

Annual Comprehensive Financial Report

YEAR ENDED
JUNE 30, 2024



city of
Corona
CALIFORNIA

CITY OF CORONA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024



Prepared by the City of Corona Finance Department

City of Corona
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Corona
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO





December 4, 2024

To the Honorable Mayor, City Council, and Citizens of the City of Corona, California:

It is with great pleasure that we present to you the City of Corona's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The ACFR is published to serve two purposes. First, it outlines accountability for public tax dollars and the services that are funded by these resources. Second, it communicates the results of operations and the City's financial position to its constituents and provides a vital framework for future decisions about programs and services.

In order to ensure the reliability of the information in this financial report, the City contracted an independent audit firm, The Pun Group, LLP, to perform an annual audit. The goal of the audit is to provide reasonable assurance that the City's financial statements are free from material misstatement. The Pun Group, LLP issued an unmodified opinion for the City's financial statements for the fiscal year ended June 30, 2024. An "unmodified opinion" is defined as follows: The auditor concludes that the financial statements of a given entity are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Management is responsible for both the accuracy of the financial report and the completeness and fairness of the presentation. To the best of our knowledge, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial activities. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the ACFR. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement.

The ACFR is prepared using the financial reporting requirements outlined by the Governmental Accounting Standards Board (GASB) statements. Three sections are presented: the *Introductory Section*, the *Financial Section*, and the *Statistical Section*. This transmittal letter is included in the *Introductory Section* and is designed to complement and should be read in conjunction with the Management's Discussion and Analysis (MD&A), which is included in the *Financial Section*. The MD&A provides an overview of the City's operations and how we performed financially. The auditor's opinion letter and a complete set of financial statements are presented in the *Financial Section*. The *Statistical Section* presents historical information about the City's finances and operations, as well as demographic and economic data.

The independent audit of the financial statements of the City of Corona is part of a broader, federally mandated audit of state and local governments (“Single Audit”) designed to meet the special needs of federal granting agencies. The standards governing Single Audit require the auditor to report not only on the fair presentation of the financial statements, but also on the City’s internal controls and compliance with legal requirements. These reports are available in the City of Corona’s separately issued Single Audit Report.

The ACFR is a required component of continuing disclosure to the bondholders as covenanted by certain bond issues.

Community Profile

The City of Corona is a vibrant and culturally diverse community located in the heart of Southern California at the critical juncture between Riverside, Orange, Los Angeles, and San Bernardino Counties. It is served by two major freeways, Interstates 91 and 15, and has two major airports within 25 miles. Per data provided by the California State Department of Finance, the City’s population was 160,255 as of 2023 and ranked 35th largest among all cities in California. City limits cover approximately 39.2 square miles.

The City of Corona was established in 1886 and incorporated in 1896 under the general laws of the State of California. The City operates under a Council-Manager form of government. Five Corona citizens make up the Corona City Council and each is elected by district to a four-year term of office. The Mayor is appointed annually by and from the City Council. The election cycle in November 2024 covers District 2 and 3, with Districts 1,4, and 5 to follow in November 2026. The City Manager is appointed by the City Council to manage the City’s operations.

A Full-Service City

The City provides full services to its citizens, including essential services such as: public safety (police and fire), streets, electricity, public library, parks, community center and other public facilities, planning and zoning, public transportation (Dial-A-Ride and Corona Cruiser programs), housing and economic development programs. Water and sewer services are provided through the legally separate Corona Utility Authority, which functions as a department of the City of Corona. The Corona Housing Authority and the Corona Public Financing Authority are component units of the primary City government and are financially accountable to the City. Additional information on all of these legally separated entities can be found in the Notes to the Basic Financial Statements, under the Description of Reporting Entity section.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation approved by the City Council. Each year, a proposed budget is submitted to the City Council and a public meeting is conducted to receive taxpayer and stakeholder feedback. In recent years, the City has conducted multiple budget workshops to encourage additional public input. The budget is subsequently adopted by the City Council through the passage of resolutions at a normally agendized meeting of the full City Council. The legal level of budgetary control is at the department level. The City Council may amend the budget to add or delete appropriations or move appropriations between funds at any time during the fiscal year.

Demographic and Economic Information

Demographically, Corona benefits from a young median age, higher education levels, higher median incomes, and higher home values compared with Riverside County and the state. As a thriving inland community, Corona is home to young families comprised of 51,110 households averaging 3.11 persons each, with a median age of 37.8. Annual median household income is \$104,871, and since 2023, 29.1% of the population age 25 and up possess a high school diploma or higher according to U.S. Census data. Median home prices in Corona of \$731,400, continue to be more affordable than Orange, San Diego, and Los Angeles Counties.

The City of Corona continues to maintain its position as the premier location for businesses looking to relocate and expand. Corona's geographic position attracts a highly educated and sought-after labor force. Vacancy rates are pending for 2024, but in industrial, commercial, and office properties fluctuated in 2023. Industrial vacancy rates increased to 6.4% due to construction of new industrial buildings, retail vacancy slightly increased to 8.5%, and office vacancy rates steadily increased to 13.5%, which aligns with the county's overall office vacancy increase.

New industrial development, business expansions, and relocations to Corona have helped to stabilize Corona's job market. Job growth and employment in Corona increased to 84,800 in the first quarter of 2025 in comparison to 84,300 at the end of fiscal year 2024. Major contributors to local economic growth are the construction, health care, and financial industries, in addition to the fast growing professional, manufacturing and technology sectors in previous years. Job growth will continue to be fueled by commercial and industrial development. The city has an approximately 284,000 square foot industrial warehouse that is in plan check for construction at 180-241 N. Sherman Avenue.

Fiscal Year 2024 continued to see an expanding housing market with increased median home prices and average rents for multi-family communities. New single-family housing developments include Sierra Bella, a new family community consisting of 237 single family homes and Bedford South Corona, which will add approximately 1,500 attached and detached condominium units once complete along with Corona's newest retail development, Bedford Marketplace. The city recently approved a multi-family affordable housing development consisting of 115 units located at the corner of Buena Vista Avenue and Second Street.

With limited opportunities for large-scale new development, Corona continues looking for opportunities to redevelop and expand currently underutilized properties. In prior years, the City had offered tax abatement programs to attract businesses to further economic development agendas and community improvement goals. Those programs stimulated economic growth, attracted investment, and facilitated job creation. Through its ongoing commitment to stimulate the local economy and expand its labor force, the City of Corona will continue to be the premier inland Southern California city to live, work, and play.

Financial Condition of the City

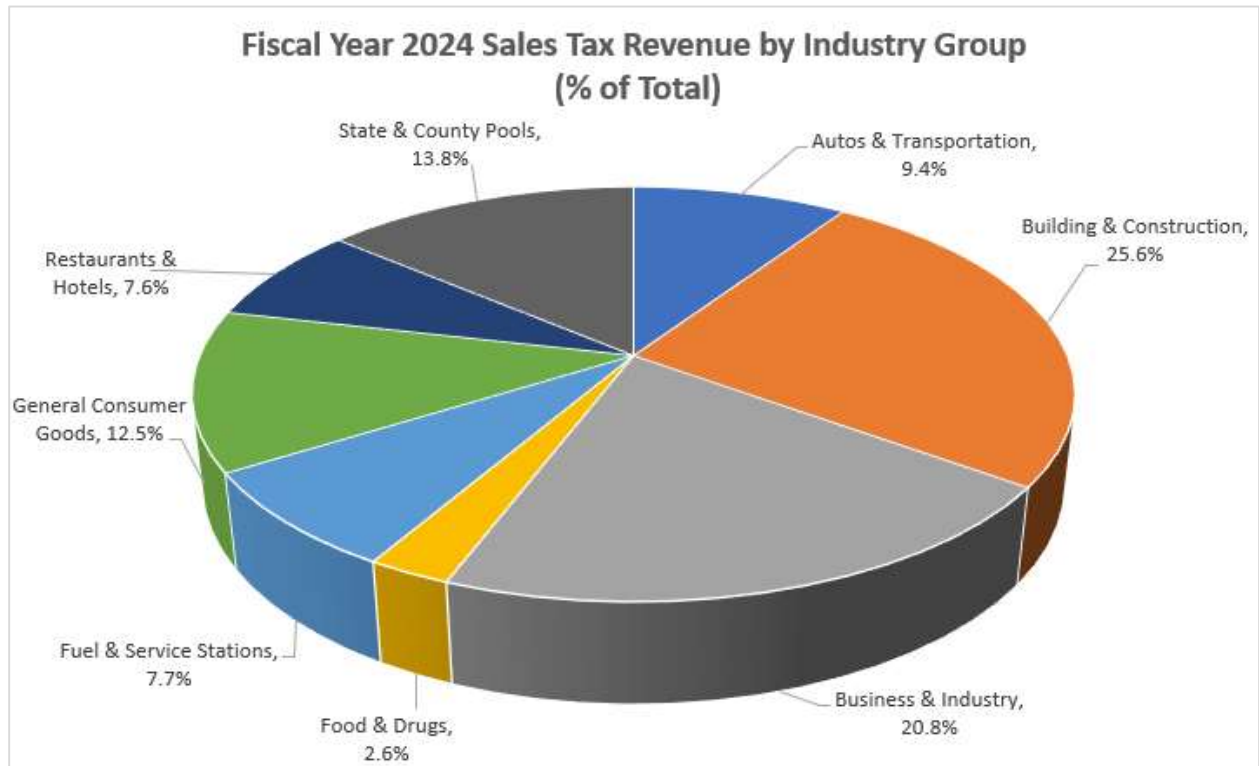
Nationwide, the economy has seen consumption growth moderate slightly, increasing from 2.4% to 2.7% over the last year. Even with the most aggressive interest rate hike cycle in the last 40 years, the labor market has continued to show resilience. Home building has seen modest growth, home prices have stabilized in most areas, and industrial production has remained steady. The national unemployment rate was around 3.6% at the end of Fiscal Year 2024 and increased to 3.9% in the first quarter of Fiscal Year

2025. However, improving national economic performance does not directly translate to improved financial conditions for local governments, nor does it necessarily open opportunities to fund additional services. For instance, a rise in home prices does not directly correlate to the City collecting more in property taxes. Under Proposition 13, property tax is capped at 1.0%, and the property's taxable value cannot increase more than 2.0% per year. Simultaneously, the increase in fixed costs for operating city government has consistently outpaced revenue growth.

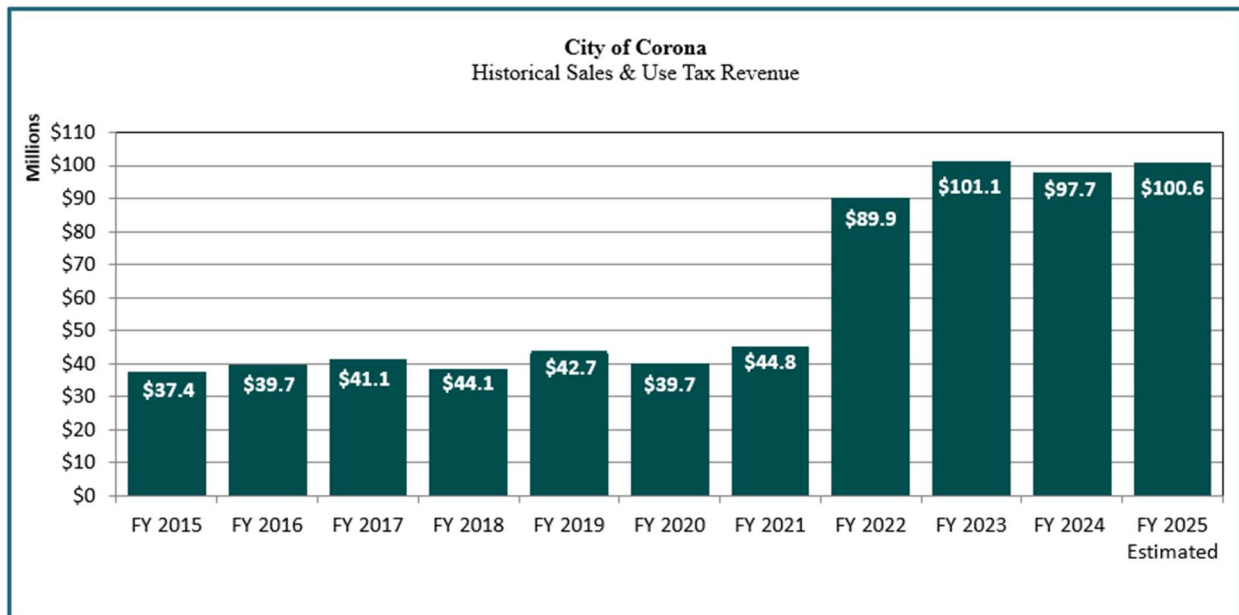
In December 2016, CalPERS announced the reduction of the discount rate from 7.5% to 7.0% phased in over three years, effective Fiscal Year 2019. Subsequently, the CalPERS Board of Administration adopted a new amortization policy, effective with the June 30, 2019 actuarial valuation, shortening the amortization period for actuarial gains and losses from 30 years to 20 years with a level dollar payment structure. Additionally, the policy removed the 5-year ramp-up and ramp-down on unfunded accrued liability (UAL) bases related to assumption changes and non-investment gains/losses. These changes apply to new UAL bases established on or after June 30, 2019. In July 2021, the discount rate was further reduced from 7% to 6.8%, lowering the system's funded status to approximately 80%, with an anticipated increase in normal cost rates and the Unfunded Accrued Liability balance.

The significant rise in non-discretionary costs places considerable pressure on the City's revenue-generating capacity, compounded by state policies that continue to shift responsibilities to cities without the necessary funding. These policies drive up costs in law enforcement, public safety, and other essential services, making it more challenging to maintain the expected service levels for residents. Revenue growth must match or exceed expense growth to ensure fiscal sustainability and maintain service standards.

Sales tax was previously the second-largest revenue source for the City. However, with the introduction of Measure X, the 1% sales tax measure effective as of July 2021, sales tax has now become the largest General Fund revenue source. Taxable retail sales totaled \$5.1 billion in Calendar Year 2023, an increase of approximately 4.1% from the previous year, driven by a recovery in consumer spending as the local economy rebounded from the COVID-19 pandemic. Consumer spending in Fiscal Year 2024 reflects increases in general consumer goods, automobile sales, building construction-related industries, and the Food & Drugs category. Higher automobile sales and a steady housing market signal sustained consumer confidence. The City's diversified sales tax base, led by building and construction, business and industry, and general consumer goods, remains robust and well-distributed.

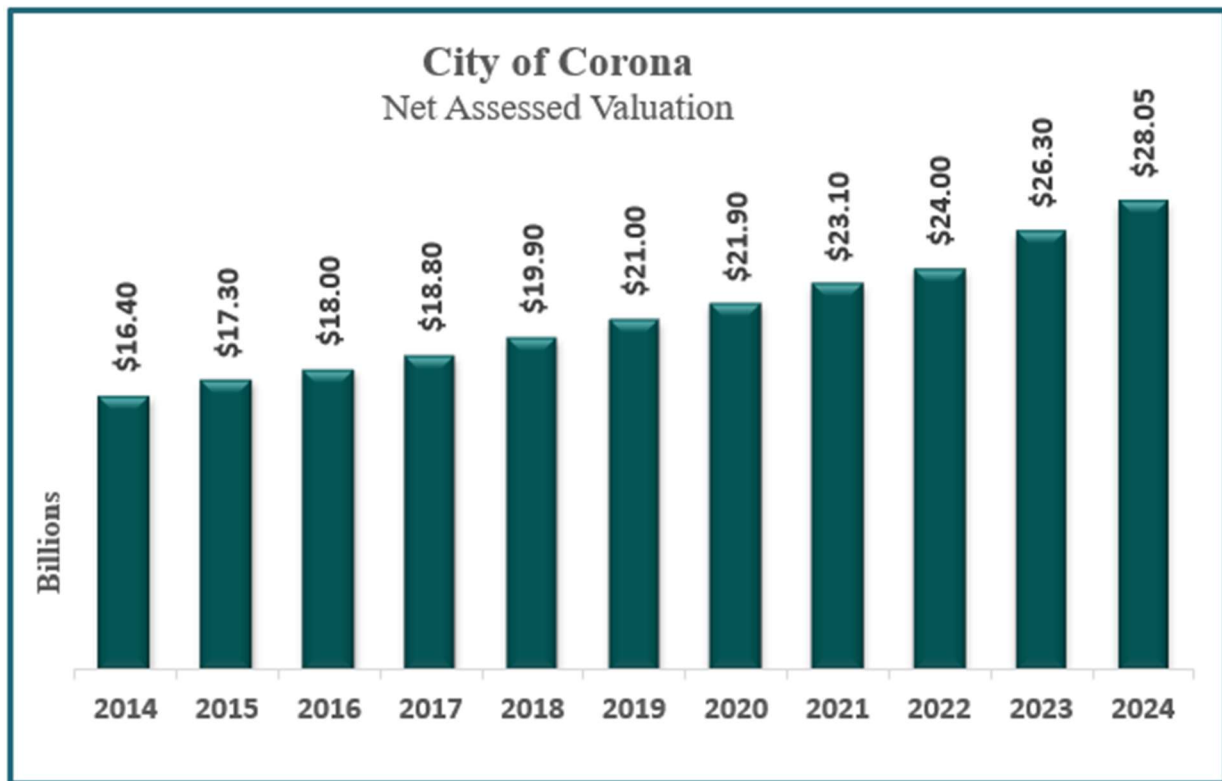


Source: HdL Companies

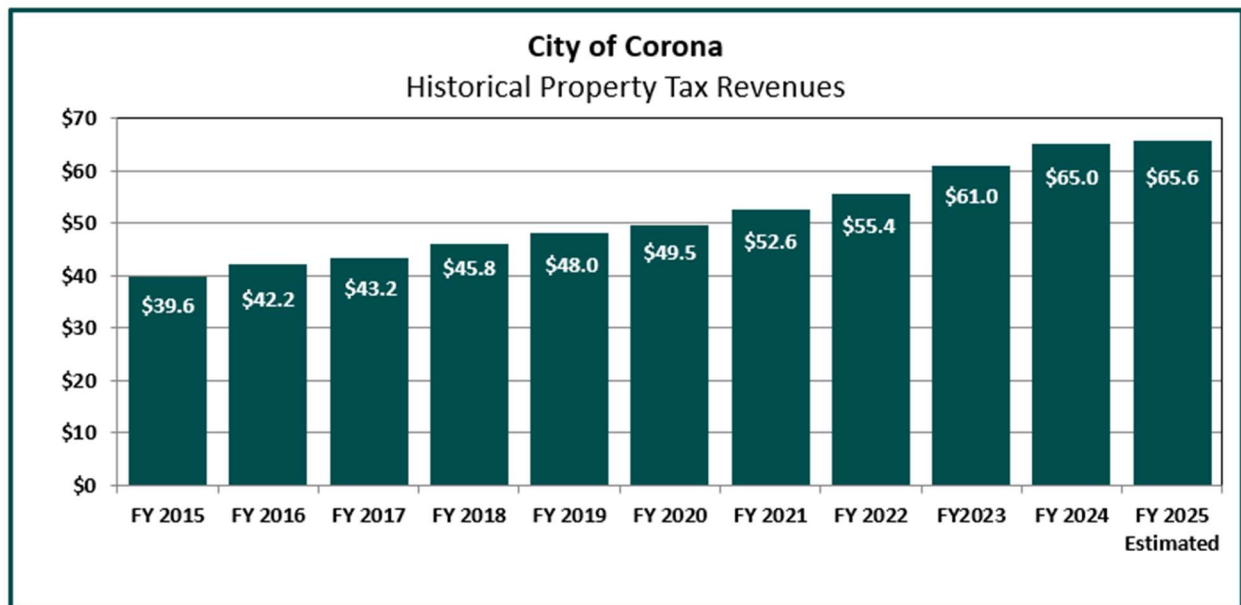


Note: Beginning FY 2022, includes Measure X, 1% sales tax measure effective July 2021

Historically, property tax was the largest General Fund revenue source for the City. In Fiscal Year 2022, it moved to the second largest category. Total taxable assessed valuation in Corona for Fiscal Year 2024, was \$28.1 billion, representing an increase of 6.7% from the previous year.



Source: HdL Coren & Cone; Riverside County Assessor combined tax rolls



Long-Term Financial Planning

Escalating pension costs are presenting a serious threat to the City's financial sustainability. The burden of funding current pension obligations, amid continued state takeaways and the state shifting responsibilities, without the necessary funding is taking priority over spending on essential services and adding significant demands for additional locally-controlled revenue.

The City has been consistently demonstrating strong fiscal stewardship by proactively responding to the impact of the broader state-wide pension situation that is often times described as grim. This proactive stewardship includes contributing additional funds toward the City's unfunded pension liability with CalPERS. In October 2021, the City issued Pension Obligation Bonds (POB) which are estimated to save \$166 million over the next 20 years. In addition, the City Council adopted a Pension Management Policy and established an irrevocable Section 115 Trust, also known as the Pension Stabilization Trust. There was an initial contribution of \$30 million. In FY 2024, \$6.1 million was added to the Trust. Future contributions will be reviewed and discussed on an annual basis.

The City continues to explore and fund new technology to improve overall operational efficiency. In addition to cutting costs, the City adopted new revenue streams by establishing City-wide community facilities districts for services. The City also established the guidelines and process for approving Cannabis businesses to operate within the City limits. The first businesses became operational in Fiscal Year 2023. In November 2020, a majority of voters in Corona approved a 1% sales tax measure, Measure X, effective July 1, 2021. This additional revenue stream was originally estimated to generate \$30 million in recurring funds. Measure X revenues for FY 2024 were \$42.7 million, greatly surpassing the initial estimates. The City maintains a healthy General Fund reserve level, following best practices established by the Government Finance Officers Association (GFOA).

This commitment to fiscal stewardship did not go unnoticed by the rating agencies. In September 2021, the recent credit review performed by Standard and Poor's Financial Services (S&P), the City's appropriation debt rating was raised from "AA-" to "AA", and the City's POB was rated at "AA+", among the positive factors the City was acknowledged for were "very strong budgetary flexibility," "very strong liquidity," and "adequate budgetary performance." S&P viewed the City's management as "strong, with good financial policies and practices" under its Financial Management Assessment methodology. In August 2022, S&P raised the credit rating for the City's Wastewater Revenue Bond from "AA" to "AA+". In May 2023, the most recent credit review performed by S&P, Water Revenue Bond was affirmed at "AA" credit rating. In the current climate of instability at local and regional levels of government, we are exceptionally pleased about this recognition and proud to have attained this strong rating.

Financial Policies and Practices

The City has adopted various critical financial policies and practices with the goal of building a fiscally resilient government over the long term, and improving financial sustainability, all while increasing transparency and encouraging public engagement every step of the way.

Fund Balance Policy for the General Fund

The City established its reserves policy for the General Fund in June 2010. In June 2016, the City updated its Fund Balance Policy for the General Fund to increase the emergency contingency reserve balance to three months of regular General Fund operating expenses. The purpose of the revised policy is to protect

our community against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, as well as the enhanced creditworthiness of the City. As of June 30, 2024, the Emergency Contingency Reserve balance was \$50.3 million.

Zero-Based Budgeting

The City launched zero-based budgeting in Fiscal Year 2017, following 23 years of the General Fund Expenditure Control Budget (ECB) model. Zero-based budgeting is an effective process that organizations use to review every dollar in the annual budget, continuously manage financial performance, measure return on investment, and build a culture of cost management among all departments. It is based on developing visibility into actual cost drivers and using that data visualization to set budget targets that use predictive analytics to generate successful outcomes to the bottom line. The annual budgeting process starts from zero and is very detailed, structured, and interactive to facilitate meaningful financial discussion among all departments and establish priorities with all stakeholders within the community as presented by the City Council. Our goal is to achieve significant and sustainable savings, while delivering productivity and service level improvements through actionable data generation at all levels within the budget. Implementation of this budget practice has helped leadership evaluate and balance the competing demands for enhanced services/facilities versus the increased costs of operating, building and maintaining those additional services and/or facilities.

This practice has allowed us to effectively analyze and identify budget variances during the budget process in a way that helps us more effectively program and leverage actual budget dollars. To drill down to an even more precise zero-based budget, we have continued to include an employee position vacancy factor to account for savings caused by the actual time necessary for current hiring processes and onboarding. The factor is based on a five-year look-back period for departments and classifications (safety and non-safety personnel). We will continue to identify, monitor, and adjust variance factors in future budgets.

Debt Policy and Procedures

Following the best practice guidelines for debt management published by the GFOA, the City develops and maintains a formal Debt Policy and Procedures to ensure that debt is issued and managed prudently. The purpose of this policy is to standardize the parameters for debt issuance and management, improve the quality of decisions, provide guidance for the structure of debt issuance to ensure the most prudent, equitable, and cost-effective method of financing is chosen, and demonstrate a commitment to long-term capital and financial planning. The current policy was approved by the City Council in June 2023 and is reviewed on an annual basis.

Investment Policy

The City's Investment Policy outlines the guidelines and practices to be used in effectively managing the City's available cash and investment portfolio. All available funds are to be invested in compliance with the California Government Code and other governing provisions of law. The policy lists in detail the authorized investments, as well as the percentage of portfolio limitations and the required rating for each investment type. The Investment Policy is reviewed, updated and adopted annually.

Awards and Acknowledgements

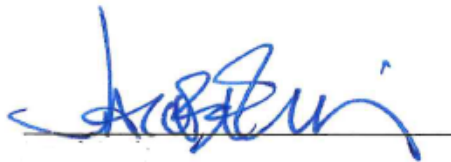
The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Corona for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 34th consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the award program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the ACFR on a timely basis was made possible by the efficient and dedicated service of the staff in Finance. Staff members have our sincere appreciation for their contributions to this report. We also acknowledge the assistance of The Pun Group, LLP, in completing the ACFR.

We thank the Mayor, City Council, and the City’s executive management team for their strong leadership and support of the financial operations of the City and for maintaining the highest standards of professionalism in managing the City’s finances for the best interest of the citizens of Corona.

Respectfully submitted,



Jacob Ellis
City Manager



Kim Sitton
Finance Director



CITY OF CORONA

Elected Officials and Executive Management

Elected Officials

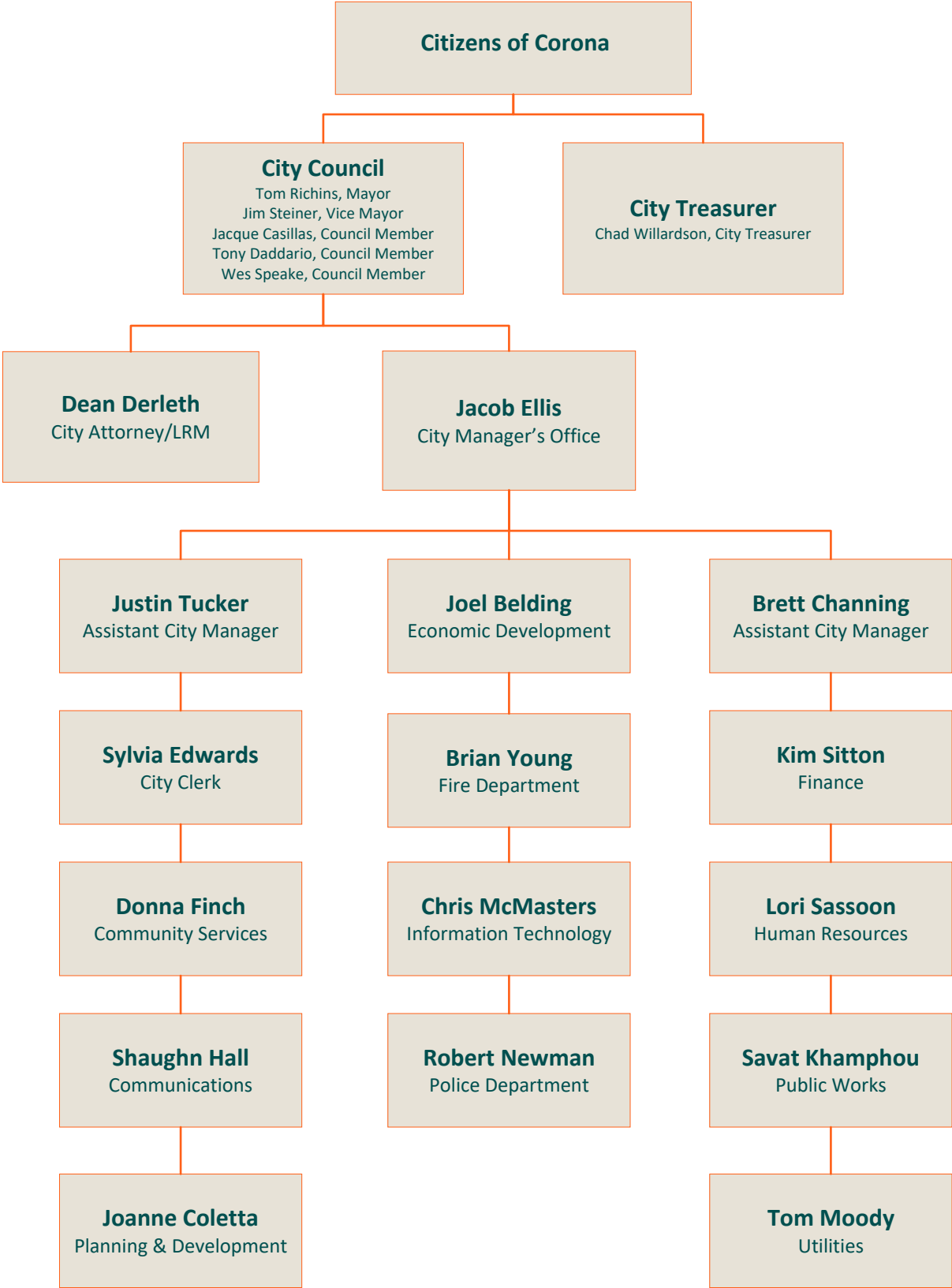
TOM RICHINS Mayor
JIM STEINER Vice Mayor
JACQUE CASILLAS Councilmember
WES SPEAKE Councilmember
TONY DADDARIO Councilmember

CHAD WILLARDSON City Treasurer

Executive Management

JACOB ELLIS City Manager
BRETT CHANNING Assistant City Manager
JUSTIN TUCKER Assistant City Manager
JOANNE COLETTA Planning and Development Director
DEAN DERLETH City Attorney & Legal/Risk Management Director
DONNA FINCH Community Services Director
JOEL BELDING Economic Development Director
SHAUGHN HULL Chief Communications Officer
SAVAT KHAMPHOU Public Works Director
CHRIS MCMASTERS Chief Information Officer
TOM MOODY Director of Utilities
ROBERT NEWMAN Chief of Police
LORI SASSOON Chief Talent Officer
KIM SITTON Finance Director
BRIAN YOUNG Fire Chief

city of Corona







INDEPENDENT AUDITORS' REPORT



To the Honorable Mayor, City Council, and Citizens
of the City of Corona
Corona, 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 Corona, California (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's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 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.

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 ("*Government Auditing Standards*"). 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 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 these 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.

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'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' Responsibility 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'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's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Modified Approach for City Streets Infrastructure Capital Assets, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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's basic financial statements. The accompanying Combining and Individual Fund 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 Combining and Individual Fund 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report November 25, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
November 25, 2024





MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Fiscal Year Ended June 30, 2024

The City of Corona's Finance team has prepared this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024, to assist users of this report to gain a better understanding of the City's financial health and history. The information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

The City of Corona's financial statements prepared for the fiscal year ended June 30, 2024 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62." was implemented in Fiscal Year 2024. GASB Statement 100 provides guidance for changes in the financial reporting entity, accounting principles, and estimates used to prepare financial information. The new standard also prescribes the treatment for the correction of errors in previously issued financial statements. This standard aims for greater uniformity in practice for the presentation of accounting changes and error corrections in governmental financial statements, and establishes disclosure requirements for the notes to the financial statements. Implementing the new standard improves the clarity and consistency of the City's financial statements and related annual reports.

Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$1,444.0 million (*net position*).
- The overall City's net position increased by \$80.60 million from the previous fiscal year, primarily due to revenues exceeding expenses. Total assets increased by \$78.80 million, total liabilities increased by \$2.5 million, combined with a decrease in deferred outflows in the amount of \$13.4 million, and a decrease in deferred inflows in the amount of \$17.7 million, primarily due to Pension and Other Post Employment Benefits related items, net position of the City saw an increase of 5.9% from the prior year.
- Total expenses for governmental activities were \$248.4 million for Fiscal Year 2024. The sources for these expenses came from program revenues of \$107.6 million, taxes in the amount of \$176.2 million, and other general revenue of \$30.7 million. For the current year, revenues from governmental activities exceeded expenses by \$66.0 million, net position for governmental activities increased to \$1,100.7 million.

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

- For business-type activities, total revenues exceeded expenses by \$14.6 million. Among the total program revenue of \$131.2 million, \$119.1 million was from charges for services, \$9.3 million from operating contributions and grants, and the remaining \$2.8 million represents capital contributions and grants. Net position for business-type activities increased to \$343.3 million.

Fund Based

- The City's governmental funds reported a combined ending fund balance of \$519.3 million, an increase of \$39.3 million from the previous year. The net increase was primarily due to the current year's revenue exceeding expenditure. Among the total fund balance, \$350.3 million, or 67.5% is either non-spendable or restricted for specific purposes. In addition, \$58.4 million was committed by the City Council, including \$50.3 million as an emergency contingency, and \$8.1 million as designated revenues. There was \$89.4 million assigned to specific City programs and projects. Please refer to Note 15 for additional information on the classification of fund balances for governmental funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements are designed to give users a broad overview of the City's finances, similar to a private-sector business. They present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting.

There are two statements in the government-wide financial statements, the statement of net position, and the statement of activities. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net difference between the total of assets and deferred outflows and the total of liabilities and deferred inflows is reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure assets. The statement of activities shows how the City's net position changed during the fiscal year.

Both government-wide financial statements distinguish between functions that are primarily supported by taxes and intergovernmental revenues, and functions that are intended to recover all or a significant portion of their costs through user fees and charges. The first function is identified in the statements as governmental activities, while the latter is reported as business-type activities.

Most of the City's basic services are reported in the governmental activities category, including the General Government, Fire, Police, Public Works and Maintenance Services, Community Services, Planning and Development, and Economic Development. Property and sales taxes, franchise fees, transient occupancy tax, business tax, investment income, and state and federal grants finance these activities. The City operates its Water and Sewer utilities through its component unit, the Corona Utility Authority. These activities are reported in the business-type activities category along with Electric, Transit and Airport services.

The government-wide financial statements can be found on the pages immediately following this discussion in the Basic Financial Statements section.

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Fund Financial Statements

A fund is a set of related accounts that is used to control resources that have been segregated to carry on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds are divided into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary and fiduciary activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help manage and report money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences in results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement. The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

Proprietary funds

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses and changes in fund net position. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's self-insurance, information technology, and fleet operations funds. The internal service funds are reported with governmental activities in the government-wide financial statements. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

Fiduciary funds

The City is the trustee, or fiduciary, for certain funds held to account for activities reported in this category which includes the Successor Agency, the special taxes, and assessments districts. The City's fiduciary activities are reported in separate statements of fiduciary net position, and statement of changes in fiduciary net position (trust fund and custodial funds).

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Notes to Basic Financial Statements

Notes to basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. They are presented immediately following the Basic Financial Statements section of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the City's budget process and the General Fund and major special revenue fund budgetary comparison schedules, the modified approach for the City's Street infrastructure assets, the City's progress in funding its obligation to provide pension benefits to its employees, and the City's obligation for post-employment benefits.

Combining and individual statements for non-major governmental and proprietary funds, internal service funds, and custodial funds are presented in the Supplementary Information section of this report.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

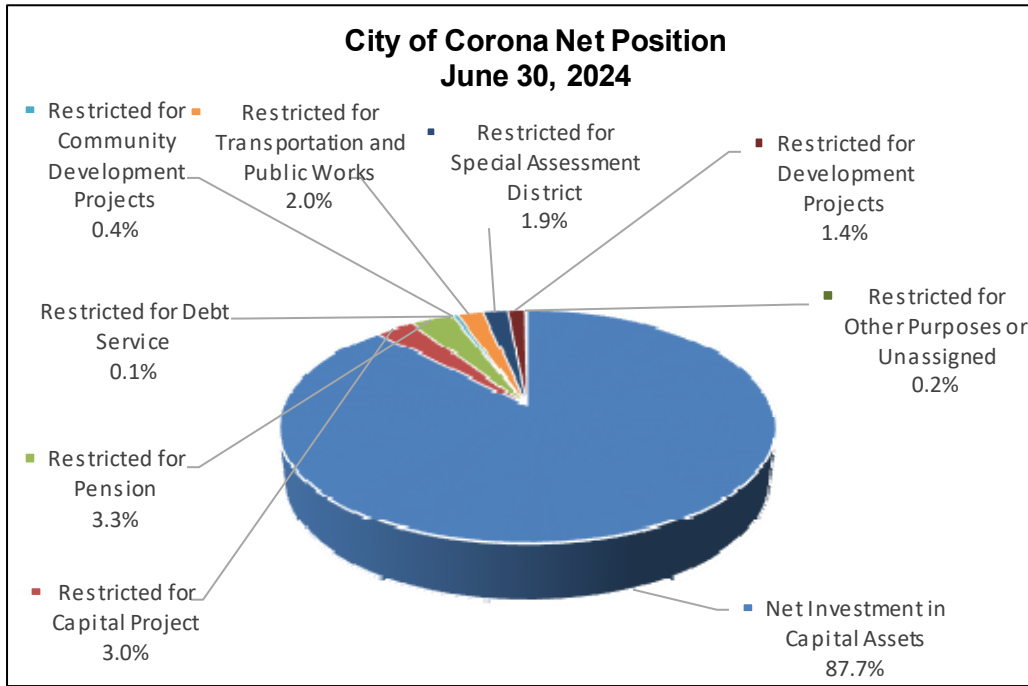
The government-wide financial analysis focuses on the City's net position and changes in the net position of the governmental and business-type activities during the fiscal year.

As noted earlier, the City's net position increased by \$80.6 million from the previous year. The increase in financial position was primarily due to positive operating results where revenues exceeded expenses. Among the total net position, \$1,232.9 million was invested in capital assets, net of related debt. These capital assets are essential for City operations, which include land, buildings, machinery and equipment, water and sewer rights, and infrastructure. Net position invested in capital assets is not available for spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for the liabilities.

Among the remaining amount of government-wide net position, \$39.0 million is unrestricted, and \$172.2 million is restricted for capital projects, debt payments, and/or special programs such as transportation and special assessment district improvements.

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2024.



City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2024 with comparative data from the previous fiscal year:

City of Corona's Net Position
(in millions)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 500.7	464.8	185.2	189.0	685.9	653.8
Internal balances	169.5	168.9	(169.5)	(168.9)	-	-
Capital assets	873.1	837.2	434.5	423.7	1,307.6	1,260.9
Total assets	1,543.3	1,470.9	450.2	443.8	1,993.5	1,914.7
Deferred charges on refunding	0.4	0.4	-	-	0.4	0.4
Deferred pension related items	90.7	103.7	8.1	9.0	98.8	112.7
Deferred OPEB related items	25.0	24.5	3.4	3.4	28.4	27.9
Total deferred outflows	116.1	128.6	11.5	12.4	127.6	141.0
Long-term debt	220.8	239.9	68.9	78.6	289.7	318.5
Net pension liability	70.5	46.7	7.7	4.7	78.2	51.4
Net OPEB liability	82.5	82.5	11.3	11.3	93.8	93.8
Other liabilities	129.9	124.5	24.7	25.7	154.6	150.2
Total liabilities	503.7	493.6	112.6	120.3	616.3	613.9
Deferred pension related items	34.5	46.8	0.1	0.3	34.6	47.1
Deferred OPEB related items	9.4	12.8	1.3	1.8	10.7	14.6
Deferred charges on refunding bonds	-	-	0.7	0.8	0.7	0.8
Lease	10.9	11.7	3.6	4.0	14.5	15.7
Total deferred inflows	54.8	71.3	5.7	6.9	60.5	78.2
Net investment in capital assets	845.3	805.9	387.6	371.6	1,232.9	1,177.5
Restricted	170.2	155.9	1.9	1.4	172.1	157.3
Unrestricted	85.2	72.8	(46.2)	(44.2)	39.0	28.6
Total net position	\$ 1,100.7	\$ 1,034.6	\$ 343.3	\$ 328.8	\$ 1,444.0	\$ 1,363.4

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Below are condensed financial data with comparative amounts of revenues and expenses for the current and the prior year.

City of Corona's Changes in Net Position
(in millions)

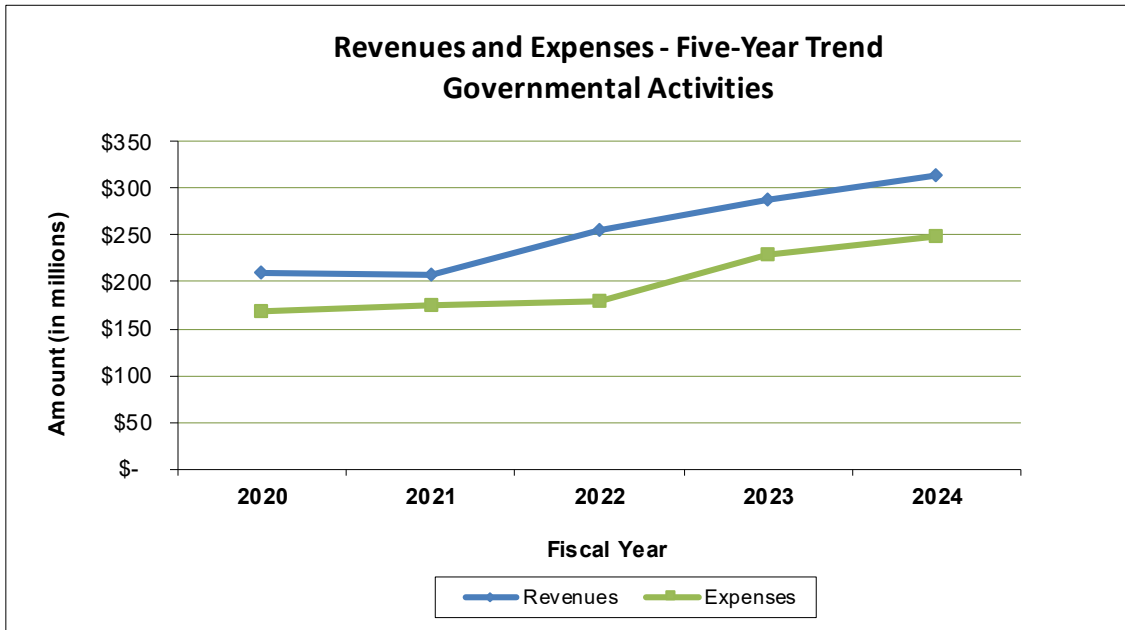
	Governmental		Business-Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 35.9	\$ 35.4	\$ 119.1	\$ 134.2	\$ 155.0	\$ 169.6
Operating Contributions and Grants	45.6	35.0	9.3	3.0	54.9	38.0
Capital Contributions and Grants	26.1	22.8	2.8	4.2	28.9	27.0
General Revenues:						
Taxes:						
Property Taxes	63.3	61.1	-	-	63.3	61.1
Sales and Use Taxes	97.7	101.1	-	-	97.7	101.1
Other Taxes	15.2	13.4	-	-	15.2	13.4
Gain on sale of capital assets	-	-	-	-	-	-
Investment Earnings	21.7	10.6	7.5	3.4	29.2	14.0
Other Income	9.0	8.3	-	-	9.0	8.3
Total Revenues	<u>314.5</u>	<u>287.7</u>	<u>138.7</u>	<u>144.8</u>	<u>453.2</u>	<u>432.5</u>
Expenses:						
General Government	55.8	42.0	-	-	55.8	42.0
Public Safety - Fire	36.7	59.3	-	-	36.7	59.3
Public Safety - Police	70.2	60.0	-	-	70.2	60.0
Public Works & Maintenance Services	45.3	33.9	-	-	45.3	33.9
Community Services	21.7	18.7	-	-	21.7	18.7
Planning and Development	11.1	9.9	-	-	11.1	9.9
Economic Development	1.4	1.3	-	-	1.4	1.3
Interest and Fiscal Charges	6.2	4.8	-	-	6.2	4.8
Water	-	-	68.3	60.7	68.3	60.7
Sewer	-	-	36.5	33.6	36.5	33.6
Electric	-	-	15.7	18.3	15.7	18.3
Transit Services	-	-	3.4	3.4	3.4	3.4
Airport	-	-	0.2	0.2	0.2	0.2
Total Expenses	<u>248.4</u>	<u>230.0</u>	<u>124.1</u>	<u>116.2</u>	<u>372.5</u>	<u>346.1</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>66.1</u>	<u>57.7</u>	<u>14.5</u>	<u>28.7</u>	<u>80.7</u>	<u>86.4</u>
Transfers	-	-	-	-	-	-
Special Items	-	-	-	-	-	-
Change in Net Position	<u>66.1</u>	<u>57.7</u>	<u>14.5</u>	<u>28.7</u>	<u>80.7</u>	<u>86.4</u>
Net Position - Beginning of Year	1,034.6	976.9	328.8	300.1	1,363.4	1,277.0
Restatement	-	3.2	-	-	-	-
Net Position - End of Year	<u>\$ 1,100.7</u>	<u>\$ 1,034.6</u>	<u>\$ 343.3</u>	<u>\$ 328.8</u>	<u>\$ 1,444.0</u>	<u>\$ 1,363.4</u>

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

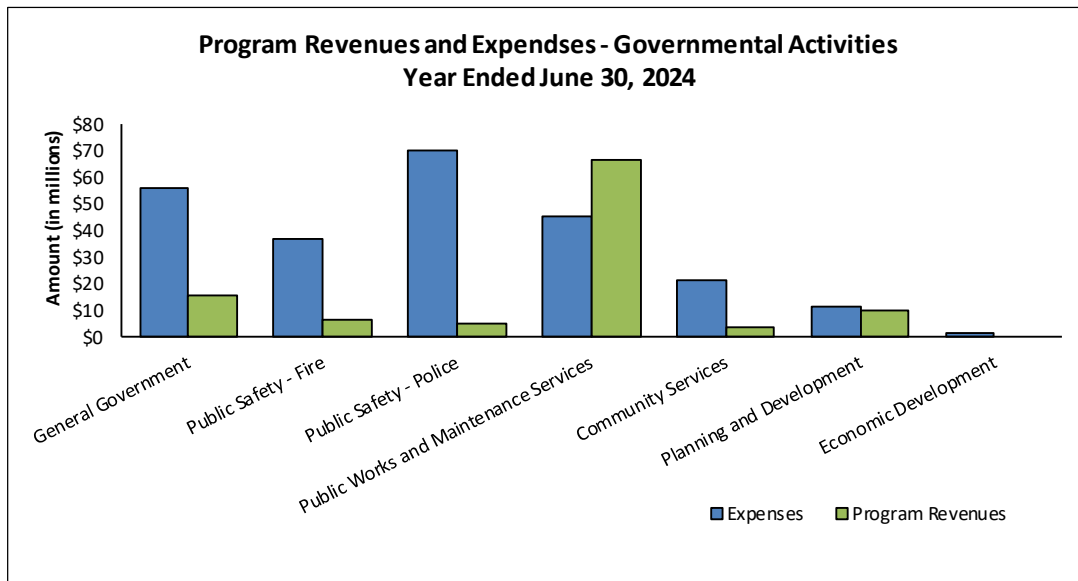
Governmental Activities

Total resources available during the year for governmental operations were \$1,349.1 million. This amount consists of a beginning net position of \$1,034.6 million, program revenues of \$107.6 million, and general revenues of \$206.9 million. Total uses in governmental activities during the year is \$248.4 million. The net position for governmental activities increased by \$66.1 million to \$1,100.7 million as of June 30, 2024.

The chart below presents governmental activity revenues and expenses for the past five years:



The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations.

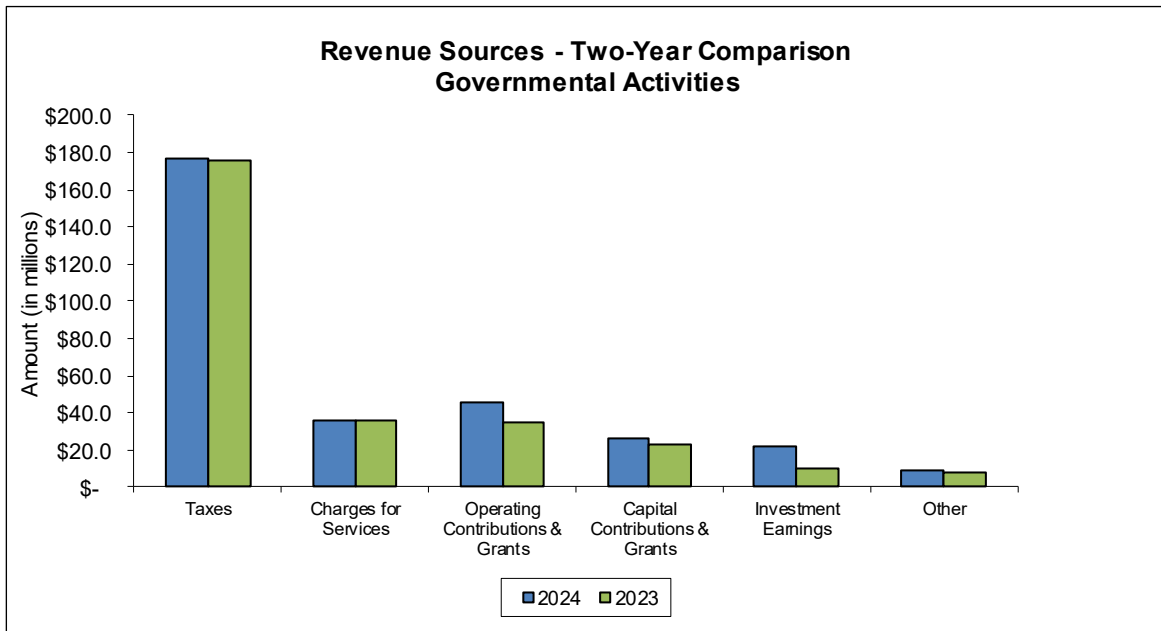


City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

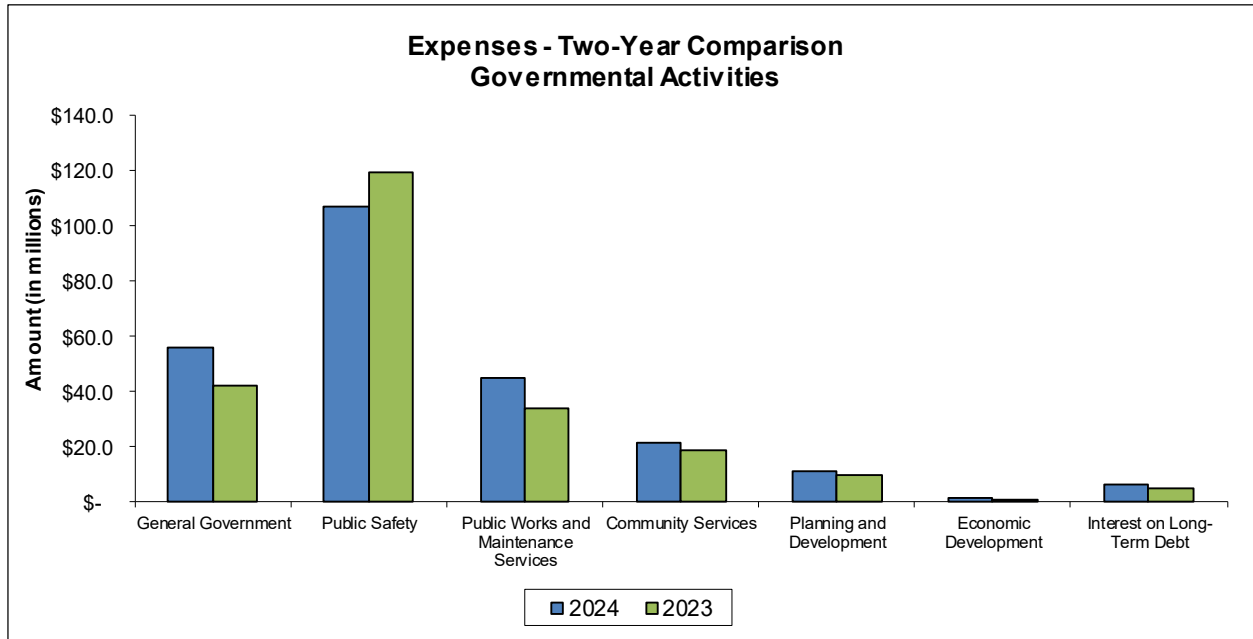
General government support services (administration, legal, human resources, and financial) are primarily funded by charges to the direct operating functions they support through a cost allocation program. The public safety function (police and fire) generates program revenues as well, but property taxes, sales tax, and other general revenues fund a majority of the cost. The public works and maintenance services program is responsible for the maintenance and construction of the transportation system, with funding provided by the gas tax, Measure A, various federal, state, and local grants, special assessments, as well as other general revenues. The funding source for community services is primarily general revenues and some program fees. Planning and Development and Economic Development functions are funded by development-related revenues as well as general revenues such as taxes, fees, and investment income.

The cost of all governmental activities for the fiscal year ended June 30, 2024 was \$248.5 million. As shown in the statement of activities, the amount the taxpayers ultimately funded for these activities was \$176.2 million, \$30.7 million was funded by investment earnings and other income, and the remaining was paid by various program revenues, including \$35.9 million by those who directly benefited from the programs, \$45.6 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$26.1 million from capital contributions and grants.

The following two charts illustrate the total revenue and expense for the governmental activities, excluding transfers and extraordinary items for the fiscal years ended June 30, 2024 and June 30, 2023, respectively.



City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024



Highlights of the major revenue sources and expenses are listed below:

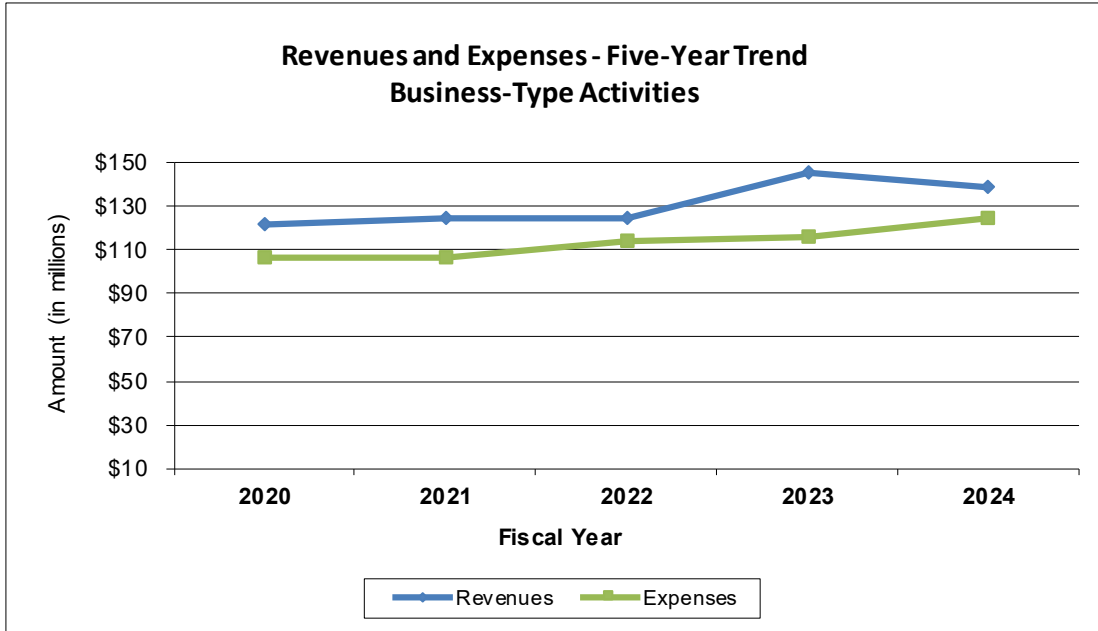
- Program revenues represent 34.2% of total revenues generated by governmental activities. Total program revenues for governmental activities in the current year were \$107.6 million, an increase of \$14.4 million from the previous year, primarily due to an increase of \$10.6 million in operating contributions and grants, and an increase of \$3.3 million in capital contributions and grants compared to the prior year.
- Total tax revenues were \$176.2 million for the current year, showing an increase of \$0.6 million from the previous year. Compared to the prior year, property tax revenues increased by \$2.2 million, sales and use tax revenues decreased by \$3.4 million, and other taxes increased by \$1.8 million.
- Taxes comprised 56.0% of the total revenues from governmental activities, Sales and use tax revenue represents 55.4% of total taxes, whereas property tax revenue ranked second sharing 35.9% of total tax revenue. The remaining 8.6% were comprised of franchise fee, business license tax, transient occupancy tax, and dwelling development fee.
- Overall governmental expenses increased by \$18.5 million from the prior year, primarily due to a GASB 68 pension expense entry of \$24.5 million, and an increase of \$13.9 million spending in capital projects.

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

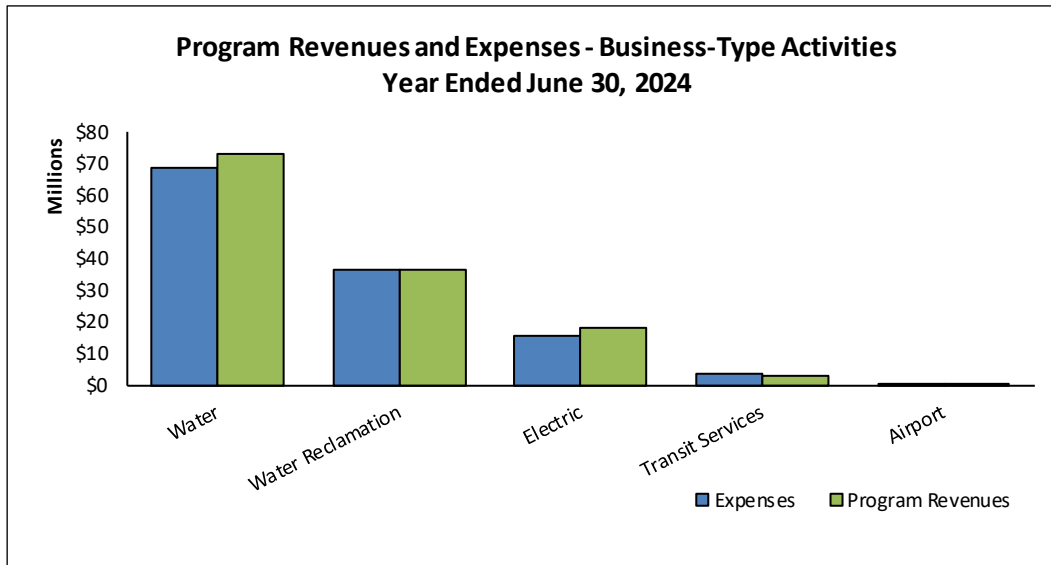
Business-Type Activities

The City's net position in the business-type activities increased by \$14.5 million. The primary contributor to the increase was excess revenues over expenses. The overall net position reported in the business-type activities was \$343.3 million as of June 30, 2024.

The chart below presents revenues and expenses in the business-type activities for the past five years.



The following graph shows the expenses of each business-type function compared to the program revenues generated specifically from its operations.



City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Total expenses of all business-type activities for the fiscal year ended June 30, 2024, was \$124.1 million, representing an increase of \$7.9 million from the previous year. The total program revenue reported for the year was \$131.2 million. As shown in the statement of activities, the amount paid by users of the systems was \$119.1 million, reported as charges for services. Revenues from operating grants and contributions were \$9.3 million, and capital grants and contributions were \$2.8 million.

Total resources available during the year for business-type activities were \$467.5 million. This amount consists of the beginning net position of \$328.8 million, combined with total program revenues of \$131.2 million, and investment earnings of \$7.5 million. After funding total expenses of \$124.1 million, the net position for business-type activities increased by \$14.5 million to \$343.3 million at June 30, 2024.

Compared to the prior year, the total expenses increased by \$7.9 million, primarily due to the increase in costs of water purchase. Revenues decreased by \$6.1 million due to the one-time settlement revenue of \$19.1 million received in the prior year .

FUND FINANCIAL ANALYSIS

General Fund

The General Fund is the primary operating fund of the City. Fund balance increased by \$34.0 million for the fiscal year ended June 30, 2024, with an ending balance of \$399.2 million, primarily due to excess revenues over expenditures.

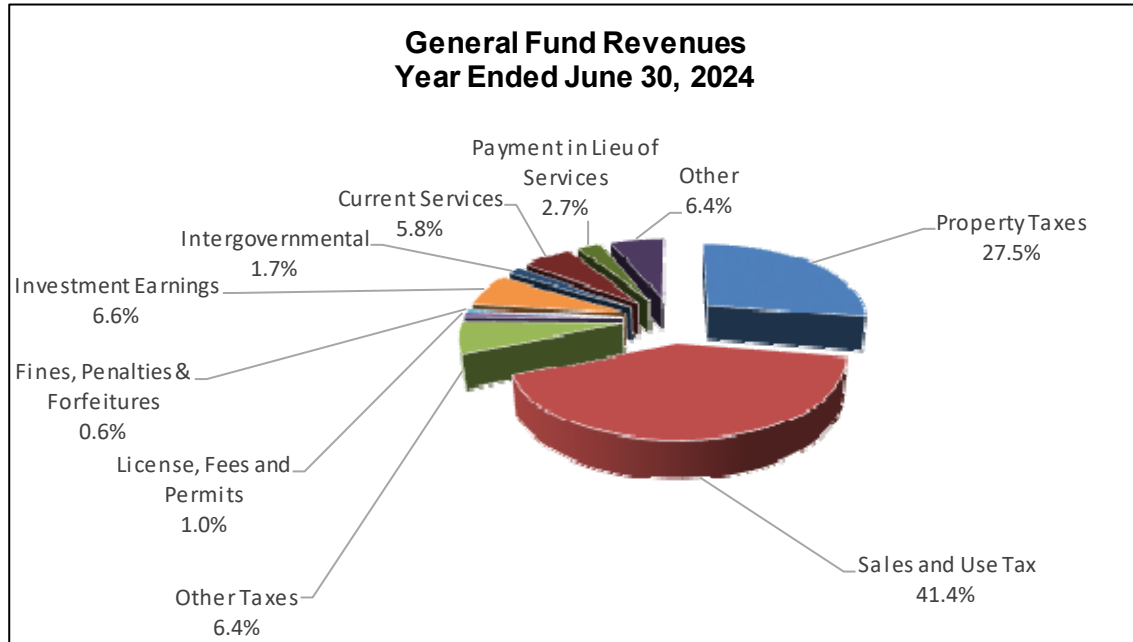
Below is a three-year trend analysis of the fund balance for the General Fund. For additional information, please refer to Note 15 in the accompanying financial statements.

City of Corona's General Fund Fund Balance
Three-Year Trend Information
(in millions)

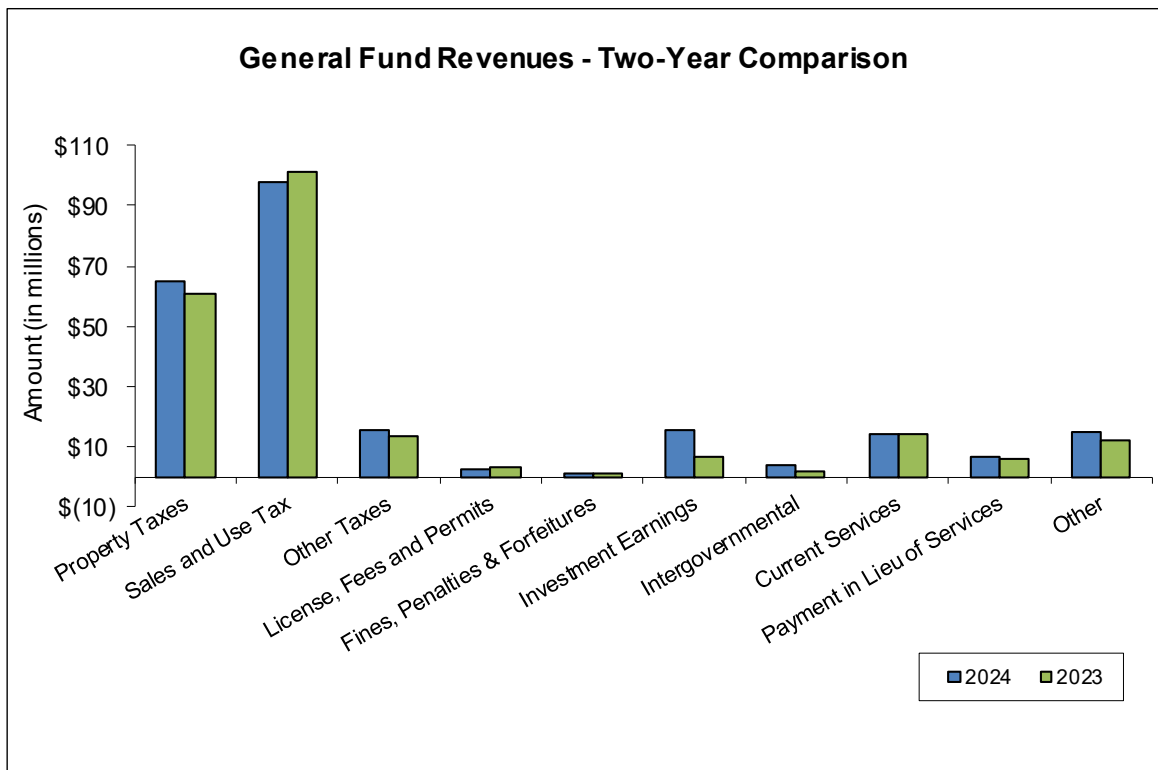
	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Fund Balances:			
Nonspendable	\$ 181.1	\$ 181.3	\$ 187.6
Restricted	46.5	35.4	30.1
Committed	58.4	52.9	48.1
Assigned	88.3	77.0	55.2
Unassigned	24.9	18.6	0.2
Total Fund Balance	<u>\$ 399.2</u>	<u>\$ 365.2</u>	<u>\$ 321.2</u>
Fund Balance - Beginning	\$ 365.2	\$ 321.2	\$ 122.8
Excess Revenues over Expenditures	33.4	43.4	24.8
Transfers	0.6	0.6	1.0
Restatement	-	-	172.6
Fund Balance - Ending	<u>\$ 399.2</u>	<u>\$ 365.2</u>	<u>\$ 321.2</u>

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The graph below illustrates General Fund revenues by major sources:

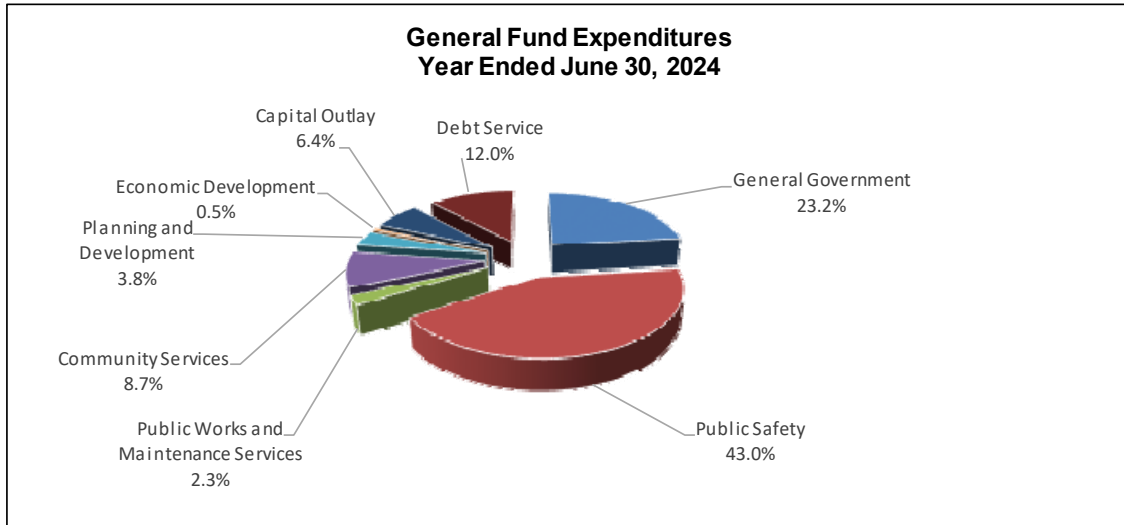


A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2024 and June 30, 2023 is presented below:

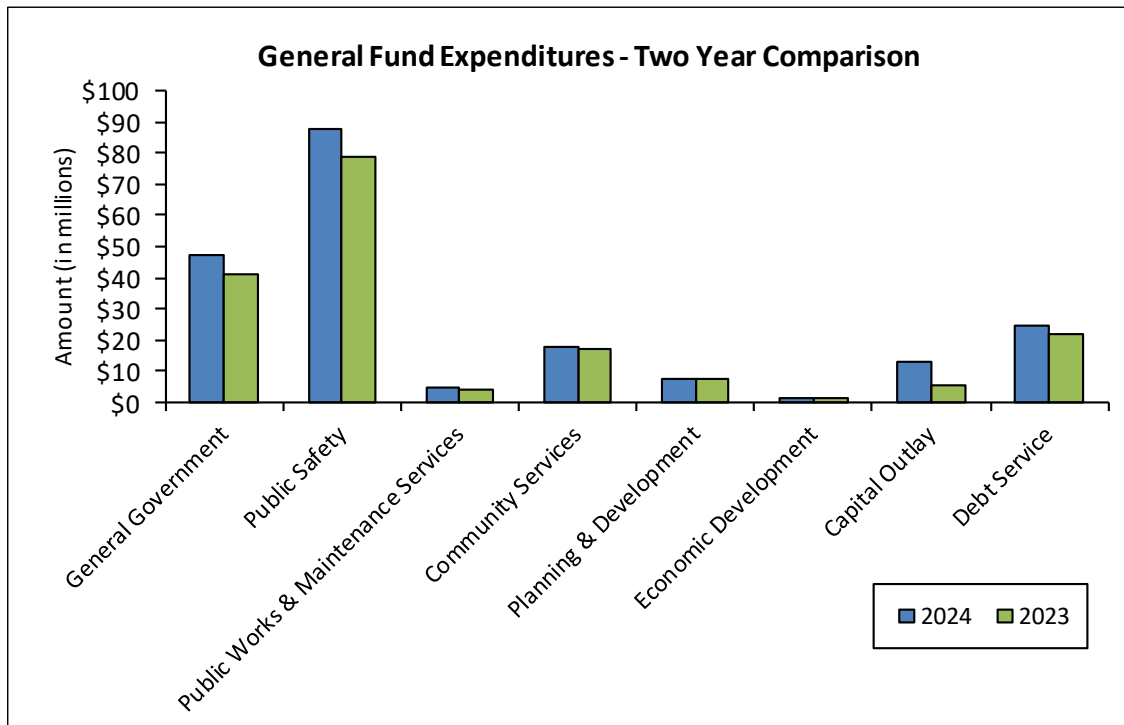


City of Corona
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The graph below illustrates General Fund expenditures by category:



A two-year comparison of each General Fund expenditure category for the fiscal years ended June 30, 2024 and June 30, 2023 is presented below:



Overall General Fund revenues increased by \$16.5 million or 7.5%, compared to the previous year. Property taxes revenue increased by \$3.9 million, driven by a 5.5% increase in property value. Investment earnings increased by \$9.2 million due to higher interest rates, around 5.3% in Fiscal Year 2024. And intergovernmental revenues increased by \$2.4 million, mainly due to grants received from the State for homeless programs.

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

General Fund expenditures were \$203.4 million, an increase of \$26.2 million compared to the previous year. Capital outlay was increased by \$7.7 million, mainly due to purchase of land for the City's capital projects such as Corona Mall. Public safety expenditures increased by \$8.6 million, mainly due to increase of personnel expenditures and large purchases of equipment such as in-car and body-worn camera systems, multi-band portable radios, and tasers for police officers. General government expenditures increased by \$6.0 million, mainly driven by an increase of \$2.1 million in professional services for City Park Revitalization project, and \$1.9 million increase in homeless program spending.

Other Major Governmental Funds

The Development Special Revenue Fund reported a fund balance of \$18.8 million, an increase of \$1.1 million from the prior year. Primarily due to an increase of \$0.5 million in licenses and permit fee revenue, and an increase of \$0.9 million in investment earnings.

The Low/Mod Income Housing Asset Capital Project Fund reported a fund balance of \$39.4 million, an increase of \$1.1 million from the previous year. The fund balance includes \$20.9 million in cash and investments, \$2.0 million in land held for resale, \$6.9 million loan receivables, and long-term receivables in the amount of \$8.3 million from various developers.

Other Grants Capital Project Fund reported a fund balance of \$2.8 million, a decrease of \$0.1 million from the previous year, due to a slight decrease of intergovernmental revenues.

Other Grants and Endowments Special Revenue Fund reported a fund balance of \$1.0 million, an increase of \$2.0 million from the prior year, mainly due to an increase of \$1.0 million in investment income, and an increase of \$5.5 million in intergovernmental revenues, partially offset by an increase of \$2.9 million in capital outlay, an increase of \$1.4 million in leases, and an increase of \$0.3 million in professional services expenditures.

CAPITAL ASSETS

The capital assets of the City are those assets that are used in the performance of the City's functions including infrastructure assets. At June 30, 2024, net capital assets totaled \$873.0 million for governmental activities, and \$434.4 million for business-type activities respectively. Depreciation on capital assets is recognized in government-wide financial statements. Please refer to Note 9 of the accompanying financial statements for additional information.

The City has elected to use the "modified approach" as defined by GASB Statement No. 34 for infrastructure reporting for its street pavement system. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments and summary of the results using a measurement scale; and (3) estimation of the annual amount to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

City of Corona
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The City policy is to achieve an average rating of 71, or “Good” condition for all streets. The average rating for the City’s streets at June 30, 2024, was 72, one point higher than the previous assessment result. The City is continuously taking action to prevent deterioration through an ongoing street rehabilitation program funded by the Capital Improvement Program. The program is formulated based on deficiencies identified as part of the City’s Pavement Management System (PMS). It includes short-term maintenance activities such as pothole patching, street sweeping, and crack sealing. The City spent \$43.1 million on street maintenance during the current fiscal year. These expenditures delayed deterioration and maintained the street condition from the previous assessment. The City has estimated that the amount of annual expenditures required to maintain the current average PCI rating of 71 through the year 2025 is a minimum of \$11.0 million. Please refer to the Required Supplementary Information section of the accompanying financial statement for additional information on the City’s Pavement Management Program.

The table below presents comparative summary information on the City’s capital assets:

City of Corona's Capital Assets
Net of Depreciation (in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 89.3	\$ 85.6	\$ 5.7	\$ 5.7	\$ 95.0	\$ 91.3
Streets	225.7	224.0	-	-	225.7	224.0
Buildings and improvements	96.3	101.1	47.8	50.0	144.1	151.1
Machinery and equipment	17.8	14.3	48.4	53.6	66.2	67.9
Infrastructure	211.1	211.0	270.3	274.5	481.4	485.5
Construction in progress	229.1	196.0	42.5	20.0	271.6	216.0
Intangible assets	3.7	5.2	19.8	19.8	23.5	25.0
Total Capital Assets	<u>\$ 873.0</u>	<u>\$ 837.2</u>	<u>\$ 434.5</u>	<u>\$ 423.6</u>	<u>\$ 1,307.5</u>	<u>\$ 1,260.8</u>

DEBT ADMINISTRATION

The City is committed to fiscal stewardship and continued its efforts to reduce its long-term debt obligation. In the most recent credit review performed by Standard and Poor’s Financial Services (S&P), Corona Utility Authorities’ Wastewater Revenue Bonds was upgraded from “AA” to “AA+” and Water Revenue Bond was affirmed at “AA” rating. For additional information on City’s long-term obligation, please refer to Note 11 of the accompanying financial statements.

City of Corona
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

The schedule of outstanding long-term debt with comparative amounts for the previous fiscal year is presented below.

City of Corona's Outstanding Debt
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Loans and Agreement Payable	\$ -	\$ -	\$ 18.4	\$ 21.0	\$ 18.4	\$ 21.0
2012 Refunding Lease	6.0	7.9	-	-	6.0	7.9
Leases Liabilities	0.4	0.4	-	-	0.4	0.4
Subscription Liabilities	2.2	3.7	-	-	2.2	3.7
Revenue Bonds	15.3	16.8	25.1	27.6	40.4	44.4
Pension Obligation Bonds	192.6	207.9	32.7	35.2	225.3	243.1
Unamortized Bond Premium	1.8	1.9	2.0	2.3	3.8	4.2
Total Outstanding Debt	\$ 218.3	\$ 238.6	\$ 78.2	\$ 86.1	\$ 296.5	\$ 324.7

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund appropriations and transfers out were originally adopted at \$203.9 million for Fiscal Year 2024. Final appropriations were increased by \$56.2 million to \$260.1 million. Among the budgetary increase, \$21.3 million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$5.2 million was for prior year committed purchases (encumbrances).

There was \$29.7 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons: (1) The personnel budget increased by \$0.6 million in Fiscal Year 2024. The Police Department budget was increased by \$0.3 million for various grants and shift differential adjustments and the Fire Department budget was increased by \$0.2 million due to a planned vacant position being filled in December. In addition, \$0.1 million reduction was due to a transfer from personnel to the operating budget for professional/contractual services for Planning and Development Department. (2) The operating budget increased by a total of \$3.4 million. The General Government budget was increased by \$0.4 million for various professional/contractual services. The Fire Department budget was increase by \$0.5 million for multiple grants approved by the City Council and for the purchase of EMS Skills Lab education tools/resources. The Community Services Department budget was increased by \$1.0 million for additional Rent Stabilization Program Services, various facilities maintenance services, and graffiti removal services. The Planning and Development Department budget was increased by \$1.0 million for additional contract labor services and reimbursing the Inspection Division budget for deposits collected through fees. The increase was partially offset by a transfer of \$100,000 from the personnel budget. (3) The capital outlay budget was increased by a net total of \$25.7 million. The primary reason for the increase is for the City Park Revitalization project for \$12.5 million, McKinley Street Grade Separation Project for \$5 million and for the Corona Mall Acquisition and Agreement project for \$2.3 million. In addition, \$0.8 million was appropriated to purchase a type 3 fire apparatus.

City of Corona
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Below is a summary of changes made to the adopted budget:

Original Budget	\$ 203,941,678
Continued Appropriations	21,263,945
Prior Year Encumbrances	5,224,680
Supplemental Changes	<u>29,708,341</u>
Final Budget	<u><u>\$ 260,138,644</u></u>

At June 30, 2024, the General Fund expenditure and transfers out budget concluded the fiscal year with a net favorable variance of \$56.0 million.

Included in the \$56.0 million savings, \$40.5 million was unspent funding for ongoing capital improvement projects. These funds will be carried over to the next fiscal year to complete the projects. Additionally, a total of \$2.0 million will be carried forward from the operating budget for grants and other activities approved by the City Council. Encumbered purchase orders totaling \$4.8 million will also be carried forward for activity that crosses fiscal years. After considering the noted items that will carry forward to the new fiscal year, there is a net savings of \$9.8 million. Please refer to the Required Supplementary Information section of the accompanying financial statements for additional information.

Final Budget	\$ 260,138,644
Actual Expenditures	203,437,276
Transfers Out	<u>666,656</u>
Favorable Budget Variance	<u><u>\$ 56,034,712</u></u>

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the City of Corona’s Finance Department at 400 South Vicentia Ave., Corona, California, 92882, phone number 951-279-3500 or e-mail Finance.Department@coronaca.gov.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Corona
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 356,704,927	\$ 137,632,148	\$ 494,337,075
Accounts receivable	3,559,605	16,930,432	20,490,037
Interest receivable	2,172,166	723,406	2,895,572
Due from other government	40,244,276	1,519,115	41,763,391
Lease receivable - due within one year	437,760	322,186	759,946
Inventories and prepaid items	772,036	3,975,502	4,747,538
Deposits	42,728	140,822	183,550
Land held for resale	4,332,648	-	4,332,648
Restricted cash and investments	56,998,606	585,304	57,583,910
Total current assets	465,264,752	161,828,915	627,093,667
Noncurrent assets:			
Restricted cash and investments	-	509,441	509,441
Internal balances	169,511,560	(169,511,560)	-
Lease receivable - due in more than one year	11,381,003	3,616,177	14,997,180
Long-term receivables	24,017,845	-	24,017,845
Investment in joint venture	-	19,251,322	19,251,322
Capital assets:			
Non-depreciable	544,139,501	67,862,966	612,002,467
Depreciable, net	328,419,994	366,485,794	694,905,788
Intangible assets, net	429,583	127,845	557,428
Total capital assets, net	872,989,078	434,476,605	1,307,465,683
Total noncurrent assets	1,077,899,486	288,341,985	1,366,241,471
Total assets	1,543,164,238	450,170,900	1,993,335,138
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	90,668,425	8,084,609	98,753,034
Other postemployment benefits related items	25,000,875	3,430,350	28,431,225
Deferred charges on refunding	358,258	-	358,258
Total deferred outflows of resources	116,027,558	11,514,959	127,542,517

City of Corona
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	33,415,903	10,743,308	44,159,211
Retention payable	2,318,706	555,924	2,874,630
Accrued interest payable	839,560	853,973	1,693,533
Unearned revenue	40,175,939	1,635,386	41,811,325
Deposits payable	18,872,829	188,741	19,061,570
Long-term liabilities- due within one year	34,310,101	10,718,671	45,028,772
Total current liabilities	129,933,038	24,696,003	154,629,041
Noncurrent liabilities:			
Long-term liabilities - due in more than one year	220,772,204	68,948,355	289,720,559
Net pension liability	70,507,161	7,707,152	78,214,313
Net other postemployment benefits liability	82,509,172	11,321,014	93,830,186
Total noncurrent liabilities	373,788,537	87,976,521	461,765,058
Total liabilities	503,721,575	112,672,524	616,394,099
DEFERRED INFLOWS OF RESOURCES			
Pension related items	34,492,913	72,366	34,565,279
Other postemployment benefits related items	9,376,426	1,286,532	10,662,958
Deferred charges on refunding bonds	-	746,705	746,705
Leases	10,893,964	3,607,251	14,501,215
Total deferred inflows of resources	54,763,303	5,712,854	60,476,157
NET POSITION			
Net investment in capital assets	845,284,685	387,584,065	1,232,868,750
Restricted:			
Capital projects	42,247,174	-	42,247,174
Pension	46,473,646	-	46,473,646
Debt service	10,184	509,441	519,625
Special projects and programs:			
Community development projects	6,033,095	-	6,033,095
Transportation and public works	28,198,070	580,176	28,778,246
Special assessment district projects	26,217,336	-	26,217,336
Development projects	18,800,071	855,624	19,655,695
Other	2,242,981	-	2,242,981
Total restricted	170,222,557	1,945,241	172,167,798
Unrestricted (deficit)	85,199,676	(46,228,825)	38,970,851
Total net position	\$ 1,100,706,918	\$ 343,300,481	\$ 1,444,007,399

City of Corona
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 55,837,152	\$ 6,983,111	\$ 8,963,453	\$ -
Public safety - fire	36,651,843	4,710,511	1,833,111	-
Public safety - police	70,151,308	2,514,886	2,556,268	29,413
Public works and maintenance services	45,274,584	11,562,298	28,739,680	26,005,721
Community services	21,721,934	2,932,771	584,634	33,879
Planning and development	11,148,793	7,200,962	2,955,704	-
Economic development	1,355,186	-	-	-
Interest expense	6,198,268	-	-	-
Total governmental activities	248,339,068	35,904,539	45,632,850	26,069,013
Business-type Activities:				
Water	68,332,076	65,343,993	5,925,900	1,583,434
Sewer	36,539,999	34,783,423	541,723	1,204,839
Electric	15,731,782	18,337,177	1,134	-
Transit services	3,368,598	84,309	2,871,477	-
Airport	210,381	505,096	1,692	-
Total business-type activities	124,182,836	119,053,998	9,341,926	2,788,273
Total primary government	\$ 372,521,904	\$ 154,958,537	\$ 54,974,776	\$ 28,857,286

City of Corona
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (39,890,588)	\$ -	\$ (39,890,588)
Public safety - fire	(30,108,221)	-	(30,108,221)
Public safety - police	(65,050,741)	-	(65,050,741)
Public works and maintenance services	21,033,115	-	21,033,115
Community services	(18,170,650)	-	(18,170,650)
Planning and development	(992,127)	-	(992,127)
Economic development	(1,355,186)	-	(1,355,186)
Interest expense	(6,198,268)	-	(6,198,268)
Total governmental activities	(140,732,666)	-	(140,732,666)
Business-type Activities:			
Water	-	4,521,251	4,521,251
Sewer	-	(10,014)	(10,014)
Electric	-	2,606,529	2,606,529
Transit services	-	(412,812)	(412,812)
Airport	-	296,407	296,407
Total business-type activities	-	7,001,361	7,001,361
Total primary government	(140,732,666)	7,001,361	(133,731,305)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes, levied for general purpose	63,338,213	-	63,338,213
Transient occupancy taxes	3,056,672	-	3,056,672
Sales and use taxes	97,709,068	-	97,709,068
Franchise taxes	7,969,494	-	7,969,494
Business license taxes	2,745,488	-	2,745,488
Cannibus taxes	1,395,098	-	1,395,098
Total taxes	176,214,033	-	176,214,033
Investment income	21,705,154	7,469,174	29,174,328
Other income	8,951,022	-	8,951,022
Total general revenues	206,870,209	7,469,174	214,339,383
Changes in net position	66,137,543	14,470,535	80,608,078
Net position - beginning of year	1,034,569,375	328,829,946	1,363,399,321
Net position - end of year	\$ 1,100,706,918	\$ 343,300,481	\$ 1,444,007,399



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Corona
Balance Sheet
Governmental Funds
June 30, 2024**

	Capital Projects Funds		
	General Fund	Low Mod Income Housing Asset	Other Grants
ASSETS			
Cash and investments	\$ 165,689,972	\$ 20,906,641	\$ 731,356
Accounts receivable	1,593,682	7,275	7,594
Interest receivable	1,424,403	139,011	13,054
Due from other governments	24,000,296	-	8,051,013
Due from other funds	6,222,701	-	-
Long-term receivables	1,100,647	8,268,191	-
Lease receivable	11,818,763	-	-
Loans receivable	-	6,926,333	2,300,000
Advance to other funds	179,407,282	-	-
Inventories and prepaid items	589,400	-	-
Deposits	42,728	-	-
Land held for resale	-	2,871,648	-
Restricted assets:			
Cash and investments with fiscal agents	46,494,014	8,345,862	2,020,393
Total assets	\$ 438,383,888	\$ 47,464,961	\$ 13,123,410
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 14,949,057	\$ 5,049	\$ 5,419,398
Retention payable	42,548	-	1,793,152
Due to other funds	-	-	1,013,070
Advance from other funds	-	-	-
Deposits payable	9,064,238	15,572	54,716
Unearned revenue	4,229,578	8,000,000	2,040,240
Total liabilities	28,285,421	8,020,621	10,320,576
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Leases	10,893,964	-	-
Total deferred inflows of resources	10,893,964	-	-
Fund Balances:			
Nonspendable	181,097,329	-	-
Restricted	46,483,830	39,444,340	2,802,834
Committed	58,382,920	-	-
Assigned	88,364,753	-	-
Unassigned (deficit)	24,875,671	-	-
Total fund balances	399,204,503	39,444,340	2,802,834
Total liabilities, deferred inflows of resources, and fund balances	\$ 438,383,888	\$ 47,464,961	\$ 13,123,410

(Continued)

City of Corona
Balance Sheet (Continued)
Governmental Funds
June 30, 2024

	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Development	Other Grants and Endowments		
ASSETS				
Cash and investments	\$ 34,400,680	\$ 27,738,494	\$ 60,752,909	\$ 310,220,052
Accounts receivable	-	218	1,892,877	3,501,646
Interest receivable	165,724	141,273	288,701	2,172,166
Due from other governments	-	1,357,276	6,835,691	40,244,276
Due from other funds	-	-	-	6,222,701
Long-term receivables	1,189,660	-	1,717,405	12,275,903
Lease receivable	-	-	-	11,818,763
Loans receivable	261,771	-	2,253,838	11,741,942
Advance to other funds	-	-	-	179,407,282
Inventories and prepaid items	-	-	-	589,400
Deposits	-	-	-	42,728
Land held for resale	-	-	1,461,000	4,332,648
Restricted assets:				
Cash and investments with fiscal agents	58,059	-	80,278	56,998,606
Total assets	\$ 36,075,894	\$ 29,237,261	\$ 75,282,699	\$ 639,568,113
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 881,270	\$ 358,780	\$ 8,131,228	\$ 29,744,782
Retention payable	32,853	-	450,153	2,318,706
Due to other funds	13,307	1,136,552	4,059,772	6,222,701
Advance from other funds	6,612,390	-	1,245,156	7,857,546
Deposits payable	9,736,003	-	2,300	18,872,829
Unearned revenue	-	25,664,899	241,222	40,175,939
Total liabilities	17,275,823	27,160,231	14,129,831	105,192,503
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	1,047,192	3,163,103	4,210,295
Leases	-	-	-	10,893,964
Total deferred inflows of resources	-	1,047,192	3,163,103	15,104,259
Fund Balances:				
Nonspendable	-	-	-	181,097,329
Restricted	18,800,071	1,029,838	60,614,452	169,175,365
Committed	-	-	-	58,382,920
Assigned	-	-	1,015,896	89,380,649
Unassigned (deficit)	-	-	(3,640,583)	21,235,088
Total fund balances	18,800,071	1,029,838	57,989,765	519,271,351
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,075,894	\$ 29,237,261	\$ 75,282,699	\$ 639,568,113

(Concluded)



City of Corona
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 519,271,351

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. Those assets consist of:

Amount reported in government-wide statement of position:

Nondepreciable assets, net of \$84,378 reported in Internal Service Funds	\$	544,055,123	
Depreciable assets, net of \$5,153,271 reported in Internal Service Funds		323,266,723	
Intangible assets, net of \$3,291,751 reported in Internal Service Funds		(2,862,168)	864,459,678

Some of the City's receivables for property taxes, operating and capital grant reimbursements will be collected after year end, but are not available soon enough to pay for current-period expenditures, and therefore, are reported as unavailable revenues in the governmental funds. 4,210,295

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources, net of \$2,810,072 reported in Internal Service Funds		87,858,353	
Net pension liability, net of \$2,678,875 reported in Internal Service Funds		(67,828,286)	
Pension related deferred inflows of resources, net of \$25,153 reported in Internal Service Funds		(34,467,760)	

Net other postemployment benefits liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources, net of \$1,064,385 reported under Internal Service Funds		23,936,490	
Net OPEB liabilities, net of \$3,512,736 reported under Internal Service Funds		(78,996,436)	
OPEB related deferred inflows of resources, net of \$399,190 reported under Internal Service Funds		(8,977,236)	

Internal service funds are used by the City to charge the cost of materials and supplies, maintenance and repair of vehicles and equipment, and printing services provided to the various departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal Service funds net position, net of \$2,038,176 reported in Business-type activities. 11,019,264

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (809,569)

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. Those liabilities consist of:

Unamortized deferred charges on refunding		358,258	
Long-term debt, net of \$(11,000,390) reported under Internal Service Funds		(205,606,130)	
Unamortized bond premium		(1,784,740)	
Compensated absences, net of \$572,690 reported under Internal Service Funds		(11,936,614)	

Net position of governmental activities **\$ 1,100,706,918**

City of Corona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Funds		
	General Fund	Low Mod Income Housing Asset	Other Grants
REVENUES:			
Taxes	\$ 177,844,905	\$ -	\$ -
Licenses, and permits	2,269,264	-	-
Intergovernmental	3,899,069	-	25,606,606
Special assessments	777,314	-	-
Investment earnings	15,749,188	1,138,334	875,544
Fines and penalties	1,420,858	-	-
Current services	13,753,857	-	-
Payment in lieu of services	6,336,890	-	-
Other revenues	14,245,570	81,466	215,874
Total revenues	236,296,915	1,219,800	26,698,024
EXPENDITURES:			
Current:			
General government	47,169,728	-	-
Public safety- fire	33,409,110	-	-
Public safety- police	54,064,980	-	-
Public works and maintenance services	4,581,610	-	-
Community services	17,724,377	-	23,124
Planning and development	7,769,627	150,608	-
Economic development	1,141,158	-	-
Capital outlay	13,075,618	-	26,728,379
Debt service:			
Principal retirement	18,171,796	14,425	-
Interest and charges	6,329,272	4,001	-
Total expenditures	203,437,276	169,034	26,751,503
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	32,859,639	1,050,766	(53,479)
OTHER FINANCING SOURCES (USES):			
Transfers in	1,289,243	-	-
Transfers out	(666,656)	-	-
Issuance of subscription liability	467,257	-	-
Total other financing sources (uses)	1,089,844	-	-
NET CHANGE IN FUND BALANCES	33,949,483	1,050,766	(53,479)
FUND BALANCES:			
Beginning of year	365,255,020	38,393,574	2,856,313
End of year	<u>\$ 399,204,503</u>	<u>\$ 39,444,340</u>	<u>\$ 2,802,834</u>

(Continued)

City of Corona
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Special Revenue Development	Other Grants and Endowments		
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 177,844,905
Licenses, and permits	1,601,800	-	813,189	4,684,253
Intergovernmental	-	7,520,719	16,206,827	53,233,221
Special assessments	-	-	9,169,153	9,946,467
Investment earnings	1,243,793	579,255	2,591,902	22,178,016
Fines and penalties	-	-	110,238	1,531,096
Current services	-	71,504	11,363,298	25,188,659
Payment in lieu of services	187,200	-	-	6,524,090
Other revenues	540	24,607	700,588	15,268,645
Total revenues	3,033,333	8,196,085	40,955,195	316,399,352
EXPENDITURES:				
Current:				
General government	-	556,970	-	47,726,698
Public safety- fire	4,014	-	-	33,413,124
Public safety- police	266	435,334	59,351	54,559,931
Public works and maintenance services	50,416	-	22,035,965	26,667,991
Community services	3,842	156,530	23,142	17,931,015
Planning and development	-	1,512,416	337,813	9,770,464
Economic development	-	-	-	1,141,158
Capital outlay	1,894,430	3,565,235	15,826,334	61,089,996
Debt service:				
Principal retirement	-	-	115,203	18,301,424
Interest	-	-	31,955	6,365,228
Total expenditures	1,952,968	6,226,485	38,429,763	276,967,029
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,080,365	1,969,600	2,525,432	39,432,323
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	1,289,243
Transfers out	-	-	(1,289,243)	(1,955,899)
Issuance of subscription liability	-	-	-	467,257
Total other financing sources (uses)	-	-	(1,289,243)	(199,399)
NET CHANGE IN FUND BALANCES	1,080,365	1,969,600	1,236,189	39,232,924
FUND BALANCES:				
Beginning of year	17,719,706	(939,762)	56,753,576	480,038,427
End of year	<u>\$ 18,800,071</u>	<u>\$ 1,029,838</u>	<u>\$ 57,989,765</u>	<u>\$ 519,271,351</u>

(Concluded)



City of Corona
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds: \$ 39,232,924

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those capital assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period:

Capital outlay expenditures, net of \$4,183,398 reported in Internal Service Funds	\$ 48,514,503	
Effect on disposal of capital assets	(30,767)	
Depreciation and amortization expense, net of \$3,424,125 reported in Internal Service Funds	(13,385,083)	35,098,653

Certain accrued revenues such as grants do not provide current financial resources and therefore, are not reported in the governmental funds as revenues. This is the amount of the net change in these accrued revenue amounts during the current period. (3,487,371)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in compensated absences, net of \$(89,459) reported in internal service funds	(597,101)	
Pension expense, net of pension contribution made after measurement date	(23,381,168)	
OPEB expense, net of OPEB contribution made after measurement date	3,671,082	
Accrued interest for long-term debt	48,087	
Deferred charges amortization	(29,855)	
Principal repayment of long-term debt, net of \$3,052,290 reported in Internal Service Funds	18,301,424	
Issuance of subscription liability, net of \$(592,660) reported in Internal Service Funds	(467,257)	
Bond premium amortization	148,728	

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation self-insurance, general liability self-insurance, vehicles, and technology to individual funds. The net revenue (expense) of these internal service funds are reported as governmental activities (net of \$317,468) allocated to business-type activities). (2,400,603)

Change in net position of governmental activities **\$ 66,137,543**



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Corona
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
ASSETS			
Current assets:			
Cash and investments	\$ 44,277,995	\$ 67,085,514	\$ 23,559,188
Accounts receivable	9,590,038	4,795,012	2,534,456
Interest receivable	256,161	321,290	112,722
Due from other funds	191,985	-	-
Due from other governments	1,025,790	219,004	420
Lease receivable	322,186	-	-
Inventories and prepaid items	3,975,502	-	-
Deposits	-	-	140,822
Restricted cash and investments	5,128	-	-
Total current assets	59,644,785	72,420,820	26,347,608
Noncurrent assets:			
Restricted cash and investments	-	509,441	-
Lease receivable	3,616,177	-	-
Advances to other funds	-	3,614,688	1,078,608
Investment in joint venture	-	19,251,322	-
Capital assets:			
Capital assets, not being depreciated	41,193,945	24,764,996	1,900,853
Capital assets, being depreciated, net	233,692,517	123,720,458	7,603,181
Intangible asset, being amortized, net	74,968	52,877	-
Total capital assets	274,961,430	148,538,331	9,504,034
Total noncurrent assets	278,577,607	171,913,782	10,582,642
Total assets	338,222,392	244,334,602	36,930,250
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	4,279,707	3,452,835	239,018
OPEB related items	1,836,416	1,373,303	165,473
Total deferred outflow of resources	\$ 6,116,123	\$ 4,826,138	\$ 404,491

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 5,805,562	\$ 2,972,114	\$ 1,219,688
Retention payable	86,256	469,668	-
Accrued interest	540,232	297,162	13,753
Due to other funds	88,429	103,136	420
Unearned revenue	622,399	6,238	821
Deposits payable	150,671	20,000	17,770
Claims and judgments, due within one year	-	-	-
Compensated absences, due within one year	598,357	508,305	95,972
Lease and subscription payable, due within one year	-	-	-
Bonds and loans payable, due within one year	7,233,624	1,864,128	328,226
Total current liabilities	<u>15,125,530</u>	<u>6,240,751</u>	<u>1,676,650</u>
Noncurrent liabilities:			
Advance from other funds	110,434,350	65,808,682	-
Claims and judgments, due in more than one year	-	-	-
Compensated absences, due in more than one year	320,751	(205,305)	37,162
Lease and subscription payable, due in more than one year	-	-	-
Bonds and loans payable, due in more than one year	39,980,937	24,385,351	3,666,699
Net pension liability	4,079,895	3,291,628	227,858
Net other postemployment benefits liability	6,060,633	4,532,244	546,103
Total noncurrent liabilities	<u>160,876,566</u>	<u>97,812,600</u>	<u>4,477,822</u>
Total liabilities	<u>176,002,096</u>	<u>104,053,351</u>	<u>6,154,472</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	38,308	30,907	2,139
Other postemployment benefits related items	688,736	515,049	62,060
Deferred charges on refunding bonds	746,705	-	-
Lease	3,607,251	-	-
Total deferred inflows of resources	<u>5,081,000</u>	<u>545,956</u>	<u>64,199</u>
NET POSITION			
Net investment in capital assets	244,767,897	131,839,324	9,504,034
Restricted:			
Debt service	-	509,441	-
Transportation and public works	-	-	-
Development projects	15,320	840,304	-
Unrestricted (deficit)	(81,527,798)	11,372,364	21,612,036
Total net position	<u>\$ 163,255,419</u>	<u>\$ 144,561,433</u>	<u>\$ 31,116,070</u>

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Nonmajor	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 2,709,451	\$ 137,632,148	\$ 46,484,875
Accounts receivable	10,926	16,930,432	57,959
Interest receivable	33,233	723,406	-
Due from other funds	-	191,985	-
Due from other governments	273,901	1,519,115	-
Lease receivable	-	322,186	-
Inventories and prepaid items	-	3,975,502	182,636
Deposits	-	140,822	-
Restricted cash and investments	580,176	585,304	-
Total current assets	3,607,687	162,020,900	46,725,470
Noncurrent assets:			
Restricted cash and investments	-	509,441	-
Lease receivable	-	3,616,177	-
Advances to other funds	-	4,693,296	-
Investment in joint venture	-	19,251,322	-
Capital assets:			
Capital assets, not being depreciated	3,172	67,862,966	84,378
Capital assets, being depreciated, net	1,469,638	366,485,794	5,153,271
Intangible asset, being amortized, net	-	127,845	3,291,751
Total capital assets	1,472,810	434,476,605	8,529,400
Total noncurrent assets	1,472,810	462,546,841	8,529,400
Total assets	5,080,497	624,567,741	55,254,870
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	113,049	8,084,609	2,810,072
OPEB related items	55,158	3,430,350	1,064,385
Total deferred outflow of resources	\$ 168,207	\$ 11,514,959	\$ 3,874,457

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Nonmajor	Total Enterprise Funds	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 745,944	\$ 10,743,308	\$ 3,671,121
Retention payable	-	555,924	-
Accrued interest	2,826	853,973	29,991
Due to other funds	-	191,985	-
Unearned revenue	1,005,928	1,635,386	-
Deposits payable	300	188,741	-
Claims and judgments, due within one year	-	-	3,997,261
Compensated absences, due within one year	22,607	1,225,241	330,336
Lease and subscription payable, due within one year	-	-	1,797,662
Bonds and loan payable, due within one year	67,452	9,493,430	715,754
Total current liabilities	<u>1,845,057</u>	<u>24,887,988</u>	<u>10,542,125</u>
Noncurrent liabilities:			
Advance from other funds	-	176,243,032	-
Claims and judgments, due in more than one year	-	-	20,184,480
Compensated absences, due in more than one year	9,237	161,845	242,354
Lease and subscription payable, due in more than one year	-	-	491,105
Bonds and loan payable, due in more than one year	753,523	68,786,510	7,995,869
Net pension liability	107,771	7,707,152	2,678,875
Net other postemployment benefits liability	182,034	11,321,014	3,512,736
Total noncurrent liabilities	<u>1,052,565</u>	<u>264,219,553</u>	<u>35,105,419</u>
Total liabilities	<u>2,897,622</u>	<u>289,107,541</u>	<u>45,647,544</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,012	72,366	25,153
Other postemployment benefits related items	20,687	1,286,532	399,190
Deferred charges on refunding bonds	-	746,705	-
Lease	-	3,607,251	-
Total deferred inflows of resources	<u>21,699</u>	<u>5,712,854</u>	<u>424,343</u>
NET POSITION			
Net investment in capital assets	1,472,810	387,584,065	6,240,633
Restricted:			
Debt service	-	509,441	-
Transportation and public works	580,176	580,176	-
Development projects	-	855,624	-
Unrestricted (deficit)	276,397	(48,267,001)	6,816,807
Total net position	<u>\$ 2,329,383</u>	<u>\$ 341,262,305</u>	<u>\$ 13,057,440</u>
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		<u>2,038,176</u>	
Net position of business-type activities		<u>\$ 343,300,481</u>	

(Concluded)

City of Corona
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
OPERATING REVENUES:			
Service charges	\$ 61,000,429	\$ 32,255,290	\$ 16,116,872
Intergovernmental	-	-	-
Fees and permits	2,732,554	1,872,986	308
Fines and penalties	536,855	279,874	29,623
Other revenues	1,074,155	375,273	2,190,374
Total operating revenues	65,343,993	34,783,423	18,337,177
OPERATING EXPENSES:			
Personnel services	10,098,158	8,149,529	846,459
Contractual services	10,099,536	9,517,986	469,071
Materials and supplies	27,741,924	8,846,048	1,302,331
Utilities	6,221,082	2,507,861	12,135,621
Depreciation and amortization	10,391,714	5,078,031	385,216
Claim expense	-	-	-
Total operating expenses	64,552,414	34,099,455	15,138,698
OPERATING INCOME (LOSS)	791,579	683,968	3,198,479
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	5,925,900	541,723	1,134
Investment earnings	2,483,794	3,222,153	865,489
Interest expense	(3,597,059)	(2,251,335)	(85,502)
Gain (loss) on sale of capital assets	(55,307)	(22,391)	(484,228)
Gain on investment in joint venture	-	848,785	-
Total nonoperating revenues (expenses)	4,757,328	2,338,935	296,893
TRANSFERS AND CAPITAL CONTRIBUTIONS:			
Transfers	-	-	-
Capital grants and contributions	1,583,434	1,204,839	-
Total capital contributions and transfers	1,583,434	1,204,839	-
CHANGE IN NET POSITION	7,132,341	4,227,742	3,495,372
NET POSITION:			
Beginning of year	156,123,078	140,333,691	27,620,698
End of year	\$ 163,255,419	\$ 144,561,433	\$ 31,116,070

City of Corona
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental
	Enterprise Funds		Activities -
	Nonmajor	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:			
Service charges	\$ -	\$ 109,372,591	\$ 27,714,716
Intergovernmental	2,871,477	2,871,477	-
Fees and permits	46,927	4,652,775	-
Fines and penalties	25,150	871,502	-
Other revenues	517,328	4,157,130	1,483,691
Total operating revenues	<u>3,460,882</u>	<u>121,925,475</u>	<u>29,198,407</u>
OPERATING EXPENSES:			
Personnel services	331,544	19,425,690	6,478,454
Contractual services	2,533,149	22,619,742	6,695,911
Materials and supplies	160,676	38,050,979	4,844,081
Utilities	195,647	21,060,211	1,659,045
Depreciation and amortization	340,392	16,195,353	3,424,125
Claim expense	-	-	9,186,311
Total operating expenses	<u>3,561,408</u>	<u>117,351,975</u>	<u>32,287,927</u>
OPERATING INCOME (LOSS)	<u>(100,526)</u>	<u>4,573,500</u>	<u>(3,089,520)</u>
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	1,692	6,470,449	-
Investment earnings	48,953	6,620,389	-
Interest expense	(17,571)	(5,951,467)	(376,146)
Gain (loss) on sale of capital assets	-	(561,926)	80,939
Gain on investment in joint venture	-	848,785	-
Total nonoperating revenues (expenses)	<u>33,074</u>	<u>7,426,230</u>	<u>(295,207)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:			
Transfers	-	-	666,656
Capital grants and contributions	-	2,788,273	-
Total capital contributions and transfers	<u>-</u>	<u>2,788,273</u>	<u>666,656</u>
CHANGE IN NET POSITION	<u>(67,452)</u>	<u>14,788,003</u>	<u>(2,718,071)</u>
NET POSITION:			
Beginning of year	<u>2,396,835</u>	<u>326,474,302</u>	<u>15,775,511</u>
End of year	<u>\$ 2,329,383</u>	<u>\$ 341,262,305</u>	<u>\$ 13,057,440</u>
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		<u>(317,468)</u>	
Changes in net position of business-type activities		<u>\$ 14,470,535</u>	

City of Corona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 64,201,246	\$ 34,627,246	\$ 17,891,481
Cash paid to suppliers for goods and services	(46,898,357)	(19,518,051)	(12,794,178)
Cash paid to employees for services	(8,354,993)	(7,183,190)	(642,492)
Cash paid for insurance or claims	-	-	-
Net cash provided by operating activities	8,947,896	7,926,005	4,454,811
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	1,585,086	452,382	87,344
Receipt from other funds	88,429	78	420
Payment to other funds	(88,927)	-	-
Principal paid on pension obligation bonds	(1,383,063)	(776,434)	(309,557)
Interest paid on pension obligation bonds	(389,572)	(215,363)	(49,801)
Net cash used in noncapital financing activities	(188,047)	(539,337)	(271,594)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipt from other funds for capital assets	-	-	-
Acquisition of capital assets	(12,950,319)	(11,569,491)	(28,279)
Proceed from sale of capital assets	-	-	-
Repayment of capital advances from other funds	-	-	-
Repayment of advances to other funds	-	-	254,494
Proceed from refunding bonds	-	-	-
Principal paid on long-term debt	(4,049,665)	(999,369)	-
Interest paid on long-term debt	(3,571,679)	(2,072,108)	(36,063)
Net cash provided by (used in) capital and related financing activities	(20,571,663)	(14,640,968)	190,152
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	2,554,625	3,248,444	847,488
Investment in joint venture	-	(1,903,189)	-
Net cash provided by investing activities	2,554,625	1,345,255	847,488
Net increase (decrease) in cash and cash equivalents	(9,257,189)	(5,909,045)	5,220,857
CASH AND CASH EQUIVALENTS:			
Beginning of year	53,540,312	73,504,000	18,338,331
End of year	\$ 44,283,123	\$ 67,594,955	\$ 23,559,188
CASH AND CASH EQUIVALENTS:			
Cash and investment	\$ 44,277,995	\$ 67,085,514	\$ 23,559,188
Restricted cash and investment, current	5,128	-	-
Restricted cash and investment, noncurrent	-	509,441	-
Total cash and cash equivalents	\$ 44,283,123	\$ 67,594,955	\$ 23,559,188
NONCASH ITEMS:			
Lease and subscription of intangible assets	\$ -	\$ -	\$ -
Issuance of lease and subscription liabilities	\$ -	\$ -	\$ -

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 791,579	\$ 683,968	\$ 3,198,479
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	10,391,714	5,078,031	385,216
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,036,172)	(156,177)	(461,666)
(Increase) decrease in due from other government	-	-	-
(Increase) decrease in inventories and prepaid items	(462,975)	-	-
(Increase) decrease in deposits	-	-	19,492
(Increase) decrease in lease receivable	317,308	-	-
(Increase) decrease in deferred outflows of resources related to pension	425,171	472,375	(11,167)
(Increase) decrease in deferred outflows of resources related to OPEB	(23,256)	(27,702)	(21,885)
Increase (decrease) in accounts payable and accrued liabilities	(2,307,149)	1,051,531	1,083,658
Increase (decrease) in deposits payable	(3,778)	-	15,970
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in compensated absences	95,235	(115,193)	95,105
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in net pension liabilities	1,595,995	1,219,347	107,566
Increase (decrease) in OPEB liabilities	(56,677)	(7,597)	61,660
Increase (decrease) in deferred inflows of resources related to pension	(97,904)	(82,732)	(4,458)
Increase (decrease) in deferred inflows of resources related to OPEB	(261,090)	(189,846)	(13,159)
Increase (decrease) in deferred inflows of resources related to leases	(420,105)	-	-
Total adjustment	8,156,317	7,242,037	1,256,332
Net cash provided by operating activities	\$ 8,947,896	\$ 7,926,005	\$ 4,454,811

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental
	Enterprise Funds		Activities -
	Nonmajor	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 4,154,889	\$ 120,874,862	\$ 29,204,903
Cash paid to suppliers for goods and services	(2,990,008)	(82,200,594)	(10,314,080)
Cash paid to employees for services	(289,842)	(16,470,517)	(5,484,821)
Cash paid for insurance or claims	-	-	(7,456,742)
Net cash provided by operating activities	875,039	22,203,751	5,949,260
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	1,532	2,126,344	34,702
Receipt from other funds	-	88,927	-
Payment to other funds	-	(88,927)	-
Principal paid on pension obligation bonds	(63,615)	(2,532,669)	(675,042)
Interest paid on pension obligation bonds	(17,646)	(672,382)	(266,878)
Net cash used in noncapital financing activities	(79,729)	(1,078,707)	(907,218)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipt from other funds for capital assets	-	-	666,656
Acquisition of capital assets	(3,172)	(24,551,261)	(3,346,357)
Proceed from sale of capital assets	-	-	80,939
Repayment of capital advances from other funds	-	-	-
Repayment of advances to other funds	-	254,494	-
Proceed from refunding bonds	-	-	-
Principal paid on long-term debt	-	(5,049,034)	(2,377,248)
Interest paid on long-term debt	-	(5,679,850)	(189,694)
Net cash provided by (used in) capital and related financing activities	(3,172)	(35,025,651)	(5,165,704)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	27,486	6,678,043	-
Investment in joint venture	-	(1,903,189)	-
Net cash provided by investing activities	27,486	4,774,854	-
Net increase (decrease) in cash and cash equivalents	819,624	(9,125,753)	(123,662)
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,470,003	147,852,646	46,608,537
End of year	<u>\$ 3,289,627</u>	<u>\$ 138,726,893</u>	<u>\$ 46,484,875</u>
CASH AND CASH EQUIVALENTS:			
Cash and investment	\$ 2,709,451	\$ 137,632,148	\$ 46,484,875
Restricted cash and investment, current	580,176	585,304	-
Restricted cash and investment, noncurrent	-	509,441	-
Total cash and cash equivalents	<u>\$ 3,289,627</u>	<u>\$ 138,726,893</u>	<u>\$ 46,484,875</u>
NONCASH ITEMS:			
Lease and subscription of intangible assets	\$ -	\$ -	\$ 837,041
Issuance of lease and subscription liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (837,041)</u>

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental
	Enterprise Funds		Activities -
	Nonmajor	Total Enterprise Funds	Internal Service Funds
OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (100,526)	\$ 4,573,500	\$ (3,089,520)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	340,392	16,195,353	3,424,125
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	3,685	(1,650,330)	6,496
(Increase) decrease in due from other government	58,384	58,384	-
(Increase) decrease in inventories and prepaid items	-	(462,975)	14,530
(Increase) decrease in deposits	-	19,492	-
(Increase) decrease in lease receivable	-	317,308	-
(Increase) decrease in deferred outflows of resources related to pension	21,603	907,982	77,396
(Increase) decrease in deferred outflows of resources related to OPEB	1,021	(71,822)	19,706
Increase (decrease) in accounts payable and accrued liabilities	(98,719)	(270,679)	2,895,006
Increase (decrease) in deposits payable	(160)	12,032	-
Increase (decrease) in unearned revenue	632,098	632,098	-
Increase (decrease) in compensated absences	(289)	74,858	89,459
Increase (decrease) in claims payable	-	-	1,729,569
Increase (decrease) in net pension liabilities	36,683	2,959,591	1,154,461
Increase (decrease) in OPEB liabilities	(7,505)	(10,119)	(144,813)
Increase (decrease) in deferred inflows of resources related to pension	(2,886)	(187,980)	(58,443)
Increase (decrease) in deferred inflows of resources related to OPEB	(8,742)	(472,837)	(168,712)
Increase (decrease) in deferred inflows of resources related to leases	-	(420,105)	-
Total adjustment	975,565	17,630,251	9,038,780
Net cash provided by operating activities	\$ 875,039	\$ 22,203,751	\$ 5,949,260

(Concluded)



FIDUCIARY FUND FINANCIAL STATEMENTS



City of Corona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Funds AD/CFD Funds
ASSETS		
Cash and investments	\$ 3,902,481	\$ 2,196,510
Interest receivable	-	2,724
Due from other governments	-	161,976
Restricted:		
Cash and investments with fiscal agent	7,188,964	23,496,607
Total assets	11,091,445	25,857,817
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	16,150	-
OPEB related items	46,347	-
Total deferred outflows of resources	62,497	-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	674	-
Retention payable	3,203	-
Interest payable	485,493	-
Deposits payable	-	62,059
Bonds payable, due within one year	4,705,158	-
Noncurrent liabilities:		
Bonds payable, due in more than one year	25,543,773	-
Net pension liability	15,396	-
Net OPEB liability	152,955	-
Total liabilities	30,906,652	62,059
DEFERRED INFLOWS OF RESOURCES		
Pension related	145	-
OPEB related items	17,382	-
Total deferred inflows of resources	17,527	-
NET POSITION		
Restricted for:		
Successor agency	(19,770,237)	-
Organization and other governments	-	25,795,758
Total net position (deficit)	\$ (19,770,237)	\$ 25,795,758

City of Corona
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Funds AD/CFD Funds
ADDITIONS:		
Redevelopment property tax trust fund	\$ 7,954,069	\$ -
Assessment revenue	-	7,108,234
Investment earning	254,042	1,310,712
Total additions	8,208,111	8,418,946
DEDUCTIONS:		
Administrative expenses	40,533	-
Developer payments	1,116,867	-
Payments for district expenses	-	5,846,013
Payments for district debt service	1,735,753	7,013,023
Total deductions	2,893,153	12,859,036
Change in net position	5,314,958	(4,440,090)
NET POSITION :		
Beginning of year	(25,085,195)	30,235,848
End of year	<u>\$ (19,770,237)</u>	<u>\$ 25,795,758</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS



City of Corona
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For the Year Ended June 30, 2024

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City of Corona
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For the Year Ended June 30, 2024

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City of Corona
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Corona, California, (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

A. Financial Reporting Entity

The City of Corona was incorporated in 1896 under the general laws of the State of California. The City operates under a Council-Manager form of government. Five Corona citizens make up the Corona City Council and each is elected to a four-year term of office. The Mayor is appointed annually by and from the City Council. The City provides full services to its citizens, including: public safety (police and fire), streets, electric, public library, recreation, parks and other public facilities, planning and zoning, public transportation (Dial-A-Ride and Corona Cruiser programs), housing and economic development programs. Water and sewer services are provided through the legally separate Corona Utility Authority, which functions as a department of the City of Corona.

The financial statements include the financial activities of the City of Corona, the primary government, and its component units, which are the Corona Public Financing Authority (the “CPFA”), the Corona Utility Authority (the “Authority”), and the Corona Housing Authority (the “CHA”). Financial information for the City and these component units are accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board. The City Council members, in separate session, serve as the governing board of the CPFA, the Authority, and the CHA, as such, these entities are presented on a blended basis.

Blended Component Unit

Management determined that the following component unit should be blended based on the criteria above:

Although the following is legally separate from the City, it has been “blended” as though it is part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component unit provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The Corona Public Financing Authority (the “CPFA”) is a joint powers authority organized under Section 6500 et seq. of the California Government Code on June 21, 1989, between the City and the former Corona Redevelopment Agency (the “Agency”) for the purpose of acting as a vehicle for various financing activities of the City and the Agency. Upon dissolution of the former Corona Redevelopment Agency, the Authority becomes a public body duly organized and existing under the Amended and Restated Joint Exercise of Powers Agreement, dated February 6, 2013, by and among the City, the Corona Housing Authority and the Successor Agency to the Corona Redevelopment Agency, and under the Constitution and laws of the State. The Authority was formed for the purpose of assisting the City in the financing and refinancing of public capital improvements by exercising the powers referred to in the JPA Agreement, including the power to issue bonds to pay the costs of public improvements. The CPFA's Board of Directors is the Corona City Council. The funds of the CPFA have been included in the governmental activities in the financial statements. Funds related to debt issued for proprietary activities are included in the business-type activities. Separate financial statements are not prepared.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

The Corona Utility Authority (the “CUA”) is a joint powers authority which was established on February 6, 2002 pursuant to a Joint Exercise of Powers Agreement between the City and the Agency in accordance with the Joint Powers Law (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) for the purpose of assisting the City in the leasing of the water and sewer utility systems. The Authority's Officers are the Corona City Council and the City's executive management. The funds of the Authority have been included in the business-type activities in the financial statements. Separate financial statements are not prepared.

The Corona Housing Authority (the “CHA”) was established on February 16, 2011, pursuant to the California Housing Authority Law codified under State of California Health and Safety Code, Section 34200 et seq. The City Council became the commissioners of governing board of the CHA. The CHA was formed for purposes of providing sanitary and safe housing for people of very low, low or moderate income within the City's territorial jurisdiction. This is achieved by building, acquiring, managing and maintaining residential rental units and providing financial assistance for rentals or ownership in the private real estate market. City staff provides management assistance to the CHA. Upon the dissolution of the former Corona Redevelopment Agency pursuant to Assembly Bill X1 26, the CHA elected to become the successor agency to the former Corona Redevelopment Agency's housing functions (the “Housing Successor”). Pursuant to Senate Bill 341, the CHA oversees the Low- and Moderate-Income Housing Asset fund. The funds of the CHA have been included in the governmental activities in the financial statements. Separate financial statements are not prepared.

The City had no discretely presented component units.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances or fund net positions, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Fiduciary activities are not included in these statements.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Advances to and from other funds
- Transfers in and out

Governmental Fund Financial Statements

A Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances are presented for all major governmental funds and aggregated nonmajor funds. Accompanying schedules are presented to reconcile and explain the differences in fund balances as presented in these statements, to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Change in Fund Balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both “measurable” and “available” to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. However, the City has adopted a 12-month recognition period for sales tax and grant revenues. Also, the City accrued AQMD funds received after the 60-day accrual period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, federal and state grants. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Low Mod Income Housing Asset (Housing Successor) Capital Projects Fund accounts for the transactions related to low- and moderate-income housing activities pursuant to SB 341 and as prescribed in the Housing Element of the City's General Plan.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

- The Other Grants Capital Projects Funds account for receipts and expenditures of funding received from various governmental grants for capital projects.
- The Development Special Revenue Funds are used to account for Quimby and various development impact fees (DIF) received. The use of DIF funds is governed by Section 66006 of the Government Code.
- The Other Grants and Endowments Special Revenue Funds account for receipts and expenditures of money received from various governmental grants and library grants.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses 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, Sewer, Electric, Transit, and Airport funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs 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.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements. The City’s internal service funds include five individual funds which provide services directly to other City funds. These areas of service include fleet operations, workers’ compensation, liability risk, warehouse, and information technology. These funds provide service to other City departments on a cost reimbursement basis.

The City reports the following major proprietary funds:

- Water Enterprise Fund - accounts for the operation and maintenance of the City's water utility, a self-supporting activity which provides services on a user charge basis to residents and businesses located in the City.
- Sewer Enterprise Fund - accounts for the operation and maintenance of the City's sewer utility, a self-supporting activity which provides services on a user charge basis to residents and businesses located in the City.
- Electric Enterprise Fund - account for the operation of the City's electric utility distribution system, a self-supporting activity which renders services on a user charge basis to businesses as well as residents located in the City.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Both the Water and the Sewer utilities are owned by the Authority. The Authority operates both the Water and Sewer systems pursuant to separate management agreements with the City.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City has Fleet Operation, Workers' Compensation, Liability Risk, Warehouse, Information Technology Internal Service Funds that provide services directly to other City funds.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following two types of fiduciary funds:

Private-Purpose Trust Fund - The Successor Agency Trust for the former Corona Redevelopment Agency (Successor Agency) was established on February 1, 2012 in accordance to the Assembly Bill X1 26 that provides for the dissolution of all redevelopment agencies in the State of California. The establishment of the Successor Agency was approved by the City Council on January 11, 2012 through City Resolution No. 2012-004. Effective February 1, 2012, successor agencies in California will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated. The activities of the Successor Agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Custodial Funds - To account for assets for the benefit of organizations or other governments that are not part of the City. In addition, the assets are not derived from the City's provision of goods or services to those individuals, organizations, or other governments. Two funds are reported under the custodial fund type, the AD/CFD Fund and the AB109 PACT Fund. The AD/CFD Fund was established to account for receipt of special taxes and assessments used to pay principal and interest on related bonds that are not direct City liabilities, as well as receipt and disbursement of capital project bond proceeds related to bonds that are not direct obligations of the City. The AB109 PACT Fund was created on December 16, 2015 to account for activities of the Riverside County Post-Release Accountability and Compliance Team (PACT). The City of Corona is one of the seven member agencies of PACT, and serves as the trustee for PACT. Funding for PACT comes from the State of California in accordance with AB 109, Public Safety Realignment Act of 2011. At June 30, 2023, the AB109 PACT Fund was fully disbursed and closed.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. The City pools cash resources of its various funds, including the Successor Agency Private Purpose Trust Fund to facilitate cash management. Cash in excess of current requirements is invested and reported as investments. It is the City's intent to hold investments until maturity. However, the City may, in response to market conditions, sell investments prior to maturity in order to improve the quality, liquidity or yield of the portfolio. Interest earnings are apportioned among funds each month based on ending cash and investment balances of each fund.

All cash and investments of proprietary funds are held in the City's investment pool as well. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining the amount, the City uses the market approach, one of the three acceptable valuation techniques. Market approach uses prices generated for identical or similar assets or liabilities.

The City participates in the Local Agency Investment Fund ("LAIF"), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates. All investments in LAIF were reported at amortized cost, which approximates fair value.

D. Cash and Investments with Fiscal Agents

Cash and investments with fiscal agents are restricted for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines and other fees. Business-type activities report utilities as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables.

G. Interfund Transactions

Outstanding short-term borrowing between funds are reported to as “due from/to other funds”. Interfund loans are reported as advances to and from other funds and are eliminated upon consolidation. Advances to other funds are presented as nonspendable in General Fund’s fund balance to indicate that they are not in a spendable form. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund services provided are treated as revenues and expenses. Administrative overhead charges included with centralized expenses charged by the General Fund are included in the direct expenses of enterprise activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are eliminated as part of the reconciliation to the government-wide financial statements.

H. Inventories and Prepaid Items

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory-related expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements by using purchase method.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute “available spendable resources,” even though they are a component of current assets.

I. Lease Receivables

The City is a lessor for leases of land and recognizes lease receivables and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Lease Receivables (Continued)

The City is a lessor for leases of land and recognizes lease receivables and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. The City established a threshold of \$200,000 for lease receivables. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are 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 inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses incremental borrowing rate (IBR) provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

J. Capital Assets

In the Government-Wide Financial Statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are valued at their acquisition value. City policy has set the capitalization threshold for reporting capital assets at \$25,000 for non-infrastructure items and \$100,000 for infrastructure and intangible right-to-use assets.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include the street system, water purification and distribution system, sewer collection and treatment system, park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business.

Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under finance purchase are capitalized at the net present value of the total finance payments.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

The City elected to use the "modified approach" as defined by GASB Statement No. 34 for infrastructure reporting of its streets, concrete and asphalt pavements. The City commissioned the most recent physical assessment of its street pavement condition in October 2017. The Citywide condition assessments are performed every three years, with each year focusing on specific regions of the City. Each homogeneous segment of City owned street was assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI) was assigned to each street segment. The index is expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to segments of street that have the physical characteristics of a new street. The City's policy relative to maintaining the street assets is to achieve an average rating of 71 for all street segments. This acceptable rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. Please refer to the Required Supplementary Information section of this report for additional information on the modified approach.

For all other infrastructure systems, the City elected to use the "basic approach" as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 1999 and has completed an internal update for June 30, 2019. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for the construction/acquisition date; or 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

The intangible right-to-use asset includes lease assets or subscription-based information technology arrangements ("SBITA") assets ("subscription asset"). These intangible assets are recorded at the amount of the initial measurement of the lease liabilities or SBITA liabilities ("subscription liabilities") and adjusted by any lease made to the lessor or subscription payments to the SBITA vendor at or before the commencement of the lease or subscription term, less any incentives received from the lessor or SBITA vendor at or before the commencement of the lease or subscription term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service or subscription implementation costs. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

Assets	Years
Buildings and improvements	20-50
Computer Software	5
Equipment	3-20
Improvements	20
Infrastructure	25-65

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows and Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

L. Unearned and Unavailable Revenue

Unearned revenue is reported for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the government-wide financial statements are grant revenues received in advance.

In the governmental fund financial statements, unavailable revenue is reported when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City reports unavailable revenue when an asset is reported in governmental fund financial statements but the revenue is not available.

M. Compensated Absences

Under certain circumstances and according to the negotiated labor agreements, employees of the City are allowed to accumulate annual leave. This amount is accrued in the government-wide and proprietary fund statements. These amounts for annual leave are expected to be paid in future years from future resources.

N. Claims Payable

Claims payable in the Internal Service Fund represents estimates of claims against the City. The estimated claims payable represents the City's best estimate of the amount to be paid on workers' compensation and general liability claims. Losses for claims incurred but not reported are also recorded if the probable amount of loss can be reasonably estimated. The City is self-insured for general liability and workers' compensation in the amounts of \$500,000 and \$1,000,000 per claim, respectively. Excess coverage is provided by Public Risk Innovation, Solutions, and Management ("PRISM").

O. Lease Liabilities

The City recognizes lease liabilities with an initial, individual value of \$100,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City or usage of the underlying asset are not included in the measurement of the lease liability.

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.

Key estimates and judgments related to leases liabilities include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Lease Liabilities (Continued)

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset or liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

P. Subscription Based Information Technology Arrangements Liabilities

The City recognizes subscription liabilities with an initial, individual value of \$100,000 or more with a subscription term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City, usage of the underlying IT assets, or number of user seats are not included in the measurement of the subscription liability.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the lease liability is reduced by the principal portion of subscription payments made.

Key estimates and judgments related to subscription liabilities include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure any subscription asset or liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Q. Long-Term Debt

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs except for any portion related to prepaid insurance were recognized as expense in the period incurred. Premium or discount not considered as part of the reacquisition price was amortized over the life of the bond.

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs except for any portion related to prepaid insurance were recognized as expense in the period incurred. Premium or discount not considered as part of the reacquisition price was amortized over the life of the bond.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Long-Term Debt (Continued)

The governmental fund financial statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

General Fund, Low Mod Income Housing Asset Capital Projects Fund, Residential Refuse Special Revenue Fund, HUD Grants Capital Projects Fund, Planned Local Drainage Capital Projects Fund are typically used to liquidate pension liabilities for governmental funds.

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

S. Other Postemployment Benefits (“OPEB”)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

General Fund is typically used to liquidate OPEB liabilities for governmental funds.

The following timeframes are reported OPEB reporting:

<u>OPEB</u>	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Other Postemployment Benefits (“OPEB”) (Continued)

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

T. Property Taxes

Under California law, property taxes are assessed and collected by the counties for up to 1% of assessed property value, plus other increases approved by the voters. Property taxes collected are pooled and then allocated to the cities based on complex formulas. Property taxes are assessed, collected and allocated by Riverside County throughout the fiscal year. The following are key dates pertaining to property taxes:

January 1	Lien Date
July 1 to June 30	Levy Date
November 1 and February 1	Due Dates
December 11 and April 11	Delinquent Dates

Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue. Taxes are considered past due on the above delinquent dates, at which time the applicable property is subject to lien, and penalties and interest are assessed.

The County of Riverside collects an administration fee from the City and the former Redevelopment Agency for its services. The City receives a percentage of the basic 1% ad valorem tax rate allowed on property within the City of Corona. Property tax rates for the City's general obligation debt are set by the City Council based on assessed valuations and debt service requirements. The assessed valuation is at "full cash value".

U. Net Position and Fund Balances

In the Government-Wide Financial Statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of retention payable and debt that are attributable to the acquisition, construction, or improvement of those assets, and related deferred outflows and inflows of resources, net of unspent debt proceeds.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Net Position and Fund Balances (Continued)

In the Governmental Fund Financial Statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

- General Fund Emergency Contingency – The City’s general fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed as the declaration of a state or federal state of emergency or a local emergency as defined in Corona Municipal Code Section 2.52.020. A state of emergency is the existence of conditions of disasters which may result in property damage, death and/or injuries to the community. An emergency may also result from natural events that did not result in a request for state or federal assistance.
- Designated Revenues – Designated revenues are committed by minute action of the City Council. Upon receipt of the revenues and at the request of the specific department, funds may be appropriated for departmental use with the recommendation of the Finance Director, or with approval of City Council, depending on the amount of request.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Manager or the City Fiscal Officer for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

V. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City’s policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Spending Policy (Continued)

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City’s policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

W. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

Deficit Net Position

At June 30, 2024, Public Facility Project Capital Projects Funds had deficit fund balance of \$3,640,583. The deficit will be eliminated when reimbursements are received in the future year. The Successor Agency Trust Fund had a deficit net position in the amount of \$19,770,237 and will be eliminated with future redevelopment property trust fund revenue.

At June 30, 2024, Water Utility Enterprise Fund had deficit fund balance of \$81,527,798. The City plans to recover the costs of operating the water utility in the long run. A rate study is currently ongoing and is expected to raise the utility rates.

Note 3 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. Certain restricted funds which are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investments with fiscal agents.

The City had the following cash and investments at June 30, 2024:

	Government-Wide Statement of Net Position		Fiduciary Fund	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 356,704,927	\$ 137,632,148	\$ 6,098,991	\$ 500,436,066
Restricted cash and investments	56,998,606	1,094,745	30,685,571	88,778,922
Total cash and investments	\$ 413,703,533	\$ 138,726,893	\$ 36,784,562	\$ 589,214,988

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

The City’s cash and investments at June 30, 2024, in more detail:

Deposits with financial institution	\$	4,187,732
Petty cash		10,248
Custodial cash		1,212,154
Cash Escrow		1,557,146
Total cash		6,967,280
Investments		551,548,465
Investments with fiscal agent		30,699,243
Total investments		582,247,708
Total cash and investments	\$	589,214,988

A. Deposits

The carrying amounts of the City’s demand deposits were \$4,187,732 at June 30, 2024. Bank balances at that date were \$5,114,306, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City’s name.

The fair value of pledged securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City did not waive the collateral requirement for deposits insured by FDIC.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

B. Investments

Under the provisions of the City’s investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investments in One Issuer
United States Treasury Bills, Bonds and Notes	5 Years	None	None
United States Government Sponsored Agency Securities	5 Years	75%	None
Negotiable Certificates of Deposit	3 Years	20%	None
Banker's Acceptance Notes	180 days	20%	25%
Corporate Notes	5 Years	30%	None
Commercial Paper	270 days	25%	10% of the issuer outstanding paper
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million per account
Repurchasement Agreement	14 days	10%	None
Mutual Funds	N/A	20%	None
Bonds	N/A	25%	None
Diversified management companies	N/A	10%	None
Non-Government issued Mortgage-backed pass-through securities, collateralized Mortgage obligations and Asset-backed securities	5 years	15% of investing agency's surplus	None
Supernational	5 years		10%

N/A - Not Applicable

C. Local Agency Investment Fund (“LAIF”)

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City’s portion in the pool is the same as the value of the pool shares and reported at amortized cost.

D. Fair Value Measurement

At June 30, 2024, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024:

Investment Type	Measurement Input			Total
	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	
Local Agency Investment Fund	\$ -	\$ -	\$ 38,180,957	\$ 38,180,957
Money Market Funds	-	-	11,608,668	11,608,668
United States Government Sponsored Enterprise Securities	-	110,745,542	-	110,745,542
US Treasury Bills	185,803,693	-	-	185,803,693
Asset Backed Securities	-	39,417,985	-	39,417,985
Corporate Notes	-	104,322,642	-	104,322,642
Municipal Bonds	-	3,357,751	-	3,357,751
Supernational Obligations	-	11,890,442	-	11,890,442
Mutual Funds Held in Pension Trust	46,220,785	-	-	46,220,785
Held by Bond Trustee:				
Local Agency Investment Fund	-	-	2,389,942	2,389,942
Money Market Funds	-	-	28,309,301	28,309,301
Total	\$ 232,024,478	\$ 269,734,362	\$ 80,488,868	\$ 582,247,708

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2024, the City had the following investment maturities:

Investment Type	Remaining Maturity (In Months)			
	12 Months or Less	13-24 Months	25-60 Months	Total
Local Agency Investment Fund	\$ 38,180,957	\$ -	\$ -	\$ 38,180,957
Money Market Funds	11,608,668	-	-	11,608,668
United States Government Sponsored Enterprise Securities	29,020,991	23,846,803	57,877,748	110,745,542
US Treasury bills	15,752,588	17,895,251	152,155,854	185,803,693
Asset Backed Securities	-	2,479,635	36,938,350	39,417,985
Corporate Notes	4,146,973	16,766,095	83,409,574	104,322,642
Municipal Bonds	3,357,751	-	-	3,357,751
Supernational Obligations	-	11,890,442	-	11,890,442
Mutual Funds Held in Pension Trust	46,220,785	-	-	46,220,785
Held by Bond Trustee:				
Local Agency Investment Fund	2,389,942	-	-	2,389,942
Money Market Funds	28,309,301	-	-	28,309,301
Total	\$ 178,987,956	\$ 72,878,226	\$ 330,381,526	\$ 582,247,708

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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, by Standard and Poor's and Moody's at June 30, 2024 for each investment type:

Investment Type	Fair Value at June 30, 2024	Minimum Legal Rating	Minimum Rating			Not Required to be Rated
			AAA	AA	A	
Local Agency Investment Fund	\$ 38,180,957	Not Rated	\$ -	\$ -	\$ -	\$ 38,180,957
Money Market Funds	11,608,668	N/A	-	-	-	11,608,668
United States Government Sponsored Enterprise Securities	110,745,542	N/A	94,908,899	-	-	15,836,643
US Treasury bills	185,803,693	N/A	185,803,693	-	-	-
Asset Backed Securities	39,417,985	AA	-	-	-	39,417,985
Corporate Notes	104,322,642	A	1,749,280	16,417,936	86,155,426	-
Municipal Bonds	3,357,751	A	-	3,357,751	-	-
Supernational Obligations	11,890,442	AA	11,890,442	-	-	-
Held in Pension Trust:						
Mutual Funds	46,220,785	N/A	-	-	-	46,220,785
Held by Bond Trustee:						
Local Agency Investment Fund	2,389,942	N/A	-	-	-	2,389,942
Money Market Funds	28,309,301	N/A	-	-	-	28,309,301
Total	\$ 582,247,708		\$ 294,352,314	\$ 19,775,687	\$ 86,155,426	\$ 181,964,281

N/A - Not Required

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Concentration of Credit Risk

The City’s investment policy states that the City operates its investment pool with many state and self-imposed constraints. It does not buy stocks and it does not speculate. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in specific maturity, a specific issuer, or a specific class of securities.

The City will diversify its investment by security type, institution and maturity/call dates. The City’s investment policy states that no more than 50% of the City’s total investment portfolio shall be invested in a single security type or with a single financial institution. The only exception to these maturity limits shall be the investment in U.S. Treasury and authorized pools. Unless matched to a specific cash flow, the City shall not directly invest in securities maturing more than five years from the date of purchase.

At June 30, 2024, investment subject to portfolio restriction in any one issue that represent 5% or more of total City investments is as follows:

Issuers	Investment Type	Amount	Percentage
Federal Home Loan Mortgage Corporation	US Government Sponsored Enterprise Securities	\$ 69,913,422	14%
Federal National Mortgage Association	US Government Sponsored Enterprise Securities	30,512,947	6%

Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of a third party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of the third party. At June 30, 2024, none of the City’s deposits or investments were exposed to custodial credit risk.

Note 4 – Investment in Joint Venture

In July 2012, the City entered into an agreement with the Western Riverside County Regional Wastewater Authority (the “WRCRWA”) and became a voting member of the WRCRWA. The WRCRWA was formed in 1992 pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies, for the purpose of constructing, maintaining, operating, and managing facilities for the collection, transmission, treatment and disposal of wastewater, the reclamation of wastewater, and the use of reclaimed wastewater for any beneficial purpose.

WRCRWA is composed of five member agencies: City of Corona, Jurupa Community Services District, Western Municipal Water District, Home Gardens Sanitary District, and the City of Norco. The member agencies support the operating costs and capital costs through fixed and variable rates established by WRCRWA's Board of Directors. The governing body of WRCRWA is a Board of Directors, which consists of ten individuals, two appointed by each member.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Investment in Joint Venture (Continued)

WRCRWA owns and operates a 14 Million Gallons per Day (MGD) tertiary wastewater treatment plant. The plant capacity owned by its member agencies are shown as follows:

Member Agencies	Current MGD
City of Corona	2.62
Jurupa Community Services District	6.00
City of Norco	2.70
Western Municipal Water District	1.93
Home Gardena Sanitary District	0.75
Total	14.00

The City’s investment in WRCRWA for the fiscal year ended June 30, 2024 was \$19,251,322.

Unaudited financial information of the Authority for the fiscal year ended June 30, 2024, was summarized as follows:

Western Riverside County Regional Wastewater Authority Net Position:

Total assets	\$ 124,080,867
Total liabilities	(57,189,534)
Deferred Inflow of resources	(915,516)
Total net position (deficit)	\$ 65,975,817

Western Riverside County Regional Wastewater Authority Changes in Net Position:

Operating revenues	\$ 11,957,775
Operating expenses	(10,789,785)
Operating revenue before depreciation	1,167,990
Depreciation	(3,940,073)
Operating loss	(2,772,083)
Nonoperating revenue	7,715,255
Change in net position	4,943,172
Beginning net position	61,032,645
Ending net position	\$ 65,975,817

Financial statements of the Authority can be obtained from the WRCRWA office at 450 Alessandro Boulevard, Riverside, California 92517, for audited financial information.

Note 5 – Land Held for Resale

Land held for resale consists of real property acquired by the City and held for resale to private developers. The amount recorded as land held for resale and the corresponding fund balance classified as restricted as of June 30, 2024 was \$2,871,648 in the Low Mod Income Housing Asset Capital Projects Fund and \$1,461,000 in the HUD Grants Capital Projects Fund.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Receivables

At June 30, 2024, the balances of the long-term receivables were as follows:

Governmental Funds	Long-Term Receivable	Loans Receivable	Total
General Fund	\$ 1,100,647	\$ -	\$ 1,100,647
Low Mod Income Housing Assets Capital Projects Fund	8,268,191	6,926,333	15,194,524
Other Grants Capital Projects Fund	-	2,300,000	2,300,000
Development Special Revenue Funds	1,189,660	261,771	1,451,431
Nonmajor Governmental Funds	1,717,405	2,253,838	3,971,243
Total	<u>\$ 12,275,903</u>	<u>\$ 11,741,942</u>	<u>\$ 24,017,845</u>

General Fund

- Reimbursement receivables from developers for the Temescal Canyon Communications Tower totaling \$160,651.
- Reimbursement receivables from developers for South Corona area Community Facilities Plan totaling \$164,996.
- Notes receivables from developers for the sale of land totaling \$775,000.

Low Mod Income Housing Asset Capital Projects Fund

- Long-term receivables from developers totaling \$8,268,191.
- Loans receivables from developers and homeowners for home improvement loan and first-time home buyer programs totaling \$6,926,333.

Other Grants Capital Projects Funds

- Loans receivable from developers for building affordable housing totaling \$2,300,000.

Development Special Revenue Funds

- Long-term receivables for deferred fees from developers totaling \$1,189,660.
- Loans receivable from the developers totaling \$261,771.

Nonmajor Governmental Funds

- The nonmajor governmental funds (HUD Grants Capital Projects Fund) reported long-term receivables from developers in the amount of \$1,717,405 for development of low-income housing.
- The nonmajor governmental funds (HUD Grants Capital Projects Fund) reported loans receivable in the amount of \$2,253,838 for residential rehabilitation, home improvement, and first-time home buyer programs.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Lease Receivables

Lease receivables consist of agreements with others for the right-to-use of the underlying assets for land owned by the City at various locations. The remaining terms of the agreements range from 1 to 25 years. The incremental borrowing rate used was 2.98%. For the year ended June 30, 2024, the City recognized \$772,862 and \$420,106 in lease revenue and \$360,439 and \$121,818 in interest revenue for General Fund and Water Enterprise Fund, respectively. The outstanding receivables are in the amounts of \$11,818,763 and \$3,938,363 for General Fund and Water Enterprise Fund, respectively.

The future required payments for these leases, including interest, are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 437,760	\$ 348,350	\$ 786,110	\$ 322,186	\$ 112,133	\$ 434,319
2026	481,733	334,563	816,296	311,781	102,911	414,692
2027	501,154	320,299	821,453	334,423	93,454	427,877
2028	543,226	305,629	848,855	312,369	84,098	396,467
2029	548,931	289,814	838,745	335,969	74,588	410,557
2030-2034	3,470,977	1,174,099	4,645,076	930,821	272,559	1,203,380
2035-2039	3,151,642	661,744	3,813,386	837,683	145,194	982,877
2040-2044	2,249,685	252,558	2,502,243	460,908	56,984	517,892
2045-2049	433,655	21,063	454,718	92,223	2,756	94,979
Total	\$ 11,818,763	\$ 3,708,119	\$ 15,526,882	\$ 3,938,363	\$ 944,677	\$ 4,883,040

Note 8 – Interfund Transactions

A. Government-Wide Financial Statements

Internal Balances - At June 30, 2024, the City had the following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

	Internal Receivable
Internal Payable	Governmental Activities
Business-Type Activities	\$ 169,511,560

Included in the internal balances are net advances to nonmajor governmental funds from Electric Enterprise Funds in the amount of \$1,078,608, net of internal services fund activities related to business-type activities in the amount of \$2,038,176, and the following advances with CUA:

In February 2002, in the year when CUA was formed (See Note 1A), the CUA entered into finance purchase agreement with the City to acquire the City's Water and Sewer facilities (the "Agreements"). The terms of the Agreement are 55 years. The Agreements will terminate on February 6, 2056, at which time the CUA could renew the Agreements of the Water and Sewer facilities. The finance purchased assets of the Water and Sewer facilities were recorded at the City's historical cost, net of accumulated depreciation. The related debt has been recorded accordingly resulting in a principal payable for an amount equal to the net capital assets recorded on the City's financial statements.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Interfund Transactions

A. Government-Wide Financial Statements (Continued)

Per the Agreements, maximum repayments are calculated with a discount rate of 6.0%. The original payments since Fiscal Year 2001-02 through Fiscal Year 2007-08 were established as 5.0% to 8.0% of the corresponding utility sales revenues of that year, equivalent to discounting the principal amounts by a range from 1.2% to 3.0%. Starting Fiscal Year 2008-09 and continued to the next fiscal year, the payments were calculated with a 3.5% to 4.0% growth factor over the previous fiscal year, equivalent to discounting the principal amounts by 3.2% for Water Utilities and 2.8% for Sewer Utilities. In Fiscal Year 2011-12, the annual payment for Water Utility was calculated with a discount rate of 6.0% with a catch-up payment for the prior years in the amount of \$311,015, and the Sewer Utility's payment was discounted at 5.7% of the principal amount. For fiscal years 2013-14 and 2014-15, the payments for Water and Sewer utilities were calculated with a discount rate of 5.0% and 4.4%, respectively. For fiscal year ended June 30, 2024, the payments for Water and Sewer utilities were calculated with a discount rate of 6%.

Per the Agreements, all payments are considered interest payments toward the debt obligation. The CUA's obligations under the Agreements will cease, discharged and excused upon the date the aggregate amount of payments made by the CUA to the City equals the amount of the principal amount of the debt obligation.

The following internal balances – advance from other funds and to other funds were outstanding at June 30, 2024:

Advances from Other Fund	Advances to Other Funds	
	Governmental Activities	
Water Utility Enterprise Fund	\$	106,819,662
Sewer Utilities		
Enterprise Fund		65,808,682
Total	\$	<u>172,628,344</u>

During the year ended June 30, 2024, the following interfund transactions were paid by the CUA to the City:

<u>Advances from Other Fund</u>	<u>Interest</u>
Water Utility Enterprise Fund	\$ 2,296,287
Sewer Utilities	
Enterprise Fund	<u>1,548,785</u>
Total	<u>\$ 3,845,072</u>

At June 30, 2024, the future debt service payments required under the Agreement for the Water Utility are presented below:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ -	\$ 2,168,773
2026	-	2,047,634
2027	-	1,932,553
2028	-	1,823,225
2029	-	1,719,364
2030-2034	-	7,211,838
2035-2039	-	5,293,084
2040-2044	-	3,808,389
2045-2049	-	2,622,328
2050-2054	-	1,200,047
2055-2056	<u>106,819,662</u>	<u>137,085</u>
Total Future Repayments	<u>\$ 106,819,662</u>	<u>\$ 29,964,320</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Interfund Transactions (Continued)

A. Government-Wide Financial Statements (Continued)

At June 30, 2024, the future debt service payments required under the Agreement for the Sewer utility advances are presented below:

Year Ending June 30,	Principal	Interest
2025	\$ -	\$ 1,464,595
2026	-	1,384,616
2027	-	1,308,635
2028	-	1,236,453
2029	-	1,167,880
2030-2034	-	4,924,991
2035-2039	-	3,658,168
2040-2044	-	2,677,922
2045-2049	-	1,919,427
2050-2054	-	1,543,555
2055-2056	65,808,682	541,965
Total Future Payments	<u>\$ 65,808,682</u>	<u>\$ 21,828,207</u>

B. Fund Financial Statements

Due From/To Other Funds – At June 30, 2024, the City had the following due from/to other funds:

Due To Other Funds	
Governmental Funds	
Due From Other Funds	Nonmajor Governmental Funds
Governmental Fund:	
General Fund	<u>\$ 6,222,701</u>

The above amounts resulted from temporary reclassifications made at June 30, 2024 to cover cash shortfalls.

Advances To/From Other Funds – At June 30, 2024, the City had the following advances:

Advances to Other Funds				
Advances from Other Funds	Governmental Funds		Proprietary Fund	Total
	General Fund	Sewer Enterprise Fund	Electric Enterprise Fund	
Governmental Fund:				
Development Special Revenue Fund	\$ 6,612,390	\$ -	\$ -	\$ 6,612,390
Nonmajor Governmental Funds	166,548	-	1,078,608	1,245,156
Proprietary Fund:				
Water Enterprise Fund	106,819,662	3,614,688	-	110,434,350
Sewer Enterprise Fund	65,808,682	-	-	65,808,682
Total	<u>\$ 179,407,282</u>	<u>\$ 3,614,688</u>	<u>\$ 1,078,608</u>	<u>\$ 184,100,578</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

The General Fund made cash advances to the Development Special Revenue Fund (Park Development “Quimby”) over the years to help the fund to repay its outstanding 2001 Lease Revenue Bonds. These bonds were issued to refund the 1989 and 1993 Lease Revenue Bonds issued by the then Corona Public Improvement Corporation. Bond proceeds were used to acquire park land throughout the City. Repayment to the General Fund will continue to be made from development impact fees collected with future development. At June 30, 2024, the outstanding balance of the interfund loan was \$6,612,390. Also see advances to Water and Sewer Enterprise Funds at page 85 to 87.

In September 2017, the Electric Enterprise Fund made a loan to the Special Tax Districts Special Revenue Funds to advance funding for the LED street and safety light retrofit project. Repayment is expected to be made over a 10-year period, utilizing available revenue. At June 30, 2024, the outstanding balance was in the amount of \$1,078,608.

During the years ended June 30, 2018 and 2019, Sewer Enterprise Fund advanced total of \$3,614,688 to the Water Enterprise Fund. The interfund loan and repayment agreement was executed during the year ended June 30, 2023 with interest rate based on LAIF quarterly apportionment rate for the fiscal year but no greater than 2%. The principal is due when there is sufficient working capital to repay the advance. There is no fixed repayment schedule on the principal amount owed. At June 30, 2024, the outstanding balance was in the amount of \$3,614,688.

Transfers In/Out – During the year ended June 30, 2024, the City had the following transfers in/out:

	Transfers Out		
	Governmental Funds		
Transfers In	General Fund	Nonmajor Governmental Funds	Total
Governmental Fund:			
General Fund	\$ -	\$ 1,289,243	\$ 1,289,243
Internal Service Funds	666,656	-	666,656
Total	<u>\$ 666,656</u>	<u>\$ 1,289,243</u>	<u>\$ 1,955,899</u>

Administratively, resources may be transferred from one City fund to another. The purpose of the majority of transfers was to provide funding for other funds with the City Council’s approvals. Included in the Nonmajor Governmental Funds transfer was \$1,289,243 from Gas Tax Special Revenue Fund to the General Fund for the engineering and project support.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Capital Assets

A. Governmental Activities

A summary of changes in the capital assets for the governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Transfers	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 85,560,234	\$ -	\$ 3,762,041	\$ -	\$ 89,322,275
Streets	224,068,953	-	1,671,832	-	225,740,785
Construction in progress	195,942,273	(2,098,574)	35,232,742	-	229,076,441
Total capital assets, not being depreciated	505,571,460	(2,098,574)	40,666,615	-	544,139,501
Capital assets, being depreciated:					
Buildings and improvements	240,557,943	114,497	-	(313,681)	240,358,759
Machinery and equipment	45,951,769	1,363,027	4,884,240	(748,724)	51,450,312
Computer software	959,782	-	-	-	959,782
Infrastructure	370,142,327	621,050	5,718,793	-	376,482,170
Total capital assets, being depreciated	657,611,821	2,098,574	10,603,033	(1,062,405)	669,251,023
Less accumulated depreciation for:					
Buildings and improvements	(139,493,151)	-	(4,846,490)	287,727	(144,051,914)
Machinery and equipment	(31,626,125)	-	(2,762,776)	743,911	(33,644,990)
Computer software	(954,810)	-	(4,972)	-	(959,782)
Infrastructure	(159,142,462)	-	(6,254,283)	-	(165,396,745)
Total accumulated depreciation	(331,216,548)	-	(13,868,521)	1,031,638	(344,053,431)
Total capital assets, being depreciated, net	326,395,273	2,098,574	(3,265,488)	(30,767)	325,197,592
Intangible assets, being amortized:					
Right-to-use lease vehicles	1,863,213	-	306,380	-	2,169,593
Right-to-use subscription assets	6,090,416	-	1,121,873	-	7,212,289
Total Intangible assets, being amortized	7,953,629	-	1,428,253	-	9,381,882
Less accumulated amortization for:					
Right-to-use lease vehicles	(851,467)	-	(254,858)	-	(1,106,325)
Right-to-use subscription assets	(1,937,743)	-	(2,685,829)	-	(4,623,572)
Total accumulated amortization	(2,789,210)	-	(2,940,687)	-	(5,729,897)
Total intangible assets, being amortized, net	5,164,419	-	(1,512,434)	-	3,651,985
Governmental activities capital assets, net	\$ 837,131,152	\$ -	\$ 35,888,693	\$ (30,767)	\$ 872,989,078

Depreciation and amortization expense was charged to functions of the governmental activities for the year ended June 30, 2024 as follows:

General government	\$ 4,514,764
Public safety - fire	780,468
Public safety - police	715,265
Public works	4,783,588
Community services	2,590,998
Internal service	3,424,125
Total depreciation expense - governmental activities	\$ 16,809,208

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Capital Assets (Continued)

B. Business-Type Activities

A summary of changes in the capital assets for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Transfers	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 5,716,878	\$ -	\$ -	\$ -	\$ 5,716,878
Water and pumping rights	19,644,651	-	-	-	19,644,651
Construction in progress	19,866,724	(2,013,422)	24,648,135	-	42,501,437
Total capital assets, not being depreciated	45,228,253	(2,013,422)	24,648,135	-	67,862,966
Capital assets, being depreciated:					
Buildings and improvements	106,583,465	163,828	-	(96,410)	106,650,883
Machinery and equipment	140,059,541	547,213	791,255	(1,226,695)	140,171,314
Computer software	1,770,193	-	-	-	1,770,193
Infrastructure	409,333,200	1,302,381	2,123,353	(18,668)	412,740,266
Total capital assets, being depreciated	657,746,399	2,013,422	2,914,608	(1,341,773)	661,332,656
Less accumulated depreciation for:					
Buildings and improvements	(56,467,058)	-	(2,435,637)	73,517	(58,829,178)
Machinery and equipment	(86,409,724)	-	(6,105,838)	685,324	(91,830,238)
Computer software	(1,715,795)	-	(44,800)	-	(1,760,595)
Infrastructure	(134,854,991)	-	(7,592,866)	21,006	(142,426,851)
Total accumulated depreciation	(279,447,568)	-	(16,179,141)	779,847	(294,846,862)
Total capital assets, being depreciated, net	378,298,831	2,013,422	(13,264,533)	(561,926)	366,485,794
Intangible assets, being amortized:					
Right-to-use lease assets	217,306	-	-	-	217,306
Accumulated amortization	(73,249)	-	(16,212)	-	(89,461)
Total lease assets, being amortized, net	144,057	-	(16,212)	-	127,845
Business-type activities capital assets, net	\$ 423,671,141	\$ -	\$ 11,367,390	\$ (561,926)	\$ 434,476,605

Depreciation and amortization expense was charged to functions of the business-type activities for the year ended June 30, 2024 as follows:

Water	\$ 10,391,714
Sewer	5,078,031
Electric	385,216
Transit Service	326,095
Airport	14,297
Total depreciation expense - business-type activities	\$ 16,195,353

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Capital Assets (Continued)

C. Infrastructure Assets

Below is a summary of infrastructure assets of the City as of June 30, 2024:

Description	Historical Cost	Accumulated Depreciation	Net Cost
Governmental activities:			
Modified approach			
Street pavement system	\$ 225,740,785	\$ -	\$ 225,740,785
Basic approach			
Curbing	83,955,699	(45,111,117)	38,844,582
Sidewalks	106,873,165	(49,440,999)	57,432,166
Signs and lights	51,846,654	(19,446,132)	32,400,522
Storm drains	126,697,815	(47,925,822)	78,771,993
Fiberoptics	5,902,208	(3,352,061)	2,550,147
Electric	1,206,629	(120,614)	1,086,015
Subtotal basic approach	<u>376,482,170</u>	<u>(165,396,745)</u>	<u>211,085,425</u>
Total governmental activities	<u>\$ 602,222,955</u>	<u>\$(165,396,745)</u>	<u>\$ 436,826,210</u>
Business-type activities:			
Basic approach			
Fiberoptics	\$ 235,856	\$ (215,911)	\$ 19,945
Curbing	29,287	(451)	28,836
Sidewalks	281,933	(21,692)	260,241
Electric	9,393,937	(2,243,844)	7,150,093
Signs and lights	249,270	(69,812)	179,458
Storm drains	587,829	(42,716)	545,113
Water	291,585,533	(104,456,905)	187,128,628
Sewer	110,376,621	(35,375,520)	75,001,101
Total business-type activities	<u>\$ 412,740,266</u>	<u>\$(142,426,851)</u>	<u>\$ 270,313,415</u>

D. Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2024. These projects include street construction in areas of newly developed housing, pavement rehabilitation, and various water and sewer upgrades and replacements. At year end, the City's construction in progress totaled \$271,577,878.

The following material construction commitments existed at June 30, 2024:

Project Name	Contract Amount	Expenditures to date as of June 30, 2024	Remaining Commitments
Governmental activities:			
McKinley Street Grade Separation	\$53,666,838	\$ 27,739,980	\$ 25,926,858
City Park Revitalization	11,917,910	1,989,391	9,928,519
6th St Beautification/Revitalization	1,058,004	183,863	874,141
Business-type activities:			
WRF#3 Lift Station	2,022,605	551,946	1,470,659
WRF1 Aeration Diffuser Replacement	4,386,179	3,023,633	1,362,546
WRF2 MCC INST Sunkist Aeration	3,663,130	1,565,180	2,097,950
WRF1 Centrifuge Installation	2,328,173	758,868	1,569,305
AMI Meter Replacement	16,359,627	378,651	15,980,976
Liberty Avenue Waterline Replacement	1,719,043	76,466	1,642,577
WRF1 Digester Dome #2 Replacement	2,343,484	1,063,082	1,280,402
WRF2 Second Clarifier Rehab	2,030,488	39,558	1,990,930
Total material construction commitments	<u>\$ 101,495,481</u>	<u>\$ 37,370,618</u>	<u>\$ 64,124,863</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Compensated Absences

Under certain circumstances and accordingly to the negotiated labor agreements, City employees are allowed to accumulate annual leave. The annual leave amount is accrued and accounted for as compensated absences in the government-wide and proprietary fund statements.

The following is a summary of compensated absences payable transactions for the year ended June 30 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Governmental activities:						
Compensated absences	\$ 11,822,744	\$ 9,410,820	\$ (8,724,260)	\$ 12,509,304	\$ 8,727,209	\$ 3,782,095
Business-type activities						
Compensated absences	\$ 1,312,228	\$ 1,227,728	\$ (1,152,870)	\$ 1,387,086	\$ 1,225,241	\$ 161,845

The General Fund and Internal Service Funds are used to liquidate the compensated absences for governmental activities. The Enterprise Funds are used to liquidate the compensated absences for business-type activities.

Note 11 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Governmental Activities:						
<u>Public Offering:</u>						
2016 Lease Revenue Refunding Bonds	\$ 16,790,000	\$ -	\$ (1,475,000)	\$ 15,315,000	\$ 1,530,000	\$ 13,785,000
Unamortized bond premium	1,933,468	-	(148,728)	1,784,740	-	1,784,740
2021 Pension Obligation Bond	207,894,781	-	(15,247,466)	192,647,315	16,159,424	176,487,891
Total Public Offering	226,618,249	-	(16,871,194)	209,747,055	17,689,424	192,057,631
<u>Direct Borrowing:</u>						
2012 Refunding Lease	7,931,101	-	(1,885,087)	6,046,014	1,948,766	4,097,248
Lease liabilities	386,052	244,381	(251,396)	379,037	107,340	271,697
Subscription liabilities	3,654,002	1,059,917	(2,494,765)	2,219,154	1,840,101	379,053
Compensated absences	11,822,744	9,410,820	(8,724,260)	12,509,304	8,727,209	3,782,095
Claims and judgments	22,452,172	7,281,939	(5,552,370)	24,181,741	3,997,261	20,184,480
Total governmental activities	\$ 272,864,320	\$ 17,997,057	\$(35,779,072)	\$255,082,305	\$ 34,310,101	\$220,772,204

2016 Lease Revenue Refunding Bonds

On July 7, 2016, the CPFA issued the 2016 Lease Revenue Refunding Bonds in the amount of \$24,520,000 to refund the CPFA 2006 Lease Revenue Bonds Series C, which were issued to pay the costs of the Corporate Yard Expansion project. The bonds issued at a premium of \$2,974,564 and bear interest rates from 2.000% to 5.000% per annum. Interest is paid semiannually on May 1 and November 1 of each year, commencing May 1, 2017. Annual installments ranging from \$880,000 to \$1,590,000 are due through November 1, 2036. The bonds are payable from the revenues to be received by the CPFA from the City as lease payments for the right to use certain real property.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2016 Lease Revenue Refunding Bonds (Continued)

The future annual debt service requirements for the 2016 Lease Revenue Refunding Bonds are listed below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,530,000	\$ 579,850	\$ 2,109,850
2026	1,590,000	517,450	2,107,450
2027	880,000	463,650	1,343,650
2028	925,000	418,525	1,343,525
2029	970,000	371,150	1,341,150
2030-2034	5,590,000	1,106,400	6,696,400
2035-2037	3,830,000	174,600	4,004,600
Total	<u>\$ 15,315,000</u>	<u>\$ 3,631,625</u>	<u>\$ 18,946,625</u>

2021 Taxable Pension Obligation Bonds

On October 1, 2021, The City issued 2021 Taxable Pension Obligation bonds in the amount of \$276,710,000 to pay all the City’s currently unamortized, unfunded accrued actuarial liability to the California Public Employees Retirement System with respect to the City’s defined benefit retirement plans for City employees and pay costs of issuance of the bonds. The bond bears interest rate from 0.249% to 2.702% per annum. Interest is paid semiannually on May 1 and November 1 of each year commencing May 1, 2022. Annual installments ranging from \$16,375,000 to \$28,835,000 are due through May 1, 2034.

The future annual debt service requirements for the 2021 Taxable Pension Obligation Bonds are listed below:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 16,159,424	\$ 4,014,378	\$ 2,685,418	\$ 684,517
2026	17,116,508	3,831,615	2,848,021	654,145
2027	17,868,151	3,598,659	2,976,133	615,383
2028	18,393,273	3,297,938	3,115,741	565,295
2029	18,906,249	2,955,271	3,087,820	507,249
2030-2034	104,203,710	8,071,975	17,971,768	1,418,779
Total	<u>\$ 192,647,315</u>	<u>\$ 25,769,836</u>	<u>\$ 32,684,901</u>	<u>\$ 4,445,368</u>

Year Ending June 30,	Fiduciary Activities		Total		
	Principal	Interest	Principal	Interest	Total
2024	\$ 5,158	\$ 1,315	\$ 18,850,000	\$ 4,700,210	\$ 23,550,210
2025	5,471	1,257	19,970,000	4,487,017	24,457,017
2026	5,716	1,182	20,850,000	4,215,224	25,065,224
2027	5,986	1,086	21,515,000	3,864,319	25,379,319
2028	5,931	974	22,000,000	3,463,494	25,463,494
2029-2033	34,522	2,725	122,210,000	9,493,479	131,703,479
Total	<u>\$ 62,784</u>	<u>\$ 8,539</u>	<u>\$ 225,395,000</u>	<u>\$ 30,223,743</u>	<u>\$ 255,618,743</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2012 Refunding Lease Financing Agreement

On June 1, 2012, the City entered into the 2012 Refunding Lease financing agreement with Compass Mortgage Corporation, a private lender, in the amount of \$25,265,511 to refund the CPFA Lease Revenue 2002 Series B bonds originally issued in the amount of \$35,000,000 to pay the costs of the design, construction and acquisition of the City Hall facility. The 2002 Series B bonds were refunded in its entirety in September 2012. The 2012 Refunding Lease is payable over a fifteen-year period.

As of June 30, 2024, the future annual debt service requirements for the 2012 Refunding Lease Financing Agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,948,766	\$ 186,356	\$ 2,135,122
2026	2,014,597	120,525	2,135,122
2027	2,082,651	52,471	2,135,122
Total	<u>\$ 6,046,014</u>	<u>\$ 359,352</u>	<u>\$ 6,405,366</u>

Lease Liabilities

The City has entered into leases for vehicle uses. The terms of the agreements are 60 months with a implicit rate of 3.96%. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 107,340	\$ 22,078	\$ 129,418
2026	114,006	15,411	129,417
2027	80,243	8,873	89,116
2028	60,847	3,663	64,510
2029	16,601	290	16,891
	<u>\$ 379,037</u>	<u>\$ 50,315</u>	<u>\$ 429,352</u>

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 24 to 78 months with an implicit rate of 3.00%. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,840,102	\$ 62,612	\$ 1,902,714
2025	379,052	9,915	388,967
	<u>\$ 2,219,154</u>	<u>\$ 72,527</u>	<u>\$ 2,291,681</u>

Compensated Absences

The balance at June 30, 2024, was \$12,509,305. See Note 10 for more detailed information.

Claims and Judgments

The balance at June 30, 2024, was \$24,181,741. See Note 12 for more details.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Business-Type activities						
<u>Public Offering:</u>						
2023 Water Revenue Refunding Bond	\$ 20,085,000	\$ -	\$ (1,820,000)	\$ 18,265,000	\$ 3,480,000	\$ 14,785,000
2013 Wastewater Revenue Bonds	7,550,000	-	(690,000)	6,860,000	725,000	6,135,000
Total Revenue Bonds	27,635,000	-	(2,510,000)	25,125,000	4,205,000	20,920,000
Bond Premium - Water	2,111,297	-	(230,323)	1,880,974	-	1,880,974
Bond Premium - Wastewater	170,373	-	(18,930)	151,443	-	151,443
Total Premium	2,281,670	-	(249,253)	2,032,417	-	2,032,417
2021 Pension Obligation Bond	35,217,570	-	(2,532,669)	32,684,901	2,685,418	29,999,483
Total Public Offering	65,134,240	-	(5,291,922)	59,842,318	6,890,418	52,951,900
<u>Direct Borrowing:</u>						
Brine Line Installment Agreement	5,894,074	-	(423,179)	5,470,895	435,873	5,035,022
State Loan C-06-4802-110	5,554,952	-	(1,806,121)	3,748,831	1,851,274	1,897,557
State Loan C-06-7834-110	9,527,265	-	(309,369)	9,217,896	315,865	8,902,031
Total Direct Borrowing	20,976,291	-	(2,538,669)	18,437,622	2,603,012	15,834,610
Lease Payable	365	-	(365)	-	-	-
Compensated absences	1,312,228	1,227,728	(1,152,870)	1,387,086	1,225,241	161,845
Total business-Type activities	\$ 87,423,124	\$ 1,227,728	\$ (8,983,826)	\$ 79,667,026	\$ 10,718,671	\$ 68,948,355

2023 Corona Utility Authority Water Revenue Refunding Bonds

On June 8, 2023, the Corona Utility Authority issued the 2023 Water Revenue Refunding Bonds in the amount of \$20,085,000 (plus a net original issue premium of \$2.1 million) with interest rate at 5.0% to current refund 2012 Corona Utility Authority Water Revenue Bonds. The CUA 2023 Water Revenue Refunding Bonds possessed an underlying credit rating of "AA" from Standard & Poor's.

The outstanding bonds bear interest rate at 5.0% and are due in annual installments ranging from \$1,820,000 to \$2,450,000 through 2032. The bonds are considered a liability of the Water Utility fund. The future annual debt service requirements for the 2023 CUA Water Revenue Refunding Bonds are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,660,000	\$ 871,750	\$ 2,531,750
2026	1,735,000	786,875	2,521,875
2027	1,820,000	698,000	2,518,000
2028	1,915,000	604,625	2,519,625
2029	2,015,000	506,375	2,521,375
2030-2034	9,120,000	940,000	10,060,000
Total	<u>\$ 18,265,000</u>	<u>\$ 4,407,625</u>	<u>\$ 22,672,625</u>

2021 Taxable Pension Obligation Bonds

See Note 11A for more detail.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2013 Corona Utility Authority Wastewater Revenue Bonds

On June 26, 2013, the Corona Utility Authority issued the 2013 Wastewater Revenue bonds in the amount of 20,890,000 (plus a net original issue premium of \$2.1 million) with interest rates ranging from 2.0% to 5.0%, to refund several outstanding City debts, and to fund certain capital improvement projects for the Sewer Utility. The CUA 2013 Wastewater Revenue bonds possessed an underlying credit rating of "AA" from Standard & Poor's.

The refunded debts included the Biosolids Project portion of the 2003 Certificates of Participation (Clearwater Cogen/Recycled Water Project), the outstanding CPIC 1997 Certificates of Participation (Sunkist Plant), and the State Water Resources Control Board loan contract # 6-807- 5850-0 (WWTP#1). Of the total proceeds, \$3.9 million was to fund the improvement of certain influent screening, aeration and centrifuge facilities at Sewer Facility No. 1.

The outstanding bonds bear interest rates from 2.0% to 5.0% and are due in annual installments ranging from \$590,000 to \$2,400,000 through 2028 with term bonds in the amount of \$2,860,000 due on September 1, 2031. The bonds are considered a liability of the Sewer Utility fund. The future annual debt service requirements for the 2013 CUA Wastewater Revenue Bonds are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 725,000	\$ 287,875	\$ 1,012,875
2026	760,000	250,750	1,010,750
2027	800,000	211,750	1,011,750
2028	840,000	174,950	1,014,950
2029	875,000	136,275	1,011,275
2030-2032	2,860,000	174,400	3,034,400
Total	<u>\$ 6,860,000</u>	<u>\$ 1,236,000</u>	<u>\$ 8,096,000</u>

Brine Line System Discharge Right Agreement

On November 5, 2014, the City Council and the Corona Utility Authority Board authorized an agreement for the assignment of California Rehabilitation Center's wastewater discharge rights by and among the City of Corona, the Western Municipal Water District of Riverside County, the California Department of Corrections and Rehabilitation, and the City of Norco. The City of Corona purchased 750,000 gallons per day wastewater disposal right from the City of Norco through the Santa Ana Regional Interceptor (SARI) or Inland Empire Brine Line for a total amount of \$9,864,651. Initial principal payment of \$1,000,000 was made in June 2015, and the remaining balance was to be amortized at an interest rate of 3.00% over 20 years through 2035. Annual payment is \$600,000. As of June 30, 2024, outstanding balance on the debt was \$5,470,895. The future annual debt service requirements per the agreement are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 435,873	\$ 164,127	\$ 600,000
2026	448,949	151,051	600,000
2027	462,418	137,582	600,000
2028	476,290	123,710	600,000
2029	490,579	109,421	600,000
2030-2034	2,682,687	317,312	2,999,999
2035	474,099	14,223	488,322
Total	<u>\$ 5,470,895</u>	<u>\$ 1,017,426</u>	<u>\$ 6,488,321</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

State Revolving Fund Loan Contract No. C-06-4802-110

On June 10, 2003, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. C-06-4802-110 for a maximum amount of \$30,228,817, for construction of facilities at the Water Reclamation Facility No. 1. These facilities will provide recycled water to existing and future customers within the City. The loan is payable over a period of 20 years at an interest rate of 2.50% in equal annual installments of \$1,944,995 through 2026. The amount outstanding at June 30, 2024 was \$3,748,831. Annual future debt service requirements for the loan are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,851,274	\$ 93,720	\$ 1,944,994
2026	1,897,557	47,439	1,944,996
Total	<u>\$ 3,748,831</u>	<u>\$ 141,159</u>	<u>\$ 3,889,990</u>

State Revolving Fund Loan Contract No. C-06-7834-110

On February 1, 2014, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. C-06-7834-110 for a maximum amount of \$11,259,585, for the construction of the tertiary filtration project at the Water Reclamation Facility No. 2. The construction of the tertiary filtration process will allow for the production of 3.67 million gallons per day of peak capacity of Title 22 reclaimed water. The loan is payable over a period of 30 years at an interest rate of 2.10% in equal annual installments of \$509,441 through 2046. The amount outstanding at June 30, 2024 is \$9,217,896. Annual future debt service requirements for the loan are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 315,865	\$ 193,576	\$ 509,441
2026	322,498	186,943	509,441
2027	329,271	180,170	509,441
2028	336,186	173,255	509,441
2029	343,246	166,196	509,442
2029-2033	1,827,425	719,780	2,547,205
2034-2038	2,027,535	519,670	2,547,205
2039-2043	2,249,558	297,648	2,547,206
2044-2047	1,466,312	62,012	1,528,324
Total	<u>\$ 9,217,896</u>	<u>\$ 2,499,250</u>	<u>\$ 11,717,146</u>

Water Enterprise Fund Vehicle Lease Payable

The City entered into a lease agreement with Enterprise FM Trust, a private lender, in the amount of \$34,653 for right to use of vehicles. The lease was payable over a five-year period. The lease payable was fully settled as of June 30, 2024.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Pledged Revenues

The City has pledged, as security for its water revenue bonds and term loans, a portion of the utility customer revenues, net of specified operating expenses, to repay \$38,091,727 in outstanding debts as of June 30, 2024. These debts were to provide financing for various capital projects of the City, including the construction of certain water system and wastewater treatment facilities. The bonds and loans are payable solely from the City's utility customer net revenues. Annual principal and interest payments on these bonds required less than 24.9% of net revenues subject to the pledge. The total remaining debt service including interest to be paid on these obligations are \$46,375,761. Principal and interest paid for the current year was \$5,975,846, and total customer net revenue subject to pledge was \$23,996,381.

Compensated Absences

The balance at June 30, 2024, was \$1,387,084. See Note 10 for more detailed information.

C. Fiduciary Funds

The following long-term obligations were approved by California State Department of Finance as enforceable obligations and were considered as accounting liabilities in accordance with GAAP.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
<u>Public Offering</u>						
2021 Pension Obligation Bond	\$ 67,649	\$ -	\$ (4,865)	\$ 62,784	\$ 5,158	\$ 57,626
2007 Temescal Canyon Project Area Tax Allocation	11,020,000	-	(900,000)	10,120,000	940,000	9,180,000
2007 Project Area "A" Taxable Tax Allocation Bonds	20,610,000	-	(785,000)	19,825,000	3,760,000	16,065,000
2015 Tax allocation refunding bonds, Series "A"	2,445,000	-	(2,445,000)	-	-	-
Unamortized Bond Premium	241,147	-	-	241,147	-	241,147
Total fiduciary activities	\$ 34,383,796	\$ -	\$ (4,134,865)	\$ 30,248,931	\$ 4,705,158	\$ 25,543,773

The Successor Agency's outstanding bonds from public offerings was in the amount of \$29,945,000 at June 30, 2024. The bond contains a provision that if any event of default should occur, the trustee shall declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, at the written direction of the majority Bond Owners and upon receipt of the prior written consent of the Bond Insurer.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

C. Fiduciary Funds (Continued)

2007 Temescal Canyon Project Area Tax Allocation Bonds

The \$22,155,000 of Temescal Canyon Project Area 2007 Tax Allocation Bonds were issued to facilitate the transformation of a former mining facility and blighted area into developed backbone infrastructure improvements within the project area. The bonds bore interest from 4.00% to 4.50% and were due in annual installments ranging from \$495,000 to \$1,335,000, with term bonds of \$1,770,000 due November 1, 2022, \$1,840,000 due November 1, 2024, \$2,000,000 due November 1, 2026, \$3,350,000 due November 1, 2029 and \$3,830,000 due November 1, 2032. The escrow term bonds in the amount of \$3,465,000 bore interest at 4.50% and is due November 1, 2032.

The annual debt service requirements for the 2007 Temescal Canyon Tax Allocation Bonds are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 940,000	\$ 431,703	\$ 1,371,703
2026	975,000	389,603	1,364,603
2027	1,025,000	345,634	1,370,634
2028	1,070,000	299,025	1,369,025
2029	1,110,000	249,975	1,359,975
2030-2033	5,000,000	462,375	5,462,375
Total	<u>\$ 10,120,000</u>	<u>\$ 2,178,315</u>	<u>\$ 12,298,315</u>

2007 Project Area "A" Taxable Tax Allocation Bonds

The \$29,550,000 of Project Area "A" 2007 Taxable Tax Allocation Bonds were issued on a parity basis with the 2004 Tax Allocation Bonds to further facilitate the rehabilitation of a retail center and the development of mixed used commercial, hotel, office, and light industrial projects within the Merged Downtown project area. The bonds bore interest from 4.69% to 6.25% and were due in annual installments ranging from \$315,000 to \$1,140,000, with term bonds of \$23,850,000 due September 1, 2027. The annual debt service requirements for the 2007 Project Area "A" Tax Allocation Bonds are presented below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,760,000	\$ 1,122,280	\$ 4,882,280
2026	4,145,000	875,091	5,020,091
2027	5,450,000	575,055	6,025,055
2028	6,470,000	202,317	6,672,317
Total	<u>\$ 19,825,000</u>	<u>\$ 2,774,743</u>	<u>\$ 22,599,743</u>

2015 Tax Allocation Refunding Bonds Series A

The \$16,895,000 of the Subordinate Tax Allocation Refunding Bonds Series A were issued to refund a portion of the 1996 Set-Aside Tax Allocation Bonds and 2004 Project Area "A" Tax Allocation Bonds. The bonds bore interest from 3.00% to 5.00% and were due in annual installments ranging from \$1,635,000 to \$2,800,000, with term bonds of \$2,445,000 due September 1, 2023. The bonds were fully settled as of June 30, 2024.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

C. Fiduciary Funds (Continued)

2021 Taxable Pension Obligation Bonds

See Note 11A for more detail.

Pledged Revenue

Due to the dissolution of the former Corona Redevelopment Agency, the tax increment funds that were pledged to the bondholders were no longer received in full by the Agency. AB X1 26 restructured the former redevelopment agencies' revenue from tax increments to a Redevelopment Property Tax Trust Fund ("RPTTF"). RPTTF funds are distributed semi-annually to the Successor Agency to pay enforceable obligations approved by the Department of Finance on the Recognized Obligations Payment Schedule ("ROPS"). The total principal and interest remaining on the Successor Agency debt obligations were \$34,898,058 with annual debt service requirements as listed above. For the current year, the total RPTTF funds available to the Successor Agency for the payment of these indebtedness was \$7,954,069 and the debt service payments on the bonds was \$5,927,684.

D. Non-City Obligations

Special Assessment District Bonds (Non-City Obligation)

The payment of this bonds is secured by valid assessment liens upon certain lands in each district and is not a direct liability of the City. Reserves have been established from the bond proceeds to meet delinquencies should they occur. Neither the faith and credit nor taxing power of the City of Corona is pledged to the payment of the bonds. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay those delinquencies out of any other available funds. The City acts solely as an agent for those paying the assessments and the bondholders.

As of June 30, 2024, the special assessment district bonds' balances outstanding were:

	Balance at <u>June 30, 2024</u>
Assessment District:	
AD 96-1, Series 1999 A	<u>\$ 120,000</u>

Community Facilities District Bonds (Non-City Obligation)

These bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 as amended and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District and by the City Council. Neither the faith and credit nor taxing power of the City is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay the delinquency out of any available funds of the City. The City acts solely as an agent for those paying taxes levied and the bondholders.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Long-Term Liabilities (Continued)

D. Non-City Obligations (Continued)

Community Facilities District Bonds (Non-City Obligation) (Continued)

The following Community Facilities Districts Bonds are currently active:

	<u>Balance at June 30, 2024</u>
Community Facilities Districts	
\$ 13,455,000 CFD 2002-1 Dos Lagos 2017 Special Tax Refunding	\$ 9,530,000
7,125,000 CFD 2002-1 Dos Lagos 2017 IA Special Tax Refunding	5,355,000
7,010,000 CFD 2002-4 2017 Special Tax Refunding Bond	4,890,000
5,475,000 CFD 2016-2 2018 Special Tax Bonds	4,900,000
9,000,000 CFD 2018-1 Bedford IA1, 2018 Special Tax Bonds	8,805,000
3,650,000 CFD 2017-2 Valencia/Seville 2018 Special Tax Bonds	3,370,000
4,175,000 CFD 2000-1, 2020 Special Tax Refunding Bond	2,795,000
2,150,000 CFD 2001-2, 2020 Special Tax Refunding Bond	1,495,000
5,200,000 CFD 2003-2, 2020 Special Tax Refunding Bond	3,835,000
2,505,000 CFD 2004-1, 2020 Special Tax Refunding Bond	1,950,000
10,240,000 CFD 2018-1 Bedford IA1, 2020 Special Tax Bonds	10,155,000
15,190,000 CFD 2018-2, Sierra Bella 2022 Special Tax Bonds	<u>14,965,000</u>
Total Community Facilities Districts	<u>\$ 72,045,000</u>

E. Conduit Debt Obligations

Not included in the accompanying financial statements are various conduit debt obligations issued under the name of the City and/or the Agency. The bonds are not secured by or payable from revenues or assets of the City or Agency. Neither the faith and credit nor the taxing power of the City, the Agency, the State of California or any political subdivision thereof is pledged to the payment of the principal of and interest on the bonds nor is the City or the Agency in any manner obligated to make any appropriations for payments on these bonds. At June 30, 2024, the aggregate principal amount of conduit debt obligations outstanding totaled \$44,437.

F. Bond Requirement

The City adopted an Administrative Policy No. 300.22, City Bond Compliance, on July 23, 2012. The purpose of the policy is to ensure all requirements of the federal and state law necessary to preserve the tax advantages of the City bonds are continuously complied with for the requisite periods. The policy covers the investment and expenditure of bond proceeds, the use of bond-financed facilities and other administrative requirements including continuing disclosure, arbitrage calculation and records retention.

At June 30, 2024, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Risk Management

A. Workers' Compensation Insurance

The City's self-insured retention is \$1,000,000 with an excess policy insuring claims over \$4,000,000 up to a limit of \$45,000,000. Departments are charged a percentage of the total estimated insurance, claims expense and premiums based on payroll costs. The actuarial estimated liability for pending and incurred, but not reported claims at June 30, 2024 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2024, the City's workers' compensation self-insurance program was funded at a confidence level of 80%.

The City's self-insured retention is \$1,000,000 with an excess policy insuring claims over \$4,000,000 up to a limit of \$45,000,000. Departments are charged a percentage of the total estimated insurance, claims expense and premiums based on payroll costs. The actuarial estimated liability for pending and incurred, but not reported claims at June 30, 2024 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2024, the City's workers' compensation self-insurance program was funded at a confidence level of 80%.

The following table presents claims and judgments payable for the City's workers' compensation self-insurance program for the year ended June 30, 2024, and its two preceding years:

Year Ended	Balance at July 1	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at June 30
June 30, 2022	\$ 20,033,659	\$ 2,592,172	\$ (1,901,270)	\$ 20,724,561
June 30, 2023	20,724,561	2,351,354	(2,332,387)	20,743,528
June 30, 2024	20,743,528	4,735,458	(3,416,556)	22,062,430

B. General Liability Insurance

The City's self-insured retention is \$500,000 with an excess policy insuring claims over \$500,000 up to a limit of \$10,000,000. A third-party administrator administers claims. The actuarial estimated liability for pending and incurred, but not reported claims at June 30, 2024 has been included in the claims payable amount for the same reporting period. These liabilities are recognized on government-wide statements. As of June 30, 2024, the City's general liability self-insurance program was funded above the confidence level of 90%.

The following table presents claims and judgments payable for the general liability self-insurance program, including property losses, for the year ended June 30, 2024, and its two preceding years:

Year Ended	Balance at July 1	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at June 30
June 30, 2022	\$ 1,289,082	\$ 240,385	\$ (142,657)	\$ 1,386,810
June 30, 2023	1,386,810	755,720	(433,886)	1,708,644
June 30, 2024	1,708,644	2,546,481	(2,135,814)	2,119,311

C. Property Losses (Excluding Earthquake or Flood)

The City's property losses are covered by insurance policies for covered value of \$100,000,000 with deductibles ranging from \$2,500 to \$50,000. The estimated liability for pending and incurred but not reported claims at June 30, 2024 has been incorporated in the financial statements as claims and judgement payable in the Liability Risk Internal Service Fund and are based on history only.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Risk Management (Continued)

D. Adequacy of Coverage

There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

Note 13 – Pension Plan

A. General Information about the Pension Plan

Plan Description

The City contribution to the California Public Employees Retirement System (“CalPERS”), an agent multiple-employer defined benefit pension plan for miscellaneous employees and safety police employees and a cost-sharing multiple-employer defined benefit plan for safety fire employees. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions under both plans are established by State Statute and City Resolution as follows:

	<u>Miscellaneous Agent Plan</u>		<u>Safety - Police Agent Plan</u>		<u>Safety - Fire Cost-Sharing Plan</u>	
	<u>Classic</u>	<u>PEPRA</u>	<u>Classic</u>	<u>PEPRA</u>	<u>Classic</u>	<u>PEPRA</u>
	Prior to	On or after	Prior to	After	Prior to	After
Hire date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 yrs	52 yrs	50 yrs	50 yrs	50 yrs	50 yrs
Monthly benefits, as a % of eligible compensation	2.0%-2.7%, 50 yrs -55 yrs, respectively	1.0%-2.5%, 52 yrs - 62 yrs, respectively	3.0%, 50 yrs	2.0% - 2.7%, 50 yrs -57 yrs, respectively	3.0%, 50 yrs	2.0% - 2.7%, 50 yrs -57 yrs, respectively
Required Contribution Rates:						
Employee (Measurement Period)	8.00%	6.50%	9.00%	13.25%	9.00%	13.75%
Employee (FY23-24)	8.00%	6.50%	9.00%	13.25%	9.00%	13.75%
Employer (Measurement Period)	10.880%	10.880%	23.980%	23.980%	25.640%	13.660%
Employer (FY23-24)	12.030%	12.030%	26.190%	26.190%	29.090%	14.500%

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan

A. General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service years.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefits to safety employees only. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six month's salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis up to 2 percent.

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the following employees were covered by the benefit terms:

	<u>Plans</u>			
	<u>Miscellaneous</u>	<u>Safety - Police</u>	<u>Safety - Fire</u>	
			<u>Classic</u>	<u>PEPRA</u>
Active employees	411	152	64	40
Transferred and terminated employees	716	39	62	9
Retired employees and beneficiaries	806	207	133	-
Total	1,933	398	259	49

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be 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' 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The required contribution rates are shown in the Benefit Provided Section on page 107.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (Continued)

B. Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾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.

Change of Assumptions

Effective with the June 30, 2022 valuation date (2023 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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 Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (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. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

¹ An expected inflation rate of 2.30% used for this period

² Figures are based on the 2022 Asset Liability Management study

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (Continued)

C. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

Miscellaneous Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022 (Valuation Date)	\$ 416,786,666	\$ 398,723,741	\$ 18,062,925
Changes Recognized for the Measurement Period:			
Service cost	5,881,629	-	5,881,629
Interest on the total pension liability	28,728,545	-	28,728,545
Changes of benefit terms	509,976	-	509,976
Changes of assumptions	-	-	-
Difference between expected and actual experience	7,296,859	-	7,296,859
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	3,761,585	(3,761,585)
Contributions from employees	-	2,593,411	(2,593,411)
Net investment income	-	23,626,483	(23,626,483)
Benefit payments, including refunds of employee contributions	(22,357,168)	(22,357,168)	-
Administrative expense	-	(293,203)	293,203
Other	-	-	-
Net Changes during July 1, 2022 to June 30, 2023	<u>20,059,841</u>	<u>7,331,108</u>	<u>12,728,733</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 436,846,507</u>	<u>\$ 406,054,849</u>	<u>\$ 30,791,658</u>

Safety Plan - Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022 (Valuation Date)	\$ 329,323,758	\$ 307,831,038	\$ 21,492,720
Changes Recognized for the Measurement Period:			
Service cost	6,769,725	-	6,769,725
Interest on the total pension liability	23,055,561	-	23,055,561
Changes of benefit terms	97,175	-	97,175
Changes of assumptions	-	-	-
Difference between expected and actual experience	8,816,880	-	8,816,880
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	4,928,267	(4,928,267)
Contributions from employees	-	2,224,601	(2,224,601)
Net investment income	-	18,360,050	(18,360,050)
Benefit payments, including refunds of employee contributions	(15,008,225)	(15,008,225)	-
Administrative expense	-	(226,379)	226,379
Other	-	-	-
Net Changes during July 1, 2022 to June 30, 2023	<u>23,731,116</u>	<u>10,278,314</u>	<u>13,452,802</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 353,054,874</u>	<u>\$ 318,109,352</u>	<u>\$ 34,945,522</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City’s Safety Fire Plan’s proportionate share of the risk pool collective net pension liability over the measure period.

	Safety Plan - Fire		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022 (Valuation Date)	\$ 208,526,637	\$ 196,646,281	\$ 11,880,356
Balance at June 30, 2023 (Measurement Date)	221,032,634	208,540,105	12,492,529
Net changes during 2022-23	12,505,997	11,893,824	612,173

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-23).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of fair value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the measurement date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the measurement date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City’s share of net pension liability at the end of measurement date.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The City’s proportionate share of the net pension liability was as follows:

	Safety Plan Fire
June 30, 2022	0.1029%
June 30, 2023	0.1001%
Change - Increase (Decrease)	-0.0028%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
	Miscellaneous Plan	\$ 91,306,327	\$ 30,791,658
Safety Plan - Police	\$ 86,364,807	\$ 34,945,522	\$ (6,803,777)
Safety Plan - Fire	\$ 42,814,273	\$ 12,492,529	\$ (12,297,655)

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report.

D. Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized aggregated pension expense in the amount of \$28,241,471 (\$13,941,526, \$12,458,445 and \$1,841,500 for the Miscellaneous, Safety Police, and Safety Fire Plans, respectively).

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

As of measurement date of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 4,574,373	\$ -
Changes of assumptions	2,826,679	-
Difference between expected and actual experience	4,378,115	(289,119)
Net difference between projected and actual earning on pension plan investments	20,520,508	-
Total	<u>\$ 32,299,675</u>	<u>\$ (289,119)</u>
Safety Plan - Police		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 5,308,996	\$ -
Changes of assumptions	6,783,147	-
Difference between expected and actual experience	8,857,217	-
Net difference between projected and actual earning on pension plan investments	16,025,538	-
Total	<u>\$ 36,974,898</u>	<u>\$ -</u>
Safety Plan - Fire		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 3,307,957	\$ -
Changes of assumptions	729,082	-
Difference between expected and actual experience	917,184	(78,520)
Net difference between projected and actual earning on pension plan investments	1,709,602	-
Adjustment due to differences in proportions	299,460	(29,743,560)
Difference between City's contribution and proportionate share of contribution:	22,531,326	(4,454,225)
Total	<u>\$ 29,494,611</u>	<u>\$ (34,276,305)</u>

The amounts above are net of outflows and inflows recognized in the 2022-2023 measurement period expense.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the Miscellaneous Plan, Safety Police Plan and the Safety Fire Plan risk pool for the 2022-23 measurement period is 2.5, 4.2, and 3.8 years, which was obtained by dividing the total service years of 4,875, 1,666 and 600,538 (the sum of remaining service lifetimes of the active employees) by 1,933, 398 and 160,073 (the total number of participants: active, inactive, and retired), respectively.

\$4,574,373, \$5,308,996, and \$3,307,957 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability and collectively net pension liability, respectively, in the year ending June 30, 2025.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plan (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety Police	Safety Fire
2024	\$ 10,016,954	\$ 10,237,655	\$ (4,273,425)
2025	4,965,255	8,947,718	(3,761,458)
2026	11,797,432	11,540,715	(102,487)
2027	656,542	939,814	47,719
2028	-	-	-
Total	<u>\$ 27,436,183</u>	<u>\$ 31,665,902</u>	<u>\$ (8,089,651)</u>

Note 14 – Other Postemployment Benefits (“OPEB”)

A. General Information about the OPEB Plan

Plan Description

The City's OPEB includes retiree medical and life insurance benefits, or, in some cases, an HRA contribution toward medical coverage of the retiree's choosing.

In October 2007, the City Council executed the City of Corona Retirement Benefits Plan, a single-employer plan, for funding the Other Post-Employment Benefits (OPEB). In March 2008, the City Council passed a resolution authorizing the City to prefund its OPEB obligation through the California Employers' Retiree Benefit Trust Program (CERBT), an IRC Section 115 trust fund dedicated to prefunding OPEB for all eligible California public agencies. CERBT is administered by the California Public Employees' Retirement System (CalPERS) Board of Administration.

The City's funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets.

The City has been and continues to prefund its OPEB liability, contributing 100% or more of the Actuarially Determined Contributions each year. Therefore, with the City's approval, the discount rate used in this valuation is 6.05%, the long-term expected return on trust assets.

Eligibility and Membership Covered by Benefit Terms

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires either (a) attainment of age 50 (age 52, if a miscellaneous member new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Other Postemployment Benefits (“OPEB”) (Continued)

A. General Information about the OPEB Plan (Continued)

Eligibility and Membership Covered by Benefit Terms (Continued)

The employee must begin his or her retirement warrant within 120 days of terminating employment with the City to be eligible to continue medical coverage through the City and be entitled to the employer subsidy. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

At June 30, 2023 measurement date, the following numbers of participants were covered by the benefit terms:

Active plan members	712
Inactive plan members currently receiving benefits	627
Inactive plan members entitled to but not receiving benefits	68
Total	1,407

Contributions

The plan and its contribution requirements are established by Memorandum of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2023, the City's cash contributions were \$ 9,994,224 in total payments, which were recognized as a reduction to the OPEB liability.

B. Net OPEB Liability

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

Significant Actuarial Assumptions Used for Total OPEB Liability

The total OPEB liability, measured as of June 30, 2023, was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Asset Valuation Method	Fair value of assets
Long Term return on Assets	6.05% as of June 30, 2023 and 6.05% as of June 30, 2022 net of plan investment expense
Discount Rate	6.05% as of June 30, 2023 and 6.05% as of June 30, 2022
Inflation	2.50%
Salary Increases	3% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Mortality Improvement	CalPERS 2017 Experience Study; Project with MW Scale 2022
Healthcare Trend	5.6% in 2023, decrease until reaches 3.9% in 2075 and thereafter.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

Change in assumptions

In 2023, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.05%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Expected Long-Term Rates of Return

Asset Class	Target Allocation	Long-term Real Return Years 1 - 5*	Real Return Years 5+*
Global Equity	49.00%	4.40%	4.50%
Fixed Income	23.00%	-1.00%	2.20%
Global Real Estate (REITs) ⁽¹⁾	20.00%	3.00%	3.90%
Treasury Inflation Protected Securities	5.00%	-1.80%	1.30%
Commodities	3.00%	0.80%	1.20%
	<u>100.00%</u>		

* Preliminary estimate, pending confirmation by CalPERS

C. Changes in Net OPEB Liability

The following presents the changes in the net OPEB liability for the governmental activities' Retiree Health Plan:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at June 30, 2022	\$ 155,068,194	\$ 61,086,162	\$ 93,982,032
Changes Recognized for the Measurement Period:			
Service Cost	1,154,373	-	1,154,373
Interest on the total OPEB liability	9,188,605	-	9,188,605
Expected investment income	-	3,946,752	(3,946,752)
Employer contribution	-	9,994,224	(9,994,224)
Changes of benefit terms	-	-	-
Administrative expenses	-	(17,812)	17,812
Benefit payments	(8,689,586)	(8,689,586)	-
Assumption changes	6,107,673	-	6,107,673
Plan experience	(2,526,378)	-	(2,526,378)
Contributions from the employer	-	-	-
Net Changes during July 1, 2022 to June 30, 2023	<u>5,234,687</u>	<u>5,233,578</u>	<u>1,109</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 160,302,881</u>	<u>\$ 66,319,740</u>	<u>\$ 93,983,141</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Changes in Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.05 percent) or 1percentage- point higher (7.05 percent) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate -1% (5.05%)	Current Discount Rate (6.05%)	Discount Rate +1 % (7.05%)
\$ 112,994,843	\$ 93,983,141	\$ 78,186,021

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability		
Healthcare Cost Trend Rate - 1%	Healthcare Cost Trend Rate	Healthcare Cost Trend Rate + 1%
\$ 78,198,904	\$ 93,983,141	\$ 112,834,443

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the measurement period ended June 30, 2023, the City recognized OPEB expense (credit) of (\$4,532,474). 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
Contribution made after measurement period	\$ 10,203,431	\$ -
Changes in assumptions	14,354,434	(309,550)
Difference between expected and actual experience	-	(10,370,790)
Net difference between projected and actual earning on OPEB plan investments	3,919,707	-
Total	\$ 28,477,572	\$ (10,680,340)

The \$9,994,224 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ (699,433)
2025	2,106,144
2026	4,276,761
2027	901,804
2028	514,554
Thereafter	493,971
Total	\$ 7,593,801

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 15 – Classification of Fund Balances

At June 30, 2024, fund balances are classified in the governmental funds as follows:

	Capital Projects Funds			Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Low Mod Income Housing Assets	Other Grants	Development	Other Grants and Endowments		
Fund Balances:							
Nonspendable:							
Inventories and prepaid items	\$ 589,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 589,400
Long-term receivable	1,100,647	-	-	-	-	-	1,100,647
Advance to other funds	179,407,282	-	-	-	-	-	179,407,282
Total nonspendable	<u>181,097,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,097,329</u>
Restricted:							
Pension trust	46,483,830	-	-	-	-	-	46,483,830
Housing and community development	-	39,444,340	-	-	1,029,838	6,033,095	46,507,273
Capital projects	-	-	2,802,834	-	-	-	2,802,834
Development projects	-	-	-	18,800,071	-	-	18,800,071
Street maintenance	-	-	-	-	-	25,221,070	25,221,070
Trip reduction	-	-	-	-	-	1,983,648	1,983,648
Asset forfeiture	-	-	-	-	-	165,951	165,951
Special tax districts	-	-	-	-	-	26,217,336	26,217,336
Residential refuse	-	-	-	-	-	993,352	993,352
Total restricted	<u>46,483,830</u>	<u>39,444,340</u>	<u>2,802,834</u>	<u>18,800,071</u>	<u>1,029,838</u>	<u>60,614,452</u>	<u>169,175,365</u>
Committed:							
Emergency contingency *	50,316,648	-	-	-	-	-	50,316,648
Designated revenues	8,066,272	-	-	-	-	-	8,066,272
Total committed	<u>58,382,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,382,920</u>
Assigned:							
Budget balancing measures	3,922,049	-	-	-	-	-	3,922,049
Continuing appropriations	47,467,066	-	-	-	-	-	47,467,066
Measure X reserve	34,013,073	-	-	-	-	-	34,013,073
Other purposes	2,962,565	-	-	-	-	1,015,896	3,978,461
Total assigned	<u>88,364,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,896</u>	<u>89,380,649</u>
Unassigned	<u>24,875,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,640,583)</u>	<u>21,235,088</u>
Total Fund Balance	<u>\$399,204,503</u>	<u>\$ 39,444,340</u>	<u>\$ 2,802,834</u>	<u>\$ 18,800,071</u>	<u>\$ 1,029,838</u>	<u>\$ 57,989,765</u>	<u>\$519,271,351</u>

* See Note 1.T for definition of emergency circumstance and situations.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 16 – Net Investment in Capital Assets

The net investment in capital assets for the governmental activities, business-type activities, and enterprise funds is calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total capital assets, net	\$ 872,989,078	\$ 434,476,605
Unspent capital debt proceed	-	5,128
Capital related deferred outflows of resources	358,258	-
Retention payable	(2,318,706)	(555,924)
Capital related debt	(25,743,945)	(45,595,039)
Capital related deferred inflows of resources	-	(746,705)
Net investment in capital assets	<u>\$ 845,284,685</u>	<u>\$ 387,584,065</u>

	<u>Enterprise Funds</u>				
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>	<u>Transit</u>	<u>Airport</u>
Total capital assets, net	\$ 274,961,430	\$ 148,538,331	\$ 9,504,034	\$ 1,467,753	\$ 5,057
Unspent capital debt proceed	5,128	-	-	-	-
Retention payable	(86,256)	(469,668)	-	-	-
Capital related debt	(29,365,700)	(16,229,339)	-	-	-
Capital related deferred inflows of resources	(746,705)	-	-	-	-
Net investment in capital assets	<u>\$ 244,767,897</u>	<u>\$ 131,839,324</u>	<u>\$ 9,504,034</u>	<u>\$ 1,467,753</u>	<u>\$ 5,057</u>

Note 17 – Commitments and Contingencies

Commitments

Significant encumbrances by major fund and nonmajor funds in the aggregate are as follows:

	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 2,130,208	Homelessness prevention
Other Grants Capital Projects Funds	25,106,577	Capital projects
Development Special Revenue Funds	2,970,620	Capital projects
Nonmajor Governmental Funds	11,131,823	Capital projects and homelessness prevention
Water Enterprise Fund	19,857,097	Water related capital projects
Sewer Enterprise Fund	12,234,961	Sewer related capital projects
Total encumbrances	<u>\$73,431,286</u>	

Contingencies

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have material adverse effect on the financial position of the City.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 17 – Commitments and Contingencies (Continued)

Contingencies (Continued)

On July 18, 2012, the City Council and the Corona Utility Authority Board approved addendum No. 6 to the Joint Exercise of Powers Agreement creating the Western Riverside County Regional Wastewater Authority (WRCRWA) admitted the City of Corona as a voting member of the WRCRWA. WRCRWA was formed as a joint powers authority in 1992 to construct and operate a regional wastewater conveyance, treatment and disposal system to serve its member agencies. Other member agencies include Home Gardens Sanitary District, Jurupa Community Services District, City of Norco, and Western Municipal Water District of Riverside County. To become a voting member of WRCRWA, the City was required to pay \$4 million as buy-in which represented membership and the WRCRWA's construction loan reserve requirement. The construction loan amount on the State Revolving Fund (SRF) loan for the WRCRWA Treatment Plan Expansion project at issuance was \$74,110,619.

The current participants and their obligated contribution on this loan through June 30, 2024, were as follows:

	<u>Percent</u>
City of Corona	42.42%
Jurupa Community Services District	46.02%
City of Norco	9.10%
Home Gardens Sanitary District	1.58%
Western Municipal Water District	0.88%
Total	100.00%

As of June 30, 2024, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

Note 18 – Tax Abatement

In prior years, the City entered into various tax abatement agreements with local businesses. The abatements may be granted to any business located within or promising to relocate to the City. For the fiscal year ended June 30, 2024, the City abated taxes totaling \$8,777,381. Under this program, the City has the following tax abatement agreements:

- A sales tax abatement to a commercial fueling and energy operation facility for expanding operations within the City of Corona, resulting in a significant new local sales tax revenues. Per the agreement, the City shall pay an amount equal to 50% of sales tax revenues received in excess of \$250,000.
- A sales tax reduction for a material production and construction company for creating employment opportunities and revenues within the City. Per the agreement, if during any fiscal year, sales tax revenues exceed \$1,000,000 the amount abated shall be a sum equal to 50% of the sales tax revenues in excess of \$250,000. If during any fiscal year, sales tax revenues are no less than \$500,000 and no more than \$1,000,000 the amount abated shall be a sum equal to 25% of the sales tax revenues in excess of \$250,000. If during any fiscal year, sales tax revenues are less than \$500,000 the City shall not pay the business.
- A sales tax reduction for construction and operation of an automotive dealership within the City. Per the agreement, the City shall make annual payments for 15 years in an amount equal to 50% of the sales tax revenues received in excess of \$200,000 annually, up to a maximum of \$6,000,000.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 18 – Tax Abatement (Continued)

- A sales tax reduction for a warehouse wholesaler for building and operating a new store within the City. Per the agreement, sales tax revenues shall be allocated each year to the City from the first \$200,000 of revenues, the next \$200,000 to the developer and the balance allocated 50% to the City and 50% to the developer.
- A sales tax reduction for a commercial business involving the retail sale of construction materials for generating significant new tax revenues and maintaining sales office operations within the City. Per the agreement, the City shall pay quarterly in an amount equal to 50% of the sales tax revenues received.
- A sales tax reduction for a wholesale apparel retailer, for locating to a new regional sales office within the City. Per the agreement, the City shall pay quarterly in an amount equal to 50% of the sales tax revenues received. Covenant Payments shall be equal to 60% of taxable sales if sales tax revenue exceeds \$2,500,000, the Owner hires 150 new employees and Owner invests at least \$51,500,000 into the City.



**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 173,702,598	\$ 177,346,787	\$ 177,844,905	\$ 498,118
Licenses and permits	2,215,550	2,256,423	2,269,264	12,841
Intergovernmental	2,429,630	4,763,693	3,899,069	(864,624)
Special assessments	679,215	773,347	777,314	3,967
Investment earnings	3,465,795	5,609,700	15,749,188	10,139,488
Fines and penalties	843,700	1,299,662	1,420,858	121,196
Current services	11,758,683	13,298,339	13,753,857	455,518
Payment in lieu of services	6,445,705	6,445,705	6,336,890	(108,815)
Other revenues	13,085,809	13,698,208	14,245,570	547,362
Total revenues	214,626,685	225,491,864	236,296,915	10,805,051
EXPENDITURES:				
Current:				
General government:				
City council	129,900	129,966	114,012	15,954
City attorney	2,022,134	2,057,338	2,049,735	7,603
City manager	10,458,392	13,422,156	9,612,899	3,809,257
City treasurer	14,974	14,974	14,761	213
Human resources	2,903,393	2,962,366	2,661,531	300,835
Finance	4,586,191	4,770,164	4,633,709	136,455
Non departmental	29,416,840	29,448,521	27,358,044	2,090,477
Information technology	700,097	1,116,937	725,037	391,900
Public safety- fire	33,577,225	35,458,084	33,409,110	2,048,974
Public safety- police	54,370,012	56,016,487	54,064,980	1,951,507
Public works and maintenance services	4,948,697	5,057,650	4,581,610	476,040
Community services	17,625,443	19,119,999	17,724,377	1,395,622
Planning and development	9,556,594	10,705,413	7,769,627	2,935,786
Economic development	1,590,768	1,616,264	1,141,158	475,106
Capital outlay	7,330,760	53,532,067	13,075,618	40,456,449
Debt service:				
Principal retirement	20,167,868	20,167,868	18,171,796	1,996,072
Interest and charges	4,542,390	4,542,390	6,329,272	(1,786,882)
Total expenditures	203,941,678	260,138,644	203,437,276	56,701,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,685,007	(34,646,780)	32,859,639	67,506,419
OTHER FINANCING SOURCES (USES):				
Transfers in	1,235,696	1,235,696	1,289,243	53,547
Transfers out	(125,039)	(125,039)	(666,656)	(541,617)
Issuance of subscription liability	-	-	467,257	467,257
Total other financing sources (uses)	1,110,657	1,110,657	1,089,844	(20,813)
NET CHANGE IN FUND BALANCE	\$ 11,795,664	\$ (33,536,123)	33,949,483	\$ 67,485,606
FUND BALANCE:				
Beginning of year			365,255,020	
End of year			<u>\$ 399,204,503</u>	

City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Development Special Revenue Funds
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 1,009,500	\$ 4,575,000	\$ 1,601,800	\$ (2,973,200)
Investment earnings	481,468	685,932	1,243,793	557,861
Payment in lieu of services	-	-	187,200	187,200
Other revenues	-	-	540	540
Total revenues	<u>1,490,968</u>	<u>5,260,932</u>	<u>3,033,333</u>	<u>(2,227,599)</u>
EXPENDITURES:				
Current:				
Public safety- fire	4,014	4,014	4,014	-
Public safety- police	266	266	266	-
Public works and maintenance services	50,416	50,416	50,416	-
Community services	3,842	3,842	3,842	-
Capital outlay	1,807,375	23,054,028	1,894,430	21,159,598
Total expenditures	<u>1,865,913</u>	<u>23,112,566</u>	<u>1,952,968</u>	<u>21,159,598</u>
NET CHANGE IN FUND BALANCE	<u>\$ (374,945)</u>	<u>\$ (17,851,634)</u>	1,080,365	<u>\$ 18,931,999</u>
FUND BALANCE:				
Beginning of year			<u>17,719,706</u>	
End of year			<u>\$ 18,800,071</u>	

City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Other Grants & Endowments Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,722,978	\$ 793,588	\$ 7,520,719	\$ 6,727,131
Investment earnings	510,271	668,189	579,255	(88,934)
Current services	43,000	59,424	71,504	12,080
Other revenue	-	-	24,607	24,607
Total revenues	<u>2,276,249</u>	<u>1,521,201</u>	<u>8,196,085</u>	<u>6,674,884</u>
EXPENDITURES:				
Current:				
General government	-	1,071,434	556,970	514,464
Public safety - police	729,269	814,757	435,334	379,423
Community services	-	162,420	156,530	5,890
Planning and development	1,085,340	1,524,764	1,512,416	12,348
Capital outlay	-	27,873,873	3,565,235	24,308,638
Total expenditures	<u>1,814,609</u>	<u>31,447,248</u>	<u>6,226,485</u>	<u>25,220,763</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>461,640</u>	<u>(29,926,047)</u>	<u>1,969,600</u>	<u>31,895,647</u>
OTHER FINANCING SOURCES:				
Transfers in	-	229,101	-	(229,101)
Transfer out	-	(81,600)	-	81,600
Total other financing sources	<u>-</u>	<u>147,501</u>	<u>-</u>	<u>(147,501)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 461,640</u>	<u>\$ (29,778,546)</u>	<u>1,969,600</u>	<u>\$ 31,748,146</u>
FUND BALANCE:				
Beginning of year			<u>(939,762)</u>	
End of year			<u>\$ 1,029,838</u>	

City of Corona
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2024

Budgetary Information

Through the budget process, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The annual budget establishes the foundation of effective financial management by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance in all of its functional areas. It assures the efficient and effective uses of the City's economic resources, as well as ensuring the highest priorities are accomplished for the fiscal year. It also serves as a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies.

The City's budget cycle is on an annual basis, which serves a fiscal period from July 1 to June 30. The City's budgets are developed consistent with generally accepted principles and procedures. There are no significant non-budgeted financial activities. For governmental funds, revenues are budgeted by entitlements, grants, and estimates of future development and economic growth. Expenditures and transfers are budgeted based upon available financial resources.

The City of Corona's budget is prepared and based on five expense categories; personnel, non-personnel (such as supplies and services), capital outlay, debt service and capital improvement projects. The first two listed are considered operational in nature and are known as recurring costs. Capital outlays refer to minor equipment purchases which are generally infrequent and valued at less than \$50,000. Capital outlays are paid for out of the operating fund. Debt service refers to principal and interest payments on borrowed funds (such as bonds or long-term loans). Capital improvement projects (CIP) are asset acquisitions and/or major facilities, systems, and infrastructure improvements which cost over \$50,000. These reside "outside" of the operational budget and are an example of a one-time cost.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-type Activities

The governmental funds include the general fund, special revenue, debt service and capital projects funds. All funding sources are kept separate for both reporting and use of the money. The general fund funds most of the City services including public safety, recreation, and community development.

The budget process begins as a team effort in November of each year. The Finance Department works in cooperation with all City departments to formulate revenue projections for the upcoming fiscal year. From this, the individual departments use the projected revenues to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department jointly review each budget proposal, revenue assumptions, and all current financial obligations, before preparing the proposed document for the City Council. The City Council reviews the budget at multiple budget workshops, with the final adoption scheduled in June.

Budgets and Budgetary Accounting

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

- 1 Before the beginning of the fiscal year the City Manager submits to the City Council a proposed budget for the year commencing July 1.
- 2 Public meetings are conducted to obtain taxpayer comments.
- 3 The budget is subsequently adopted through the passage of a resolution and is not included herein but is published separately.
- 4 All appropriations are as originally adopted or as amended by the City Council and all unencumbered budgeted amounts lapse at year-end. However, capital improvement projects carry forward (continuing appropriation) to the following fiscal year. Grants may carry forward to the next fiscal year as determined by the grant funding time period. In addition, operating funds may carry forward to the next fiscal year, if authorized by the City Council.
- 5 Continuing appropriations are re-budgeted by the City Council as part of the adoption of subsequent year's budget.
- 6 Legally adopted budget appropriations are set for the general fund, special revenue, debt service and capital projects funds.

City of Corona
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2024

7 The legal level of budgetary control is at the department level. A Department Director may transfer appropriations within the department and the same funding source. Expenditures may exceed appropriations at this level in the General Fund to the extent provided for in the annual budget resolution adopted by the City Council. The City Council, by the affirmative vote of three members, may amend the budget to add or delete appropriations, transfer between appropriations within a fund or change appropriation transfers between funds. Departments consolidated and presented under the General Government category are managerial and support departments that include City Council, City Treasurer, City Manager's Office, Finance, Human Resources, Legal and Risk Management, and General Government (non-departmental).

8 Budgets for general fund, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles.

General Fund

General fund appropriations and transfers out were originally adopted at \$203.9 million for Fiscal Year 2024. Final appropriations were increased by \$56.2 million to \$260.1 million. Among the budgetary increase, \$21.3 million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$5.2 million was for prior year committed purchases (encumbrances). There was \$29.7 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons:

- The personnel budget increased by \$0.6 million in Fiscal Year 2024. The Police Department increased by \$0.3 million for various grants and shift differential adjustments. The Fire Department increased \$0.2 million due to a planned vacant position being filled in December. In addition, there was \$0.1 million reduction due to a transfer from personnel to the operating budget for professional/contractual services for Planning and Development.
- The operating budget increased by a total of \$3.4 million. The General Government budget increased by \$0.4 million for various professional/contractual services. The Fire Department budget was increased by \$0.5 million for multiple grants approved by the City Council and the purchase of EMS Skills Lab educational tools/resources. The Community Services Department budget was increased by \$1.0 million for additional Rent Stabilization Program Services, various facilities maintenance services, and graffiti removal services. The Planning and Development Department budget was increased by \$1.0 million for additional contract labor services and reimbursing the Inspection Division budget for deposits collected through fees. The increase was partially offset by a transfer of \$100,000 from the personnel budget.
- The capital outlay budget was increased by a net total of \$25.7 million. The primary increase is in the City Park Revitalization project for \$12.5 million, McKinley Street Grade Separation Project for \$5 million and for the Corona Mall Acquisition and Agreement project for \$2.3 million. In addition, \$0.8 million was appropriated to purchase a type 3 fire apparatus.

Revenues and transfers in received in Fiscal Year 2024 had a favorable variance of \$10.8 million, due to the following reasons:

- The investment earnings category accounts for the major variance for Revenue and Transfers. Investment Earnings has a positive variance of \$10.1 million, which includes book entries of \$8.6 million, for investment gains and losses.
- The current services category was also higher than budgeted by \$0.6 million. Approximately \$0.3 million of the variances is related to building activities such as planning application fees and plan check fees. There is a variance of \$0.5 million for activities related to Community Services, including passport revenues, recreation activities, special events, and facility rentals. Additionally, there is a variance of \$0.2 million for fire department-related activity, including AMR system enhancement fees and various inspection services.
- Property taxes were higher than estimated by \$0.8 million, Sales tax was lower than estimated by \$1.0 million, and Other Taxes were higher than estimated by \$0.7 million. The taxes category outperformed the final budget estimates by \$0.5 million.

The expenditures and transfers out in FY 2024 had a favorable variance of \$56.1 million. Included in the savings, \$40.5 million is unspent funding for ongoing capital improvement projects. These funds will be carried over to the next fiscal year to complete the projects. Additionally, a total of \$2.0 million will be carried forward in the operating budget, as approved by the City Council. Of the \$2.0 million in carryover funds, there is a total of \$1.1 million for grants in the Fire Department and Police Department. In addition, purchase orders totaling \$4.8 million encumbered in Fiscal Year 2024 will be carried forward for activity that crosses fiscal years.

After considering the budgets carrying forward into Fiscal Year 2025 as noted above, the net savings for Fiscal Year 2024 is \$9.8 million. The savings is primarily from the personnel budget due to vacancies throughout the year. There were 23 new positions included in Fiscal Year 2024, largely funded by Measure X. With the additional positions, there was an increase in the vacancy savings for Fiscal Year 2024. The following departments had savings in personnel budget: Police (\$1.5 million), Planning and Development (\$0.8 million), and Fire (\$0.6 million). The savings are viewed as one-time as the City is actively recruiting to fill the vacant positions.

City of Corona
Required Supplementary Information (Unaudited)
Modified Approach for City Streets Infrastructure Capital Assets
For the Year Ended June 30, 2024

The City accounts for and reports its infrastructure capital assets in accordance with GASB Statement No. 34. Infrastructure assets are defined as the basic physical systems including street, water purification and distribution system, water reclamation collection and treatment facilities, park and recreation lands and improvement; storm water conveyance system, and buildings combined with site amenities such as parking and landscaped areas used by the City in the conduct of City business. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems in its core financial system.

The City has elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting for its concrete and asphalt pavement system. Under the modified approach, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments and summary of results using a measurement scale; and (3) estimation of annual amount needed to maintain and preserve the assets at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City commissioned a study to update the physical condition assessment of the streets within three regions of the City annually. The prior assessment study was completed in March 2019. The most recent assessments were performed using the StreetSaver software. The results from the assessments are shown below:

Assessment Date	PCI Rating
October 2020	71
November 2021	71
September 2022	71
October 2023	72
November 2024	72

The streets, primarily Portland Cement Concrete (PCC) and Asphalt Concrete (AC) pavement, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. City-owned streets are classified based on land use, access, and traffic utilization, into the following three classifications: arterial/major, collector, and local. The Citywide condition assessment will be performed every three years, with each year focusing on specific regions of the City. Each street was assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street.

The following conditions were defined with the corresponding rating:

Condition	Rating
Good to Excellent	71-100
Fair	51-70
Poor	26-50
Very Poor	0-25

City of Corona
Required Supplementary Information (Unaudited)
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
For the Year Ended June 30, 2024

The City’s policy is to maintain an average rating of 71, or “Good” condition, for all streets. This rating level allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of November 2024, the City’s street system was rated at a PCI index of 72 on the average for the entire network. A breakdown by condition is as follows:

<u>Condition</u>	<u>% of Streets</u>
Good to Excellent	57%
Fair	36%
Poor	7%
Very Poor	0%

The City’s streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets; (2) the sun’s ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interest trenching operations; and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to prevent deterioration through an on-going street rehabilitation program funded in the Capital Improvement Program. The program is formulated based on deficiencies identified as a part of the City’s Pavement Management System (PMS). It includes short-term maintenance activities such as pothole patching, street sweeping, and crack sealing. The City expended \$43,136,722 on street maintenance for the fiscal year ended June 30, 2024. These expenditures delayed deterioration and maintained the street condition from the previous assessment. The condition of the streets is rated at 72 in the current year, the same as it was in the prior year. A majority of the current year expenditures, about \$27.7 million, were incurred by the McKinley Grade Separation project. The City has estimated that the amount of annual expenditures required to maintain the average PCI rating of 71 through the year 2025 is a minimum of \$11,000,000. A schedule of the estimated annual amount required to maintain and preserve the City’s streets at the current level compared to actual expenditures for street maintenance for the last five years is presented below:

<u>Fiscal Year</u>	<u>Requirement</u>	<u>Expenditures</u>	<u>Rating</u>
2019-2020	\$ 4,800,000	\$ 37,286,497	71
2020-2021	6,000,000	28,349,295	71
2021-2022	6,000,000	21,336,640	71
2022-2023	6,000,000	31,027,916	72
2023-2024	6,000,000	43,136,722	72

As of June 30, 2024, approximately 43% of the City’s streets were rated below the average policy standard of 71. In the most recent physical condition assessment of all City streets, it was estimated that in addition to the minimum annual maintenance requirement of \$11.0 million, the total deferred work to rehabilitate all roads amounted to \$75.5 million as of June 30, 2024.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 5,035,483	\$ 4,563,432	\$ 4,295,676	\$ 4,540,608	\$ 4,516,596
Interest	21,435,216	22,262,610	23,066,815	23,517,716	24,208,803
Differences between expected and actual experience	-	(1,751,061)	(1,961,004)	(5,673,578)	(536,160)
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(5,796,569)	-	20,736,400	(1,534,054)
Benefit payments, including refunds of employee contributions	(13,231,513)	(13,719,331)	(14,718,032)	(15,593,323)	(17,027,780)
Net change in total pension liability	13,239,186	5,559,081	10,683,455	27,527,823	9,627,405
Total pension liability - beginning	289,900,911	303,140,097	308,699,178	319,382,633	346,910,456
Total pension liability - ending (a)	<u>\$ 303,140,097</u>	<u>\$ 308,699,178</u>	<u>\$ 319,382,633</u>	<u>\$ 346,910,456</u>	<u>\$ 356,537,861</u>
Pension fiduciary net position					
Contributions - employer	\$ 7,535,692	\$ 8,615,040	\$ 8,408,391	\$ 10,548,137	\$ 20,944,590
Contributions - employee	2,168,466	2,099,982	1,975,493	1,875,784	1,905,754
Net investment income	29,675,543	4,430,161	1,044,158	22,406,369	18,381,353
Benefit payments, including refunds of employee contributions	(13,231,513)	(13,719,331)	(14,718,032)	(15,593,323)	(17,027,780)
Net plan to plan resources movement	-	-	-	-	(531)
Administrative expense	-	(224,286)	(121,423)	(289,120)	(334,672)
Other miscellaneous income/expense	-	-	-	-	(635,548)
Net change in plan fiduciary net position	26,148,188	1,201,566	(3,411,413)	18,947,847	23,233,166
Plan fiduciary net position - beginning	171,884,699	198,032,887	199,234,453	195,823,040	214,770,887
Plan fiduciary net position - ending (b)	<u>\$ 198,032,887</u>	<u>\$ 199,234,453</u>	<u>\$ 195,823,040</u>	<u>\$ 214,770,887</u>	<u>\$ 238,004,053</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 105,107,210</u>	<u>\$ 109,464,725</u>	<u>\$ 123,559,593</u>	<u>\$ 132,139,569</u>	<u>\$ 118,533,808</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>65.33%</u>	<u>64.54%</u>	<u>61.31%</u>	<u>61.91%</u>	<u>66.75%</u>
Covered payroll	<u>\$ 27,891,234</u>	<u>\$ 26,820,056</u>	<u>\$ 25,968,300</u>	<u>\$ 24,590,351</u>	<u>\$ 24,554,723</u>
Plan net pension liability as a percentage of covered payroll	<u>376.85%</u>	<u>408.15%</u>	<u>475.81%</u>	<u>537.36%</u>	<u>482.73%</u>

Notes to Schedule:

Benefit Changes: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2018-19	2019-20	2020-21	2021-22	2022-23
Total pension liability					
Service cost	\$ 4,280,881	\$ 4,466,642	\$ 4,403,881	\$ 5,382,910	\$ 5,881,629
Interest	25,059,830	25,962,850	26,674,374	27,394,212	28,728,545
Differences between expected and actual experience	715,766	1,615,820	(944,320)	(1,445,599)	7,296,859
Changes of benefit terms	-	-	-	-	509,976
Changes of assumptions	-	-	-	14,133,399	-
Benefit payments, including refunds of employee contributions	(17,813,858)	(19,025,658)	(19,979,193)	(20,633,132)	(22,357,168)
Net change in total pension liability	12,242,619	13,019,654	10,154,742	24,831,790	20,059,841
Total pension liability - beginning	356,537,861	368,780,480	381,800,134	391,954,876	416,786,666
Total pension liability - ending (a)	<u>\$ 368,780,480</u>	<u>\$ 381,800,134</u>	<u>\$ 391,954,876</u>	<u>\$ 416,786,666</u>	<u>\$ 436,846,507</u>
Pension fiduciary net position					
Contributions - employer	\$ 17,933,587	\$ 13,255,939	\$ 13,698,657	\$ 126,740,939	\$ 3,761,585
Contributions - employee	1,990,044	2,223,117	2,009,054	2,045,631	2,593,411
Net investment income	16,183,603	12,851,320	60,189,073	(29,901,304)	23,626,483
Benefit payments, including refunds of employee contributions	(17,813,858)	(19,025,658)	(19,979,193)	(20,633,132)	(22,357,168)
Net plan to plan resources movement	-	-	(53,189)	-	-
Administrative expense	(169,845)	(361,078)	(264,791)	(199,759)	(293,203)
Other miscellaneous income/expense	531	-	-	-	-
Net change in plan fiduciary net position	18,124,062	8,943,640	55,599,611	78,052,375	7,331,108
Plan fiduciary net position - beginning	238,004,053	256,128,115	265,071,755	320,671,366	398,723,741
Plan fiduciary net position - ending (b)	<u>\$ 256,128,115</u>	<u>\$ 265,071,755</u>	<u>\$ 320,671,366</u>	<u>\$ 398,723,741</u>	<u>\$ 406,054,849</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 112,652,365</u>	<u>\$ 116,728,379</u>	<u>\$ 71,283,510</u>	<u>\$ 18,062,925</u>	<u>\$ 30,791,658</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69.45%</u>	<u>69.43%</u>	<u>81.81%</u>	<u>95.67%</u>	<u>92.95%</u>
Covered payroll	<u>\$ 23,197,580</u>	<u>\$ 24,461,346</u>	<u>\$ 26,963,410</u>	<u>\$ 27,718,385</u>	<u>\$ 30,255,291</u>
Plan net pension liability as a percentage of covered payroll	<u>485.62%</u>	<u>477.20%</u>	<u>264.37%</u>	<u>65.17%</u>	<u>101.77%</u>

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Police Plan

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 4,618,139	\$ 4,735,543	\$ 4,874,596	\$ 5,711,294	\$ 5,925,006
Interest	13,684,244	14,549,722	15,292,872	16,152,688	17,126,542
Differences between expected and actual experience	-	642,707	(1,847,830)	(1,030,480)	1,568,431
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(3,951,003)	-	14,785,639	(583,544)
Benefit payments, including refunds of employee contributions	(7,151,132)	(7,482,701)	(8,102,489)	(8,569,669)	(10,101,119)
Net change in total pension liability	11,151,251	8,494,268	10,217,149	27,049,472	13,935,316
Total pension liability - beginning	183,723,079	194,874,330	203,368,598	213,585,747	240,635,219
Total pension liability - ending (a)	\$ 194,874,330	\$ 203,368,598	\$ 213,585,747	\$ 240,635,219	\$ 254,570,535
Pension fiduciary net position					
Contributions - employer	\$ 5,431,639	\$ 6,390,487	\$ 7,032,238	\$ 7,414,869	\$ 7,944,109
Contributions - employee	1,462,671	1,517,507	1,599,970	1,841,663	1,706,509
Net investment income	19,983,092	2,973,078	707,298	16,030,928	13,353,137
Benefit payments, including refunds of employee contributions	(7,151,132)	(7,482,701)	(8,102,489)	(8,569,669)	(10,101,119)
Net plan to plan resources movement	-	-	-	-	(390)
Administrative expense	-	(155,162)	(84,027)	(205,265)	(242,374)
Other miscellaneous income/expense	-	-	-	-	(460,273)
Net change in plan fiduciary net position	19,726,270	3,243,209	1,152,990	16,512,526	12,199,599
Plan fiduciary net position - beginning	114,905,084	134,631,354	137,874,563	139,027,553	155,540,079
Plan fiduciary net position - ending (b)	\$ 134,631,354	\$ 137,874,563	\$ 139,027,553	\$ 155,540,079	\$ 167,739,678
Plan net pension liability - ending (a) - (b)	\$ 60,242,976	\$ 65,494,035	\$ 74,558,194	\$ 85,095,140	\$ 86,830,857
Plan fiduciary net position as a percentage of the total pension liability	69.09%	67.80%	65.09%	64.64%	65.89%
Covered payroll	\$ 15,848,108	\$ 16,848,270	\$ 17,276,613	\$ 17,998,531	\$ 18,658,498
Plan net pension liability as a percentage of covered payroll	380.13%	388.73%	431.56%	472.79%	465.37%

Notes to Schedule:

Benefit Changes: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Police Plan

Measurement period	2018-19	2019-20	2020-21	2021-22	2022-23
Total pension liability					
Service cost	\$ 5,440,494	\$ 5,552,558	\$ 5,647,902	\$ 6,402,949	\$ 6,769,725
Interest	18,247,956	19,147,726	20,210,480	21,506,772	23,055,561
Differences between expected and actual experience	3,515,370	418,217	2,604,970	3,106,586	8,816,880
Changes of benefit terms	-	-	-	-	97,175
Changes of assumptions	-	-	-	13,243,287	-
Benefit payments, including refunds of employee contributions	(11,179,964)	(11,977,056)	(13,001,364)	(14,113,660)	(15,008,225)
Net change in total pension liability	16,023,856	13,141,445	15,461,988	30,145,934	23,731,116
Total pension liability - beginning	254,570,535	270,594,391	283,735,836	299,197,824	329,343,758
Total pension liability - ending (a)	<u>\$ 270,594,391</u>	<u>\$ 283,735,836</u>	<u>\$ 299,197,824</u>	<u>\$ 329,343,758</u>	<u>\$ 353,074,874</u>
Pension fiduciary net position					
Contributions - employer	\$ 8,647,659	\$ 15,780,216	\$ 13,995,784	\$ 103,659,698	\$ 4,928,267
Contributions - employee	1,554,430	1,611,310	1,715,846	2,027,522	2,224,601
Net investment income	11,128,659	9,184,495	44,733,798	(22,945,056)	18,360,050
Benefit payments, including refunds of employee contributions	(11,179,964)	(11,977,056)	(13,001,364)	(14,113,660)	(15,008,225)
Net plan to plan move	-	-	-	-	-
Administrative expense	(119,703)	(250,614)	(191,916)	(149,114)	(226,379)
Other miscellaneous income/expense	390	-	-	-	-
Net change in plan fiduciary net position	10,031,471	14,348,351	47,252,148	68,479,390	10,278,314
Plan fiduciary net position - beginning	167,739,678	177,771,149	192,119,500	239,371,648	307,851,038
Plan fiduciary net position - ending (b)	<u>\$ 177,771,149</u>	<u>\$ 192,119,500</u>	<u>\$ 239,371,648</u>	<u>\$ 307,851,038</u>	<u>\$ 318,129,352</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 92,823,242</u>	<u>\$ 91,616,336</u>	<u>\$ 59,826,176</u>	<u>\$ 21,492,720</u>	<u>\$ 34,945,522</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>65.70%</u>	<u>67.71%</u>	<u>80.00%</u>	<u>93.47%</u>	<u>90.10%</u>
Covered payroll	<u>\$ 17,096,107</u>	<u>\$ 17,137,525</u>	<u>\$ 17,699,772</u>	<u>\$ 18,195,366</u>	<u>\$19,650,871</u>
Plan net pension liability as a percentage of covered payroll	<u>542.95%</u>	<u>534.59%</u>	<u>338.01%</u>	<u>118.12%</u>	<u>177.83%</u>

City of Corona
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Fire Plan

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
City's proportion of the net pension liability	0.460390%	0.463050%	0.454250%	0.440050%	0.469000%
City's proportionate share of the net pension liability	\$ 28,647,492	\$ 31,783,428	\$ 39,306,263	\$ 43,640,517	\$ 44,243,817
City's covered payroll	\$ 9,308,854	\$ 9,624,801	\$ 9,885,314	\$ 10,511,383	\$ 10,100,596
City's proportionate share of the net pension liability as a percentage of its covered payroll	307.74%	330.22%	397.62%	415.17%	438.03%
Plan fiduciary net position as a percentage of the total pension liability	78.83%	77.78%	73.76%	73.61%	74.38%

Notes to Schedule:

Benefit Changes: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. For pooled plans this is a Class 3 benefit and there is no normal cost surcharge. The impact on the unfunded liability is included in the pool's differences between expected and actual experience.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Fire Plan

Measurement period	2018-19	2019-20	2020-21	2021-22	2022-23
City's proportion of the net pension liability	0.440950%	0.485490%	0.608630%	0.102850%	0.100138%
City's proportionate share of the net pension liability	\$ 48,071,798	\$ 52,823,339	\$ 32,916,531	\$ 11,880,356	\$ 12,492,529
City's covered payroll	\$ 9,911,459	\$ 9,614,463	\$ 10,418,921	\$ 11,623,068	\$ 13,202,788
City's proportionate share of the net pension liability as a percentage of its covered payroll	485.01%	549.42%	315.93%	102.21%	94.62%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	72.01%	83.22%	94.30%	94.35%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Fiscal year	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 8,615,040	\$ 8,408,391	\$ 10,548,137	\$ 10,844,590	\$ 11,933,587
Contributions in relation to the actuarially determined contribution	(8,615,040)	(8,408,391)	(10,548,137)	(20,944,590)	(17,933,587)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (10,100,000)	\$ (6,000,000)
Covered payroll ¹	\$ 26,820,056	\$ 25,968,300	\$ 24,590,351	\$ 24,554,723	\$ 23,197,580
Contributions as a percentage of covered payroll	32.12%	32.38%	42.90%	85.30%	77.31%

¹ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022-23; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2020 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed market
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Fiscal year	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 13,255,939	\$ 13,698,657	\$ 126,731,631	\$ 3,761,585	\$ 4,574,373
Contributions in relation to the actuarially determined contribution	(13,255,939)	(13,698,657)	(126,731,631)	(3,761,585)	(4,574,373)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 24,461,346	\$ 24,937,036	\$ 27,718,385	\$ 30,255,291	\$ 31,102,439
Contributions as a percentage of covered payroll.	54.19%	54.93%	457.21%	12.43%	14.71%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Police Plan

Fiscal year	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 6,390,487	\$ 7,032,238	\$ 7,414,869	\$ 7,944,109	\$ 8,647,659
Contributions in relation to the actuarially determined contribution	(6,390,487)	(7,032,238)	(7,414,869)	(7,944,109)	(8,647,659)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 16,848,270	\$ 17,276,613	\$ 17,998,531	\$ 18,658,498	\$ 17,096,107
Contributions as a percentage of covered payroll	37.93%	40.70%	41.20%	42.58%	50.58%

¹ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022-23; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2020 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed market
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Police Plan

Fiscal year	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 9,780,216	\$ 13,995,784	\$ 103,659,698	\$ 4,928,267	\$ 5,308,996
Contributions in relation to the actuarially determined contribution	(15,780,216)	(13,995,784)	(103,659,698)	(4,928,267)	(5,308,996)
Contribution deficiency (excess)	<u>\$ (6,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 17,137,525	\$ 17,512,875	\$ 18,195,366	\$ 19,650,871	\$ 20,201,095
Contributions as a percentage of covered payroll	92.08%	79.92%	569.70%	25.08%	26.28%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Fire Plan

Fiscal year	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 4,239,757	\$ 4,648,267	\$ 3,537,799	\$ 3,772,862	\$ 4,307,750
Contributions in relation to the actuarially determined contribution	(4,239,757)	(4,648,267)	(3,537,799)	(3,772,862)	(4,307,750)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 9,624,801	\$ 9,885,314	\$ 10,511,383	\$ 10,100,596	\$ 9,911,459
Contributions as a percentage of covered payroll	44.05%	47.02%	33.66%	37.35%	43.46%

¹ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended June 30, 2022-23

Notes to Schedule:

Benefit Changes: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. For pooled plans this is a Class 3 benefit and there is no normal cost surcharge. The impact on the unfunded liability is included in the pool's differences between expected and actual experience.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Fire Plan

Fiscal year	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 4,869,618	\$ 6,225,062	\$ 60,685,514	\$ 2,978,758	\$ 3,307,957
Contributions in relation to the actuarially determined contribution	(4,869,618)	(6,225,062)	(60,685,514)	(2,978,758)	(3,307,957)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 9,614,463	\$ 10,418,921	\$ 11,623,068	\$ 13,202,788	\$ 13,572,466
Contributions as a percentage of covered payroll	50.65%	59.75%	522.11%	22.56%	24.37%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Measurement period	2016-17 ¹	2017-18	2018-19	2019-20	2020-21
Total OPEB liability					
Service cost	\$ 1,391,792	\$ 1,437,025	\$ 1,674,724	\$ 1,053,465	\$ 1,087,703
Interest	10,487,715	10,832,995	11,059,411	9,441,454	9,588,461
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	(25,689,430)	-	(8,434,702)
Changes of assumptions	-	8,986,849	(2,130,435)	-	15,474,651
Benefit payments, including refunds of of employee contributions	(6,931,922)	(7,431,858)	(7,890,228)	(8,282,764)	(8,451,822)
Net change in total pension liability	4,947,585	13,825,011	(22,975,958)	2,212,155	9,264,291
Total OPEB liability - beginning	146,136,196	151,083,781	164,908,792	141,932,834	144,144,989
Total OPEB liability - ending (a)	<u>\$ 151,083,781</u>	<u>\$ 164,908,792</u>	<u>\$ 141,932,834</u>	<u>\$ 144,144,989</u>	<u>\$ 153,409,280</u>
OPEB fiduciary net position					
Contributions - employer	\$ 10,000,838	\$ 10,445,297	\$ 10,006,129	\$ 11,847,476	\$ 10,489,894
Net investment income	3,235,963	2,899,746	2,770,796	1,676,639	14,442,155
Benefit payments, including refunds employee contributions	(6,931,922)	(7,431,858)	(7,890,228)	(8,282,764)	(8,451,822)
Administrative expense	(16,420)	(19,731)	(9,161)	(23,600)	(19,869)
Investment expense	-	-	-	-	-
Other expenses	-	(47,396)	-	-	-
Net change in plan fiduciary net position	6,288,459	5,846,058	4,877,536	5,217,751	16,460,358
Plan fiduciary net position - beginning	29,541,629	35,830,088	41,676,146	46,553,682	51,771,433
Plan fiduciary net position - ending (b)	<u>\$ 35,830,088</u>	<u>\$ 41,676,146</u>	<u>\$ 46,553,682</u>	<u>\$ 51,771,433</u>	<u>\$ 68,231,791</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 115,253,693</u>	<u>\$ 123,232,646</u>	<u>\$ 95,379,152</u>	<u>\$ 92,373,556</u>	<u>\$ 85,177,489</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>23.72%</u>	<u>25.27%</u>	<u>32.80%</u>	<u>35.92%</u>	<u>44.48%</u>
Covered-employee payroll	<u>\$ 65,624,320</u>	<u>\$ 63,618,121</u>	<u>\$ 62,361,582</u>	<u>\$ 67,841,626</u>	<u>\$ 68,613,350</u>
Plan net OPEB liability as a percentage of covered-employee payroll	<u>175.63%</u>	<u>193.71%</u>	<u>152.95%</u>	<u>136.16%</u>	<u>124.14%</u>

¹ Historical information is presented for measurement periods after GASB No. 75 was implemented in 2017-18 (measurement period of 2016-17). Additional years of information will be displayed as it becomes available.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Measurement period	2021-22	2022-23
Total OPEB liability		
Service cost	\$ 1,120,750	\$ 1,154,373
Interest	9,090,363	9,188,605
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(2,526,378)
Changes of assumptions	-	6,107,673
Benefit payments, including refunds of of employee contributions	(8,552,199)	(8,689,586)
Net change in total pension liability	1,658,914	5,234,687
Total OPEB liability - beginning	153,409,280	155,068,194
Total OPEB liability - ending (a)	<u>\$ 155,068,194</u>	<u>\$ 160,302,881</u>
OPEB fiduciary net position		
Contributions - employer	\$ 10,744,736	\$ 9,994,224
Net investment income	(9,320,756)	3,946,752
Benefit payments, including refunds employee contributions	(8,552,199)	(8,689,586)
Administrative expense	(17,410)	(17,812)
Investment expense	-	-
Other expenses	-	-
Net change in plan fiduciary net position	(7,145,629)	5,233,578
Plan fiduciary net position - beginning	68,231,791	61,086,162
Plan fiduciary net position - ending (b)	<u>\$ 61,086,162</u>	<u>\$ 66,319,740</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 93,982,032</u>	<u>\$ 93,983,141</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>39.39%</u>	<u>41.37%</u>
Covered-employee payroll	<u>\$ 74,680,408</u>	<u>\$ 84,958,125</u>
Plan net OPEB liability as a percentage of covered-employee payroll	<u>125.85%</u>	<u>110.62%</u>

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Fiscal year	2017 ¹	2018	2019	2020	2021
Actuarially determined contribution	\$ 10,000,838	\$ 10,443,091	\$ 10,760,239	\$ 11,087,025	\$ 10,481,185
Contributions in relation to the actuarially determined contribution	(10,000,838)	(10,445,297)	(10,006,129)	(11,847,476)	(10,489,894)
Contribution deficiency (excess)	\$ -	\$ (2,206)	\$ 754,110	\$ (760,451)	\$ (8,709)
Covered-employee payroll	\$ 65,624,320	\$ 63,618,121	\$ 62,361,582	\$ 67,841,626	\$ 68,613,350
Contributions as a percentage of covered-employee payroll. ²	15.24%	16.42%	16.05%	17.46%	15.29%

¹ Historical information is presented for measurement periods after GASB No. 75 was implemented in 2017-18 (measurement period of 2016-17). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2021 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market valuation of assets
Discount Rate	6.05%
Payroll Growth	3.00%
General Inflation Rate	2.5% per year
Health Trend	5.6 in FY2023, step down 0.5% per year to 3.9% by 2075

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Fiscal year	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$ 9,693,048	\$ 9,983,374	\$ 10,282,357
Contributions in relation to the actuarially determined contribution	<u>(10,744,736)</u>	<u>(9,994,224)</u>	<u>(10,203,431)</u>
Contribution deficiency (excess)	<u>\$ (1,051,688)</u>	<u>\$ (10,850)</u>	<u>\$ 78,926</u>
Covered-employee payroll	\$ 74,680,408	\$ 84,958,125	\$ 89,487,961
Contributions as a percentage of covered-employee payroll. ²	14.39%	11.76%	11.40%



SUPPLEMENTARY INFORMATION



City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Low Mod Income Housing Asset Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 506,614	\$ 673,884	\$ 1,138,334	\$ 464,450
Current services	65,000	69,852	-	(69,852)
Other revenues	327,199	74,061	81,466	7,405
Total revenues	<u>898,813</u>	<u>817,797</u>	<u>1,219,800</u>	<u>402,003</u>
EXPENDITURES:				
Current:				
Planning and development	254,618	331,930	150,608	181,322
Debt service:				
Principal retirement	14,425	14,425	14,425	-
Interest and charges	4,001	4,001	4,001	-
Total expenditures	<u>273,044</u>	<u>350,356</u>	<u>169,034</u>	<u>181,322</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>625,769</u>	<u>467,441</u>	<u>1,050,766</u>	<u>220,681</u>
OTHER FINANCING SOURCES:				
Proceeds from long term debt	227,697	227,697	-	(227,697)
Total other financing sources	<u>227,697</u>	<u>227,697</u>	<u>-</u>	<u>(227,697)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 853,466</u>	<u>\$ 695,138</u>	<u>1,050,766</u>	<u>\$ (7,016)</u>
FUND BALANCE:				
Beginning of year			<u>38,393,574</u>	
End of year			<u>\$ 39,444,340</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Grants Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 12,504,800	\$ -	\$ 25,606,606	\$ 25,606,606
Investment earnings	7,610	400,602	875,544	474,942
Other revenues	-	26,063	215,874	189,811
Total revenues	<u>12,512,410</u>	<u>426,665</u>	<u>26,698,024</u>	<u>26,271,359</u>
EXPENDITURES:				
Current:				
Community services	-	325,972	23,124	302,848
Capital outlay	12,320,000	105,576,708	26,728,379	78,848,329
Total expenditures	<u>12,320,000</u>	<u>105,902,680</u>	<u>26,751,503</u>	<u>79,151,177</u>
NET CHANGE IN FUND BALANCE	<u>\$ 192,410</u>	<u>\$ (105,476,015)</u>	(53,479)	<u>\$ 105,422,536</u>
FUND BALANCE:				
Beginning of year			<u>2,856,313</u>	
End of year			<u>\$ 2,802,834</u>	

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Gas Tax Fund – accounts for receipts and expenditures of money apportioned under Street and Highway Code Section 2105, 2106, 2107, and 2107.5 of the State of California.

Measure A Fund – accounts for money generated by a half percent sales tax approved by the voters in 1989. This money is used to maintain and construct local streets and roads.

Trip Reduction Fund – accounts for allocations made by AB 2766 known as the Clean Air Act. The money is used to provide means and incentives for ridesharing in order to reduce traffic and air pollution.

Asset Forfeiture Fund – accounts for asset seizures and forfeitures resulting from police investigations and court decisions.

Special Tax District Fund – accounts for revenues derived from annual assessments which are used to pay the cost incurred by the city for landscape maintenance, street light maintenance, and the City's Business Improvement District.

Residential Refuse Fund – accounts for receipts from refuse billings and collections to pay for vendor services and impact roadways.

Nonmajor Capital Project Fund:

Public Facility Project Fund – accounts for transactions related to proceeds from debt and other resources and their use to acquire and construct certain capital facilities.

HUD Grants Fund – accounts for grants from the department of Housing and Urban Development (HUD) and expenditures for the block grant programs as approved by the City Council.

Planned Local Drainage Fund – accounts for storm water drainage fees developers as a result of City ordinance 1279. The money is used to construct water drainage facilities within a drainage area.

City of Corona
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
ASSETS				
Cash and investments	\$ 12,380,584	\$ 16,813,106	\$ 1,920,223	\$ 333,668
Accounts receivable	15,409	7,430	-	1,620
Interest receivable	60,984	79,971	9,130	1,586
Due from other governments	698,099	493,254	55,000	-
Long term receivables	-	-	-	-
Loans receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Restricted cash and investments	-	-	-	-
Total assets	\$ 13,155,076	\$ 17,393,761	\$ 1,984,353	\$ 336,874
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 679,533	\$ 4,222,034	\$ 705	\$ -
Retention payable	-	426,200	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	170,923
Total liabilities	679,533	4,648,234	705	170,923
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	12,475,543	12,745,527	1,983,648	165,951
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	12,475,543	12,745,527	1,983,648	165,951
Total liabilities, deferred inflows of resources and fund balances	\$ 13,155,076	\$ 17,393,761	\$ 1,984,353	\$ 336,874

(Continued)

City of Corona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds		Capital Projects Funds	
	Special Tax Districts	Residential Refuse	Public Facility Project	HUD Grants
ASSETS				
Cash and investments	\$ 27,641,120	\$ 1,056,641	\$ -	\$ 607,567
Accounts receivable	93,154	1,765,657	-	9,498
Interest receivable	131,700	5,330	-	-
Due from other governments	125,871	80,070	3,398,290	890,090
Long term receivables	-	-	-	1,717,405
Loans receivable, net	-	-	-	2,253,838
Land held for resale	-	-	-	1,461,000
Restricted cash and investments	21,287	58,991	-	-
Total assets	\$ 28,013,132	\$ 2,966,689	\$ 3,398,290	\$ 6,939,398
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 522,188	\$ 1,948,487	\$ -	\$ 741,307
Retention payable	23,953	-	-	-
Due to other funds	-	-	3,875,770	121,746
Advance from other funds	1,245,156	-	-	-
Deposits payable	1,550	-	-	750
Unearned revenue	2,949	24,850	-	42,500
Total liabilities	1,795,796	1,973,337	3,875,770	906,303
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	3,163,103	-
Total deferred inflows of resources	-	-	3,163,103	-
Fund Balances (Deficits):				
Restricted	26,217,336	993,352	-	6,033,095
Assigned	-	-	-	-
Unassigned (deficits)	-	-	(3,640,583)	-
Total fund balances (deficits)	26,217,336	993,352	(3,640,583)	6,033,095
Total liabilities, deferred inflows of resources and fund balances	\$ 28,013,132	\$ 2,966,689	\$ 3,398,290	\$ 6,939,398

(Continued)

City of Corona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects	
	Fund	Total
	Planned Local	Nonmajor
	Drainage	Governmental
		Funds
ASSETS		
Cash and investments	\$ -	60,752,909
Accounts receivable	109	1,892,877
Interest receivable	-	288,701
Due from other governments	1,095,017	6,835,691
Long term receivables	-	1,717,405
Loans receivable, net	-	2,253,838
Land held for resale	-	1,461,000
Restricted cash and investments	-	80,278
Total assets	\$ 1,095,126	\$ 75,282,699
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 16,974	\$ 8,131,228
Retention payable	-	450,153
Due to other funds	62,256	4,059,772
Advance from other funds	-	1,245,156
Deposits payable	-	2,300
Unearned revenue	-	241,222
Total liabilities	79,230	14,129,831
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	-	3,163,103
Total deferred inflows of resources	-	3,163,103
Fund Balances (Deficits):		
Restricted	-	60,614,452
Assigned	1,015,896	1,015,896
Unassigned (deficits)	-	(3,640,583)
Total fund balances (deficits)	1,015,896	57,989,765
Total liabilities, deferred inflows of resources and fund balances	\$ 1,095,126	\$ 75,282,699

(Concluded)

City of Corona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Intergovernmental	8,259,015	5,677,441	213,368	34,375
Special assessments	-	-	-	-
Investment earnings	394,409	793,385	72,558	14,698
Current services	-	-	-	-
Other revenues	41,304	-	-	-
Total revenues	<u>8,694,728</u>	<u>6,470,826</u>	<u>285,926</u>	<u>49,073</u>
EXPENDITURES:				
Current:				
Public safety- Police	-	-	-	59,351
Public works & maintenance services	1,539,425	159,362	1,755	-
Community services	-	-	21,701	-
Community development	-	-	-	-
Capital outlay	2,607,773	11,352,808	6,304	-
Debt service:				
Principal retirement	-	-	-	-
Interest and charges	-	-	-	-
Total expenditures	<u>4,147,198</u>	<u>11,512,170</u>	<u>29,760</u>	<u>59,351</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,547,530</u>	<u>(5,041,344)</u>	<u>256,166</u>	<u>(10,278)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,289,243)	-	-	-
Total other financing sources (uses)	<u>(1,289,243)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	3,258,287	(5,041,344)	256,166	(10,278)
FUND BALANCES (DEFICITS):				
Beginning of year	9,217,256	17,786,871	1,727,482	176,229
End of year	<u>\$ 12,475,543</u>	<u>\$ 12,745,527</u>	<u>\$ 1,983,648</u>	<u>\$ 165,951</u>

(Continued)

City of Corona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		Capital Projects Funds	
	Special Tax Districts	Residential Refuse	Public Facility Project	HUD Grants
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	110,238	-	-
Intergovernmental	-	687,437	-	1,335,191
Special assessments	9,169,153	-	-	-
Investment earnings	1,282,248	(4,695)	-	-
Current services	17,079	11,346,219	-	-
Other revenues	229,409	2,737	-	52,138
Total revenues	10,697,889	12,141,936	-	1,387,329
EXPENDITURES:				
Current:				
Public safety- Police	-	-	-	-
Public works & maintenance services	7,671,065	11,688,547	-	-
Community services	-	1,441	-	-
Community development	-	-	-	337,813
Capital outlay	702,097	111,458	-	1,040,161
Debt service:				
Principal retirement	-	19,761	-	8,944
Interest and charges	-	5,481	-	2,481
Total expenditures	8,373,162	11,826,688	-	1,389,399
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,324,727	315,248	-	(2,070)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	2,324,727	315,248	-	(2,070)
FUND BALANCES (DEFICITS):				
Beginning of year	23,892,609	678,104	(3,640,583)	6,035,165
End of year	\$ 26,217,336	\$ 993,352	\$ (3,640,583)	\$ 6,033,095

(Continued)

City of Corona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Planned Local Drainage	
REVENUES:		
Licenses and permits	\$ 813,189	\$ 813,189
Fines and Penalties	-	110,238
Intergovernmental	-	16,206,827
Special assessments	-	9,169,153
Investment earnings	39,299	2,591,902
Current services	-	11,363,298
Other revenues	375,000	700,588
Total revenues	<u>1,227,488</u>	<u>40,955,195</u>
EXPENDITURES:		
Current:		
Public safety- Police	-	59,351
Public works & maintenance services	975,811	22,035,965
Community services	-	23,142
Community development	-	337,813
Capital outlay	5,733	15,826,334
Debt service:		
Principal retirement	86,498	115,203
Interest and charges	23,993	31,955
Total expenditures	<u>1,092,035</u>	<u>38,429,763</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>135,453</u>	<u>2,525,432</u>
OTHER FINANCING SOURCES (USES):		
Transfers out	-	(1,289,243)
Total other financing sources (uses)	<u>-</u>	<u>(1,289,243)</u>
NET CHANGES IN FUND BALANCES	135,453	1,236,189
FUND BALANCES (DEFICITS):		
Beginning of year	880,443	56,753,576
End of year	<u>\$ 1,015,896</u>	<u>\$ 57,989,765</u>

(Concluded)



City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 8,267,707	\$ 8,429,468	\$ 8,259,015	\$ (170,453)
Investment earnings	123,965	250,278	394,409	144,131
Other revenues	-	3,053	41,304	38,251
Total revenues	<u>8,391,672</u>	<u>8,682,799</u>	<u>8,694,728</u>	<u>11,929</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	2,488,073	2,422,445	1,539,425	883,020
Capital outlay	6,128,978	12,870,590	2,607,773	10,262,817
Total expenditures	<u>8,617,051</u>	<u>15,293,035</u>	<u>4,147,198</u>	<u>11,145,837</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(225,379)</u>	<u>(6,610,236)</u>	<u>4,547,530</u>	<u>11,157,766</u>
OTHER FINANCING (USES):				
Transfers out	(1,200,000)	(1,200,000)	(1,289,243)	(89,243)
Total other financing (uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,289,243)</u>	<u>(89,243)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,425,379)</u>	<u>\$ (7,810,236)</u>	<u>3,258,287</u>	<u>\$ 11,068,523</u>
FUND BALANCE:				
Beginning of year			<u>9,217,256</u>	
End of year			<u>\$ 12,475,543</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure A Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 5,611,000	\$ 5,611,000	\$ 5,677,441	\$ 66,441
Investment earnings	336,406	435,688	793,385	357,697
Total revenues	<u>5,947,406</u>	<u>6,046,688</u>	<u>6,470,826</u>	<u>424,138</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	159,362	159,362	159,362	-
Capital outlay	5,711,000	20,438,655	11,352,808	9,085,847
Total expenditures	<u>5,870,362</u>	<u>20,598,017</u>	<u>11,512,170</u>	<u>9,085,847</u>
NET CHANGE IN FUND BALANCE	<u>\$ 77,044</u>	<u>\$ (14,551,329)</u>	<u>(5,041,344)</u>	<u>\$ 9,509,985</u>
FUND BALANCE:				
Beginning of year			<u>17,786,871</u>	
End of year			<u>\$ 12,745,527</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Trip Reduction Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ 105,000	\$ 213,368	\$ 108,368
Investment earnings	26,478	39,815	72,558	32,743
Total revenues	<u>26,478</u>	<u>144,815</u>	<u>285,926</u>	<u>141,111</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	-	-	1,755	(1,755)
Community services	33,300	33,300	21,701	11,599
Capital Outlay	-	69,939	6,304	63,635
Total expenditures	<u>33,300</u>	<u>103,239</u>	<u>29,760</u>	<u>73,479</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,822)</u>	<u>\$ 41,576</u>	256,166	<u>\$ 214,590</u>
FUND BALANCE:				
Beginning of year			<u>1,727,482</u>	
End of year			<u>\$ 1,983,648</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ 34,375	\$ 34,375	\$ -
Investment earnings	6,400	19,762	14,698	(5,064)
Total revenues	<u>6,400</u>	<u>54,137</u>	<u>49,073</u>	<u>(5,064)</u>
EXPENDITURES:				
Current:				
Public safety - police	66,800	137,231	59,351	77,880
Debt service:				
Interest and charges	1,000	1,000	-	1,000
Total expenditures	<u>67,800</u>	<u>138,231</u>	<u>59,351</u>	<u>78,880</u>
NET CHANGE IN FUND BALANCE	<u>\$ (61,400)</u>	<u>\$ (84,094)</u>	(10,278)	<u>\$ 73,816</u>
FUND BALANCE:				
Beginning of year			176,229	
End of year			<u>\$ 165,951</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Tax District Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special assessments	\$ 9,123,049	\$ 9,167,208	\$ 9,169,153	\$ 1,945
Investment earnings	528,418	710,974	1,282,248	571,274
Current services	69,754	74,136	17,079	(57,057)
Other revenues	20,327	115,492	229,409	113,917
Total revenues	<u>9,741,548</u>	<u>10,067,810</u>	<u>10,697,889</u>	<u>630,079</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	8,466,664	8,741,917	7,671,065	1,070,852
Capital outlay	33,272	1,256,038	702,097	553,941
Total expenditures	<u>8,499,936</u>	<u>9,997,955</u>	<u>8,373,162</u>	<u>1,624,793</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,241,612</u>	<u>\$ 69,855</u>	2,324,727	<u>\$ 2,254,872</u>
FUND BALANCE:				
Beginning of year			<u>23,892,609</u>	
End of year			<u>\$ 26,217,336</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Residential Refuse Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 136,338	\$ 507,170	\$ 687,437	\$ 180,267
Investment earnings	(1,658)	24,269	(4,695)	(28,964)
Fines and penalties	120,000	120,000	110,238	(9,762)
Current services	11,192,465	11,192,465	11,346,219	153,754
Other revenues	-	-	2,737	2,737
Total revenues	11,447,145	11,843,904	12,141,936	298,032
EXPENDITURES:				
Current:				
Public works & maintenance services	11,666,637	11,689,543	11,688,547	996
Community services	-	29,499	1,441	28,058
Capital outlay	10,875	536,943	111,458	425,485
Debt service:				
Principal retirement	19,761	19,761	19,761	-
Interest and charges	5,481	5,481	5,481	-
Total expenditures	11,702,754	12,281,227	11,826,688	454,539
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(255,609)	(437,323)	315,248	752,571
OTHER FINANCING SOURCES:				
Transfers in	-	40,815	-	(40,815)
Total other financing sources	-	40,815	-	(40,815)
NET CHANGE IN FUND BALANCE	\$ (255,609)	\$ (396,508)	315,248	\$ 711,756
FUND BALANCE:				
Beginning of year			678,104	
End of year			<u>\$ 993,352</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Facility Project Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 700,000	\$ -	\$ -	\$ -
Total revenues	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	-	6,451,339	-	6,451,339
Total expenditures	<u>-</u>	<u>6,451,339</u>	<u>-</u>	<u>6,451,339</u>
NET CHANGE IN FUND BALANCE	<u>\$ 700,000</u>	<u>\$ (6,451,339)</u>	<u>-</u>	<u>\$ 6,451,339</u>
FUND BALANCE:				
Beginning of year			(3,640,583)	
End of year			<u>\$ (3,640,583)</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HUD Grants Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and penalties	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,708,303	1,708,303	1,335,191	(373,112)
Current services	-	184,587	-	(184,587)
Other revenues	-	56,069	52,138	(3,931)
Total revenues	<u>1,708,303</u>	<u>1,948,959</u>	<u>1,387,329</u>	<u>(561,630)</u>
EXPENDITURES:				
Current:				
Planning and development	288,963	288,963	337,813	(48,850)
Capital outlay	1,547,821	7,192,967	1,040,161	6,152,806
Debt service:				
Principal retirement	8,944	8,944	8,944	-
Interest and charges	2,481	2,481	2,481	-
Total expenditures	<u>1,848,209</u>	<u>7,493,355</u>	<u>1,389,399</u>	<u>6,103,956</u>
NET CHANGE IN FUND BALANCE	<u>\$ (139,906)</u>	<u>\$ (5,544,396)</u>	<u>(2,070)</u>	<u>\$ 5,542,326</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>6,035,165</u>	
End of year			<u>\$ 6,033,095</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Planned Local Drainage Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 770,000	\$ 770,000	\$ 813,189	\$ 43,189
Investment earnings	8,455	9,872	39,299	29,427
Other revenues	375,000	375,000	375,000	-
Total revenues	<u>1,153,455</u>	<u>1,154,872</u>	<u>1,227,488</u>	<u>72,616</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	998,156	1,000,024	975,811	24,213
Capital outlay	-	352,875	5,733	347,142
Debt service:				
Principal retirement	86,498	86,498	86,498	-
Interest and charges	23,993	23,993	23,993	-
Total expenditures	<u>1,108,647</u>	<u>1,463,390</u>	<u>1,092,035</u>	<u>371,355</u>
NET CHANGE IN FUND BALANCE	<u>\$ 44,808</u>	<u>\$ (308,518)</u>	135,453	<u>\$ 443,971</u>
FUND BALANCE:				
Beginning of year			880,443	
End of year			<u>\$ 1,015,896</u>	



NONMAJOR ENTERPRISE FUNDS

Transit Service Enterprise Fund – This fund is used to account for the operations of the City's transportation system for a fixed route and demand response service (Corona Cruiser and Dial-A-Ride) which, along with farebox revenues, and grants from the Transportation Development Act (TDA).

Airport Enterprise Fund – This fund is used to account for the operations of the City's municipal airport. The airport provides services to general aviation aircraft for recreation purposes only. It is a self-supporting activity based on rental charges and state grants.



City of Corona
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

	Transit Services	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 771,789	\$ 1,937,662	\$ 2,709,451
Accounts receivable	879	10,047	10,926
Interest receivable	24,038	9,195	33,233
Due from other government	273,901	-	273,901
Restricted cash and investments	580,176	-	580,176
Total current assets	1,650,783	1,956,904	3,607,687
Noncurrent assets:			
Capital assets:			
Capital assets, not depreciated	3,172	-	3,172
Capital assets, being depreciated, net	1,464,581	5,057	1,469,638
Total noncurrent assets	1,467,753	5,057	1,472,810
Total assets	3,118,536	1,961,961	5,080,497
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	113,049	-	113,049
OPEB related items	55,158	-	55,158
Total deferred outflows of resources	168,207	-	168,207
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	703,568	42,376	745,944
Accrued interest payable	2,826	-	2,826
Unearned revenue	1,005,788	140	1,005,928
Deposits payable	-	300	300
Compensated absences, due within one year	22,607	-	22,607
Long-term debt - due within one year	67,452	-	67,452
Total current liabilities	1,802,241	42,816	1,845,057
Noncurrent liabilities:			
Long term liabilities, due in more than one year	753,523	-	753,523
Compensated absences, due in more than one year	9,237	-	9,237
Net pension liability	107,771	-	107,771
Net OPEB liability	182,034	-	182,034
Total non-current liabilities	1,052,565	-	1,052,565
Total liabilities	2,854,806	42,816	2,897,622
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,012	-	1,012
OPEB related items	20,687	-	20,687
Total deferred inflows of resources	21,699	-	21,699
NET POSITION			
Investment in capital assets	1,467,753	5,057	1,472,810
Restricted	580,176	-	580,176
Unrestricted (deficit)	(1,637,691)	1,914,088	276,397
Total net position	\$ 410,238	\$ 1,919,145	\$ 2,329,383

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Transit Services	Airport	Total
OPERATING REVENUES:			
Intergovernmental	\$ 2,871,477	\$ -	\$ 2,871,477
Fees and permits	-	46,927	46,927
Fines and permits	25,150	-	25,150
Other revenues	59,159	458,169	517,328
Total operating revenues	2,955,786	505,096	3,460,882
OPERATING EXPENSES:			
Personnel services	251,463	80,081	331,544
Contractual services	2,532,945	204	2,533,149
Materials and supplies	55,695	104,981	160,676
Utilities	184,829	10,818	195,647
Depreciation	326,095	14,297	340,392
Total operating expenses	3,351,027	210,381	3,561,408
OPERATING INCOME (LOSS)	(395,241)	294,715	(100,526)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	-	1,692	1,692
Investment earnings	(18,045)	66,998	48,953
Interest expense	(17,571)	-	(17,571)
Total nonoperating revenues (expenses)	(35,616)	68,690	33,074
CHANGE IN NET POSITION	(430,857)	363,405	(67,452)
NET POSITION:			
Beginning of the year	841,095	1,555,740	2,396,835
End of the year	\$ 410,238	\$ 1,919,145	\$ 2,329,383

City of Corona
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Transit Service	Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 3,648,967	\$ 505,922	\$ 4,154,889
Cash paid to suppliers for goods and services	(2,913,969)	(76,039)	(2,990,008)
Cash paid to employees for services	(210,671)	(79,171)	(289,842)
Net cash provided by operating activities	524,327	350,712	875,039
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	-	1,532	1,532
Principal paid on pension obligation bonds	(63,615)	-	(63,615)
Interest paid on pension obligation bonds	(17,646)	-	(17,646)
Net cash provided by (used in) noncapital financing activities	(81,261)	1,532	(79,729)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(3,172)	-	(3,172)
Net cash used in capital and related financing activities	(3,172)	-	(3,172)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	(37,559)	65,045	27,486
Net cash provided by (used in) investing activities	(37,559)	65,045	27,486
Net increase in cash and cash equivalents	402,335	417,289	819,624
CASH AND CASH EQUIVALENTS:			
Beginning of year	949,630	1,520,373	2,470,003
End of year	<u>\$ 1,351,965</u>	<u>\$ 1,937,662</u>	<u>\$ 3,289,627</u>
CASH AND CASH EQUIVALENTS:			
Cash and investments	\$ 771,789	\$ 1,937,662	\$ 2,709,451
Restricted cash and investments	580,176	-	580,176
Total cash and cash equivalents	<u>\$ 1,351,965</u>	<u>\$ 1,937,662</u>	<u>\$ 3,289,627</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (395,241)	\$ 294,715	\$ (100,526)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	326,095	14,297	340,392
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	2,699	986	3,685
(Increase) decrease in due from other government	58,384	-	58,384
(Increase) decrease in deferred outflows of resources related to pension	21,603	-	21,603
(Increase) decrease in deferred outflows of resources related to OPEB	1,021	-	1,021
Increase (decrease) in accounts payable and accrued liabilities	(139,593)	40,874	(98,719)
Increase (decrease) in compensated absences	(289)	-	(289)
Increase (decrease) in unearned revenue	632,098	-	632,098
Increase (decrease) in deposits payable	-	(160)	(160)
Increase (decrease) in net pension liability	36,683	-	36,683
Increase (decrease) in net OPEB liability	(7,505)	-	(7,505)
Increase (decrease) in deferred inflows of resources related to pension	(2,886)	-	(2,886)
Increase (decrease) in deferred inflows of resources related to OPEB	(8,742)	-	(8,742)
Total adjustments	919,568	55,997	975,565
Net cash provided by (used in) operating activities	<u>\$ 524,327</u>	<u>\$ 350,712</u>	<u>\$ 875,039</u>



INTERNAL SERVICE FUNDS

Fleet Operations Fund – This fund is used to account for lease of equipment to City departments as the equipment is used. Rental charges include amounts accumulated in the fund to pay for equipment replacements as needed

Workers' Compensation Self-Insurance Fund – This fund was established on December 1, 1974 at which time the City became self-insured. Claims and administrative expense are charged to this fund. Reserves are held by this fund to buffer the impact of unknown but potential losses.

Liability Risk Self-Insurance Fund – This fund is used to account for expenses in payment of claims, administrator's expense (including legal fees) and to establish reserves against future claims.

Warehouse Fund – This fund is used to account for expenses regarding distribution of inventory.

Information Technology Fund – This fund is used to account for software subscriptions, licenses, equipment, and administrative costs of the information Technology Department on behalf of the other funds.

City of Corona
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
ASSETS			
Current assets:			
Cash and investments	\$ 5,243,996	\$ 23,075,041	\$ 5,010,150
Accounts receivable	12,307	45,652	-
Inventories and prepaid items	182,636	-	-
Total current assets	5,438,939	23,120,693	5,010,150
Noncurrent assets:			
Capital assets, not depreciated	-	-	-
Capital assets, being depreciated, net	5,030,111	-	-
Intangible asset, being amortized, net	1,014,254	-	-
Total noncurrent assets	6,044,365	-	-
Total assets	11,483,304	23,120,693	5,010,150
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	516,795	-	-
OPEB related items	357,732	-	-
Total deferred outflows of resources	874,527	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,079,100	214,449	1,808,867
Accrued interest payable	7,082	-	-
Claim payable, due within one year	-	3,453,914	543,347
Compensated absences, due within one year	86,028	-	-
Long-term debt, due within one year	169,018	-	-
Lease and SBITA payable, due within one year	106,086	-	-
Total current liabilities	1,447,314	3,668,363	2,352,214
Noncurrent liabilities:			
Compensated absences, due more than one year	-	-	-
Long term liabilities, due in more than one year	1,888,144	-	-
Lease and SBITA payable, due more than one year	272,951	-	-
Claim payable, due more than one year	-	18,608,516	1,575,964
Net pension liability	492,667	-	-
Net OPEB liability	1,180,605	-	-
Total noncurrent liabilities	3,834,367	18,608,516	1,575,964
Total liabilities	5,281,681	22,276,879	3,928,178
DEFERRED INFLOWS OF RESOURCES			
Pension related items	4,626	-	-
OPEB related items	134,165	-	-
Total deferred inflows of resources	138,791	-	-
NET POSITION			
Net investment in capital assets	5,665,328	-	-
Unrestricted	1,272,031	843,814	1,081,972
Total net position	\$ 6,937,359	\$ 843,814	\$ 1,081,972

(Continued)

City of Corona
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2024

	Warehouse	Information Technology	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,185,828	\$ 11,969,860	\$ 46,484,875
Accounts receivable	-	-	57,959
Inventories and prepaid items	-	-	182,636
Total current assets	1,185,828	11,969,860	46,725,470
Noncurrent assets:			
Capital assets, not depreciated	-	84,378	84,378
Capital assets, being depreciated net	-	123,160	5,153,271
Intangible asset, being amortized, net	-	2,277,497	3,291,751
Total noncurrent assets	-	2,485,035	8,529,400
Total assets	1,185,828	14,454,895	55,254,870
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	100,129	2,193,148	2,810,072
OPEB related items	54,629	652,024	1,064,385
Total deferred outflows of resources	154,758	2,845,172	3,874,457
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	18,364	550,341	3,671,121
Accrued interest payable	1,036	21,873	29,991
Claim payable, due within one year	-	-	3,997,261
Compensated absences, due within one year	3,681	240,627	330,336
Long-term debt, due within one year	24,721	522,015	715,754
Lease and SBITA payable, due within one year	-	1,691,576	1,797,662
Total current liabilities	47,802	3,026,432	10,542,125
Noncurrent liabilities:			
Compensated absences, due more than one year	-	242,354	242,354
Long term liabilities, due in more than one year	276,167	5,831,558	7,995,869
Lease and SBITA payable, due more than one year	-	218,154	491,105
Claim payable, due more than one year	-	-	20,184,480
Net pension liability	95,454	2,090,754	2,678,875
Net OPEB liability	180,289	2,151,842	3,512,736
Total noncurrent liabilities	551,910	10,534,662	35,105,419
Total liabilities	599,712	13,561,094	45,647,544
DEFERRED INFLOWS OF RESOURCES			
Pension related items	896	19,631	25,153
OPEB related items	20,488	244,537	399,190
Total deferred inflows of resources	21,384	264,168	424,343
NET POSITION			
Net investment in capital assets	-	575,305	6,240,633
Unrestricted	719,490	2,899,500	6,816,807
Total net position	\$ 719,490	\$ 3,474,805	\$ 13,057,440

(Concluded)

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
OPERATING REVENUES:			
Service charges	\$ 5,565,247	\$ 2,677,389	\$ 5,162,069
Other revenues	858,676	-	625,000
Total operating revenues	6,423,923	2,677,389	5,787,069
OPERATING EXPENSES:			
Personnel services	1,228,355	-	-
Contractual services	272,223	-	1,978,712
Materials and supplies	3,205,008	63,846	-
Utilities	1,345,996	-	-
Depreciation and amortization expense	1,088,450	-	-
Claims and premium	-	5,377,954	3,808,357
Total operating expenses	7,140,032	5,441,800	5,787,069
NET OPERATING INCOME (LOSS)	(716,109)	(2,764,411)	-
NONOPERATING REVENUE (EXPENSES):			
Interest expense	(88,547)	-	-
Gain on sale of capital assets	78,578	-	-
Total nonoperating expenses	(9,969)	-	-
TRANSFERS			
Transfers in	666,656	-	-
Transfers out	-	-	-
Total transfers	666,656	-	-
CHANGE IN NET POSITION	(59,422)	(2,764,411)	-
NET POSITION:			
Beginning of the year	6,996,781	3,608,225	1,081,972
End of the year	\$ 6,937,359	\$ 843,814	\$ 1,081,972

(Continued)

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Warehouse	Information Technology	Total
OPERATING REVENUES:			
Service charges	\$ 529,936	\$ 13,780,075	\$ 27,714,716
Other revenues	-	15	1,483,691
Total operating revenues	<u>529,936</u>	<u>13,780,090</u>	<u>29,198,407</u>
OPERATING EXPENSES:			
Personnel services	216,732	5,033,367	6,478,454
Contractual services	4	4,444,972	6,695,911
Materials and supplies	(1,096)	1,576,323	4,844,081
Utilities	999	312,050	1,659,045
Depreciation and amortization expense	-	2,335,675	3,424,125
Claims and premium	-	-	9,186,311
Total operating expenses	<u>216,639</u>	<u>13,702,387</u>	<u>32,287,927</u>
NET OPERATING INCOME (LOSS)	<u>313,297</u>	<u>77,703</u>	<u>(3,089,520)</u>
NONOPERATING REVENUE (EXPENSES):			
Interest expense	(6,440)	(281,159)	(376,146)
Gain on sale of capital assets	-	2,361	80,939
Total nonoperating expenses	<u>(6,440)</u>	<u>(278,798)</u>	<u>(295,207)</u>
TRANSFERS			
Transfers in	-	-	666,656
Transfers out	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>666,656</u>
CHANGE IN NET POSITION	306,857	(201,095)	(2,718,071)
NET POSITION:			
Beginning of the year	412,633	3,675,900	15,775,511
End of the year	<u>\$ 719,490</u>	<u>\$ 3,474,805</u>	<u>\$ 13,057,440</u>

(Concluded)

City of Corona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds		
	Fleet Operations	Workers' Compensation Self-Insurance	Liability Risk Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 6,419,563	\$ 2,688,110	\$ 5,787,069
Cash paid to suppliers for goods and services	(4,061,560)	(72,488)	(199,192)
Cash paid to employees for services	(1,047,333)	-	-
Cash paid for insurance or claims	-	(4,059,052)	(3,397,690)
Net cash provided by (used in) operating activities	1,310,670	(1,443,430)	2,190,187
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Principal paid on pension obligation bonds	(159,405)	-	-
Interest paid on pension obligation bonds	(44,215)	-	-
Intergovernmental grant received	34,702	-	-
Net cash provided by (used in) noncapital financing activities	(168,918)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipt from other funds	666,656	-	-
Payment to other funds	-	-	-
Acquisition of capital assets	(3,284,401)	-	-
Proceed from sale of capital assets	78,578	-	-
Principal paid on lease and subscription payables	(251,396)	-	-
Interest paid on lease and subscription payables	(44,518)	-	-
Net cash (used in) capital and related financing activities	(2,835,081)	-	-
Net increase (decrease) in cash and cash equivalents	(1,693,329)	(1,443,430)	2,190,187
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,937,325	24,518,471	2,819,963
End of year	<u>\$ 5,243,996</u>	<u>\$ 23,075,041</u>	<u>\$ 5,010,150</u>
NONCASH ITEMS:			
Lease and subscription of intangible assets	\$ 244,381	\$ -	\$ -
Issuance of lease and subscription liabilities	<u>\$ (244,381)</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (716,109)	\$ (2,764,411)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,088,450	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(4,360)	10,721	-
(Increase) decrease in inventories and prepaid items	14,530	-	-
(Increase) decrease in pension related deferred outflows of resources	117,271	-	-
(Increase) decrease in OPEB related deferred outflows of resources	6,623	-	-
Increase (decrease) in accounts payable and accrued liabilities	749,393	(8,642)	1,779,520
Increase (decrease) in claims payable	-	1,318,902	410,667
Increase (decrease) in compensated absences	16,059	-	-
Increase (decrease) in net pension liability	157,917	-	-
Increase (decrease) in net OPEB liability	(48,670)	-	-
Increase (decrease) in pension related deferred inflows of resources	(13,731)	-	-
Increase (decrease) in OPEB related deferred inflows of resources	(56,703)	-	-
Total adjustments	<u>2,026,779</u>	<u>1,320,981</u>	<u>2,190,187</u>
Net cash provided by (used in) operating activities	\$ 1,310,670	\$ (1,443,430)	\$ 2,190,187

City of Corona
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 529,936	\$ 13,780,225	\$ 29,204,903
Cash paid to suppliers for goods and services	12,612	(5,993,452)	(10,314,080)
Cash paid to employees for services	(189,997)	(4,247,491)	(5,484,821)
Cash paid for insurance or claims	-	-	(7,456,742)
Net cash provided by (used in) operating activities	352,551	3,539,282	5,949,260
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Principal paid on pension obligation bonds	(23,315)	(492,322)	(675,042)
Interest paid on pension obligation bonds	(6,467)	(216,196)	(266,878)
Intergovernmental grant received	-	-	34,702
Net cash provided by (used in) noncapital financing activities	(29,782)	(708,518)	(907,218)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipt from other funds	-	-	666,656
Payment to other funds	-	-	-
Acquisition of capital assets	-	(61,956)	(3,346,357)
Proceed from sale of capital assets	-	2,361	80,939
Principal paid on lease and subscription payables	-	(2,125,852)	(2,377,248)
Interest paid on lease and subscription payables	-	(145,176)	(189,694)
Net cash (used in) capital and related financing activities	-	(2,330,623)	(5,165,704)
Net increase (decrease) in cash and cash equivalents	322,769	500,141	(123,662)
CASH AND CASH EQUIVALENTS:			
Beginning of year	863,059	11,469,719	46,608,537
End of year	<u>\$ 1,185,828</u>	<u>\$ 11,969,860</u>	<u>\$ 46,484,875</u>
NONCASH ITEMS:			
Lease and subscription of intangible assets	\$ -	\$ 592,660	\$ 837,041
Issuance of lease and subscription liabilities	\$ -	\$ (592,660)	\$ (837,041)
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 313,297	\$ 77,703	\$ (3,089,520)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	2,335,675	3,424,125
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	135	6,496
(Increase) decrease in inventories and prepaid items	-	-	14,530
(Increase) decrease in pension related deferred outflows of resources	1,208	(41,083)	77,396
(Increase) decrease in OPEB related deferred outflows of resources	1,011	12,072	19,706
Increase (decrease) in accounts payable and accrued liabilities	13,964	360,771	2,895,006
Increase (decrease) in claims payable	-	-	1,729,569
Increase (decrease) in compensated absences	(752)	74,152	89,459
Increase (decrease) in net pension liability	41,954	954,590	1,154,461
Increase (decrease) in net OPEB liability	(7,434)	(88,709)	(144,813)
Increase (decrease) in pension related deferred inflows of resources	(2,038)	(42,674)	(58,443)
Increase (decrease) in OPEB related deferred inflows of resources	(8,659)	(103,350)	(168,712)
Total adjustments	39,254	3,461,579	9,038,780
Net cash provided by (used in) operating activities	\$ 352,551	\$ 3,539,282	\$ 5,949,260



STATISTICAL SECTION



City of Corona
Statistical Section Overview
(Unaudited)

This part of the City of Corona's annual comprehensive 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.

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Financial Trends

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

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

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City of Corona
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Governmental Activities					
Net Investment in Capital Assets	\$ 845,284,685	\$ 805,911,955	\$ 774,605,309	\$ 751,014,897	\$ 715,567,718
Restricted for:					
Capital Projects	42,247,174	43,106,386	37,622,892	30,373,703	30,073,897
Pension	46,473,646	35,415,224	30,102,382	-	-
Debt Service	10,184	14,024	124	6	8,627,925
Transportation and Public Works	28,198,070	29,409,713	28,902,625	29,395,576	21,690,954
Special Assessment District	26,217,336	23,892,609	28,773,861	24,246,859	11,617,840
Development Projects	18,800,071	17,719,706	17,413,190	16,303,526	23,608,622
Community Development Projects	6,033,095	6,035,165	6,012,278	6,194,799	6,594,350
Other Purposes	2,242,981	283,659	540,572	565,368	350,132
Total Restricted	<u>170,222,557</u>	<u>155,876,486</u>	<u>149,367,924</u>	<u>107,079,837</u>	<u>102,563,720</u>
Unrestricted	<u>85,199,675</u>	<u>72,780,934</u>	<u>52,930,786</u>	<u>38,917,327</u>	<u>45,153,818</u>
Total Governmental Activities Net Position	<u><u>\$ 1,100,706,917</u></u>	<u><u>\$ 1,034,569,375</u></u>	<u><u>\$ 976,904,019</u></u>	<u><u>\$ 897,012,061</u></u>	<u><u>\$ 863,285,256</u></u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 387,584,719	\$ 371,608,006	\$ 365,081,077	\$ 362,609,521	\$ 348,173,650
Restricted for:					
Capital Projects	-	-	-	-	6,735,454
Debt Service	508,203	526,057	509,441	509,441	-
Transportation and Public Works	580,176	52,127	255,544	366,440	377,421
Development Projects	855,624	855,624	855,624	855,624	792,804
Total Restricted	<u>1,944,003</u>	<u>1,433,808</u>	<u>1,620,609</u>	<u>1,731,505</u>	<u>7,905,679</u>
Unrestricted	<u>(46,228,241)</u>	<u>(44,211,868)</u>	<u>(66,552,586)</u>	<u>(70,513,075)</u>	<u>(79,890,157)</u>
Total Business-Type Activities Net Position	<u><u>\$ 343,300,481</u></u>	<u><u>\$ 328,829,946</u></u>	<u><u>\$ 300,149,100</u></u>	<u><u>\$ 293,827,951</u></u>	<u><u>\$ 276,189,172</u></u>
Primary Government					
Net Investment in Capital Assets	\$ 1,232,869,404	\$ 1,177,519,961	\$ 1,139,686,386	\$ 1,113,624,418	\$ 1,063,741,368
Restricted	172,166,560	157,310,294	150,988,533	108,811,342	110,469,399
Unrestricted	<u>38,971,434</u>	<u>28,569,066</u>	<u>(13,621,800)</u>	<u>(31,595,748)</u>	<u>(34,736,339)</u>
Total Primary Government Net Position	<u><u>\$ 1,444,007,398</u></u>	<u><u>\$ 1,363,399,321</u></u>	<u><u>\$ 1,277,053,119</u></u>	<u><u>\$ 1,190,840,012</u></u>	<u><u>\$ 1,139,474,428</u></u>

City of Corona
Schedule 1
Net Position by Component (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 690,776,881	\$ 661,445,807	\$ 638,468,424	\$ 618,953,633	\$ 587,861,831
Restricted for:					
Capital Projects	34,034,394	35,250,894	26,832,918	24,440,919	23,435,434
Pension	-	-	-	-	-
Debt Service	6,490,959	5,100,103	3,439,357	2,416,841	2,653,417
Transportation and Public Works	22,272,787	18,493,153	16,363,749	15,401,285	19,206,895
Special Assessment District	12,625,790	11,114,013	14,377,296	17,074,793	15,602,868
Development Projects	21,365,909	9,137,699	5,276,971	8,866,182	5,939,085
Community Development Projects					
Other Purposes	382,770	309,562	725,421	514,174	560,289
Total Restricted	<u>97,172,609</u>	<u>79,405,424</u>	<u>68,714,194</u>	<u>67,397,988</u>	<u>69,921,177</u>
Unrestricted	<u>34,147,614</u>	<u>23,749,730</u>	<u>96,234,263</u>	<u>90,173,729</u>	<u>270,365,217</u>
Total Governmental Activities Net Position	<u>\$ 822,097,104</u>	<u>\$ 764,600,961</u>	<u>\$ 783,902,090</u>	<u>\$ 745,433,548</u>	<u>\$ 897,600,470</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 346,111,296	\$ 334,581,059	\$ 324,512,188	\$ 312,540,296	\$ 286,045,985
Restricted for:					
Capital Projects	6,735,454	6,735,454	6,735,454	7,205,941	6,898,174
Debt Service	-	-	-	-	6,061,277
Transportation and Public Works	369,860	261,195	697,391	611,272	830,088
Development Projects	792,804				
Total Restricted	<u>7,898,118</u>	<u>6,996,649</u>	<u>7,817,213</u>	<u>13,789,539</u>	<u>18,911,848</u>
Unrestricted	<u>(95,417,283)</u>	<u>(111,330,380)</u>	<u>(96,745,399)</u>	<u>(92,820,840)</u>	<u>(91,326,475)</u>
Total Business-Type Activities Net Position	<u>\$ 258,592,131</u>	<u>\$ 230,247,328</u>	<u>\$ 223,612,110</u>	<u>\$ 207,014,684</u>	<u>\$ 202,803,803</u>
Primary Government					
Net Investment in Capital Assets	\$ 1,036,888,177	\$ 996,026,866	\$ 962,980,612	\$ 931,493,929	\$ 873,907,816
Restricted	105,070,727	86,402,073	74,448,557	76,531,407	81,187,527
Unrestricted	<u>(61,269,669)</u>	<u>(87,580,650)</u>	<u>20,341,732</u>	<u>(511,136)</u>	<u>(2,647,111)</u>
Total Primary Government Net Position	<u>\$ 1,080,689,235</u>	<u>\$ 994,848,289</u>	<u>\$ 1,057,770,901</u>	<u>\$ 1,007,514,200</u>	<u>\$ 952,448,232</u>

City of Corona
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Expenses					
Governmental Activities:					
General Government	\$ 55,837,152	\$ 42,003,289	\$ 35,184,855	\$ 37,567,629	\$ 35,158,626
Public Safety - Fire	36,651,843	59,329,187	31,961,693	32,592,271	29,429,998
Public Safety - Police	70,151,308	60,018,129	46,544,729	49,673,632	45,363,320
Public Works & Maintenance Services	45,274,584	33,911,619	51,021,619	42,862,546	47,417,239
Community Services (**)	21,721,934	18,724,859	3,969,626	3,863,503	3,720,964
Planning and Development (**)	11,148,793	9,928,888	5,081,650	6,404,617	5,179,409
Economic Development	1,355,186	1,303,084	1,200,606	651,741	219,500
Interest and Charges	6,198,268	4,841,729	3,857,494	1,125,253	1,239,678
Total Governmental Activities Expenses	\$ 248,339,068	\$ 230,060,784	\$ 178,822,272	\$ 174,741,192	\$ 167,728,734
Business-Type Activities:					
Water	68,332,076	60,671,831	63,431,423	61,436,086	59,032,333
Sewer	36,539,999	33,600,749	31,913,449	27,651,867	28,852,053
Electric	15,731,782	18,276,874	15,553,202	14,557,426	15,159,666
Transit Services	3,368,598	3,357,530	2,906,505	2,563,422	2,972,289
Airport	210,381	224,270	458,143	187,251	150,703
Total Business-Type Activities Expenses	124,182,836	116,131,254	114,262,722	106,396,052	106,167,044
Total Primary Government Expenses	\$ 372,521,904	\$ 346,192,038	\$ 293,084,994	\$ 281,137,244	\$ 273,895,778
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (*)	6,983,111	6,661,052	6,179,740	5,908,573	4,942,880
Public Safety - Fire	4,710,511	4,493,877	3,952,023	3,889,503	4,048,936
Public Safety - Police	2,514,886	1,812,973	2,402,592	2,112,639	2,274,242
Public Works & Maintenance Services	11,562,298	14,061,014	14,764,111	13,536,491	14,552,360
Community Services (**)	2,932,771	2,774,611	2,190,731	867,243	1,919,806
Planning and Development (**)	7,200,962	5,646,101	4,592,172	5,605,810	4,084,790
Economic Development	-	-	-	-	-
Operating Grants and Contributions	45,632,850	34,969,870	37,521,201	33,382,020	17,568,917
Capital Grants and Contributions	26,069,013	22,824,536	19,861,094	19,254,389	36,780,592
Total Governmental Activities Program Revenues	107,606,402	93,244,034	91,463,664	84,556,668	86,172,523
Business-Type activities:					
Charges for Services:					
Water	65,343,993	80,554,287	64,960,384	65,486,307	55,238,024
Sewer	34,783,423	35,209,947	34,027,929	34,562,829	30,984,409
Electric	18,337,177	17,882,717	17,554,503	16,484,158	16,346,238
Transit Services	84,309	94,181	246,155	63,382	297,111
Airport	505,096	480,645	434,761	591,652	398,281
Operating Grants and Contributions	9,341,926	2,966,466	5,062,788	2,226,923	2,185,674
Capital Grants and Contributions	2,788,273	4,182,457	1,894,007	4,146,239	6,004,436
Total Business-Type Activities Program Revenues	131,184,197	141,370,700	124,180,527	123,561,490	111,454,173
Total Primary Government Program Revenues	\$ 238,790,599	\$ 234,614,734	\$ 215,644,191	\$ 208,118,158	\$ 197,626,696

City of Corona
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2019	2018	2017	2016	2015
Expenses					
Governmental Activities:					
General Government	\$ 33,591,975	\$ 21,282,982	\$ 28,273,481	\$ 27,435,359	\$ 24,481,334
Public Safety - Fire	29,004,569	29,892,569	26,004,329	24,447,062	24,052,304
Public Safety - Police	51,665,087	52,237,558	47,773,812	44,341,895	42,939,535
Public Works & Maintenance Services	41,082,525	38,699,371	35,763,511	39,647,786	33,544,227
Community Services (**)	4,301,828	3,815,661	5,281,168	6,463,940	6,559,251
Planning and Development (**)	4,666,834	3,691,471	4,736,871	5,933,581	3,806,766
Economic Development	391,110	329,276	4,927,998	4,422,141	3,107,755
Interest and Charges	1,347,268	1,398,132	1,034,468	1,910,542	2,016,105
Total Governmental Activities Expenses	<u>\$ 166,051,196</u>	<u>\$ 151,347,020</u>	<u>\$ 153,795,638</u>	<u>\$ 154,602,306</u>	<u>\$ 140,507,277</u>
Business-Type Activities:					
Water	54,241,684	66,216,277	52,922,440	51,177,312	55,714,372
Sewer	28,218,102	31,543,999	24,258,766	25,004,508	26,500,708
Electric	15,597,164	16,913,151	15,559,948	20,082,535	15,192,888
Transit Services	3,153,161	3,391,384	2,826,701	2,732,394	2,477,893
Airport	180,033	146,287	166,860	197,702	282,969
Total Business-Type Activities Expenses	<u>101,390,144</u>	<u>118,211,098</u>	<u>95,734,715</u>	<u>99,194,451</u>	<u>100,168,830</u>
Total Primary Government Expenses	<u>\$ 267,441,340</u>	<u>\$ 269,558,118</u>	<u>\$ 249,530,353</u>	<u>\$ 253,796,757</u>	<u>\$ 240,676,107</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (*)	7,377,481	10,394,661	18,216,829	18,556,870	20,774,890
Public Safety - Fire	4,914,360	5,076,947	4,087,577	3,679,300	3,142,720
Public Safety - Police	2,282,448	2,172,690	1,090,884	1,082,045	1,065,181
Public Works & Maintenance Services	17,033,637	15,271,111	15,757,571	15,708,292	20,011,693
Community Services (**)	2,882,270	2,582,847	1,690,619	1,481,845	1,014,872
Planning and Development (**)	4,868,485	3,718,706	2,112,169	2,116,832	2,420,301
Economic Development	-	-	-	-	-
Operating Grants and Contributions	17,177,545	15,235,243	13,607,731	13,468,867	11,780,932
Capital Grants and Contributions	46,130,203	32,940,776	23,356,504	40,508,675	27,197,609
Total Governmental Activities Program Revenues	<u>102,666,429</u>	<u>87,392,981</u>	<u>79,919,884</u>	<u>96,602,726</u>	<u>87,408,198</u>
Business-Type activities:					
Charges for Services:					
Water	56,486,220	56,153,664	51,435,658	48,753,278	52,620,052
Sewer	31,394,607	31,114,187	31,271,134	30,755,583	30,735,952
Electric	16,971,319	17,772,585	16,789,626	17,057,728	16,760,206
Transit Services	364,025	359,652	445,604	427,417	432,281
Airport	341,505	265,996	298,868	272,217	288,820
Operating Grants and Contributions	1,813,204	3,195,967	2,876,392	5,116,662	4,160,035
Capital Grants and Contributions	6,915,473	4,992,185	13,061,722	6,954,812	13,485,750
Total Business-Type Activities Program Revenues	<u>114,286,353</u>	<u>113,854,236</u>	<u>116,179,004</u>	<u>109,337,697</u>	<u>118,483,096</u>
Total Primary Government Program Revenues	<u>\$ 216,952,782</u>	<u>\$ 201,247,217</u>	<u>\$ 196,098,888</u>	<u>\$ 205,940,423</u>	<u>\$ 205,891,294</u>

(Continued)

* For 2016 and prior, General Government's program revenue was restated to reclassify Lease and Rental Income from General Revenues to Program Revenues

** The City had reorganization in fiscal year 2021-22, Community Development became Planning and Development while Library and Recreation Services became Community Services.

City of Corona
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Net (Expense)/Revenue					
Governmental Activities	\$ (140,732,666)	\$ (136,816,750)	\$ (87,358,608)	\$ (90,184,524)	\$ (81,556,211)
Business-Type Activities	7,001,361	25,239,446	9,917,805	17,165,438	5,287,129
Total Primary Government Net Expense	<u>\$ (133,731,305)</u>	<u>\$ (111,577,304)</u>	<u>\$ (121,801,454)</u>	<u>\$ (73,019,086)</u>	<u>\$ (76,269,082)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 63,338,213	\$ 61,085,887	\$ 55,400,381	\$ 52,583,004	\$ 50,397,965
Sales and Use Tax	97,709,068	101,136,363	89,912,163	44,752,843	39,657,924
Other Taxes	15,166,752	13,376,528	12,562,342	11,213,308	10,369,076
Total taxes	<u>176,214,033</u>	<u>175,598,778</u>	<u>157,874,886</u>	<u>108,549,155</u>	<u>100,424,965</u>
Investment Earnings	21,705,154	10,613,780	(1,537,234)	972,402	10,810,066
Miscellaneous	8,951,022	8,269,548	7,519,310	12,065,796	12,544,603
Unrestricted Grants and Contributions	-	-	-	-	-
Gain/(Loss) on Sale of Capital Asset	-	-	120,753	158,800	-
Extraordinary Items	-	-	-	-	-
Transfers	-	-	109,748	(52,902)	(706,869)
Special Items	-	-	-	-	-
Total Governmental Activities	<u>206,870,209</u>	<u>194,482,106</u>	<u>164,087,463</u>	<u>121,693,251</u>	<u>123,072,765</u>
Business-Type Activities:					
Investment Earnings	7,469,174	3,441,400	(3,486,908)	684,844	6,237,118
Other Income	-	-	-	-	4,001,432
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	-
Transfers	-	-	(109,748)	52,902	706,869
Extraordinary Item - Impairment of Capital Asset	-	-	-	-	2,052,000
Total Business-Type Activities	<u>7,469,174</u>	<u>3,441,400</u>	<u>(3,596,656)</u>	<u>737,746</u>	<u>12,997,419</u>
Total Primary Government	<u>\$ 214,339,383</u>	<u>\$ 197,923,506</u>	<u>\$ 160,490,807</u>	<u>\$ 122,430,997</u>	<u>\$ 136,070,184</u>
Change in Net Position					
Governmental Activities	\$ 66,137,543	\$ 57,665,356	\$ 76,728,855	\$ 31,508,727	\$ 41,516,554
Business-Type Activities	14,470,535	28,680,846	6,321,149	17,903,184	18,284,548
Total Primary Government	<u>\$ 80,608,078</u>	<u>\$ 86,346,202</u>	<u>\$ 83,050,004</u>	<u>\$ 49,411,911</u>	<u>\$ 59,801,102</u>

(Continued)

City of Corona
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2019	2018	2017	2016	2015
Net (Expense)/Revenue					
Governmental Activities	\$ (63,384,767)	\$ (63,954,039)	\$ (73,875,754)	\$ (57,999,580)	\$ (53,099,079)
Business-Type Activities	12,896,209	(4,356,862)	20,444,289	10,143,246	18,314,266
Total Primary Government Net Expense	<u>\$ (50,488,558)</u>	<u>\$ (68,310,901)</u>	<u>\$ (53,431,465)</u>	<u>\$ (47,856,334)</u>	<u>\$ (34,784,813)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 48,123,700	\$ 45,646,490	\$ 43,059,232	\$ 42,156,726	\$ 38,656,150
Sales and Use Tax	44,125,758	38,118,548	41,145,616	39,663,795	36,608,600
Other Taxes	11,640,957	10,490,863	9,565,580	9,349,800	10,566,662
Total taxes	<u>103,890,415</u>	<u>94,255,901</u>	<u>93,770,428</u>	<u>91,170,321</u>	<u>85,831,412</u>
Investment Earnings	9,042,370	540,824	623,227	3,172,905	1,988,557
Miscellaneous	11,764,807	13,123,627	6,892,170	4,765,043	3,686,771
Unrestricted Grants and Contributions	-	-	-	-	-
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	-
Extraordinary Items	-	-	-	-	5,054,583
Transfers	(1,896,122)	(2,744,512)	44,970	14,540	-
Special Items	-	3,037,670	-	-	-
Total Governmental Activities	<u>122,801,470</u>	<u>108,213,510</u>	<u>101,330,795</u>	<u>99,122,809</u>	<u>96,561,323</u>
Business-Type Activities:					
Investment Earnings	5,010,211	334,927	199,758	1,839,114	862,948
Other Income	8,542,261	4,887,538	479,465	45,168	493
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	(10,207)
Transfers	1,896,122	2,744,512	(44,970)	(14,540)	-
Extraordinary Item - Impairment of Capital Asset	-	-	-	-	-
Total Business-Type Activities	<u>15,448,594</u>	<u>7,966,977</u>	<u>634,253</u>	<u>1,869,742</u>	<u>853,234</u>
Total Primary Government	<u>\$ 138,250,064</u>	<u>\$ 116,180,487</u>	<u>\$ 101,965,048</u>	<u>\$ 100,992,551</u>	<u>\$ 97,414,557</u>
Change in Net Position					
Governmental Activities	\$ 59,416,703	\$ 44,259,471	\$ 27,455,041	\$ 41,123,229	\$ 43,462,244
Business-Type Activities	28,344,803	3,610,115	21,078,542	12,012,988	19,167,500
Total Primary Government	<u>\$ 87,761,506</u>	<u>\$ 47,869,586</u>	<u>\$ 48,533,583</u>	<u>\$ 53,136,217</u>	<u>\$ 62,629,744</u>

(Concluded)

City of Corona
Schedule 3
Fund Balances – Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund					
Nonspendable	\$ 181,097,329	\$ 181,343,271	\$ 187,583,529	\$ 19,804,579	\$ 22,787,534
Restricted	46,483,830	35,429,248	30,102,506	6	-
Committed	58,382,920	52,915,998	48,121,481	42,939,942	41,987,810
Assigned	88,364,753	76,964,148	55,140,510	60,053,636	62,449,057
Unassigned	24,875,671	18,602,355	221,995	-	-
Total General Fund	<u>\$ 399,204,503</u>	<u>\$ 365,255,020</u>	<u>\$ 321,170,021</u>	<u>\$ 122,798,163</u>	<u>\$ 127,224,401</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	122,691,535	118,483,309	112,789,005	104,416,319	102,563,720
Assigned	1,015,896	880,443	638,647	558,505	493,812
Unassigned	(3,640,583)	(4,580,345)	(8,304,147)	(3,301,897)	(192,005)
Total all other Governmental Funds	<u>\$ 120,066,848</u>	<u>\$ 114,783,407</u>	<u>\$ 105,123,505</u>	<u>\$ 101,672,927</u>	<u>\$ 102,865,527</u>

City of Corona
Schedule 3
Fund Balances – Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2019	2018	2017	2016	2015
General Fund					
Nonspendable	\$ 26,492,072	\$ 31,465,340	\$ 33,241,909	\$ 34,124,977	\$ 24,378,784
Restricted	-	-	-	-	-
Committed	39,899,272	36,247,833	33,898,271	33,511,464	23,815,795
Assigned	55,495,036	40,855,061	41,979,112	33,141,625	50,696,555
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 121,886,380</u>	<u>\$ 108,568,234</u>	<u>\$ 109,119,292</u>	<u>\$ 100,778,066</u>	<u>\$ 98,891,134</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 18,926,818
Restricted	97,172,609	79,405,424	66,631,585	59,493,942	42,982,365
Assigned	396,813	389,356	432,652	9,428,541	5,825,674
Unassigned	(48,500)	(48,501)	(48,525)	(85,423)	(151,869)
Total all other Governmental Funds	<u>\$ 97,520,922</u>	<u>\$ 79,746,279</u>	<u>\$ 67,015,712</u>	<u>\$ 68,837,060</u>	<u>\$ 67,582,988</u>

City of Corona
Schedule 4
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues:					
Property Taxes	\$ 64,969,085	\$ 61,085,887	\$ 55,400,381	\$ 52,583,004	\$ 49,470,941
Sales Taxes	97,709,068	101,136,363	89,912,163	44,752,843	39,657,924
Other Taxes	15,166,752	13,255,986	12,562,342	11,213,308	10,369,076
Licenses, Fees and Permits	4,684,253	4,696,217	6,577,476	5,469,660	4,459,005
Fines and Penalties	1,531,096	1,535,485	1,181,815	790,144	1,183,944
Special Assessments	9,946,467	9,706,838	9,432,946	9,203,891	8,906,312
Investment Earnings	22,178,016	7,399,104	(5,003,021)	1,490,406	10,810,066
Intergovernmental Revenues	53,233,221	47,683,385	32,729,863	38,145,769	27,400,952
Current Services	25,188,659	25,180,987	23,562,912	21,619,934	21,047,563
Payments in Lieu of Services	6,524,090	6,251,709	6,212,499	5,796,335	4,734,340
Other Revenues	15,268,645	12,471,005	17,116,969	13,735,817	30,985,010
Total Revenues	316,399,352	290,402,966	249,686,345	204,801,111	209,025,133
Expenditures:					
General Government	47,726,698	41,210,177	56,625,834	37,706,387	34,223,230
Community Development			-	-	-
Public Safety - Fire	33,413,124	30,850,827	88,966,232	29,921,638	25,727,486
Public Safety - Police	54,559,931	48,860,334	161,926,977	48,530,984	47,307,419
Public Works & Maintenance Services	26,667,991	25,411,031	48,988,071	34,447,957	38,963,202
Community Services (*)	17,931,015	17,285,486	14,401,529	4,537,236	5,058,205
Planning and Development (*)	9,770,464	9,284,984	12,786,610	6,572,646	5,703,942
Economic Development	1,141,158	1,158,528	2,369,713	689,231	264,656
Capital Outlay	61,089,996	40,724,348	39,909,543	43,682,940	35,810,526
Debt Service					
Principal	18,301,424	16,872,858	17,173,832	3,006,263	2,905,509
Interest and Fiscal Charges	6,365,228	4,999,492	3,338,137	1,271,765	1,343,061
Total Expenditures	276,967,029	236,658,065	446,486,478	210,367,047	197,307,236
Excess of Revenues Over/(Under) Expenditures	39,432,323	53,744,901	(196,800,133)	(5,565,936)	11,717,897
Other Financing Sources/(Uses)					
Issuance of Debt	467,257	-	225,994,225	-	-
Principal Retirement	-	-	-	-	-
Bond Premium	-	-	-	-	-
Issuance of Leases	-	-	-	-	-
Transfers In	1,289,243	1,536,125	1,467,597	1,274,306	2,508,422
Transfers Out	(1,955,899)	(1,536,125)	(1,467,597)	(1,327,208)	(3,215,291)
Total Other Financing Sources/(Uses)	(199,399)	-	225,994,225	(52,902)	(706,869)
Extraordinary Items	-	-	-	-	-
Special Items	-	-	-	-	-
Net Change in Fund Balances	\$ 39,232,924	\$ 53,744,901	\$ 29,194,092	\$ (5,618,838)	\$ 11,011,028
Debt Service as a Percentage of Non-capital Expenditures	11.4%	11.2%	5.0%	2.6%	2.6%

* The City had reorganization in fiscal year 2021-22, Community Development became Planning and Development while Library and Recreation Services became Community Services.

City of Corona
Schedule 4
Changes in Fund Balances – Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2019	2018	2017	2016	2015
Revenues:					
Property Taxes	\$ 47,994,974	\$ 45,775,246	\$ 43,170,396	\$ 42,175,687	\$ 38,896,950
Sales Taxes	44,125,758	38,118,548	41,145,616	39,663,796	38,565,868
Other Taxes	10,806,717	10,443,823	9,421,375	9,255,961	7,598,684
Licenses, Fees and Permits	14,334,965	6,530,878	5,682,991	7,947,593	9,599,549
Fines and Penalties	1,260,265	1,243,873	1,467,593	1,338,341	1,041,887
Special Assessments	8,599,669	8,518,569	8,281,089	8,801,035	9,438,713
Investment Earnings	9,042,370	540,761	623,227	3,169,381	1,988,557
Intergovernmental Revenues	23,459,273	19,642,952	26,038,928	41,588,677	27,601,255
Current Services	21,810,063	21,536,206	19,260,514	18,375,839	17,276,984
Payments in Lieu of Services	7,732,356	9,973,782	10,113,191	10,202,448	12,638,674
Other Revenues	38,087,702	35,312,655	14,111,953	13,314,649	15,300,761
Total Revenues	227,254,112	197,637,293	179,316,873	195,833,407	179,947,882
Expenditures:					
General Government	32,612,219	33,897,611	25,520,135	25,200,855	21,735,399
Community Development	-	-	-	-	-
Public Safety - Fire	25,393,135	26,668,495	25,855,247	25,894,695	24,874,714
Public Safety - Police	45,914,260	47,426,516	46,885,033	45,080,687	41,966,882
Public Works & Maintenance Services	33,876,327	32,492,756	27,172,763	33,621,625	27,777,052
Community Services (*)	5,140,160	5,153,298	5,197,923	4,669,898	4,677,992
Planning and Development (*)	5,249,767	4,807,968	4,816,552	5,953,143	3,829,120
Economic Development	444,925	421,117	4,930,642	4,422,141	3,107,755
Capital Outlay	38,969,422	35,320,776	30,579,173	43,444,050	34,342,416
Debt Service					
Principal	2,814,099	3,324,719	2,853,939	2,800,122	3,672,900
Interest and Fiscal Charges	1,445,283	1,533,230	1,408,493	1,953,345	2,064,757
Total Expenditures	191,859,597	191,046,486	175,219,900	193,040,561	168,048,987
Excess of Revenues Over/(Under) Expenditures	35,394,515	6,590,807	4,096,973	2,792,846	11,898,895
Other Financing Sources/(Uses)					
Issuance of Debt	-	-	24,520,000	-	-
Principal Retirement	-	-	(27,212,450)	-	-
Bond Premium	-	-	2,974,564	-	-
Issuance of Leases	-	1,403,261	-	-	-
Transfers In	1,382,903	5,533,474	6,291,621	2,588,851	2,315,815
Transfers Out	(3,764,070)	(6,296,428)	(5,677,217)	(1,987,900)	(1,739,145)
Total Other Financing Sources/(Uses)	(2,381,167)	640,307	896,518	600,951	576,670
Extraordinary Items	-	-	-	-	-
Special Items	-	3,037,670	-	-	-
Net Change in Fund Balances	\$ 33,013,348	\$ 10,268,784	\$ 4,993,491	\$ 3,393,797	\$ 12,475,565
Debt Service as a Percentage of					
Non-capital Expenditures	2.8%	3.1%	2.9%	3.2%	4.3%

* The City had reorganization in fiscal year 2021-22, Community Development became Planning and Development while Library and Recreation Services became Community Services.

City of Corona
Schedule 5a
Water Sales By User Type¹
Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential		Commercial		Industrial		Public Agency		Agricultural, Irrigation and Other		Total	
	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet Total	% Total
2015	21,621	63.0	3,024	8.8	1,090	3.2	510	1.5	8,061	23.5	34,306	100.0
2016	18,876	62.9	2,726	9.1	958	3.2	391	1.3	7,054	23.5	30,005	100.0
2017	19,668	65.0	2,814	9.3	998	3.3	383	1.3	6,412	21.2	30,275	100.0
2018	21,703	63.6	2,884	8.5	1,092	3.2	400	1.2	8,020	23.5	34,099	100.0
2019	19,981	63.6	2,711	8.6	1,031	3.3	353	1.1	7,324	23.3	31,400	100.0
2020	21,340	65.5	2,645	8.1	1,012	3.1	361	1.1	7,246	22.2	32,604	100.0
2021	22,864	65.8	2,630	7.6	1,054	3.0	362	1.0	7,856	22.6	34,766	100.0
2022	22,125	65.2	2,773	8.2	1,005	3.0	399	1.2	7,625	22.5	33,927	100.0
2023	19,474	65.6	2,547	8.6	833	2.8	365	1.2	6,474	21.8	29,693	100.0
2024	19,451	65.4	2,358	7.9	805	2.7	374	1.3	6,757	22.7	29,745	100.0

Note: 1) Amounts include reclaimed water sales.

Source: Corona Department of Water and Power

City of Corona
Schedule 5b
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	11,717,313	2,165,931	2,215,181	1,501,930	301,090	17,299,265	1.0000
2016	12,263,772	2,245,287	2,304,917	1,589,670	354,324	18,049,322	1.0000
2017	12,889,324	2,271,239	2,344,708	1,626,588	335,878	18,795,981	1.0000
2018	13,784,933	2,348,687	2,457,625	1,681,325	360,006	19,912,564	1.0000
2019	14,411,691	2,617,996	2,620,278	1,680,616	359,344	20,971,237	1.0000
2020	15,133,389	2,736,983	2,708,635	1,764,358	481,982	21,861,383	1.0000
2021	15,997,437	2,826,228	2,952,503	1,794,076	486,611	23,083,633	1.0000
2022	16,890,158	2,810,127	3,093,455	1,736,378	486,557	24,043,561	1.0000
2023	18,326,812	2,963,556	3,625,711	1,814,071	475,249	26,254,901	1.0000
2024	19,327,734	3,143,086	4,171,874	1,958,329	546,714	28,054,309	1.0000

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to the actual value. Tax rates are per \$1,000 of assessed value.

Source: HdL Coren & Cone, Riverside County Assessor Combined Tax Rolls



City of Corona
Schedule 6a
Potable Water Rates
Last Ten Fiscal Years

Monthly Base Rates										
Fiscal Year ¹	Quantity Rate per 100 C.F. ²	Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2015	2.10 ³	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2016	2.10 ³	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2017	2.10 ³	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2018	2.10 ³	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2019	2.10 ³	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2020	1.57	22.28	29.98	45.38	83.88	130.08	276.38	491.98	1,238.88	2,162.88
2021	1.65	23.40	31.48	47.65	88.08	136.59	290.20	516.58	1,300.83	2,271.03
2022	1.74	24.57	33.06	50.04	92.49	143.42	304.71	542.41	1,365.88	2,384.59
2023	1.83	25.80	34.72	52.55	97.12	150.60	319.95	569.54	1,434.18	2,503.82
2024	1.93	27.09	36.46	55.18	101.98	158.13	335.95	598.02	1,505.89	2,629.02

1) There are instances where the rates were changed during the fiscal year.

2) For Fiscal Year 2010 and forward, the stated rate per 100 C.F. is for Residential Tier 1 of the Budget Based Water Rate Structure adopted with Ordinance No. 3025, effective March 19, 2010.

3) For Fiscal Year 2014-2019, the quantity rate included a pass-through charge from WMWD of \$0.03 per 100 C.F. for Tier 1 rates

Source: Corona Department of Water and Power

**City of Corona
Schedule 6b
Reclaimed Water Rates
Last Ten Fiscal Years**

Monthly Base Rates ³										
Fiscal Year ¹	Quantity Rate per 100 C.F. ²	Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2015	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
2016	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
2017	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
2018	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
2019	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
2020	1.65	18.12	23.74	34.97	63.06	96.77	203.51	360.81	905.74	1,579.89
2021	1.79	19.75	25.88	38.12	68.74	105.48	221.83	393.28	987.26	1,722.08
2022	1.94	21.33	27.95	41.17	74.23	113.92	239.57	424.75	1,066.24	1,859.85
2023	2.03	22.40	29.34	43.23	77.95	119.61	251.55	445.98	1,119.55	1,952.84
2024	2.14	23.52	30.81	45.39	81.84	125.59	264.13	468.28	1,175.53	2,050.48

1) There are instances where the rates were changed during the fiscal year.

2) For Fiscal Year 2010 and forward, the stated rate per 100 C.F. is for Tier 1 of the Budget Based Water Rate Structure adopted with Ordinance No. 3025, effective March 19, 2010.

3) Rates for Reclaimed Water were established July 2, 2006 by Ordinance 2854.

Source: Corona Department of Water and Power

City of Corona
Schedule 6c
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (rate per \$100 of assessed value)

Year	City Direct Rates			Overlapping Rates ²			
	Basic Rate ¹	General Obligation Debt Service	Total Direct	Corona/Norco School District	Alvord School District	Metropolitan Water District	Riverside City Community College
2015	1.0000	0.0000	1.0000	0.0647	0.1723	0.0035	0.0179
2016	1.0000	0.0000	1.0000	0.0854	0.1534	0.0035	0.0173
2017	1.0000	0.0000	1.0000	0.0942	0.1530	0.0035	0.0165
2018	1.0000	0.0000	1.0000	0.0831	0.1500	0.0035	0.0162
2019	1.0000	0.0000	1.0000	0.0903	0.1506	0.0035	0.0148
2020	1.0000	0.0000	1.0000	0.0939	0.1445	0.0035	0.0148
2021	1.0000	0.0000	1.0000	0.0982	0.1371	0.0035	0.0147
2022	1.0000	0.0000	1.0000	0.0982	0.1371	0.0035	0.0147
2023	1.0000	0.0000	1.0000	0.0992	0.1456	0.0035	0.0147
2024	1.0000	0.0000	1.0000	0.0977	0.1979	0.0035	0.0147

Notes:

1) The City's basic property tax rate may only be increased by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

2) Overlapping rates are those of local and county governments that apply to property owners within the City of Corona. Not all overlapping rates apply to all Corona property owners.

Source: HdL Coren & Cone, Riverside County Assessor 2013/14-2022/23 Tax Rate Table

City of Corona
Schedule 7a
Principal Water Customers
Current Year and Nine Years Ago

Water Customer	2024			2015		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
City of Corona	\$ 3,602,698	1	6.22%	\$ 3,449,371	1	6.79%
Corona-Norco USD	941,968	2	1.63%	914,095	2	1.80%
CLI Atlas LLC	540,719	3	0.93%			
Raintree Corona Pointe, LLC.	359,954	4	0.62%			
Eagle Glen Master HOA	309,544	5	0.53%	223,140	3	0.44%
City of Corona WRF 3	233,809	6	0.40%			
MM Meadowood Holdings, LLC	157,282	7	0.27%			
Breit MF Promenade Terrace LLC	147,260	8	0.25%			
JSP Sierra Del Oro I LLC	144,748	9	0.25%			
Inl Via Pacifica 2015, LLC	143,070	10	0.25%			
Waterstone at Corona Pointe				189,379	4	0.37%
Aseptic Solutions				186,247	5	0.37%
EBB Creek Apartments, LLC				182,679	6	0.36%
EWR, Inc				177,658	7	0.35%
Eagle Glen Country Club, LLC				168,509	8	0.33%
Integrated Protein Tech				156,585	9	0.31%
ERP Operating Limited Partnership				149,446	10	0.29%
	<u>\$ 6,581,052</u>		<u>11.35%</u>	<u>\$ 5,797,109</u>		<u>11.41%</u>

Source: Corona Department of Water and Power

City of Corona
Schedule 7b
Principal Property Tax Payers
Current Year and Nine Years Ago

<u>Taxpayer</u>	2024			2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
SCG Atlas Ashton LLC	\$ 305,052,569	1	1.14%			
Raintree Corona Pointe LLC	230,383,142	2	0.86%			
TAI OW Monterey Owner LLC	224,399,999	3	0.84%			
Castle and Cooke Corona Inc.	205,033,694	4	0.76%	134,693,409	3	0.78%
NH Sherborn Street Industrial Property	207,158,000	5	0.77%			
Rexco	147,798,515	6	0.55%	113,208,309	4	0.65%
UHS Corona Inc	118,953,656	7	0.44%	48751316	10	0.28%
Breit MF Promenade Terrace LLC	106,342,931	8	0.40%			
Artisan Corona Apartments LLC	105,135,437	9	0.39%			
Corona North Retail Development	101,798,190	10	0.38%			
Kaiser Foundation Health Plan Inc				200,868,646	1	1.16%
Watson Laboratories Inc				185,420,949	2	1.07%
Waterstone Apartments NF				91,549,073	5	0.53%
Costco Wholesale Corporation				84,650,529	6	0.49%
Dart Container Corporation of Calif				70,486,242	7	0.41%
Artisan At Main Street Metro				63,059,997	8	0.36%
Dos Lagos CRN				48,881,236	9	0.28%
Total	\$ 1,752,056,133		6.53%	\$ 1,041,569,706		6.01%

Source: HdL Coren & Cone, Riverside County Assessor 2022/23 & 2013/14 Combined Tax Rolls and the SBE Non Unitary Tax Roll



**City of Corona
Schedule 8
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	24,628,905	23,778,058	96.55%	695,420	24,473,478	99.37%
2016	25,563,557	24,694,504	96.60%	585,598	25,280,102	98.89%
2017	26,689,890	26,019,467	97.49%	528,723	26,548,190	99.47%
2018	28,136,170	27,463,023	97.61%	514,039	27,977,062	99.43%
2019	29,448,060	28,882,342	98.08%	411,473	29,293,815	99.48%
2020	31,140,439	30,216,472	97.03%	394,599	30,611,071	98.30%
2021	31,992,547	30,787,935	96.23%	830,154	31,618,089	98.83%
2022	33,590,104	32,634,424	97.15%	645,671	33,280,095	99.08%
2023	36,211,973	34,785,725	96.06%	463,010	35,248,735	97.34%
2024	38,201,781	36,374,997	95.22%	676,856	37,051,853	96.99%

Notes:

- 1) Amounts exclude debt service levies and former Redevelopment property tax increment.
- 2) Amounts excluded interest and penalties.

Source: Corona Finance Department, Riverside County Auditor-Controller's Office

City of Corona
Schedule 9
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Pension Obligation Bonds	Lease Revenue Bonds	Unamortized Bond Premium	Lease Payable	Refunding Lease Payable	SBITA Agreement Payable	Special Assessment Bonds
2015	-	-	29,145	-	-	20,955	-	185
2016	-	-	27,975	-	-	19,510	-	-
2017	-	-	24,520	2,826	-	18,016	-	-
2018	-	-	23,335	2,677	1,047	16,472	-	-
2019	-	-	22,115	2,528	1,062	14,875	-	-
2020	-	-	20,860	2,379	905	13,225	-	-
2021	-	-	19,560	2,231	748	11,518	-	-
2022	-	221,944	18,205	2,082	545	9,755	-	-
2023	-	207,895	16,790	1,933	386	7,931	3,654	-
2024	-	192,647	15,315	1,785	379	6,046	2,219	-

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

Source: Corona Finance Department

City of Corona
Schedule 9
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years (dollars in thousands, except per capita)

Business-Type Activities										
Installment Agreement Payable	Pension Obligation Bonds	Term Loan Payable	Certificates of Participation	Revenue Bonds	Unamortized Bond Premium	Lease Payable	Contracts Payable	Total Primary Government	Percent of Personal Income	Per Capita
9,766	-	19,142	23,785	54,067	-	-	690	157,735	3.8%	\$ 991
9,221	-	26,111	-	50,294	-	-	690	133,801	3.1%	\$ 813
8,656	-	26,729	-	44,710	1,701	-	690	127,848	2.9%	\$ 762
8,072	-	24,927	-	41,380	1,594	-	690	120,194	2.6%	\$ 713
7,467	-	23,052	-	37,935	1,486	24	690	111,234	2.3%	\$ 662
7,091	-	21,131	-	35,860	1,379	17	690	103,537	2.0%	\$ 615
6,704	-	19,163	-	33,715	1,271	11	690	95,611	1.8%	\$ 564
6,305	37,538	17,147	-	31,480	1,164	3	690	346,858	6.4%	\$ 2,212
5,894	35,285	15,082	-	27,635	2,281	-	-	324,766	5.9%	\$ 2,069
5,471	32,685	12,967	-	25,125	2,032	-	-	296,671	4.9%	\$ 1,894



City of Corona
Schedule 10
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Pension Obligation Bonds	Special Assessment Bonds	Lease Payable	Unamortized Bond Premium	Lease Revenue Bonds	Total General Bonded Debt	Less Net Position Restricted for Debt Repayment	Net General Bonded Debt	Percentage of Actual Value of Property ¹	Per Capita ²
2015	-	185	20,955	-	29,145	50,285	2,653	47,632	0.28%	299
2016	-	-	19,510	-	27,975	47,485	2,417	45,068	0.25%	274
2017	-	-	18,016	2,826	24,520	45,362	3,439	41,923	0.21%	250
2018	-	-	16,472	2,677	23,335	42,484	5,100	37,384	0.18%	222
2019	-	-	14,875	2,528	22,115	39,518	6,491	33,027	0.15%	196
2020	-	-	13,225	2,379	20,860	36,464	8,628	27,836	0.12%	165
2021	-	-	11,518	2,231	19,560	33,309	6	33,303	0.14%	197
2022	221,944	-	9,755	2,082	18,205	251,986	-	251,986	0.96%	1,607
2023	207,895	-	7,931	1,933	16,790	234,549	-	234,549	0.84%	1,494
2024	192,647	-	6,046	1,785	15,315	215,793	-	215,793	0.77%	1,378

Note: 1) See Schedule 5b for property value data.
2) Population data can be found in Schedule 14.

Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Source: Corona Finance Department

City of Corona
Schedule 11
Direct and Overlapping Governmental Activities Debt¹
As of June 30, 2024 (dollars in thousands)

<u>Direct and Overlapping Tax and Assessment Debt:</u>	Debt <u>Outstanding</u>	Est. Percentage Applicable ²	City's Share of Overlapping Debt
Metropolitan Water District	\$ 18,210	0.725%	\$ 132
Riverside City Community College District	282,851	18.315%	51,804
Alvord Unified School District	259,600	11.750%	30,503
Corona-Norco Unified School District	477,879	53.621%	256,243
Alvord Unified School District CFD No. 2006-1	5,630	19.194%	1,081
Corona-Norco Unified School District CFD No. 97-1	483	100.000%	483
Corona-Norco Unified School District CFD No. 99-1	1,392	100.000%	1,392
Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C	3,362	100.000%	3,362
Corona-Norco Unified School District CFD No. 00-1	1,280	100.000%	1,280
Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B	4,790	100.000%	4,790
Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C	8,745	100.000%	8,745
Corona-Norco Unified School District CFD No. 03-3, Imp Area A & B	2,760	100.000%	2,760
Corona-Norco Unified School District CFD No. 03-5	1,410	100.000%	1,410
Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3	2,930	100.000%	2,930
Corona-Norco Unified School District CFD No. 17-1	3,305	100.000%	3,305
City of Corona CFD No. 97-2	-	100.000%	-
City of Corona CFD No. 2000-1	2,795	100.000%	2,795
City of Corona CFD No. 2001-2	1,495	100.000%	1,495
City of Corona CFD No. 2002-1	9,530	100.000%	9,530
City of Corona CFD No. 2002-1, Imp Area 1	5,355	100.000%	5,355
City of Corona CFD No. 2002-4	4,890	100.000%	4,890
City of Corona CFD No. 2003-2	3,835	100.000%	3,835
City of Corona CFD No. 2004-1	1,950	100.000%	1,950
City of Corona CFD No. 2016-2	4,900	100.000%	4,900
City of Corona CFD No. 2017-2	3,370	100.000%	3,370
City of Corona CFD No. 2018-1 Improvement Area 1, 2018 Series	8,805	100.000%	8,805
City of Corona CFD No. 2018-1 Improvement Area 1, 2020 Series	10,155	100.000%	10,155
City of Corona CFD No. 2018-2	14,965	100.000%	14,965
California Statewide Communities Development Authority Assessment District No. 2002-1 2	1,344	100.000%	1,344
City of Corona 1915 Act Bonds	120	100.000%	120
Total Overlapping Tax and Assessment Debt			443,729
<u>Direct and Overlapping General Fund Debt:</u>			
Overlapping General Fund Obligations			
Riverside County General Fund Obligations	\$ 652,187	7.068%	\$ 46,097
Riverside County Pension Obligations Bonds	670,785	7.068%	47,411
Riverside County Community College District Certificates of Participation	24,550	18.315%	4,496
Corona-Norco Unified School District General Fund Obligations	17,115	53.621%	9,177
Western Municipal Water District General Fund Obligations	2,724	22.142%	603
Total Overlapping General Fund Obligations			\$ 107,784
Direct General Fund Obligations:			
City of Corona General Fund Obligations	\$ 21,361		\$ 21,361
City of Corona Pension Obligation Bonds	192,647		192,647
Unamortized Bond Premium	1,785		1,785
ROU Lease Payable	379		379
SBITA Payable	2,219		2,219
Total Direct General Fund Obligations		100.000%	\$ 218,391
Total Direct and Overlapping General Fund Obligations			\$ 326,175
Less: Riverside County Supported Obligations			-
Total Net Direct and Overlapping General Fund Obligations			\$ 326,175
Total Direct Debt			\$ 218,391
Total Gross Overlapping Debt			\$ 551,513
Total Net Overlapping Debt			\$ 551,513
Gross Combined Total Direct and Overlapping Debt³			\$ 769,904
Net Combined Total Direct and Overlapping Debt			\$ 769,904

City of Corona
Schedule 11
Direct and Overlapping Governmental Activities Debt¹ (Continued)
As of June 30, 2024 (dollars in thousands)

Notes to Schedule 11

- 1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Corona. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for the repaying the debt, of each overlapping government.
- 2) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value, except for community facilities district overlapping debt which was estimated by determining the special tax charged on property within the City, divided by the community facilities district's total special tax for the fiscal year.
- 3) Amount excluded tax and revenue anticipation notes, enterprise revenue bonds, mortgage revenue bonds, and Successor Agency's tax allocation bonds.

Source: Corona Finance Department, California Municipal Statistics, Inc.

City of Corona
Schedule 12
Legal Debt Margin Information
Last Ten Fiscal Years (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$ 28,054,309
Debt Limit (15% of assessed value)	4,208,146
Debt Applicable to limit:	
General obligation debt	215,793
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	215,793
Legal Debt Margin	\$ 3,992,353

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 2,594,890	\$ 2,707,398	\$ 2,819,397	\$ 2,986,885	\$ 3,145,686
Total net debt applicable to limit	50,100	47,485	42,536	43,531	40,580
Legal debt margin	\$ 2,544,790	\$ 2,659,913	\$ 2,776,861	\$ 2,943,354	\$ 3,105,106
Total debt applicable to the limit as a percentage of debt limit	1.931%	1.754%	1.509%	1.457%	1.290%

*Note: Under State Finance Law, the City's outstanding general obligation debt should not exceed 15 percent of total assessed property value.
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.*

Source: Corona Finance Department

City of Corona
Schedule 12
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years (dollars in thousands)

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 3,279,207	\$ 3,462,545	\$ 3,606,534	\$ 3,938,235	\$ 4,208,146
Total net debt applicable to limit	<u>37,369</u>	<u>33,309</u>	<u>251,986</u>	<u>234,549</u>	<u>215,793</u>
Legal debt margin	\$ 3,241,838	\$ 3,429,236	\$ 3,354,548	\$ 3,703,686	\$ 3,992,353
Total debt applicable to the limit as a percentage of debt limit	1.140%	0.962%	6.987%	5.956%	5.128%

City of Corona
Schedule 13
Pledged Revenue Coverage
Last Ten Fiscal Years (dollars in thousands)

Fiscal Year	Lease Revenue Bonds					Special Assessment Bonds				
	Lease Payments	Current Account Balance	Debt Service		Coverage	Special Assessment Collections	Current Account Balance	Debt Service		Coverage
			Principal	Interest				Principal	Interest	
2015	3,373	19	2,105	1,281	1.00	192	1	170	22	1.01
2016	2,353	19	1,170	1,216	0.99	192	0	185	7	1.00
2017	30,614 ²	9	27,975	1,367	1.04	-	-	-	-	-
2018	2,117	1	1,185	931	1.00	-	-	-	-	-
2019	2,121	-	1,220	901	1.00	-	-	-	-	-
2020	2,112	-	1,255	857	1.00	-	-	-	-	-
2021	2,106	-	1,300	806	1.00	-	-	-	-	-
2022	2,108	-	1,355	753	1.00	-	-	-	-	-
2023	2,113	-	1,415	698	1.00	-	-	-	-	-
2024	2,115	-	1,475	640	1.00	-	-	-	-	-

Notes: ¹ Includes the advanced redemption of 2005 COPs.
² Includes the defeasance of 2006 Lease Revenue bonds.
³ Apply new method - Utility Revenues derived from Pledged Revenue note.

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

Source: Corona Finance Department

City of Corona
Schedule 13
Pledged Revenue Coverage (Continued)
Last Ten Fiscal Years (dollars in thousands)

Fiscal Year	Revenue Bonds				Certificates of Participation				
	Utility Revenues	Debt Service		Coverage	Lease Payments	Current Account Balance	Debt Service		Coverage
Principal	Interest	Principal	Interest						
2015	5,689	3,455	2,234	1.00	1,063	756	695	1,123	1.00
2016	5,809	3,655	2,144	1.00	24,341 ¹	0	23,785	555	1.00
2017	5,809	3,775	2,034	1.00	-	-	-	-	-
2018	28,093	5,166	2,537	3.65 ³	-	-	-	-	-
2019	36,011	5,320	2,370	4.68	-	-	-	-	-
2020	26,851	3,996	2,222	4.32	-	-	-	-	-
2021	30,756	4,113	2,032	5.01	-	-	-	-	-
2022	28,516	4,251	1,962	4.59	-	-	-	-	-
2023	48,014	2,432	1,840	11.24	-	-	-	-	-
2024	23,996	4,625	1,350	4.02	-	-	-	-	-



City of Corona
Schedule 14
Demographic and Economic Statistics
Last Ten Calendar Years

	(1)	(1)	(1)	(1)	(2)	(1)
Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	159,109	4,164,996	26,177	32.6	53,739	6.4%
2015	164,659	4,340,504	26,360	33.4	53,354	5.2%
2016	167,759	4,420,877	26,352	33.9	53,157	4.7%
2017	168,574	4,554,614	27,018	34.4	53,294	3.5%
2018	168,101	4,803,427	28,574	34.7	53,002	3.3%
2019	168,248	5,138,227	30,539	34.9	52,557	3.1%
2020	169,454	5,437,772	32,089	35.0	51,318	8.2%
2021	156,778	5,471,176	34,897	34.8	50,889	5.8%
2022	157,005	5,485,396	34,937	35.3	50,790	3.2%
2023	156,615	6,072,985	38,776	35.9	50,256	3.8%

Sources: (1) HdL, Coren & Cone;
(2) California Department of Education -
Corona-Norco Unified School District School Enrollment.

City of Corona
Schedule 15
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	5,478	1	6.43%	4,932	1	6.25%
Corona Regional Medical Center	1,265	2	1.48%	1,082	2	1.37%
Monster Energy	1,075	3	1.26%	500	8	0.63%
City of Corona	961	4	1.13%	785	4	0.99%
Fender USA Corona	955	5	1.12%	625	5	0.79%
TWR Framing Enterprises	800	6	0.94%	600	6	0.76%
All American Asphalt	755	7	0.89%	596	7	0.76%
Veg Fresh Farms	527	8	0.62%			
Thermal Structures	392	9	0.46%			
Kaiser Permanente	286	10	0.34%	995	3	1.26%
Dart Container Corporation				420	9	0.53%
CoreMark International				372	10	0.47%
Total	12,494		14.67%	10,907		13.81%

Source: Corona Economic Development Department

City of Corona
Schedule 16
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Full-time Equivalent Employees

Function/Program	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018**</u>	<u>2017</u>	<u>2016*</u>	<u>2015*</u>
General Government										
Elected Officials	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
City Manager's Office ¹⁰	23.05	22.55	19.55	14.07	13.33	14.07	9.90	10.35	9.73	9.73
Legal & Risk Management ¹	8.47	7.72	6.72	6.72	6.34	6.19	6.52	7.67	6.67	6.01
Administrative Services ^{2,7,8}					31.74	40.92	38.56	42.23	42.56	34.30
Human Resources ^{2,7}	16.00	16.00	14.00	11.48	9.39					
Information Technology	33.55	32.55	29.03	25.03	24.47	23.99	17.25	13.89	15.09	12.41
Finance ²	35.86	35.86	33.82	31.93						
Police										
Officers	165.00	164.30	163.30	158.00	153.00	149.00	162.00	162.00	162.00	159.00
Civilians	111.65	104.65	100.93	86.70	83.25	80.40	88.01	88.39	85.90	79.13
Fire										
Firefighters and officers	120.44	120.44	114.96	111.48	108.00	107.00	113.00	113.00	112.00	112.00
Civilians	11.80	9.84	7.24	5.32	7.76	7.75	8.20	4.88	6.48	7.18
Public Works ^{3, 13}	68.19	66.19	58.34	35.75	35.75	35.75	35.75	29.05	29.75	31.57
Maintenance Services ^{5, 11}				34.15	42.11	42.11	42.76	43.63	45.00	44.53
Community Development ⁴				23.89	22.14	22.14	25.00	26.48	26.00	22.08
Planning and Development Development ¹²	60.86	60.86	53.06							
Economic Development ²	6.00	6.00	6.00	4.00	2.00	2.00	3.00	3.00	2.00	1.00
Library and Recreation Services ⁶					72.99	72.74	69.06	70.67	68.04	63.50
Community Services Department ⁹	121.08	115.47	111.65	86.36						
Utilities Department ⁶	120.65	115.65	112.21	111.60	109.60	110.02	108.91	119.18	119.68	120.79
Transit Services ¹⁴				2.00	2.00	2.00	2.00	2.00	2.00	1.00
Total	<u>908.60</u>	<u>884.08</u>	<u>836.81</u>	<u>754.48</u>	<u>729.87</u>	<u>722.08</u>	<u>735.92</u>	<u>742.42</u>	<u>738.90</u>	<u>710.23</u>

* Data for Fiscal Year 2016 and prior was restated to Full Time Equivalents (FTE) from full-time positions.

** Data for Fiscal Year 2018 was updated to FTE Authorized information.

Note:

- ¹ Formerly City Attorney's Office. During Fiscal Year 2014-15, Risk Management Division merged into the City Attorney's Office and formed Legal & Risk Management Department.
- ² Formerly Finance Department. During Fiscal Year 2014-15, Human Resources Department merged into Finance and formed Administrative Services Department.
- ⁴ Building Department merged into Community Development Department during Fiscal Year 2008-09.
- ³ Public Works Department was reorganized during Fiscal Year 2013-14, various maintenance functions were removed from Public Works, and a new department, Maintenance Services was established to assume these functions.
- ⁴ During Fiscal Year 2014-15, Housing Division was merged into Community Development Department.
- ⁵ Formerly Housing and Economic Development, during Fiscal Year 2014-15, the Housing component was merged into Community Development Department.
- ⁶ Formerly Department of Water and Power
- ⁷ Redevelopment Department was dissolved in Fiscal Year 2011-12.
- ⁷ Human Resources Department separated from Administrative Services Department in Fiscal Year 2019-20.
- ⁸ Formerly Administrative Services Department.
- ⁹ Formerly Library and Recreation Services Department.
- ¹⁰ Formerly Management Services Department
- ¹¹ Maintenance Services Department was restructured during Fiscal Year 2021-22 and is no longer overseen by the Utilities department, various functions moved to Public Works.
- ¹² Community Development was restructured in Fiscal Year 2021-22 and renamed Planning and Development.
- ¹³ Public Works Department was restructured during Fiscal Year 2021-22, various functions moved to Community Services and Planning and Development.
- ¹⁴ Transit Services restructured during Fiscal Year 2021-22, and transferred to Community Services department.

Source: Corona Finance Department

City of Corona
Schedule 17
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2024	2023	2022	2021	2020
Police					
Physical Arrests	2,818	3,038	2,941	2,345	2,282
Parking Violations	6,981	5,104	5,224	2,731	9,574
Traffic Violations	11,100	10,815	8,148	6,051	4,718
Fire					
Emergency Responses	15,967	16,041	15,359	14,422	13,810
Fires Extinguished	402	418	472	524	451
Inspections	1,730	1,350	1,396	979	1,652
Public Works/Maintenance Services					
Street Resurfacing (miles)	94	66	66	44	75
Street Lights Repaired	561	465	714	415	437
Potholes Filled (sq. ft)	19,889	31,474	38,930	20,204	46,850
Community Services - Recreation					
Sportsfields Participation	657,209	539,450	568,496	404,679	370,799
Comm. Centers/Gym/Pool	35,245	29,069	31,832	28,393	111,007
Other Activity Participation	365,883	365,589	330,737	222,473	226,205
Community Services - Library					
Volumes in Collection	206,357	209,144	209,357	210,747	183,794
Total Volumes Borrowed ¹	397,511 ⁵	336,749 ⁵	280,958	182,733	284,375
Water					
New Connections	374	146	309	634	389
Water Main Repairs	92	46	45	95	86
Average Daily Consumption (millions of gallons)	24.9	24.7	32.1	33.2	31.2
Sewer					
Average Daily Sewage Treatment (millions of gallons)	11.7	12.2	12.6	12.8	12.6
Transit Services					
Total Route Miles (round-trip)	47.7	47.7	47.7	47.7	47.7
Passengers					
Fixed Route	139,080	120,272	95,892	76,645	100,186
Dial-A-Ride	47,186	38,141	22,673	13,386	39,989

¹ Total Volumes Borrowed were restated for years between 2011 and 2016 to exclude the number of visits to Corona Library's website.

² Reporting method changed - report by actual enrollment/attendance numbers.

³ Total Volume Borrowed was overstated by 309,505 in Fiscal Year 16/17. The correction was updated for Fiscal Year 16/17 in Fiscal Year 17/18.

⁴ Reduction in Total Volumes Borrowed was due to the elimination of 11 databases during the fiscal year.

⁵ Total Volumes Borrowed increased due to being fine free and providing automatic renewals.

Source: Various Departments.

City of Corona
Schedule 17
Operating Indicators by Function/Program (Continued)
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u> ¹	<u>2015</u> ¹
Police					
Physical Arrests	2,992	2,895	3,403	5,583	5,337
Parking Violations	8,851	6,228	4,993	3,974	4,098
Traffic Violations	6,133	9,024	11,896	12,132	11,133
Fire					
Emergency Responses	13,141	13,041	12,981	12,112	11,263
Fires Extinguished	362	435	382	381	346
Inspections	1,092	2,726	1,934	1,966	1,757
Public Works/Maintenance Services					
Street Resurfacing (miles)	37	51	39	41	72
Street Lights Repaired	418	495	1,045	1,342	846
Potholes Filled (sq. ft)	22,332	35,700	75,000	15,076	15,978
Community Services - Recreation					
Sportsfields Participation	269,168	248,617 ²	2,190,246	1,760,600	1,898,300
Comm. Centers/Gym/Pool	169,888	249,885	282,797	211,410	189,519
Other Activity Participation	135,399	171,679	226,294	244,430	232,264
Community Services - Library					
Volumes in Collection	165,760	168,148	167,586	164,421	167,432
Total Volumes Borrowed ¹	411,592 ⁴	783,626	648,522 ³	1,073,736	927,956
Water					
New Connections	511	391	166	1,408	173
Water Main Repairs	72	36	69	78	84
Average Daily Consumption (millions of gallons)	30.2	33.0	30.4	28.4	32.6
Sewer					
Average Daily Sewage Treatment (millions of gallons)	14.275	13.8	14.3	14.0	13.1
Transit Services					
Total Route Miles (round-trip)	47.7	47.5	47.5	47.5	39.0
Passengers					
Fixed Route	118,366	129,972	132,469	150,002	168,303
Dial-A-Ride	52,580	58,089	65,580	63,162	66,015

City of Corona
Schedule 18
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	2	2	2	2	2	2	2	2	2	2
Patrol Units	77	67	71	65	62	68	65	55	59	59
Fire Stations	7	7	7	7	7	7	7	7	7	7
Streets										
Streets and Alleys (miles)	464	464	464	463	444	408	408	406	403	404
Streetlights ¹	14,976	14,976	14,976	15,117	15,117	12,380	12,380	12,587	12,059	12,022
Traffic Signals	191	191	191	191	190	188	184	182	179	173
Community Services - Recreation										
Total Park Acreage	389	389	378	378	376	376	376	376	376	376
Playgrounds	27	27	27	27	27	27	27	27	27	27
Baseball/softball diamonds	36	36	36	36	36	36	36	36	36	36
Soccer/football fields	18	18	18	18	18	18	18	18	18	18
Community Centers	7	7	7	7	7	7	7	7	7	7
Civic Center Auditorium Seating Cap	380	380	380	380	380	380	380	380	380	380
Fiesta Bandshell Seating Capacity	500	500	500	500	500	500	500	500	500	500
Water										
Water Main (miles)	734	734	736	736	736	719	697	687	683	694
Fire Hydrants	9,660	9,648	9,760	9,760	10,062	9,548	9,300	9,222	9,197	9,174
Storage Capacity ² (millions of gallons)	55	55	55	55	52	52	52	51	51	51
Sewer										
Sanitary Sewers (miles)	458	458	464	464	464	458	440	435	434	452
Storm Sewers (miles)	181	181	225	225	223	171	171	167	167	172
Treatment Capacity (millions of gallons)	16	16	16	16	16	16	16	16	16	16
Transit Services										
Minibuses										
Fixed Route	7	7	7	7	7	7	7	7	7	6
Dial-A-Ride	13	13	13	13	13	13	11	11	13	11

Source: Various City departments.

Note: ¹ Includes only City-owned street lights.

² Potable & reclaimed water storage capacity.