



# Quarterly Budget Update

Quarter 3  
FY 2026

## Overview

City Management is pleased to present this quarterly update summarizing the City's overall budget activity through Quarter 3 (March 31, 2026) for Fiscal Year (FY) 2026. The City's fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>. For audited information, or to find greater detail, please refer to the City's annual financial statement, which is released by December 31<sup>st</sup> following the end of the fiscal year.

## Budget Adjustments & Revenue Estimates

The revenue projections and budget expenditures presented in this update include budget adjustments approved by the City Council, continuing appropriations, and prior year encumbrances, mid-year revenue estimates, and updated revenue estimates presented at the Spring Financial Workshop on April 23, 2026.

# General Fund Financial Condition

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The City's General Fund is the primary source of discretionary resources that funds many of the services provided to the citizens of the City of Corona. The General Fund is made up of the General Fund, Measure X Fund, Corona Mall Properties Fund, Community Benefit 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 \$242.5 million. Based on FY 2026 projections, there is an estimated increase of \$9.0 million when compared to the cumulative budget.

The City has received or recorded 65.2% of the estimated General Fund inflows, through the end of Quarter 3 (at the time this information was prepared). Overall, inflows are up by 2.5% when compared to the same quarter of FY 2025.

As of Quarter 3 of FY 2026, the General Fund has expended 49.9% of its cumulative budget. The current savings is primarily due to capital improvement projects which will take multiple years to complete. Comparing Quarter 3 of FY 2026 to FY 2025, expenditures are down by 6.5%, or \$10.5 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 14 (for Fiscal Year Ending June 30, 2025, page 114). This quarterly update highlights three of those reserves. FY 2025 audited amounts are noted in the table.

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**

**\$54,892,853**

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**

**\$13,206,477**

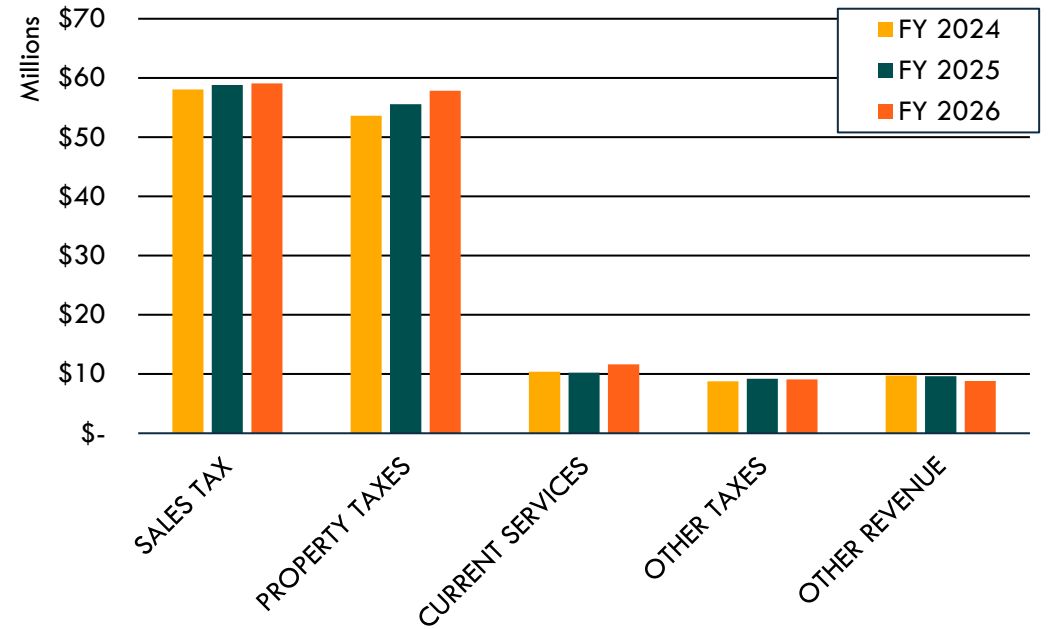
# General Fund Inflows

## Top Five Revenues

The City's top five General Fund revenue categories account for approximately 89.8% of the total estimated General Fund inflows for Quarter 3, Fiscal Year 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 3**



# General Fund Inflows **Top Five Revenues**

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## **01** Sales Tax

At the end of Quarter 3, 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 3, the total received is \$59.1 million. At the time this information was prepared, the revenues are up by 0.4%, or \$0.2 million as compared to the prior year.

## **02** Property Tax

The second largest General Fund revenue category at the end of Quarter 3 is Property Tax. The total for property tax is \$57.8 million, an increase of \$2.3 million, or 4.1%, over the prior fiscal year. The increase is primarily in secured property taxes. The majority of property tax revenues are recorded as revenue and booked as a receivable, once the annual report is received from the County of Riverside (generally November/December). Year-end adjustments "true-up" the amounts to the actual cash received.

## **03** Current Services

At the end of Quarter 3, a total of \$11.6 million has been received in the Current Services category. Items in this revenue group include plan check fees, engineering and inspection fees, recreation revenues, and the Emergency Medical Services Program. Current Services are up 14.0%, or \$1.4 million as compared to Quarter 3 of FY 2025. When comparing to the prior fiscal year, there is an increase in engineering and inspection related revenues, general benefit revenues, as well as afterschool recreation program revenues. In addition, there are increases in ballfield, tournament, and special event revenues and fire service agreements.

# General Fund Inflows **Top Five Revenues**

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## **04** Other Taxes

As of Quarter 3, FY 2026, Other Taxes is the fourth largest category. This category includes revenues from Transient Occupancy Tax, Franchise Fees, Business License Tax, and Cannabis Tax. At the end of Quarter 3, the total received is \$9.1 million. Overall, the Other Taxes category is down by 0.9%, or \$0.1 million, as compared to the same quarter in FY 2025.

## **05** Other Revenue

The Other Revenue category ranks the fifth largest. Activity in this revenue group includes Rental/Lease Income, Development Agreements, Telecommunication Site Rentals, and Billboard Revenues. At the end of Quarter 3, the total received is \$8.8 million. Overall, the Other Revenues category is down by 8.3%, or \$0.8 million, as compared to the same quarter in FY 2025. This is due to decreases in Misc Rental/Lease Income, Billboard Revenue, and Special District Admin Reimbursements.

# General Fund Inflows

## General Fund Revenues Revenue + Transfers In Quarter 3, FY 2025 to FY 2026

General Fund Revenue Category	Through Q3 FY 2025	Through Q3 FY 2026	\$ Change	% Change
Sales Tax	\$ 34,608,912	\$ 33,975,688	(633,224)	-1.8%
Measure X	24,201,837	25,082,765	880,928	3.6%
Property Tax	55,563,681	57,815,832	2,252,151	4.1%
Other Revenue	9,619,703	8,822,276	(797,428)	-8.3%
Current Services	10,210,783	11,641,360	1,430,576	14.0%
Other Taxes	9,189,169	9,108,196	(80,973)	-0.9%
Payments in Lieu of Services	5,799,196	5,994,365	195,169	3.4%
Intergovernmental Revenues	3,826,045	4,184,725	358,680	9.4%
Licenses, Fees & Permits	2,026,783	1,489,430	(537,354)	-26.5%
Utility Service Charges	8,082	9,803	1,721	21.3%
Special Assessments	509,797	579,087	69,290	13.6%
Fines, Penalties & Forfeitures	719,284	1,371,215	651,930	90.6%
Investment Earnings	5,535,784	9,703,692	4,167,909	75.3%
<i>GASB31 Gain/Loss on Investment</i>	<i>(2,677,846)</i>	<i>(6,674,219)</i>	<i>(3,996,373)</i>	<i>149.2%</i>
<b>Total Revenues</b>	<b>\$ 159,141,211</b>	<b>\$ 163,104,215</b>	<b>\$ 3,963,004</b>	<b>2.5%</b>
<b>Transfers In</b>	<b>870,220</b>	<b>844,498</b>	<b>(25,722)</b>	<b>-3.0%</b>
<b>Total Inflows</b>	<b>\$ 160,011,431</b>	<b>\$ 163,948,713</b>	<b>\$ 3,937,282</b>	<b>2.5%</b>
<i>Total Inflows (w/o GASB31)</i>	<i>\$ 162,689,276</i>	<i>\$ 170,622,932</i>	<i>\$ 7,933,655</i>	<i>4.9%</i>

## General Fund Revenues Revenue + Transfers In FY 2026, Projected Revenues to Quarter 3 Actuals

General Fund Revenue Category	Projected FY 2026	Through Q3 FY 2026	% Received
Sales Tax	\$ 56,604,324	\$ 33,975,688	60.0%
Measure X	41,626,174	25,082,765	60.3%
Property Tax	69,019,600	57,815,832	83.8%
Other Revenue	18,682,685	8,822,276	47.2%
Current Services	14,530,107	11,641,360	80.1%
Other Taxes	16,290,300	9,108,196	55.9%
Payments in Lieu of Services	8,024,801	5,994,365	74.7%
Intergovernmental Revenues	11,578,513	4,184,725	36.1%
Licenses, Fees & Permits	2,611,234	1,489,430	57.0%
Utility Service Charges	13,200	9,803	74.3%
Special Assessments	1,138,055	579,087	50.9%
Fines, Penalties & Forfeitures	1,660,404	1,371,215	82.6%
Investment Earnings	8,365,555	9,703,692	116.0%
<i>GASB31 Gain/Loss on Investment</i>	<i>-</i>	<i>(6,674,219)</i>	<i>N/A</i>
<b>Total Revenues</b>	<b>\$ 250,144,952</b>	<b>\$ 163,104,215</b>	<b>65.2%</b>
<b>Transfers In</b>	<b>1,361,138</b>	<b>844,498</b>	<b>62.0%</b>
<b>Total Inflows</b>	<b>\$ 251,506,090</b>	<b>\$ 163,948,713</b>	<b>65.2%</b>
<i>Total Inflows (w/o GASB31)</i>	<i>\$ 251,506,090</i>	<i>\$ 170,622,932</i>	<i>67.8%</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, and encumbrances (committed purchase orders) of \$22.3 million, the beginning outflow budget was \$293.5 million. Through Council Actions and other authorized adjustments, total outflows are currently \$303.8 million.

Through Quarter 3, the City has spent \$151.5 million, or 49.9% of the cumulative budget. At this point in the fiscal year, expenditures should be approximately 75% of budget. When comparing the same quarter in FY 2025, outflows are down by 6.5%, or \$10.5 million.

Personnel Services, the largest budget category, has an increase of \$8.5 million as compared to the same quarter last fiscal year. The changes are primarily based on the Memorandum of Understanding (MOU) contracts that went into effect December 28, 2024, and are good through December 2027.

Materials and Supplies is down by \$16.1 million when compared to Quarter 3 of FY 2025. There are multiple increases and decreases in this category. The primary driver for change is property acquisitions in the previous fiscal year.

## General Fund Outflows Expenditures + Transfers Out Quarter 3, FY 2025 to FY 2026

General Fund Expenditures By Category	Through Q3 2025	Through Q3 2026	% Change
Claims Expense	37	-	-100.0%
Contractual	19,863,726	16,400,031	-17.4%
Materials and Supplies	48,020,097	31,919,777	-33.5%
Personnel Services	90,657,430	99,202,587	9.4%
Utilities	3,495,379	3,726,562	6.6%
Total Expenditures	\$ 162,036,668	\$ 151,248,957	-6.7%
Transfers Out	13,083	293,883	2146.4%
Total Outflows	\$ 162,049,751	\$ 151,542,840	-6.5%

## General Fund Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 3, FY 2026

General Fund Expenditures By Department	Cumulative Budget FY 2026	Through Q3 FY 2026	% Spent
CIP / O&M Projects	\$ 65,597,193	\$ 9,764,911	14.9%
City Manager's Office	15,138,858	5,717,877	37.8%
Community Services	20,720,044	14,496,617	70.0%
Debt Service	26,174,132	7,899,556	30.2%
Economic Development	2,186,213	1,204,274	55.1%
Elected Officials	217,380	147,266	67.7%
Finance	5,676,831	3,852,821	67.9%
Fire	41,292,487	27,486,661	66.6%
General Government	35,996,773	20,415,132	56.7%
Human Resources	3,269,463	2,065,988	63.2%
Information Technology	1,136,533	409,269	36.0%
Legal & Risk Management	2,712,701	1,879,920	69.3%
Planning & Development	10,754,005	6,358,320	59.1%
Police	66,090,102	45,310,737	68.6%
Public Works	6,473,049	4,239,607	65.5%
Total Expenditures	\$ 303,435,763	\$ 151,248,957	49.8%
Transfers Out	391,844	293,883	75.0%
Total Outflows	\$ 303,827,607	\$ 151,542,840	49.9%

# General Fund Expenditures **By Department**

Through March 31, 2026, approximately 75% of the fiscal year is complete. Departments with a variance of 10% or more are explained in the following section.

## **CIP / O&M Projects (14.9%)**

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 (37.8%)**

Current savings are related to personnel services and contractual services. The contractual services are primarily related to the Homeless Program.

## **Debt Services (30.2%)**

Quarter 3 is low due to the timing of debt service payments based on approved payment cycles.

## **Economic Development (55.1%)**

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

## **General Government (56.7%)**

Quarter 3 is trending low due to materials and supplies and contractual services. Insurance premiums are reconciled and recorded at year-end.

## **Human Resources (63.2%)**

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

## **Information Technology (36.0%)**

Related to Measure X. Current savings due to contractual services.

## **Planning & Development (59.1%)**

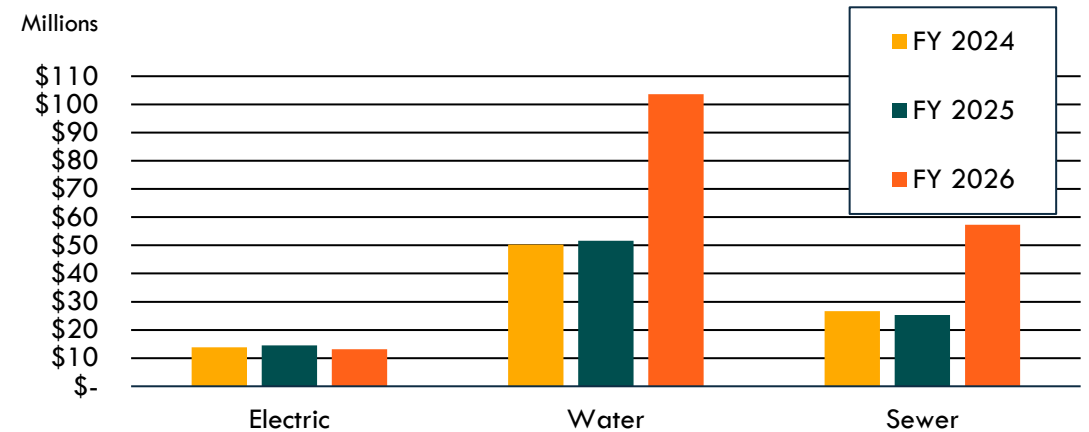
Current savings is due to materials and supplies and contractual services.

# 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 3 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 3 FY 2026, revenues received have increased 90.4%, or \$82.6 million, as compared to the same quarter in Fiscal Year 2025.

## Electric

Comparing Quarter 3 FY 2026 revenues to FY 2025, there is a decrease of \$1.4 million, or 9.4%. There were decreases in categories: Current Services, Fines, Penalties & Forfeitures, Intergovernmental Revenues, Investment Earnings, and Other Revenue. There were increases in categories: Fees & Permits 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. Adjusting for GASB31 book entries, Quarter 3 revenues are a net decrease of \$0.8 million, or 5.9%

## Water

Through the third quarter of FY 2026, there is an increase of 100.8%, or \$52.0 million, as compared to FY 2025. There were decreases in categories: Current Services, Fines, Penalties & Forfeitures, Investment Earnings, Licenses, Fees & Permits, and Utility Services Charges. There were increases in categories: Fees & Permits, Intergovernmental Revenues, Other Revenues and Proceeds from Long Term Debt. If GASB31 book entries are excluded, Quarter 3 revenues are a net increase of \$52.9 million, or 103.9%. The primary drivers for the increase compared to FY 2025 are the issuance of water revenue bonds and settlement funds.

## Sewer

Through Quarter 3, there is an increase of 126.2%, or \$32.0 million, when compared to FY 2025. There were decreases in categories: Fees & Permits, Investment Earnings, and Licenses, Fees & Permits. There were increases in categories: Current Services, Fines, Penalties & Forfeitures, Intergovernmental Revenues, Other Revenue, Proceeds from Long Term Debt and Utility Services Charges. Excluding GASB31 book entries, Quarter 3 revenues are a net increase of \$33.4 million, or 137.1%. The primary driver for the increase compared to FY 2025 is the issuance of wastewater revenue bonds.

# Utilities Funds Inflows

## Utilities Funds Revenues Revenue + Transfers In Quarter 3, FY 2025 to FY 2026

Enterprise Funds Fund Type	Through Q3 FY 2025	Through Q3 FY 2026	% Change
Electric	\$ 14,120,461	\$ 13,288,927	-5.9%
<i>GASB31 Gain/Loss on Investment</i>	341,426	(192,184)	-156.3%
Water	50,932,598	103,874,787	103.9%
<i>GASB31 Gain/Loss on Investment</i>	661,796	(260,817)	-139.4%
Sewer	24,339,180	57,699,731	137.1%
<i>GASB31 Gain/Loss on Investment</i>	991,704	(404,825)	-140.8%
Total Revenues	\$ 91,387,165	\$ 174,005,619	90.4%
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	-	-	N/A
Total Inflows	\$ 91,387,165	\$ 174,005,619	90.4%
Total Inflows (w/o GASB31)	\$ 89,392,239	\$ 174,863,445	95.6%

## Utilities Funds Revenues Revenue + Transfers In FY 2026, Projected Revenues to Quarter 3 Actuals

Enterprise Funds Fund Type	Projected FY 2026	Through Q3 FY 2026	% Received
Electric	\$ 20,796,533	\$ 13,288,927	63.9%
<i>GASB31 Gain/Loss on Investment</i>	-	(192,184)	N/A
Water	129,601,557	103,874,787	80.1%
<i>GASB31 Gain/Loss on Investment</i>	-	(260,817)	N/A
Sewer	72,285,786	57,699,731	79.8%
<i>GASB31 Gain/Loss on Investment</i>	-	(404,825)	N/A
Total Revenues	\$ 222,683,876	\$ 174,005,619	78.1%
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	-	-	N/A
Total Inflows	\$ 222,683,876	\$ 174,005,619	78.1%
Total Inflows (w/o GASB31)	\$ 222,683,876	\$ 174,863,445	78.5%

# Utilities Funds **Outflows**

When comparing the total of utility outflows, Quarter 3 of FY 2026 to FY 2025, outflows are higher by 9.4%, or \$8.3 million.

## Electric

Overall, the Electric utility expenditures through Quarter 3 are up by 7.8% when compared to last fiscal year. There is an increase in utilities and decreases in contractual services, materials and supplies and personnel services.

At Quarter 3, project expenditures are 10.5% of the current expenditure budget. The operating budget expenditures total 41.7% of the current FY 2026 budget.

## Water

Overall, the Water utility expenditures are up by 16.2% or \$8.1 million when compared to Quarter 3 in FY 2025. There are increases in categories: contractual, materials and supplies, personnel services, and utilities.

Through Quarter 3, project expenditures are 21.0% of the current expenditure budget. The operating budget transactions total 68.8% of the current FY 2026 budget.

## Sewer

The Sewer utility expenditures are down by 1.4%, or \$0.4 million, when compared to Quarter 3 of FY 2025. There is a decrease in contractual services but increases across all other categories: materials and supplies, personnel services, and utilities.

At the end of Quarter 3, project expenditures total 11.4% of the cumulative budget. The operating budget expenditures total 61.2% of the current FY 2026 budget.

# Utilities Funds Outflows

## Utilities Funds Outflows Expenditures + Transfers Out Quarter 3, FY 2025 to FY 2026

Enterprise Funds Expenditures By Category	Through Q3 FY 2025	Through Q3 FY 2026	% Change
<b>Electric</b>			
Contractual	\$ 888,867	\$ 590,966	-33.5%
Depreciation	-	-	N/A
Materials and Supplies	1,651,937	1,356,629	-17.9%
Personnel Services	443,618	418,415	-5.7%
Utilities	5,690,971	6,982,257	22.7%
<b>Electric Total</b>	<b>8,675,392</b>	<b>9,348,267</b>	<b>7.8%</b>
<b>Water</b>			
Contractual	\$ 8,440,343	\$ 8,902,980	5.5%
Materials and Supplies	29,532,823	35,883,381	21.5%
Personnel Services	6,775,125	7,576,701	11.8%
Utilities	5,108,469	5,582,894	9.3%
<b>Water Total</b>	<b>49,856,759</b>	<b>57,945,956</b>	<b>16.2%</b>
<b>Sewer</b>			
Contractual	\$ 9,059,820	\$ 7,308,311	-19.3%
Depreciation	-	-	N/A
Materials and Supplies	14,030,853	14,986,930	6.8%
Personnel Services	5,225,870	5,544,213	6.1%
Utilities	1,757,049	1,817,595	3.4%
<b>Sewer Total</b>	<b>30,073,591</b>	<b>29,657,049</b>	<b>-1.4%</b>
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
<b>Grand Total</b>	<b>\$ 88,605,743</b>	<b>\$ 96,951,272</b>	<b>9.4%</b>

## Utilities Funds Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 3, FY 2026

Enterprise Funds Expenditures By Department	Cumulative Budget FY 2026	Through Q3 FY 2026	% Spent
<b>Electric</b>			
CIP / O&M Projects	\$ 3,356,016	\$ 352,969	10.5%
Debt Service	83,695	26,889	32.1%
Public Works	137,763	54,487	39.6%
Utilities Department	21,358,435	8,913,922	41.7%
<b>Electric Total</b>	<b>24,935,909</b>	<b>9,348,267</b>	<b>37.5%</b>
<b>Water</b>			
CIP / O&M Projects	\$ 72,448,114	\$ 15,203,104	21.0%
Debt Service	375,493	1,199,899	319.6%
Planning & Development	58,768	43,201	73.5%
Public Works	645,940	360,122	55.8%
Utilities Department	61,066,216	41,139,630	67.4%
<b>Water Total</b>	<b>134,594,531</b>	<b>57,945,956</b>	<b>43.1%</b>
<b>Sewer</b>			
CIP / O&M Projects	\$ 56,349,215	\$ 6,448,882	11.4%
Debt Service	209,921	1,017,033	484.5%
Planning & Development	41,757	20,405	48.9%
Public Works	483,183	296,991	61.5%
Utilities Department	37,199,001	21,873,738	58.8%
<b>Sewer Total</b>	<b>94,283,077</b>	<b>29,657,049</b>	<b>31.5%</b>
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
<b>Grand Total</b>	<b>\$ 253,813,516</b>	<b>\$ 96,951,272</b>	<b>38.2%</b>

# Live Work Corona

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

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

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