



# Quarterly Budget Update

Quarter 4  
FY 2024

## Overview

City Management is pleased to present this quarterly update summarizing the City's overall budget activity through Quarter 4 (June 30, 2024) for Fiscal Year (FY) 2024. 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 March 28, 2024.

## General Fund Financial Condition

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

The General Fund inflows (revenue and transfers in) for FY 2024 are currently estimated at \$224.6 million. Based on FY 2024 projections, there is an estimated increase of \$8.4 million when compared to the cumulative budget.

The City has received or recorded 94.2% of the estimated General Fund inflows, through the end of Quarter 4 (at the time this information was prepared). Overall, inflows are down by 4.5% when compared to the same quarter of FY 2023.

As of Quarter 4 of FY 2024, the General Fund has expended 72.8% of its cumulative budget. The current savings is primarily due to capital improvement projects which will take multiple years to complete. Comparing Quarter 4 of FY 2024 to FY 2023, expenditures are up by 6.3%, or \$11.2 million.

# General Fund Reserves

The General Fund has multiple reserves in fund balance for various purposes. For the full list, please reference the City's financial statements, Note 15 (for Fiscal Year Ending June 30, 2023, page 119). This quarterly update highlights four of those reserves. FY 2023 audited amounts are noted in the table. The Pension Stabilization Trust amount has been updated to reflect the FY 2024 contribution.

1	2	3	4
Equal to 3 months of operating expenditures	Been in place for 20-years	Reserve for pension related expenditures – debt service payments for the Pension Obligation Bonds or the City's CalPERS unfunded accrued liability (UAL) contributions.	Unspent Measure X funds that don't roll into next FY will go into the reserve
Adjusted at the end of each fiscal year	Since FY 2022, we no longer add new money into this reserve at the end of the fiscal year		Reserve amount discussed with Council each year through the budget cycle
Emergency Contingency	Budget Balancing	Pension Stabilization	Measure X Reserves
\$45,343,853	\$3,922,049	\$39,707,142	\$43,340,023

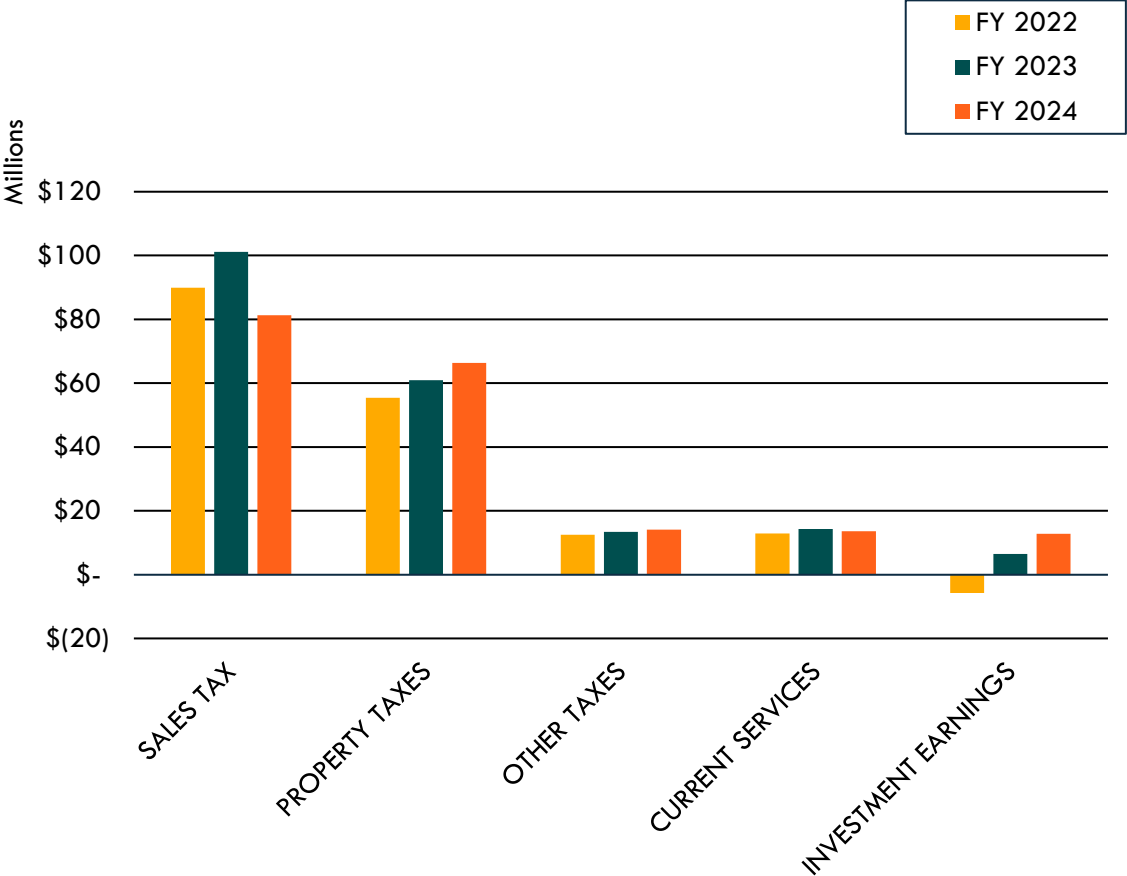
# General Fund Inflows

## Top Five Revenues

The City's top five General Fund revenue categories account for approximately 89.3% of the total estimated General Fund inflows for FY 2024. 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 4



# General Fund Inflows **Top Five Revenues**

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**01**

## **Sales Tax**

At the end of Quarter 4, 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 4, the total received is \$81.3 million. At the time this information was prepared, the revenues are down by 19.7%, or \$19.9 million as compared to the prior year.

**02**

## **Property Tax**

The second largest General Fund revenue category at the end of Quarter 4 is Property Tax. The total for property tax is \$66.4 million, an increase of \$5.4 million, or 8.9%, 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**

## **Other Taxes**

At the end of Quarter 4, a total of \$14.2 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 up 5.8%, or \$0.8 million as compared to Quarter 4 of FY 2023. When comparing to the prior fiscal year, there is a decrease in Transient Occupancy Taxes and Business License Taxes. In addition, there are increase in Franchise Fees and Cannabis Taxes.

# General Fund Inflows **Top Five Revenues**

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## **04** **Current Services**

The Current Services category is the fourth largest category at the end of Quarter 4. 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 4, the total received is \$13.6 million. Overall, the Current Services category is down by 4.7%, or \$0.7 million, as compared to the same quarter in FY 2023. When comparing to the prior fiscal year, there is a decrease in plan check and engineering and inspection related revenues, as well as police false alarms. In addition, there are increase in after school recreation program, fire residential inspections, senior center activities, and facility rentals.

## **05** **Investment Earnings**

This category is usually not one of the five largest, but as of Quarter 4, FY 2024, it ranks fifth largest. There is a significant difference when compared to the prior year that needs to be explained. The biggest factor in this category's increase is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash. At the end of Quarter 4, this category's total is \$12.9 million which is a positive change of \$6.3 million as compared to FY 2023. If we omit the book entries, the total is \$6.4 million which is a positive change of \$0.4 million as compared to FY 2023.

# General Fund Inflows

## General Fund Revenues Revenue + Transfers In Quarter 4, FY 2023 to FY 2024

General Fund Revenue Category	Through Q4 FY 2023	Through Q4 FY 2024	\$ Change	% Change
Sales Tax	\$ 58,686,615	\$ 47,204,196	(11,482,420)	-19.6%
Measure X	42,449,749	34,049,520	(8,400,229)	-19.8%
Property Tax	60,965,345	66,380,726	5,415,381	8.9%
Other Revenue	10,997,550	10,387,526	(610,023)	-5.5%
Current Services	14,300,569	13,622,997	(677,572)	-4.7%
Other Taxes	13,376,528	14,155,549	779,021	5.8%
Payments in Lieu of Services	6,029,949	4,720,825	(1,309,123)	-21.7%
Intergovernmental Revenues	2,217,199	3,130,225	913,026	41.2%
Licenses, Fees & Permits	2,783,393	2,263,717	(519,676)	-18.7%
Utility Service Charges	-	13,060	13,060	N/A
Special Assessments	669,915	769,790	99,875	14.9%
Fines, Penalties & Forfeitures	1,436,615	1,275,274	(161,341)	-11.2%
Investment Earnings	6,018,132	6,400,898	382,766	6.4%
<i>GASB31 Gain/Loss on Investment</i>	528,727	6,455,446	5,926,719	1120.9%
Total Revenues	\$ 220,460,285	\$ 210,829,749	\$ (9,630,536)	-4.4%
Transfers In	1,108,821	847,663	(261,158)	-23.6%
Total Inflows	\$ 221,569,106	\$ 211,677,412	\$ (9,891,694)	-4.5%
Total Inflows (w/o GASB31)	\$ 221,040,379	\$ 205,221,965	\$ (15,818,413)	-7.2%

## General Fund Revenues Revenue + Transfers In FY 2024, Projected Revenues to Quarter 4 Actuals

General Fund Revenue Category	Projected FY 2024	Through Q4 FY 2024	% Received
Sales Tax	\$ 57,027,732	\$ 47,204,196	82.8%
Measure X	41,676,454	34,049,520	81.7%
Property Tax	64,184,995	66,380,726	103.4%
Other Revenue	11,566,470	10,387,526	89.8%
Current Services	13,303,127	13,622,997	102.4%
Other Taxes	14,457,606	14,155,549	97.9%
Payments in Lieu of Services	6,445,705	4,720,825	73.2%
Intergovernmental Revenues	4,763,693	3,130,225	65.7%
Licenses, Fees & Permits	2,256,423	2,263,717	100.3%
Utility Service Charges	12,000	13,060	108.8%
Special Assessments	773,347	769,790	99.5%
Fines, Penalties & Forfeitures	1,299,662	1,275,274	98.1%
Investment Earnings	5,609,700	6,400,898	114.1%
<i>GASB31 Gain/Loss on Investment</i>	-	6,455,446	N/A
Total Revenues	\$ 223,376,914	\$ 210,829,749	94.4%
Transfers In	1,235,696	847,663	68.6%
Total Inflows	\$ 224,612,610	\$ 211,677,412	94.2%
Total Inflows (w/o GASB31)	\$ 224,612,610	\$ 205,221,965	91.4%

# General Fund Expenditures

The FY 2024 budget was adopted with \$201.8 million in General Fund expenditures. With continuing appropriations of \$21.3 million, and encumbrances (committed purchase orders) of \$5.3 million, the beginning outflow budget was \$228.3 million. Through Council Actions and other authorized adjustments, the cumulative budget is \$257.8 million, with total outflows of \$258.6 million.

Through Quarter 4, the City has spent \$188.3 million, or 72.8% of the cumulative budget. At this point in the fiscal year, expenditures should be approximately 100% of budget. When comparing the same quarter in FY 2023, outflows are up by 6.3%, or \$11.2 million. The largest expenditure category for the General Fund is Personnel Services.

Personnel Services has an increase of \$9.1 million as compared to the same quarter last fiscal year. The changes are primarily based on current Memorandum of Understanding (MOU) contracts that are good through December 2024.

Materials and Supplies is down by \$1.4 million when compared to Quarter 4 of FY 2023. There are multiple increases and decreases in this category. The primary drivers for change are one-time purchases of technical rescue equipment and minor equipment & furniture in the last fiscal year.

## General Fund Outflows Expenditures + Transfers Out Quarter 4, FY 2023 to FY 2024

General Fund Expenditures By Category	Through Q4 FY 2023	Through Q4 FY 2024	% Change
Contractual	15,473,254	19,038,807	23.0%
Materials and Supplies	56,047,115	54,675,670	-2.4%
Other Sources	184,958	-	-100.0%
Personnel Services	101,599,518	110,652,657	8.9%
Utilities	3,776,264	3,937,874	4.3%
Total Expenditures	\$ 177,081,109	\$ 188,305,009	6.3%
Transfers Out	-	-	N/A
Total Outflows	\$ 177,081,109	\$ 188,305,009	6.3%

## General Fund Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 4, FY 2024

General Fund Expenditures By Department	Cumulative Budget FY 2024	Through Q4 FY 2024	% Spent
CIP / O&M Projects	\$ 53,480,740	\$ 13,098,579	24.5%
City Manager's Office	13,399,575	8,918,273	66.6%
Community Services	19,015,319	17,131,073	90.1%
Debt Service	22,595,308	22,589,307	100.0%
Economic Development	1,604,768	1,129,561	70.4%
Elected Officials	144,940	128,172	88.4%
Finance	4,713,646	4,522,823	96.0%
Fire	35,369,648	32,147,097	90.9%
General Government	30,213,854	19,458,087	64.4%
Human Resources	2,946,222	2,614,698	88.7%
Information Technology	1,116,937	601,817	53.9%
Legal & Risk Management	2,027,387	2,002,367	98.8%
Planning & Development	10,599,644	7,460,851	70.4%
Police	55,562,132	52,357,301	94.2%
Public Works	5,024,761	4,145,004	82.5%
Total Expenditures	\$ 257,814,880	\$ 188,305,009	73.0%
Transfers Out	791,695	-	0.0%
Total Outflows	\$ 258,606,575	\$ 188,305,009	72.8%

# General Fund Expenditures By Department

Through June 30, 2024, approximately 100% of the fiscal year is complete. Departments with a variance of 10% or more are explained in the following section.

## CIP / O&M Projects (24.5%)

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 (66.6%)

Current savings are across all categories: personnel services, materials and supplies, utilities, and contractual services.

## Economic Development (70.4%)

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

## General Government (64.4%)

Quarter 4 is trending low due to materials and supplies. Insurance premiums are reconciled and recorded at year-end.

## Human Resources (88.7%)

Quarter 4 is trending low due to personnel services, materials and supplies, and contractual services.

## Information Technology (53.9%)

Related to Measure X. Current savings due to contractual services, specifically CAD Dispatch services.

## Planning & Development (70.4%)

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

## Public Works (82.5%)

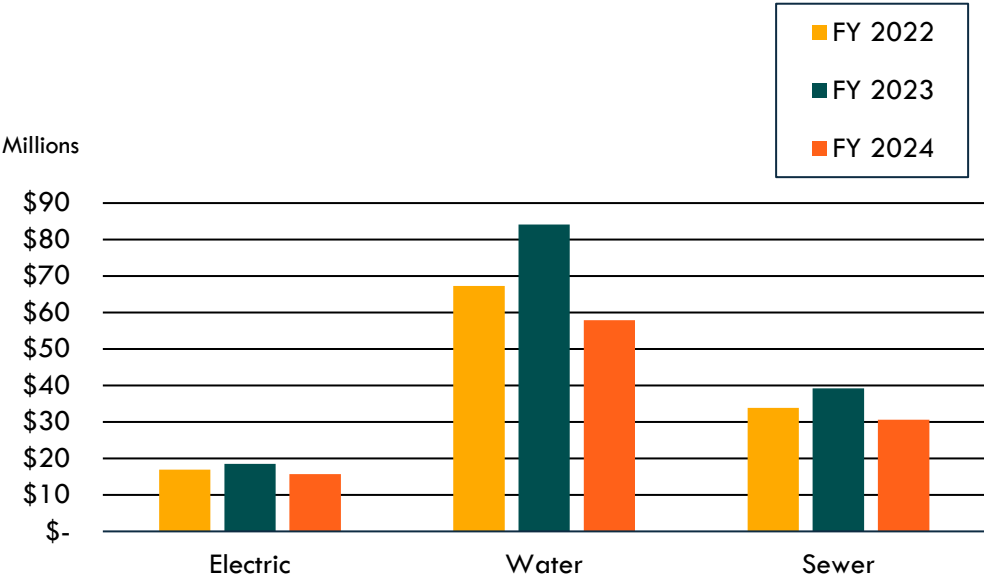
Current savings is due to materials and supplies and contractual services.

# Enterprise Funds

## Utilities Inflows

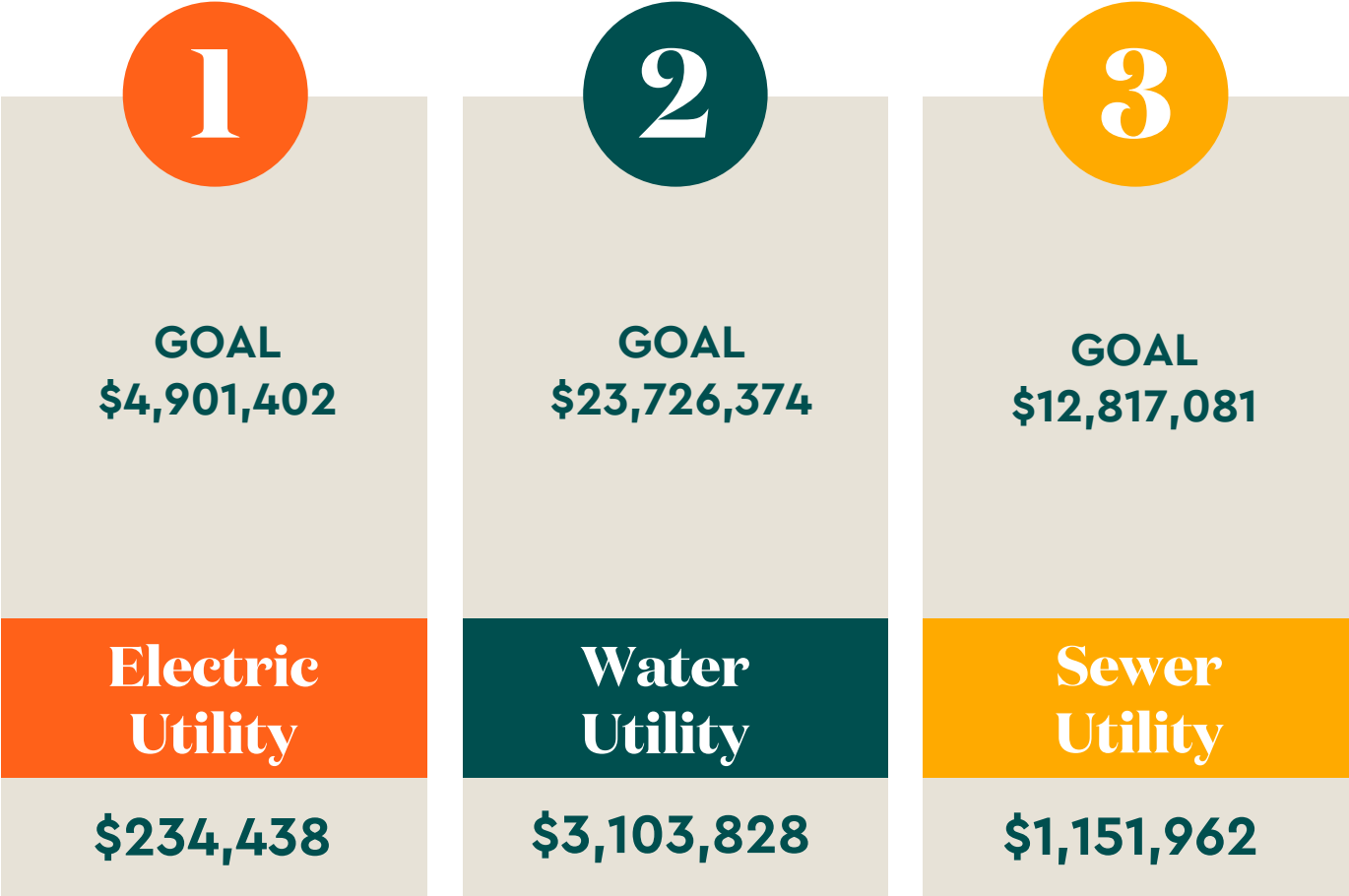
The City operates three utility services through the Utilities Department: electric, water, and sewer. Through the collection of fees and charges, these funds should collect revenues sufficient to finance the costs associated with administration, operations, capital improvement projects (CIP), and debt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

**Enterprise Funds - Utilities  
Revenues Compared, Quarter 4  
FY 2022 – FY 2023 – FY 2024**



# 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 4 FY 2024, revenues received have decreased 26.6%, or \$37.7 million, as compared to the same quarter in Fiscal Year 2023.

### Electric

Comparing Quarter 4 FY 2024 revenues to FY 2023, there is a decrease of \$3.3 million, or 18.2%. There were decreases in categories: Fines, Penalties & Forfeitures, Fees & Permits, Intergovernmental Revenues, and Utility Services Charges. There were increases in categories: Current Services, Investment Earnings, and Other Revenue. 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 fourth quarter of FY 2024, there is a decrease of 33.9%, or \$28.8 million, as compared to FY 2023. Other Revenue has a decrease of \$19.3 million, largely due to a one-time lawsuit settlement from last fiscal year. Investment Earnings has an increase of \$2.1 million, due to the unrealized gains/losses from investments which are book entries. There is an increase of \$5.0 million in Intergovernmental Revenues. This is due to how we record revenue for grants. It is spread over several years and is recognized in the period in which it is earned.

### Sewer

Through Quarter 4, there is a decrease of 28.3%, or \$11.1 million, when compared to FY 2023. There were decreases in categories: Fees & Permits, Fines, Penalties, & Forfeitures, Utility Services Charges, and Licenses, Fees & Permits. There were increases in categories: Current Services, Investment Earnings, and Intergovernmental Revenue. 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 Revenues  
Revenue + Transfers In  
Quarter 4, FY 2023 to FY 2024

Enterprise Funds Fund Type	Through Q4 FY 2023	Through Q4 FY 2024	% Change
Electric	\$ 18,276,151	\$ 14,944,546	-18.2%
<i>GASB31 Gain/Loss on Investment</i>	169,848	703,652	314.3%
Water	84,861,254	56,093,938	-33.9%
<i>GASB31 Gain/Loss on Investment</i>	(753,902)	1,763,490	-333.9%
Sewer	39,084,093	28,010,780	-28.3%
<i>GASB31 Gain/Loss on Investment</i>	90,626	2,549,010	2712.7%
Total Revenues	\$ 141,728,069	\$ 104,065,416	-26.6%
Transfers In - Electric	-	-	N/A
Transfers In - Water	-	-	N/A
Transfers In - Sewer	6	-	-100.0%
Total Inflows	\$ 141,728,075	\$ 104,065,416	-26.6%
Total Inflows (w/o GASB31)	\$ 142,221,503	\$ 99,049,264	-30.4%

Utilities Funds Revenues  
Revenue + Transfers In  
FY 2024, Projected Revenues to Quarter 4 Actuals

Enterprise Funds Fund Type	Projected FY 2024	Through Q4 FY 2024	% Received
Electric	\$ 18,303,718	\$ 14,944,546	81.6%
<i>GASB31 Gain/Loss on Investment</i>	-	703,652	N/A
Water	90,462,031	56,093,938	62.0%
<i>GASB31 Gain/Loss on Investment</i>	-	1,763,490	N/A
Sewer	35,820,439	28,010,780	78.2%
<i>GASB31 Gain/Loss on Investment</i>	-	2,549,010	N/A
Total Revenues	\$ 144,586,188	\$ 104,065,416	72.0%
Transfers In - Electric	-	-	N/A
Transfers In - Water	1,114,779	-	0.0%
Transfers In - Sewer	-	-	N/A
Total Inflows	\$ 145,700,967	\$ 104,065,416	71.4%
Total Inflows (w/o GASB31)	\$ 145,700,967	\$ 99,049,264	68.0%

# Utilities Funds Outflows

When comparing the total of utility outflows, Quarter 4 of FY 2024 to FY 2023, outflows are higher by 2.7%, or \$3.0 million.

## Electric

Overall, the Electric utility expenditures through Quarter 4 are down by 25.2% when compared to last fiscal year. There are decreases across all categories: contractual, depreciation, materials and supplies, personnel services, and utilities.

At Quarter 4, the operating budget expenditures total 74.9% of the current FY 2024 budget.

## Water

Overall, the Water utility expenditures are up by 6.5% or \$4.0 million when compared to Quarter 4 in FY 2023. There are increases in contractual but there are decreases in materials and supplies, personnel services, and utilities.

Through Quarter 4, projected expenditures are 23.8% of the current expenditure budget. The operating budget transactions total 53.8% of the current FY 2024 budget.

## Sewer

The Sewer utility expenditures are up by 10.8%, or \$3.7 million, when compared to Quarter 4 of FY 2023. There were increases in contractual but there are decreases in materials and supplies, personnel services, and utilities.

At the end of Quarter 4, projected expenditures total 17.7% of the cumulative budget. The operating budget expenditures total 41.2% of the current FY 2024 budget.

# Utilities Funds Outflows

## Utilities Funds Outflows Expenditures + Transfers Out Quarter 4, FY 2023 to FY 2024

Enterprise Funds Expenditures By Category	Through Q4 FY 2023	Through Q4 FY 2024	% Change
<b>Electric</b>			
Contractual	\$ 615,670	\$ 442,575	-28.1%
Depreciation	\$ 410,579	\$ -	-100.0%
Materials and Supplies	2,022,325	1,628,548	-19.5%
Personnel Services	610,709	547,956	-10.3%
Utilities	14,714,590	11,122,038	-24.4%
Electric Total	18,373,872	13,741,116	-25.2%
<b>Water</b>			
Contractual	\$ 3,634,421	\$ 15,998,959	340.2%
Depreciation	9,533,321	-	N/A
Materials and Supplies	33,597,387	34,946,742	4.0%
Personnel Services	8,829,560	8,476,447	-4.0%
Utilities	5,724,886	5,884,125	2.8%
Water Total	61,319,574	65,306,273	6.5%
<b>Sewer</b>			
Contractual	\$ 1,763,365	\$ 10,421,889	491.0%
Depreciation	\$ 5,215,826	\$ -	-100.0%
Materials and Supplies	17,901,827	18,100,303	1.1%
Personnel Services	7,003,868	6,821,506	-2.6%
Utilities	2,105,964	2,325,480	10.4%
Sewer Total	33,990,850	37,669,178	10.8%
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	6	-	N/A
Grand Total	\$ 113,684,303	\$ 116,716,567	2.7%

## Utilities Funds Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 4, FY 2024

Enterprise Funds Expenditures By Department	Cumulative Budget FY 2024	Through Q4 FY 2024	% Spent
<b>Electric</b>			
CIP / O&M Projects	\$ 1,937,311	\$ 38,118	2.0%
Debt Service	85,863	395,475	460.6%
Planning & Development	14,021	1,032	7.4%
Public Works	185,642	61,442	33.1%
Utilities Department	16,132,490	13,245,050	82.1%
Electric Total	18,355,327	13,741,116	74.9%
<b>Water</b>			
CIP / O&M Projects	\$ 60,141,159	\$ 14,317,077	23.8%
Debt Service	383,627	1,779,736	463.9%
Planning & Development	82,652	47,047	56.9%
Public Works	927,482	720,251	77.7%
Utilities Department	59,952,686	48,442,162	80.8%
Water Total	121,487,606	65,306,273	53.8%
<b>Sewer</b>			
CIP / O&M Projects	\$ 58,998,482	\$ 10,446,029	17.7%
City Manager's Office	3,572	3,070	85.9%
Debt Service	215,364	991,937	460.6%
Planning & Development	35,444	34,724	98.0%
Public Works	597,236	466,532	78.1%
Utilities Department	31,676,495	25,726,887	81.2%
Sewer Total	91,526,593	37,669,178	41.2%
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Sewer	-	-	N/A
Grand Total	\$ 231,369,527	\$ 116,716,567	50.4%

# 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.