



# Quarterly Budget Update

Quarter 1  
FY 2025

## Overview

City Management is pleased to present this quarterly update summarizing the City's overall budget activity through Quarter 1 (September 30, 2024) for Fiscal Year (FY) 2025. The City's fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>. For audited information, or to find greater detail, please refer to the City's annual financial statement, which is released by December 31<sup>st</sup> following the end of the fiscal year.

## Budget Adjustments & Revenue Estimates

The revenue projections and budget expenditures presented in this update include budget adjustments approved by the City Council, continuing appropriations, and prior year encumbrances.

## General Fund Financial Condition

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The City's General Fund is the primary source of discretionary resources that funds many of the services provided to the citizens of the City of Corona. The General Fund is made up of the General Fund, Measure X Fund, Historic Civic Center Fund, and the Pension Stabilization Trust Fund.

The General Fund inflows (revenue and transfers in) for FY 2025 are currently estimated at \$227.0 million. This represents an increase of \$0.2 million over the adopted inflows of \$226.8 million.

The City has received or recorded 9.7% of the estimated General Fund inflows, through the end of Quarter 1 (at the time this information was prepared). Overall, inflows are down by 23.6% when compared to the same quarter of FY 2024. The primary reason for the decrease is due to how the City must report the unrealized gains/losses from investments. It is value on paper and not actual cash.

As of Quarter 1 of FY 2025, the General Fund has expended 15.1% of its cumulative budget. The current savings is primarily due to capital improvement projects which will take multiple years to complete. Comparing Quarter 1 of FY 2025 to FY 2024, expenditures are up by 19.5%, or \$6.8 million.

# General Fund Reserves

The General Fund has multiple reserves in fund balance for various purposes. For the full list, please reference the City's financial statements, Note 15 (for Fiscal Year Ending June 30, 2023, page 119). This quarterly update highlights four of those reserves. Noted are the unaudited FY 2024 amounts, which total \$133.9 million. The final amounts may be adjusted once the FY 2024 financial statements are issued.

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Equal to 3 months of operating expenditures</b>	<b>Been in place for 20-years</b>	<b>Reserve for pension related expenditures – debt service payments for the Pension Obligation Bonds or the City's CalPERS unfunded accrued liability (UAL) contributions.</b>	<b>Unspent Measure X funds that don't roll into next FY will go into the reserve</b>
<b>Adjusted at the end of each fiscal year</b>	<b>Since FY 2022, we no longer add new money into this reserve at the end of the fiscal year</b>		<b>Reserve amount discussed with Council each year through the budget cycle</b>
<b>Emergency Contingency</b>	<b>Budget Balancing</b>	<b>Pension Stabilization</b>	<b>Measure X Reserves</b>
<b>\$50,316,648</b>	<b>\$3,922,049</b>	<b>\$46,483,830</b>	<b>\$33,218,829</b>

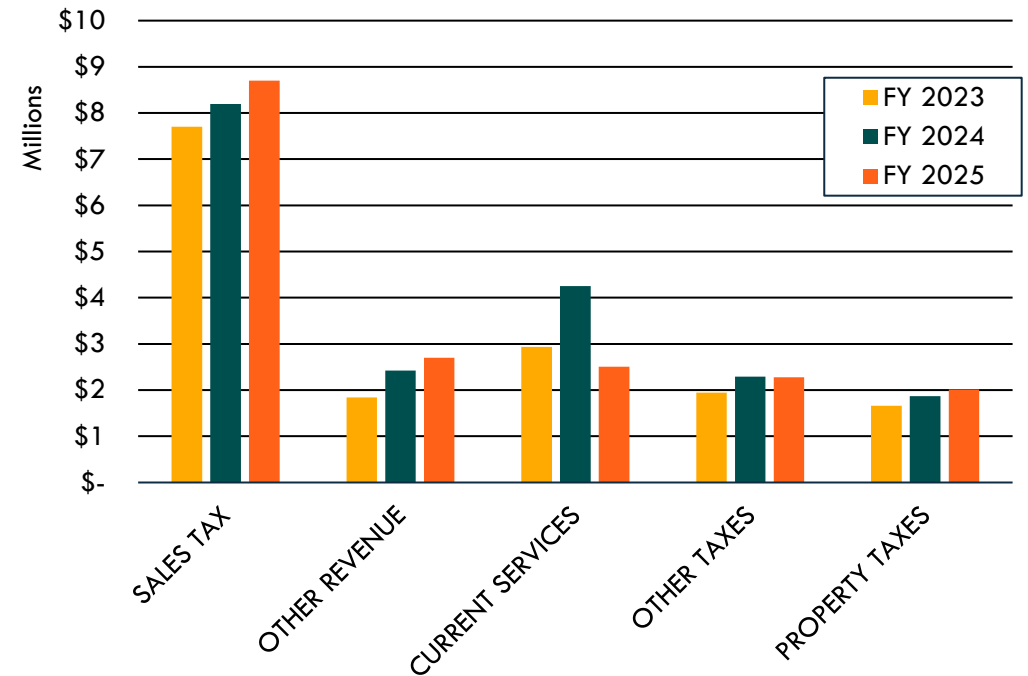
# General Fund Inflows

## Top Five Revenues

The City's top five General Fund revenue categories account for approximately 90.8% of the total estimated General Fund inflows for FY 2025. Focusing on these sources can provide a useful understanding of the City's income position.

The bar graph to the right illustrates the performance of the top five revenues as compared to the same quarter of the prior two fiscal years.

**General Fund Revenues  
Top 5 Revenues Compared  
Quarter 1**



# General Fund Inflows **Top Five Revenues**

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## **01** Sales Tax

At the end of Quarter 1, Sales Tax is the largest General Fund revenue category. This category includes the City's portion of sales tax, Measure X, Prop. 172 sales tax, and allowance for sales tax agreements. As of Quarter 1, the total received is \$8.7 million. At the time this information was prepared, the revenues are up by 6.2%, or \$0.5 million as compared to the prior year.

## **02** Other Revenues

The second largest General Fund revenue category at the end of Quarter 1 is Other Revenues. Activity in this revenue group includes Rental/Lease Income, Telecommunication Site Rentals, Sales of Surplus Property, and Billboard Revenues. At the end of Quarter 1, the total received is \$2.7 million. Overall, the Other Revenues category is up by 11.5%, or \$279,335 as compared to the same quarter in FY 2024.

## **03** Current Services

The Current Services category is the third largest category at the end of Quarter 1. Activity in this revenue group include plan check fees, engineering and inspection fees, recreation revenues, and the Emergency Medical Services Program. At the end of Quarter 1, the total received is \$2.5 million. Overall, the Current Services category is down by 41.0%, or \$1.7 million, as compared to the same quarter in FY 2024. When comparing to the prior fiscal year, the decrease is primarily due to Fire Service Agreements and the EMS Program.

# General Fund Inflows **Top Five Revenues**

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## **04** Other Taxes

At the end of Quarter 1, a total of \$2.3 million has been received in the Other Taxes category. Items in this revenue group include Franchise Fees, Transient Occupancy Taxes (TOT), Business License Taxes, and Cannabis Taxes. Other Taxes are down 0.8%, or \$17,362 as compared to Quarter 1 of FY 2024. When comparing to the prior fiscal year, there is an increase in Transient Occupancy Taxes, Business License Taxes, and Cannabis Taxes. Simultaneously, there is a decrease in Franchises.

## **05** Property Tax

At the end of Quarter 1, Property Tax is the fifth largest General Fund revenue category. The total for property tax is \$2.0 million, an increase of \$143,910, or 7.7%, over the prior fiscal year. The increase is primarily in secured property taxes. The majority of property tax revenues are recorded as revenue and booked as a receivable, once the annual report is received from the County of Riverside (generally November/December). Year-end adjustments "true-up" the amounts to the actual cash received.

# General Fund Inflows

## General Fund Inflows Revenue + Transfers In Quarter 1, FY 2024 to FY 2025

General Fund Revenue Category	Through Q1 FY 2024	Through Q1 FY 2025	\$ Change	% Change
Sales Tax	\$ 4,781,698	\$ 5,357,348	575,650	12.0%
Measure X	3,411,311	3,344,523	(66,788)	-2.0%
Property Tax	1,868,705	2,012,615	143,910	7.7%
Other Revenue	2,423,426	2,702,761	279,335	11.5%
Current Services	4,249,382	2,507,945	(1,741,437)	-41.0%
Other Taxes	2,293,961	2,276,599	(17,362)	-0.8%
Payments in Lieu of Services	1,530,335	1,890,565	360,231	23.5%
Intergovernmental Revenues	504,748	549,084	44,336	8.8%
Licenses, Fees & Permits	607,031	625,158	18,127	3.0%
Utility Service Charges	3,208	1,031	(2,177)	-67.9%
Fines, Penalties & Forfeitures	197,472	199,850	2,378	1.2%
Investment Earnings	2,493,080	3,301,124	808,044	32.4%
<i>GASB31 Gain/Loss on Investment</i>	<i>4,572,524</i>	<i>(2,877,532)</i>	<i>(7,450,056)</i>	<i>-162.9%</i>
<b>Total Revenues</b>	<b>\$ 28,936,882</b>	<b>\$ 21,891,073</b>	<b>\$ (7,045,809)</b>	<b>-24.3%</b>
Transfers In	-	206,063	206,063	N/A
<b>Total Inflows</b>	<b>\$ 28,936,882</b>	<b>\$ 22,097,137</b>	<b>\$ (6,839,745)</b>	<b>-23.6%</b>
<i>Total Inflows (w/o GASB31)</i>	<i>\$ 24,364,358</i>	<i>\$ 24,974,669</i>	<i>\$ 610,310</i>	<i>2.5%</i>

## General Fund Inflows Revenue + Transfers In FY 2025, Budget to Quarter 1 Actuals

General Fund Revenue Category	Cumulative Budget FY 2025	Through Q1 FY 2025	% Received
Sales Tax	\$ 58,314,466	\$ 5,357,348	9.2%
Measure X	42,298,372	3,344,523	7.9%
Property Tax	65,623,930	2,012,615	3.1%
Other Revenue	11,067,362	2,702,761	24.4%
Current Services	12,849,409	2,507,945	19.5%
Other Taxes	14,789,698	2,276,599	15.4%
Payments in Lieu of Services	7,874,038	1,890,565	24.0%
Intergovernmental Revenues	2,217,584	549,084	24.8%
Licenses, Fees & Permits	2,091,186	625,158	29.9%
Utility Service Charges	8,000	1,031	12.9%
Special Assessments	779,667	-	0.0%
Fines, Penalties & Forfeitures	1,290,195	199,850	15.5%
Investment Earnings	6,484,027	3,301,124	50.9%
<i>GASB31 Gain/Loss on Investment</i>		<i>(2,877,532)</i>	<i>N/A</i>
<b>Total Revenues</b>	<b>\$ 225,687,934</b>	<b>\$ 21,891,073</b>	<b>9.7%</b>
Transfers In	1,305,451	206,063	15.8%
<b>Total Inflows</b>	<b>\$ 226,993,385</b>	<b>\$ 22,097,137</b>	<b>9.7%</b>
<i>Total Inflows (w/o GASB31)</i>	<i>\$ 226,993,385</i>	<i>\$ 24,974,669</i>	<i>11.0%</i>



# General Fund Expenditures

The FY 2025 budget was adopted with \$221.7 million in General Fund expenditures. With continuing appropriations of \$28.5 million, and encumbrances (committed purchase orders) of \$18.9 million, the beginning outflow budget was \$269.2 million. Through Council Actions and other authorized adjustments, total outflows are currently \$275.9 million.

Through Quarter 1, the City has spent \$41.6 million, or 15.1% of the cumulative budget. At this point in the fiscal year, expenditures should be approximately 25% of budget. When comparing the same quarter in FY 2024, outflows are up by 19.5%, or \$6.8 million. The largest expenditure category for the General Fund is Personnel Services.

Personnel Services has an increase of \$4.6 million as compared to the same quarter last fiscal year. The changes are primarily based on current Memorandum of Understanding (MOU) contracts that are good through December 2024, as well as new positions approved through the annual budget process.

Materials and Supplies is up by \$2.5 million when compared to Quarter 1 of FY 2024. There are multiple increases and decreases in this category. The primary drivers for change are one-time vehicle purchases in the prior fiscal year and property acquisitions in the current fiscal year.

## General Fund Outflows Expenditures + Transfers Out Quarter 1, FY 2024 to FY 2025

General Fund Expenditures By Category	Through Q1 2024	Through Q1 2025	% Change
Contractual	2,598,989	2,336,133	-10.1%
Materials and Supplies	6,043,030	8,566,527	41.8%
Personnel Services	24,861,796	29,456,128	18.5%
Utilities	1,273,695	1,206,902	-5.2%
Total Expenditures	\$ 34,777,510	\$ 41,565,689	19.5%
Transfers Out	-	-	N/A
Total Outflows	\$ 34,777,510	\$ 41,565,689	19.5%

## General Fund Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 1, FY 2025

General Fund Expenditures By Department	Cumulative Budget FY 2025	Through Q1 FY 2025	% Spent
CIP / O&M Projects	\$ 59,194,154	\$ 3,718,812	6.3%
City Manager's Office	13,901,180	855,277	6.2%
Community Services	20,155,378	3,485,259	17.3%
Debt Service	23,357,926	1,068,936	4.6%
Economic Development	1,692,601	167,701	9.9%
Elected Officials	175,230	27,045	15.4%
Finance	4,818,826	944,210	19.6%
Fire	37,017,746	9,185,266	24.8%
General Government	34,285,890	5,773,653	16.8%
Human Resources	3,092,679	636,684	20.6%
Information Technology	1,121,713	137,079	12.2%
Legal & Risk Management	2,099,380	448,610	21.4%
Planning & Development	9,289,771	1,531,025	16.5%
Police	60,584,343	12,807,634	21.1%
Public Works	5,116,166	778,498	15.2%
Total Expenditures	\$ 275,902,985	\$ 41,565,689	15.1%
Transfers Out	-	-	N/A
Total Outflows	\$ 275,902,985	\$ 41,565,689	15.1%

# General Fund Expenditures **By Department**

Through September 30, 2024, approximately 25% of the fiscal year is complete. Departments with a variance of 10% or more are explained in the following section.

## **CIP / O&M Projects (6.3%)**

This budget does not follow the normal trends as these are multi-year projects. Any unspent encumbrances (purchase orders) or remaining balance carries forward to the next fiscal year to continue the project activities.

## **City Manager's Office (6.2%)**

Current savings are primarily due to contractual services in the Homeless Solutions Program.

## **Debt Service (4.6%)**

Quarter 1 is trending low due to the timing of debt service payments based on approved payment cycles.

## **Economic Development (9.9%)**

Current savings is due to personnel services, materials and supplies, and contractual services.

## **Information Technology (12.2%)**

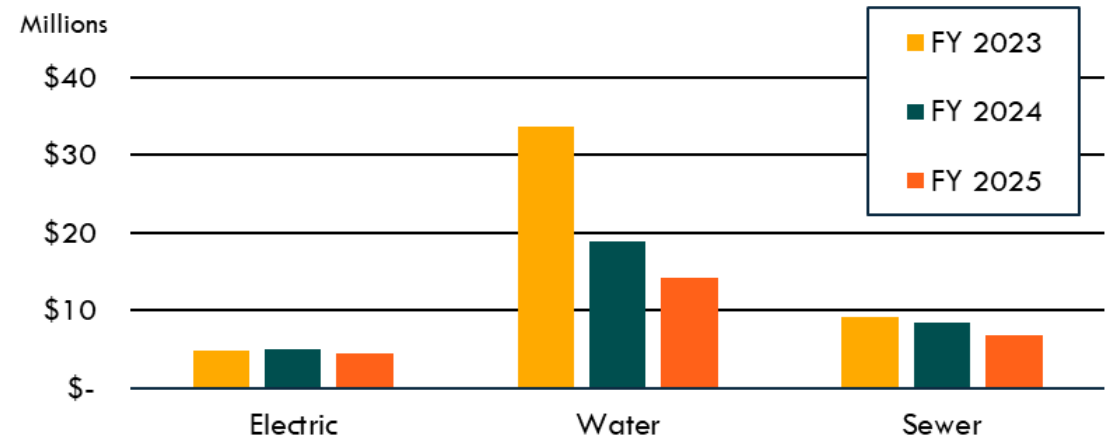
Current savings are primarily due to contractual services, specifically, Fire Dispatch Services with the City of Ontario.

# Enterprise Funds

## Utilities Inflows

The City operates three utility services through the Utilities Department: electric, water, and sewer. Through the collection of fees and charges, these funds should collect revenues sufficient to finance the costs associated with administration, operations, capital improvement projects (CIP), and debt service.

**Enterprise Funds - Utilities Revenues Compared, Quarter 1  
FY 2023 - FY 2024 - FY 2025**



# Utilities Funds Reserves

The **Utilities Funds** target reserve amount for each of the operating funds shall be set at ninety (90) days. To build the target reserve amount, the Utilities Department shall annually contribute ten percent (10%) of the difference between actual operating revenues and actual operating expenses for each of the Utilities Department Operating Funds at the beginning of each fiscal year until the target reserve is met. Depending on the fund, it will take time to hit the target reserve amount. If the reserve amount exceeds the target reserve amount, the additional funds shall remain in reserves. The reserve process occurs annually, once the audit and financials are finalized.



# Utilities Funds Inflows

**Utilities Revenues** - Through Quarter 1 FY 2025, revenues received have decreased 21.4%, or \$6.9 million, as compared to the same quarter in Fiscal Year 2024.

## Electric

Comparing Quarter 1 FY 2025 revenues to FY 2024, there is a decrease of \$515,509, or 10.2%. There were increases in categories: Current Services, Fines, Penalties & Forfeitures, Fees & Permits, and Other Revenue. There were decreases in categories: Intergovernmental Revenues, Investment Earnings, and Utility Services Charges. The change in the Investment Earnings category is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash.

## Water

Through the first quarter of FY 2025, there is a decrease of 25.2%, or \$4.8 million, as compared to FY 2024. Investment Earnings has a decrease of \$1.1 million, due to the unrealized gains/losses from investments which are book entries. There is a decrease of \$3.5 million in Intergovernmental Revenues. This is due to how revenue is recorded for grants. It is spread over several years and is recognized in the period in which it is earned.

## Sewer

Through Quarter 1, there is a decrease of 19.5%, or \$1.7 million, when compared to FY 2024. There were increases in categories: Current Services, Licenses, Fees & Permits, and Other Revenue. There were decreases in categories: Fees & Permits, Fines, Penalties, & Forfeitures, Investment Earnings, and Utility Services Charges. The change in the Investment Earnings category is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash.

# Utilities Funds Inflows

## Utilities Funds Inflows Revenue + Transfers In Quarter 1, FY 2024 to FY 2025

Enterprise Funds Fund Type	Through Q1 FY 2024	Through Q1 FY 2025	% Change
Electric	\$ 4,340,900	\$ 4,147,615	-4.5%
<i>GASB31 Gain/Loss on Investment</i>	699,804	377,580	-46.0%
Water	17,131,434	13,413,061	-21.7%
<i>GASB31 Gain/Loss on Investment</i>	1,770,324	717,136	-59.5%
Sewer	5,882,969	5,726,654	-2.7%
<i>GASB31 Gain/Loss on Investment</i>	2,567,959	1,076,209	-58.1%
<b>Total Revenues</b>	<b>\$ 32,393,389</b>	<b>\$ 25,458,256</b>	<b>-21.4%</b>
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	-	-	N/A
<b>Total Inflows</b>	<b>\$ 32,393,389</b>	<b>\$ 25,458,256</b>	<b>-21.4%</b>
<b>Total Inflows (w/o GASB31)</b>	<b>\$ 27,355,303</b>	<b>\$ 23,287,330</b>	<b>-14.9%</b>

## Utilities Funds Inflows Revenue + Transfers In FY 2025, Budget to Quarter 1 Actuals

Enterprise Funds Fund Type	Cumulative Budget FY 2025	Through Q1 FY 2025	% Received
Electric	\$ 20,952,895	\$ 4,147,615	19.8%
<i>GASB31 Gain/Loss on Investment</i>	-	377,580	N/A
Water	72,422,998	13,413,061	18.5%
<i>GASB31 Gain/Loss on Investment</i>	-	717,136	N/A
Sewer	36,672,674	5,726,654	15.6%
<i>GASB31 Gain/Loss on Investment</i>	-	1,076,209	N/A
<b>Total Revenues</b>	<b>\$ 130,048,567</b>	<b>\$ 25,458,256</b>	<b>19.6%</b>
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	-	-	N/A
<b>Total Inflows</b>	<b>\$ 130,048,567</b>	<b>\$ 25,458,256</b>	<b>19.6%</b>
<b>Total Inflows (w/o GASB31)</b>	<b>\$ 130,048,567</b>	<b>\$ 23,287,330</b>	<b>17.9%</b>

# Utilities Funds **Outflows**

When comparing the total of utility outflows, Quarter 1 of FY 2025 to FY 2024, outflows are higher by 10.1%, or \$2.3 million.

## Electric

Overall, the Electric utility expenditures through Quarter 1 are down by 33.3%, or \$1.3 million, when compared to last fiscal year during the same period. There are increases in contractual, materials and supplies, and personnel services, but there is a decrease in the utilities category.

At Quarter 1, the operating budget expenditures total 11.5% of the current FY 2025 budget.

## Water

Overall, the Water utility expenditures are up by 25.2% or \$3.1 million when compared to Quarter 1 in FY 2024. Like the Electric fund, there are increases in contractual, materials and supplies, and personnel services, but there is a decrease in the utilities category.

Through Quarter 1, projected expenditures are at 11.2% of the current expenditure budget. The operating budget transactions total 45.9% of the current FY 2025 budget.

## Sewer

The Sewer utility expenditures are up by 8.6%, or \$0.6 million, when compared to Quarter 1 of FY 2024. Like both the Electric and Water funds, there are increases in contractual, materials and supplies, and personnel services, but there is a decrease in the utilities category.

At the end of Quarter 1, projected expenditures total 8.0% of the cumulative budget. The operating budget expenditures total 37.2% of the current FY 2025 budget.

# Utilities Funds Outflows

## Utilities Funds Outflows Expenditures + Transfers Out Quarter 1, FY 2024 to FY 2025

Enterprise Funds Expenditures By Category	Through Q1 FY 2024	Through Q1 FY 2025	% Change
<b>Electric</b>			
Contractual	\$ 55,629	\$ 88,176	58.5%
Materials and Supplies	387,292	500,981	29.4%
Personnel Services	80,665	104,925	30.1%
Utilities	3,519,039	2,004,291	-43.0%
<b>Electric Total</b>	<b>4,042,626</b>	<b>2,698,373</b>	<b>-33.3%</b>
<b>Water</b>			
Contractual	\$ 1,000,916	\$ 2,193,734	119.2%
Materials and Supplies	7,558,116	9,580,689	26.8%
Personnel Services	1,798,693	1,986,619	10.4%
Utilities	1,944,955	1,641,214	-15.6%
<b>Water Total</b>	<b>12,302,680</b>	<b>15,402,256</b>	<b>25.2%</b>
<b>Sewer</b>			
Contractual	\$ 888,236	\$ 1,414,061	59.2%
Materials and Supplies	3,853,174	3,914,563	1.6%
Personnel Services	1,412,630	1,483,029	5.0%
Utilities	711,392	643,078	-9.6%
<b>Sewer Total</b>	<b>6,865,432</b>	<b>7,454,731</b>	<b>8.6%</b>
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
<b>Grand Total</b>	<b>\$ 23,210,737</b>	<b>\$ 25,555,360</b>	<b>10.1%</b>

## Utilities Funds Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 1, FY 2025

Enterprise Funds Expenditures By Department	Cumulative Budget FY 2025	Through Q1 FY 2025	% Spent
<b>Electric</b>			
CIP / O&M Projects	\$ 2,217,695	\$ 27,101	1.2%
Debt Service	83,692	(13,753)	-16.4%
Planning & Development	192	192	100.0%
Public Works	167,565	14,254	8.5%
Utilities Department	21,017,636	2,670,579	12.7%
<b>Electric Total</b>	<b>23,486,780</b>	<b>2,698,373</b>	<b>11.5%</b>
<b>Water</b>			
CIP / O&M Projects	\$ 74,343,206	\$ 2,197,377	3.0%
Debt Service	375,320	(59,953)	-16.0%
Planning & Development	54,853	11,076	20.2%
Public Works	914,593	166,115	18.2%
Utilities Department	61,667,550	13,087,642	21.2%
<b>Water Total</b>	<b>137,355,522</b>	<b>15,402,256</b>	<b>11.2%</b>
<b>Sewer</b>			
CIP / O&M Projects	\$ 58,222,029	\$ 1,730,786	3.0%
City Manager's Office	3,814	970	25.4%
Debt Service	209,914	(34,496)	-16.4%
Planning & Development	34,916	8,377	24.0%
Public Works	600,659	108,233	18.0%
Utilities Department	33,694,606	5,640,861	16.7%
<b>Sewer Total</b>	<b>92,765,938</b>	<b>7,454,731</b>	<b>8.0%</b>
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
<b>Grand Total</b>	<b>\$ 253,608,240</b>	<b>\$ 25,555,360</b>	<b>10.1%</b>



# Live Work Corona

[LiveWork.CoronaCA.gov](https://LiveWork.CoronaCA.gov)

## **What do you think? We value your opinion.**

Is there anything additional you'd like to see in future reports? This will be an evolving process to capture the areas that are of most interest to the City Council and the community. Please let us know. We appreciate the feedback! Please share your ideas at [BudgetPrep@CoronaCA.gov](mailto:BudgetPrep@CoronaCA.gov), or contact budget staff at (951) 279-3500.