



**Annual Comprehensive
Financial Report**
YEAR ENDED JUNE 30, 2023

CITY OF CORONA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



Prepared by the City of Corona Finance Department

City of Corona
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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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, 2022

Christopher P. Morill

Executive Director/CEO





December 6, 2023

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, 2023. 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, 2023. 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 159,534 as of January 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 next election cycle in November 2024 will cover Districts 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 agendaized 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 47,836 households averaging 3.72 persons each, with a median age of 35.3. Annual median household income is \$99,593, and 84.3% of the population age 25 and up possess a high school diploma or higher according to U.S. Census data. Median home price continues to improve with median values in excess of \$668,600.

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 in industrial, commercial, and office properties fluctuated in 2023. Industrial vacancy rates increased to 5.8% due to the construction of new industrial buildings, retail vacancy remained steady at 5.6%, and office vacancy rates steadily increased to 10.7%, 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, despite economic impacts related to the global pandemic. Job growth in Corona reported a roughly 2% increase with employment numbers increasing to 88,400 in the first quarter of fiscal year 2024 in comparison to 87,000 at the end of fiscal year 2023. Major contributors to local economic growth are the construction, healthcare, and financial industries, in addition to the fast-growing professional, management, and technology sectors in previous years. Job growth will continue to be fueled by commercial and industrial development. Rexco has two professional buildings in plan check totaling 21,400 square feet on the southwest corner of Temescal Canyon Road and Pronio. In addition, Rexco's Latitude business park on Tom Barnes and I-15 is under construction in its second phase. This project has 13 buildings totaling 1,073,781 square feet for industrial. The strong local job market keeps the unemployment rate in Corona at 4.1%, which is approximately 0.9% below the Riverside County average.

Fiscal Year 2023 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. Both developments are under construction, with some homes completed and occupied by new homeowners.

With limited opportunities for large-scale new development, Corona continues looking for opportunities to redevelop and expand currently underutilized properties. Through its ongoing commitment to stimulate the local economy, maintain essential services, and expand its labor force, the City of Corona will continue to be the premier inland Southern California city to live, work, and play.

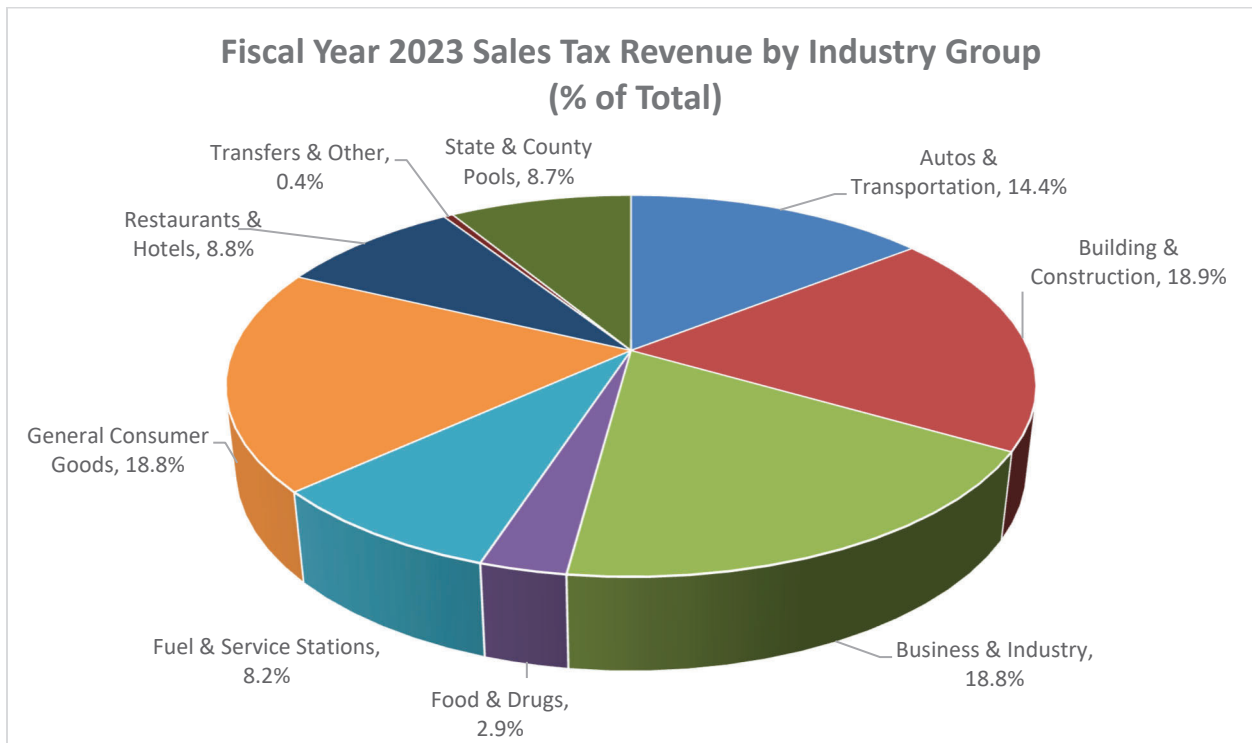
Financial Condition of the City

Nationwide, the economy has seen consumption growth increase from 1.7% to 2.4% over the last year. Even with the fastest rate hike cycle in the last 40 years, the labor market has performed well, home building has picked up, home prices have rebounded, and industrial production has held up. The national unemployment rate was 3.6% at the end of Fiscal Year 2023 and increased to 3.8% in the first quarter of Fiscal Year 2024. However, improving national economic performance does not directly translate to

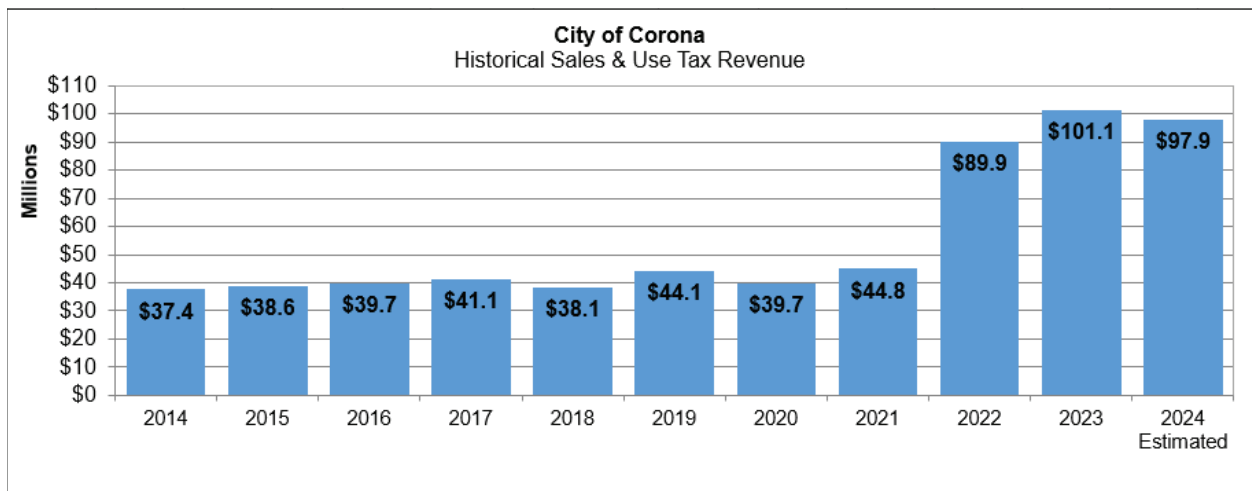
improved financial conditions for local governments, nor opportunities to fund more services. As an example, a rise in home prices does not directly correlate to the City collecting more in property taxes. With Proposition 13, property tax is capped at 1.0%, and the property's taxable value cannot increase more than 2.0% per year. At the same time, the increase in fixed costs for operating city government has outpaced its revenue growth. In December 2016, CalPERS announced the reduction of the discount rate from 7.5% to 7.0% over three years, effective Fiscal Year 2019. Also, the CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removed the 5-year ramp-up and ramp-down on the unfunded accrued liability (UAL) bases attributable to assumption changes and non-investment gains/losses. These changes have been applied to new UAL bases established on or after June 30, 2019. In July 2021, the discount rate was lowered further from 7% to 6.8%. The reduction of the discount rate is projected to lower the system's funded status to approximately 80%, and it will result in higher normal cost rates and the Unfunded Accrued Liability balance as well.

The steep increase in non-discretionary costs places significant pressure on the City's revenue-generating capabilities, amid other state policies that continue to shift responsibilities to cities, without the necessary funding, increasing costs to law enforcement and public safety, and making it more difficult to maintain the expected levels of essential services for our residents. Revenue must grow at the same rate, or faster, as expenses to create fiscal sustainability and maintain service levels the community demands.

Sales tax was previously the second-largest revenue source for the City. With the addition of Measure X, the 1% sales tax measure effective in July 2021, sales tax has moved to the largest General Fund revenue source. Taxable retail sales totaled \$4.9 billion in Calendar Year 2022, an increase of 14.4% from the previous year. Consumer spending increased in Fiscal Year 2023, as the local economy was recovering from the COVID-19 pandemic. Much of this consumer spending is best seen in general consumer goods, automobile purchases, building construction-related industries, and food & drugs. Increased automobile sales and a strong housing market are key indicators of improved consumer confidence. The diversification of the City's sales tax base is enviable, with the building and construction sector, business and industry, and general consumer goods as the largest categories.

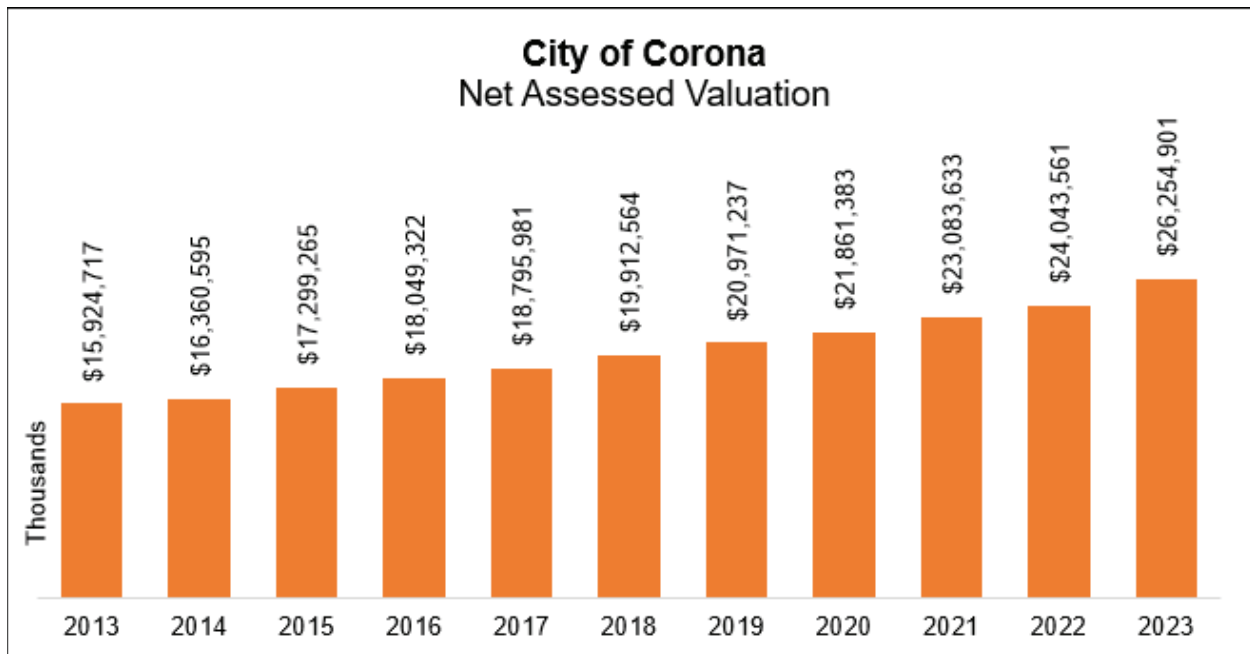


Source: HdL Companies

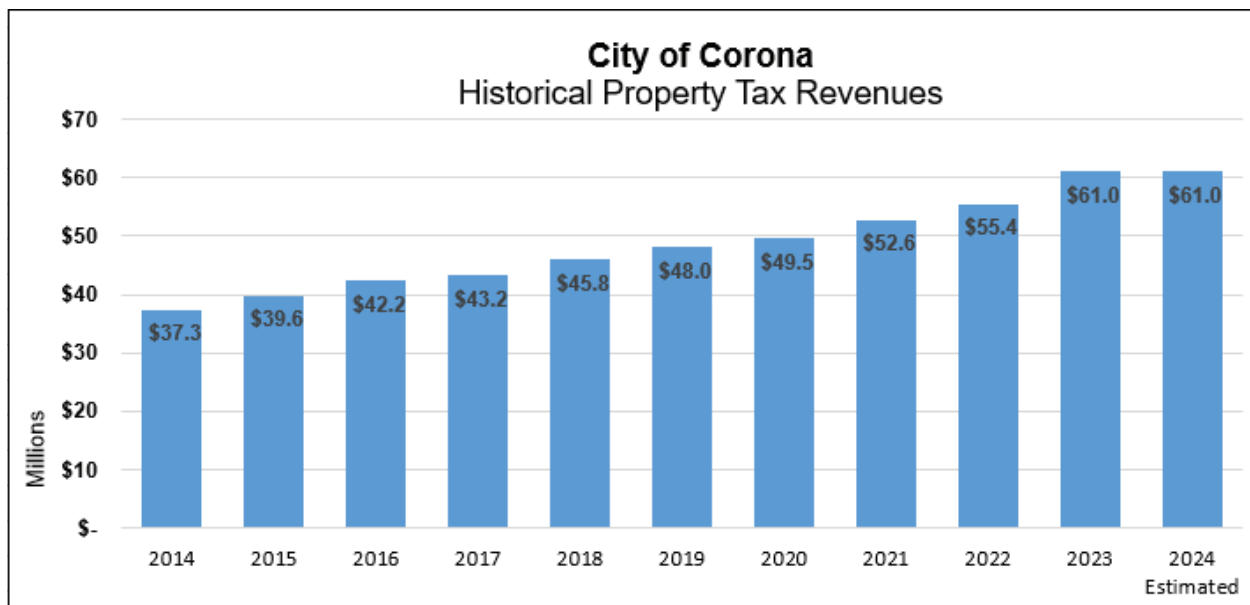


Note: Beginning FY 2022, includes Measure X, 1% sales tax measure effective July 2021

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 2023, was \$26.3 billion, representing an increase of 9.2% 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 2023, \$2.1 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 City started accepting applications in early 2021, and 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 2023 were \$42.5 million, 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, 2023, the Emergency Contingency Reserve balance was \$45.3 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, 2022. This was the 33rd consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of

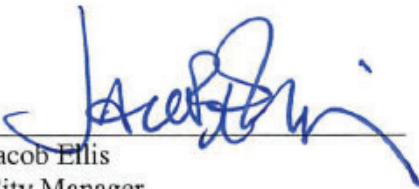
governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

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

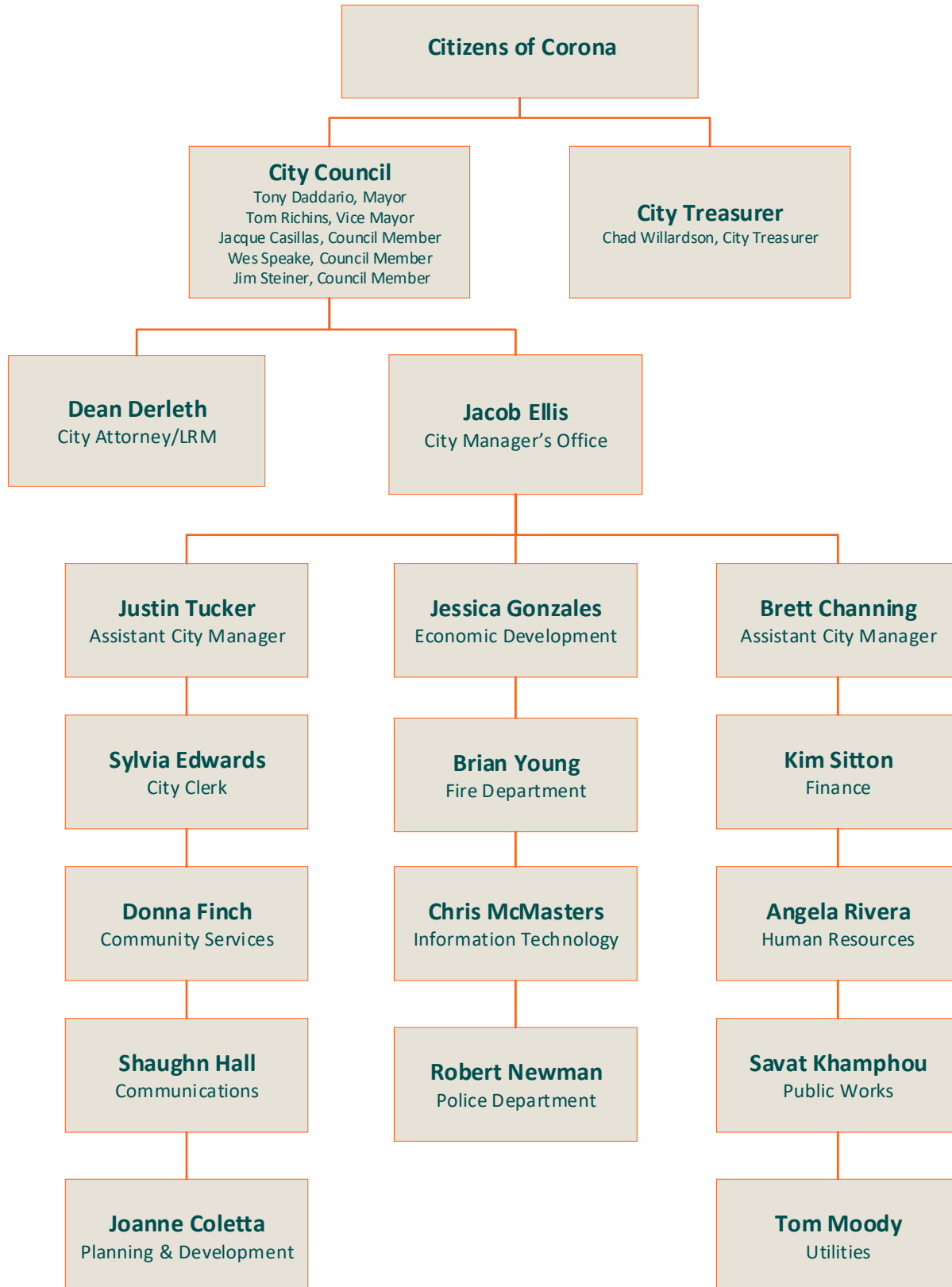
CHAD WILLARDSON City Treasurer

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 Interim Community Services Director
 JESSICA GONZALES 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
 ANGELA RIVERA Chief Talent Officer
 KIM SITTON Finance Director
 BRIAN YOUNG Fire Chief

city of Corona

Citywide Organizational Chart







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, 2023, 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, 2023, 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 dated November 27, 2023, 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 27, 2023





MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

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, 2023, 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, 2023 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), was implemented by the City during the fiscal year ended June 30, 2023. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. GASB 96 will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The required disclosures will allow users to understand the scale and important aspects of the City's SBITA activities and evaluate the City's obligations and assets resulting from SBITAs. The definition and uniform guidance will result in greater consistency. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments; and enhance the relevance and reliability of the City's financial statements.

Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$1,363.4 million (*net position*).
- The overall City's net position increased by \$86.4 million from the previous fiscal year, primarily due to revenues exceeding expenses. Total assets increased by \$141.6 million, total liabilities decreased by \$90.5 million, combined with a decrease in deferred outflows in the amount of \$188.8 million, and a decrease in deferred inflows in the amount of \$43.3 million, primarily due to Pension and Other Post Employment Benefits related items, net position of the City saw an increase of 6.8% from the prior year.
- Total expenses for governmental activities were \$230.0 million for Fiscal Year 2023. The sources for these expenses came from program revenues of \$93.2 million, taxes in the amount of \$175.6 million, and other general revenue of \$18.9 million. For the current year, revenues from governmental activities exceeded expenses by \$57.7 million, net position for governmental activities increased to \$1,034.6 million.

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

- For business-type activities, total revenues exceeded expenses by \$28.7 million. Among the total program revenue of \$141.4 million, \$134.2 million was from charges for services, \$3 million from operating contributions and grants, and the remaining \$4.2 million represents capital contributions and grants. Net position for business-type activities increased to \$328.8 million.

Fund Based

- The City's governmental funds reported a combined ending fund balance of \$480.0 million, an increase of \$53.7 million from the previous year. The net increase was primarily due to the current year's revenue exceeding expenditure. Among the total fund balance, \$335.3 million, or 69.9% is either non-spendable or restricted for specific purposes. In addition, \$52.9 million was committed by the City Council, including \$45.3 million as an emergency contingency, and \$7.6 million as designated revenues. There was \$77.8 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 (Continued)
For the Year Ended June 30, 2023

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 AB109 PACT Fund, and the special taxes and assessments districts. The AB109 PACT fund is closed in fiscal year 2023 since the City has fulfilled its duties specified in the agreements. 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 (Continued)
For the Year Ended June 30, 2023

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

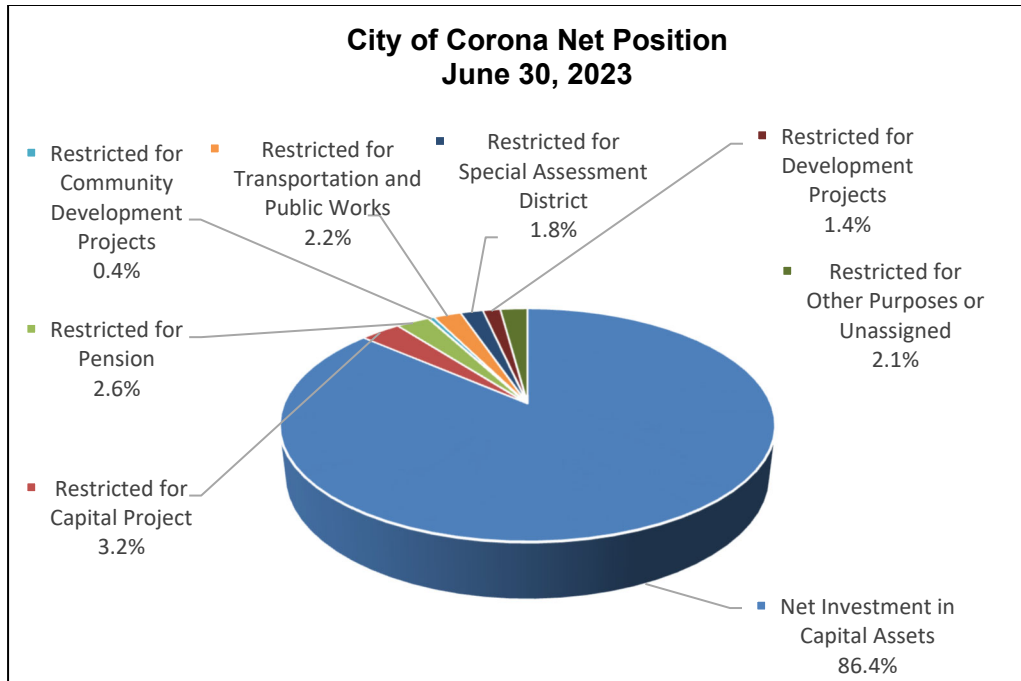
The government-wide financial analysis focuses on the City's net position and changes in the net position of the governmental and business-type activities during the fiscal year.

As noted earlier, the City's net position increased by \$86.4 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, \$1,177.5 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.

The remaining \$185.9 million of the total government-wide net position is composed of \$157.3 million restricted funds and \$28.6 million unrestricted. Net position may be 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 (Continued)
For the Year Ended June 30, 2023

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2023.



City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2023 with comparative data from the previous fiscal year:

City of Corona's Net Position
(in millions)

	Governmental activities		Business-type activities		Total	
	2022		2022		2022	
	2023	(As Restated)	2023	2022	2023	(As Restated)
Current and other assets	\$ 464.8	\$ 374.1	\$ 189.0	\$ 169.8	\$ 653.8	\$ 543.9
Internal balances	168.9	174.7	(168.9)	(174.7)	-	-
Capital assets	837.2	807.0	423.7	422.2	1,260.9	1,229.2
Total assets	1,470.9	1,355.8	443.8	417.3	1,914.7	1,773.1
Deferred charges on refunding	0.4	0.4	-	-	0.4	0.4
Deferred pension related items	103.7	265.6	9.0	36.5	112.7	302.1
Deferred OPEB related items	24.5	23.9	3.4	3.4	27.9	27.3
Total deferred outflows	128.6	289.9	12.4	39.9	141.0	329.8
Long-term debt	239.9	259.6	78.6	87.6	318.5	347.2
Net pension liability	46.7	143.5	4.7	20.5	51.4	164.0
Net OPEB liability	82.5	74.4	11.3	10.6	93.8	85.0
Other liabilities	124.5	86.7	25.7	21.5	150.2	108.2
Total liabilities	493.6	564.2	120.3	140.2	613.9	704.4
Deferred pension related items	46.8	67.4	0.3	8.9	47.1	76.3
Deferred OPEB related items	12.8	24.8	1.8	3.5	14.6	28.3
Deferred charges on refunding b	-	-	0.8	-	0.8	-
Lease	11.7	12.5	4.0	4.4	15.7	16.9
Total deferred inflows	71.3	104.7	6.9	16.8	78.2	121.5
Net investment in capital assets	805.9	774.6	371.6	365.1	1,177.5	1,139.7
Restricted	155.9	149.3	1.4	1.6	157.3	150.9
Unrestricted	72.8	53.0	(44.2)	(66.6)	28.6	(13.6)
Total net position	\$ 1,034.6	\$ 976.9	\$ 328.8	\$ 300.1	\$ 1,363.4	\$ 1,277.0

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

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)

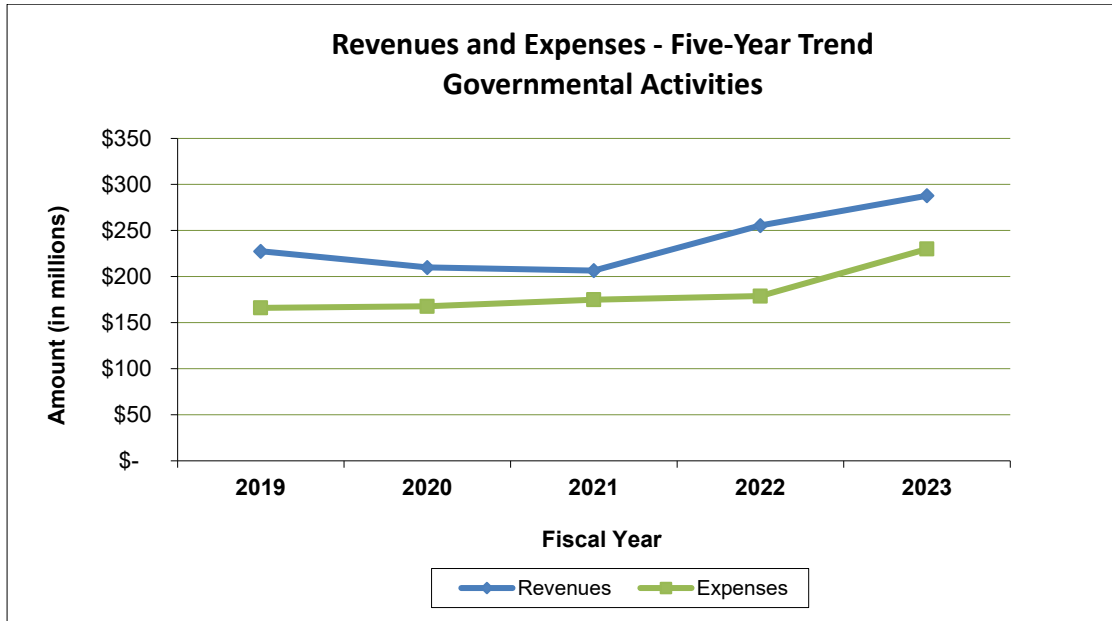
	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 35.4	\$ 34.0	\$ 134.2	\$ 117.2	\$ 169.6	\$ 151.2
Operating Contributions and Grants	35.0	37.5	3.0	5.1	38.0	42.6
Capital Contributions and Grants	22.8	19.9	4.2	1.9	27.0	21.8
General Revenues:						
Taxes:						
Property Taxes	61.1	55.4	-	-	61.1	55.4
Sales and Use Taxes	101.1	89.9	-	-	101.1	89.9
Other Taxes	13.4	12.6	-	-	13.4	12.6
Gain on sale of capital assets	-	0.1	-	-	-	0.1
Investment Earnings	10.6	(1.5)	3.4	(3.5)	14.0	(5.0)
Other Income	8.3	7.5	-	-	8.3	7.5
Total Revenues	<u>287.7</u>	<u>206.5</u>	<u>144.8</u>	<u>120.7</u>	<u>432.5</u>	<u>376.1</u>
Expenses:						
General Government	42.0	35.1	-	-	42.0	35.1
Public Safety - Fire	59.3	32.0	-	-	59.3	32.0
Public Safety - Police	60.0	46.4	-	-	60.0	46.4
Public Works & Maintenance Services	33.9	51.1	-	-	33.9	51.1
Community Services	18.7	4.0	-	-	18.7	4.0
Planning and Development	9.9	5.1	-	-	9.9	5.1
Economic Development	1.3	1.2	-	-	1.3	1.2
Interest and Fiscal Charges	4.8	3.9	-	-	4.8	3.9
Water	-	-	60.7	63.4	60.7	63.4
Sewer	-	-	33.6	31.9	33.6	31.9
Electric	-	-	18.3	15.6	18.3	15.6
Transit Services	-	-	3.4	2.9	3.4	2.9
Airport	-	-	0.2	0.5	0.2	0.5
Total Expenses	<u>230.0</u>	<u>178.8</u>	<u>116.2</u>	<u>114.3</u>	<u>346.1</u>	<u>293.1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>57.7</u>	<u>76.6</u>	<u>28.7</u>	<u>6.4</u>	<u>86.4</u>	<u>83.0</u>
Transfers	-	-	-	-	-	-
Special Items	-	-	-	-	-	-
Change in Net Position	<u>57.7</u>	<u>76.7</u>	<u>28.7</u>	<u>6.3</u>	<u>86.4</u>	<u>83.0</u>
Net Position - Beginning of Year	976.9	897.0	300.1	293.8	1,277.0	1,190.8
Restatement	-	3.2	-	-	-	3.2
Net Position - End of Year	<u>\$ 1,034.6</u>	<u>\$ 976.9</u>	<u>\$ 328.8</u>	<u>\$ 300.1</u>	<u>\$ 1,363.4</u>	<u>\$ 1,277.0</u>

City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

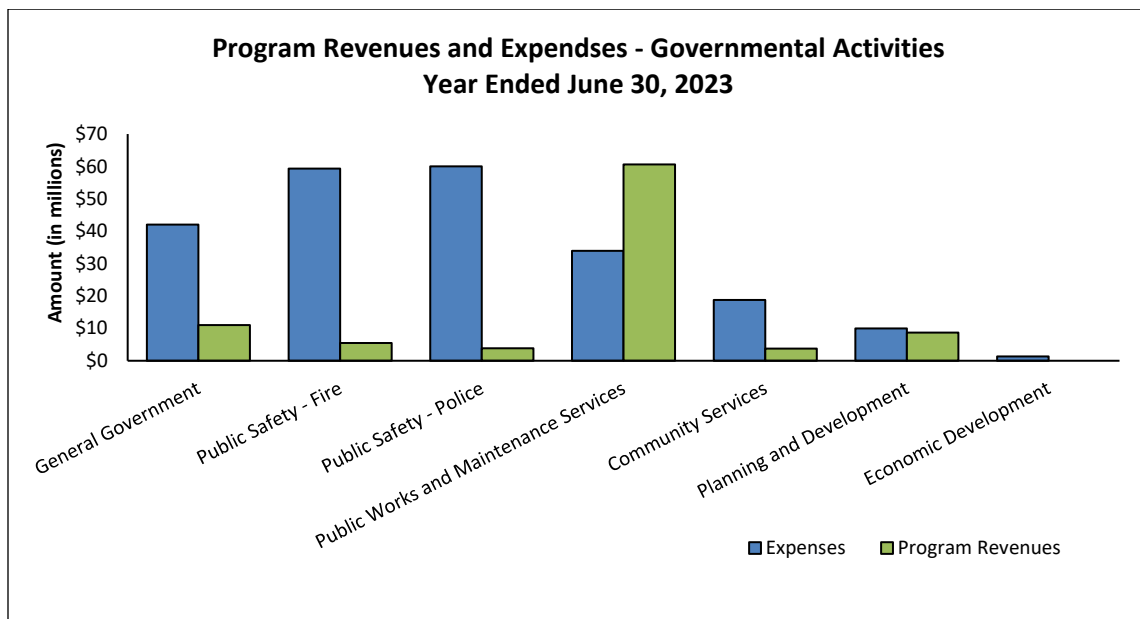
Governmental Activities

Total resources available during the year for governmental operations were \$1,264.7 million. This amount consists of a beginning net position of \$976.9 million, program revenues of \$93.2 million, and general revenues of \$194.5 million. Total uses in governmental activities during the year is \$230.0 million. The net position for governmental activities increased by \$57.7 million to \$1,034.6 million as of June 30, 2023.

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.

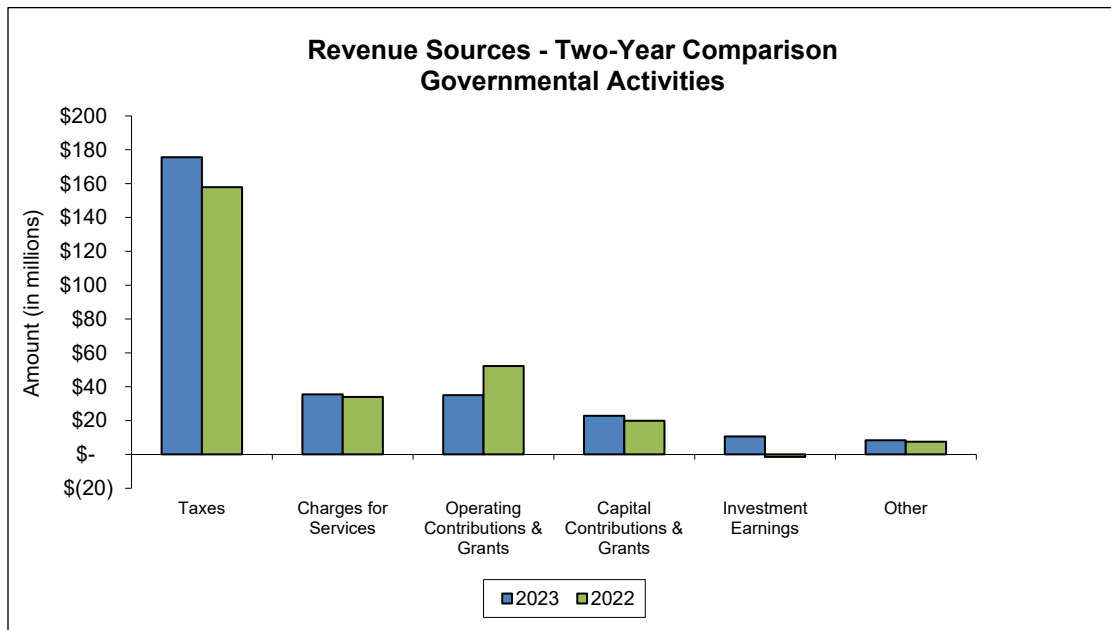


City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

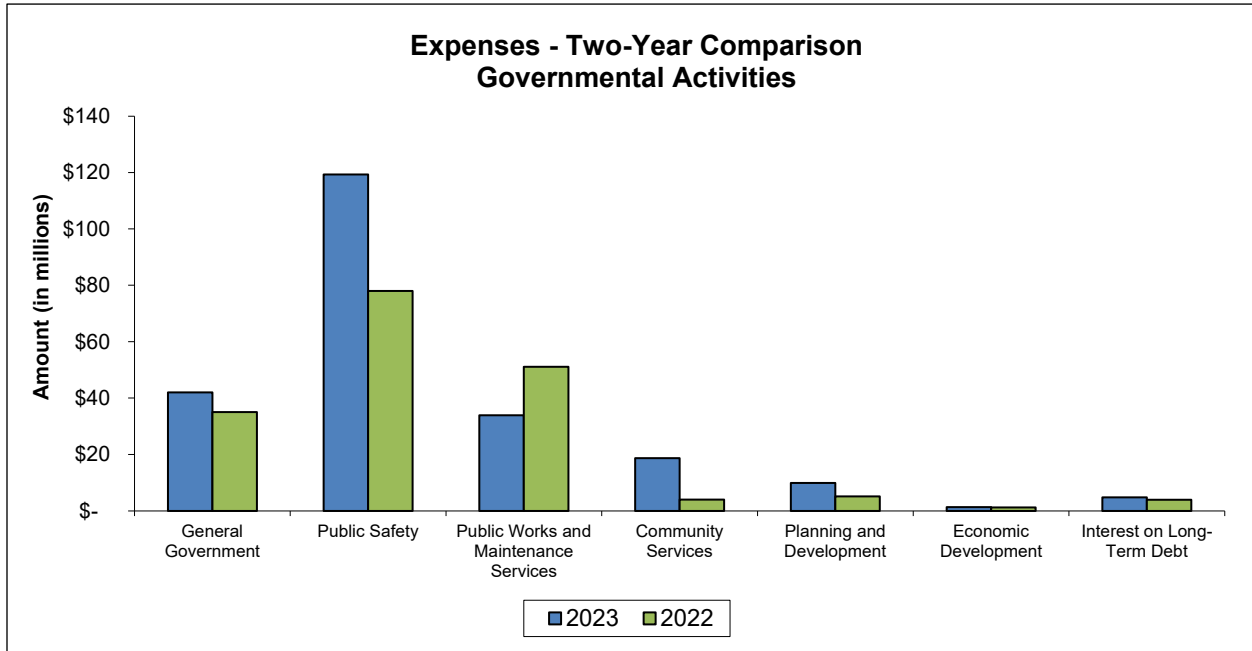
General government support services (administration, legal, human resources, and financial) are primarily funded by charges to the direct operating functions they support through a cost allocation program. The public safety function (police and fire) generates program revenues as well, but property taxes, 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, 2023 was \$230.0 million. As shown in the statement of activities, the amount the taxpayers ultimately funded for these activities was \$175.6 million, \$18.9 million was funded by investment earnings and other income, and the remaining \$93.2 million was paid by various program revenues, including \$35.4 million by those who directly benefited from the programs, \$35.0 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$22.8 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, 2023 and June 30, 2022, respectively.



City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023



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

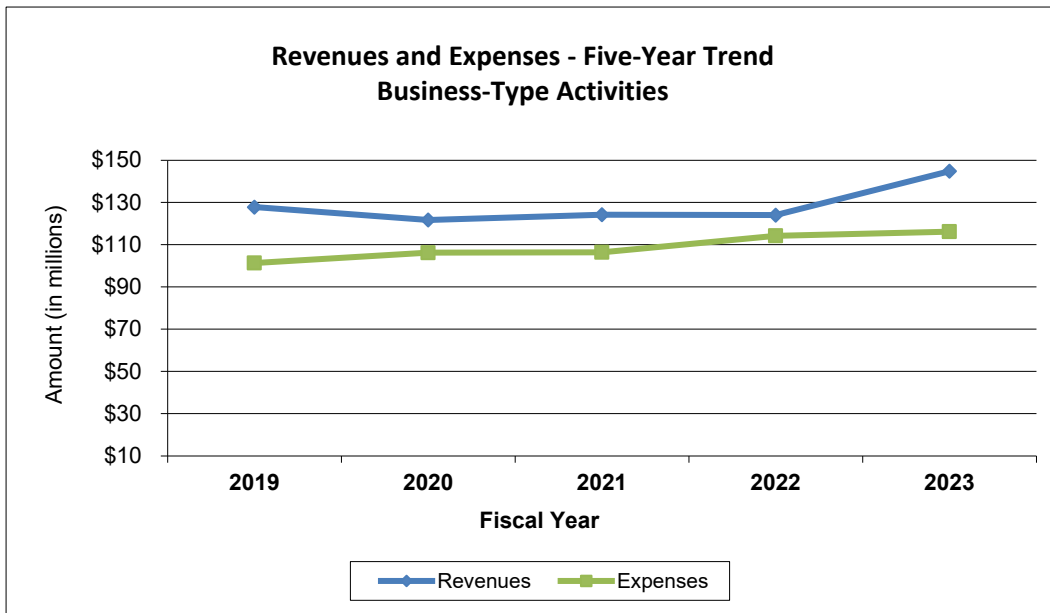
- Program revenues represent 39.0% of total revenues generated by governmental activities. Total program revenues for governmental activities in the current year were \$93.2 million, an increase of \$1.8 million from the previous year, primarily due to a decrease of \$2.5 million in operating contributions and grants, and a increase of \$2.9 million in capital contributions and grants, partially offset by an increase of \$1.4 million in charges for services compared to the prior year.
- Total tax revenues were \$175.6 million for the current year, showing an increase of \$17.7 million from the previous year. Taxes comprised 61.0% of the total revenues from governmental activities, Sales and use tax revenue represents 57.6% of total taxes, whereas property tax revenue ranked second sharing 34.8% of total tax revenue. The remaining 7.6% were comprised of franchise fee, business license tax, transient occupancy tax, and dwelling development fee.
- Property tax revenues increased by \$5.7 million compared to the prior year. Sales and use tax revenues increased by \$11.2 million in comparison to the prior year, driven by the continuing recovery of the economy from the impact of COVID-19 and Measure X enacted in 2021.
- Overall governmental expenses increased by \$51.2 million from the prior year, primarily due to a GASB 68 pension expense entry of \$43.6 million, and an increase of \$9.9 million spending in capital projects.

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

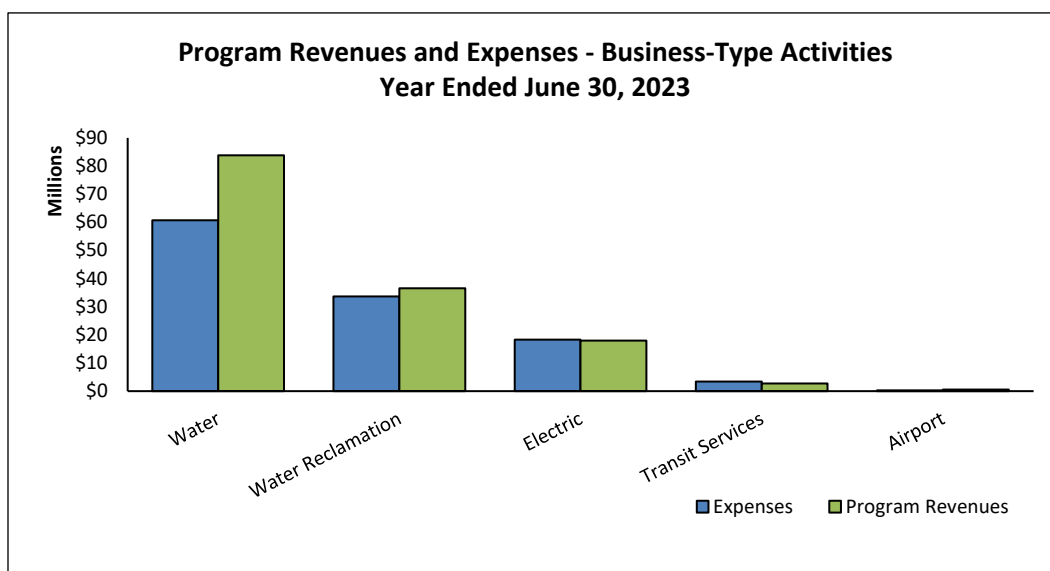
Business-Type Activities

The City's net position in the business-type activities increased by \$28.7 million. The primary contributor to the increase was excess revenues over expenses. The overall net position reported in the business-type activities was \$328.8 million as of June 30, 2023.

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 (Continued)
For the Year Ended June 30, 2023

Total expenses of all business-type activities for the fiscal year ended June 30, 2023, was \$116.2 million, representing an increase of \$1.9 million from the previous year. The total program revenue reported for the year was \$141.4 million. As shown in the statement of activities, the amount paid by users of the systems was \$134.2 million, reported as charges for services. Revenues from operating grants and contributions were \$3.0 million, and capital grants and contributions were \$4.2 million.

Total resources available during the year for business-type activities were \$444.9 million. This amount consists of the beginning net position of \$300.1 million, combined with total program revenues of \$141.4 million, and investment earnings of \$3.4 million. After funding total expenses of \$116.2 million, the net position for business-type activities increased by \$28.7 million to \$328.8 million at June 30, 2023.

Compared to the prior year, the total expenses increased by \$1.9 million, primarily due to the increase in energy costs in the Electric Funds. Revenues increased by \$24.1 million, primarily due to a one-time settlement payment of \$19.1 million, investment earnings of \$2.1 million, and an increase in capital contribution of \$2.5 million.

FUND FINANCIAL ANALYSIS

General Fund

The General Fund is the primary operating fund of the City. Fund balance increased by \$44.0 million for the fiscal year ended June 30, 2023, with an ending balance of \$365.2 million, primarily due to excess revenues over expenditures.

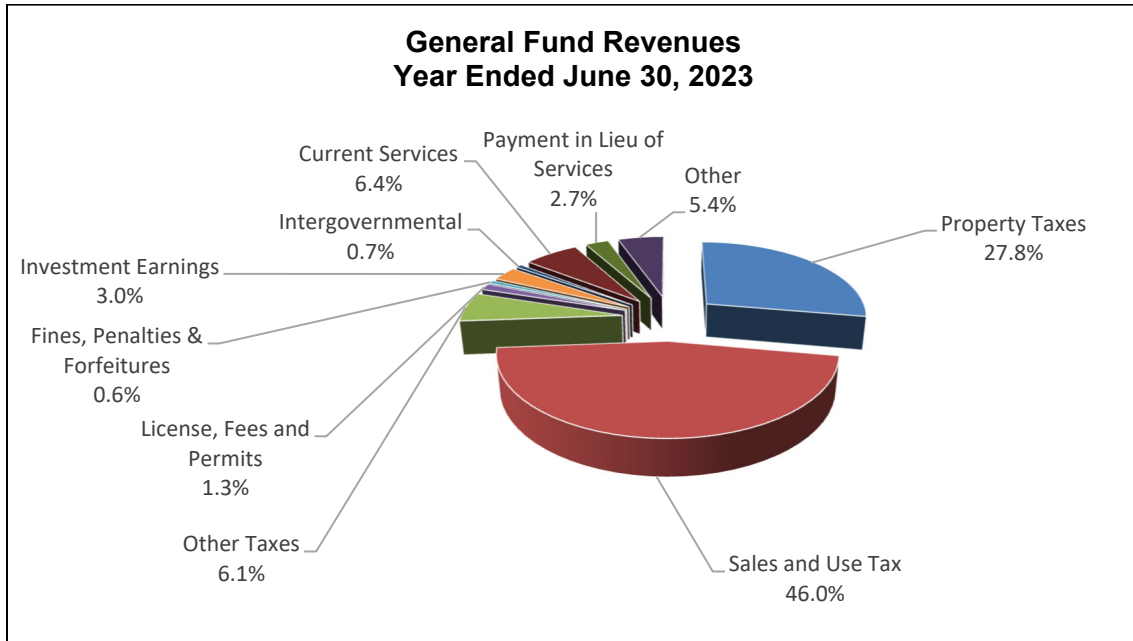
Below is a three-year trend analysis of the fund balance for the General Fund. For additional information, please refer to Note 15 in the accompanying financial statements.

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

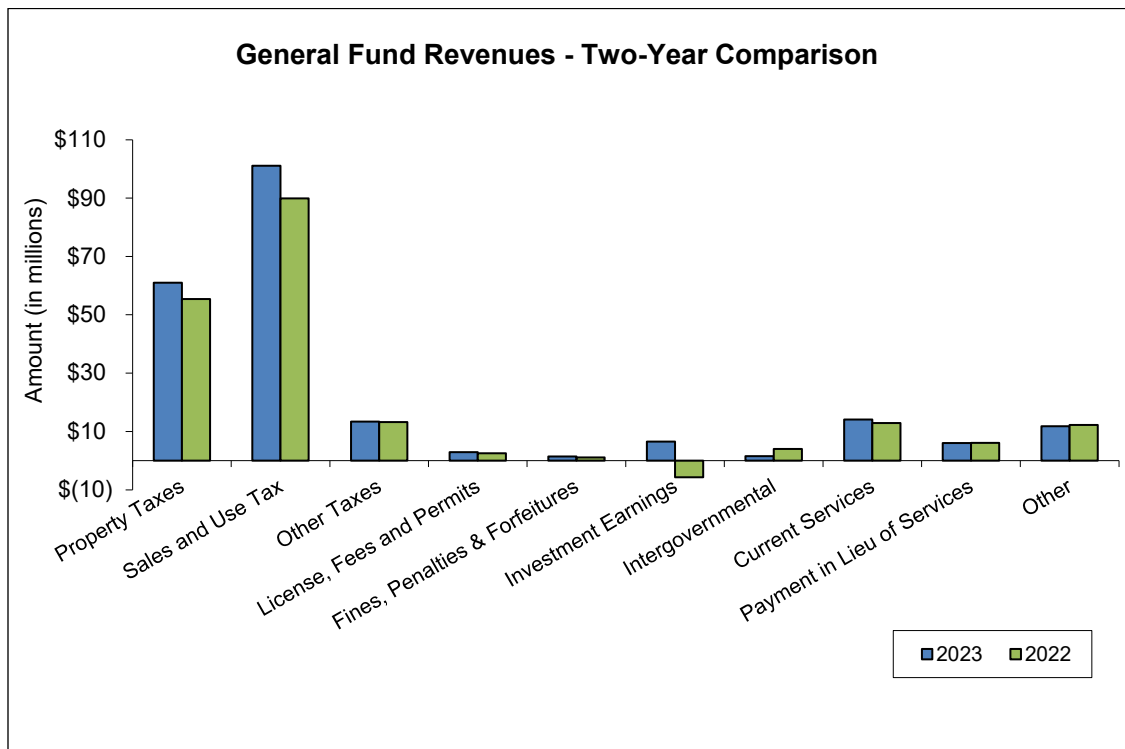
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Fund Balances:			
Nonspendable	\$ 181.3	\$ 187.6	\$ 19.8
Restricted	35.4	30.1	-
Committed	52.9	48.1	42.9
Assigned	77.0	55.2	60.1
Unassigned	18.6	0.2	-
	<u>\$ 365.2</u>	<u>\$ 321.2</u>	<u>\$ 122.8</u>
Total Fund Balance	<u>\$ 365.2</u>	<u>\$ 321.2</u>	<u>\$ 122.8</u>
Fund Balance - Beginning	\$ 321.2	\$ 122.8	\$ 127.2
Excess Revenues over Expenditures	43.4	24.8	(5.4)
Transfers	0.6	1.0	1.0
Restatement	-	172.6	-
Fund Balance - Ending	<u>\$ 365.2</u>	<u>\$ 321.2</u>	<u>\$ 122.8</u>

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

The graph below illustrates General Fund revenues by major sources:

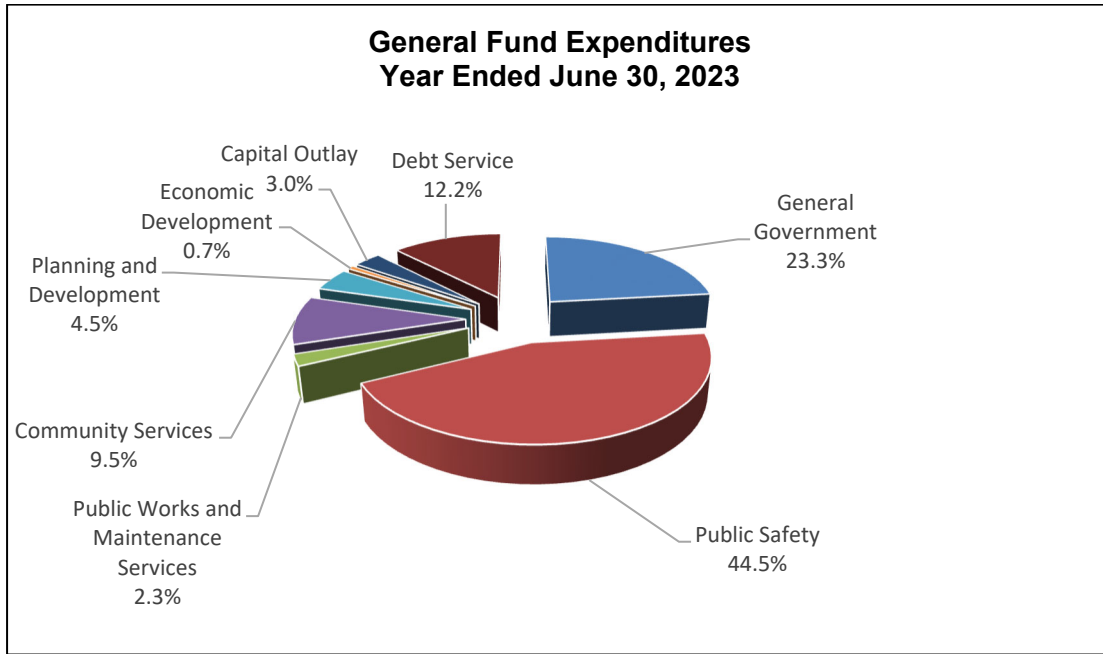


A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2023 and June 30, 2022 is presented below:

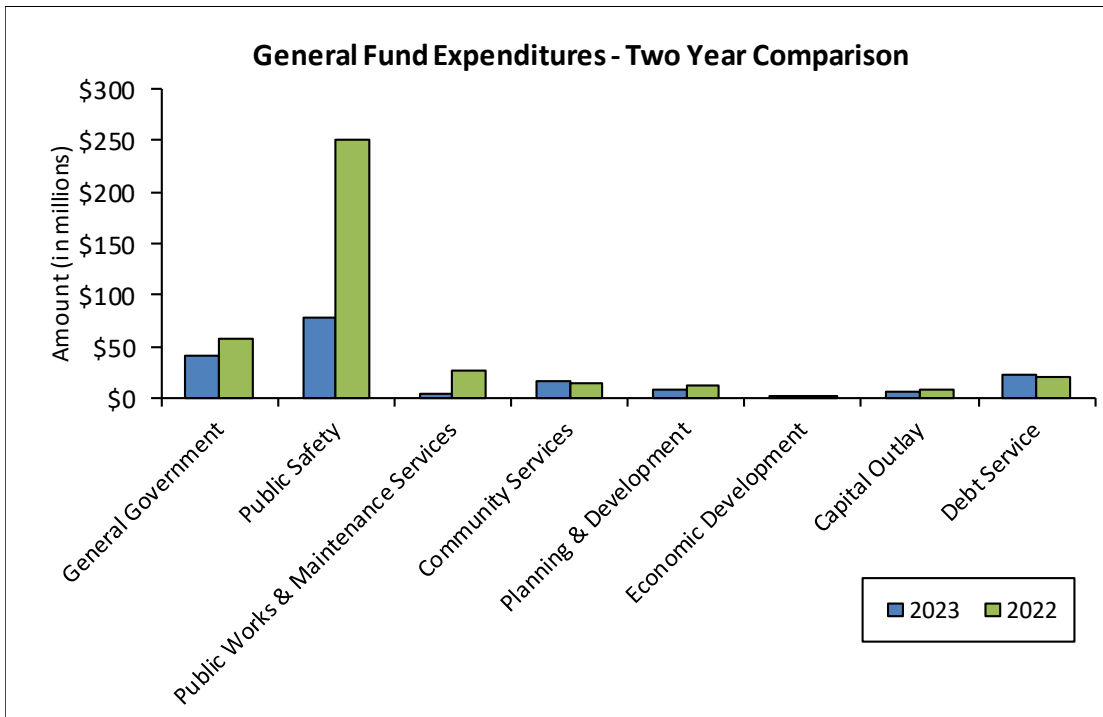


City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

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, 2023 and June 30, 2022 is presented below:



City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

Overall General Fund revenues increased by \$28.1 million or 14.7%, compared to the previous year. Sales and use tax are the largest revenue source of the General Fund and increased by 12.5% in the current year. Property taxes is the second largest revenue source of the General Fund and increased by 10.1%. As shown in the General Fund Revenues graph, fiscal year 2023 saw increases in most of the revenue sources. License, fees, and permits revenue increased by 16.0%, current service charges increased by 9.3%, and other tax revenues increased by 1.5%.

General Fund expenditures were \$177.1 million, a decrease of \$213.7 million compared to the previous year. The previous year's expenditure is higher due to the issuance of the pension obligation bond to pay the unfunded accrued pension liabilities to CALPERS in the amount of \$223.9 million.

Other Major Governmental Funds

The Development Special Revenue Fund reported a fund balance of \$17.7 million, an increase of \$0.3 million from the prior year. Primarily due to revenues exceeding expenditures in the current year.

The Low/Mod Income Housing Asset Capital Project Fund reported a fund balance of \$38.4 million, an increase of \$0.8 million from the previous year. The fund balance includes \$19.1 million in cash and investments, \$1.8 million in accounts receivables, \$2.0 million in land held for resale, \$7.0 million loan receivables, and long-term receivables in the amount of \$8.3 million from various developers.

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, 2023, net capital assets totaled \$837.2 million for governmental activities, and \$423.6 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 (Continued)
For the Year Ended June 30, 2023

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, 2023, 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 \$31.1 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 2024 is a minimum of \$6.0 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 Activities		Business-type Activities		Total	
	2022		2023	2022	2022	
	2023	(As Restated)			2023	(As Restated)
Land	\$ 85.6	\$ 85.6	\$ 5.7	\$ 5.7	\$ 91.3	\$ 91.3
Streets	224.0	223.7	-	-	224.0	223.7
Buildings and improvements	101.1	105.4	50.0	52.4	151.1	157.8
Machinery and equipment	14.3	15.3	53.6	43.4	67.9	58.7
Infrastructure	211.0	208.1	274.5	274.9	485.5	483.0
Construction in progress	196.0	166.2	20.0	26.0	216.0	192.2
Intangible assets	5.2	2.6	19.8	19.8	25.0	22.4
Total Capital Assets	<u>\$ 837.2</u>	<u>\$ 806.9</u>	<u>\$ 423.6</u>	<u>\$ 422.2</u>	<u>\$ 1,260.8</u>	<u>\$ 1,229.1</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 (Continued)
For the Year Ended June 30, 2023

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 Activities		Business-type Activities		Total	
	2022		2022		2022	
	2023	(As Restated)	2023	2022	2023	(As Restated)
Loans and Agreement Payable	\$ -	\$ -	\$ 21.0	\$ 24.1	\$ 21.0	\$ 24.1
2012 Refunding Lease	7.9	9.8	-	-	7.9	9.8
Lease Liabilities	0.4	0.5	-	-	0.4	0.5
Subscription Liabilities	3.7	1.4	-	-	3.7	1.4
Revenue Bonds	16.8	18.2	27.6	31.5	44.4	49.7
Pension Obligation Bonds	207.9	221.9	35.2	37.5	243.1	259.4
Unamortized Bond Premium	1.9	2.1	2.3	1.2	4.2	3.3
Total Outstanding Debt	\$ 238.6	\$ 253.9	\$ 86.1	\$ 94.3	\$ 324.7	\$ 348.2

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund appropriations and transfers out were originally adopted at \$182.5 million for Fiscal Year 2023. Final appropriations were increased by \$29.4 million to \$211.9 million. Among the budgetary increase, \$19.2 million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$5.5 million was for prior year committed purchases (encumbrances).

There was \$4.7 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 decreased by \$1.6 million in Fiscal Year 2023. The budget was decreased by \$2.0 million due to transfers from personnel to the operating budget. In addition, \$0.3 million was added due to grant funding and other position adjustments approved throughout the fiscal year. (2) The operating budget increased by a total of \$6.8 million. The primary increase is in the Homeless Programs Division within the City Manager's Office. The General Fund Homeless Programs expense budget was increased by \$1.8 million for the State Encampment Funding Grant and multiple professional services agreements approved by the City Council. The General Government budget increased by \$1.5 million due to a transfer from personnel to the operating budget. The Fire Department budget was increased by \$0.8 million for multiple grants approved by the City Council and the purchase of a Live Fire Training Simulator. The Community Services Department budget was increased by \$0.7 million for additional Graffiti Removal Services, Performance Center Feasibility Study, Rent Stabilization Program Services, and new theater equipment for the Historic Civic Center Theatre. 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 \$250,000 from the personnel budget. (3) The capital outlay budget was decreased by a net total of \$0.6 million. There were budgetary reductions for various projects that were completed or no longer needed.

City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

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

Original Budget	\$	182,509,504
Continued Appropriations		19,230,955
Prior Year Encumbrances		5,508,539
Supplemental Changes		4,692,229
Final Budget	\$	211,941,227

At June 30, 2023, the General Fund expenditure and transfers out budget concluded the fiscal year with a net favorable variance of \$34.4 million.

Included in the \$34.4 million savings, \$20.5 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 \$3.0 million will be carried forward from the operating budget for grants and other activities approved by the City Council. Encumbered purchase orders totaling \$3.1 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 \$7.9 million. Please refer to the Required Supplementary Information section of the accompanying financial statements for additional information.

Final Budget	\$	211,941,227
Actual Expenditures		177,081,110
Transfers Out		427,304
Favorable Budget Variance	\$	34,432,813

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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 335,049,591	\$ 147,273,417	\$ 482,323,008
Accounts receivable	5,909,010	15,280,102	21,189,112
Interest receivable	2,200,646	781,060	2,981,706
Due from other government	37,158,663	662,160	37,820,823
Lease receivable - due within one year	421,187	317,309	738,496
Inventories and prepaid items	687,521	3,512,527	4,200,048
Deposits	42,728	160,314	203,042
Land held for resale	3,459,648	-	3,459,648
Restricted cash and investments	43,937,402	69,787	44,007,189
Total current assets	428,866,396	168,056,676	596,923,072
Noncurrent assets:			
Restricted cash and investments	-	509,441	509,441
Internal balances	168,939,598	(168,939,598)	-
Lease receivable - due in more than one year	11,818,303	3,938,362	15,756,665
Long-term receivables	24,142,938	-	24,142,938
Investment in joint venture	-	16,499,348	16,499,348
Capital assets:			
Non-depreciable	505,571,460	45,228,253	550,799,713
Depreciable, net	326,395,273	378,298,831	704,694,104
Intangible assets, net	5,164,419	144,057	5,308,476
Total capital assets, net	837,131,152	423,671,141	1,260,802,293
Total noncurrent assets	1,042,031,991	275,678,694	1,317,710,685
Total assets	1,470,898,387	443,735,370	1,914,633,757
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	103,730,520	8,992,591	112,723,111
Other postemployment benefits related items	24,450,381	3,358,528	27,808,909
Deferred charges on refunding	388,113	-	388,113
Total deferred outflows of resources	128,569,014	12,351,119	140,920,133

City of Corona
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	16,817,482	11,013,986	27,831,468
Retention payable	912,687	332,715	1,245,402
Accrued interest payable	968,073	914,052	1,882,125
Unearned revenue	58,951,207	4,432,054	63,383,261
Deposits payable	13,911,155	176,709	14,087,864
Long-term liabilities- due within one year	32,946,129	8,818,314	41,764,443
Total current liabilities	124,506,733	25,687,830	150,194,563
Noncurrent liabilities:			
Long-term liabilities - due in more than one year	239,918,191	78,604,810	318,523,001
Net pension liability	46,679,020	4,747,561	51,426,581
Net other postemployment benefits liability	82,491,637	11,331,133	93,822,770
Total noncurrent liabilities	369,088,848	94,683,504	463,772,352
Total liabilities	493,595,581	120,371,334	613,966,915
DEFERRED INFLOWS OF RESOURCES			
Pension related items	46,828,567	260,346	47,088,913
Other postemployment benefits related items	12,808,368	1,759,369	14,567,737
Deferred charges on refunding bonds	-	838,138	838,138
Lease	11,665,510	4,027,356	15,692,866
Total deferred inflows of resources	71,302,445	6,885,209	78,187,654
NET POSITION			
Net investment in capital assets	805,911,955	371,608,006	1,177,519,961
Restricted:			
Capital projects	43,106,386	-	43,106,386
Pension	35,415,224	-	35,415,224
Debt service	14,024	526,057	540,081
Special projects and programs:			
Community development projects	6,035,165	-	6,035,165
Transportation and public works	29,409,713	52,127	29,461,840
Special assessment district projects	23,892,609	-	23,892,609
Development projects	17,719,706	855,624	18,575,330
Other	283,659	-	283,659
Total restricted	155,876,486	1,433,808	157,310,294
Unrestricted (deficit)	72,780,934	(44,211,868)	28,569,066
Total net position	\$ 1,034,569,375	\$ 328,829,946	\$ 1,363,399,321

City of Corona
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 42,003,289	\$ 6,661,052	\$ 4,323,894	\$ -
Public safety - fire	59,329,187	4,493,877	944,539	-
Public safety - police	60,018,129	1,812,973	1,916,869	100,671
Public works and maintenance services	33,911,619	14,061,014	24,404,813	22,129,404
Community services	18,724,859	2,774,611	346,553	594,461
Planning and development	9,928,888	5,646,101	3,033,202	-
Economic development	1,303,084	-	-	-
Interest and fiscal charges	4,841,729	-	-	-
Total governmental activities	230,060,784	35,449,628	34,969,870	22,824,536
Business-type Activities:				
Water	60,671,831	80,554,287	296,312	2,906,932
Sewer	33,600,749	35,209,947	42,346	1,275,525
Electric	18,276,874	17,882,717	22,206	-
Transit services	3,357,530	94,181	2,553,963	-
Airport	224,270	480,645	51,639	-
Total business-type activities	116,131,254	134,221,777	2,966,466	4,182,457
Total primary government	\$ 346,192,038	\$ 169,671,405	\$ 37,936,336	\$ 27,006,993

City of Corona
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (31,018,343)	\$ -	\$ (31,018,343)
Public safety - fire	(53,890,771)	-	(53,890,771)
Public safety - police	(56,187,616)	-	(56,187,616)
Public works and maintenance services	26,683,612	-	26,683,612
Community services	(15,009,234)	-	(15,009,234)
Planning and development	(1,249,585)	-	(1,249,585)
Economic development	(1,303,084)	-	(1,303,084)
Interest and fiscal charges	(4,841,729)	-	(4,841,729)
Total governmental activities	(136,816,750)	-	(136,816,750)
Business-type Activities:			
Water	-	23,085,700	23,085,700
Sewer	-	2,927,069	2,927,069
Electric	-	(371,951)	(371,951)
Transit services	-	(709,386)	(709,386)
Airport	-	308,014	308,014
Total business-type activities	-	25,239,446	25,239,446
Total primary government	(136,816,750)	25,239,446	(111,577,304)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes, levied for general purpose	61,085,887	-	61,085,887
Transient occupancy taxes	3,416,203	-	3,416,203
Sales and use taxes	101,136,363	-	101,136,363
Franchise taxes	7,052,785	-	7,052,785
Business license taxes	2,602,146	-	2,602,146
Cannibus taxes	305,394	-	305,394
Total taxes	175,598,778	-	175,598,778
Investment income	10,613,780	3,441,400	14,055,180
Other income	8,269,548	-	8,269,548
Total general revenues	194,482,106	3,441,400	197,923,506
Changes in net position	57,665,356	28,680,846	86,346,202
Net position - beginning of year	976,904,019	300,149,100	1,277,053,119
Net position - end of year	\$ 1,034,569,375	\$ 328,829,946	\$ 1,363,399,321



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Corona
Balance Sheet
Governmental Funds
June 30, 2023**

	Capital Projects Funds		
	General Fund	Low Mod Income Housing Asset	Other Grants
ASSETS			
Cash and investments	\$ 136,112,765	\$ 19,083,867	\$ 20,858,459
Accounts receivable	2,327,017	1,799,550	-
Interest receivable	1,439,931	129,746	98,455
Due from other governments	25,363,673	-	4,458,046
Due from other funds	5,754,722	-	-
Long-term receivables	1,141,327	8,268,191	-
Lease receivable	12,239,490	-	-
Loans receivable	-	6,969,965	2,300,000
Advance to other funds	179,711,589	-	-
Inventories and prepaid items	490,355	-	-
Deposits	42,728	-	-
Land held for resale	-	1,998,648	-
Restricted assets:			
Cash and investments with fiscal agents	35,336,659	8,153,429	304,391
Total assets	\$ 399,960,256	\$ 46,403,396	\$ 28,019,351
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 10,584,754	\$ 3,924	\$ 3,227,250
Retention payable	80,899	-	802,988
Due to other funds	-	-	153,410
Advance from other funds	-	-	-
Deposits payable	8,424,194	5,898	54,718
Unearned revenue	2,319,007	8,000,000	19,068,173
Total liabilities	21,408,854	8,009,822	23,306,539
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,630,872	-	1,856,499
Leases	11,665,510	-	-
Total deferred inflows of resources	13,296,382	-	1,856,499
Fund Balances:			
Nonspendable	181,343,271	-	-
Restricted	35,429,248	38,393,574	2,856,313
Committed	52,915,998	-	-
Assigned	76,964,148	-	-
Unassigned (deficit)	18,602,355	-	-
Total fund balances	365,255,020	38,393,574	2,856,313
Total liabilities, deferred inflows of resources, and fund balances	\$ 399,960,256	\$ 46,403,396	\$ 28,019,351

(Continued)

**City of Corona
Balance Sheet (Continued)
Governmental Funds
June 30, 2023**

	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Development	Other Grants and Endowments		
ASSETS				
Cash and investments	\$ 28,731,287	\$ 29,069,009	\$ 54,585,667	\$ 288,441,054
Accounts receivable	-	436	1,682,850	5,809,853
Interest receivable	136,863	138,472	257,179	2,200,646
Due from other governments	-	1,320,720	6,016,224	37,158,663
Due from other funds	-	-	-	5,754,722
Long-term receivables	1,189,660	-	1,717,405	12,316,583
Lease receivable	-	-	-	12,239,490
Loans receivable	303,758	-	2,252,632	11,826,355
Advance to other funds	-	-	-	179,711,589
Inventories and prepaid items	-	-	-	490,355
Deposits	-	-	-	42,728
Land held for resale	-	-	1,461,000	3,459,648
Restricted assets:				
Cash and investments with fiscal agents	58,059	-	84,864	43,937,402
Total assets	\$ 30,419,627	\$ 30,528,637	\$ 68,057,821	\$ 603,389,088
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 167,359	\$ 94,429	\$ 1,963,651	\$ 16,041,367
Retention payable	25,272	-	3,528	912,687
Due to other funds	-	1,168,760	4,432,552	5,754,722
Advance from other funds	7,083,245	-	1,333,102	8,416,347
Deposits payable	5,424,045	-	2,300	13,911,155
Unearned revenue	-	29,158,018	406,009	58,951,207
Total liabilities	12,699,921	30,421,207	8,141,142	103,987,485
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	1,047,192	3,163,103	7,697,666
Leases	-	-	-	11,665,510
Total deferred inflows of resources	-	1,047,192	3,163,103	19,363,176
Fund Balances:				
Nonspendable	-	-	-	181,343,271
Restricted	17,719,706	-	59,513,716	153,912,557
Committed	-	-	-	52,915,998
Assigned	-	-	880,443	77,844,591
Unassigned (deficit)	-	(939,762)	(3,640,583)	14,022,010
Total fund balances	17,719,706	(939,762)	56,753,576	480,038,427
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,419,627	\$ 30,528,637	\$ 68,057,821	\$ 603,389,088

(Concluded)



City of Corona
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 480,038,427

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 \$115,032 reported in Internal Service Funds	\$	505,456,428	
Depreciable assets, net of \$2,783,343 reported in Internal Service Funds		323,611,930	
Intangible assets, net of \$4,871,752 reported in Internal Service Funds		292,667	829,361,025

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. 7,697,666

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 \$2,887,468 reported in Internal Service Funds		100,843,052	
Net pension liability, net of \$(1,524,414) reported in Internal Service Funds		(45,154,606)	
Pension related deferred inflows of resources, net of \$83,596 reported in Internal Service Funds		(46,744,971)	

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 \$1,084,091 reported under Internal Service Funds		23,366,290	
Net OPEB liabilities, net of \$(3,657,549) reported under Internal Service Funds		(78,834,088)	
OPEB related deferred inflows of resources, net of \$(567,902) reported under Internal Service Funds		(12,240,466)	

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 \$2,355,644 reported in Business-type activities. 13,419,867

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (857,656)

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		388,113	
Long-term debt, net of \$(13,215,639) reported under Internal Service Funds		(223,440,297)	
Unamortized bond premium		(1,933,468)	
Compensated absences, net of \$(483,231) reported under Internal Service Funds		(11,339,513)	

Net position of governmental activities **\$ 1,034,569,375**

City of Corona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds		
	General Fund	Low Mod Income Housing Asset	Other Grants
REVENUES:			
Taxes	\$ 175,478,236	\$ -	\$ -
Licenses, and permits	2,783,393	-	-
Intergovernmental	2,217,199	-	28,797,125
Special assessments	669,915	-	-
Investment earnings	6,546,859	564,618	(519,801)
Fines and penalties	1,436,615	-	-
Current services	14,297,476	-	-
Payment in lieu of services	6,029,949	-	-
Other revenues	11,024,950	335,862	444,858
Total revenues	220,484,592	900,480	28,722,182
EXPENDITURES:			
Current:			
General government	41,210,177	-	-
Public safety- fire	30,847,526	-	-
Public safety- police	48,097,386	-	-
Public works and maintenance services	3,975,073	-	-
Community services	16,852,617	-	302,373
Planning and development	7,867,814	112,524	-
Economic development	1,158,528	-	-
Capital outlay	5,355,123	-	20,561,246
Debt service:			
Principal retirement	16,754,074	13,219	-
Interest and fiscal charges	4,962,792	4,055	-
Total expenditures	177,081,110	129,798	20,863,619
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	43,403,482	770,682	7,858,563
OTHER FINANCING SOURCES (USES):			
Transfers in	1,108,821	-	-
Transfers out	(427,304)	-	-
Total other financing sources (uses)	681,517	-	-
NET CHANGE IN FUND BALANCES	44,084,999	770,682	7,858,563
FUND BALANCES:			
Beginning of year	321,170,021	37,622,892	(5,002,250)
End of year	<u>\$ 365,255,020</u>	<u>\$ 38,393,574</u>	<u>\$ 2,856,313</u>

(Continued)

City of Corona
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Special Revenue Development	Other Grants and Endowments		
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 175,478,236
Licenses, and permits	1,116,456	-	796,368	4,696,217
Intergovernmental	-	1,951,957	14,717,104	47,683,385
Special assessments	-	-	9,036,923	9,706,838
Investment earnings	360,701	(453,330)	900,057	7,399,104
Fines and penalties	-	-	98,870	1,535,485
Current services	-	55,372	10,828,139	25,180,987
Payment in lieu of services	221,760	-	-	6,251,709
Other revenues	19,354	46,656	599,325	12,471,005
Total revenues	1,718,271	1,600,655	36,976,786	290,402,966
EXPENDITURES:				
Current:				
General government	-	-	-	41,210,177
Public safety- fire	3,301	-	-	30,850,827
Public safety- police	2,585	614,900	145,463	48,860,334
Public works and maintenance services	47,820	-	21,388,138	25,411,031
Community services	10,747	75,627	44,122	17,285,486
Planning and development	-	1,076,791	227,855	9,284,984
Economic development	-	-	-	1,158,528
Capital outlay	1,347,302	1,048,064	12,412,613	40,724,348
Debt service:				
Principal retirement	-	-	105,565	16,872,858
Interest and fiscal charges	-	-	32,645	4,999,492
Total expenditures	1,411,755	2,815,382	34,356,401	236,658,065
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	306,516	(1,214,727)	2,620,385	53,744,901
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	427,304	1,536,125
Transfers out	-	-	(1,108,821)	(1,536,125)
Total other financing sources (uses)	-	-	(681,517)	-
NET CHANGE IN FUND BALANCES	306,516	(1,214,727)	1,938,868	53,744,901
FUND BALANCES:				
Beginning of year	17,413,190	274,965	54,814,708	426,293,526
End of year	<u>\$ 17,719,706</u>	<u>\$ (939,762)</u>	<u>\$ 56,753,576</u>	<u>\$ 480,038,427</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 and Changes in Net Position
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds: \$ 53,744,901

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 \$5,660,041 reported in Internal Service Funds	\$ 40,717,269	
Effect on disposal of capital assets	(12,339)	
Depreciation and amortization expense, net of \$3,005,950 reported in Internal Service Funds	(13,211,908)	27,493,022

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. (4,027,320)

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 \$(57,341) reported in internal service funds	(881,563)	
Pension expense, net of pension contribution made after measurement date	(43,613,355)	
OPEB expense, net of OPEB contribution made after measurement date	4,173,411	
Accrued interest for long-term debt	38,890	
Deferred charges amortization	(29,855)	
Principal repayment of long-term debt, net of \$3,079,743 reported in Internal Service Funds	16,872,858	
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 \$1,006,595) allocated to business-type activities). 3,745,639

Change in net position of governmental activities \$ 57,665,356



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Corona
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
ASSETS			
Current assets:			
Cash and investments	\$ 53,522,694	\$ 72,994,516	\$ 18,338,331
Accounts receivable	8,553,866	4,638,835	2,072,790
Interest receivable	326,992	347,581	94,721
Due from other funds	103,058	-	-
Due from other governments	119,820	123,425	86,630
Lease receivable	317,309	-	-
Inventories and prepaid items	3,512,527	-	-
Deposits	-	-	160,314
Restricted cash and investments	17,617	43	-
Total current assets	66,473,883	78,104,400	20,752,786
Noncurrent assets:			
Restricted cash and investments	-	509,441	-
Lease receivable	3,938,362	-	-
Advances to other funds	-	3,614,688	1,333,102
Investment in joint venture	-	16,499,348	-
Capital assets:			
Capital assets, not being depreciated	29,408,688	13,562,682	2,256,883
Capital assets, being depreciated, net	241,310,722	127,089,763	8,088,316
Intangible asset, being amortized, net	85,663	58,394	-
Total capital assets	270,805,073	140,710,839	10,345,199
Total noncurrent assets	274,743,435	161,334,316	11,678,301
Total assets	341,217,318	239,438,716	32,431,087
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	4,704,878	3,925,210	227,851
OPEB related items	1,813,160	1,345,601	143,588
Total deferred outflow of resources	\$ 6,518,038	\$ 5,270,811	\$ 371,439

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 8,112,711	\$ 1,920,583	\$ 136,030
Retention payable	16,631	316,084	-
Accrued interest	582,668	314,368	14,115
Due to other funds	-	103,058	-
Unearned revenue	4,057,243	-	821
Deposits payable	154,449	20,000	1,800
Claims and judgments, due within one year	-	-	-
Compensated absences, due within one year	660,432	515,382	38,029
Lease payable, due within one year	365	-	-
Bonds and loans payable, due within one year	5,432,362	1,775,803	309,557
Total current liabilities	19,016,861	4,965,278	500,352
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	163,440	(97,189)	-
Lease payable, due in more than one year	-	-	-
Bonds and loans payable, due in more than one year	47,444,885	26,268,409	3,994,925
Net pension liability	2,483,900	2,072,281	120,292
Net other postemployment benefits liability	6,117,310	4,539,841	484,443
Total noncurrent liabilities	166,643,885	98,592,024	4,599,660
Total liabilities	185,660,746	103,557,302	5,100,012
DEFERRED INFLOWS OF RESOURCES			
Pension related items	136,212	113,639	6,597
Other postemployment benefits related items	949,826	704,895	75,219
Deferred charges on refunding bonds	838,138	-	-
Lease	4,027,356	-	-
Total deferred inflows of resources	5,951,532	818,534	81,816
NET POSITION			
Net investment in capital assets	236,305,617	123,147,160	10,345,199
Restricted:			
Debt service	16,616	509,441	-
Transportation and public works	-	-	-
Development projects	15,320	840,304	-
Unrestricted (deficit)	(80,214,475)	15,836,786	17,275,499
Total net position	\$ 156,123,078	\$ 140,333,691	\$ 27,620,698

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Nonmajor	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 2,417,876	\$ 147,273,417	\$ 46,608,537
Accounts receivable	14,611	15,280,102	99,157
Interest receivable	11,766	781,060	-
Due from other funds	-	103,058	-
Due from other governments	332,285	662,160	-
Lease receivable	-	317,309	-
Inventories and prepaid items	-	3,512,527	197,166
Deposits	-	160,314	-
Restricted cash and investments	52,127	69,787	-
Total current assets	2,828,665	168,159,734	46,904,860
Noncurrent assets:			
Restricted cash and investments	-	509,441	-
Lease receivable	-	3,938,362	-
Advances to other funds	-	4,947,790	-
Investment in joint venture	-	16,499,348	-
Capital assets:			
Capital assets, not being depreciated	-	45,228,253	115,032
Capital assets, being depreciated, net	1,810,030	378,298,831	2,783,343
Intangible asset, being amortized, net	-	144,057	4,871,752
Total capital assets	1,810,030	423,671,141	7,770,127
Total noncurrent assets	1,810,030	449,566,082	7,770,127
Total assets	4,638,695	617,725,816	54,674,987
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	134,652	8,992,591	2,887,468
OPEB related items	56,179	3,358,528	1,084,091
Total deferred outflow of resources	\$ 190,831	\$ 12,351,119	\$ 3,971,559

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Nonmajor	Total Enterprise Funds	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 844,662	\$ 11,013,986	\$ 776,115
Retention payable	-	332,715	-
Accrued interest	2,901	914,052	110,417
Due to other funds	-	103,058	-
Unearned revenue	373,990	4,432,054	-
Deposits payable	460	176,709	-
Claims and judgments, due within one year	-	-	3,549,604
Compensated absences, due within one year	22,769	1,236,612	334,648
Lease payable, due within one year	-	365	2,152,158
Bonds and loan payable, due within one year	63,615	7,581,337	675,041
Total current liabilities	<u>1,308,397</u>	<u>25,790,888</u>	<u>7,597,983</u>
Noncurrent liabilities:			
Advance from other funds	-	176,243,032	-
Claims and judgments, due in more than one year	-	-	18,902,568
Compensated absences, due in more than one year	9,365	75,616	148,583
Lease payable, due in more than one year	-	-	1,676,816
Bonds and loan payable, due in more than one year	820,975	78,529,194	8,711,624
Net pension liability	71,088	4,747,561	1,524,414
Net other postemployment benefits liability	189,539	11,331,133	3,657,549
Total noncurrent liabilities	<u>1,090,967</u>	<u>270,926,536</u>	<u>34,621,554</u>
Total liabilities	<u>2,399,364</u>	<u>296,717,424</u>	<u>42,219,537</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	3,898	260,346	83,596
Other postemployment benefits related items	29,429	1,759,369	567,902
Deferred charges on refunding bonds	-	838,138	-
Lease	-	4,027,356	-
Total deferred inflows of resources	<u>33,327</u>	<u>6,885,209</u>	<u>651,498</u>
NET POSITION			
Net investment in capital assets	1,810,030	371,608,006	3,941,153
Restricted:			
Debt service	-	526,057	-
Transportation and public works	52,127	52,127	-
Development projects	-	855,624	-
Unrestricted (deficit)	534,678	(46,567,512)	11,834,358
Total net position	<u>\$ 2,396,835</u>	<u>\$ 326,474,302</u>	<u>\$ 15,775,511</u>
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		<u>2,355,644</u>	
Net position of business-type activities		<u>\$ 328,829,946</u>	

(Concluded)

City of Corona
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
OPERATING REVENUES:			
Service charges	\$ 56,519,580	\$ 31,773,519	\$ 15,804,982
Intergovernmental	-	-	-
Fees and permits	3,153,518	2,284,322	594
Fines and penalties	627,664	325,486	57,609
Other revenues	20,253,525	826,620	2,019,532
Total operating revenues	80,554,287	35,209,947	17,882,717
OPERATING EXPENSES:			
Personnel services	8,900,584	7,119,672	612,205
Contractual services	3,950,323	2,090,355	615,640
Materials and supplies	28,395,644	14,669,958	1,898,602
Utilities	6,015,132	2,463,143	14,714,590
Depreciation and amortization	9,533,321	5,215,826	410,579
Claim expense	-	-	-
Total operating expenses	56,795,004	31,558,954	18,251,616
OPERATING INCOME (LOSS)	23,759,283	3,650,993	(368,899)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	296,312	42,346	22,206
Investment earnings	240,500	1,243,330	541,076
Interest expense	(4,415,250)	(2,382,405)	(122,257)
Gain on sale of capital assets	-	(30,563)	-
Gain on investment in joint venture	-	1,384,644	-
Total nonoperating revenues (expenses)	(3,878,438)	257,352	441,025
CAPITAL CONTRIBUTIONS:			
Capital grants and contributions	2,906,932	1,275,525	-
Total capital contributions	2,906,932	1,275,525	-
CHANGE IN NET POSITION	22,787,777	5,183,870	72,126
NET POSITION:			
Beginning of year	133,335,301	135,149,821	27,548,572
End of year	\$ 156,123,078	\$ 140,333,691	\$ 27,620,698

City of Corona
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities		Governmental
	Enterprise Funds		Activities -
	Nonmajor	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:			
Service charges	\$ -	\$ 104,098,081	\$ 26,264,483
Intergovernmental	2,553,963	2,553,963	-
Fees and permits	47,175	5,485,609	-
Fines and penalties	40,559	1,051,318	-
Other revenues	487,092	23,586,769	1,362,779
Total operating revenues	3,128,789	136,775,740	27,627,262
OPERATING EXPENSES:			
Personnel services	290,011	16,922,472	5,506,295
Contractual services	2,220,011	8,876,329	3,526,746
Materials and supplies	162,156	45,126,360	3,178,955
Utilities	224,125	23,416,990	1,713,277
Depreciation	667,652	15,827,378	3,005,950
Claim expense	-	-	5,619,146
Total operating expenses	3,563,955	110,169,529	22,550,369
OPERATING INCOME (LOSS)	(435,166)	26,606,211	5,076,893
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	51,639	412,503	-
Investment earnings	31,850	2,056,756	-
Interest expense	(17,845)	(6,937,757)	(312,374)
Gain on sale of capital assets	-	(30,563)	(12,285)
Gain on investment in joint venture	-	1,384,644	-
Total nonoperating revenues (expenses)	65,644	(3,114,417)	(324,659)
TRANSFERS AND CAPITAL CONTRIBUTIONS:			
Capital grants and contributions	-	4,182,457	-
Total capital contributions and transfers	-	4,182,457	-
CHANGE IN NET POSITION	(369,522)	27,674,251	4,752,234
NET POSITION:			
Beginning of year	2,766,357	298,800,051	11,023,277
End of year	<u>\$ 2,396,835</u>	<u>\$ 326,474,302</u>	<u>\$ 15,775,511</u>
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		<u>1,006,595</u>	
Changes in net position of business-type activities		<u>\$ 28,680,846</u>	

City of Corona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Sewer	Electric
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 80,595,281	\$ 34,768,319	\$ 17,343,103
Cash paid to suppliers for goods and services	(35,602,306)	(19,625,318)	(18,284,920)
Cash paid to employees for services	(7,705,533)	(6,559,747)	(604,988)
Cash paid for insurance or claims	-	-	-
Net cash provided by (used in) operating activities	37,287,442	8,583,254	(1,546,805)
CASH FLOWS FROM NONCAPITAL FINCING ACTIVITIES:			
Intergovernmental grant received	3,825,641	(81,442)	(63,603)
Receipt from other funds	-	103,058	-
Payment to other funds	(103,058)	-	-
Principal paid on pension obligation bonds	(1,267,359)	(711,481)	(283,659)
Interest paid on pension obligation bonds	(388,810)	(218,274)	(87,023)
Net cash provided by (used in) noncapital financing activities	2,066,414	(908,139)	(434,285)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(7,688,937)	(5,374,939)	(403,023)
Proceed from sale of capital assets	-	-	-
Repayment of capital advances from other funds	-	-	(5,049,273)
Receipt of repayment for advances to other funds	-	-	263,561
Proceed from refunding bonds	22,215,491	-	-
Principal paid on long-term debt	(26,674,573)	(1,316,514)	-
Interest paid on long-term debt	(3,392,299)	(2,197,640)	(163,369)
Net cash (used in) capital and related financing activities	(15,540,318)	(8,889,093)	(5,352,104)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	34,685	1,092,680	512,384
Investment in joint venture	-	(1,903,189)	-
Net cash provided by (used in) investing activities	34,685	(810,509)	512,384
Net increase (decrease) in cash and cash equivalents	23,848,223	(2,024,487)	(6,820,810)
CASH AND CASH EQUIVALENTS:			
Beginning of year	29,692,088	75,528,487	25,159,141
End of year	<u>\$ 53,540,311</u>	<u>\$ 73,504,000</u>	<u>\$ 18,338,331</u>
CASH AND CASH EQUIVALENTS:			
Cash and investment	\$ 53,522,694	\$ 72,994,516	\$ 18,338,331
Restricted cash and investment, current	17,617	43	-
Restricted cash and investment, noncurrent	-	509,441	-
Total cash and cash equivalents	<u>\$ 53,540,311</u>	<u>\$ 73,504,000</u>	<u>\$ 18,338,331</u>
NONCASH ITEMS:			
Lease and subscription of intangible assets	\$ -	\$ -	\$ -
Issuance of lease and subscription liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	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)	\$ 23,759,283	\$ 3,650,993	\$ (368,899)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	9,533,321	5,215,826	410,579
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	106,250	(441,628)	36,800
(Increase) decrease in due from other government	-	-	-
(Increase) decrease in inventories and prepaid items	(554,359)	-	-
(Increase) decrease in deposits	-	-	(10,977)
(Increase) decrease in lease receivable	293,589	-	-
(Increase) decrease in deferred outflows of resources related to pension	14,835,267	8,619,300	3,670,650
(Increase) decrease in deferred outflows of resources related to OPEB	55,356	(150,257)	159,169
Increase (decrease) in accounts payable and accrued liabilities	3,271,904	(671,421)	(1,082,750)
Increase (decrease) in deposits payable	60,113	-	(576,414)
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in compensated absences	108,957	(32,770)	(83,032)
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in net pension liabilities	(8,488,716)	(4,971,991)	(2,068,881)
Increase (decrease) in OPEB liabilities	309,380	824,340	(456,621)
Increase (decrease) in deferred inflows of resources related to pension	(4,599,485)	(2,926,615)	(938,234)
Increase (decrease) in deferred inflows of resources related to OPEB	(984,460)	(532,523)	(238,195)
Increase (decrease) in deferred inflows of resources related to leases	(418,958)	-	-
Total adjustment	13,528,159	4,932,261	(1,177,906)
Net cash provided by (used in) operating activities	\$ 37,287,442	\$ 8,583,254	\$ (1,546,805)

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	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	\$ 2,843,214	\$ 135,549,917	\$ 27,601,956
Cash paid to suppliers for goods and services	(2,524,535)	(76,037,079)	(10,628,415)
Cash paid to employees for services	(296,553)	(15,166,821)	(4,810,712)
Cash paid for insurance or claims	-	-	(5,278,345)
Net cash provided by (used in) operating activities	22,126	44,346,017	6,884,484
CASH FLOWS FROM NONCAPITAL FINCING ACTIVITIES:			
Intergovernmental grant received	86,384	3,766,980	-
Receipt from other funds	-	103,058	-
Payment to other funds	-	(103,058)	-
Principal paid on pension obligation bonds	(58,293)	(2,320,792)	(618,570)
Interest paid on pension obligation bonds	(17,884)	(711,991)	(110,131)
Net cash provided by (used in) noncapital financing activities	10,207	734,197	(728,701)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(13,466,899)	(917,673)
Proceed from sale of capital assets	-	-	1,823
Repayment of capital advances from other funds	-	(5,049,273)	-
Repayment of advances to other funds	-	263,561	-
Proceed from refunding bonds	-	22,215,491	-
Principal paid on long-term debt	-	(27,991,087)	(2,461,173)
Interest paid on long-term debt	-	(5,753,308)	(123,020)
Net cash (used in) capital and related financing activities	-	(29,781,515)	(3,500,043)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	26,417	1,666,166	-
Investment in joint venture	-	(1,903,189)	-
Net cash provided by (used in) investing activities	26,417	(237,023)	-
Net increase (decrease) in cash and cash equivalents	58,750	15,061,676	2,655,740
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,411,253	132,790,969	43,952,797
End of year	<u>\$ 2,470,003</u>	<u>\$ 147,852,645</u>	<u>\$ 46,608,537</u>
CASH AND CASH EQUIVALENTS:			
Cash and investment	\$ 2,417,876	\$ 147,273,417	\$ 46,608,537
Restricted cash and investment, current	52,127	69,787	-
Restricted cash and investment, noncurrent	-	509,441	-
Total cash and cash equivalents	<u>\$ 2,470,003</u>	<u>\$ 147,852,645</u>	<u>\$ 46,608,537</u>
NONCASH ITEMS:			
Lease and subscription of intangible assets	\$ -	\$ -	\$ 4,742,368
Issuance of lease and subscription liabilities	\$ -	\$ -	\$ (4,742,368)

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	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)	\$ (435,166)	\$ 26,606,211	\$ 5,076,893
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	667,652	15,827,378	3,005,950
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	8,761	(289,817)	(25,306)
(Increase) decrease in due from other government	72,030	72,030	-
(Increase) decrease in inventories and prepaid items	-	(554,359)	11,371
(Increase) decrease in deposits	-	(10,977)	-
(Increase) decrease in lease receivable	-	293,589	-
(Increase) decrease in deferred outflows of resources related to pension	425,886	27,551,103	7,956,062
(Increase) decrease in deferred outflows of resources related to OPEB	2,785	67,053	(22,929)
Increase (decrease) in accounts payable and accrued liabilities	78,305	1,596,038	(2,235,111)
Increase (decrease) in deposits payable	80	(516,221)	-
Increase (decrease) in unearned revenue	(366,446)	(366,446)	-
Increase (decrease) in compensated absences	(30,782)	(37,627)	57,341
Increase (decrease) in claims payable	-	-	340,801
Increase (decrease) in net pension liabilities	(243,678)	(15,773,266)	(4,564,686)
Increase (decrease) in OPEB liabilities	6,261	683,360	359,124
Increase (decrease) in deferred inflows of resources related to pension	(131,952)	(8,596,286)	(2,544,414)
Increase (decrease) in deferred inflows of resources related to OPEB	(31,610)	(1,786,788)	(530,612)
Increase (decrease) in deferred inflows of resources related to leases	-	(418,958)	-
Total adjustment	457,292	17,739,806	1,807,591
Net cash provided by (used in) operating activities	\$ 22,126	\$ 44,346,017	\$ 6,884,484

(Concluded)



FIDUCIARY FUND FINANCIAL STATEMENTS



City of Corona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 3,319,388	\$ 1,792,250
Accounts receivable	31,859	-
Interest receivable	-	8,547
Due from other governments	-	118,942
Restricted:		
Cash and investments with fiscal agent	6,628,690	28,378,168
Total assets	9,979,937	30,297,907
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	17,843	-
OPEB related items	47,205	-
Total deferred outflows of resources	65,048	-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	481	-
Retention payable	3,203	-
Interest payable	548,773	-
Deposits payable	-	62,059
Bonds payable, due within one year	4,134,865	-
Noncurrent liabilities:		
Bonds payable, due in more than one year	30,248,931	-
Net pension liability	9,420	-
Net OPEB liability	159,262	-
Total liabilities	35,104,935	62,059
DEFERRED INFLOWS OF RESOURCES		
Pension related	517	
OPEB related items	24,728	-
Total deferred inflows of resources	25,245	-
NET POSITION		
Restricted for:		
Successor agency	(25,085,195)	-
Organization and other governments	-	30,235,848
Total net position (deficit)	\$ (25,085,195)	\$ 30,235,848

City of Corona
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Funds
ADDITIONS:		
Redevelopment property tax trust fund	\$ 7,204,595	\$ -
Assessment revenue	-	6,881,992
Investment earning	149,633	781,721
Other revenue	-	15,190,000
Total additions	<u>7,354,228</u>	<u>22,853,713</u>
DEDUCTIONS:		
Administrative expenses	29,593	-
Developer payments	1,034,796	96,937
Payments for district expenses	-	835,270
Payments for district debt service	2,415,050	6,512,378
Total deductions	<u>3,479,439</u>	<u>7,444,585</u>
Change in net position	<u>3,874,789</u>	<u>15,409,128</u>
NET POSITION :		
Beginning of year	<u>(28,959,984)</u>	<u>14,826,720</u>
End of year	<u>\$ (25,085,195)</u>	<u>\$ 30,235,848</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS



City of Corona
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For the Year Ended June 30, 2023

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City of Corona
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For the Year Ended June 30, 2023

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City of Corona
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023

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 equity, 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

F. *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.

G. *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.

H. *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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Lease Receivables (Continued)

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.

I. 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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

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

J. 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.

K. 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.

L. 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

M. 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").

N. 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.
- 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.

O. 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Subscription Based Information Technology Arrangements Liabilities (Continued)

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.

P. 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.

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.

Q. 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Pensions (Continued)

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

R. 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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. 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".

T. 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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position and Fund Balances (Continued)

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.

U. 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, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

U. 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

V. 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.

W. Implementation of New GASB Pronouncement

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB Statement No. 96), to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset. The effective date of GASB Statement No. 96 is for fiscal years beginning after June 15, 2022. Implementation of this Statement resulted in restatement of beginning balance of capital assets (Note 9) from \$805,581,115 to \$806,998,147 and long-term debt liabilities (Note 11) from \$285,526,544 to \$286,943,576 at July 1, 2022 to report subscription assets and subscription liabilities in the amount of \$1,417,032.

Note 2 – Stewardship, Compliance and Accountability

Deficit Net Position

At June 30, 2023, Other Grants and Endowments Special Revenue Funds and Public Facility Project Capital Projects Funds had deficit fund balances of \$939,763 and \$3,640,583, respectively. The deficits 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 \$25,085,195 and will be eliminated with future redevelopment property trust fund revenue.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

The City had the following cash and investments at June 30, 2023:

	Government-Wide Statement of Net Position		Fiduciary Fund	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 335,049,591	\$ 147,273,417	\$ 5,111,638	\$ 487,434,646
Restricted cash and investments	43,937,402	579,228	35,006,858	79,523,488
Total cash and investments	\$ 378,986,993	\$ 147,852,645	\$ 40,118,496	\$ 566,958,134

The City's cash and investments at June 30, 2023, in more detail:

Deposits with financial institution	\$ 1,303,182
Petty cash	10,248
Custodial cash	413,535
Total cash	1,726,965
Investments	530,192,628
Investments with fiscal agent	35,038,541
Total investments	565,231,169
Total cash and investments	\$ 566,958,134

A. Deposits

The carrying amounts of the City's demand deposits were \$1,303,182 at June 30, 2023. Bank balances at that date were \$5,071,104, 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, 2023

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 City’s investments with LAIF at June 30, 2023, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, the City had \$46,247,015 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities. 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2023, 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, 2023:

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	\$ -	\$ -	\$ 46,247,015	\$ 46,247,015
Money Market Funds	-	-	900,417	900,417
United States Government Sponsored Enterprise Securities	-	87,044,690	-	87,044,690
US Treasury Bills	228,916,682	-	-	228,916,682
Asset Backed Securities	-	28,333,223	-	28,333,223
Corporate Notes	-	89,103,360	-	89,103,360
Municipal Bonds	-	3,255,520	-	3,255,520
Supernational Obligations	-	11,482,621	-	11,482,621
Mutual Funds Held in Pension Trust	34,909,100	-	-	34,909,100
Held by Bond Trustee:				
Local Agency Investment Fund	-	-	2,290,896	2,290,896
Money Market Funds	-	-	32,747,645	32,747,645
Total	\$ 263,825,782	\$ 219,219,414	\$ 82,185,973	\$ 565,231,169

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, 2023, the City had the following investment maturities:

Investment Type	Remaining Maturity (In Months)			Total
	12 Months or Less	13-24 Months	25-60 Months	
Local Agency Investment Fund	\$ 46,247,015	\$ -	\$ -	\$ 46,247,015
Money Market Funds	900,417	-	-	900,417
United States Government Sponsored Enterprise Securities	6,258,897	32,041,961	48,743,832	87,044,690
US Treasury bills	130,114,549	26,603,692	72,198,441	228,916,682
Asset Backed Securities	573,029	11,395,238	16,364,956	28,333,223
Corporate Notes	-	34,273,922	54,829,438	89,103,360
Municipal Bonds	-	3,255,520	-	3,255,520
Supernational Obligations	-	-	11,482,621	11,482,621
Mutual Funds Held in Pension Trust	34,909,100	-	-	34,909,100
Held by Bond Trustee:				
Local Agency Investment Fund	2,290,896	-	-	2,290,896
Money Market Funds	32,747,645	-	-	32,747,645
Total	\$ 254,041,548	\$ 107,570,333	\$ 203,619,288	\$ 565,231,169

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

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, 2023 for each investment type:

Investment Type	Fair Value at June 30, 2023	Minimum Legal Rating	Minimum Rating			Not Required to be Rated
			AAA	AA	A	
Local Agency Investment Fund	\$ 46,247,015	Not Rated	\$ -	\$ -	\$ -	\$ 46,247,015
Money Market Funds	900,417	N/A	-	-	-	900,417
United States Government Sponsored						
Enterprise Securities	87,044,690	N/A	87,044,690	-	-	-
US Treasury bills	228,916,682	N/A	228,916,682	-	-	-
Asset Backed Securities	28,333,223	AA	-	-	-	28,333,223
Corporate Notes	89,103,360	A	9,084,579	15,428,812	61,983,800	2,606,169
Municipal Bonds	3,255,520	A	-	3,255,520	-	-
Supernational Obligations	11,482,621	AA	11,482,621	-	-	-
Held in Pension Trust:						
Mutual Funds	34,909,100	N/A	-	-	-	34,909,100
Held by Bond Trustee:						
Local Agency Investment Fund	2,290,896	N/A	-	-	-	2,290,896
Money Market Funds	32,747,645	N/A	-	-	-	32,747,645
Total	\$ 565,231,169		\$ 336,528,572	\$ 18,684,332	\$ 61,983,800	\$ 148,034,465

N/A - Not Required

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, 2023, 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	\$ 40,970,574	8%
Federal National Mortgage Association	US Government Sponsored Enterprise Securities	29,335,377	6%

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

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, 2023, 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.

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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Investment in Joint Venture (Continued)

The City’s investment in WRCRWA for the fiscal year ended June 30, 2023 was \$16,499,348.

Unaudited financial information of the Authority for the fiscal year ended June 30, 2023, was summarized as follows:

Western Riverside County Regional Wastewater Authority Net Position:

Total assets	\$ 122,390,805
Total liabilities	(60,001,371)
Deferred Inflow of resources	(949,111)
Total net position (deficit)	\$ 61,440,323

Western Riverside County Regional Wastewater Authority Changes in Net Position:

Operating revenues	\$ 10,187,097
Operating expenses	(10,562,361)
Operating revenue before depreciation	(375,264)
Depreciation	(3,954,953)
Operating loss	(4,330,217)
Nonoperating revenue	12,946,740
Change in net position	8,616,523
Beginning net position	52,823,800
Ending net position	\$ 61,440,323

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, 2023 was \$1,998,648 in the Low Mod Income Housing Asset Capital Projects Fund and \$1,461,000 in the HUD Grants Capital Projects Fund.

Note 6 – Long-Term Receivables

At June 30, 2023, the balances of the long-term receivables were as follows:

Governmental Funds	Long-Term Receivable	Loans Receivable	Total
General Fund	\$ 1,141,327	\$ -	\$ 1,141,327
Low Mod Income Housing Assets Capital Projects Fund	8,268,191	6,969,965	15,238,156
Other Grants Capital Projects Fund	-	2,300,000	2,300,000
Development Special Revenue Funds	1,189,660	303,758	1,493,418
Nonmajor Governmental Funds	1,717,405	2,252,632	3,970,037
Total	\$ 12,316,583	\$ 11,826,355	\$ 24,142,938

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Long-Term Receivables (Continued)

General Fund

- Reimbursement receivables from developers for the Temescal Canyon Communications Tower totaling \$197,553.
- Reimbursement receivables from developers for South Corona area Community Facilities Plan totaling \$168,774.
- 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 \$6,969,965.

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 \$303,758.

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 \$2,252,632 for residential rehabilitation, home improvement, and first-time home buyer programs.

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, 2023, the City recognized \$821,261 and \$418,958 in lease revenue and \$347,432 and \$130,511 in interest revenue for General Fund and Water Enterprise Fund, respectively. The outstanding receivables are in the amounts of \$12,239,490 and \$4,255,671 for General Fund and Water Enterprise Fund, respectively.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Lease Receivables (Continued)

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
2024	\$ 421,187	\$ 360,439	\$ 781,626	\$ 317,309	\$ 121,818	\$ 439,127
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	473,723	320,299	794,022	334,423	93,454	427,877
2028	543,226	305,629	848,855	312,369	84,098	396,467
2029-2033	3,209,615	1,270,926	4,480,541	1,104,141	302,631	1,406,772
2034-2038	3,316,402	758,590	4,074,992	874,835	170,465	1,045,300
2039-2043	2,509,505	323,477	2,832,982	480,452	70,326	550,778
2044-2047	846,339	46,284	892,623	198,175	8,661	206,836
Total	\$ 12,239,490	\$ 4,068,557	\$ 16,308,047	\$ 4,255,671	\$ 1,066,497	\$ 5,322,168

Note 8 – Interfund Transactions

A. Government-Wide Financial Statements

Internal Balances - At June 30, 2023, the City had the following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

	Internal Payable	Internal Receivable
	Business-Type Activities	Governmental Activities
		\$ 168,939,598

Included in the internal balances are net advances to nonmajor governmental funds from Electric Enterprise Funds in the amount of \$1,333,102, net of internal services fund activities related to business-type activities in the amount of \$1,536,147, 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, 2023

Note 8 – Interfund Transactions (Continued)

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, 2023, 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, 2023:

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

During the year ended June 30, 2023, the following interfund transactions were paid by the CUA to the City:

Advances from Other Fund	Interest
Water Utility Enterprise Fund	\$ 2,430,513
Sewer Utilities Enterprise Fund	1,637,405
Total	\$ 4,067,918

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Interfund Transactions (Continued)

A. Government-Wide Financial Statements (Continued)

At June 30, 2023, the future debt service payments required under the Agreement for the Water Utility are presented below:

Year Ending June 30,	Principal	Interest
2024	\$ -	\$ 2,296,287
2025	-	2,168,773
2026	-	2,047,634
2027	-	1,932,553
2028	-	1,823,225
2029-2033	-	7,658,251
2034-2038	-	5,628,509
2039-2043	-	4,085,673
2044-2048	-	2,866,380
2049-2053	-	1,474,496
2054-2056	106,819,662	278,826
Total Future Repayments	<u>\$ 106,819,662</u>	<u>\$ 32,260,607</u>

At June 30, 2023, the future debt service payments required under the Agreement for the Sewer utility advances are presented below:

Year Ending June 30,	Principal	Interest
2024	-	\$ 1,548,785
2025	-	1,464,595
2026	-	1,384,616
2027	-	1,308,635
2028	-	1,236,453
2029-2033	-	5,219,727
2034-2038	-	3,886,229
2039-2043	-	2,854,392
2044-2048	-	2,055,976
2049-2053	-	1,566,908
2054-2056	65,808,682	850,676
Total Future Payments	<u>\$ 65,808,682</u>	<u>\$ 23,376,992</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Interfund Transactions (Continued)

B. Fund Financial Statements

Due From/To Other Funds - At June 30, 2023, 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	\$ 5,754,722

The above amounts resulted from temporary reclassifications made at June 30, 2023 to cover cash shortfalls.

Advances To/From Other Funds – At June 30, 2023, the City had the following advances:

	Advances to Other Funds			
	Governmental Funds		Proprietary Fund	
Advances from Other Funds	General Fund	Sewer Enterprise Fund	Electric Enterprise Fund	Total
Governmental Fund:				
Development Special Revenue Fund	\$ 7,083,245	\$ -	\$ -	\$ 7,083,245
Nonmajor Governmental Funds	-	-	1,333,102	1,333,102
Proprietary Fund:				
Water Enterprise Fund	106,819,662	3,614,688	-	110,434,350
Sewer Enterprise Fund	65,808,682	-	-	65,808,682
Total	\$ 179,711,589	\$ 3,614,688	\$ 1,333,102	\$ 184,659,379

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, 2023, the outstanding balance of the interfund loan was \$7,083,245. 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, 2023, the outstanding balance was in the amount of \$1,333,102.

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, 2023, the outstanding balance was in the amount of \$3,614,688.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

Transfers In/Out – During the year ended June 30, 2023, the City had the following transfers in/out:

	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
Transfers In			
Governmental Fund:			
General Fund	\$ -	\$ 1,108,821	\$ 1,108,821
Nonmajor Governmental Funds	427,304	-	427,304
Total	<u>\$ 427,304</u>	<u>\$ 1,108,821</u>	<u>\$ 1,536,125</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 \$1,108,821 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, 2023

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, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Transfers	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 85,560,234	\$ -	\$ -	\$ -	\$ 85,560,234
Streets	223,735,667	-	333,286	-	224,068,953
Construction in progress	166,216,758	(2,039,553)	31,765,068	-	195,942,273
Total capital assets, not being depreciated	475,512,659	(2,039,553)	32,098,354	-	505,571,460
Capital assets, being depreciated:					
Buildings and improvements	239,833,012	724,931	-	-	240,557,943
Machinery and equipment	45,095,119	1,286,287	511,775	(941,412)	45,951,769
Computer software	959,782	-	-	-	959,782
Infrastructure	361,119,180	28,335	8,994,812	-	370,142,327
Total capital assets, being depreciated	647,007,093	2,039,553	9,506,587	(941,412)	657,611,821
Less accumulated depreciation for:					
Buildings and improvements	(134,407,109)	(1,167)	(5,084,875)	-	(139,493,151)
Machinery and equipment	(29,774,437)	1,167	(2,767,820)	914,965	(31,626,125)
Computer software	(949,837)	-	(4,973)	-	(954,810)
Infrastructure	(152,978,538)	-	(6,163,924)	-	(159,142,462)
Total accumulated depreciation	(318,109,921)	-	(14,021,592)	914,965	(331,216,548)
Total capital assets, being depreciated, net	328,897,172	2,039,553	(4,515,005)	(26,447)	326,395,273
Intangible assets, being amortized:					
Right-to-use lease vehicles	1,764,228	-	98,985	-	1,863,213
Right-to-use subscription assets	1,417,032	-	4,673,384	-	6,090,416
Total Intangible assets, being amortized	3,181,260	-	4,772,369	-	7,953,629
Less accumulated amortization for:					
Right-to-use lease vehicles	(592,944)	-	(258,523)	-	(851,467)
Right-to-use subscription assets	-	-	(1,937,743)	-	(1,937,743)
Total accumulated amortization	(592,944)	-	(2,196,266)	-	(2,789,210)
Total intangible assets, being amortized, net	2,588,316	-	2,576,103	-	5,164,419
Governmental activities capital assets, net	\$ 806,998,147	\$ -	\$ 30,159,452	\$ (26,447)	\$ 837,131,152

Depreciation and amortization expense was charged to functions of the governmental activities for the year ended June 30, 2023 as follows:

General government	\$ 2,859,875
Public safety - fire	719,721
Public safety - police	598,071
Public works	1,208,220
Maintenance service	6,759,077
Community services	1,066,944
Internal service	3,005,950
Total depreciation expense - governmental activities	\$ 16,217,858

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023 is as follows:

	Balance July 1, 2022	Transfers	Additions	Deletions	Balance June 30, 2023
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	25,975,729	(18,718,059)	12,609,054	-	19,866,724
Total capital assets, not being depreciated	51,337,258	(18,718,059)	12,609,054	-	45,228,253
Capital assets, being depreciated:					
Buildings and improvements	106,583,465	-	-	-	106,583,465
Machinery and equipment	127,333,925	15,831,308	631,767	(3,737,459)	140,059,541
Computer software	1,770,193	-	-	-	1,770,193
Infrastructure	402,407,976	2,886,751	4,038,473	-	409,333,200
Total capital assets, being depreciated	638,095,559	18,718,059	4,670,240	(3,737,459)	657,746,399
Less accumulated depreciation for:					
Buildings and improvements	(54,170,720)	-	(2,296,338)	-	(56,467,058)
Machinery and equipment	(84,014,181)	-	(6,102,439)	3,706,896	(86,409,724)
Computer software	(1,670,995)	-	(44,800)	-	(1,715,795)
Infrastructure	(127,487,404)	-	(7,367,587)	-	(134,854,991)
Total accumulated depreciation	(267,343,300)	-	(15,811,164)	3,706,896	(279,447,568)
Total capital assets, being depreciated, net	370,752,259	18,718,059	(11,140,924)	(30,563)	378,298,831
Intangible assets, being amortized:					
Right-to-use lease assets	217,306	-	-	-	217,306
Accumulated amortization	(57,035)	-	(16,214)	-	(73,249)
Total lease assets, being amortized, net	160,271	-	(16,214)	-	144,057
Business-type activities capital assets, net	\$ 422,249,788	\$ -	\$ 1,451,916	\$ (30,563)	\$ 423,671,141

Depreciation and amortization expense was charged to functions of the business-type activities for the year ended June 30, 2023 as follows:

Water	\$ 9,533,321
Sewer	5,215,826
Electric	410,579
Transit Service	653,355
Airport	14,297
Total depreciation expense - business-type activities	\$ 15,827,378

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Capital Assets (Continued)

C. Infrastructure Assets

Below is a summary of infrastructure assets of the City as of June 30, 2023:

Description	Historical Cost	Accumulated Depreciation	Net Cost
Governmental activities:			
Modified approach			
Street pavement system	\$ 224,068,953	\$ -	\$ 224,068,953
Basic approach			
Curbing	83,519,960	(43,821,897)	39,698,063
Sidewalks	106,144,901	(47,735,766)	58,409,135
Signs and lights	49,021,069	(18,607,275)	30,413,794
Storm drains	124,334,043	(45,762,095)	78,571,948
Fiberoptics	5,899,801	(3,116,968)	2,782,833
Electric	1,206,137	(96,491)	1,109,646
Sewer	16,416	(1,970)	14,446
Subtotal basic approach	<u>370,142,327</u>	<u>(159,142,462)</u>	<u>210,999,865</u>
Total governmental activities	<u><u>\$ 594,211,280</u></u>	<u><u>\$(159,142,462)</u></u>	<u><u>\$ 435,068,818</u></u>
Business-type activities:			
Basic approach			
Fiberoptics	\$ 235,951	\$ (206,508)	\$ 29,443
Curbing	200	(34)	166
Sidewalks	283,179	(17,548)	265,631
Electric	7,030,599	(2,009,513)	5,021,086
Signs and lights	361,508	(78,293)	283,215
Storm drains	191,468	(16,809)	174,659
Water	278,556,013	(95,409,642)	183,146,371
Sewer	122,674,282	(37,116,644)	85,557,638
Total business-type activities	<u><u>\$ 409,333,200</u></u>	<u><u>\$(134,854,991)</u></u>	<u><u>\$ 274,478,209</u></u>

D. Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2023. 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 \$215,808,997.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Capital Assets (Continued)

D. Construction in Progress and Capital Project Commitments (Continued)

The following material construction commitments existed at June 30, 2023:

Project Name	Contract Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
Governmental activities:			
McKinley Street Grade Separation	\$67,650,254	\$ 19,370,296	\$ 48,279,958
Fire Station Rebuild & Alerting Systems	1,430,861	537,193	893,668
Green Alleys Transportation	1,010,918	325,805	685,113
Ontario Ave Widening	1,162,159	136,114	1,026,045
Business-type activities:			
WRCRWA Reclaimed Waterline	5,779,528	798,753	4,980,775
WRF#3 Lift Station	2,473,152	781,775	1,691,377
Wardlow RD Sewer Relocation	2,617,085	449,199	2,167,886
Equalization Basin Replacement	1,123,523	19,733	1,103,790
Total material construction commitments	\$ 83,247,480	\$ 22,418,868	\$ 60,828,612

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 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Governmental activities:						
Compensated absences	\$ 10,883,840	\$ 9,372,609	\$ (8,433,705)	\$ 11,822,744	\$ 8,425,734	\$ 3,397,010
Business-type activities						
Compensated absences	\$ 1,349,855	\$ 1,195,017	\$ (1,232,644)	\$ 1,312,228	\$ 1,236,612	\$ 75,616

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Governmental Activities:						
<u>Public Offering:</u>						
2016 Lease Revenue Refunding Bonds	\$ 18,205,000	\$ -	\$ (1,415,000)	\$ 16,790,000	\$ 1,475,000	\$ 15,315,000
Unamortized bond premium	2,082,196	-	(148,728)	1,933,468	-	1,933,468
2021 Pension Obligation Bond	221,944,531	-	(14,049,750)	207,894,781	15,247,466	192,647,315
Total Public Offering	<u>242,231,727</u>	<u>-</u>	<u>(15,613,478)</u>	<u>226,618,249</u>	<u>16,722,466</u>	<u>209,895,783</u>
<u>Direct Borrowing:</u>						
2012 Refunding Lease	9,754,589	-	(1,823,488)	7,931,101	1,885,087	6,046,014
Lease liabilities	545,017	68,984	(227,949)	386,052	146,849	239,203
Subscription liabilities	1,417,032	4,673,384	(2,436,414)	3,654,002	2,216,389	1,437,613
Compensated absences	10,883,840	9,372,609	(8,433,705)	11,822,744	8,425,734	3,397,010
Claims and judgments	22,111,371	3,107,075	(2,766,274)	22,452,172	3,549,604	18,902,568
Total governmental activities	<u>\$ 286,943,576</u>	<u>\$ 17,222,052</u>	<u>\$ (31,301,308)</u>	<u>\$272,864,320</u>	<u>\$ 32,946,129</u>	<u>\$239,918,191</u>

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.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,475,000	\$ 639,950	\$ 2,114,950
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
2029-2033	5,355,000	1,344,575	6,699,575
2034-2037	5,035,000	307,575	5,342,575
Total	<u>\$ 16,790,000</u>	<u>\$ 4,271,575</u>	<u>\$ 21,061,575</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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
2024	\$ 15,247,466	\$ 4,122,635	\$ 2,532,669	\$ 702,499
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	17,868,150	3,598,659	2,976,133	615,383
2028	18,393,273	3,297,938	3,115,742	565,295
2029-2033	101,250,759	10,436,611	17,091,410	1,818,807
2034	21,859,201	590,636	3,968,177	107,220
Total	<u>\$207,894,781</u>	<u>\$ 29,892,472</u>	<u>\$ 35,217,570</u>	<u>\$ 5,147,866</u>

Year Ending June 30,	Fiduciary Activities		Total		
	Principal	Interest	Principal	Interest	Total
2024	\$ 4,865	\$ 1,349	\$ 17,785,000	\$ 4,826,483	\$ 22,611,483
2025	5,158	1,315	18,850,000	4,700,210	23,550,210
2026	5,471	1,257	19,970,000	4,487,017	24,457,017
2027	5,717	1,182	20,850,000	4,215,224	25,065,224
2028	5,985	1,086	21,515,000	3,864,319	25,379,319
2029-2033	32,831	3,494	118,375,000	12,258,912	130,633,912
2034	7,622	206	25,835,000	698,062	26,533,062
Total	<u>\$ 67,649</u>	<u>\$ 9,889</u>	<u>\$243,180,000</u>	<u>\$ 35,050,227</u>	<u>\$278,230,227</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023, the future annual debt service requirements for the 2012 Refunding Lease Financing Agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,885,087	\$ 250,035	\$ 2,135,122
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>\$ 7,931,101</u>	<u>\$ 609,387</u>	<u>\$ 8,540,488</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
2024	\$ 146,849	\$ 16,268	\$ 163,117
2025	122,987	11,084	134,071
2026	81,266	4,848	86,114
2027	29,209	1,235	30,444
2028	5,741	97	5,838
	<u>\$ 386,052</u>	<u>\$ 33,532</u>	<u>\$ 419,584</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 a implicit rate of 3.00%. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,216,389	\$ 109,309	\$ 2,325,698
2025	1,437,613	43,248	1,480,861
	<u>\$ 3,654,002</u>	<u>\$ 152,557</u>	<u>\$ 3,806,559</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Compensated Absences

The balance at June 30, 2023, was \$11,822,744. See Note 10 for more detailed information.

Claims and Judgments

The balance at June 30, 2023, was \$22,452,172. See Note 12 for more details.

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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Business-Type activities						
<u>Public Offering:</u>						
2012 Water Revenue Bonds	\$ 23,265,000	\$ -	\$(23,265,000)	\$ -	\$ -	\$ -
2023 Water Revenue Refunding Bonds	-	20,085,000	-	20,085,000	1,820,000	18,265,000
2013 Wastewater Revenue Bonds	8,215,000	-	(665,000)	7,550,000	690,000	6,860,000
Total Revenue Bonds	31,480,000	20,085,000	(23,930,000)	27,635,000	2,510,000	25,125,000
Bond Premium - Water	974,325	2,130,491	(993,519)	2,111,297	-	2,111,297
Bond Premium - Wastewater	189,303	-	(18,930)	170,373	-	170,373
Total Premium	1,163,628	2,130,491	(1,012,449)	2,281,670	-	2,281,670
2021 Pension Obligation Bond	37,538,362	-	(2,320,792)	35,217,570	2,532,669	32,684,901
Total Public Offering	70,181,990	22,215,491	(27,263,241)	65,134,240	5,042,669	60,091,571
<u>Direct Borrowing:</u>						
Brine Line Installment Agreement	6,304,926	-	(410,852)	5,894,074	423,178	5,470,896
WMWD Contract Payable	690,390	-	(690,390)	-	-	-
State Loan C-06-4802-110	7,317,022	-	(1,762,070)	5,554,952	1,806,121	3,748,831
State Loan C-06-7834-110	9,830,271	-	(303,006)	9,527,265	309,369	9,217,896
Total Direct Borrowing	24,142,609	-	(3,166,318)	20,976,291	2,538,668	18,437,623
Lease Payable	3,317	-	(2,952)	365	365	-
Compensated absences	1,349,855	1,195,017	(1,232,644)	1,312,228	1,236,612	75,616
Total business-Type activities	\$ 95,677,771	\$ 23,410,508	\$(31,665,155)	\$ 87,423,124	\$ 8,818,314	\$ 78,604,810

2012 Corona Utility Authority Water Revenue Bonds

On August 1, 2012, the Corona Utility Authority issued the 2012 Water Revenue Bonds in the amount of \$35,880,000 (plus a net original issue premium of \$5.8 million) with interest rates ranging from 1.0% to 5.0% to refund several outstanding City debts and to fund certain capital improvement projects for the Water Utility. The CUA 2012 Water Revenue bonds possessed an underlying credit rating of "AA" from Standard & Poor's.

The refunded debts were the CPFA 1998 Water Revenue bonds and the recycled water portion of the 2003 Certificates of Participation (Clearwater Cogen/Recycled Water Project). Of the total proceeds, \$12.3 million was to fund for the construction of certain reservoir and blending facilities.

The 2012 Water Revenue Bonds were current refunded during the year ended June 30, 2023. See below.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2023 Corona Utility Authority Water Revenue 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 2012 Corona Utility Authority Water Revenue Bonds were fully redeemed on June 22, 2023. The refunding resulted in \$2,005,340 saving in future debt service payment and an economic gain of \$1,773,897.

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
2024	\$ 1,820,000	\$ 688,160	\$ 2,508,160
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
2029-2033	11,135,000	1,446,375	12,581,375
Total	\$ 20,085,000	\$ 5,095,785	\$ 25,180,785

2021 Taxable Pension Obligation Bonds

See Note 11A for more detail.

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:

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2013 Corona Utility Authority Wastewater Revenue Bonds (Continued)

Year Ending June 30,	Principal	Interest	Total
2024	\$ 690,000	\$ 323,250	\$ 1,013,250
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
2029-2032	3,735,000	310,675	4,045,675
Total	<u>\$ 7,550,000</u>	<u>\$ 1,559,250</u>	<u>\$ 9,109,250</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, 2023, outstanding balance on the debt was \$5,894,074. The future annual debt service requirements per the agreement are presented below:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 423,178	\$ 176,822	\$ 600,000
2025	435,873	164,127	600,000
2026	448,949	151,051	600,000
2027	462,418	137,582	600,000
2028	476,291	123,709	600,000
2029-2033	2,604,551	395,449	3,000,000
2034-2035	1,042,814	45,507	1,088,321
Total	<u>\$ 5,894,074</u>	<u>\$ 1,194,247</u>	<u>\$ 7,088,321</u>

Western Municipal Water District Contracts Payable

Contracts payable arise from the acquisition of certain water and sewer facilities and represent amounts due to Western Municipal Water District payable from future water and sewer connection fees associated with the acquired facilities. Future connections are provided as needed in the area and as such cannot be scheduled. When connection fees are received, the amounts attributable to the cost of physical connection are recognized as revenue and any additional amounts are credited to the contributed capital account. In fiscal year 2023, the City and the Western Municipal Water District agreed that the facilities built in the 1980s have reached or approaching the end of the useful life, no connection fees will be collected in future years. The City has been building its own facilities and pipelines for new developments in the area. The outstanding balance was written off.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023 was \$5,554,952. Annual future debt service requirements for the loan are presented below:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,806,121	\$ 138,874	\$ 1,944,995
2025	1,851,275	93,720	1,944,995
2026	1,897,556	47,439	1,944,995
Total	<u>\$ 5,554,952</u>	<u>\$ 280,033</u>	<u>\$ 5,834,985</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, 2023 is \$9,527,265. Annual future debt service requirements for the loan are presented below:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 309,369	\$ 200,072	\$ 509,441
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
2029-2033	1,789,839	757,367	2,547,206
2034-2038	1,985,833	561,373	2,547,206
2039-2043	2,203,289	343,917	2,547,206
2044-2047	1,935,115	102,649	2,037,764
Total	<u>\$ 9,527,265</u>	<u>\$ 2,699,322</u>	<u>\$ 12,226,587</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 is payable over a five-year period. Remaining principal outstanding at June 30, 2023 was in the amount of \$365.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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 \$42,717,217 in outstanding debts as of June 30, 2023. 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 21.47% of net revenues subject to the pledge. The total remaining debt service including interest to be paid on these obligations are \$52,351,607. Principal and interest paid for the current year was \$6,198,961, and total customer net revenue subject to pledge was \$28,871,111.

Compensated Absences

The balance at June 30, 2023, was \$1,312,228. 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, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
<u>Public Offering</u>						
2021 Pension Obligation Bond	\$ 72,107		\$ (4,458)	\$ 67,649	\$ 4,865	\$ 62,784
2007 Temescal Canyon Project Area Tax Allocation	11,910,000	-	(890,000)	11,020,000	900,000	10,120,000
2007 Project Area "A" Taxable Tax Allocation Bonds	21,340,000	-	(730,000)	20,610,000	785,000	19,825,000
2015 Tax allocation refunding bonds, Series "A"	4,775,000	-	(2,330,000)	2,445,000	2,445,000	-
Unamortized Bond Premium	482,295	-	(241,148)	241,147	-	241,147
Total fiduciary activities	<u>\$ 38,579,402</u>	<u>\$ -</u>	<u>\$ (4,195,606)</u>	<u>\$ 34,383,796</u>	<u>\$ 4,134,865</u>	<u>\$ 30,248,931</u>

The Successor Agency's outstanding bonds from public offerings was in the amount of \$34,075,000 at June 30, 2023. 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, 2023

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 \$735,000, with term bonds of \$1,475,000 due November 1, 2022, \$1,515,000 due November 1, 2024, \$1,650,000 due November 1, 2026, \$2,760,000 due November 1, 2029 and \$3,155,000 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
2024	\$ 900,000	\$ 472,156	\$ 1,372,156
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
2029-2033	6,110,000	712,350	6,822,350
Total	<u>\$ 11,020,000</u>	<u>\$ 2,650,471</u>	<u>\$ 13,670,471</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
2024	\$ 785,000	\$ 1,264,402	\$ 2,049,402
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>\$ 20,610,000</u>	<u>\$ 4,039,145</u>	<u>\$ 24,649,145</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

C. Fiduciary Funds (Continued)

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 annual debt service requirement for the 2015 Tax Allocation Refunding Bonds Series A is presented below:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,445,000	\$ 61,125	\$ 2,506,125

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 increment to Redevelopment Property Tax Trust Fund ("RPTTF"). RPTTF funds are distributed semi-annually to the Successor Agency to pay enforceable obligations approved by the DOF on the Recognized Obligations Payment Schedule ("ROPS"). The total principal and interest remaining on the Successor Agency debt obligations were \$40,825,741 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 \$9,183,265 and the debt service payments on the bonds was \$7,204,595.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

D. Non-City Obligation (Continued)

As of June 30, 2023, the special assessment district bonds' balances outstanding were:

	Balance at June 30, 2023
Assessment District:	
AD 96-1, Series 1999 A	\$ 295,000

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.

The following Community Facilities Districts Bonds are currently active:

	Balance at June 30, 2023
Community Facilities Districts	
\$ 9,525,000 CFD 97-2, Refunding 2014 Series A Bonds	\$ 1,195,000
13,455,000 CFD 2002-1 Dos Lagos 2017 Special Tax Refunding	10,205,000
7,125,000 CFD 2002-1 Dos Lagos 2017 IA Special Tax Refunding	5,645,000
7,010,000 CFD 2002-4 2017 Special Tax Refunding Bond	5,235,000
5,475,000 CFD 2016-2 2018 Special Tax Bonds	5,020,000
9,000,000 CFD 2018-1 Bedford IA1, 2018 Special Tax Bonds	8,860,000
3,650,000 CFD 2017-2 Valencia/Seville 2018 Special Tax Bonds	3,440,000
4,175,000 CFD 2000-1, 2020 Special Tax Refunding Bond	3,100,000
2,150,000 CFD 2001-2, 2020 Special Tax Refunding Bond	1,640,000
5,200,000 CFD 2003-2, 2020 Special Tax Refunding Bond	4,145,000
2,505,000 CFD 2004-1, 2020 Special Tax Refunding Bond	2,075,000
10,240,000 CFD 2018-1 Bedford IA1, 2020 Special Tax Bonds	10,205,000
15,190,000 CFD 2018-2, Sierra Bella 2022 Special Tax Bonds	15,190,000
Total Community Facilities Districts	\$ 75,955,000

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Long-Term Liabilities (Continued)

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, 2023, the aggregate principal amount of conduit debt obligations outstanding totaled \$52,120.

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, 2023, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

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, 2023 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2023, 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, 2023, 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, 2021	\$ 19,680,669	\$ 2,964,991	\$ (2,612,001)	\$ 20,033,659
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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Risk Management (Continued)

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, 2023 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, 2023, 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, 2023, 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, 2021	\$ 1,518,492	\$ (106,890)	\$ (122,520)	\$ 1,289,082
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

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, 2023 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.

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, 2021 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

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:

	Miscellaneous Agent Plan		Safety - Police Agent Plan		Safety - Fire Cost-Sharing Plan	
	Classic	PEPRA	Classic	PEPRA	Classic	PEPRA
	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% @ 55	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 (FY22-23)	8.00%	6.50%	9.00%	13.25%	9.00%	13.75%
Employer (Measurement Period)	11.390%	11.390%	24.240%	24.240%	25.590%	13.980%
Employer (FY22-23)	10.880%	10.880%	23.980%	23.980%	25.640%	13.660%

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2021, the valuation date, the following employees were covered by the benefit terms:

	Plans			
	Miscellaneous	Safety - Police	Safety - Fire	
			Classic	PEPRA
Active employees	389	150	68	31
Transferred and terminated employees	658	34	61	9
Retired employees and beneficiaries	788	200	128	-
Total	1,835	384	257	40

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.

B. Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plan (Continued)

B. Net Pension Liability (Continued)

Change of Assumptions

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.

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.

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%
	100.00%	

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

² Figures are based on the 2021 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, 2023

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, 2021 (Valuation Date)	\$ 391,954,876	\$ 320,671,366	\$ 71,283,510
Changes Recognized for the Measurement Period:			
Service cost	5,382,910	-	5,382,910
Interest on the total pension liability	27,394,212	-	27,394,212
Changes of benefit terms	-	-	-
Changes of assumptions	14,133,399	-	14,133,399
Difference between expected and actual experience	(1,445,599)	-	(1,445,599)
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	126,740,939	(126,740,939)
Contributions from employees	-	2,045,631	(2,045,631)
Net investment income	-	(29,901,304)	29,901,304
Benefit payments, including refunds of employee contributions	(20,633,132)	(20,633,132)	-
Administrative expense	-	(199,759)	199,759
Other	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	24,831,790	78,052,375	(53,220,585)
Balance at June 30, 2022 (Measurement Date)	<u>\$ 416,786,666</u>	<u>\$ 398,723,741</u>	<u>\$ 18,062,925</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, 2021 (Valuation Date)	\$ 299,197,824	\$ 239,371,648	\$ 59,826,176
Changes Recognized for the Measurement Period:			
Service cost	6,402,949	-	6,402,949
Interest on the total pension liability	21,506,772	-	21,506,772
Changes of benefit terms	-	-	-
Changes of assumptions	13,243,287	-	13,243,287
Difference between expected and actual experience	3,106,586	-	3,106,586
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	103,659,698	(103,659,698)
Contributions from employees	-	2,027,522	(2,027,522)
Net investment income	-	(22,945,056)	22,945,056
Benefit payments, including refunds of employee contributions	(14,133,660)	(14,133,660)	-
Administrative expense	-	(149,114)	149,114
Other	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	30,125,934	68,459,390	(38,333,456)
Balance at June 30, 2022 (Measurement Date)	<u>\$ 329,323,758</u>	<u>\$ 307,831,038</u>	<u>\$ 21,492,720</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2021 (Valuation Date)	\$ 196,176,593	\$ 163,260,062	\$ 32,916,531
Balance at June 30, 2022 (Measurement Date)	208,526,637	196,646,281	11,880,356
Net changes during 2021-22	12,350,044	33,386,219	(21,036,175)

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, 2021). 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, 2022). 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, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2021-22).
- (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, 2023

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, 2021	0.6086%
June 30, 2022	0.1029%
Change - Increase (Decrease)	-0.5057%

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	\$ 76,312,214	\$ 18,062,925
Safety Plan - Police	\$ 69,874,940	\$ 21,492,720	\$ (17,753,917)
Safety Plan - Fire	\$ 40,677,559	\$ 11,880,356	\$ 11,654,851

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, 2023, the City recognized aggregated pension expense in the amount of \$59,316,184 (\$13,494,623, \$14,899,893 and \$30,921,668 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, 2023

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, 2022, 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	\$ 3,761,585	\$ -
Changes of assumptions	8,480,039	-
Difference between expected and actual experience	-	(990,531)
Net difference between projected and actual earning on pension plan investments	21,972,256	-
Total	\$ 34,213,880	\$ (990,531)

Safety Plan - Police		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 4,928,267	\$ -
Changes of assumptions	10,013,217	-
Difference between expected and actual experience	3,846,726	-
Net difference between projected and actual earning on pension plan investments	17,192,332	-
Total	\$ 35,980,542	\$ -

Safety Plan - Fire		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 2,978,758	\$ -
Changes of assumptions	1,197,898	-
Difference between expected and actual experience	491,684	(129,011)
Net difference between projected and actual earning on pension plan investments	1,876,072	-
Adjustment due to differences in proportions	953,390	(44,330,967)
Difference between City's contribution and proportionate share of contribution:	35,048,730	(1,638,921)
Total	\$ 42,546,532	\$ (46,098,899)

The amounts above are net of outflows and inflows recognized in the 2021-2022 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 2021-22 measurement period is 2.5, 4.1, and 3.7 years, which was obtained by dividing the total service years of 4,623, 1,576 and 574,665 (the sum of remaining service lifetimes of the active employees) by 1,835, 384 and 153,587 (the total number of participants: active, inactive, and retired), respectively.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plan (Continued)

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

\$3,761,585, \$4,928,267, and \$2,978,758 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, 2024.

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
2023	\$ 9,029,861	\$ 8,183,850	\$ (2,727,955)
2024	6,441,668	7,618,434	(2,723,274)
2025	2,849,344	6,328,497	(2,224,324)
2026	11,140,891	8,921,494	1,144,428
2027	-	-	-
Total	\$ 29,461,764	\$ 31,052,275	\$ (6,531,125)

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

A. General Information about the OPEB Plan (Continued)

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.

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, 2022 measurement date, the following numbers of participants were covered by the benefit terms:

Active plan members	640
Inactive plan members currently receiving benefits	609
Inactive plan members entitled to but not receiving benefits	136
Total	1,385

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, 2022, the City's cash contributions were \$10,744,736 in total payments, which were recognized as a reduction to the OPEB liability.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

B. Net OPEB Liability

The OPEB liability was measured as of June 30, 2022, and total liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Significant Actuarial Assumptions Used for Total OPEB Liability

The total OPEB liability, measured as of June 30, 2022, 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, 2022 and 6.05% as of June 30, 2020 net of plan investment expense
Discount Rate	6.05% as of June 30, 2022 and 6.05% as of June 30, 2020
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.

Change in assumptions

In 2022, 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%
	100.00%		

* Preliminary estimate, pending confirmation by CalPERS

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

C. Changes in Net OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2021	\$ 153,409,280	\$ 68,231,791	\$ 85,177,489
Changes Recognized for the Measurement Period:			
Service Cost	1,120,750	-	1,120,750
Interest on the total OPEB liability	9,090,363	-	9,090,363
Expected investment income	-	4,193,821	(4,193,821)
Employer contribution	-	10,744,736	(10,744,736)
Changes of benefit terms	-	-	-
Administrative expenses	-	(17,410)	17,410
Benefit payments	(8,552,199)	(8,552,199)	-
Assumption changes	-	-	-
Plan experience	-	-	-
Investment experience	-	(13,514,577)	13,514,577
Contributions from the employer	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	1,658,914	(7,145,629)	8,804,543
Balance at June 30, 2022 (Measurement Date)	\$ 155,068,194	\$ 61,086,162	\$ 93,982,032

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:

Sensitivity of the Net OPEB Liability to Change in the Discount Rate (Continued)

Plan's Net OPEB Liability		
Discount Rate -1% (5.05%)	Current Discount Rate (6.05%)	Discount Rate +1 % (7.05%)
\$ 113,900,039	\$ 93,982,032	\$ 77,592,988

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%
\$ 77,210,392	\$ 93,982,032	\$ 114,282,244

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

C. Changes in Net OPEB Liability (Continued)

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

For the measurement period ended June 30, 2021, the City recognized OPEB expense of \$4,570,562. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution made after measurement period	\$ 9,994,224	\$ -
Changes in assumptions	12,891,349	(673,727)
Difference between expected and actual experience	-	(13,918,738)
Net difference between projected and actual earning on OPEB plan investments	4,970,541	-
Total	<u>\$ 27,856,114</u>	<u>\$ (14,592,465)</u>

The \$9,994,224 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the year ending June 30, 2024. 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	\$ (1,427,325)
2025	(1,171,564)
2026	1,634,013
2027	3,804,630
2028	429,671
Thereafter	-
Total	<u>\$ 3,269,425</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Classification of Fund Balances

At June 30, 2023, 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	\$ 490,355	\$ -	\$ -	\$ -	\$ -	\$ 490,355
Long-term receivable	1,141,327	-	-	-	-	1,141,327
Advance to other funds	179,711,589	-	-	-	-	179,711,589
Total nonspendable	181,343,271	-	-	-	-	181,343,271
Restricted:						
Pension trust	35,429,248	-	-	-	-	35,429,248
Housing and community development	-	38,393,574	-	-	6,035,165	44,428,739
Capital projects	-	-	2,856,313	-	-	2,856,313
Development projects	-	-	-	17,719,706	-	17,719,706
Street maintenance	-	-	-	-	27,004,127	27,004,127
Trip reduction	-	-	-	-	1,727,482	1,727,482
Asset forfeiture	-	-	-	-	176,229	176,229
Special tax districts	-	-	-	-	23,892,609	23,892,609
Residential refuse	-	-	-	-	678,104	678,104
Total restricted	35,429,248	38,393,574	2,856,313	17,719,706	-	59,513,716
Committed:						
Emergency contingency *	45,343,853	-	-	-	-	45,343,853
Designated revenues	7,572,145	-	-	-	-	7,572,145
Total committed	52,915,998	-	-	-	-	52,915,998
Assigned:						
Budget balancing measures	3,922,049	-	-	-	-	3,922,049
Continuing appropriations	26,515,663	-	-	-	-	26,515,663
Measure X reserve	43,340,023	-	-	-	-	43,340,023
Other purposes	3,186,413	-	-	-	880,443	4,066,856
Total assigned	76,964,148	-	-	-	880,443	77,844,591
Unassigned	18,602,355	-	-	-	(939,762)	(3,640,583)
Total Fund Balance	\$ 365,255,020	\$ 38,393,574	\$ 2,856,313	\$ 17,719,706	\$ (939,762)	\$ 56,753,576

* 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, 2023

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:

	Governmental Activities	Business-Type Activities
Total capital assets, net	\$ 837,131,152	\$ 423,671,141
Unspent capital debt proceed	-	1,044
Capital related deferred outflows of resources	388,113	-
Retention payable	(912,687)	(332,715)
Capital related debt	(30,694,623)	(50,893,326)
Capital related deferred inflows of resources	-	(838,138)
Net investment in capital assets	<u>\$ 805,911,955</u>	<u>\$ 371,608,006</u>

	Enterprise Funds				
	Water				
	Water	Reclamation	Electric	Transit	Airport
Total capital assets, net	\$ 270,805,073	\$ 140,710,839	\$ 10,345,199	\$ 1,790,676	\$ 19,354
Unspent capital debt proceed	1,001	43	-	-	-
Retention payable	(16,631)	(316,084)	-	-	-
Capital related debt	(33,645,688)	(17,247,638)	-	-	-
Capital related deferred inflows of resources	(838,138)	-	-	-	-
Net investment in capital assets	<u>\$ 236,305,617</u>	<u>\$ 123,147,160</u>	<u>\$ 10,345,199</u>	<u>\$ 1,790,676</u>	<u>\$ 19,354</u>

Note 17 – Commitments and Contingencies

Commitments

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

	Amount	Purpose
General Fund	\$ 1,272,853	Homelessness prevention
Other Grants Capital Projects Funds	45,146,305	Capital projects
Development Special Revenue Funds	2,000,000	Capital projects
Nonmajor Governmental Funds	2,282,672	Capital projects and homelessness prevention
Water Enterprise Fund	4,595,370	Water related capital projects
Sewer Enterprise Fund	3,691,288	Sewer related capital projects
Total encumbrances	<u>\$ 58,988,488</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, 2023

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, 2023, were as follows:

	Percent
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, 2023, 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, 2023, the City abated taxes totaling \$8,239,277. 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, 2023

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 157,844,026	\$ 169,617,506	\$ 175,478,236	\$ 5,860,730
Licenses and permits	2,067,250	2,260,850	2,783,393	522,543
Intergovernmental	2,238,690	2,312,731	2,217,199	(95,532)
Special assessments	587,581	672,490	669,915	(2,575)
Investment earnings	2,675,853	3,751,510	6,546,859	2,795,349
Fines and penalties	741,800	889,522	1,436,615	547,093
Current services	11,334,877	12,769,074	14,297,476	1,528,402
Payment in lieu of services	6,144,200	6,052,862	6,029,949	(22,913)
Other revenues	11,193,910	11,421,443	11,024,950	(396,493)
Total revenues	194,828,187	209,747,988	220,484,592	10,736,604
EXPENDITURES:				
Current:				
General government:				
City council	126,802	126,802	104,120	22,682
City attorney	1,875,246	1,857,547	1,787,521	70,026
City manager	7,233,367	9,688,669	6,526,530	3,162,139
City treasurer	14,931	14,931	14,931	-
Human resources	2,677,723	2,723,739	2,232,124	491,615
Finance	4,441,062	4,631,963	3,929,509	702,454
Non departmental	25,383,916	26,296,449	26,296,447	2
Information technology	743,293	743,293	318,995	424,298
Public safety- fire	32,808,292	33,031,413	30,847,526	2,183,887
Public safety- police	49,386,316	50,409,743	48,097,386	2,312,357
Public works and maintenance services	4,936,448	5,459,396	3,975,073	1,484,323
Community services	16,997,896	18,530,749	16,852,617	1,678,132
Planning and development	8,255,661	9,255,363	7,867,814	1,387,549
Economic development	1,345,569	1,504,100	1,158,528	345,572
Capital outlay	4,913,858	26,011,155	5,355,123	20,656,032
Debt service:				
Principal retirement	17,446,990	17,775,233	16,754,074	1,021,159
Interest and fiscal charges	3,922,134	3,880,682	4,962,792	(1,082,110)
Total expenditures	182,509,504	211,941,227	177,081,110	34,860,117
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,318,683	(2,193,239)	43,403,482	45,596,721
OTHER FINANCING SOURCES (USES):				
Transfers in	1,200,000	1,200,000	1,108,821	(91,179)
Transfers out	-	-	(427,304)	(427,304)
Total other financing sources (uses)	1,200,000	1,200,000	681,517	(518,483)
NET CHANGE IN FUND BALANCE	\$ 13,518,683	\$ (993,239)	44,084,999	\$ 45,078,238
FUND BALANCE:				
Beginning of year			321,170,021	
End of year			<u>\$ 365,255,020</u>	

City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Development Special Revenue Funds
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 2,790,500	\$ 1,247,250	\$ 1,116,456	\$ (130,794)
Investment earnings	365,945	460,741	360,701	(100,040)
Payment in lieu of services	-	-	221,760	221,760
Other revenues	-	19,110	19,354	244
Total revenues	<u>3,156,445</u>	<u>1,727,101</u>	<u>1,718,271</u>	<u>(8,830)</u>
EXPENDITURES:				
Current:				
Public safety- fire	3,301	3,301	3,301	-
Public safety- police	2,585	2,585	2,585	-
Public works and maintenance services	47,820	47,820	47,820	-
Community services	10,747	10,747	10,747	-
Capital outlay	2,385,231	22,485,279	1,347,302	21,137,977
Total expenditures	<u>2,449,684</u>	<u>22,549,732</u>	<u>1,411,755</u>	<u>21,137,977</u>
NET CHANGE IN FUND BALANCE	<u>\$ 706,761</u>	<u>\$ (20,822,631)</u>	306,516	<u>\$ 21,129,147</u>
FUND BALANCE:				
Beginning of year			<u>17,413,190</u>	
End of year			<u>\$ 17,719,706</u>	

City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Other Grants & Endowments Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 16,904,803	\$ 2,382,427	\$ 1,951,957	\$ (430,470)
Investment earnings	225,223	488,307	(453,330)	(941,637)
Current services	38,000	39,750	55,372	15,622
Other revenue	-	-	46,656	46,656
Total revenues	<u>17,168,026</u>	<u>2,910,484</u>	<u>1,600,655</u>	<u>(1,309,829)</u>
EXPENDITURES:				
Current:				
Public safety - police	679,930	908,858	614,900	293,958
Community services	-	105,715	75,627	30,088
Planning and development	86,451	1,573,067	1,076,791	496,276
Capital outlay	-	28,922,376	1,048,064	27,874,312
Total expenditures	<u>766,381</u>	<u>31,510,016</u>	<u>2,815,382</u>	<u>28,694,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,401,645</u>	<u>(28,599,532)</u>	<u>(1,214,727)</u>	<u>27,384,805</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>\$ 16,401,645</u>	<u>\$ (28,452,031)</u>	<u>(1,214,727)</u>	<u>\$ 27,237,304</u>
FUND BALANCE:				
Beginning of year			<u>274,965</u>	
End of year			<u>\$ (939,762)</u>	

City of Corona
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023

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. In Fiscal Year 2023, the City was in the seventh year of a 'zero-based' budget procedure, which is a rigorous, structured approach in evaluating each dollar that is appropriated to fund critical City services and programs. Prior to that change, the City utilized an 'expenditure control budget' (ECB) procedure for 23 years, as outlined in previously adopted budget resolutions. The 'zero-based' budget approach is more responsive to service needs which may expand and contract over time.

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, grants may carry forward (continuing appropriation) to the next fiscal year as determined by the grant funding time period.
- 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, 2023

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, Management Services, 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 \$182.5 million for Fiscal Year 2023. Final appropriations were increased by \$29.4 million to \$211.9 million. Among the budgetary increase, \$19.2 million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$5.5 million was for prior year committed purchases (encumbrances). There was \$4.7 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons:

- The personnel budget decreased by \$1.6 million in Fiscal Year 2023. The budget was decreased by \$2.0 million due to transfers from personnel to the operating budget. In addition, \$0.3 million was added due to grant funding and other position adjustments approved throughout the fiscal year.
- The operating budget increased by a total of \$6.8 million. The primary increase is in the Homeless Programs Division within the City Manager's Office. The General Fund Homeless Programs expense budget was increased by \$1.8 million for the State Encampment Funding Grant and multiple professional services agreements approved by the City Council. The General Government budget increased by \$1.5 million due to a transfer from personnel to the operating budget. The Fire Department budget was increased by \$0.8 million for multiple grants approved by the City Council and the purchase of a Live Fire Training Simulator. The Community Services Department budget was increased by \$0.7 million for additional Graffiti Removal Services, Performance Center Feasibility Study, Rent Stabilization Program Services, and new theater equipment for the Historic Civic Center Theatre. 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 \$250,000 from the personnel budget.
- The capital outlay budget was decreased by a net total of \$0.6 million. There were budgetary reductions for various projects that were completed or no longer needed.

Revenues and transfers in received in Fiscal Year 2023 had a favorable variance of \$10.6 million, due to the following reasons:

- The Taxes category accounts for the majority of the variance for Revenue and Transfers. Property taxes were higher than estimated by \$1.3 million, Sales tax was higher than estimated by \$2.7 million, and Other Taxes were higher than estimated by \$1.8 million. All of these areas outperformed the final budget estimates for the fiscal year.
- Investment Earnings has a positive variance of \$2.8 million, which includes book entries of \$2.6 million, for investment gains and losses.
- The current services category was also higher than budgeted by \$1.5 million. Approximately \$0.8 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 Service, including passport revenues, recreation activities, special events, and facility rentals. Additionally, there is a variance of \$0.3 million for fire department-related activity, including AMR system enhancement fees and various inspection services.

The expenditures and transfers out in FY 2023 had a favorable variance of \$34.4 million. Included in the savings, \$20.5 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 \$3.0 million will be carried forward in the operating budget, as approved by the City Council. Of the \$3.0 million in carryover funds, there is \$1.1 million for the homeless program operations and a total of \$1.0 million for grants in the Fire Department and Police Department. In addition, purchase orders totaling \$3.1 million encumbered in Fiscal Year 2023 will be carried forward for activity that crosses fiscal years.

After considering the budgets carrying forward into Fiscal Year 2024 as noted above, the net savings for Fiscal Year 2023 is \$7.9 million. The savings is primarily from the personnel budget due to vacancies throughout the year. There were 37 new positions included in Fiscal Year 2023, largely funded by Measure X. With the additional positions, there was an increase in the vacancy savings for Fiscal Year 2023. The following departments had savings in personnel budget: Planning and Development (\$1.9 million), Police (\$1.8 million), Community Services (\$1.1 million), Fire (\$0.9 million), Public Works (\$0.5 million), and Finance (\$0.5 million). The savings is 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, 2023

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, sewage collection and treatment facilities, park and recreation lands and improvement; stormwater 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 systems.

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:

<u>Assessment Date</u>	<u>PCI Rating</u>
October 2019	72
October 2020	71
November 2021	71
September 2022	71
October 2023	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:

<u>Condition</u>	<u>Rating</u>
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, 2023

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 October 2023, 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	58%
Fair	37%
Poor	5%
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 \$31,027,916 on street maintenance for the fiscal year ended June 30, 2023. 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, one point higher than it was in the prior year. A majority of the current year expenditures 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 2024 is a minimum of \$6,000,000. 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>
2018-2019	\$ 4,800,000	\$ 36,631,051	72
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

As of June 30, 2023, approximately 41.9% 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 \$6.0 million, the total deferred work to rehabilitate all roads amounted to \$40.6 million as of June 30, 2023.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

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

Measurement period	2013-14 ¹	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 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 - beginning²	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 payroll³	<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>

¹ Historical information is presented for measurement periods after GASB No. 68 was implemented in 2014-15 (measurement period 2013-14). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: 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, 2023

Last Ten Fiscal Years¹

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

Measurement period	2018-19	2019-20	2020-21	2021-22
Total pension liability				
Service cost	\$ 4,280,881	\$ 4,466,642	\$ 4,403,881	\$ 5,382,910
Interest	25,059,830	25,962,850	26,674,374	27,394,212
Differences between expected and actual experience	715,766	1,615,820	(944,320)	(1,445,599)
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)
Net change in total pension liability	12,242,619	13,019,654	10,154,742	24,831,790
Total pension liability - beginning	356,537,861	368,780,480	381,800,134	391,954,876
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>
Pension fiduciary net position				
Contributions - employer	\$ 17,933,587	\$ 13,255,939	\$ 13,698,657	\$ 126,740,939
Contributions - employee	1,990,044	2,223,117	2,009,054	2,045,631
Net investment income	16,183,603	12,851,320	60,189,073	(29,901,304)
Benefit payments, including refunds of employee contributions	(17,813,858)	(19,025,658)	(19,979,193)	(20,633,132)
Net plan to plan resources movement	-	-	(53,189)	-
Administrative expense	(169,845)	(361,078)	(264,791)	(199,759)
Other miscellaneous income/expense	531	-	-	-
Net change in plan fiduciary net position	18,124,062	8,943,640	55,599,611	78,052,375
Plan fiduciary net position - beginning	238,004,053	256,128,115	265,071,755	320,671,366
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>
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>
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>
Covered payroll	<u>\$ 23,197,580</u>	<u>\$ 24,461,346</u>	<u>\$ 26,963,410</u>	<u>\$ 27,718,385</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>

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

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

Measurement period	2013-14 ¹	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 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%

¹ Historical information is presented for measurement periods after GASB No. 68 was implemented in 2014-15 (measurement period 2013-14). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: 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, 2023

Last Ten Fiscal Years¹

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

Measurement period	2018-19	2019-20	2020-21	2021-22
Total pension liability				
Service cost	\$ 5,440,494	\$ 5,552,558	\$ 5,647,902	\$ 6,402,949
Interest	18,247,956	19,147,726	20,210,480	21,506,772
Differences between expected and actual experience	3,515,370	418,217	2,604,970	3,106,586
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)
Net change in total pension liability	16,023,856	13,141,445	15,461,988	30,145,934
Total pension liability - beginning	254,570,535	270,594,391	283,735,836	299,197,824
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>
Pension fiduciary net position				
Contributions - employer	\$ 8,647,659	\$ 15,780,216	\$ 13,995,784	\$ 103,659,698
Contributions - employee	1,554,430	1,611,310	1,715,846	2,027,522
Net investment income	11,128,659	9,184,495	44,733,798	(22,945,056)
Benefit payments, including refunds of employee contributions	(11,179,964)	(11,977,056)	(13,001,364)	(14,113,660)
Net plan to plan move	-	-	-	-
Administrative expense	(119,703)	(250,614)	(191,916)	(149,114)
Other miscellaneous income/expense	390	-	-	-
Net change in plan fiduciary net position	10,031,471	14,348,351	47,252,148	68,479,390
Plan fiduciary net position - beginning	167,739,678	177,771,149	192,119,500	239,371,648
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>
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>
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>
Covered payroll	<u>\$ 17,096,107</u>	<u>\$ 17,137,525</u>	<u>\$ 17,699,772</u>	<u>\$ 18,195,366</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>

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, 2023

Last Ten Fiscal Years¹

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

Measurement period	2013-14 ¹	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	<u>307.74%</u>	<u>330.22%</u>	<u>397.62%</u>	<u>415.17%</u>	<u>438.03%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.83%</u>	<u>77.78%</u>	<u>73.76%</u>	<u>73.61%</u>	<u>74.38%</u>

¹ Historical information is presented for measurement periods after GASB No. 68 was implemented in 2014-15 (measurement period 2013-14). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: 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, 2023

Last Ten Fiscal Years¹

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

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

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

Fiscal year	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 7,535,692	\$ 8,615,040	\$ 8,408,391	\$ 10,548,137	\$ 10,844,590
Contributions in relation to the actuarially determined contribution	(7,535,692)	(8,615,040)	(8,408,391)	(10,548,137)	(20,944,590)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (10,100,000)
Covered payroll ¹	\$ 27,891,234	\$ 26,820,056	\$ 25,968,300	\$ 24,590,351	\$ 24,554,723
Contributions as a percentage of covered payroll	27.02%	32.12%	32.38%	42.90%	85.30%

¹ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 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 2021-23 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, 2023

Last Ten Fiscal Years

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

Fiscal year	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 11,933,587	\$ 13,255,939	\$ 13,698,657	\$ 126,731,631	\$ 3,761,585
Contributions in relation to the actuarially determined contribution	(17,933,587)	(13,255,939)	(13,698,657)	(126,731,631)	(3,761,585)
Contribution deficiency (excess)	\$ (6,000,000)	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 23,197,580	\$ 24,461,346	\$ 26,963,410	\$ 27,704,904	\$ 28,480,641
Contributions as a percentage of covered payroll.	77.31%	54.19%	50.80%	457.43%	13.21%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

Fiscal year	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 5,431,639	\$ 6,390,487	\$ 7,032,238	\$ 7,414,869	\$ 7,944,109
Contributions in relation to the actuarially determined contribution	(5,431,639)	(6,390,487)	(7,032,238)	(7,414,869)	(7,944,109)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 15,848,108	\$ 16,848,270	\$ 17,276,613	\$ 17,998,531	\$ 18,658,498
Contributions as a percentage of covered payroll.	34.27%	37.93%	40.70%	41.20%	42.58%

¹ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 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 2021-23 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, 2023

Last Ten Fiscal Years

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

Fiscal year	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 8,647,659	\$ 9,780,216	\$ 13,995,784	\$ 103,659,698	\$ 4,928,267
Contributions in relation to the actuarially determined contribution	(8,647,659)	(15,780,216)	(13,995,784)	(103,659,698)	(4,928,267)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (6,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 17,096,107	\$ 17,137,525	\$ 17,699,772	\$ 18,186,516	\$ 18,695,738
Contributions as a percentage of covered payroll.	50.58%	92.08%	79.07%	569.98%	26.36%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

Fiscal year	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 4,045,566	\$ 4,239,757	\$ 4,648,267	\$ 3,537,799	\$ 3,772,862
Contributions in relation to the actuarially determined contribution	(4,045,566)	(4,239,757)	(4,648,267)	(3,537,799)	(3,772,862)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 9,308,854	\$ 9,624,801	\$ 9,885,314	\$ 10,511,383	\$ 10,100,596
Contributions as a percentage of covered payroll	43.46%	44.05%	47.02%	33.66%	37.35%

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

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs.

Changes of Assumptions: 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, 2023

Last Ten Fiscal Years

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

Fiscal year	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 4,307,750	4,869,618	6,225,062	60,685,514	2,978,758
Contributions in relation to the actuarially determined contribution	(4,307,750)	(4,869,618)	(6,225,062)	(60,685,514)	(2,978,758)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 9,911,459	\$ 9,614,463	\$ 10,418,921	\$ 11,623,068	\$ 11,948,514
Contributions as a percentage of covered payroll	43.46%	50.65%	59.75%	522.11%	24.93%

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, 2023

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)
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, 2023

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

	2021-22
Measurement period	
Total OPEB liability	
Service cost	\$ 1,120,750
Interest	9,090,363
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of of employee contributions	(8,552,199)
Net change in total pension liability	1,658,914
Total OPEB liability - beginning	153,409,280
Total OPEB liability - ending (a)	\$ 155,068,194
OPEB fiduciary net position	
Contributions - employer	\$ 10,744,736
Net investment income	(9,320,756)
Benefit payments, including refunds employee contributions	(8,552,199)
Administrative expense	(17,410)
Other expenses	-
Net change in plan fiduciary net position	(7,145,629)
Plan fiduciary net position - beginning	68,231,791
Plan fiduciary net position - ending (b)	\$ 61,086,162
Plan net OPEB liability - ending (a) - (b)	\$ 93,982,032
Plan fiduciary net position as a percentage of the total OPEB liability	39.39%
Covered-employee payroll	\$ 74,680,408
Plan net OPEB liability as a percentage of covered-employee payroll	125.85%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2023

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	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, 2023

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Fiscal year	2022	2023
Actuarially determined contribution	\$ 10,744,736	\$ 9,983,374
Contributions in relation to the actuarially determined contribution	(10,744,736)	(9,994,224)
Contribution deficiency (excess)	\$ -	\$ (10,850)
Covered-employee payroll	\$ 74,680,408	\$ 84,958,125
Contributions as a percentage of covered-employee payroll. ²	14.39%	11.76%



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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 316,434	\$ 486,609	\$ 564,618	\$ 78,009
Current services	65,000	65,000	-	(65,000)
Other revenues	327,199	335,862	335,862	-
Total revenues	<u>708,633</u>	<u>887,471</u>	<u>900,480</u>	<u>13,009</u>
EXPENDITURES:				
Current:				
Planning and development	268,020	268,023	112,524	155,499
Debt service:				
Principal retirement	13,219	13,219	13,219	-
Interest and fiscal charges	4,055	4,055	4,055	-
Total expenditures	<u>285,294</u>	<u>285,297</u>	<u>129,798</u>	<u>155,499</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>\$ 651,036</u>	<u>\$ 829,871</u>	770,682	<u>\$ (59,189)</u>
FUND BALANCE:				
Beginning of year			<u>37,622,892</u>	
End of year			<u>\$ 38,393,574</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 50,710,734	\$ 46,171,835	\$ 28,797,125	\$ (17,374,710)
Investment earnings	792	7,283	(519,801)	(527,084)
Other revenues	-	21,260	444,858	423,598
Total revenues	<u>50,711,526</u>	<u>46,200,378</u>	<u>28,722,182</u>	<u>(17,478,196)</u>
EXPENDITURES:				
Current:				
Community services	-	599,288	302,373	296,915
Capital outlay	925,713	98,829,074	20,561,246	78,267,828
Total expenditures	<u>925,713</u>	<u>99,428,362</u>	<u>20,863,619</u>	<u>78,564,743</u>
NET CHANGE IN FUND BALANCE	<u>\$ 49,785,813</u>	<u>\$ (53,227,984)</u>	7,858,563	<u>\$ 61,086,547</u>
FUND BALANCE:				
Beginning of year			(5,002,250)	
End of year			<u>\$ 2,856,313</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, 2023

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
ASSETS				
Cash and investments	\$ 8,714,990	\$ 17,111,119	\$ 1,673,001	\$ 344,038
Accounts receivable	5,712	8,128	-	1,475
Interest receivable	41,513	81,511	7,970	1,639
Due from other governments	662,098	738,301	52,288	-
Long term receivables	-	-	-	-
Loans receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Restricted cash and investments	-	-	-	-
Total assets	\$ 9,424,313	\$ 17,939,059	\$ 1,733,259	\$ 347,152
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 207,057	\$ 151,313	\$ 5,777	\$ -
Retention payable	-	875	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	170,923
Total liabilities	207,057	152,188	5,777	170,923
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	9,217,256	17,786,871	1,727,482	176,229
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	9,217,256	17,786,871	1,727,482	176,229
Total liabilities, deferred inflows of resources and fund balances	\$ 9,424,313	\$ 17,939,059	\$ 1,733,259	\$ 347,152

(Continued)

City of Corona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		Capital Projects Funds	
	Special Tax Districts	Residential Refuse	Public Facility Project	HUD Grants
ASSETS				
Cash and investments	\$ 25,458,946	\$ 10	\$ -	\$ 712,550
Accounts receivable	60,105	1,597,057	-	9,598
Interest receivable	121,368	458	-	-
Due from other governments	144,495	85,288	3,398,290	616,473
Long term receivables	-	-	-	1,717,405
Loans receivable, net	-	-	-	2,252,632
Land held for resale	-	-	-	1,461,000
Restricted cash and investments	17,462	67,402	-	-
Total assets	\$ 25,802,376	\$ 1,750,215	\$ 3,398,290	\$ 6,769,658
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 572,438	\$ 930,705	\$ -	\$ 83,305
Retention payable	2,653	-	-	-
Due to other funds	24	-	3,875,770	556,758
Advance from other funds	1,333,102	-	-	-
Deposits payable	1,550	-	-	750
Unearned revenue	-	141,406	-	93,680
Total liabilities	1,909,767	1,072,111	3,875,770	734,493
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	3,163,103	-
Total deferred inflows of resources	-	-	3,163,103	-
Fund Balances (Deficits):				
Restricted	23,892,609	678,104	-	6,035,165
Assigned	-	-	-	-
Unassigned (deficits)	-	-	(3,640,583)	-
Total fund balances (deficits)	23,892,609	678,104	(3,640,583)	6,035,165
Total liabilities, deferred inflows of resources and fund balances	\$ 25,802,376	\$ 1,750,215	\$ 3,398,290	\$ 6,769,658

(Continued)

City of Corona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Planned Local Drainage	Funds
ASSETS		
Cash and investments	\$ 571,013	54,585,667
Accounts receivable	775	1,682,850
Interest receivable	2,720	257,179
Due from other governments	318,991	6,016,224
Long term receivables	-	1,717,405
Loans receivable, net	-	2,252,632
Land held for resale	-	1,461,000
Restricted cash and investments	-	84,864
Total assets	\$ 893,499	\$ 68,057,821
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 13,056	\$ 1,963,651
Retention payable	-	3,528
Due to other funds	-	4,432,552
Advance from other funds	-	1,333,102
Deposits payable	-	2,300
Unearned revenue	-	406,009
Total liabilities	13,056	8,141,142
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	-	3,163,103
Total deferred inflows of resources	-	3,163,103
Fund Balances (Deficits):		
Restricted	-	59,513,716
Assigned	880,443	880,443
Unassigned (deficits)	-	(3,640,583)
Total fund balances (deficits)	880,443	56,753,576
Total liabilities, deferred inflows of resources and fund balances	\$ 893,499	\$ 68,057,821

(Concluded)

City of Corona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Intergovernmental	7,426,384	5,829,188	262,688	47,186
Special assessments	-	-	-	-
Investment earnings	104,985	304,155	17,270	9,158
Current services	-	-	-	-
Other revenues	108,102	-	-	-
Total revenues	<u>7,639,471</u>	<u>6,133,343</u>	<u>279,958</u>	<u>56,344</u>
EXPENDITURES:				
Current:				
Public safety- Police	-	-	-	145,463
Public works & maintenance services	1,353,916	168,001	516	-
Community services	-	-	11,854	-
Community development	-	-	-	-
Capital outlay	3,981,909	7,126,785	6,046	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	259
Total expenditures	<u>5,335,825</u>	<u>7,294,786</u>	<u>18,416</u>	<u>145,722</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,303,646</u>	<u>(1,161,443)</u>	<u>261,542</u>	<u>(89,378)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,108,821)	-	-	-
Total other financing sources (uses)	<u>(1,108,821)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	1,194,825	(1,161,443)	261,542	(89,378)
FUND BALANCES (DEFICITS):				
Beginning of year	8,022,431	18,948,314	1,465,940	265,607
End of year	<u>\$ 9,217,256</u>	<u>\$ 17,786,871</u>	<u>\$ 1,727,482</u>	<u>\$ 176,229</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, 2023

	Special Revenue Funds		Capital Projects Funds	
	Special Tax Districts	Residential Refuse	Public Facility Project	HUD Grants
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	98,820	-	50
Intergovernmental	-	167,326	38,814	945,518
Special assessments	9,036,923	-	-	-
Investment earnings	467,500	5,817	-	-
Current services	36,099	10,792,040	-	-
Other revenues	84,086	-	-	14,582
Total revenues	9,624,608	11,064,003	38,814	960,150
EXPENDITURES:				
Current:				
Public safety- Police	-	-	-	-
Public works & maintenance services	7,914,555	11,136,557	-	-
Community services	-	32,268	-	-
Community development	-	-	-	227,855
Capital outlay	114,892	86,655	377,500	698,699
Debt service:				
Principal retirement	-	18,108	-	8,195
Interest and fiscal charges	-	5,555	-	2,514
Total expenditures	8,029,447	11,279,143	377,500	937,263
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,595,161	(215,140)	(338,686)	22,887
OTHER FINANCING SOURCES (USES):				
Transfers in	-	427,304	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	427,304	-	-
NET CHANGES IN FUND BALANCES	1,595,161	212,164	(338,686)	22,887
FUND BALANCES (DEFICITS):				
Beginning of year	22,297,448	465,940	(3,301,897)	6,012,278
End of year	\$ 23,892,609	\$ 678,104	\$ (3,640,583)	\$ 6,035,165

(Continued)

City of Corona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Planned Local Drainage	
REVENUES:		
Licenses and permits	\$ 796,368	\$ 796,368
Fines and Penalties	-	98,870
Intergovernmental	-	14,717,104
Special assessments	-	9,036,923
Investment earnings	(8,828)	900,057
Current services	-	10,828,139
Other revenues	392,555	599,325
Total revenues	<u>1,180,095</u>	<u>36,976,786</u>
EXPENDITURES:		
Current:		
Public safety- Police	-	145,463
Public works & maintenance services	814,593	21,388,138
Community services	-	44,122
Community development	-	227,855
Capital outlay	20,127	12,412,613
Debt service:		
Principal retirement	79,262	105,565
Interest and fiscal charges	24,317	32,645
Total expenditures	<u>938,299</u>	<u>34,356,401</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>241,796</u>	<u>2,620,385</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	427,304
Transfers out	-	(1,108,821)
Total other financing sources (uses)	<u>-</u>	<u>(681,517)</u>
NET CHANGES IN FUND BALANCES	241,796	1,938,868
FUND BALANCES (DEFICITS):		
Beginning of year	638,647	54,814,708
End of year	<u>\$ 880,443</u>	<u>\$ 56,753,576</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 8,018,647	\$ 7,423,800	\$ 7,426,384	\$ 2,584
Investment earnings	113,319	118,629	104,985	(13,644)
Other revenues	-	43,340	108,102	64,762
Total revenues	<u>8,131,966</u>	<u>7,585,769</u>	<u>7,639,471</u>	<u>53,702</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	1,879,535	1,969,135	1,353,916	615,219
Capital outlay	6,995,647	10,539,977	3,981,909	6,558,068
Debt service:				
Principal retirement	113,280	-	-	-
Interest and fiscal charges	34,753	-	-	-
Total expenditures	<u>9,023,215</u>	<u>12,509,112</u>	<u>5,335,825</u>	<u>7,173,287</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(891,249)</u>	<u>(4,923,343)</u>	<u>2,303,646</u>	<u>7,226,989</u>
OTHER FINANCING (USES):				
Transfers out	(1,200,000)	(1,200,000)	(1,108,821)	91,179
Total other financing (uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,108,821)</u>	<u>91,179</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,091,249)</u>	<u>\$ (6,123,343)</u>	<u>1,194,825</u>	<u>\$ 7,318,168</u>
FUND BALANCE:				
Beginning of year			<u>8,022,431</u>	
End of year			<u>\$ 9,217,256</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 5,726,000	\$ 5,536,000	\$ 5,829,188	\$ 293,188
Investment earnings	259,949	321,926	304,155	(17,771)
Total revenues	<u>5,985,949</u>	<u>5,857,926</u>	<u>6,133,343</u>	<u>275,417</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	168,000	168,000	168,001	(1)
Capital outlay	7,173,000	21,697,284	7,126,785	14,570,499
Total expenditures	<u>7,341,000</u>	<u>21,865,284</u>	<u>7,294,786</u>	<u>14,570,498</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,355,051)</u>	<u>\$ (16,007,358)</u>	(1,161,443)	<u>\$ 14,845,915</u>
FUND BALANCE:				
Beginning of year			<u>18,948,314</u>	
End of year			<u>\$ 17,786,871</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 200,000	\$ 108,359	\$ 262,688	\$ 154,329
Investment earnings	19,509	25,339	17,270	(8,069)
Total revenues	<u>219,509</u>	<u>133,698</u>	<u>279,958</u>	<u>146,260</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	33,300	-	516	(516)
Community services	-	33,300	11,854	21,446
Capital Outlay	-	76,500	6,046	70,454
Total expenditures	<u>33,300</u>	<u>109,800</u>	<u>18,416</u>	<u>91,384</u>
NET CHANGE IN FUND BALANCE	<u>\$ 186,209</u>	<u>\$ 23,898</u>	261,542	<u>\$ 237,644</u>
FUND BALANCE:				
Beginning of year			<u>1,465,940</u>	
End of year			<u>\$ 1,727,482</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ 27,882	\$ 47,186	\$ 19,304
Investment earnings	7,630	6,124	9,158	3,034
Total revenues	<u>7,630</u>	<u>34,006</u>	<u>56,344</u>	<u>22,338</u>
EXPENDITURES:				
Current:				
Public safety - police	161,600	161,600	145,463	16,137
Debt service:				
Interest and fiscal charges	1,000	1,000	259	741
Total expenditures	<u>162,600</u>	<u>162,600</u>	<u>145,722</u>	<u>16,878</u>
NET CHANGE IN FUND BALANCE	<u>\$ (154,970)</u>	<u>\$ (128,594)</u>	<u>(89,378)</u>	<u>\$ 39,216</u>
FUND BALANCE:				
Beginning of year			<u>265,607</u>	
End of year			<u>\$ 176,229</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special assessments	\$ 8,893,404	\$ 9,020,960	\$ 9,036,923	\$ 15,963
Investment earnings	444,861	511,663	467,500	(44,163)
Current services	68,458	68,386	36,099	(32,287)
Other revenues	24,871	20,327	84,086	63,759
Total revenues	<u>9,431,594</u>	<u>9,621,336</u>	<u>9,624,608</u>	<u>3,272</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	8,211,536	8,501,118	7,914,555	586,563
Capital outlay	32,031	1,306,815	114,892	1,191,923
Total expenditures	<u>8,243,567</u>	<u>9,807,933</u>	<u>8,029,447</u>	<u>1,778,486</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,188,027</u>	<u>\$ (186,597)</u>	1,595,161	<u>\$ 1,781,758</u>
FUND BALANCE:				
Beginning of year			22,297,448	
End of year			<u>\$ 23,892,609</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 121,300	\$ 278,087	\$ 38,814	\$ (239,273)
Investment earnings	1,824	1,586	-	(1,586)
Fines and penalties	139,972	120,000	-	(120,000)
Current services	11,753,100	11,136,885	-	(11,136,885)
Total revenues	12,016,196	11,536,558	38,814	(11,497,744)
EXPENDITURES:				
Current:				
Public works & maintenance services	11,602,026	11,591,898	-	11,591,898
Community services	-	61,601	-	61,601
Capital outlay	-	198,087	377,500	(179,413)
Debt service:				
Principal retirement	18,108	18,108	-	18,108
Interest and fiscal charges	5,555	5,555	-	5,555
Total expenditures	11,625,689	11,875,249	377,500	11,497,749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	390,507	(338,691)	(338,686)	5
OTHER FINANCING SOURCES:				
Transfers in	-	40,815	-	(40,815)
Total other financing sources	-	40,815	-	(40,815)
NET CHANGE IN FUND BALANCE	\$ 390,507	\$ (297,876)	(338,686)	\$ (40,810)
FUND BALANCE:				
Beginning of year			(3,301,897)	
End of year			\$ (3,640,583)	

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 38,814	\$ 38,814
Total revenues	<u>-</u>	<u>-</u>	<u>38,814</u>	<u>38,814</u>
EXPENDITURES:				
Capital outlay	-	668,839	377,500	291,339
Total expenditures	<u>-</u>	<u>668,839</u>	<u>377,500</u>	<u>291,339</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (668,839)</u>	<u>(338,686)</u>	<u>\$ 330,153</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(3,301,897)</u>	
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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and penalties	\$ -	\$ -	\$ 50	\$ 50
Intergovernmental	500,000	786,662	945,518	158,856
Current services	-	32,588	-	(32,588)
Other revenues	-	2,548	14,582	12,034
Total revenues	500,000	821,798	960,150	138,352
EXPENDITURES:				
Current:				
Planning and development	216,222	486,397	227,855	258,542
Capital outlay	1,477,381	6,210,263	698,699	5,511,564
Debt service:				
Principal retirement	8,195	8,195	8,195	-
Interest and fiscal charges	2,514	2,514	2,514	-
Total expenditures	1,704,312	6,707,369	937,263	5,770,106
NET CHANGE IN FUND BALANCE	\$ (1,204,312)	\$ (5,885,571)	22,887	\$ 5,908,458
FUND BALANCE (DEFICIT):				
Beginning of year			6,012,278	
End of year			\$ 6,035,165	

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 762,863	\$ 761,736	\$ 796,368	\$ 34,632
Investment earnings	-	8,091	(8,828)	(16,919)
Other Revenues	391,889	391,889	392,555	666
Total revenues	<u>1,154,752</u>	<u>1,161,716</u>	<u>1,180,095</u>	<u>18,379</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	851,611	1,007,641	814,593	193,048
Capital outlay	132,000	373,003	20,127	352,876
Debt service:				
Principal retirement	79,262	79,262	79,262	-
Interest and fiscal charges	24,317	24,317	24,317	-
Total expenditures	<u>1,087,190</u>	<u>1,484,223</u>	<u>938,299</u>	<u>545,924</u>
NET CHANGE IN FUND BALANCE	<u>\$ 67,562</u>	<u>\$ (322,507)</u>	241,796	<u>\$ 564,303</u>
FUND BALANCE:				
Beginning of year			<u>638,647</u>	
End of year			<u>\$ 880,443</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, 2023

	Transit Services	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 897,503	\$ 1,520,373	\$ 2,417,876
Accounts receivable	3,578	11,033	14,611
Interest receivable	4,524	7,242	11,766
Due from other government	332,285	-	332,285
Restricted cash and investments	52,127	-	52,127
Total current assets	1,290,017	1,538,648	2,828,665
Noncurrent assets:			
Capital assets:			
Capital assets, being depreciated, net	1,790,676	19,354	1,810,030
Total noncurrent assets	1,790,676	19,354	1,810,030
Total assets	3,080,693	1,558,002	4,638,695
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	134,652	-	134,652
OPEB related items	56,179	-	56,179
Total deferred outflows of resources	190,831	-	190,831
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	843,160	1,502	844,662
Accrued interest payable	2,901	-	2,901
Unearned revenue	373,690	300	373,990
Deposits payable	-	460	460
Compensated absences, due within one year	22,769	-	22,769
Long-term debt - due within one year	63,615	-	63,615
Total current liabilities	1,306,135	2,262	1,308,397
Noncurrent liabilities:			
Long term liabilities, due in more than one year	820,975	-	820,975
Compensated absences, due in more than one year	9,365	-	9,365
Net pension liability	71,088	-	71,088
Net OPEB liability	189,539	-	189,539
Total non-current liabilities	1,090,967	-	1,090,967
Total liabilities	2,397,102	2,262	2,399,364
DEFERRED INFLOWS OF RESOURCES			
Pension related items	3,898	-	3,898
OPEB related items	29,429	-	29,429
Total deferred inflows of resources	33,327	-	33,327
NET POSITION			
Investment in capital assets	1,790,676	19,354	1,810,030
Restricted	52,127	-	52,127
Unrestricted (deficit)	(1,001,708)	1,536,386	534,678
Total net position	\$ 841,095	\$ 1,555,740	\$ 2,396,835

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Transit Services	Airport	Total
OPERATING REVENUES:			
	\$ 2,553,963	\$ -	\$ 2,553,963
Fees and permits	-	47,175	47,175
Fines and permits	40,550	9	40,559
Other revenues	53,631	433,461	487,092
Total operating revenues	2,648,144	480,645	3,128,789
OPERATING EXPENSES:			
Personnel services	198,342	91,669	290,011
Contractual services	2,214,528	5,483	2,220,011
Materials and supplies	59,086	103,070	162,156
Utilities	214,374	9,751	224,125
Depreciation	653,355	14,297	667,652
Total operating expenses	3,339,685	224,270	3,563,955
OPERATING INCOME (LOSS)	(691,541)	256,375	(435,166)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	-	51,639	51,639
Investment earnings	14,315	17,535	31,850
Interest expense	(17,845)	-	(17,845)
Total nonoperating revenues (expenses)	(3,530)	69,174	65,644
CHANGE IN NET POSITION	(695,071)	325,549	(369,522)
NET POSITION:			
Beginning of the year	1,536,166	1,230,191	2,766,357
End of the year	\$ 841,095	\$ 1,555,740	\$ 2,396,835

City of Corona
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Transit Service	Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 2,354,168	\$ 489,046	\$ 2,843,214
Cash paid to suppliers for goods and services	(2,155,307)	(369,228)	(2,524,535)
Cash paid to employees for services	(206,348)	(90,205)	(296,553)
Net cash provided by (used in) operating activities	(7,487)	29,613	22,126
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	-	86,384	86,384
Principal paid on pension obligation bonds	(58,293)	-	(58,293)
Interest paid on pension obligation bonds	(17,884)	-	(17,884)
Net cash provided by (used in) noncapital financing activities	(76,177)	86,384	10,207
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	12,472	13,945	26,417
Net cash provided by investing activities	12,472	13,945	26,417
Net increase (decrease) in cash and cash equivalents	(71,192)	129,942	58,750
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,020,822	1,390,431	2,411,253
End of year	<u>\$ 949,630</u>	<u>\$ 1,520,373</u>	<u>\$ 2,470,003</u>
CASH AND CASH EQUIVALENTS:			
Cash and investments	\$ 897,503	\$ 1,520,373	\$ 2,417,876
Restricted cash and investments	52,127	-	52,127
Total cash and cash equivalents	<u>\$ 949,630</u>	<u>\$ 1,520,373</u>	<u>\$ 2,470,003</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (691,541)	\$ 256,375	\$ (435,166)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	653,355	14,297	667,652
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	440	8,321	8,761
(Increase) decrease in due from other government	72,030	-	72,030
(Increase) decrease in deferred outflows of resources related to pension	425,886	-	425,886
(Increase) decrease in deferred outflows of resources related to OPEB	2,785	-	2,785
Increase (decrease) in accounts payable and accrued liabilities	327,765	(249,460)	78,305
Increase (decrease) in compensated absences	(30,782)	-	(30,782)
Increase (decrease) in unearned revenue	(366,446)	-	(366,446)
Increase (decrease) in deposits payable	-	80	80
Increase (decrease) in net pension liability	(243,678)	-	(243,678)
Increase (decrease) in net OPEB liability	6,261	-	6,261
Increase (decrease) in deferred inflows of resources related to pension	(131,952)	-	(131,952)
Increase (decrease) in deferred inflows of resources related to OPEB	(31,610)	-	(31,610)
Total adjustments	684,054	(226,762)	457,292
Net cash provided by (used in) operating activities	<u>\$ (7,487)</u>	<u>\$ 29,613</u>	<u>\$ 22,126</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, 2023

	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
ASSETS			
Current assets:			
Cash and investments	\$ 6,937,325	\$ 24,518,471	\$ 2,819,963
Accounts receivable	42,649	56,373	-
Inventories and prepaid items	197,166	-	-
Total current assets	7,177,140	24,574,844	2,819,963
Noncurrent assets:			
Capital assets, not depreciated	30,654	-	-
Capital assets, being depreciated, net	2,629,313	-	-
Intangible asset, being amortized, net	944,066	-	-
Total noncurrent assets	3,604,033	-	-
Total assets	10,781,173	24,574,844	2,819,963
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	634,066	-	-
OPEB related items	364,355	-	-
Total deferred outflows of resources	998,421	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	329,707	223,091	29,347
Accrued interest payable	7,268	-	-
Claim payable, due within one year	-	3,117,924	431,680
Compensated absences, due within one year	69,969	-	-
Long-term debt, due within one year	159,404	-	-
Lease and SBITA payable, due within one year	146,849	-	-
Total current liabilities	713,197	3,341,015	461,027
Noncurrent liabilities:			
Compensated absences, due more than one year	-	-	-
Long term liabilities, due in more than one year	2,057,163	-	-
Lease and SBITA payable, due more than one year	239,203	-	-
Claim payable, due more than one year	-	17,625,604	1,276,964
Net pension liability	334,750	-	-
Net OPEB liability	1,229,275	-	-
Total noncurrent liabilities	3,860,391	17,625,604	1,276,964
Total liabilities	4,573,588	20,966,619	1,737,991
DEFERRED INFLOWS OF RESOURCES			
Pension related items	18,357	-	-
OPEB related items	190,868	-	-
Total deferred inflows of resources	209,225	-	-
NET POSITION			
Net investment in capital assets	3,217,981	-	-
Unrestricted	3,778,800	3,608,225	1,081,972
Total net position	\$ 6,996,781	\$ 3,608,225	\$ 1,081,972

(Continued)

City of Corona
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2023

	Warehouse	Information Technology	Total
ASSETS			
Current assets:			
Cash and investments	\$ 863,059	\$ 11,469,719	\$ 46,608,537
Accounts receivable	-	135	99,157
Inventories and prepaid items	-	-	197,166
Total current assets	863,059	11,469,854	46,904,860
Noncurrent assets:			
Capital assets, not depreciated	-	84,378	115,032
Capital assets, being depreciated net	-	154,030	2,783,343
Intangible asset, being amortized, net	-	3,927,686	4,871,752
Total noncurrent assets	-	4,166,094	7,770,127
Total assets	863,059	15,635,948	54,674,987
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	101,337	2,152,065	2,887,468
OPEB related items	55,640	664,096	1,084,091
Total deferred outflows of resources	156,977	2,816,161	3,971,559
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	4,400	189,570	776,115
Accrued interest payable	1,063	102,086	110,417
Claim payable, due within one year	-	-	3,549,604
Compensated absences, due within one year	4,433	260,246	334,648
Long-term debt, due within one year	23,315	492,322	675,041
Lease and SBITA payable, due within one year	-	2,005,309	2,152,158
Total current liabilities	33,211	3,049,533	7,597,983
Noncurrent liabilities:			
Compensated absences, due more than one year	-	148,583	148,583
Long term liabilities, due in more than one year	300,888	6,353,573	8,711,624
Lease and SBITA payable, due more than one year	-	1,437,613	1,676,816
Claim payable, due more than one year	-	-	18,902,568
Net pension liability	53,500	1,136,164	1,524,414
Net OPEB liability	187,723	2,240,551	3,657,549
Total noncurrent liabilities	542,111	11,316,484	34,621,554
Total liabilities	575,322	14,366,017	42,219,537
DEFERRED INFLOWS OF RESOURCES			
Pension related items	2,934	62,305	83,596
OPEB related items	29,147	347,887	567,902
Total deferred inflows of resources	32,081	410,192	651,498
NET POSITION			
Net investment in capital assets	-	723,172	3,941,153
Unrestricted	412,633	2,952,728	11,834,358
Total net position	\$ 412,633	\$ 3,675,900	\$ 15,775,511

(Concluded)

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
OPERATING REVENUES:			
Service charges	\$ 4,930,770	\$ 2,521,576	\$ 4,133,749
Other revenues	1,348,380	14,399	-
Total operating revenues	6,279,150	2,535,975	4,133,749
OPERATING EXPENSES:			
Personnel services	1,066,269	-	-
Contractual services	232,622	-	323,234
Materials and supplies	2,148,347	68,564	-
Utilities	1,442,755	-	-
Depreciation and amortization expense	972,589	-	-
Claims and premium	-	2,890,603	2,728,543
Total operating expenses	5,862,582	2,959,167	3,051,777
NET OPERATING INCOME (LOSS)	416,568	(423,192)	1,081,972
NONOPERATING REVENUE (EXPENSES):			
Interest expense	(82,458)	-	-
Gain (loss) on sale of capital assets	(14,108)	-	-
Total nonoperating expenses	(96,566)	-	-
CHANGE IN NET POSITION	320,002	(423,192)	1,081,972
NET POSITION:			
Beginning of the year	6,676,779	4,031,417	-
End of the year	\$ 6,996,781	\$ 3,608,225	\$ 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, 2023

	Warehouse	Information Technology	Total
OPERATING REVENUES:			
Service charges	\$ 446,580	\$ 14,231,808	\$ 26,264,483
Other revenues	-	-	1,362,779
Total operating revenues	446,580	14,231,808	27,627,262
OPERATING EXPENSES:			
Personnel services	225,225	4,214,801	5,506,295
Contractual services	284	2,970,606	3,526,746
Materials and supplies	5,526	956,518	3,178,955
Utilities	985	269,537	1,713,277
Depreciation expense	-	2,033,361	3,005,950
Claims and premium	-	-	5,619,146
Total operating expenses	232,020	10,444,823	22,550,369
NET OPERATING INCOME (LOSS)	214,560	3,786,985	5,076,893
NONOPERATING REVENUE (EXPENSES):			
Interest expense	(6,540)	(223,376)	(312,374)
Gain (loss) on sale of capital assets	-	1,823	(12,285)
Total nonoperating expenses	(6,540)	(221,553)	(324,659)
CHANGE IN NET POSITION	208,020	3,565,432	4,752,234
NET POSITION:			
Beginning of the year	204,613	110,468	11,023,277
End of the year	<u>\$ 412,633</u>	<u>\$ 3,675,900</u>	<u>\$ 15,775,511</u>

(Concluded)

City of Corona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds		
	Fleet	Workers'	Liability
	Operations	Compensation Self-Insurance	Risk Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 6,241,411	\$ 2,526,143	\$ 4,133,749
Cash paid to suppliers for goods and services	(4,257,202)	(69,990)	(2,048,350)
Cash paid to employees for services	(1,026,703)	-	-
Cash paid for insurance or claims	-	(2,871,636)	(2,406,709)
Net cash provided by (used in) operating activities	957,506	(415,483)	(321,310)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Principal paid on pension obligation bonds	(146,069)	-	-
Interest paid on pension obligation bonds	(44,812)	-	-
Net cash (used in) noncapital financing activities	(190,881)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(683,704)	-	-
Proceed from sale of capital assets	-	-	-
Principal paid on lease payables	(227,949)	-	-
Interest paid on lease payables	(37,744)	-	-
Net cash (used in) capital and related financing activities	(949,397)	-	-
Net increase (decrease) in cash and cash equivalents	(182,772)	(415,483)	(321,310)
CASH AND CASH EQUIVALENTS:			
Beginning of year	7,120,097	24,933,954	3,141,273
End of year	<u>\$ 6,937,325</u>	<u>\$ 24,518,471</u>	<u>\$ 2,819,963</u>
NONCASH ITEMS:			
Lease and subscription to intangible assets	\$ 68,984	\$ -	\$ -
Issuance of lease and subscription liabilities	<u>\$ (68,984)</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 416,568	\$ (423,192)	\$ 1,081,972
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	972,589	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(37,739)	(9,832)	-
(Increase) decrease in inventories and prepaid items	11,371	-	-
(Increase) decrease in pension related deferred outflows of resources	1,350,176	-	-
(Increase) decrease in OPEB related deferred outflows of resources	(2,445)	-	-
Increase (decrease) in accounts payable and accrued liabilities	(448,272)	(1,426)	(1,725,116)
Increase (decrease) in claims payable	-	18,967	321,834
Increase (decrease) in compensated absences	16,719	-	-
Increase (decrease) in net pension liability	(779,486)	-	-
Increase (decrease) in net OPEB liability	104,345	-	-
Increase (decrease) in pension related deferred inflows of resources	(462,539)	-	-
Increase (decrease) in OPEB related deferred inflows of resources	(183,781)	-	-
Total adjustments	540,938	7,709	(1,403,282)
Net cash provided by (used in) operating activities	\$ 957,506	\$ (415,483)	\$ (321,310)

City of Corona
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 446,580	\$ 14,254,073	\$ 27,601,956
Cash paid to suppliers for goods and services	(11,065)	(4,241,808)	(10,628,415)
Cash paid to employees for services	(167,650)	(3,616,359)	(4,810,712)
Cash paid for insurance or claims	-	-	(5,278,345)
Net cash provided by (used in) operating activities	267,865	6,395,906	6,884,484
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Principal paid on pension obligation bonds	(21,365)	(451,136)	(618,570)
Interest paid on pension obligation bonds	(6,554)	(58,765)	(110,131)
Net cash (used in) noncapital financing activities	(27,919)	(509,901)	(728,701)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(233,969)	(917,673)
Proceed from sale of capital assets	-	1,823	1,823
Principal paid on lease payables	-	(2,233,224)	(2,461,173)
Interest paid on lease payables	-	(85,276)	(123,020)
Net cash (used in) capital and related financing activities	-	(2,550,646)	(3,500,043)
Net increase (decrease) in cash and cash equivalents	239,946	3,335,359	2,655,740
CASH AND CASH EQUIVALENTS:			
Beginning of year	623,113	8,134,360	43,952,797
End of year	<u>\$ 863,059</u>	<u>\$ 11,469,719</u>	<u>\$ 46,608,537</u>
NONCASH ITEMS:			
Subscription to intangible assets	\$ -	\$ 4,673,384	\$ 4,742,368
Issuance of subscription liabilities	<u>\$ -</u>	<u>\$ (4,673,384)</u>	<u>\$ (4,742,368)</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 214,560	\$ 3,786,985	\$ 5,076,893
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	-	2,033,361	3,005,950
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	22,265	(25,306)
(Increase) decrease in inventories and prepaid items	-	-	11,371
(Increase) decrease in pension related deferred outflows of resources	178,921	6,426,965	7,956,062
(Increase) decrease in OPEB related deferred outflows of resources	(17,843)	(2,641)	(22,929)
Increase (decrease) in accounts payable and accrued liabilities	(2,247)	(58,050)	(2,235,111)
Increase (decrease) in claims payable	-	-	340,801
Increase (decrease) in compensated absences	3,085	37,537	57,341
Increase (decrease) in net pension liability	(103,877)	(3,681,323)	(4,564,686)
Increase (decrease) in net OPEB liability	70,236	184,543	359,124
Increase (decrease) in pension related deferred inflows of resources	(64,989)	(2,016,886)	(2,544,414)
Increase (decrease) in OPEB related deferred inflows of resources	(9,981)	(336,850)	(530,612)
Total adjustments	<u>53,305</u>	<u>2,608,921</u>	<u>1,807,591</u>
Net cash provided by (used in) operating activities	\$ 267,865	\$ 6,395,906	\$ 6,884,484



CUSTODIAL FUNDS

Custodial Funds are used 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.

Assessment District and Community Facility District (AD/CFD) Funds - These funds are used 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 the bonds that are not direct obligations of the City.

AB109 PACT Fund - This fund is used to account for resources accumulated for the Riverside County Post-Release Accountability and Compliance Team ("PACT"). The AB109 PACT was created on December 16, 2015. The City of Corona is one of the seven member agencies of PACT, and serve a the trustee of PACT. Funding for PACT comes from the State of California in accordance with AB109, Public Safety Realignment Act of 2011. This fund was closed during the year ended June 30, 2023.



City of Corona
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	AD/CFD Fund	AB109 PACT	Total
ASSETS			
Cash and investments	\$ 1,792,250	\$ -	\$ 1,792,250
Restricted cash and investments	28,378,168	-	28,378,168
Interest receivable	8,547	-	8,547
Due from other governments	118,942	-	118,942
Total assets	30,297,907	-	30,297,907
LIABILITIES			
Deposits payable	62,059	-	62,059
Total liabilities	62,059	-	62,059
NET POSITION			
Restricted for:			
Organizations and other governments	\$ 30,235,848	\$ -	\$ 30,235,848

City of Corona
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	AD/CFD Fund	AB109 PACT	Total
ADDITIONS:			
Assessment revenue	\$ 6,881,992	\$ -	\$ 6,881,992
Investment earnings	781,721	-	781,721
Bond proceeds	15,190,000	-	15,190,000
Total additions	22,853,713	-	22,853,713
DEDUCTIONS:			
Distribution to the City	-	96,937	96,937
Payments for district expenses	835,270	-	835,270
Payments for district debt service	6,512,378	-	6,512,378
Total deductions	7,347,648	96,937	7,444,585
Change in net position	15,506,065	(96,937)	15,409,128
NET POSITION:			
Beginning of year	14,729,783	96,937	14,826,720
End of year	\$ 30,235,848	\$ -	\$ 30,235,848

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 offer demographic and economic indicators to help readers to understand the environment within which the City's financial activities take place.

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Operating Information

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				
	2023	2022	2021	2020	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 805,911,955	\$ 774,605,309	\$ 751,014,897	\$ 715,567,718	\$ 690,776,881
Restricted for:					
Capital Projects	43,106,386	37,622,892	30,373,703	30,073,897	34,034,394
Pension	35,415,224	30,102,382	-	-	-
Debt Service	14,024	124	6	8,627,925	6,490,959
Transportation and Public Works	29,409,713	28,902,625	29,395,576	21,690,954	22,272,787
Special Assessment District	23,892,609	28,773,861	24,246,859	11,617,840	12,625,790
Development Projects	17,719,706	17,413,190	16,303,526	23,608,622	21,365,909
Community Development Projects	6,035,165	6,012,278	6,194,799	6,594,350	
Other Purposes	283,659	540,572	565,368	350,132	382,770
Total Restricted	<u>155,876,486</u>	<u>149,367,924</u>	<u>107,079,837</u>	<u>102,563,720</u>	<u>97,172,609</u>
Unrestricted	<u>72,780,934</u>	<u>52,930,786</u>	<u>38,917,327</u>	<u>45,153,818</u>	<u>34,147,614</u>
Total Governmental Activities Net Position	<u>\$ 1,034,569,375</u>	<u>\$ 976,904,019</u>	<u>\$ 897,012,061</u>	<u>\$ 863,285,256</u>	<u>\$ 822,097,104</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 371,608,006	\$ 365,081,077	\$ 362,609,521	\$ 348,173,650	\$ 346,111,296
Restricted for:					
Capital Projects	-	-	-	6,735,454	6,735,454
Debt Service	526,057	509,441	509,441	-	-
Transportation and Public Works	52,127	255,544	366,440	377,421	369,860
Development Projects	855,624	855,624	855,624	792,804	792,804
Total Restricted	<u>1,433,808</u>	<u>1,620,609</u>	<u>1,731,505</u>	<u>7,905,679</u>	<u>7,898,118</u>
Unrestricted	<u>(44,211,868)</u>	<u>(66,552,586)</u>	<u>(70,513,075)</u>	<u>(79,890,157)</u>	<u>(95,417,283)</u>
Total Business-Type Activities Net Position	<u>\$ 328,829,946</u>	<u>\$ 300,149,100</u>	<u>\$ 293,827,951</u>	<u>\$ 276,189,172</u>	<u>\$ 258,592,131</u>
Primary Government					
Net Investment in Capital Assets	\$ 1,177,519,961	\$ 1,139,686,386	\$ 1,113,624,418	\$ 1,063,741,368	\$ 1,036,888,177
Restricted	157,310,294	150,988,533	108,811,342	110,469,399	105,070,727
Unrestricted	<u>28,569,066</u>	<u>(13,621,800)</u>	<u>(31,595,748)</u>	<u>(34,736,339)</u>	<u>(61,269,669)</u>
Total Primary Government Net Position	<u>\$ 1,363,399,321</u>	<u>\$ 1,277,053,119</u>	<u>\$ 1,190,840,012</u>	<u>\$ 1,139,474,428</u>	<u>\$ 1,080,689,235</u>

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 661,445,807	\$ 638,468,424	\$ 618,953,633	\$ 587,861,831	\$ 557,314,076
Restricted for:					
Capital Projects	35,250,894	26,832,918	24,440,919	23,435,434	31,326,722
Pension	-	-	-	-	-
Debt Service	5,100,103	3,439,357	2,416,841	2,653,417	2,770,292
Transportation and Public Works	18,493,153	16,363,749	15,401,285	19,206,895	19,224,575
Special Assessment District	11,114,013	14,377,296	17,074,793	15,602,868	13,862,186
Development Projects	9,137,699	5,276,971	8,866,182	5,939,085	1,934,349
Community Development Projects					
Other Purposes	309,562	725,421	514,174	560,289	803,053
Total Restricted	<u>79,405,424</u>	<u>68,714,194</u>	<u>67,397,988</u>	<u>69,921,177</u>	<u>124,816,559</u>
Unrestricted	<u>23,749,730</u>	<u>96,234,263</u>	<u>90,173,729</u>	<u>270,365,217</u>	<u>265,060,487</u>
Total Governmental Activities Net Position	<u><u>\$ 764,600,961</u></u>	<u><u>\$ 783,902,090</u></u>	<u><u>\$ 745,433,548</u></u>	<u><u>\$ 897,600,470</u></u>	<u><u>\$ 932,351,224</u></u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 334,581,059	\$ 324,512,188	\$ 312,540,296	\$ 286,045,985	\$ 275,218,430
Restricted for:					
Capital Projects	6,735,454	6,735,454	7,205,941	6,898,174	10,780,901
Debt Service	-	-	-	6,061,277	6,813,257
Transportation and Public Works	261,195	697,391	611,272	830,088	1,317,690
Development Projects					
Total Restricted	<u>6,996,649</u>	<u>7,817,213</u>	<u>13,789,539</u>	<u>18,911,848</u>	<u>8,565,678</u>
Unrestricted	<u>(111,330,380)</u>	<u>(96,745,399)</u>	<u>(92,820,840)</u>	<u>(91,326,475)</u>	<u>(100,444,897)</u>
Total Business-Type Activities Net Position	<u><u>\$ 230,247,328</u></u>	<u><u>\$ 223,612,110</u></u>	<u><u>\$ 207,014,684</u></u>	<u><u>\$ 202,803,803</u></u>	<u><u>\$ 189,397,114</u></u>
Primary Government					
Net Investment in Capital Assets	\$ 996,026,866	\$ 962,980,612	\$ 931,493,929	\$ 873,907,816	\$ 832,532,506
Restricted	86,402,073	74,448,557	76,531,407	81,187,527	88,833,025
Unrestricted	<u>(87,580,650)</u>	<u>20,341,732</u>	<u>(511,136)</u>	<u>(2,647,111)</u>	<u>179,038,742</u>
Total Primary Government Net Position	<u><u>\$ 994,848,289</u></u>	<u><u>\$ 1,057,770,901</u></u>	<u><u>\$ 1,007,514,200</u></u>	<u><u>\$ 952,448,232</u></u>	<u><u>\$ 1,100,404,273</u></u>

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Expenses					
Governmental Activities:					
General Government	\$ 42,003,289	\$ 35,184,855	\$ 37,567,629	\$ 35,158,626	\$ 33,591,975
Public Safety - Fire	59,329,187	31,961,693	32,592,271	29,429,998	29,004,569
Public Safety - Police	60,018,129	46,544,729	49,673,632	45,363,320	51,665,087
Public Works & Maintenance Services	33,911,619	51,021,619	42,862,546	47,417,239	41,082,525
Communiy Services (**)	18,724,859	3,969,626	3,863,503	3,720,964	4,301,828
Planning and Development (**)	9,928,888	5,081,650	6,404,617	5,179,409	4,666,834
Economic Development	1,303,084	1,200,606	651,741	219,500	391,110
Interest and Fiscal Charges	4,841,729	3,857,494	1,125,253	1,239,678	1,347,268
Total Governmental Activities Expenses	\$ 230,060,784	\$ 178,822,272	\$ 174,741,192	\$ 167,728,734	\$ 166,051,196
Business-Type Activities:					
Water	60,671,831	63,431,423	61,436,086	59,032,333	54,241,684
Sewer	33,600,749	31,913,449	27,651,867	28,852,053	28,218,102
Electric	18,276,874	15,553,202	14,557,426	15,159,666	15,597,164
Transit Services	3,357,530	2,906,505	2,563,422	2,972,289	3,153,161
Airport	224,270	458,143	187,251	150,703	180,033
Total Business-Type Activities Expenses	116,131,254	114,262,722	106,396,052	106,167,044	101,390,144
Total Primary Government Expenses	\$ 346,192,038	\$ 293,084,994	\$ 281,137,244	\$ 273,895,778	\$ 267,441,340
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (*)	6,661,052	6,179,740	5,908,573	4,942,880	7,377,481
Public Safety - Fire	4,493,877	3,952,023	3,889,503	4,048,936	4,914,360
Public Safety - Police	1,812,973	2,402,592	2,112,639	2,274,242	2,282,448
Public Works & Maintenance Services	14,061,014	14,764,111	13,536,491	14,552,360	17,033,637
Communiy Services (**)	2,774,611	2,190,731	867,243	1,919,806	2,882,270
Planning and Development (**)	5,646,101	4,592,172	5,605,810	4,084,790	4,868,485
Economic Development	-	-	-	-	-
Operating Grants and Contributions	34,969,870	37,521,201	33,382,020	17,568,917	17,177,545
Capital Grants and Contributions	22,824,536	19,861,094	19,254,389	36,780,592	46,130,203
Total Governmental Activities Program Revenues	93,244,034	91,463,664	84,556,668	86,172,523	102,666,429
Business-Type activities:					
Charges for Services:					
Water	80,554,287	64,960,384	65,486,307	55,238,024	56,486,220
Sewer	35,209,947	34,027,929	34,562,829	30,984,409	31,394,607
Electric	17,882,717	17,554,503	16,484,158	16,346,238	16,971,319
Transit Services	94,181	246,155	63,382	297,111	364,025
Airport	480,645	434,761	591,652	398,281	341,505
Operating Grants and Contributions	2,966,466	5,062,788	2,226,923	2,185,674	1,813,204
Capital Grants and Contributions	4,182,457	1,894,007	4,146,239	6,004,436	6,915,473
Total Business-Type Activities Program Revenues	141,370,700	124,180,527	123,561,490	111,454,173	114,286,353
Total Primary Government Program Revenues	\$ 234,614,734	\$ 215,644,191	\$ 208,118,158	\$ 197,626,696	\$ 216,952,782

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Expenses					
Governmental Activities:					
General Government	\$ 21,282,982	\$ 28,273,481	\$ 27,435,359	\$ 24,481,334	\$ 23,974,508
Public Safety - Fire	29,892,569	26,004,329	24,447,062	24,052,304	23,062,147
Public Safety - Police	52,237,558	47,773,812	44,341,895	42,939,535	40,779,963
Public Works & Maintenance Services	38,699,371	35,763,511	39,647,786	33,544,227	39,591,302
Communiy Services (**)	3,815,661	5,281,168	6,463,940	6,559,251	4,417,913
Planning and Development (**)	3,691,471	4,736,871	5,933,581	3,806,766	3,453,020
Economic Development	329,276	4,927,998	4,422,141	3,107,755	5,344,121
Interest and Fiscal Charges	1,398,132	1,034,468	1,910,542	2,016,105	2,172,050
Total Governmental Activities Expenses	\$ 151,347,020	\$ 153,795,638	\$ 154,602,306	\$ 140,507,277	\$ 142,795,024
Business-Type Activities:					
Water	66,216,277	52,922,440	51,177,312	55,714,372	58,165,289
Sewer	31,543,999	24,258,766	25,004,508	26,500,708	29,160,167
Electric	16,913,151	15,559,948	20,082,535	15,192,888	13,373,418
Transit Services	3,391,384	2,826,701	2,732,394	2,477,893	2,355,405
Airport	146,287	166,860	197,702	282,969	281,771
Total Business-Type Activities Expenses	118,211,098	95,734,715	99,194,451	100,168,830	103,336,050
Total Primary Government Expenses	\$ 269,558,118	\$ 249,530,353	\$ 253,796,757	\$ 240,676,107	\$ 246,131,074
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (*)	10,394,661	18,216,829	18,556,870	20,774,890	16,938,527
Public Safety - Fire	5,076,947	4,087,577	3,679,300	3,142,720	4,264,876
Public Safety - Police	2,172,690	1,090,884	1,082,045	1,065,181	2,070,221
Public Works & Maintenance Services	15,271,111	15,757,571	15,708,292	20,011,693	20,068,114
Communiy Services (**)	2,582,847	1,690,619	1,481,845	1,014,872	319,806
Planning and Development (**)	3,718,706	2,112,169	2,116,832	2,420,301	3,316,624
Economic Development	-	-	-	-	666,394
Operating Grants and Contributions	15,235,243	13,607,731	13,468,867	11,780,932	12,555,412
Capital Grants and Contributions	32,940,776	23,356,504	40,508,675	27,197,609	20,783,935
Total Governmental Activities Program Revenues	87,392,981	79,919,884	96,602,726	87,408,198	80,983,909
Business-Type activities:					
Charges for Services:					
Water	56,153,664	51,435,658	48,753,278	52,620,052	55,937,613
Sewer	31,114,187	31,271,134	30,755,583	30,735,952	30,626,667
Electric	17,772,585	16,789,626	17,057,728	16,760,206	17,182,310
Transit Services	359,652	445,604	427,417	432,281	406,202
Airport	265,996	298,868	272,217	288,820	316,402
Operating Grants and Contributions	3,195,967	2,876,392	5,116,662	4,160,035	1,640,359
Capital Grants and Contributions	4,992,185	13,061,722	6,954,812	13,485,750	4,225,256
Total Business-Type Activities Program Revenues	113,854,236	116,179,004	109,337,697	118,483,096	110,334,809
Total Primary Government Program Revenues	\$ 201,247,217	\$ 196,098,888	\$ 205,940,423	\$ 205,891,294	\$ 191,318,718

(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				
	2023	2022	2021	2020	2019
Net (Expense)/Revenue					
Governmental Activities	\$ (136,816,750)	\$ (87,358,608)	\$ (90,184,524)	\$ (81,556,211)	\$ (63,384,767)
Business-Type Activities	25,239,446	9,917,805	17,165,438	5,287,129	12,896,209
Total Primary Government Net Expense	<u>\$ (111,577,304)</u>	<u>\$ (121,801,454)</u>	<u>\$ (73,019,086)</u>	<u>\$ (76,269,082)</u>	<u>\$ (50,488,558)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 61,085,887	\$ 55,400,381	\$ 52,583,004	\$ 50,397,965	\$ 48,123,700
Sales and Use Tax	101,136,363	89,912,163	44,752,843	39,657,924	44,125,758
Other Taxes	13,376,528	12,562,342	11,213,308	10,369,076	11,640,957
Total taxes	<u>175,598,778</u>	<u>157,874,886</u>	<u>108,549,155</u>	<u>100,424,965</u>	<u>103,890,415</u>
Investment Earnings	10,613,780	(1,537,234)	972,402	10,810,066	9,042,370
Miscellaneous	8,269,547	7,519,310	12,065,796	12,544,603	11,764,807
Unrestricted Grants and Contributions	-	-	-	-	-
Gain/(Loss) on Sale of Capital Asset	-	120,753	158,800	-	-
Extraordinary Items	-	-	-	-	-
Transfers	-	109,748	(52,902)	(706,869)	(1,896,122)
Special Items	-	-	-	-	-
Total Governmental Activities	<u>194,482,105</u>	<u>164,087,463</u>	<u>121,693,251</u>	<u>123,072,765</u>	<u>122,801,470</u>
Business-Type Activities:					
Investment Earnings	3,441,400	(3,486,908)	684,844	6,237,118	5,010,211
Other Income	-	-	-	4,001,432	8,542,261
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	-
Transfers	-	(109,748)	52,902	706,869	1,896,122
Extraordinary Item - Impairment of Capital Asset	-	-	-	2,052,000	-
Total Business-Type Activities	<u>3,441,400</u>	<u>(3,596,656)</u>	<u>737,746</u>	<u>12,997,419</u>	<u>15,448,594</u>
Total Primary Government	<u>\$ 197,923,505</u>	<u>\$ 160,490,807</u>	<u>\$ 122,430,997</u>	<u>\$ 136,070,184</u>	<u>\$ 138,250,064</u>
Change in Net Position					
Governmental Activities	\$ 57,665,355	\$ 76,728,855	\$ 31,508,727	\$ 41,516,554	\$ 59,416,703
Business-Type Activities	28,680,846	6,321,149	17,903,184	18,284,548	28,344,803
Total Primary Government	<u>\$ 86,346,201</u>	<u>\$ 83,050,004</u>	<u>\$ 49,411,911</u>	<u>\$ 59,801,102</u>	<u>\$ 87,761,506</u>

(Continued)

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Net (Expense)/Revenue					
Governmental Activities	\$ (63,954,039)	\$ (73,875,754)	\$ (57,999,580)	\$ (53,099,079)	\$ (71,620,834)
Business-Type Activities	(4,356,862)	20,444,289	10,143,246	18,314,266	6,998,759
Total Primary Government Net Expense	<u>\$ (68,310,901)</u>	<u>\$ (53,431,465)</u>	<u>\$ (47,856,334)</u>	<u>\$ (34,784,813)</u>	<u>\$ (64,622,075)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 45,646,490	\$ 43,059,232	\$ 42,156,726	\$ 38,656,150	\$ 36,462,210
Sales and Use Tax	38,118,548	41,145,616	39,663,795	36,608,600	35,623,651
Other Taxes	10,490,863	9,565,580	9,349,800	10,566,662	9,099,819
Total taxes	<u>94,255,901</u>	<u>93,770,428</u>	<u>91,170,321</u>	<u>85,831,412</u>	<u>81,185,680</u>
Investment Earnings	540,824	623,227	3,172,905	1,988,557	2,296,081
Miscellaneous	13,123,627	6,892,170	4,765,043	3,686,771	2,096,681
Unrestricted Grants and Contributions	-	-	-	-	407
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	-
Extraordinary Items	-	-	-	5,054,583	(56,854,230)
Transfers	(2,744,512)	44,970	14,540	-	(916,819)
Special Items	3,037,670	-	-	-	-
Total Governmental Activities	<u>108,213,510</u>	<u>101,330,795</u>	<u>99,122,809</u>	<u>96,561,323</u>	<u>27,807,800</u>
Business-Type Activities:					
Investment Earnings	334,927	199,758	1,839,114	862,948	1,189,440
Other Income	4,887,538	479,465	45,168	493	1,996,793
Gain/(Loss) on Sale of Capital Asset	-	-	-	(10,207)	2,497,251
Transfers	2,744,512	(44,970)	(14,540)	-	916,819
Extraordinary Item - Impairment of Capital Asset	-	-	-	-	-
Total Business-Type Activities	<u>7,966,977</u>	<u>634,253</u>	<u>1,869,742</u>	<u>853,234</u>	<u>6,600,303</u>
Total Primary Government	<u>\$ 116,180,487</u>	<u>\$ 101,965,048</u>	<u>\$ 100,992,551</u>	<u>\$ 97,414,557</u>	<u>\$ 34,408,103</u>
Change in Net Position					
Governmental Activities	\$ 44,259,471	\$ 27,455,041	\$ 41,123,229	\$ 43,462,244	\$ (43,813,034)
Business-Type Activities	3,610,115	21,078,542	12,012,988	19,167,500	13,599,062
Total Primary Government	<u>\$ 47,869,586</u>	<u>\$ 48,533,583</u>	<u>\$ 53,136,217</u>	<u>\$ 62,629,744</u>	<u>\$ (30,213,972)</u>

(Concluded)

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

	Fiscal Year								
	2023	#	2022	#	2021	#	2020	#	2019
General Fund									
Nonspendable	\$ 181,343,271		\$ 187,583,529		\$ 19,804,579		\$ 22,787,534		\$ 26,492,072
Restricted	35,429,248		30,102,506		6		-		-
Committed	52,915,998		48,121,481		42,939,942		41,987,810		39,899,272
Assigned	76,964,148		55,140,510		60,053,636		62,449,057		55,495,036
Unassigned	18,602,355		221,995		-		-		-
Total General Fund	<u>\$ 365,255,020</u>		<u>\$ 321,170,021</u>		<u>\$ 122,798,163</u>		<u>\$ 127,224,401</u>		<u>\$ 121,886,380</u>
All Other Governmental Funds									
Nonspendable	\$ -		\$ -		\$ -		\$ -		\$ -
Restricted	118,483,309		112,789,005		104,416,319		102,563,720		97,172,609
Assigned	880,443		638,647		558,505		493,812		396,813
Unassigned	(4,580,345)		(8,304,147)		(3,301,897)		(192,005)		(48,500)
Total all other Governmental Funds	<u>\$ 114,783,407</u>		<u>\$ 105,123,505</u>		<u>\$ 101,672,927</u>		<u>\$ 102,865,527</u>		<u>\$ 97,520,922</u>

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

	Fiscal Year						
	2018	#	2017	#	2016	2015	2014
General Fund							
Nonspendable	\$ 31,465,340		\$ 33,241,909		\$ 34,124,977	\$ 24,378,784	\$ 23,595,803
Restricted	-		-		-	-	-
Committed	36,247,833		33,898,271		33,511,464	23,815,795	23,494,027
Assigned	40,855,061		41,979,112		33,141,625	50,696,555	44,748,578
Unassigned	-		-		-	-	-
Total General Fund	<u>\$ 108,568,234</u>		<u>\$ 109,119,292</u>		<u>\$ 100,778,066</u>	<u>\$ 98,891,134</u>	<u>\$ 91,838,408</u>
All Other Governmental Funds							
Nonspendable	\$ -		\$ -		\$ -	\$ 18,926,818	\$ 3,615,772
Restricted	79,405,424		66,631,585		59,493,942	42,982,365	41,755,471
Assigned	389,356		432,652		9,428,541	5,825,674	1,299,482
Unassigned	(48,501)		(48,525)		(85,423)	(151,869)	-
Total all other Governmental Funds	<u>\$ 79,746,279</u>		<u>\$ 67,015,712</u>		<u>\$ 68,837,060</u>	<u>\$ 67,582,988</u>	<u>\$ 46,670,725</u>

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues:					
Property Taxes	\$ 61,085,887	\$ 55,400,381	\$ 52,583,004	\$ 49,470,941	\$ 47,994,974
Sales Taxes	101,136,363	89,912,163	44,752,843	39,657,924	44,125,758
Other Taxes	13,255,986	12,562,342	11,213,308	10,369,076	10,806,717
Licenses, Fees and Permits	4,696,217	6,577,476	5,469,660	4,459,005	14,334,965
Fines and Penalties	1,535,485	1,181,815	790,144	1,183,944	1,260,265
Special Assessments	9,706,838	9,432,946	9,203,891	8,906,312	8,599,669
Investment Earnings	7,399,104	(5,003,021)	1,490,406	10,810,066	9,042,370
Intergovernmental Revenues	47,683,385	32,729,863	38,145,769	27,400,952	23,459,273
Current Services	25,180,987	23,562,912	21,619,934	21,047,563	21,810,063
Payments in Lieu of Services	6,251,709	6,212,499	5,796,335	4,734,340	7,732,356
Other Revenues	12,471,005	17,116,969	13,735,817	30,985,010	38,087,702
Total Revenues	290,402,966	249,686,345	204,801,111	209,025,133	227,254,112
Expenditures:					
General Government	41,210,177	56,625,834	37,706,387	34,223,230	32,612,219
Public Safety - Fire	30,850,827	88,966,232	29,921,638	25,727,486	25,393,135
Public Safety - Police	48,860,334	161,926,977	48,530,984	47,307,419	45,914,260
Public Works & Maintenance Services	25,411,031	48,988,071	34,447,957	38,963,202	33,876,327
Community Services (*)	17,285,486	14,401,529	4,537,236	5,058,205	5,140,160
Planning and Development (*)	9,284,984	12,786,610	6,572,646	5,703,942	5,249,767
Economic Development	1,158,528	2,369,713	689,231	264,656	444,925
Capital Outlay	40,724,348	39,909,543	43,682,940	35,810,526	38,969,422
Debt Service					
Principal	16,872,858	17,173,832	3,006,263	2,905,509	2,814,099
Interest and Fiscal Charges	4,999,492	3,338,137	1,271,765	1,343,061	1,445,283
Total Expenditures	236,658,065	446,486,478	210,367,047	197,307,236	191,859,597
Excess of Revenues Over/(Under) Expenditures	53,744,901	(196,800,133)	(5,565,936)	11,717,897	35,394,515
Other Financing Sources/(Uses)					
Issuance of Debt	-	225,994,225	-	-	-
Principal Retirement	-	-	-	-	-
Bond Premium	-	-	-	-	-
Issuance of Leases	-	-	-	-	-
Transfers In	1,536,125	1,467,597	1,274,306	2,508,422	1,382,903
Transfers Out	(1,536,125)	(1,467,597)	(1,327,208)	(3,215,291)	(3,764,070)
Total Other Financing Sources/(Uses)	-	225,994,225	(52,902)	(706,869)	(2,381,167)
Extraordinary Items					
	-	-	-	-	-
Special Items					
	-	-	-	-	-
Net Change in Fund Balances	\$ 53,744,901	\$ 29,194,092	\$ (5,618,838)	\$ 11,011,028	\$ 33,013,348
Debt Service as a Percentage of					
Non-capital Expenditures	11.2%	5.0%	2.6%	2.6%	2.8%

* 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				
	2018	2017	2016	2015	2014
Revenues:					
Property Taxes	\$ 45,775,246	\$ 43,170,396	\$ 42,175,687	\$ 38,896,950	\$ 36,721,899
Sales Taxes	38,118,548	41,145,616	39,663,796	38,565,868	37,430,489
Other Taxes	10,443,823	9,421,375	9,255,961	7,598,684	6,835,935
Licenses, Fees and Permits	6,530,878	5,682,991	7,947,593	9,599,549	2,777,719
Fines and Penalties	1,243,873	1,467,593	1,338,341	1,041,887	1,068,778
Special Assessments	8,518,569	8,281,089	8,801,035	9,438,713	9,439,079
Investment Earnings	540,761	623,227	3,169,381	1,988,557	2,296,081
Intergovernmental Revenues	19,642,952	26,038,928	41,588,677	27,601,255	29,487,199
Current Services	21,536,206	19,260,514	18,375,839	17,276,984	17,287,466
Payments in Lieu of Services	9,973,782	10,113,191	10,202,448	12,638,674	10,644,539
Other Revenues	35,312,655	14,111,953	13,314,649	15,300,761	14,900,407
Total Revenues	197,637,293	179,316,873	195,833,407	179,947,882	168,889,591
Expenditures:					
General Government	33,897,611	25,520,135	25,200,855	21,735,399	23,938,276
Public Safety - Fire	26,668,495	25,855,247	25,894,695	24,874,714	24,247,894
Public Safety - Police	47,426,516	46,885,033	45,080,687	41,966,882	41,161,796
Public Works & Maintenance Services	32,492,756	27,172,763	33,621,625	27,777,052	35,125,462
Community Services (*)	5,153,298	5,197,923	4,669,898	4,677,992	4,440,588
Planning and Development (*)	4,807,968	4,816,552	5,953,143	3,829,120	3,422,846
Economic Development	421,117	4,930,642	4,422,141	3,107,755	2,529,859
Capital Outlay	35,320,776	30,579,173	43,444,050	34,342,416	23,609,928
Debt Service					
Principal	3,324,719	2,853,939	2,800,122	3,672,900	3,545,895
Interest and Fiscal Charges	1,533,230	1,408,493	1,953,345	2,064,757	2,210,669
Total Expenditures	191,046,486	175,219,900	193,040,561	168,048,987	164,233,213
Excess of Revenues Over/(Under) Expenditures	6,590,807	4,096,973	2,792,846	11,898,895	4,656,378
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	5,533,474	6,291,621	2,588,851	2,315,815	3,767,587
Transfers Out	(6,296,428)	(5,677,217)	(1,987,900)	(1,739,145)	(1,124,534)
Total Other Financing Sources/(Uses)	640,307	896,518	600,951	576,670	2,643,053
Extraordinary Items	-	-	-	-	(56,854,230)
Special Items	3,037,670	-	-	-	-
Net Change in Fund Balances	\$ 10,268,784	\$ 4,993,491	\$ 3,393,797	\$ 12,475,565	\$ (49,554,799)
Debt Service as a Percentage of					
Non-capital Expenditures	3.1%	2.9%	3.2%	4.3%	4.1%

* 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
2014	23,979	66.8	3,188	10.8	1,254	4.7	597	1.9	8,077	15.8	37,095	100.0
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	22.4	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

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
2014	10,909,040	2,126,622	2,142,615	1,462,220	279,902	16,360,595	1.0000
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

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"
2014	2.10 ³	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
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

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								
		Ready-To-Serve Charge								
Fiscal Year ¹	Quantity Rate per 100 C.F. ²	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2014	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
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

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
2014	1.0000	0.0000	1.0000	0.0684	0.1757	0.0035	0.0177
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

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	2023			2014		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
City of Corona	\$ 3,651,871	1	6.55%	\$ 1,450,550	1	2.72%
Corona-Norco USD	887,855	2	1.59%	826,992	2	1.55%
CLI Atlas LLC	503,535	3	0.90%			
Raintree Corona Pointe, LLC.	340,108	4	0.61%		7	
Eagle Glen Master HOA	312,302	5	0.56%	190,289		0.35%
Eagle Glen Country Club, LLC	237,193	6	0.43%			
Baldwin Richards Foods Company	227,649	7	0.41%			
Breit MF Promenade Terrace LLC	186,487	8	0.33%			
MM Meadowood Holdings, LLC	156,389	9	0.28%			
Hills LLC	151,132	10	0.27%			
MG Properties				421,109	3	0.78%
Cresta Verde Hills HOA				308,004	4	0.57%
Equity Res. Property Mgmt				225,244	5	0.42%
Marquessa Apartments				193,843	6	0.36%
Meadowood Investors LLC				193,459	8	0.36%
Avalonbay Communities, Inc.				192,080	9	0.36%
Waterstone at Corona Pointe				191,736	10	0.35%
	<u>\$ 6,654,521</u>		<u>11.93%</u>	<u>\$ 4,193,306</u>		<u>7.82%</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>	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
	Value	Rank	Value	Value	Rank	Value
SCG Atlas Ashton LLC	\$ 299,077,673	1	1.14%			
Raintree Corona Pointe LLC	225,381,371	2	0.86%			
TAI OW Monterey Owner LLC	220,000,000	3	0.84%			
Castle and Cooke Corona Inc.	203,645,005	4	0.78%	175,008,220	2	1.13%
Rexco	143,475,040	5	0.55%	107,928,418	4	0.70%
Corona North Retail Development	130,486,492	6	0.50%			
UHS Corona Inc	109,956,349	7	0.42%			
Breit MF Promenade Terrace LLC	104,261,604	8	0.40%			
Artisan Corona Apartments LLC	103,724,030	9	0.40%			
Latitude Business Park	99,520,763	10	0.38%			
Watson Laboratories Inc				186,030,764	1	1.21%
Kaiser Foundation Health Plan Inc				148,550,294	3	0.94%
Waterstone Apartments NF				81,322,677	5	0.53%
Costco Wholesale Corporation				73,311,717	6	0.45%
Dart Container Corporation of Calif				71,293,706	7	0.46%
Artisan At Main Street Metro				62,775,000	8	0.46%
Riverside County Transportation				53,459,374	9	0.38%
223 1 DL Holdings				51,280,511	10	0.29%
Total	\$ 1,639,528,327		6.27%	\$ 1,010,960,681		6.55%

Source: HdL Coren & Cone, Riverside County Assessor 2021/22 & 2012/13 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
2014	23,176,657	22,171,735	95.66%	808,121	22,979,856	99.15%
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%

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)

Governmental Activities								
Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Lease Revenue Bonds	Unamortized Bond Premium	Lease Payable	Refunding Lease Payable	SBITA Agreement Payable	Special Assessment Bonds
2014	-	-	31,250	-	-	22,353	-	355
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	3,937	-

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	Long-Term Installment Payable	Term Loan Payable	Certificates of Participation	Revenue Bonds	Unamortized Bond Premium	Lease Payable	Contracts Payable	Pension Obligation Bonds	Total Primary Government	Percent of Personal Income	Per Capita
1,104	-	19,951	24,480	57,630	-	-	690	-	157,813	3.8%	\$ 992
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	-	111,210	2.3%	\$ 662
7,091	-	21,131	-	35,860	1,379	17	690	-	103,520	2.0%	\$ 615
6,704	-	19,163	-	33,715	1,271	11	690	-	95,600	1.8%	\$ 564
6,305	-	17,147	-	31,480	1,164	3	690	37,538	346,858	6.4%	\$ 2,212
5,894	-	15,082	-	27,635	2,088	-	-	35,285	324,856	5.9%	\$ 2,069



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
2014	-	355	22,353	-	31,250	53,958	2,770	51,188	0.31%	322
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	0.22%	250
2018	-	-	16,472	2,677	23,335	42,484	5,100	37,384	0.19%	222
2019	-	-	14,875	2,528	22,115	39,518	6,491	33,027	0.16%	196
2020	-	-	13,225	2,379	20,860	36,464	8,628	27,836	0.13%	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	1.05%	1,607
2023	207,895	-	7,931	1,933	16,790	234,549	-	234,549	0.89%	1,494

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, 2023 (dollars in thousands)

<u>Direct and Overlapping Tax and Assessment Debt:</u>	Debt <u>Outstanding</u>	Est. Percentage Applicable ²	City's Share of <u>Overlapping Debt</u>
Metropolitan Water District	\$ 19,215	0.722%	\$ 139
Riverside City Community College District	291,274	18.872%	54,969
Alvord Unified School District	267,702	12.304%	32,938
Corona-Norco Unified School District	484,012	54.046%	261,589
Alvord Unified School District CFD No. 2006-1	5,940	8.333%	495
Corona-Norco Unified School District CFD No. 97-1	567	100.000%	567
Corona-Norco Unified School District CFD No. 99-1	1,586	100.000%	1,586
Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C	3,701	100.000%	3,701
Corona-Norco Unified School District CFD No. 00-1	1,375	100.000%	1,375
Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B	5,210	100.000%	5,210
Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C	9,300	100.000%	9,300
Corona-Norco Unified School District CFD No. 03-3, Imp Area A & B	2,925	100.000%	2,925
Corona-Norco Unified School District CFD No. 03-5	1,495	100.000%	1,495
Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3	3,095	100.000%	3,095
Corona-Norco Unified School District CFD No. 17-1	3,375	100.000%	3,375
City of Corona CFD No. 97-2	1,195	100.000%	1,195
City of Corona CFD No. 2000-1	3,110	100.000%	3,110
City of Corona CFD No. 2001-2	1,640	100.000%	1,640
City of Corona CFD No. 2002-1	10,302	100.000%	10,302
City of Corona CFD No. 2002-1, Imp Area 1	5,548	100.000%	5,548
City of Corona CFD No. 2002-4	5,235	100.000%	5,235
City of Corona CFD No. 2003-2	4,145	100.000%	4,145
City of Corona CFD No. 2004-1	2,075	100.000%	2,075
City of Corona CFD No. 2016-2	5,020	100.000%	5,020
City of Corona CFD No. 2017-2	3,440	100.000%	3,440
City of Corona CFD No. 2018-1 Improvement Area 1, 2018 Series	8,961	100.000%	8,961
City of Corona CFD No. 2018-1 Improvement Area 1, 2020 Series	10,104	100.000%	10,104
City of Corona CFD No. 2018-2	15,190	100.000%	15,190
California Statewide Communities Development Authority Community Facilities District No. 2002-1	2,499	100.000%	2,499
California Statewide Communities Development Authority assessment District No. 2002-1 2	1,370	100.000%	1,370
City of Corona 1915 Act Bonds	295	100.000%	295
Total Overlapping Tax and Assessment Debt			462,888
<u>Direct and Overlapping General Fund Debt:</u>			
<u>Overlapping General Fund Obligations</u>			
Riverside County General Fund Obligations	\$ 686,777	7.247%	\$ 49,771
Riverside County Pension Obligations Bonds	748,540	7.247%	54,247
Riverside County Community College District Certificates of Participation	24,550	18.872%	4,633
Corona-Norco Unified School District General Fund Obligations	19,422	54.046%	10,497
Western Municipal Water District General Fund Obligations	4,075	22.542%	919
Total Overlapping General Fund Obligations			\$ 120,067
<u>Direct General Fund Obligations:</u>			
City of Corona General Fund Obligations	\$ 24,721		\$ 24,721
City of Corona Pension Obligation Bonds	207,895		207,895
Unamortized Bond Premium	1,933		1,933
ROU Lease Payable	386		386
SBITA Payable	3,937		3,937
Total Direct General Fund Obligations		100.000%	\$ 238,872
Total Direct and Overlapping General Fund Obligations			\$ 358,939
Less: Riverside County Supported Obligations			-
Total Net Direct and Overlapping General Fund Obligations			\$ 358,939
Total Direct Debt			\$ 238,872
Total Gross Overlapping Debt			\$ 582,955
Total Net Overlapping Debt			\$ 582,955
Gross Combined Total Direct and Overlapping Debt³			\$ 821,827
Net Combined Total Direct and Overlapping Debt			\$ 821,827

City of Corona
Schedule 11
Direct and Overlapping Governmental Activities Debt¹ (Continued)
As of June 30, 2023 (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	\$ 26,254,901
Debt Limit (15% of assessed value)	3,938,235
Debt Applicable to limit:	
General obligation debt	234,549
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	234,549
Legal Debt Margin	\$ 3,703,686

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 2,454,089	\$ 2,594,890	\$ 2,707,398	\$ 2,819,397	\$ 2,986,885
Total net debt applicable to limit	53,603	50,100	47,485	42,536	43,531
Legal debt margin	\$ 2,400,486	\$ 2,544,790	\$ 2,659,913	\$ 2,776,861	\$ 2,943,354
Total debt applicable to the limit as a percentage of debt limit	2.184%	1.931%	1.754%	1.509%	1.457%

*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				
	2019	2020	2021	2022	2023
Debt Limit	\$ 3,145,686	\$ 3,279,207	\$ 3,462,545	\$ 3,606,534	\$ 3,938,235
Total net debt applicable to limit	<u>40,580</u>	<u>37,369</u>	<u>33,309</u>	<u>251,986</u>	<u>234,549</u>
Legal debt margin	\$ 3,105,106	\$ 3,241,838	\$ 3,429,236	\$ 3,354,548	\$ 3,703,686
Total debt applicable to the limit as a percentage of debt limit	1.290%	1.140%	0.962%	6.987%	5.956%

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	
2014	3,394	19	2,020	1,365	1.01	208	4	160	34	1.09
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 ³	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	- C	1,355	753	1.00	-	-	-	-	-
2023	2,113	-	1,415	698	1.00	-	-	-	-	-

- Notes:
- ¹ Includes the defeasance of 1997 COPs and 2003 COPs.
 - ² Includes the advanced redemption of 2005 COPs.
 - ³ Includes the defeasance of 2006 Lease Revenue bonds.
 - ⁴ 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	
2014	3,187	1,165	2,022	1.00	60,552 ¹	2,143	60,080	2,611	1.00
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 ²	0	23,785	555	1.00
2017	5,809	3,775	2,034	1.00	-	-	-	-	-
2018	28,093	5,166	2,537	3.65 ⁴	-	-	-	-	-
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	-	-	-	-	-



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
2013	159,132	4,179,125	26,262	32.2	53,782	6.1%
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%

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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	4,914	1	5.77%	2,459	1	2.79%
Kaiser Permanente	450	9	0.53%	825	3	0.94%
Corona Regional Medical Center	1,129	2	1.33%	1,100	2	1.25%
Fender USA Corona	1,029	3	1.21%	800	5	0.91%
Monster Energy	1,027	4	1.21%	475	9	0.54%
City of Corona	910	5	1.07%	801	4	0.91%
All American Asphalt	650	7	0.76%	700	6	0.79%
Veg Fresh Farms	605	8	0.71%			
TWR Framing Enterprises	750	6	0.88%	465	10	0.53%
Thermal Structures	418	10	0.49%			
Actavis				626	7	0.71%
CIRCOR				600	8	0.68%
Total	11,882		13.96%	8,851		10.05%

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>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>	<u>2014*</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	22.55	19.55	14.07	13.33	14.07	9.90	10.35	9.73	9.73	9.85
Legal & Risk Management ¹	7.72	6.72	6.72	6.34	6.19	6.52	7.67	6.67	6.01	5.29
Administrative Services ^{2,7,8}				31.74	40.92	38.56	42.23	42.56	34.30	36.31
Human Resources ^{2,7}	16.00	14.00	11.48	9.39						
Information Technology	32.55	29.03	25.03	24.47	23.99	17.25	13.89	15.09	12.41	13.98
Finance ²	35.86	33.82	31.93							
Police										
Officers	164.30	163.30	158.00	153.00	149.00	162.00	162.00	162.00	159.00	157.00
Civilians	104.65	100.93	86.70	83.25	80.40	88.01	88.39	85.90	79.13	80.62
Fire										
Firefighters and officers	120.44	114.96	111.48	108.00	107.00	113.00	113.00	112.00	112.00	112.00
Civilians	9.84	7.24	5.32	7.76	7.75	8.20	4.88	6.48	7.18	6.06
Public Works ^{3, 13}	66.19	58.34	35.75	35.75	35.75	35.75	29.05	29.75	31.57	33.78
Maintenance Services ^{5, 11}			34.15	42.11	42.11	42.76	43.63	45.00	44.53	41.76
Community Development ⁴			23.89	22.14	22.14	25.00	26.48	26.00	22.08	18.02
Planning and Development Development ¹²	60.86	53.06								
Economic Development ²	6.00	6.00	4.00	2.00	2.00	3.00	3.00	2.00	1.00	4.00
Library and Recreation Services ⁶				72.99	72.74	69.06	70.67	68.04	63.50	64.69
Community Services Department ⁹	115.47	111.65	86.36							
Utilities Department ⁶	115.65	112.21	111.60	109.60	110.02	108.91	119.18	119.68	120.79	121.76
Transit Services ¹⁴			2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Total	<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>	<u>712.12</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				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Police					
Physical Arrests	3,038	2,941	2,345	2,282	2,992
Parking Violations	5,104	5,224	2,731	9,574	8,851
Traffic Violations	10,815	8,148	6,051	4,718	6,133
Fire					
Emergency Responses	16,041	15,359	14,422	13,810	13,141
Fires Extinguished	418	472	524	451	362
Inspections	1,350	1,396	979	1,652	1,092
Public Works/Maintenance Services					
Street Resurfacing (miles)	66	66	44	75	37
Street Lights Repaired	465	714	415	437	418
Potholes Filled (sq. ft)	31,474	38,930	20,204	46,850	22,332
Community Services - Recreation					
Sportsfields Participation	539,450	568,496	404,679	370,799	269,168
Comm. Centers/Gym/Pool	29,069	31,832	28,393	111,007	169,888
Other Activity Participation	365,589	330,737	222,473	226,205	135,399
Community Services - Library					
Volumes in Collection	209,144	209,357	210,747	183,794	165,760
Total Volumes Borrowed ¹	336,749 ⁵	280,958	182,733	284,375	411,592 ⁴
Water					
New Connections	146	309	634	389	511
Water Main Repairs	46	45	95	86	72
Average Daily Consumption (millions of gallons)	24.7	32.1	33.2	31.2	30.2
Sewer					
Average Daily Sewage Treatment (millions of gallons)	12.2	12.6	12.8	12.6	14.275
Transit Services					
Total Route Miles (round-trip)	47.7	47.7	47.7	47.7	47.7
Passengers					
Fixed Route	120,272	95,892	76,645	100,186	118,366
Dial-A-Ride	38,141	22,673	13,386	39,989	52,580

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>2018</u>	<u>2017</u>	<u>2016 1</u>	<u>2015 1</u>	<u>2014 1</u>
Police					
Physical Arrests	2,895	3,403	5,583	5,337	5,422
Parking Violations	6,228	4,993	3,974	4,098	4,119
Traffic Violations	9,024	11,896	12,132	11,133	11,147
Fire					
Emergency Responses	13,041	12,981	12,112	11,263	11,131
Fires Extinguished	435	382	381	346	397
Inspections	2,726	1,934	1,966	1,757	2,217
Public Works/Maintenance Services					
Street Resurfacing (miles)	51	39	41	72	72
Street Lights Repaired	495	1,045	1,342	846	598
Potholes Filled (sq. ft)	35,700	75,000	15,076	15,978	13,185
Community Services - Recreation					
Sportsfields Participation	248,617 ²	2,190,246	1,760,600	1,898,300	1,670,668
Comm. Centers/Gym/Pool	249,885	282,797	211,410	189,519	158,431
Other Activity Participation	171,679	226,294	244,430	232,264	244,593
Community Services - Library					
Volumes in Collection	168,148	167,586	164,421	167,432	136,128
Total Volumes Borrowed ¹	783,626	648,522 ³	1,073,736	927,956	861,842
Water					
New Connections	391	166	1,408	173	498
Water Main Repairs	36	69	78	84	49
Average Daily Consumption (millions of gallons)	33.0	30.4	28.4	32.6	34.9
Sewer					
Average Daily Sewage Treatment (millions of gallons)	13.8	14.3	14.0	13.1	12.6
Transit Services					
Total Route Miles (round-trip)	47.5	47.5	47.5	39.0	39.0
Passengers					
Fixed Route	129,972	132,469	150,002	168,303	169,745
Dial-A-Ride	58,089	65,580	63,162	66,015	68,852

City of Corona
Schedule 18
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2022</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>	<u>2014</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	67	71	65	62	68	65	55	59	59	53
Fire Stations	7	7	7	7	7	7	7	7	7	7
Streets										
Streets and Alleys (miles)	464	464	463	444	408	408	406	403	404	403
Streetlights ¹	14,976	14,976	15,117	15,117	12,380	12,380	12,587	12,059	12,022	11,888
Traffic Signals	191	191	191	190	188	184	182	179	173	170
Community Services - Recreation										
Total Park Acreage	389	378	378	376	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	736	736	736	719	697	687	683	694	681
Fire Hydrants	9,648	9,760	9,760	10,062	9,548	9,300	9,222	9,197	9,174	9,087
Storage Capacity ² (millions of gallons)	55	55	55	52	52	52	51	51	51	51
Sewer										
Sanitary Sewers (miles)	458	464	464	464	458	440	435	434	452	444
Storm Sewers (miles)	181	225	225	223	171	171	167	167	172	171
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	6	6
Dial-A-Ride	13	13	13	13	13	11	11	13	11	10

Source: Various City departments.

Note: ¹ Includes only City-owned street lights.

² Potable & reclaimed water storage capacity.