819	298,712
Charges for Services	-	344,496	-
Special Assessments	-	663,652	190,319
Investment Earnings	3,359	447,686	-
Miscellaneous	1,722	1,722	-
Total Revenues	<u>493,917</u>	<u>9,876,887</u>	<u>489,031</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	470,274	664,614	-
Public Works	49,426	4,314,859	-
Culture and Recreation	169,334	210,237	-
Transit	-	1,091,975	-
Redevelopment and Housing	4,254	670,497	-
Capital Outlay	-	2,955,278	925,221
Debt Service:			
Principal Retirement	-	446,120	-
Interest	-	214,246	-
Total Expenditures	<u>693,288</u>	<u>10,567,826</u>	<u>925,221</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(199,371)	(690,939)	(436,190)
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease Proceeds	-	106,120	-
Transfers In	-	148,684	248,309
Transfers Out	-	(496,315)	(50,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(241,511)</u>	<u>198,309</u>
<b>NET CHANGE IN FUND BALANCES</b>	(199,371)	(932,450)	(237,881)
Fund Balances (Deficits) - Beginning of Year	<u>131,032</u>	<u>13,108,023</u>	<u>1,651,690</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ (68,339)</u>	<u>\$ 12,175,573</u>	<u>\$ 1,413,809</u>

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

Covina Revitalization Projects	Transportation	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 187,168
-	-	-	1,344
-	901,162	1,199,874	9,430,693
-	-	-	344,496
-	-	190,319	853,971
10,971	-	10,971	458,657
-	170,905	170,905	172,627
<u>10,971</u>	<u>1,072,067</u>	<u>1,572,069</u>	<u>11,448,956</u>
-	-	-	664,614
-	-	-	4,314,859
-	-	-	210,237
-	-	-	1,091,975
-	-	-	670,497
-	563,223	1,488,444	4,443,722
-	-	-	446,120
-	-	-	214,246
<u>-</u>	<u>563,223</u>	<u>1,488,444</u>	<u>12,056,270</u>
10,971	508,844	83,625	(607,314)
-	-	-	106,120
-	-	248,309	396,993
-	-	(50,000)	(546,315)
<u>-</u>	<u>-</u>	<u>198,309</u>	<u>(43,202)</u>
10,971	508,844	281,934	(650,516)
265,829	(581,107)	1,336,412	14,444,435
<u>265,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 276,800</u>	<u>\$ (72,263)</u>	<u>\$ 1,618,346</u>	<u>\$ 13,793,919</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ -	\$ -	\$ -
Resources (Inflows):			
Intergovernmental	491,688	344,374	(147,314)
Amounts Available for Appropriation	491,688	344,374	(147,314)
Charges to Appropriations (Outflows):			
Redevelopment and Housing	309,319	162,005	147,314
Debt Service:			
Principal	125,000	125,000	-
Interest and Fiscal Charges	57,369	57,369	-
Total Charges to Appropriation	491,688	344,374	147,314
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	\$ -	\$ -	\$ -

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 1,954,938	\$ 1,954,938	\$ -
Resources (Inflows):			
Intergovernmental	1,483,030	1,386,179	(96,851)
Charges for Services	151,107	143,607	(7,500)
Investment Earnings	10,000	101,033	91,033
Amounts Available for Appropriation	3,599,075	3,585,757	(13,318)
Charges to Appropriations (Outflows):			
Transit	1,887,148	1,091,975	795,173
Capital Outlay	172,250	172,250	-
Total Charges to Appropriation	2,059,398	1,264,225	795,173
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ 1,539,677</b>	<b>\$ 2,321,532</b>	<b>\$ 781,855</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
LAW ENFORCEMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE (DEFICIT) - JULY 1</b>	\$ (15,415)	\$ (15,415)	\$ -
Resources (Inflows):			
Intergovernmental	619,172	329,120	(290,052)
Investment Earnings	2,500	4,808	2,308
Amounts Available for Appropriation	606,257	318,513	(287,744)
Charges to Appropriations (Outflows):			
Public Safety	574,878	186,367	388,511
Total Charges to Appropriation	574,878	186,367	388,511
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ 31,379</b>	<b>\$ 132,146</b>	<b>\$ 100,767</b>



**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NARCOTICS SEIZURE SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 336,817	\$ 336,817	\$ -
Resources (Inflows):			
Investment Earnings	2,200	13,792	11,592
Amounts Available for Appropriation	<u>339,017</u>	<u>350,609</u>	<u>11,592</u>
Charges to Appropriations (Outflows):			
Public Safety	10,000	7,973	2,027
Total Charges to Appropriation	<u>10,000</u>	<u>7,973</u>	<u>2,027</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 329,017</u>	<u>\$ 342,636</u>	<u>\$ 13,619</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
STATE GAS TAX SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 188,507	\$ 188,507	\$ -
Resources (Inflows):			
Intergovernmental	1,451,415	1,388,704	(62,711)
Investment Earnings	1,200	4,916	3,716
Amounts Available for Appropriation	1,641,122	1,582,127	(58,995)
Charges to Appropriations (Outflows):			
Public Works	1,705,775	1,422,449	283,326
Total Charges to Appropriation	1,705,775	1,422,449	283,326
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ (64,653)</b>	<b>\$ 159,678</b>	<b>\$ 224,331</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
PROPOSITION C SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 1,571,924	\$ 1,571,924	\$ -
Resources (Inflows):			
Intergovernmental	1,209,398	1,109,612	(99,786)
Investment Earnings	10,000	55,396	45,396
Amounts Available for Appropriation	2,791,322	2,736,932	(54,390)
Charges to Appropriations (Outflows):			
Capital Outlay	2,287,483	1,533,248	754,235
Total Charges to Appropriation	2,287,483	1,533,248	754,235
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ 503,839</b>	<b>\$ 1,203,684</b>	<b>\$ 699,845</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 212,519	\$ 212,519	\$ -
Resources (Inflows):			
Intergovernmental	63,000	50,787	(12,213)
Investment Earnings	800	2,632	1,832
Lease Proceeds	-	106,120	106,120
Amounts Available for Appropriation	276,319	372,058	95,739
Charges to Appropriations (Outflows):			
Public Works	217,073	214,898	2,175
Debt Service:			
Principal Retirement	-	106,120	(106,120)
Total Charges to Appropriation	217,073	321,018	(103,945)
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	\$ 59,246	\$ 51,040	\$ (8,206)

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL PARKING SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 667,504	\$ 667,504	\$ -
Resources (Inflows):			
Property Taxes	153,739	187,168	33,429
Charges for Services	87,744	117,958	30,214
Investment Earnings	-	5,707	5,707
Amounts Available for Appropriation	<u>908,987</u>	<u>978,337</u>	<u>69,350</u>
Charges to Appropriations (Outflows):			
Public Works	165,202	165,109	93
Total Charges to Appropriation	<u>165,202</u>	<u>165,109</u>	<u>93</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 743,785</u>	<u>\$ 813,228</u>	<u>\$ 69,443</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
LIGHTING ASSESSMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE (DEFICIT) - JULY 1</b>	\$ (56,332)	\$ (56,332)	\$ -
Resources (Inflows):			
Special Assessments	132,140	131,674	(466)
Transfers In	148,684	148,684	-
Amounts Available for Appropriation	224,492	224,026	(466)
Charges to Appropriations (Outflows):			
Public Works	256,364	293,790	(37,426)
Total Charges to Appropriation	256,364	293,790	(37,426)
<b>BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30</b>	<b>\$ (31,872)</b>	<b>\$ (69,764)</b>	<b>\$ (37,892)</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
LANDSCAPING ASSESSMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 515,082	\$ 515,082	\$ -
Resources (Inflows):			
Special Assessments	207,517	205,499	(2,018)
Amounts Available for Appropriation	722,599	720,581	(2,018)
Charges to Appropriations (Outflows):			
Public Works	90,651	88,392	2,259
Total Charges to Appropriation	90,651	88,392	2,259
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ 631,948</b>	<b>\$ 632,189</b>	<b>\$ 241</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY FACILITIES DISTRICT ASSESSMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 258,065	\$ 258,065	\$ -
Resources (Inflows):			
Special Assessments	250,000	326,479	76,479
Amounts Available for Appropriation	<u>508,065</u>	<u>584,544</u>	<u>76,479</u>
Charges to Appropriations (Outflows):			
Public Works	11,750	4,981	6,769
Transfers Out	496,315	496,315	-
Total Charges to Appropriation	<u>508,065</u>	<u>501,296</u>	<u>6,769</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ -</u>	<u>\$ 83,248</u>	<u>\$ 83,248</u>



**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SHOPPERS LANE PARKING DISTRICT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 42,023	\$ 42,023	\$ -
Resources (Inflows):			
Business License Taxes	2,000	1,344	(656)
Charges for Services	14,400	23,100	8,700
Amounts Available for Appropriation	58,423	66,467	8,044
Charges to Appropriations (Outflows):			
Public Works	11,300	9,668	1,632
Total Charges to Appropriation	11,300	9,668	1,632
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	\$ 47,123	\$ 56,799	\$ 9,676

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MEASURE M SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 414,419	\$ 414,419	\$ -
Resources (Inflows):			
Intergovernmental	2,027,988	939,447	(1,088,541)
Investment Earnings	5,000	17,933	12,933
Amounts Available for Appropriation	<u>2,447,407</u>	<u>1,371,799</u>	<u>(1,075,608)</u>
Charges to Appropriations (Outflows):			
Capital Outlay	2,432,489	1,112,157	1,320,332
Total Charges to Appropriation	<u>2,432,489</u>	<u>1,112,157</u>	<u>1,320,332</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 14,918</u>	<u>\$ 259,642</u>	<u>\$ 244,724</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
TDA GRANT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ -	\$ -	\$ -
Resources (Inflows):			
Intergovernmental	59,027	37,574	(21,453)
Investment Earnings	-	298	298
Amounts Available for Appropriation	<u>59,027</u>	<u>37,872</u>	<u>(21,155)</u>
Charges to Appropriations (Outflows):			
Capital Outlay	37,574	37,872	(298)
Total Charges to Appropriation	<u>37,574</u>	<u>37,872</u>	<u>(298)</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 21,453</u>	<u>\$ -</u>	<u>\$ (21,453)</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
ROAD MAINTENANCE AND REHABILITATION SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 2,397,484	\$ 2,397,484	\$ -
Resources (Inflows):			
Intergovernmental	1,268,519	1,324,237	55,718
Investment Earnings	6,000	74,185	68,185
Amounts Available for Appropriation	<u>3,672,003</u>	<u>3,795,906</u>	<u>123,903</u>
Charges to Appropriations (Outflows):			
Total Charges to Appropriation	<u>3,596,825</u>	<u>2,066,146</u>	<u>1,530,679</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 75,178</u>	<u>\$ 1,729,760</u>	<u>\$ 1,654,582</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
PEG ACCESS TELEVISION SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 582,785	\$ 582,785	\$ -
Resources (Inflows):			
Charges for Services	76,000	59,831	(16,169)
Amounts Available for Appropriation	<u>658,785</u>	<u>642,616</u>	<u>(16,169)</u>
Charges to Appropriations (Outflows):			
Culture and Recreation	48,500	40,903	7,597
Total Charges to Appropriation	<u>48,500</u>	<u>40,903</u>	<u>7,597</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 610,285</u>	<u>\$ 601,713</u>	<u>\$ (8,572)</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 3,434,992	\$ 3,434,992	\$ -
Resources (Inflows):			
Intergovernmental	1,445,313	-	(1,445,313)
Investment Earnings	36,000	129,992	93,992
Amounts Available for Appropriation	4,916,305	3,564,984	(1,351,321)
Charges to Appropriations (Outflows):			
Current:			
Redevelopment and Housing	4,413,257	504,238	3,909,019
Total Charges to Appropriation	4,413,257	504,238	3,909,019
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ 503,048</b>	<b>\$ 3,060,746</b>	<b>\$ 2,557,698</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MEASURE R SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 471,679	\$ 471,679	\$ -
Resources (Inflows):			
Intergovernmental	907,048	831,949	(75,099)
Investment Earnings	3,000	33,635	30,635
Amounts Available for Appropriation	1,381,727	1,337,263	(44,464)
Charges to Appropriations (Outflows):			
Capital Outlay	941,698	99,751	841,947
Debt Service:			
Principal Retirement	215,000	215,000	-
Interest and Fiscal Charges	154,988	156,877	(1,889)
Total Charges to Appropriation	1,311,686	471,628	840,058
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	\$ 70,041	\$ 865,635	\$ 795,594

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
OTHER GRANTS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 131,032	\$ 131,032	\$ -
Resources (Inflows):			
Intergovernmental	1,098,628	488,836	(609,792)
Investment Earnings	1,000	3,359	2,359
Miscellaneous	-	1,722	1,722
Amounts Available for Appropriation	1,230,660	624,949	(605,711)
Charges to Appropriations (Outflows):			
Public Safety	702,168	470,274	231,894
Public Works	66,896	49,426	17,470
Culture and Recreation	224,258	169,334	54,924
Redevelopment and Housing	76,500	4,254	72,246
Capital Outlay	45,577	-	45,577
Total Charges to Appropriation	1,115,399	693,288	422,111
<b>BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30</b>	\$ 115,261	\$ (68,339)	\$ (183,600)



**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL PROJECTS FUND CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 1,651,690	\$ 1,651,690	\$ -
Resources (Inflows):			
Intergovernmental	262,279	298,712	36,433
Special Assessments	-	190,319	190,319
Transfers In	712,057	248,309	(463,748)
Amounts Available for Appropriation	2,626,026	2,389,030	(236,996)
Charges to Appropriations (Outflows):			
Capital Outlay	1,525,101	925,221	599,880
Transfers Out	100,000	50,000	50,000
Total Charges to Appropriation	1,625,101	975,221	649,880
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<b>\$ 1,000,925</b>	<b>\$ 1,413,809</b>	<b>\$ 412,884</b>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
COVINA REVITALIZATION CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUDGETARY FUND BALANCE - JULY 1</b>	\$ 265,829	\$ 265,829	\$ -
Resources (Inflows):			
Investment Earnings	3,000	10,971	7,971
Amounts Available for Appropriation	<u>268,829</u>	<u>276,800</u>	<u>7,971</u>
Charges to Appropriations (Outflows):			
Capital Outlay	208,482	-	208,482
Total Charges to Appropriation	<u>208,482</u>	<u>-</u>	<u>208,482</u>
<b>BUDGETARY FUND BALANCE - JUNE 30</b>	<u>\$ 60,347</u>	<u>\$ 276,800</u>	<u>\$ 216,453</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE – MAJOR FUND  
TRANSPORTATION CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>BUDGETARY FUND BALANCE (DEFICIT) - JULY 1</b>	\$ (581,107)	\$ (581,107)	\$ (581,107)	\$ -
Resources (Inflows):				
Intergovernmental	-	4,581,107	901,162	(3,679,945)
Miscellaneous	-	431,147	170,905	(260,242)
Amounts Available for Appropriation	<u>(581,107)</u>	<u>4,431,147</u>	<u>490,960</u>	<u>(3,940,187)</u>
Charges to Appropriations (Outflows):				
Capital Outlay	-	4,431,147	563,223	3,867,924
Total Charges to Appropriation	<u>-</u>	<u>4,431,147</u>	<u>563,223</u>	<u>3,867,924</u>
<b>BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30</b>	<u>\$ (581,107)</u>	<u>\$ -</u>	<u>\$ (72,263)</u>	<u>\$ (72,263)</u>

**CITY OF COVINA  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE – MAJOR FUND  
PARK DEVELOPMENT CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Budget		
<b>BUDGETARY FUND BALANCE (DEFICIT) - JULY 1</b>	\$ (4,964)	\$ (4,964)	\$ (4,964)	\$ -
Resources (Inflows):				
Intergovernmental	18,310,319	18,310,319	67,510	(18,242,809)
Transfers In	<u>4,848,189</u>	<u>4,848,189</u>	<u>1,762,161</u>	<u>(3,086,028)</u>
Amounts Available for Appropriation	23,153,544	23,153,544	1,824,707	(21,328,837)
Charges to Appropriations (Outflows):				
Community Development	248,001	248,001	32,622	215,379
Capital Outlay	<u>22,654,656</u>	<u>22,654,656</u>	<u>2,176,449</u>	<u>20,478,207</u>
Total Charges to Appropriation	<u>22,902,657</u>	<u>22,902,657</u>	<u>2,159,071</u>	<u>20,743,586</u>
<b>BUDGETARY FUND BALANCE (DEFICIT) - JUNE 30</b>	<u>\$ 250,887</u>	<u>\$ 250,887</u>	<u>\$ (334,364)</u>	<u>\$ (585,251)</u>

**CITY OF COVINA  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2024**

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, 2024**

	Environmental Fund	Theater Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 1,341,391	\$ 612,450	\$ 1,953,841
Accounts Receivable, Net	238,442	121,283	359,725
Interest Receivable	-	330	330
Lease Receivable	-	47,847	47,847
Prepaid Items	1,117	-	1,117
Total Current Assets	1,580,950	781,910	2,362,860
Noncurrent Assets:			
Lease Receivable	-	292,644	292,644
Capital Assets:			
Capital Assets, not Depreciated	17,696	-	17,696
Capital Assets, Depreciated, Net	1,614,424	6,538,164	8,152,588
Total Noncurrent Assets	1,632,120	6,830,808	8,462,928
Total Assets	3,213,070	7,612,718	10,825,788
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on OPEB Plans	61,887	-	61,887
Deferred Amount on Pension Plans	205,934	23,028	228,962
Total Deferred Outflows of Resources	267,821	23,028	290,849
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	72,071	65,935	138,006
Deposits Payable	530,430	8,582	539,012
Interest Payable	7,580	21,736	29,316
Compensated Absences	34,010	-	34,010
Pension Obligation Bonds Payable	38,407	-	38,407
Total Current Liabilities	682,498	136,253	818,751
Noncurrent Liabilities:			
Compensated Absences	67,165	-	67,165
Advance from Sewer Fund	-	2,631,892	2,631,892
Pension Bonds Payable	751,318	-	751,318
Net OPEB Liability	201,277	-	201,277
Net Pension Liability	423,403	47,345	470,748
Total Noncurrent Liabilities	1,443,163	2,679,237	4,122,400
Total Liabilities	2,125,661	2,815,490	4,941,151
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on OPEB Plans	27,220	-	27,220
Deferred Amounts on Leases	-	331,021	331,021
Total Deferred Inflows of Resources	27,220	331,021	358,241
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,632,120	6,538,164	8,170,284
Unrestricted	(304,110)	(2,048,929)	(2,353,039)
Total Net Position	\$ 1,328,010	\$ 4,489,235	\$ 5,817,245

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Environmental Fund	Theater Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ 191,693	\$ 191,693
Environmental Fees	1,125,616	-	1,125,616
Total Operating Revenues	1,125,616	191,693	1,317,309
<b>OPERATING EXPENSES</b>			
General and Administrative	555,850	334,302	890,152
Street Sweeping	165,669	-	165,669
Environmental Services	237,710	-	237,710
Industrial Waste	62,556	-	62,556
Waste Management	325,973	-	325,973
Depreciation	66,805	153,965	220,770
Total Operating Expenses	1,414,563	488,267	1,902,830
<b>OPERATING LOSS</b>	(288,947)	(296,574)	(585,521)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	50,981	31,215	82,196
Interest Expense	(18,207)	(42,200)	(60,407)
Rental Income	-	93,959	93,959
Total Nonoperating Revenues	32,774	82,974	115,748
<b>LOSS BEFORE TRANSFERS</b>	(256,173)	(213,600)	(469,773)
<b>TRANSFERS</b>			
Transfers In	-	245,564	245,564
Transfers Out	(8,474)	-	(8,474)
Capital Contributions	-	2,999,768	2,999,768
Total Transfers	(8,474)	3,245,332	3,236,858
<b>CHANGE IN NET POSITION</b>	(264,647)	3,031,732	2,767,085
Net Position - Beginning of Year	1,592,657	1,457,503	3,050,160
<b>NET POSITION - END OF YEAR</b>	\$ 1,328,010	\$ 4,489,235	\$ 5,817,245

**CITY OF COVINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2024**

	Environmental Fund	Theater Fund	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from customers	\$ 1,177,316	\$ 81,560	\$ 1,258,876
Cash Payments to Suppliers of Goods and Services	(622,548)	(113,974)	(736,522)
Cash Payments to Employees for Services	(558,893)	(101,216)	(660,109)
Net Cash Used by Operating Activities	<u>(4,125)</u>	<u>(133,630)</u>	<u>(137,755)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from Other Funds	-	245,564	245,564
Cash Paid to Other Funds	(8,474)	-	(8,474)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(8,474)</u>	<u>245,564</u>	<u>237,090</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(236,864)	(393,721)	(630,585)
Cash Received - Leases	-	31,207	31,207
Principal Paid	(38,269)	(118,108)	(156,377)
Interest and Debt Issuance Costs	(18,279)	(43,175)	(61,454)
Net Cash Used by Capital and Related Financing Activities	<u>(293,412)</u>	<u>(523,797)</u>	<u>(817,209)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	<u>50,981</u>	<u>31,351</u>	<u>82,332</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(255,030)	(380,512)	(635,542)
Cash and Cash Equivalents - Beginning of Year	<u>1,596,421</u>	<u>992,962</u>	<u>2,589,383</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 1,341,391</u></u>	<u><u>\$ 612,450</u></u>	<u><u>\$ 1,953,841</u></u>



**CITY OF COVINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2024**

	Environmental Fund	Theater Fund	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Operating Loss	\$ (288,947)	\$ (296,574)	\$ (585,521)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Depreciation	66,805	153,965	220,770
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
(Increase) Decrease in:			
Accounts Receivable	51,700	(110,133)	(58,433)
Prepaid Items	7,242	-	7,242
Deferred Outflows of Resources on OPEB Plan	8,440	-	8,440
Deferred Outflows of Resources on Pension Plans	67,422	(23,028)	44,394
Increase (Decrease) in:			
Accounts Payable	1,549	35,066	36,615
Deposits Payable	34,729	3,093	37,822
Deferred Inflows of Resources of OPEB Plan	(9,186)	-	(9,186)
Deferred Inflows of Resources Pension Plans	(1,607)	-	(1,607)
Deferred Inflows of Resources Leases	-	56,636	56,636
Compensated Absences	13,194	-	13,194
Net OPEB Liability	(1,679)	-	(1,679)
Net Pension Liability	46,213	47,345	93,558
Net Cash Used by Operating Activities	\$ (4,125)	\$ (133,630)	\$ (137,755)
<b>NONCASH FINANCING, CAPITAL OR INVESTING ACTIVITIES</b>			
Capital Contributions	\$ -	\$ 2,999,768	\$ 2,999,768

**CITY OF COVINA  
INTERNAL SERVICES FUNDS  
JUNE 30, 2024**

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, 2024**

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 1,913,621	\$ 2,943,540	\$ 7,612,015	\$ 4,282,950	\$ 1,450,985	\$ 18,203,111
Accounts Receivable	-	37,675	340	65,119	-	103,134
Due from Other Governments	-	435	-	-	-	435
Prepaid Items	53,579	-	-	-	-	53,579
Inventories	-	63,876	-	-	-	63,876
Total Current Assets	<u>1,967,200</u>	<u>3,045,526</u>	<u>7,612,355</u>	<u>4,348,069</u>	<u>1,450,985</u>	<u>18,424,135</u>
Noncurrent Assets:						
Capital Assets:						
Not being Depreciated	-	-	-	-	951,536	951,536
Being Depreciated, Net	356,595	1,001,954	-	-	398,203	1,756,752
Total Noncurrent Assets	<u>356,595</u>	<u>1,001,954</u>	<u>-</u>	<u>-</u>	<u>1,349,739</u>	<u>2,708,288</u>
Total Assets	<u>2,323,795</u>	<u>4,047,480</u>	<u>7,612,355</u>	<u>4,348,069</u>	<u>2,800,724</u>	<u>21,132,423</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
OPEB Related	67,377	65,354	22,401	18,924	3,661	177,717
Pension Related	232,251	63,820	52,635	98,032	161,194	607,932
Total Deferred Outflow of Resources	<u>299,628</u>	<u>129,174</u>	<u>75,036</u>	<u>116,956</u>	<u>164,855</u>	<u>785,649</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	37,052	110,961	10,149	54,505	284,959	497,626
Accrued Liabilities	-	-	-	2,840	-	2,840
Interest Payable	8,632	6,781	2,983	1,761	-	20,157
Compensated Absences Payable	25,333	2,744	6,839	8,093	16,435	59,444
Lease Payable	-	38,935	-	-	-	38,935
Pension Obligation Bonds Payable	43,735	33,947	15,115	8,920	-	101,717
Claims and Judgements	-	-	783,000	1,360,000	-	2,143,000
Total Current Liabilities	<u>114,752</u>	<u>193,368</u>	<u>818,086</u>	<u>1,436,119</u>	<u>301,394</u>	<u>2,863,719</u>
Noncurrent Liabilities:						
Compensated Absences Payable	82,132	11,746	13,770	14,638	28,059	150,345
Lease Payable	-	23,307	-	-	-	23,307
Pension Obligation Bonds Payable	855,533	664,068	295,680	174,500	-	1,989,781
Claims and Judgements	-	-	3,799,036	2,534,657	-	6,333,693
Net OPEB Liability	216,456	205,023	66,839	63,438	5,022	556,778
Net Pension Liability	477,512	131,214	108,218	201,556	331,418	1,249,918
Total Noncurrent Liabilities	<u>1,631,633</u>	<u>1,035,358</u>	<u>4,283,543</u>	<u>2,988,789</u>	<u>364,499</u>	<u>10,303,822</u>
Total Liabilities	<u>1,746,385</u>	<u>1,228,726</u>	<u>5,101,629</u>	<u>4,424,908</u>	<u>665,893</u>	<u>13,167,541</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
OPEB Related	29,014	31,279	9,713	4,776	-	74,782
Total Deferred Inflows of Resources	<u>29,014</u>	<u>31,279</u>	<u>9,713</u>	<u>4,776</u>	<u>-</u>	<u>74,782</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	356,595	692,922	-	-	1,349,739	2,399,256
Unrestricted	491,429	2,223,727	2,576,049	35,341	949,947	6,276,493
Total Net Position	<u>\$ 848,024</u>	<u>\$ 2,916,649</u>	<u>\$ 2,576,049</u>	<u>\$ 35,341</u>	<u>\$ 2,299,686</u>	<u>\$ 8,675,749</u>

**CITY OF COVINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICES FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 1,328,154	\$ 1,432,506	\$ 1,261,555	\$ 1,676,572	\$ 1,319,971	\$ 7,018,758
Motor Pool Charges	-	638,515	-	-	-	638,515
Total Operating Revenues	<u>1,328,154</u>	<u>2,071,021</u>	<u>1,261,555</u>	<u>1,676,572</u>	<u>1,319,971</u>	<u>7,657,273</u>
<b>OPERATING EXPENSES</b>						
General and Administrative	1,505,602	212,860	(66,736)	3,652,769	1,220,035	6,524,530
Vehicle and Equipment Operation	-	1,211,210	-	-	-	1,211,210
Depreciation	98,057	246,365	-	-	12,315	356,737
Total Operating Expenses	<u>1,603,659</u>	<u>1,670,435</u>	<u>(66,736)</u>	<u>3,652,769</u>	<u>1,232,350</u>	<u>8,092,477</u>
<b>OPERATING INCOME (LOSS)</b>	(275,505)	400,586	1,328,291	(1,976,197)	87,621	(435,204)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest Expense	(20,732)	(17,352)	(7,165)	(4,229)	-	(49,478)
Total Nonoperating Revenues (Expenses)	<u>(20,732)</u>	<u>(17,352)</u>	<u>(7,165)</u>	<u>(4,229)</u>	<u>-</u>	<u>(49,478)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(296,237)	383,234	1,321,126	(1,980,426)	87,621	(484,682)
<b>TRANSFERS</b>						
Transfers In	-	-	-	500,000	1,400,272	1,900,272
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>1,400,272</u>	<u>1,900,272</u>
<b>CHANGES IN NET POSITION</b>	(296,237)	383,234	1,321,126	(1,480,426)	1,487,893	1,415,590
Total Net Position - Beginning 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>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 848,024</u>	<u>\$ 2,916,649</u>	<u>\$ 2,576,049</u>	<u>\$ 35,341</u>	<u>\$ 2,299,686</u>	<u>\$ 8,675,749</u>

**CITY OF COVINA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICES FUNDS  
YEAR ENDED JUNE 30, 2024**

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from User Departments	\$ 1,328,154	\$ 2,091,769	\$ 1,261,215	\$ 1,625,479	\$ 1,321,471	\$ 7,628,088
Payments to Suppliers of Goods or Services	(712,234)	(1,418,699)	(892,960)	(1,714,124)	(295,249)	(5,033,266)
Payments to Employees	(646,666)	(101,512)	(132,715)	(201,785)	(529,583)	(1,612,261)
Net Cash Provided (Used) by Operating Activities	(30,746)	571,558	235,540	(290,430)	496,639	982,561
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Cash Received from Other Funds	-	-	-	500,000	1,400,272	1,900,272
Net Cash Provided by Noncapital Financing Activities	-	-	-	500,000	1,400,272	1,900,272
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Interest Paid on Pension Bonds	(20,813)	(17,467)	(7,193)	(4,245)	-	(49,718)
Principal Paid on Pension Bonds	(43,577)	(33,825)	(15,061)	(8,888)	-	(101,351)
Principal Paid on Lease	-	(40,293)	-	-	-	(40,293)
Acquisition of Capital Assets	(60,629)	(398,747)	-	-	(1,273,638)	(1,733,014)
Net Cash Used by Capital and Related Financing Activities	(125,019)	(490,332)	(22,254)	(13,133)	(1,273,638)	(1,924,376)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(155,765)	81,226	213,286	196,437	623,273	958,457
Cash and Cash Equivalents - Beginning of Year	2,069,386	2,862,314	7,398,729	4,086,513	827,712	17,244,654
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,913,621</u>	<u>\$ 2,943,540</u>	<u>\$ 7,612,015</u>	<u>\$ 4,282,950</u>	<u>\$ 1,450,985</u>	<u>\$ 18,203,111</u>

(Continued)

**CITY OF COVINA  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICES FUNDS  
YEAR ENDED JUNE 30, 2024**

	Management Information Systems	Central Equipment	Workers' Compensation	General Liability	Building Maintenance	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (275,505)	\$ 400,586	\$ 1,328,291	\$ (1,976,197)	\$ 87,621	\$ (435,204)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	98,057	246,365	-	-	12,315	356,737
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources:						
Accounts Receivable	-	20,714	(340)	(51,093)	1,500	(29,219)
Due from Other Governments	-	34	-	-	-	34
Prepays Items and Deposits	(41,917)	-	6,687	-	-	(35,230)
Inventory	-	(24,384)	-	-	-	(24,384)
Deferred Outflows of Resources - OPEB Related	9,519	2,615	2,156	4,018	-	18,308
Deferred Outflows of Resources - Pension Related	76,572	144,657	52,901	56,812	(66,038)	264,904
Increase (Decrease) in Operating Liabilities and Deferred Inflows of Resources:						
Accounts Payable and Accrued Liabilities	32,548	47,145	9,073	19,015	249,818	357,599
Compensated Absences Payable	32,668	(105,129)	(1,460)	(2,453)	11,864	(64,510)
Net OPEB Liability	(1,895)	(520)	(430)	(799)	-	(3,644)
Net Pension Liability	51,382	(156,453)	(37,406)	(12,106)	200,118	45,535
Claims Payable	-	-	(1,120,964)	1,677,657	-	556,693
Deferred Inflows of Resources - OPEB Related	(10,360)	(2,846)	(2,348)	(4,374)	-	(19,928)
Deferred Inflows of Resources - Pension Related	(1,815)	(1,226)	(620)	(910)	(559)	(5,130)
Total Adjustments	<u>244,759</u>	<u>170,972</u>	<u>(1,092,751)</u>	<u>1,685,767</u>	<u>409,018</u>	<u>1,417,765</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (30,746)</u>	<u>\$ 571,558</u>	<u>\$ 235,540</u>	<u>\$ (290,430)</u>	<u>\$ 496,639</u>	<u>\$ 982,561</u>

**CITY OF COVINA  
CUSTODIAL FUNDS  
JUNE 30, 2024**

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, 2024**

	Downtown District	Prospero Park District	Total Custodial Funds
<b>ASSETS</b>			
Cash and Investments	\$ 375	\$ 1,125	\$ 1,500
Accounts Receivable	562	225	787
Total Assets	937	1,350	2,287
<b>LIABILITIES</b>			
Due to Property Owners	937	1,350	2,287
<b>NET POSITION</b>	\$ -	\$ -	\$ -



**CITY OF COVINA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 JUNE 30, 2024**

	Downtown District	Prospero Park District	Totals Custodial Funds
<b>ADDITIONS</b>			
Business Licenses Collected from Property Owners	\$ 7,671	\$ 5,488	\$ 13,159
Total Additions	<u>7,671</u>	<u>5,488</u>	<u>13,159</u>
<b>DEDUCTIONS</b>			
Distributions to Property Owners	<u>7,671</u>	<u>5,488</u>	<u>13,159</u>
Total Deductions	<u>7,671</u>	<u>5,488</u>	<u>13,159</u>
<b>CHANGES IN NET POSITION</b>	-	-	-
Net Position - Beginning of the Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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## STATISTICAL SECTION

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**CITY OF COVINA  
STATISTICAL SECTION**

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

**FINANCIAL TRENDS**

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. 153

**REVENUE CAPACITY**

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

**DEBT CAPACITY**

These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the ability to issue additional debt in the future. 166

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place. 172

**OPERATING INFORMATION**

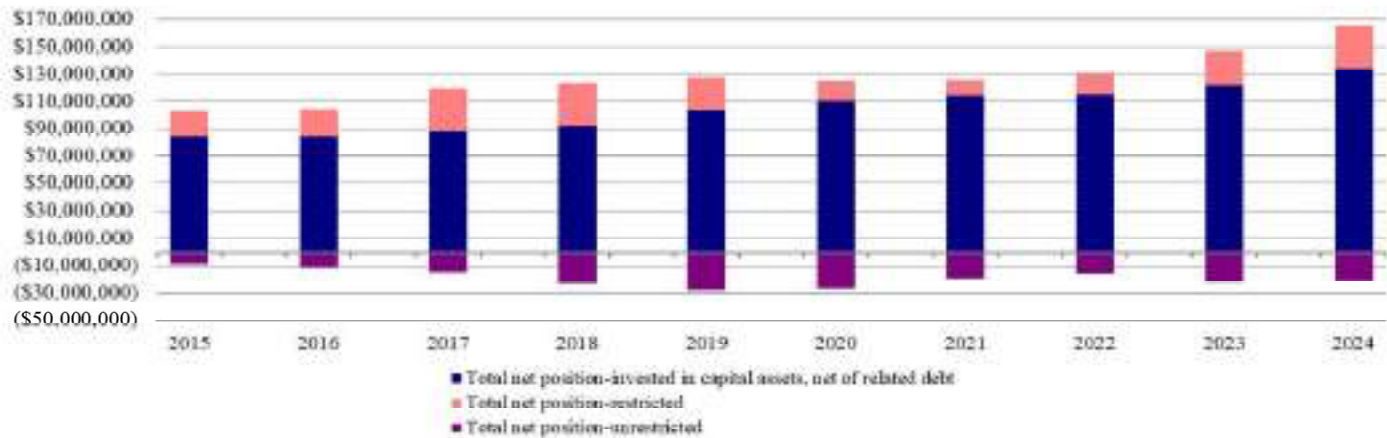
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs. 173

**DEBT CONTINUING DISCLOSURE**

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 90,168,855
Restricted	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	31,407,858
Unrestricted	(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)	(32,082,117)
Total governmental activities net position	<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>	<u>\$ 89,494,596</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 43,484,788
Restricted	-	-	4,353,289	5,613,256	7,122,938	-	-	-	-	-
Unrestricted	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	10,890,907
Total business-type activities net position	<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>	<u>\$ 54,375,695</u>
<b>Total net position</b>										
Net investment in capital assets	\$ 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	\$ 133,653,643
Restricted	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	31,407,858
Unrestricted	(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)	(21,191,210)
Total net position	<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>	<u>\$ 143,870,291</u>



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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 3,607,340
Public safety	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	38,426,544
Public works	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	12,272,245
Culture and recreation	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	6,428,184
Community development	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	4,229,689
Transit	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	1,595,151
Redevelopment and housing	537,470	217,808	349,820	1,042,797	492,737	598,363	912,707	183,561	786,051	728,375
Interest on long-term debt	-	-	-	-	287,459	251,550	238,058	708,305	1,336,291	1,315,414
Total governmental activities expenses	41,866,808	43,193,695	44,612,016	48,242,628	47,544,512	55,357,080	56,521,129	58,236,122	71,580,562	68,602,942
Business-type activities:										
Water utility	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	12,037,535
Environmental protection	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	1,432,770
Sewer utility	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	530,467
Theater	-	-	-	-	-	-	-	-	493,523	2,454,092
Total business-type activities expenses	11,665,321	10,885,548	10,353,076	15,681,742	13,929,631	14,324,478	14,426,593	13,739,164	15,253,011	16,454,864
Total expenses	\$ 53,532,129	\$ 54,079,243	\$ 54,965,092	\$ 63,924,370	\$ 61,474,143	\$ 69,681,558	\$ 70,947,722	\$ 71,975,286	\$ 86,833,573	\$ 85,057,806
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 435,274	\$ 338,362	\$ 290,160	\$ 2,232,037	\$ 2,192,160	\$ 2,162,262	2,361,216	2,602,937	2,328,058	2,166,584
Public safety	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	2,307,522
Public works	1,510,331	623,693	796,475	733,029	802,080	684,035	754,691	970,378	1,108,388	882,087
Culture and recreation	807,829	794,192	793,114	785,814	834,854	507,771	306,697	687,296	734,037	774,565
Community development	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	2,233,865
Transit	297,094	315,887	242,912	214,650	226,255	180,644	107,574	126,513	144,349	143,607
Redevelopment and housing	60,961	320,620	302,665	263,574	228,506	881,603	1,124,210	241,182	289,574	326,479
Operating grants and contributions	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	20,963,432
Capital grants and contributions	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	1,697,052
Total governmental activities program revenues	15,148,261	12,665,920	23,907,219	18,087,117	20,055,288	15,614,133	19,052,716	22,926,240	33,976,117	31,495,193

(Continued)

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

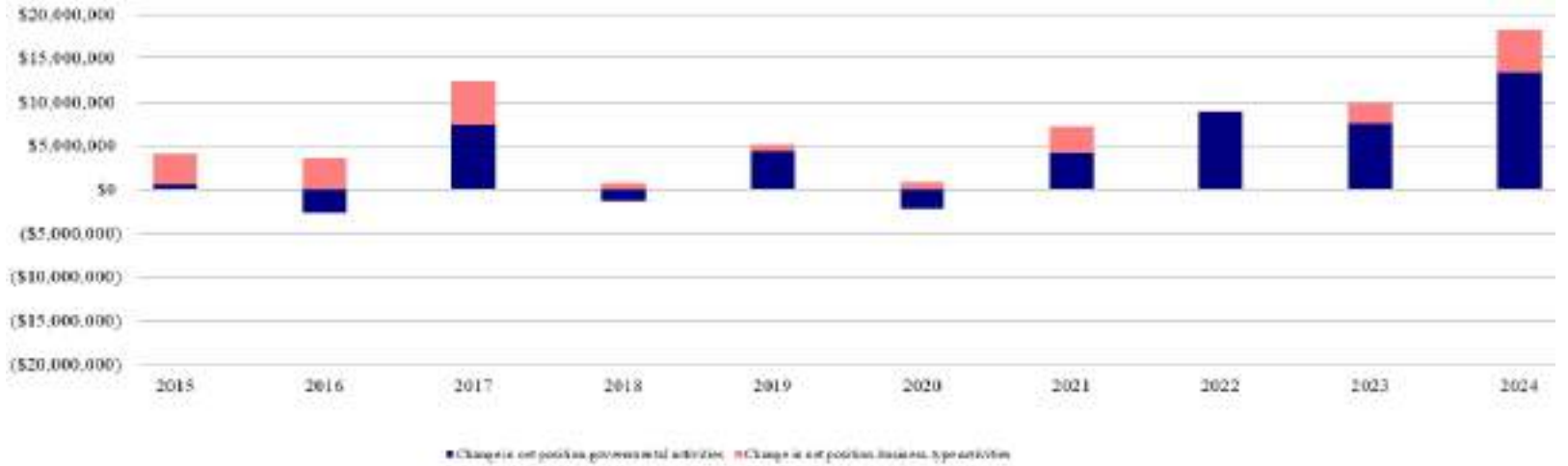
	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-type activities:</b>										
Charges for services:										
Water utility	11,349,263	10,436,434	11,011,015	11,138,975	9,586,220	10,673,985	11,681,271	11,859,488	11,469,148	12,523,664
Environmental protection	1,240,317	1,159,700	1,313,194	1,170,122	1,190,124	1,003,527	1,144,576	1,142,051	1,229,521	1,128,094
Theater	-	-	-	-	-	-	-	-	33,198	191,693
Sewer utility	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	2,696,029
Operating grants and contributions	-	-	-	-	-	-	-	-	1,154	31,572
Capital grants and contributions	-	-	-	-	-	-	-	-	-	2,999,768
Total business-type activities program revenues	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	19,570,820
Total program revenues	<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>	<u>\$ 51,066,013</u>
<b>Net (expense) revenue</b>										
Governmental activities	\$ (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)	\$ (37,107,749)
Business-type activities	3,520,578	3,394,089	4,731,882	(539,553)	(229,752)	258,522	1,493,195	2,859,617	523,023	3,115,956
Total net expense	<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>	<u>\$ (33,991,793)</u>
<b>General revenues</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 17,707,380
Sales taxes	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	10,701,878
Transaction and use tax	-	-	-	-	1,438,519	6,579,486	8,098,540	8,823,059	8,787,686	8,535,570
Transient occupancy taxes	99,716	482,727	327,570	388,491	240,946	130,831	3,661	95,950	193,649	252,508
Property transfer taxes	159,795	223,766	200,253	236,899	217,332	212,485	216,776	278,481	214,879	194,695
Business license taxes	326,818	328,716	337,626	348,793	372,756	347,110	357,655	363,496	431,423	404,183
Utility user taxes	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	6,024,393
Franchise taxes	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	2,452,804
Investment earnings	641,993	193,209	226,671	144,176	883,542	620,835	(257,680)	(1,162,614)	712,611	4,149,726
Transfers in/out	-	-	18,900	-	-	-	22,340	1,020,279	(1,820,000)	(15,594)
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	103,788
Extraordinary loss	-	-	-	-	-	-	-	-	-	-
Total governmental activities	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	50,511,331
Business-type activities:										
Investment earnings	19,330	111,555	206,823	366,249	594,051	524,565	236,885	139,389	(129,871)	1,611,110
Investment earnings - CIC	2,109	21,524	137,161	906,514	454,329	-	1,372,439	(1,926,157)	-	-
Miscellaneous	-	-	-	-	-	-	-	-	75,222	93,959
Transfers in/out	-	-	(18,900)	-	-	-	(22,340)	(1,020,279)	1,820,000	15,594
Total general revenues	<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>	<u>\$ 52,231,994</u>

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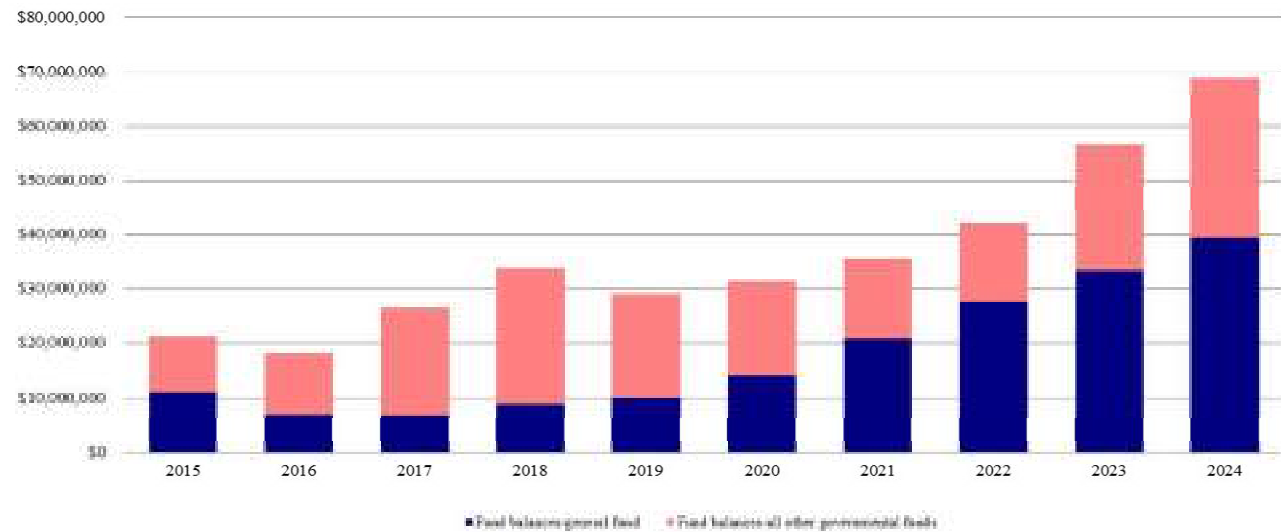
**CITY OF COVINA, CALIFORNIA  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Change in net position</b>										
Governmental activities	\$ 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	\$ 13,403,582
Business-type activities	3,542,017	3,527,168	5,056,966	733,210	818,628	783,087	3,080,179	52,570	2,288,374	4,836,619
Total changes in net position	<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>	<u>\$ 18,240,201</u>



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General fund</b>										
Reserved										
Unreserved										
Nonspendable	\$ 3,354,570	\$ 753,534	\$ 3,247,152	\$ 3,116,097	\$ 2,620,620	\$ 2,621,554	\$ 1,008,903	\$ 82,179	\$ 99,526	\$ 92,959
Restricted	21,359	347,012	395,420	448,927	385,692	428,079	387,764	20,136,982	10,422,833	15,878,181
Committed	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	332,545
Assigned	979,197	-	442,472	1,561,848	42,726	25,940	17,166	7,268	1,091	1,049
Unassigned	-	(675,402)	-	-	-	3,167,653	10,878,058	6,786,935	22,431,703	22,984,173
Total general fund	\$ 11,054,846	\$ 6,908,757	\$ 6,741,916	\$ 8,835,260	\$ 10,030,939	\$ 14,272,459	\$ 20,800,219	\$ 27,399,126	\$ 33,317,806	\$ 39,288,907
<b>All other governmental funds</b>										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 5,631	\$ 1,159	\$ 22,553	\$ 7,949	\$ 8,445	\$ 828
Restricted	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	30,115,767
Assigned	1,338,429	877,646	1,270,910	491,368	111,473	-	100,116	-	-	-
Unassigned	(58,040)	(46,555)	(27,396)	(53,943)	(1,685,799)	(832,212)	(332,512)	(463,734)	(657,818)	(594,730)
Total all other governmental funds	\$ 10,226,049	\$ 11,096,595	\$ 19,709,139	\$ 25,061,363	\$ 18,937,730	\$ 17,081,820	\$ 14,699,439	\$ 14,776,526	\$ 23,191,097	\$ 29,521,865



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

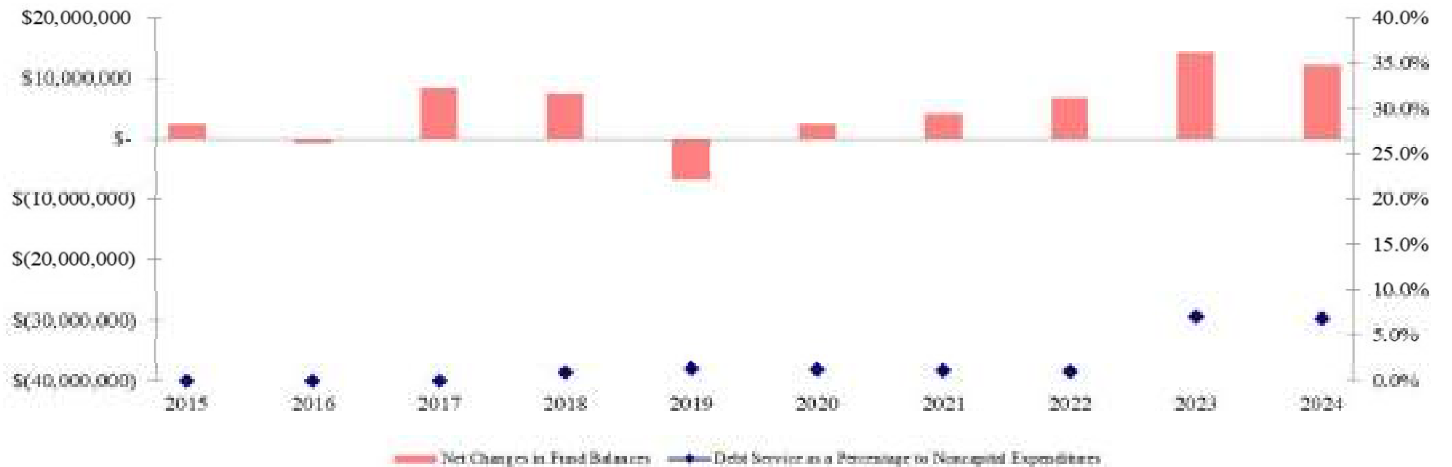
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 26,901,523	\$ 27,608,725	\$ 27,811,886	\$ 28,668,204	\$ 30,925,091	\$ 36,812,970	\$ 41,399,927	\$ 43,653,728	\$ 45,977,006	\$ 46,273,416
Licenses and permits	965,527	888,120	1,128,331	1,698,138	1,307,877	999,449	1,603,293	1,442,013	1,565,187	1,866,645
Intergovernmental	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	22,783,632
Charges for services	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	4,355,944
Fines and forfeits	559,409	862,009	930,478	907,304	926,644	907,080	890,254	1,081,458	1,340,191	1,108,302
Special assessments	944,194	524,949	590,948	634,282	533,047	1,414,617	1,469,594	592,885	880,496	853,971
Investment earnings	206,047	193,209	226,671	380,716	1,281,892	1,430,498	(59,645)	(980,055)	737,184	4,183,700
Miscellaneous	3,766,447	240,998	550,247	723,058	570,700	738,688	825,456	727,918	814,559	594,235
Total revenues	<u>42,255,831</u>	<u>40,914,615</u>	<u>45,845,766</u>	<u>45,693,790</u>	<u>49,934,022</u>	<u>54,802,172</u>	<u>60,491,451</u>	<u>65,210,780</u>	<u>80,903,327</u>	<u>82,019,845</u>
<b>Expenditures</b>										
General government	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	2,820,455
Public safety	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	35,802,133
Public works	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	6,524,160
Culture and recreation	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	5,090,675
Community development	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	3,657,344
Transit	1,020,243	746,109	957,374	764,864	887,211	1,734,472	2,277,196	951,556	967,643	1,091,975
Redevelopment and housing	490,745	265,742	287,877	1,005,353	517,758	567,340	890,178	679,401	719,415	670,497
Capital outlay	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	8,195,016
Debt service:										
Principal	-	-	-	210,000	300,000	305,000	310,000	320,000	2,639,742	2,772,629
Interest and fiscal charges	-	-	-	155,078	233,481	252,136	250,944	722,016	1,350,031	1,328,695
Bond issuance costs	-	-	-	-	45,544	-	-	-	-	-
Total expenditures	<u>39,592,315</u>	<u>41,590,158</u>	<u>37,400,063</u>	<u>44,127,529</u>	<u>57,820,877</u>	<u>52,459,399</u>	<u>56,295,412</u>	<u>106,164,079</u>	<u>63,551,895</u>	<u>67,953,579</u>
Excess of revenues over (under) expenditures	<u>2,663,516</u>	<u>(675,543)</u>	<u>8,445,703</u>	<u>1,566,261</u>	<u>(7,886,855)</u>	<u>2,342,773</u>	<u>4,196,039</u>	<u>(40,953,299)</u>	<u>17,351,432</u>	<u>14,066,266</u>

(Continued)

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

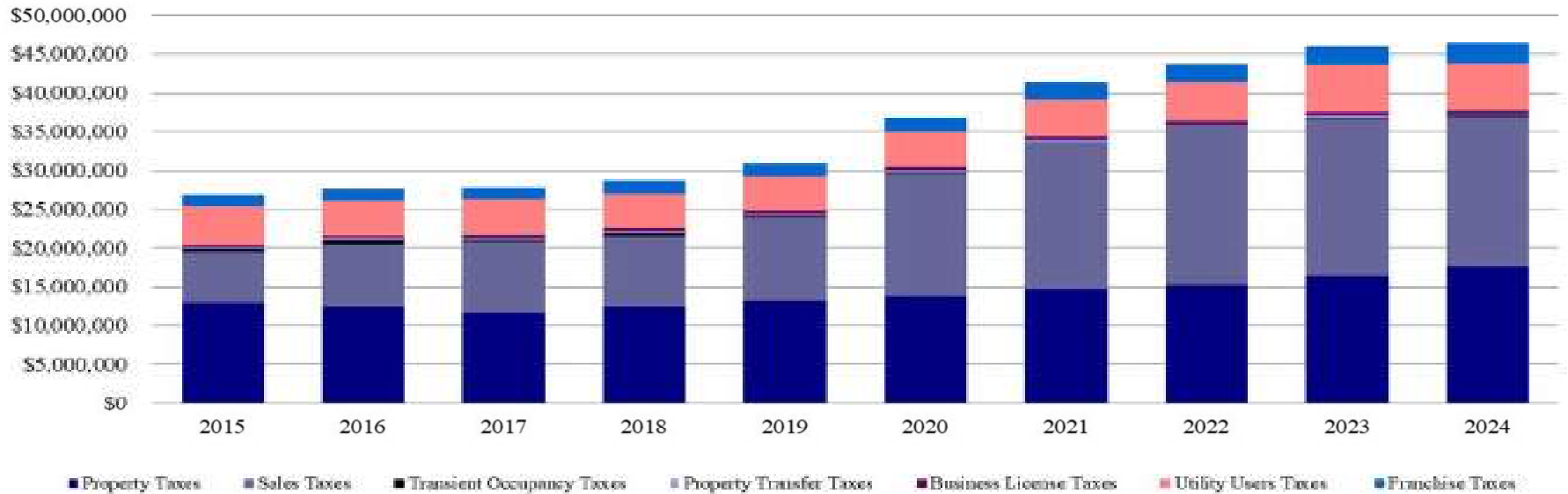
<b>Other financing sources (uses)</b>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Transfers in	\$ 2,161,548	\$ 2,317,808	\$ 1,373,629	\$ 1,186,303	\$ 2,422,806	\$ 1,195,374	\$ 625,625	\$ 613,927	\$ 1,531,080	\$ 2,459,154
Transfers out	(2,415,967)	(2,317,808)	(1,373,629)	(1,186,303)	(3,861,325)	(1,195,374)	(676,285)	(6,103,294)	(4,551,080)	(4,375,020)
Capital leases	-	-	-	-	-	-	-	460,000	-	-
Loan Proceeds	-	-	-	-	-	-	-	12,476	1,819	147,478
Subscription Proceeds	-	-	-	-	-	-	-	-	-	3,991
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	-	-	-	-	-	42,837	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(254,419)</b>	<b>-</b>	<b>-</b>	<b>5,879,307</b>	<b>1,061,481</b>	<b>42,837</b>	<b>(50,660)</b>	<b>47,629,293</b>	<b>(3,018,181)</b>	<b>(1,764,397)</b>
<b>Net changes in fund balances</b>	<b>\$ 2,409,097</b>	<b>\$ (675,543)</b>	<b>\$ 8,445,703</b>	<b>\$ 7,445,568</b>	<b>\$ (6,825,374)</b>	<b>\$ 2,385,610</b>	<b>\$ 4,145,379</b>	<b>\$ 6,675,994</b>	<b>\$ 14,333,251</b>	<b>\$ 12,301,869</b>

Debt service as a percentage of noncapital expenditures	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	0.0%	0.0%	0.0%	0.9%	1.4%	1.2%	1.1%	1.0%	7.0%	6.9%



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

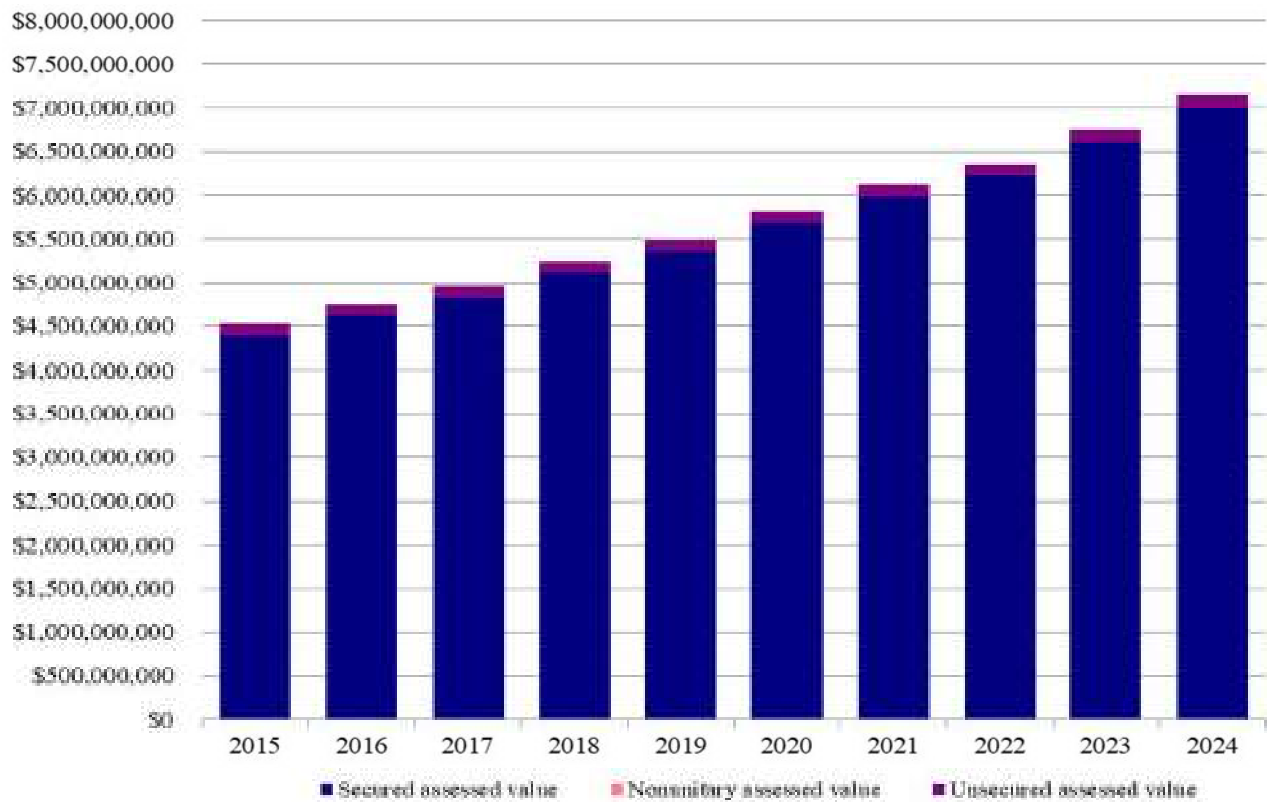
Fiscal Year	Property Taxes <sup>(1)</sup>	Sales Taxes	Transient Occupancy Taxes	Property Transfer Taxes	Business License Taxes	Utility Users Taxes	Franchise Taxes	Total
	2015	\$ 12,913,803	\$ 6,569,382	\$ 348,148	\$ 159,795	\$ 326,818	\$ 5,033,846	\$ 1,549,731
2016	12,564,219	7,929,069	482,727	223,766	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
2024	17,707,380	19,237,448	252,508	194,695	404,188	6,024,393	2,452,804	46,273,416



<sup>(1)</sup> 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 <sup>(1)</sup>				Total Effective Rate (2)
	Secured	Nonunitary	Unsecured	Total	
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%
2024	6,990,178,670	9,148	167,111,691	7,157,299,509	1.4616%



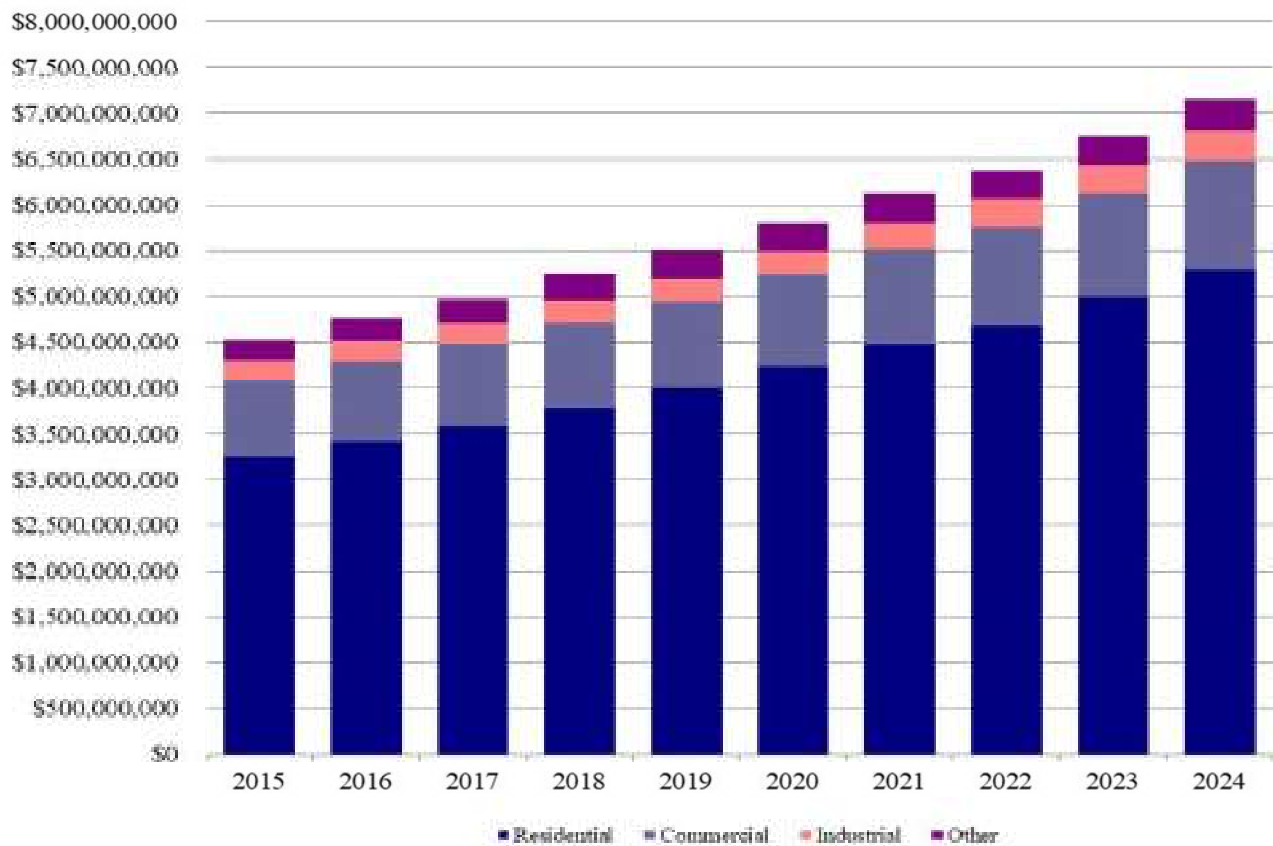
<sup>(1)</sup> Net of exemptions

<sup>(2)</sup> 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 <sup>(1)</sup>				Total	Total Effective Rate (2)
	Residential	Commercial	Industrial	Other		
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%
2024	5,300,477,865	1,179,344,141	333,242,948	344,234,555	7,157,299,509	1.4616%



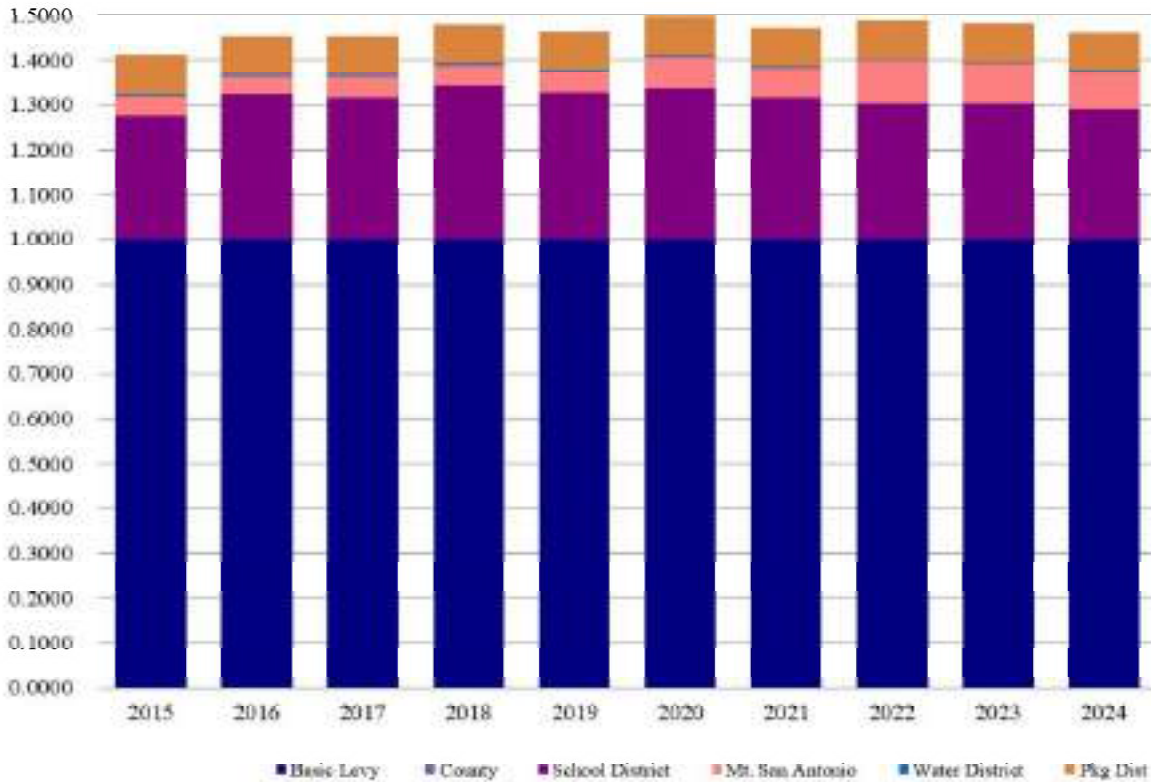
<sup>(1)</sup> Net of exemptions

<sup>(2)</sup> 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 <sup>(1)</sup>  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	Basic Levy <sup>(2)</sup>	County			School District <sup>(3)</sup>	Community College District <sup>(4)</sup>	Water District	Vehicle Parking District	Total Effective Rate <sup>(5)</sup>
		General	Flood Control	Total					
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
2024	1.0000	0.0000	0.0000	0.0000	0.2886	0.0821	0.0035	0.0875	1.4616



<sup>(1)</sup> Per \$100 of assessed value

<sup>(2)</sup> 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).

<sup>(3)</sup> Azusa Unified School District, Charter Oak Unified School District and Covina Valley Unified School District .

<sup>(4)</sup> Citrus Community College District and Mt. San Antonio Community College District .

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

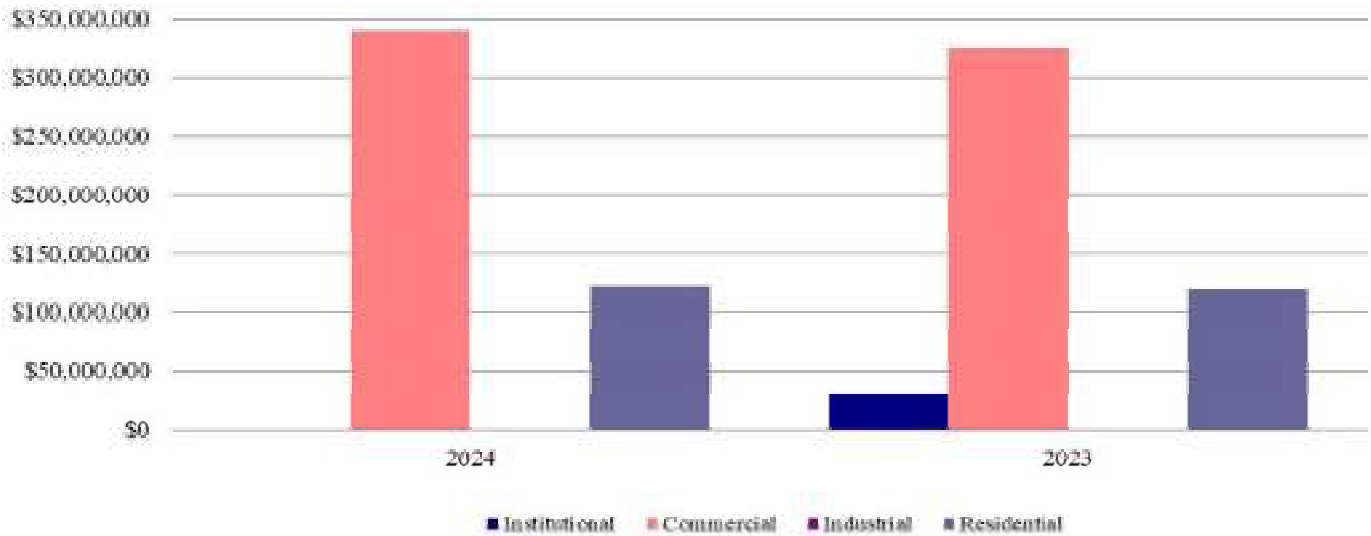
Source: Los Angeles County/Hdl Companies .



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

Taxpayer	Primary Use	2024			2023		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>
Ikea Property Inc	Commercial	\$ 84,348,126	1	1.18%	\$ 81,855,358	1	1.21%
Vista Pointe Grand Apartments LLC	Residential	65,874,721	2	0.92%	64,618,483	2	0.96%
KIR Covina Limited Partnership	Commercial	59,319,674	3	0.83%	58,156,556	3	0.86%
Covina Grand Apartments LLC	Residential	57,102,740	4	0.80%	55,981,867	4	0.83%
Sierra Health and Life Insurance Compa	Commercial	50,306,400	5	0.70%	49,320,000	5	0.73%
UIMC Covina LLC	Commercial	40,209,527	6	0.56%	39,421,109	6	0.58%
MV Covina Investor 1 LLC	Commercial	39,339,100	7	0.55%			
FNL of Covina Partners LLC	Commercial	39,339,100	8	0.55%	34,940,037	7	0.52%
LVGEM Hotel Corporation	Commercial	35,638,832	9	0.50%	31,466,951	8	0.47%
WLM AH LLC	Commercial	31,485,835	10	0.44%			
Charter Communications	Commercial			0.00%	30,283,485	9	0.45%
CCP Covina 4003 LP	Institutional			0.00%	30,093,855	10	0.45%
<b>Total</b>		<b>\$ 502,964,055</b>		<b>7.03%</b>	<b>\$ 476,137,701</b>		<b>7.06%</b>

**Principal Property Owners**

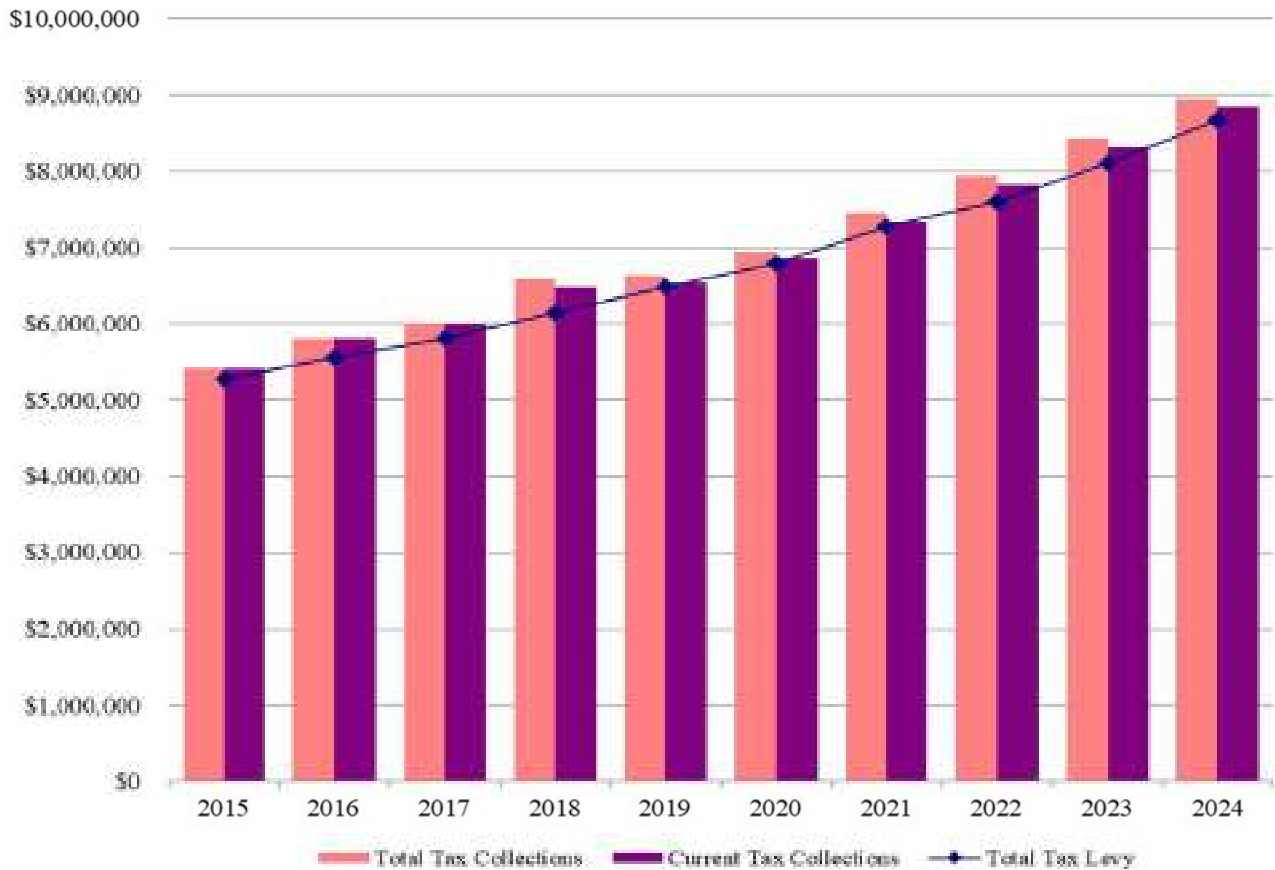


<sup>(1)</sup> Total assessed valuation of taxable property exclusive of exemptions.

Source: Los Angeles County/Hdl Companies

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

Fiscal Year	Total Tax Levy <sup>(2)</sup>	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
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%
2024	8,671,894	8,850,281	102.1%	101,758	8,952,039	103.2%



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

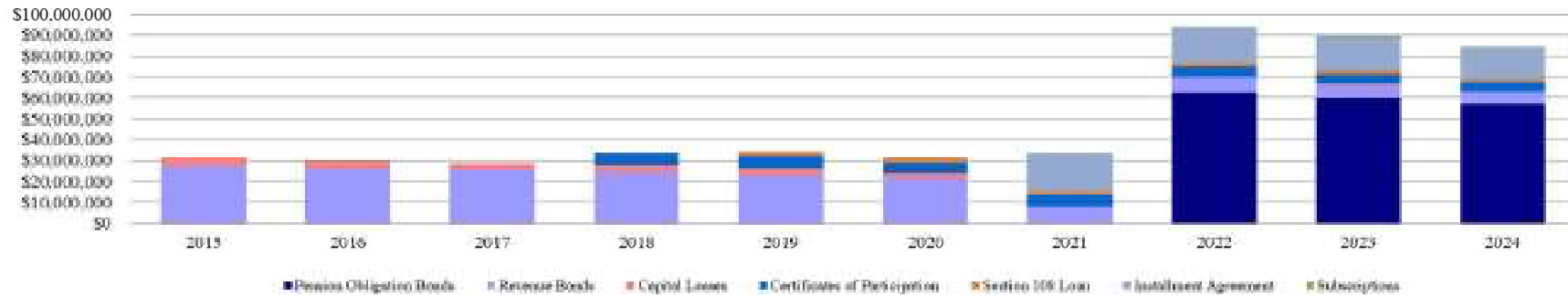
<sup>(2)</sup> Includes secured and unsecured property tax levies exclusive of homeowner exemption, supplemental roll and in-lieu motor vehicle licenses.

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 <sup>(1)</sup>	Percentage of Debt Per Capita <sup>(1)</sup>
	Certificates of Participation	Revenue Bonds	Notes	Leases	Section 108 Loan	Pension Obligation Bonds	Installment Agreement	Revenue Bonds	Leases	Pension Obligation Bonds			
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%
2024	4,433,391	129,180	-	203,417	1,750,000	50,101,430	14,828,172	5,645,000	7,076	7,163,570	84,261,236	2.24%	0.06%

**Outstanding Debt by Type-Last Ten Fiscal Years**



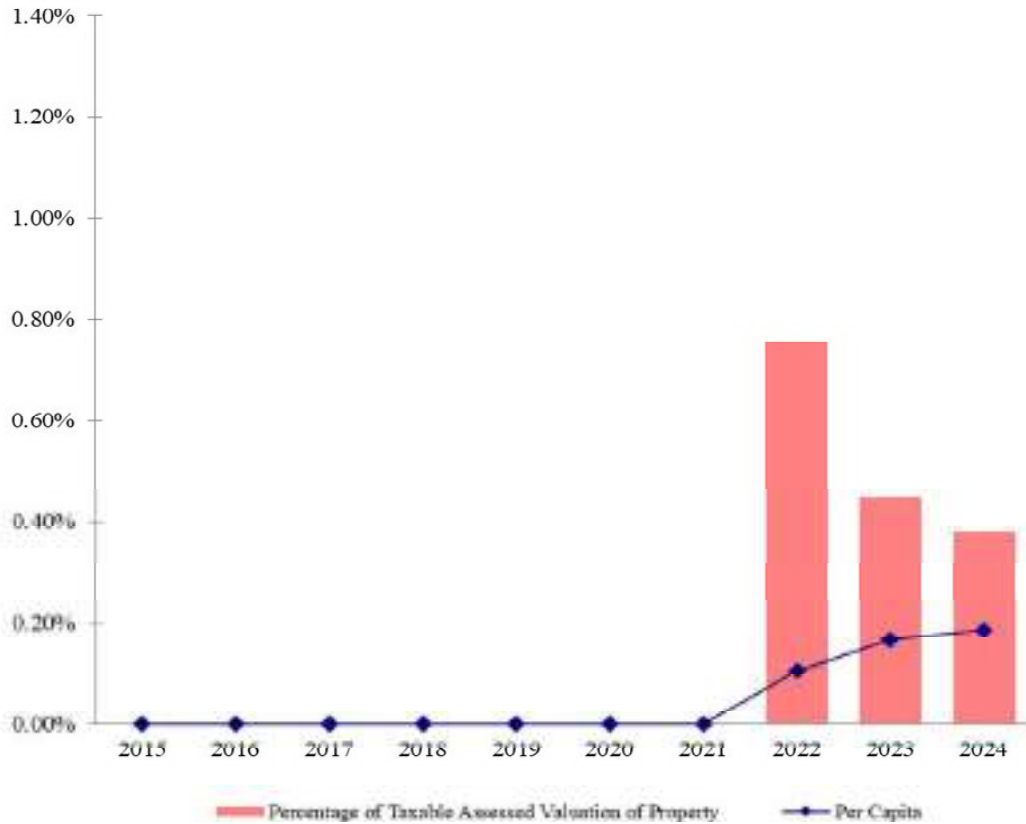
Note: Details regarding the City's outstanding debt can be found in the *notes to the financial statements*.

<sup>(1)</sup> See Demographic Statistics on page 172.

<sup>(2)</sup> 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 <sup>(1)</sup> of Property	Per Capita <sup>(2)</sup>
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%
2024	50,101,430	22,984,173	27,117,257	0.38%	0.19%



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

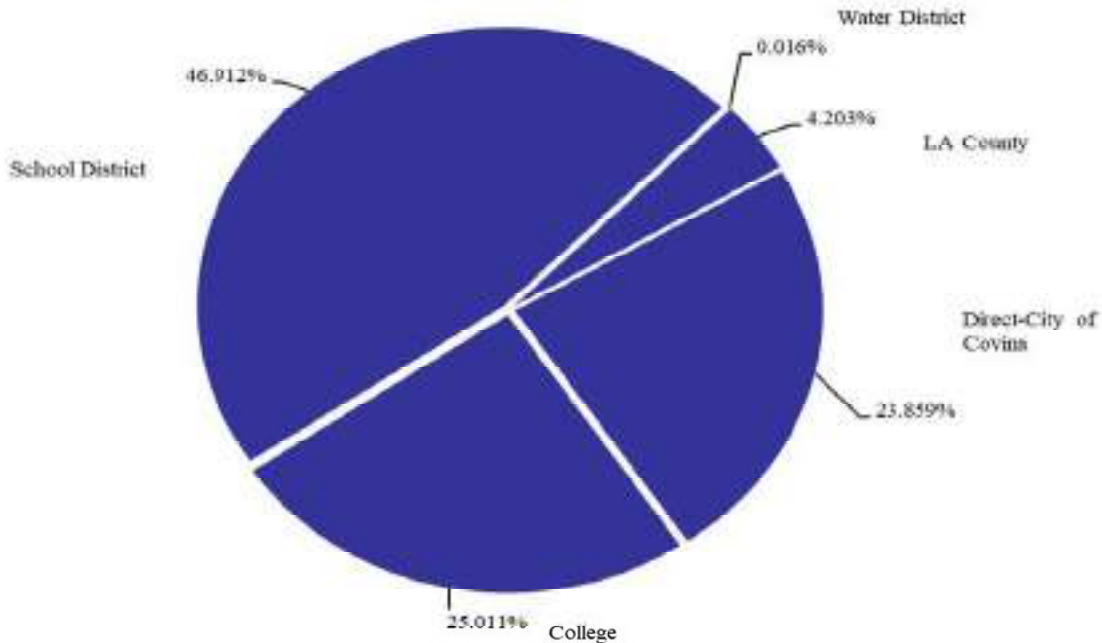
<sup>(1)</sup> See Assessed Value of Taxable Property-Last Ten Fiscal Years on page 162.

<sup>(2)</sup> See Demographic Statistics on page 172.

**CITY OF COVINA, CALIFORNIA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT  
AS OF JUNE 30, 2024**

Jurisdiction	Net General Activities Bonded and Capital Lease Debt Outstanding	Percentage Applicable to City of Covina <sup>(2)</sup>	Amount Applicable to City of Covina
Direct-City of Covina <sup>(1)</sup>	\$ 50,304,847	100.000%	\$ 50,304,847
Overlapping:			
Water District:			
Metropolitan Water District	18,210,000	0.185%	33,689
College:			
Citrus Community College District	115,880,302	0.324%	375,452
Mt. San Antonio Community College District Certificates	867,726,492	6.034%	52,358,617
School District:			
Azusa Unified School District	128,281,786	1.306%	1,675,360
Azusa Unified School District General Fund Obligations	4,083,000	1.306%	53,324
Charter Oak Unified School District	56,980,000	38.623%	22,007,385
Charter Oak Unified School District Certificates of	585,000	38.623%	225,945
Covina-Valley Unified School District	176,918,392	42.363%	74,947,938
Los Angeles County:			
Los Angeles County General Fund Obligations	2,479,229,730	0.357%	8,850,850
Los Angeles County Superintendent of Schools	2,857,300	0.357%	10,201
Subtotal overlapping debt			<u>160,538,761</u>
Total direct and overlapping debt			<u>\$ 210,843,608</u>

**Amount Applicable to City of Covina**



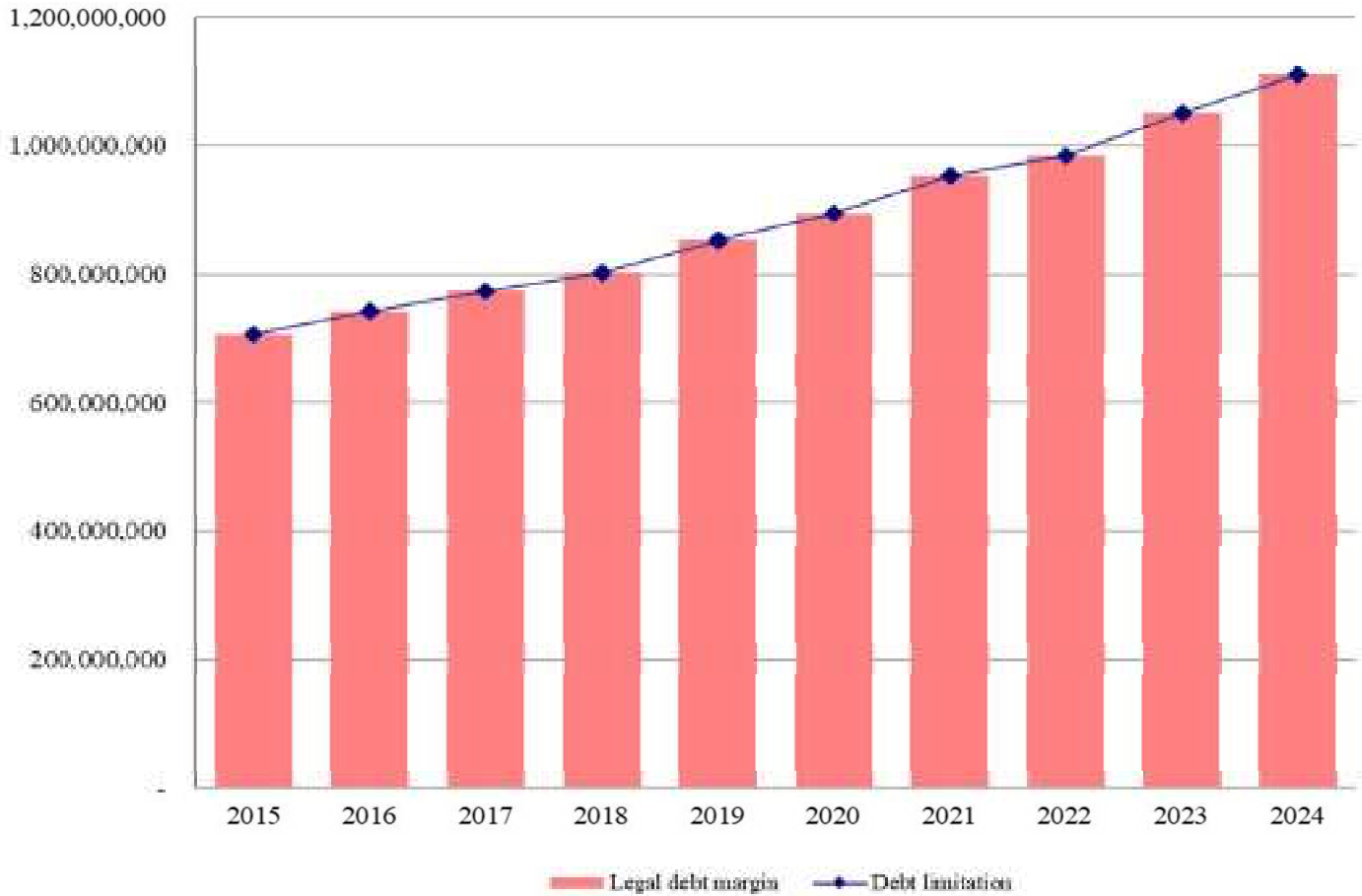
<sup>(1)</sup> Includes governmental activities debt reported in the Ratios of Outstanding Debt by Type on page 176.

<sup>(2)</sup> 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

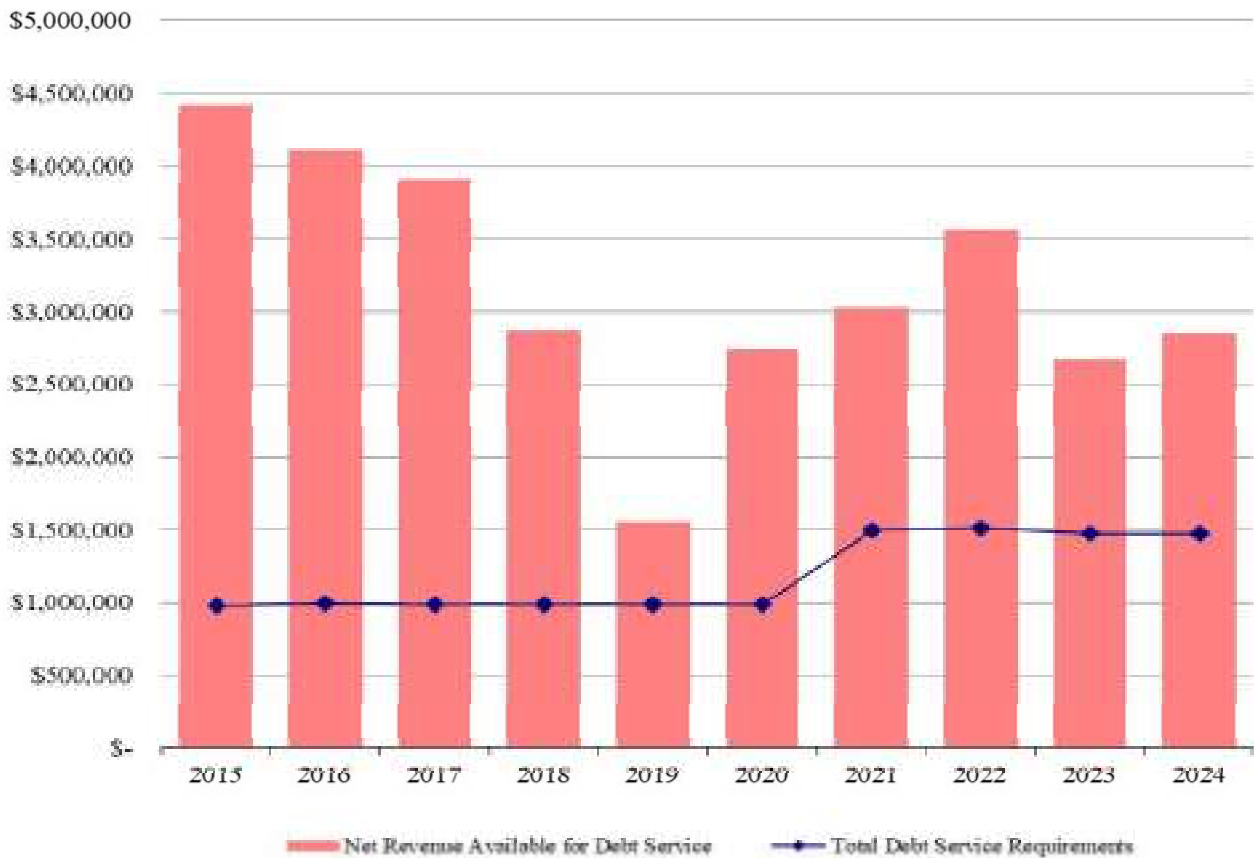
**CITY OF COVINA, CALIFORNIA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

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
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
2024	7,157,299,509	244,197,326	7,401,496,835	1,110,224,525	-	1,110,224,525



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

Fiscal Year	Gross Revenues <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2024	12,847,080	9,992,260	2,854,820	1,163,388	309,359	1,472,747	1.94

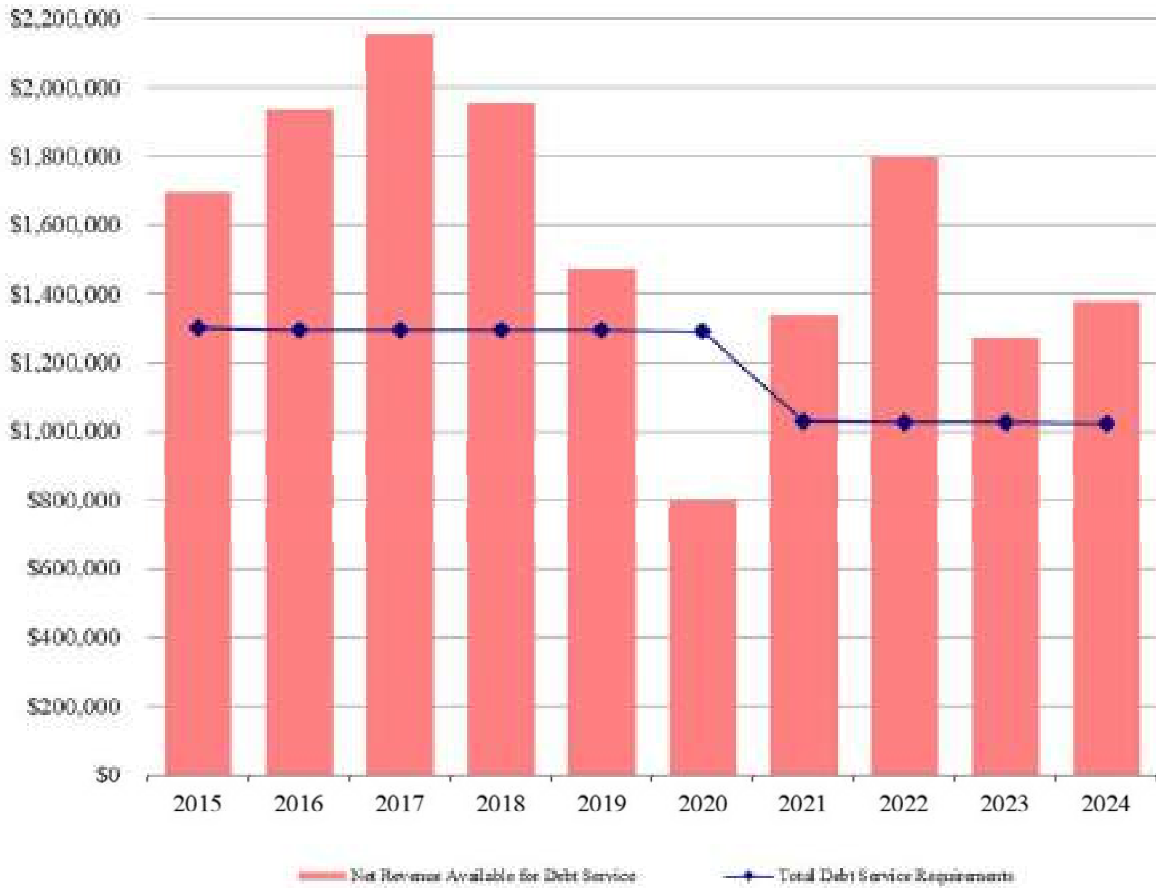


<sup>(1)</sup> Total revenues (including investment earnings) excluding joint venture investment income and gain on sale of capital assets.

<sup>(2)</sup> 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 <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2024	3,232,774	1,852,922	1,379,852	870,000	150,861	1,020,861	1.35



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

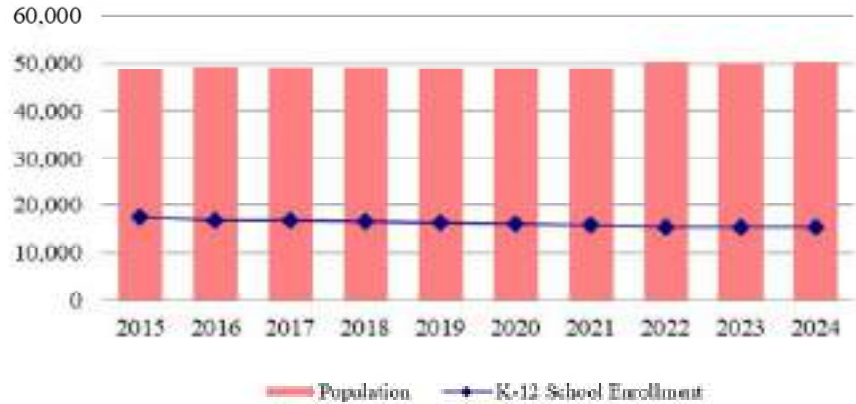
<sup>(2)</sup> Total operating expenses exclusive of depreciation.



## CITY OF COVINA, CALIFORNIA DEMOGRAPHIC AND ECONOMIC STATISTICS

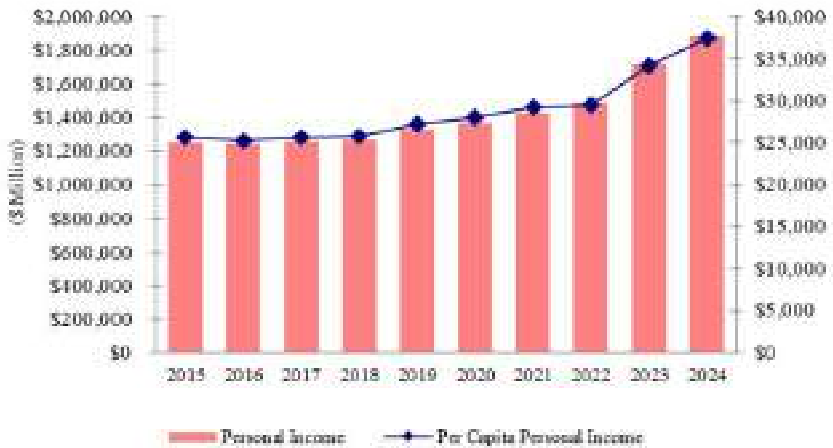
Last Ten Fiscal Years

Year	Population <sup>(1)</sup>	K-12 School Enrollment <sup>(2)</sup>
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
2024	50,485	15,391



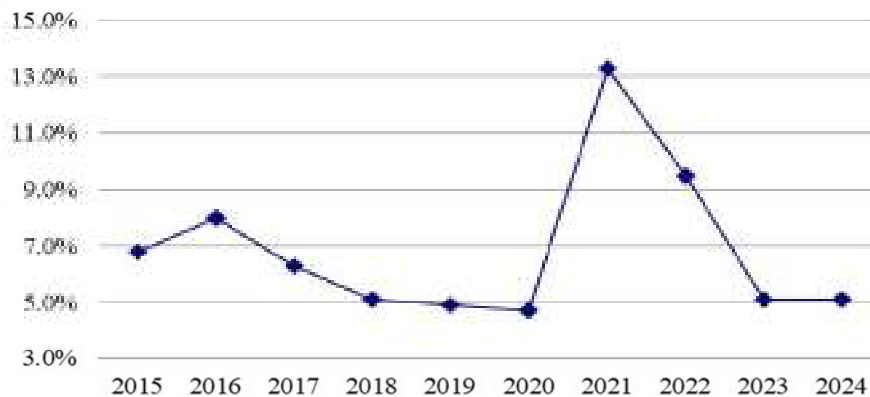
Last Ten Fiscal Years

Year	Personal Income <sup>(3)</sup> (\$ Thousand)	Per Capita Personal Income <sup>(3)</sup>
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
2024	1,888,379	37,404



Last Ten Fiscal Years

Year	Unemployment Rate <sup>(4)</sup>
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%
2024	5.1%



<sup>(1)</sup> State Department of Finance.

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

<sup>(3)</sup> HdL, Coren & Cone.

<sup>(4)</sup> State Employment Development Department.

**CITY OF COVINA, CALIFORNIA  
PRINCIPAL EMPLOYERS  
AS OF JUNE 30, 2024**

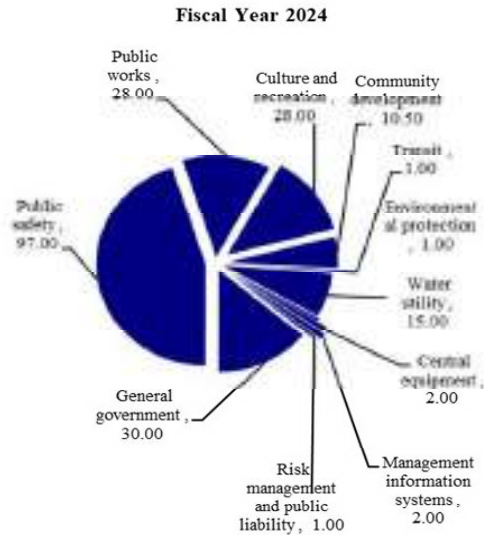
Employer	2024			2023		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Covina Valley Unified School District	1,537	1	9.93%	1,351	1	8.99%
Emanate Health Intercommunity Hospital	1,007	2	6.51%	926	2	6.16%
Charter Oak Unified School District	650	3	4.20%	677	3	4.50%
Ikea U.S. West, Inc.	313	4	2.02%	292	4	1.94%
Howard J. Chudler & Associates, Inc	277	5	1.79%	232	7	1.54%
City of Covina	249	6	1.61%	252	6	1.68%
Wal-Mart	210	7	1.36%	287	5	1.91%
The Home Depot	190	8	1.23%	189	8	1.26%
Bert's Mega Mall	161	9	1.04%	165	9	1.10%
Med Plus Pharmacy	150	10	0.97%	-	-	0.00%
Healthcare Partners Affiliates Medical Group	-	-	0.00%	151	10	1.00%
	<u>4,744</u>		<u>30.66%</u>	<u>4,522</u>		<u>30.09%</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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
General government	23.56	20.56	28.00	25.50	26.50	27.00	29.50	29.50	30.00	30.00
Public safety	99.50	100.50	112.00	99.50	98.50	98.50	95.50	96.50	98.00	97.00
Public works	19.50	19.50	25.00	21.80	21.80	22.80	23.80	23.80	24.00	28.00
Culture and recreation	43.18	43.41	30.94	21.95	22.47	29.67	30.08	29.19	27.00	28.00
Community development	14.50	16.50	7.00	6.50	7.50	9.50	9.50	11.00	10.50	10.50
Transit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	1.00
Redevelopment and housing	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00
Water utility	3.75	3.75	4.00	3.50	4.00	4.00	4.00	3.50	2.50	1.00
Environmental protection	5.50	5.50	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Central equipment	6.00	6.00	1.00	-	2.00	2.00	2.00	2.00	2.00	2.00
Management information systems	-	-	-	-	-	1.00	-	1.00	1.00	1.00
Total full-time equivalent positions	230.49	230.72	225.94	196.75	200.77	212.47	212.38	214.49	212.50	212.50

Source: Finance Department Budget



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

	<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>	<u>2024</u>
<b>General Government</b>										
Finance:										
Payroll checks issued	7,694	7,569	7,369	7,566	7,811	7,557	7,264	7,295	7,518	7,716
Accounts payable checks issued	6,374	5,729	5,281	5,296	5,500	5,153	5,445	5,380	5,234	5,339
Purchase orders issued	506	538	453	440	461	465	474	811	887	986
Community Development Block Grant (CDBG):										
Seniors Served by Information and Referral Program	N/A	N/A	N/A	218	216	168	125	203	69	36
Seniors Served by Case Management Program	N/A	N/A	N/A	64	64	33	49	88	80	45
Seniors Served by Nutrition Program	N/A	N/A	N/A	127	132	307	115	239	341	181
Persons Served by Literacy Program	N/A	N/A	N/A	19	16	20	14	10	21	15
Persons Served by Job Training	12	-	-	5	3	14	12	13	11	7
Houses rehabilitated	4	3	2	1	-	-	-	-	1	1
Housing:										
Transitional House-Number of people served	17	17	22	11	14	13	21	27	15	5
Covenants-Monitoring affordable units	460	460	460	460	460	449	460	460	460	460
<b>Public Safety</b>										
Police:										
Physical arrests	2,987	2,038	676	3,005	2,746	2,406	2,534	2,204	2,499	273
Parking violations	9,367	8,380	10,062	3,035	8,955	12,678	15,301	18,167	14,016	9,585
Traffic violations	3,314	1,711	5,426	12,063	1,598	1,355	1,540	2,068	1,895	2,038
Fire:										
Number of calls answered	4,643	4,751	4,681	4,641	10,679	11,083	14,218	8,961	14,411	15,335
Inspections	2,279	1,389	2,583	1,472	2,843	2,383	1,964	2,415	1,756	1,936
<b>Culture and Recreation</b>										
Parks and Recreation:										
Leaders-in-Training participants	75	57	66	51	36	12	18	28	28	28
Youth sports participants	1,312	916	1,199	1,130	934	746	619	1,224	814	1,760
Leisure lifestyle classes participants	5,920	6,457	5,041	4,520	4,028	2,593	1,500	2,461	1,637	3,182
Cultural excursion program participants	580	565	595	406	468	326	150	397	420	889
Summer evening event attendees	25,000	25,000	16,975	17,170	10,100	9,200	1,500	3,827	6,275	9,500
Senior service participants (fee based)		3,202	2,296	1,036	1,248	939	364	727	357	999
Senior nutrition program meals served	18,336	14,641	12,798	11,642	11,628	19,088	33,758	31,248	42,627	8,391
Special events attendees	53,000	50,000	50,000	50,000	45,000	40,000	5,000	25,000	19,189	30,000
Special event participants								654	288	533
Aquatic participants	8,750	6,446	8,134	6,011	5,850	3,884	2,800	2,107	1,189	2,419
Day Camp Participants		745	842	682	580	402	2,800	375	415	367
Library:										
Circulation										
Books/Audiobooks/CDS	111,236	102,019	100,913	99,434	97,548	67,451	10,564	46,050	54,321	58,051
DVD's	7,500	5,806	4,987	4,141	3,314	1,928	53	704	813	1,280
Toys		978	2,588	3,436	4,241	2,784	-	-	-	-
E-books				1,381	3,201	4,466	5,880	4,051	4,444	5,907
Total Circulation	118,736	108,803	108,488	108,392	108,303	76,629	16,587	50,805	59,578	65,238
Gate Count	206,514	194,182	189,432	189,021	187,098	120,381	1,273	50,750	48,992	32,279
Computer Services										
Number of hours	13,860	10,782	10,374	12,825	12,891	6,298	45	900	1,890	2,324
Number of users	18,751	13,946	13,190	19,848	19,581	10,323	83	1,620	2,916	3,399
Library Cards										
City Residents - Newly Issued	1,760	1,520	1,427	1,413	1,364	963	153	666	1,048	1,493
Non-City Residents - Newly Issued	2,118	1,679	1,594	1,257	1,198	865	106	788	954	1,314
Total Number of Current Library Cards	28,909	32,108	35,129	37,927	40,087	32,824	33,083	34,434	36,436	32,701
Library materials added										
Books	3,439	2,580	2,866	2,475	1,827	1,600	1,736	1,605	1,659	2,545
CDs	298	222	196	131	198	156	191	117	-	-
Audiobooks	128	88	83	129	87	54	70	22	-	-
DVD's	181	150	215	155	212	154	145	179	76	40
Toys		119	99	97	67	27	-	-	-	-
Total Materials Added	4,046	3,159	3,459	2,987	2,391	1,991	2,142	1,923	1,697	2,585
Library Programs/Services										
Storytime participants	1,397	1,756	1,649	1,542	1,662	1,317	592	390	805	1,301
Adult/Young Adult program participants	423	464	470	536	902	869	370	703	1,225	1,315
Children's program participants	3,014	4,264	5,351	7,343	7,264	5,171	1,034	1,085	1,398	1,780
Summer Reading Program participants	620	705	799	848	1,076	350	319	385	386	446
Joint Summer Reading program participants	1,079	811	1,153	1,468	1,818	1,806	-	-	-	-
Accelerated Reader (AR) Testing Program Participants					1,861	2,665	-	-	84	507
In-N-Out Cover-to-Cover Reading Program	202	240	252	274	244	366	-	252	269	275
Outreach (Class Visits on and off-site, number of participants)				546	1,227	591	50	-	400	527
Homework Help Tutors	12*	11	15	10	-	-	-	-	-	-
Homework Help Participants	738	997	529	418	-	-	-	-	-	-
Library volunteer hours <sup>(3)</sup>	13,535	14,251	13,754	8,693	5,877	2,224	103	40	121	188

**CITY OF COVINA, CALIFORNIA  
OPERATING INDICATORS BY FUNCTION (CONTINUED) <sup>(1)</sup>  
LAST TEN FISCAL YEARS**

	<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>	<u>2024</u>
<b>Literacy</b>										
Number of tutors	27	23	23	22	20	16	1	1	2	6
Number of adults served	97	79	79	92	83	81	22	27	27	37
Number of children served	37	31	39	43	44	31	-	-	-	-
<b>Reference Questions</b>										
Adult/Circulation	20,436	21,418	22,561	20,281	20,778	15,607	1,200	12,500	17,562	19,058
Childrens	6,918	6,650	5,738	7,839	8,312	6,090	-	-	-	-
Total Reference Questions	27,354	28,068	28,299	28,120	29,090	21,697	1,200	12,500	17,562	19,058
<b>Planning</b>										
Planning reviews	610	1,733	1,820	1,911	283	156	388	633	741	600
Permits issued	2,253	1,344	1,411	1,482	71	-	147	633	741	-
Inspections	531	192	230	242	-	-	-	633	741	-
<b>Building</b>										
Building reviews	503	1,362	561	792	820	842	1,040	254	284	372
Permits issued	1,658	3,494	1,514	894	3,927	3,290	4,598	4,852	335	1,215
Inspections	6,029	4,464	3,038	5,137	4,265	4,506	3,646	5,812	6,102	6,122
<b>Transit</b>										
Average daily parking customers (station & structure paid)	845	747	<sup>(2)</sup>	<sup>(2)</sup>	666	40	276	376	587	573
Average monthly parking customers (structure paid)			1,296	688	608	433	326	261	203	194
Dial-A-Cab participants (monthly average)	1,918	1,158	1,454	1,584	1,722	1,468	933	1,010	890	884
Subsidized bus passes (monthly average)	53	28	52	48	50	30	11	11	13	15
<b>Code Enforcement</b>										
Total Inspections	4,434	1,840	1,902	2,956	834	2,113	1,467	1,951	1,890	2,159
Signs removed from public right of way	1,083	522	233	153	294	278	113	71	42	51
Industrial Waste Inspections	413	1	2	220	176	138	375	343	139	266
<b>Water Utility</b>										
Average daily consumption (gallons)	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	4,079,395
Meter reads	103,851	103,490	<sup>(2)</sup>	2,291	<sup>(2)</sup>	2,061	4,252	2,532	2,419	1,775
Meter replacements	6	88	<sup>(2)</sup>	32	77	28	37	59	31	88
Consumer responses	12,703	5,805	<sup>(2)</sup>	350	590	727	208	276	291	331
Service line repairs	62	48	<sup>(2)</sup>	59	43	33	108	50	38	68
Main line repairs	34	45	<sup>(2)</sup>	49	70	69	49	82	40	53
<b>Street Maintenance</b>										
Traffic sign remove/replace/install	92	185	153	118	102	201	185	185	57	335
Potholes repaired	4,058	3,629	4,645	3,802	5,390	6,379	3,981	2,792	5,736	3,247
Curb painted (lf)	15,436	17,860	37,370	16,960	75,262	26,788	21,239	4,257	15,918	77,006
Utility cuts repaired	-	<sup>(2)</sup>	<sup>(2)</sup>	20	73	87	76	155	21	19
Trees trimmed	799	2,163	231	255	129	158	84	185	284	287
<b>Equipment Maintenance</b>										
Preventative maintenance service	492	367	325	284	291	302	288	241	254	234
Safety inspections	563	425	371	320	319	327	332	261	281	237
New Tires	122	82	117	98	121	115	102	102	101	123
Tire repairs	315	177	183	164	167	122	177	185	191	130
Work orders completed	1,345	829	681	631	646	657	771	696	684	534
<b>Environmental Protection</b>										
Refuse collected (tons/month)	2,334	2,363	2,482	2,450	2,416	1,825	2,991	2,809	3,016	2,760
Recyclables collected (tons/month)	188	192	185	162	162	200	351	431	487	570
Green waste collected (tons/month)	469	463	462	457	469	366	929	905	509	812
Compressed natural gas sold (gallon equivalents)	28,080	33,845	30,999	30,182	29,045	14,427	13,691.04	25,989.00	25,130.00	20,859.69

<sup>(1)</sup> Information provided by various departments

<sup>(2)</sup> Information not available.

<sup>(3)</sup> Combination of Homework Help volunteer hours and Total volunteer hours.

\* Revised

CITY OF COVINA, CALIFORNIA  
 Capital Asset Statistics by Function<sup>(1)</sup>  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General government</b>										
Buildings-civic center	1	1	1	1	1	1	1	1	1	1
<b>Public safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	20	20	20	21	22	22	23	23
Fire stations	3	3	3	3	3	3	3	3	3	3
<b>Public works</b>										
Arterial streets (miles)	35	35	35	35	35	47	47	47	47	47
Residential streets (miles)	81	87	81	81	81	80	80	80	80	80
Curb and gutter (miles)	240	230	230	230	230	230	230	230	230	230
Sidewalk (square feet)	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000
Traffic signals	60	65	65	65	65	70	70	71	72	72
Sanitary sewer (miles)	121	121	121	121	121	120	120	120	120	120
Storm water catch basins	82	82	71	112	112	112	112	112	117	117
Street trees	9,325	9,465	9,485	9,473	9,501	9,266	9,058	9,401	9,274	9,184
Parking structure (spaces)	125	110	110	110	110	110	110	110	775	775
<b>Culture and recreation</b>										
Parks and recreation:										
Park acreage	51	54	54	54	54	54	54	54	54	54
Parks	9	9	9	9	9	9	9	9	9	9
Skate Park										1
Horse-walking trails	1	1	1	1	1	1	1	1	1	1
Nature trails	1	1	1	1	1	1	1	1	1	1
Playground areas	8	9	9	9	9	9	9	9	9	9
Swimming pools	2	2	2	2	2	2	2	2	2	2
Softball fields	3	3	3	3	3	3	3	2	1	1
Baseball fields	3	3	3	3	3	3	3	3	3	3
Basketball courts	10	10	10	10	10	10	10	10	10	10
Roller hockey rinks	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Pickleball courts										4
Buildings and centers	12	13	13	13	13	13	13	13	11	11
Library buildings	1	1	1	1	1	1	1	1	1	1
<b>Transit</b>										
Parking structure (vehicle spaces)	655	665	665	665	665	663	663	663	663	663
Parking lot (secured bicycle spaces)	-	40	40	40	56	16	16	16	16	16
Transit vehicles	5	5	5	5	5	5	5	5	5	5
<b>Housing</b>										
Transitional housing	1	1	1	1	1	1	1	1	1	1
<b>Water utility</b>										
Water tanks	9	9	9	9	9	9	9	9	9	9
Pump stations	7	6	6	6	7	7	7	7	7	7
Water mains (miles)	102	102	102	102	102	102	111	111	111	111
Service meters	8,650	8,633	8,623	8,623	8,600	8,640	8,700	8,851	8,653	8,751
Fire hydrants	1,059	992	1,059	1,059	1,132	1,096	414	1,158	1,184	1,184

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

<sup>(2)</sup> Information not available.

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

Summary of Operations										
	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	6/30/2024
Water Purchased (in acre-feet)										
Covina Irrigating Company (CIC)	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	4,414.39
Three Valley Muni Water Dist(MWD)	931.00	467.20	198.00	62.70	-	-	151.00	23.50	92.80	155.00
<b>Total Purchased</b>	<b>5,360.00</b>	<b>4,633.46</b>	<b>4,954.72</b>	<b>5,130.73</b>	<b>5,035.22</b>	<b>5,106.32</b>	<b>5,498.83</b>	<b>5,233.45</b>	<b>5,233.45</b>	<b>4,569.39</b>
Potable Water Sold (in acre-feet)	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	3,997.52
Change from previous year	-7.98%	-11.39%	2.04%	8.90%	-3.85%	-2.12%	4.44%	-3.69%	-13.85%	-0.16%
Population	49,002	48,984	49,011	49,006	48,876	48,846	48,833	50,449	50,350	50,485
Cost of CIC Water \$/a-f	\$ 475.00	\$ 495.00	\$ 495.00	\$ 530.00	\$ 530.00	\$ 495.00	\$ 520.00	\$ 474.19	\$ 476.00	\$ 497.00
Cost of MWD Water \$/a-f	879.41	906.76	981.67	987.00	987.00	987.00	1,098.00	1,119.10	1,104.02	1,234.12
<b>Number of Water Accounts<sup>(1)</sup></b>	<b>8,550</b>	<b>8,638</b>	<b>8,642</b>	<b>8,656</b>	<b>8,701</b>	<b>8,506</b>	<b>8,524</b>	<b>8,821</b>	<b>9,044</b>	<b>9,028</b>

Water System Fund Revenues and Expenses <sup>(2)</sup>										
	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	6/30/2024
<b>Operating Revenue</b>										
Charges for Services	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	12,380,295
<b>Operating Expenses</b>										
Source & supply	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	3,690,592
Production & storage	556,304	911,509	1,072,317	2,224,760	928,941	1,093,228	1,155,010	1,222,831	1,380,661	1,484,185
Transmission & distribution	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	1,768,174
Customer acct & collections	1,061,295	1,363,414	1,474,373	1,347,476	1,304,399	906,296	603,793	548,231	433,053	488,170
Administrative & general	638,819	798,833	238,355	(68,719)	1,872,999	1,539,142	2,407,823	1,748,816	2,426,168	2,561,139
Depreciation	957,051	953,511	964,403	1,006,332	1,131,906	1,276,414	1,443,409	1,504,189	1,579,745	1,638,002
<b>Total Operating Expenses</b>	<b>8,092,364</b>	<b>7,348,125</b>	<b>8,203,369</b>	<b>9,490,776</b>	<b>9,451,164</b>	<b>9,418,036</b>	<b>10,218,384</b>	<b>9,840,047</b>	<b>10,570,717</b>	<b>11,630,262</b>
<b>Net Revenues</b>	<b>2,804,416</b>	<b>3,088,309</b>	<b>2,807,646</b>	<b>1,648,199</b>	<b>135,056</b>	<b>1,255,949</b>	<b>1,462,887</b>	<b>1,983,860</b>	<b>830,405</b>	<b>750,033</b>
2010 Bond Installment Payments	710,708	990,113	988,713	985,413	986,613	988,713	802,627	1,512,429	1,472,701	1,472,747
2020 BBVA Installment Payments							699,742	56,842	341,398	342,204
Coverage	3.95	3.12	2.84	1.67	0.14	1.27	0.97	1.26	0.46	0.41

Water Rates <sup>(1)</sup>									
	6/30/2019	6/30/2020		6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025*	
<b>Minimum Charge:</b>			<b>Monthly Service Charge:</b>						
5/8" & 3/4"	\$ 33.24	\$ 33.24	5/8" and 3/4"	\$ 36.22	\$ 37.67	39.18	40.75	42.38	
1"	49.44	49.44	1"	56.74	59.01	61.38	63.84	66.40	
1-1/2"	76.43	76.43	1-1/2"	103.65	107.80	112.12	116.61	121.28	
2"	115.15	115.15	2"	162.30	168.80	175.56	182.59	189.90	
3"	215.92	215.92	3"	349.95	363.95	378.51	393.66	409.41	
4"	359.84	359.84	4"	622.64	647.55	673.46	700.40	728.42	
6"	719.70	719.70	6"	1,376.19	1,431.24	1,488.49	1,548.03	1,609.96	
			<b>Monthly Fire Line Service Charge:</b>						
<b>Charge per hundred cubic feet (hcf):</b>			2"	20.09	20.90	21.74	22.61	23.52	
Single Family (0-16 ccf)	2.71	2.71	3"	45.24	47.05	48.94	50.90	52.94	
Single Family (17+ ccf)	3.02	3.02	4"	88.60	92.15	95.84	99.68	103.67	
Multi-Family (0-12 ccf)	2.71	2.71	6"	244.24	254.01	264.18	274.75	285.74	
Multi-Family (13+ ccf)	2.96	2.96	8"	512.69	533.20	554.53	576.72	599.79	
Commercial/Institutional	3.16	3.16	10"	916.49	953.15	991.28	1030.94	1072.18	
Industrial/Manufacturing	2.74	2.74	<b>Consumption Rates:</b>						
Irrigation/Landscaping	3.16	3.16	Single Family						
City/Miscellaneous	2.75	2.75	Tier 1 (0-14 ccf)	2.86	2.98	3.10	3.23	3.36	
<b>Capital Improvements Projects Fee:</b>			Tier 2 (15+ ccf)	3.36	3.50	3.64	3.79	3.95	
5/8" & 3/4"	2.54	2.54	Multi-Family						
1"	6.36	6.36	Uniform Rate	2.99	3.11	3.24	3.37	3.51	
1-1/2"	12.72	12.72	Commercial/Institutional	3.01	3.14	3.27	3.41	3.55	
2"	32.55	32.55	Industrial/Manufacturing	3.01	3.14	3.27	3.41	3.55	
3"	61.03	61.03	Irrigation/Landscaping	3.05	3.18	3.31	3.45	3.59	
4"	101.71	101.71	City/Miscellaneous	3.01	3.14	3.27	3.41	3.55	
6"	203.43	203.43	Construction	3.10	3.23	3.36	3.50	3.64	
8"									
<b>Private Fire Standby Service:</b>									
4"	21.71	21.71							
6"	63.09	63.09							
8"	134.46	134.46							
10"	241.80	241.80							

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

Largest Water Accounts <sup>(1)</sup>					
Customer	Type of Business	Consumption (in acre-feet)	% of total consumption	Revenue	% of total water sales
Covina School District	Governmental	83.21	2.08%	\$181,021.26	1.58%
Covina 023-Woods 206 LP	Multiple Family	59.56	1.49%	\$147,095.34	1.28%
Inter-Comm Health SVC	Commercial	54.36	1.36%	\$132,887.00	1.16%
Charter Oak Unified School Dist	Governmental	46.63	1.17%	\$80,470.60	0.70%
Lvgen Hotel Corporation	Commercial	25.04	0.63%	\$47,543.84	0.41%
Spruell, Rosario O.	Multiple Family	23.87	0.60%	\$49,152.11	0.43%
Miracle Mile Properties LP	Multiple Family	19.39	0.49%	\$39,763.75	0.35%
Forbush, Lucienne	Multiple Family	18.86	0.47%	\$33,280.81	0.29%
Gref GG Eastland Center L.P.	Commercial	17.58	0.44%	\$43,448.98	0.38%
Mobilaire Estates	Multiple Family	16.26	0.41%	\$29,898.53	0.26%
<b>TOTALS</b>		<b>364.76</b>	<b>9.12%</b>	<b>\$ 784,562</b>	<b>6.83%</b>
<b>GRAND TOTAL CONSUMPTION</b>		<b>3,997.52</b>		<b>GRAND TOTAL SALES \$ 11,482,064</b>	

(1) Information obtained from Water information system  
(2) Information obtained from Covina Comprehensive Annual Financial Report

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

	<b>Sewer Fund Revenues and Expenses</b>									
	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	6/30/2024
<b><u>Operating Revenue</u></b>										
Special Assessments	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	2,914,954
<b><u>Operating Expenses</u></b>										
General & Administrative	919,254	785,109	661,138	1,013,663	1,721,983	2,367,418	1,848,785	1,529,927	1,731,926	1,852,922
Depreciation	167,735	167,735	167,735	167,735	168,680	179,627	225,865	288,962	356,327	406,018
<b>Total Operating Expenses</b>	<b>1,086,989</b>	<b>952,844</b>	<b>828,873</b>	<b>1,181,398</b>	<b>1,890,663</b>	<b>2,547,045</b>	<b>2,074,650</b>	<b>1,818,889</b>	<b>2,088,253</b>	<b>2,258,940</b>
Net Revenues	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	656,014
2009 Bond Installment Payments	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	1,020,861
2021 Pension Obligation Bonds								18,968	113,921	114,190
Coverage	1.16	1.34	1.49	1.28	0.80	0.28	0.99	1.40	0.71	0.58
<b>Sewer Rates <sup>(1)</sup></b>										
	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024		
	10.88	11.21	11.45	11.45	11.45	11.45	11.45	11.45		

<sup>(1)</sup> Monthly Rates