



Quarterly Budget Update

Quarter 1
FY 2026

Overview

City Management is pleased to present this quarterly update summarizing the City's overall budget activity through Quarter 1 (September 30, 2025) for Fiscal Year (FY) 2026. The City's fiscal year is July 1st through June 30th. For audited information, or to find greater detail, please refer to the City's annual financial statement, which is released by December 31st following the end of the fiscal year.

Budget Adjustments & Revenue Estimates

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

General Fund Financial Condition

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

The General Fund inflows (revenue and transfers in) for FY 2026 are currently estimated at \$242.1 million. This represents an increase of \$0.4 million over the adopted inflows of \$241.7 million.

The City has received or recorded 5.5% of the estimated General Fund inflows, through the end of Quarter 1 (at the time this information was prepared). Overall, inflows are down by 38.9% when compared to the same quarter of FY 2025. The primary reason for the decrease is due to how the City must report the unrealized gains/losses from investments. It is value on paper and not actual cash.

As of Quarter 1 of FY 2026, the General Fund has expended 15.7% of its cumulative budget. The current savings is primarily due to capital improvement projects which will take multiple years to complete. Comparing Quarter 1 of FY 2026 to FY 2025, expenditures are up by 11.0%, or \$4.6 million.

General Fund Reserves

The General Fund has multiple reserves in fund balance for various purposes. For the full list, please reference the City's financial statements, Note 15 (for Fiscal Year Ending June 30, 2024, page 114). This quarterly update highlights three of those reserves. Noted are the unaudited FY 2025 amounts, which total \$132.8 million. The final amounts may be adjusted once the FY 2025 financial statements are issued.

1

Equal to 3 months of operating expenditures

Adjusted at the end of each fiscal year

Emergency Contingency

\$53,883,396

2

Reserve for pension related expenditures – debt service payments for the Pension Obligation Bonds or the City's CalPERS unfunded accrued liability (UAL) contributions.

Pension Stabilization

\$54,870,007

3

Unspent Measure X funds that don't roll into next FY will go into the reserve

Reserve amount discussed with Council each year through the budget cycle

Measure X Reserves

\$23,998,306

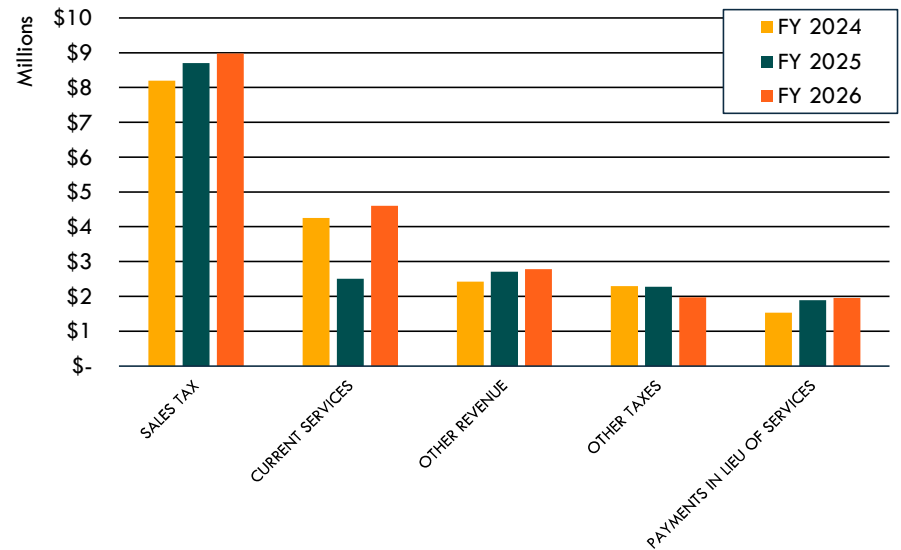
General Fund Inflows

Top Five Revenues

The City's top five General Fund revenue categories account for approximately 89.9% of the total estimated General Fund inflows for FY 2026. Focusing on these sources can provide a useful understanding of the City's income position.

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

General Fund Revenues Top 5 Revenues Compared Quarter 1



General Fund Inflows **Top Five Revenues**

01 Sales Tax

At the end of Quarter 1, Sales Tax is the largest General Fund revenue category. This category includes the City's portion of sales tax, Measure X, Prop. 172 sales tax, and allowance for sales tax agreements. As of Quarter 1, the total received is \$8.9 million. At the time this information was prepared, the revenues are up by 3.2%, or \$0.3 million as compared to the prior year.

02 Current Services

The Current Services category is the second largest category at the end of Quarter 1. Activity in this revenue group include plan check fees, engineering and inspection fees, recreation revenues, and the Emergency Medical Services Program. At the end of Quarter 1, the total received is \$4.6 million. Overall, the Current Services category is up by 83.8%, or \$2.1 million, as compared to the same quarter in FY 2024. When comparing to the prior fiscal year, the increase is primarily due to Fire Service Agreements (timing of payment) and Engineering and Inspections Services.

03 Other Revenues

The third largest General Fund revenue category at the end of Quarter 1 is Other Revenues. Activity in this revenue group includes Rental/Lease Income, Telecommunication Site Rentals, Sales of Surplus Property, and Billboard Revenues. At the end of Quarter 1, the total received is \$2.8 million. Overall, the Other Revenues category is up by 2.8%, or \$76,587 as compared to the same quarter in FY 2025.

General Fund Inflows **Top Five Revenues**

04 Other Taxes

At the end of Quarter 1, a total of \$2.0 million has been received in the Other Taxes category. Items in this revenue group include Franchise Fees, Transient Occupancy Taxes (TOT), Business License Taxes, and Cannabis Taxes. Other Taxes are down 13.5%, or \$307,766 as compared to Quarter 1 of FY 2025. When comparing to the prior fiscal year, there is a decrease in Transient Occupancy Taxes due to when payments were received in FY 2025.

05 Payments in Lieu of Services

At the end of Quarter 1, Payments in Lieu of Services is the fifth largest General Fund revenue category. The total for payments in lieu of services is \$2.0 million, an increase of \$61,974, or 3.3%, over the prior fiscal year. Departments like Finance and HR provide support services to other departments throughout the City. Through the City's Cost Allocation Plan, the General Fund receives payments from other funds based on how much of those services are utilized. The plan is reviewed and updated annually.

General Fund Inflows

General Fund Inflows Revenue + Transfers In Quarter 1, FY 2025 to FY 2026

General Fund Revenue Category	Through Q1 FY 2025	Through Q1 FY 2026	\$ Change	% Change
Sales Tax	\$ 5,357,348	\$ 5,502,273	144,925	2.7%
Measure X	3,344,523	3,475,007	130,484	3.9%
Property Tax	2,012,615	1,780,862	(231,753)	-11.5%
Other Revenue	2,703,501	2,780,088	76,587	2.8%
Current Services	2,505,342	4,605,332	2,099,989	83.8%
Other Taxes	2,276,599	1,968,834	(307,766)	-13.5%
Payments in Lieu of Services	1,890,565	1,952,539	61,974	3.3%
Intergovernmental Revenues	549,084	1,453,831	904,747	164.8%
Licenses, Fees & Permits	608,692	631,569	22,877	3.8%
Utility Service Charges	1,031	2,492	1,461	141.8%
Fines, Penalties & Forfeitures	199,850	129,955	(69,895)	-35.0%
Investment Earnings	3,301,124	1,430,276	(1,870,848)	-56.7%
<i>GASB31 Gain/Loss on Investment</i>	<i>(2,877,532)</i>	<i>(12,542,918)</i>	<i>(9,665,386)</i>	<i>335.9%</i>
Total Revenues	\$ 21,872,744	\$ 13,170,140	\$ (8,702,604)	-39.8%
Transfers In	-	202,376	202,376	N/A
Total Inflows	\$ 21,872,744	\$ 13,372,516	\$ (8,500,228)	-38.9%
<i>Total Inflows (w/o GASB31)</i>	<i>\$ 24,750,276</i>	<i>\$ 25,915,434</i>	<i>\$ 1,165,158</i>	<i>4.7%</i>

General Fund Inflows Revenue + Transfers In FY 2026, Budget to Quarter 1 Actuals

General Fund Revenue Category	Cumulative Budget FY 2026	Through Q1 FY 2026	% Received
Sales Tax	\$ 58,052,863	\$ 5,502,273	9.5%
Measure X	42,154,449	3,475,007	8.2%
Property Tax	68,469,800	1,780,862	2.6%
Other Revenue	18,557,039	2,780,088	15.0%
Current Services	13,001,906	4,605,332	35.4%
Other Taxes	16,144,202	1,968,834	12.2%
Payments in Lieu of Services	8,024,801	1,952,539	24.3%
Intergovernmental Revenues	3,454,663	1,453,831	42.1%
Licenses, Fees & Permits	2,408,480	631,569	26.2%
Utility Service Charges	15,000	2,492	16.6%
Special Assessments	787,463	-	0.0%
Fines, Penalties & Forfeitures	1,197,981	129,955	10.8%
Investment Earnings	8,513,667	1,430,276	16.8%
<i>GASB31 Gain/Loss on Investment</i>	<i>-</i>	<i>(12,542,918)</i>	<i>N/A</i>
Total Revenues	\$ 240,782,313	\$ 13,170,140	5.5%
Transfers In	1,361,138	202,376	14.9%
Total Inflows	\$ 242,143,451	\$ 13,372,516	5.5%
<i>Total Inflows (w/o GASB31)</i>	<i>\$ 242,143,451</i>	<i>\$ 25,915,434</i>	<i>10.7%</i>

General Fund Expenditures

The FY 2026 budget was adopted with \$231.3 million in General Fund expenditures. With continuing appropriations of \$39.9 million, encumbrances (committed purchase orders) of \$22.3 million, and Transfers Out of \$0.40 million, the beginning outflow budget was \$293.9 million. Through Council Actions and other authorized adjustments, total outflows are currently \$294.2 million.

Through Quarter 1, the City has spent \$46.3 million, or 15.7% of the cumulative budget. At this point in the fiscal year, expenditures should be approximately 25% of budget. When comparing the same quarter in FY 2025, outflows are up by 11.0%, or \$4.6 million. The largest expenditure category for the General Fund is Personnel Services.

Personnel Services has an increase of \$4.6 million as compared to the same quarter last fiscal year. The changes are primarily based on current Memorandum of Understanding (MOU) contracts that are good through December 2027, as well as new positions approved through the annual budget process.

Materials and Supplies is down by \$0.6 million when compared to Quarter 1 of FY 2025. There are multiple increases and decreases in this category. The primary driver for change are property acquisitions in the prior fiscal year.

Quarterly Budget Update | Quarter 1, FY 2026 | November 5, 2025

General Fund Outflows Expenditures + Transfers Out Quarter 1, FY 2025 to FY 2026

General Fund Expenditures By Category	Through Q1 2025	Through Q1 2026	% Change
Contractual	2,338,389	2,638,826	12.8%
Materials and Supplies	8,676,294	8,057,350	-7.1%
Claims Expense	-	-	N/A
Personnel Services	29,471,236	33,954,808	15.2%
Utilities	1,206,576	1,520,917	26.1%
Total Expenditures	\$ 41,692,495	\$ 46,171,900	10.7%
Transfers Out	-	97,961	N/A
Total Outflows	\$ 41,692,495	\$ 46,269,861	11.0%

General Fund Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 1, FY 2026

General Fund Expenditures By Department	Cumulative Budget FY 2026	Through Q1 FY 2026	% Spent
CIP / O&M Projects	\$ 59,390,551	\$ 3,796,958	6.4%
City Manager's Office	14,927,954	155,910	1.0%
Community Services	20,224,282	4,338,323	21.5%
Debt Service	24,088,167	1,067,561	4.4%
Economic Development	2,077,921	362,837	17.5%
Elected Officials	217,380	50,034	23.0%
Finance	5,676,831	1,109,097	19.5%
Fire	40,853,790	9,994,254	24.5%
General Government	36,027,254	6,454,921	17.9%
Human Resources	3,252,779	590,290	18.1%
Information Technology	1,136,533	43,584	3.8%
Legal & Risk Management	2,700,831	572,845	21.2%
Planning & Development	10,729,005	1,818,513	16.9%
Police	66,050,102	14,715,620	22.3%
Public Works	6,473,049	1,101,154	17.0%
Total Expenditures	\$ 293,826,430	\$ 46,171,900	15.7%
Transfers Out	391,844	97,961	25.0%
Total Outflows	\$ 294,218,274	\$ 46,269,861	15.7%

General Fund Expenditures **By Department**

Through September 30, 2025, approximately 25% of the fiscal year is complete. Departments with a variance of 10% or more are explained in the following section.

CIP / O&M Projects (6.4%)

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

City Manager's Office (1.0%)

Current savings are primarily due to contractual services in the Homeless Solutions Program and FY 2025 invoice accruals.

Debt Service (4.4%)

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

Information Technology (3.8%)

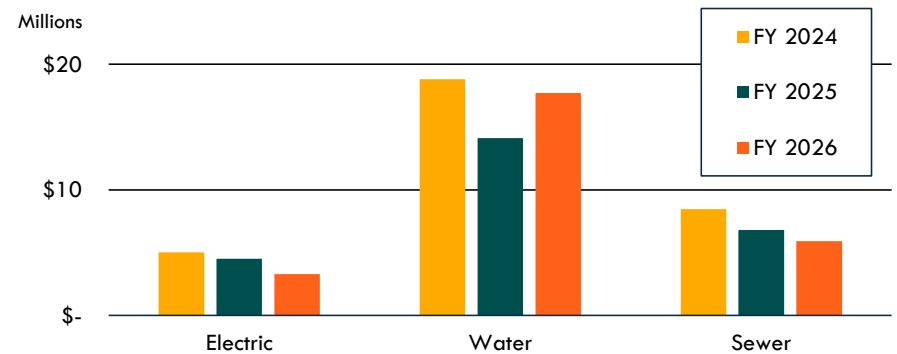
Current savings are primarily due to contractual services, specifically, Fire Dispatch Services with the City of Ontario.

Enterprise Funds

Utilities Inflows

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

**Enterprise Funds - Utilities Revenues Compared, Quarter 1
FY 2024 - FY 2025 - FY 2026**



Utilities Funds Reserves

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



Utilities Funds Inflows

Utilities Revenues - Through Quarter 1 FY 2026, revenues received have increased 5.7%, or \$1.4 million, as compared to the same quarter in Fiscal Year 2025.

Electric

Comparing Quarter 1 FY 2026 revenues to FY 2025, there is a decrease of \$1.2 million, or 27.3%. There were increases in categories: Current Services and Fees & Permits. There were decreases in categories: Fines, Penalties & Forfeitures, Intergovernmental Revenues, Investment Earnings, Other Revenues, and Utility Services Charges. The change in the Investment Earnings category is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash.

Water

Through the first quarter of FY 2026, there is an increase of 25.3%, or \$3.6 million, as compared to FY 2025. Investment Earnings has a decrease of \$0.8 million, due to the unrealized gains/losses from investments which are book entries. There is an increase of \$3.7 million in Intergovernmental Revenues. This is due to a Public Water Systems Settlement. The change in the Investment Earnings category is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash.

Sewer

Through Quarter 1, there is a decrease of 13.1%, or \$0.9 million, when compared to FY 2025. There were increases in categories: Fines, Penalties, & Forfeitures, Other Revenues and Utility Service Charges. There were decreases in categories: Current Services, Fees & Permits, Investment Earnings, and Licenses, Fees & Permits. The change in the Investment Earnings category is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash.

Utilities Funds Inflows

**Utilities Funds Inflows
Revenue + Transfers In
Quarter I, FY 2025 to FY 2026**

Enterprise Funds Fund Type	Through Q1 FY 2025	Through Q1 FY 2026	% Change
Electric	\$ 4,146,203	\$ 3,561,987	-14.1%
<i>GASB31 Gain/Loss on Investment</i>	377,580	(273,166)	-172.3%
Water	13,417,087	18,087,469	34.8%
<i>GASB31 Gain/Loss on Investment</i>	717,136	(383,068)	-153.4%
Sewer	5,730,606	6,455,115	12.6%
<i>GASB31 Gain/Loss on Investment</i>	1,076,209	(539,785)	-150.2%
Total Revenues	\$ 25,464,821	\$ 26,908,551	5.7%
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	-	-	N/A
Total Inflows	\$ 25,464,821	\$ 26,908,551	5.7%
Total Inflows (w/o GASB31)	\$ 23,293,896	\$ 28,104,570	20.7%

**Utilities Funds Inflows
Revenue + Transfers In
FY 2026, Budget to Quarter I Actuals**

Enterprise Funds Fund Type	Cumulative Budget FY 2026	Through Q1 FY 2026	% Received
Electric	\$ 20,619,251	\$ 3,561,987	17.3%
<i>GASB31 Gain/Loss on Investment</i>	-	(273,166)	N/A
Water	85,259,505	18,087,469	21.2%
<i>GASB31 Gain/Loss on Investment</i>	-	(383,068)	N/A
Sewer	41,582,327	6,455,115	15.5%
<i>GASB31 Gain/Loss on Investment</i>	-	(539,785)	N/A
Total Revenues	\$ 147,461,083	\$ 26,908,551	18.2%
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	-	-	N/A
Total Inflows	\$ 147,461,083	\$ 26,908,551	18.2%
Total Inflows (w/o GASB31)	\$ 147,461,083	\$ 28,104,570	19.1%

Utilities Funds **Outflows**

When comparing the total of utility outflows, Quarter 1 of FY 2026 to FY 2025, outflows are higher by 6.9%, or \$1.8 million.

Electric

Overall, the Electric utility expenditures through Quarter 1 are down by 10.2%, or \$0.3 million, when compared to last fiscal year during the same period. There are increases in contractual and personnel services, but there are decreases in materials and supplies and in the utilities category.

At Quarter 1, the operating expenditures total 10.9% of the current FY 2026 operating budget.

Water

Overall, the Water utility expenditures are up by 16.1% or \$2.5 million when compared to Quarter 1 in FY 2025. There are increases in materials and supplies, personnel services, and utilities, but there is a decrease in the contractual category.

Through Quarter 1, the operating expenditures total 22.2% of the current FY 2026 operating budget.

Sewer

The Sewer utility expenditures are down by 6.2%, or \$0.5 million, when compared to Quarter 1 of FY 2025. There are increases in materials and supplies and personnel services, but there are decreases in the contractual and utilities categories.

At the end of Quarter 1, the operating expenditures total 16.9% of the current FY 2026 operating budget.

Utilities Funds Outflows

Utilities Funds Outflows Expenditures + Transfers Out Quarter 1, FY 2025 to FY 2026

Enterprise Funds Expenditures By Category	Through Q1 FY 2025	Through Q1 FY 2026	% Change
Electric			
Contractual	\$ 88,362	\$ 116,022	31.3%
Depreciation	-	-	N/A
Materials and Supplies	502,481	400,461	-20.3%
Personnel Services	99,695	103,496	3.8%
Utilities	2,004,291	1,799,976	-10.2%
Electric Total	2,694,829	2,419,955	-10.2%
Water			
Contractual	\$ 2,926,678	\$ 2,087,231	-28.7%
Depreciation	-	-	N/A
Materials and Supplies	9,228,217	11,848,973	28.4%
Personnel Services	1,963,824	2,354,336	19.9%
Utilities	1,639,979	2,007,040	22.4%
Water Total	15,758,699	18,297,579	16.1%
Sewer			
Contractual	\$ 1,654,004	\$ 835,781	-49.5%
Depreciation	-	-	N/A
Materials and Supplies	3,879,205	4,065,528	4.8%
Personnel Services	1,459,185	1,703,488	16.7%
Utilities	643,078	557,623	-13.3%
Sewer Total	7,635,472	7,162,421	-6.2%
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
Grand Total	\$ 26,088,999	\$ 27,879,956	6.9%

Utilities Funds Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 1, FY 2026

Enterprise Funds Expenditures By Department	Cumulative Budget FY 2026	Through Q1 FY 2026	% Spent
Electric			
CIP / O&M Projects	\$ 3,007,016	\$ 65,886	2.2%
Debt Service	83,695	(13,143)	-15.7%
Planning & Development	-	424	N/A
Public Works	137,763	12,441	9.0%
Utilities Department	21,358,435	2,354,346	11.0%
Electric Total	24,586,909	2,419,955	9.8%
Water			
CIP / O&M Projects	\$ 66,442,077	\$ 4,454,645	6.7%
Debt Service	375,493	(57,471)	-15.3%
Planning & Development	58,768	14,377	24.5%
Public Works	645,940	116,815	18.1%
Utilities Department	61,266,216	13,769,214	22.5%
Water Total	128,788,493	18,297,579	14.2%
Sewer			
CIP / O&M Projects	\$ 56,189,972	\$ 750,843	1.3%
City Manager's Office	-	-	N/A
Debt Service	209,921	(32,965)	-15.7%
Planning & Development	41,757	8,105	19.4%
Public Works	483,183	97,192	20.1%
Utilities Department	37,199,001	6,339,246	17.0%
Sewer Total	94,123,834	7,162,421	7.6%
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
Grand Total	\$ 247,499,236	\$ 27,879,956	11.3%

Live Work Corona

LiveWork.CoronaCA.gov

What do you think? We value your opinion.

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