

CITY OF CORONA

C A L I F O R N I A

ANNUAL COMPREHENSIVE FINANCIAL REPORT



YEAR ENDED JUNE 30, 2022



CITY OF CORONA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022



Prepared by the City of Corona Finance Department

City of Corona
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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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, 2021

Christopher P. Morill

Executive Director/CEO





December 7, 2022

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, 2022. 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, 2022. 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 bond holders 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 159,749 as of January 2022, 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 City's first District Election which impacted Districts 1, 4 and 5, was held in November 2018. Districts 2 and 3 held their first elections in November 2020.

A Full-Service City

The City provides full services to its citizens, including essential services such as: public safety (police and fire), streets, electric, 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 water reclamation 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 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 48,905 households averaging 3.25 persons each,

with a median age of 38.3. Annual median household income is \$92,606, and 76% 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 \$620,600.

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 all declined in 2022, with many companies returning to in-person work. Industrial vacancy rates dropped even lower to 1.0%, retail vacancy dropped to 5.2%, and office vacancy rates steadily declined to 7.5%.

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 10% increase with employment numbers increasing to 86,700 in the first quarter of 2022. Major contributors to local economic growth are the construction, health care, 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 the more than 1.8 million square feet of industrial development recently completed or under construction and the recent completion of 147,000 square feet of Class A office. The strong local job market keeps the unemployment rate in Corona at 3%, which is approximately 1% below the Riverside County average.

Fiscal Year 2022 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 more than 1,500 single family 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. A number of proposed condominium developments are in various stages of plan check or construction including 109 attached units on the east side of Temescal Canyon Road and Dos Lagos Drive.

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.

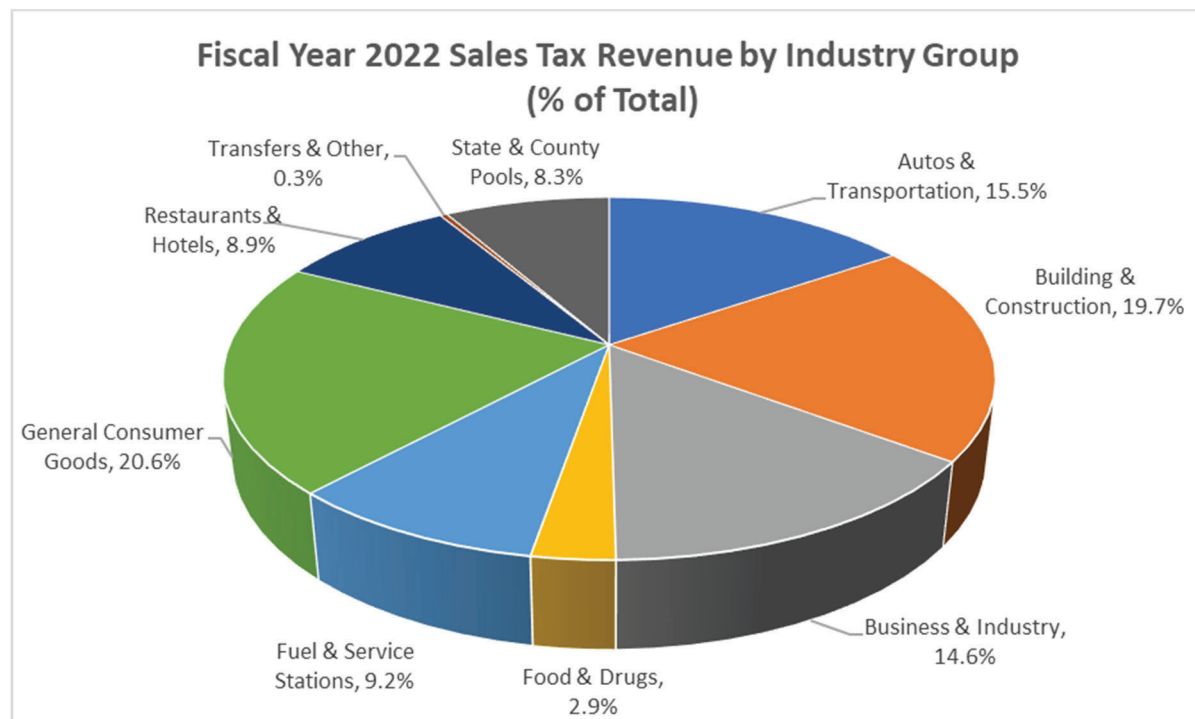
Financial Condition of the City

Nationwide, the economy has continued to show strong recovery from early COVID-19 pandemic shutdowns. The national unemployment rate was 3.6% at the end of Fiscal Year 2022. However, improving national economic performance does not directly translate to improved financial condition 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, increase in fixed cost 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

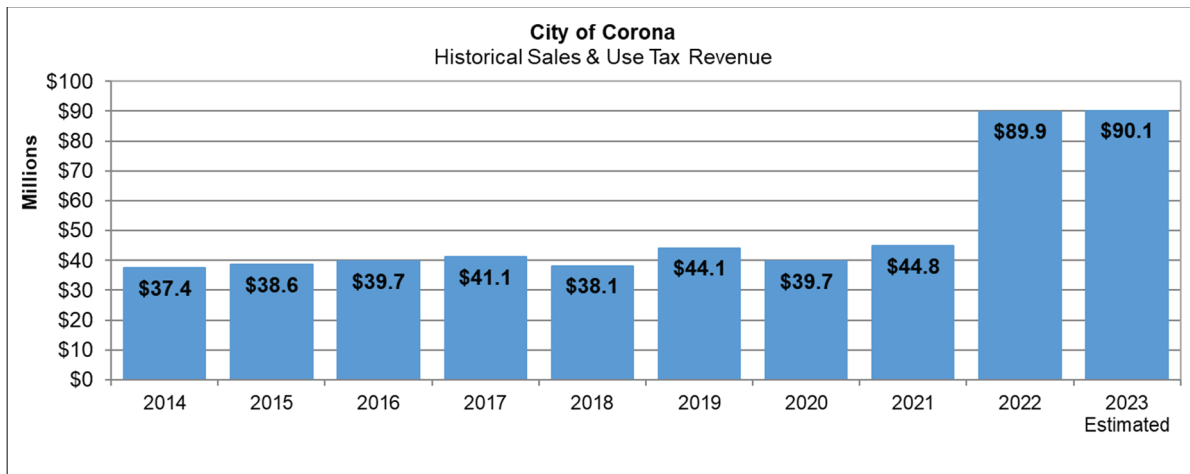
(UAL) bases attributable to assumption changes and non-investment gains/losses. These changes have been applied to new UAL bases established on or after June 30, 2019.

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 2021, an increase of 9.7% from the previous year. Consumer spending increased in Fiscal Year 2022, as the local economy was recovering from the COVID-19 pandemic. Much of this consumer spending is best seen in the general consumer goods, automobile purchases, building construction related industries, and State and County pool allocations. 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 and general consumer goods as the largest categories.

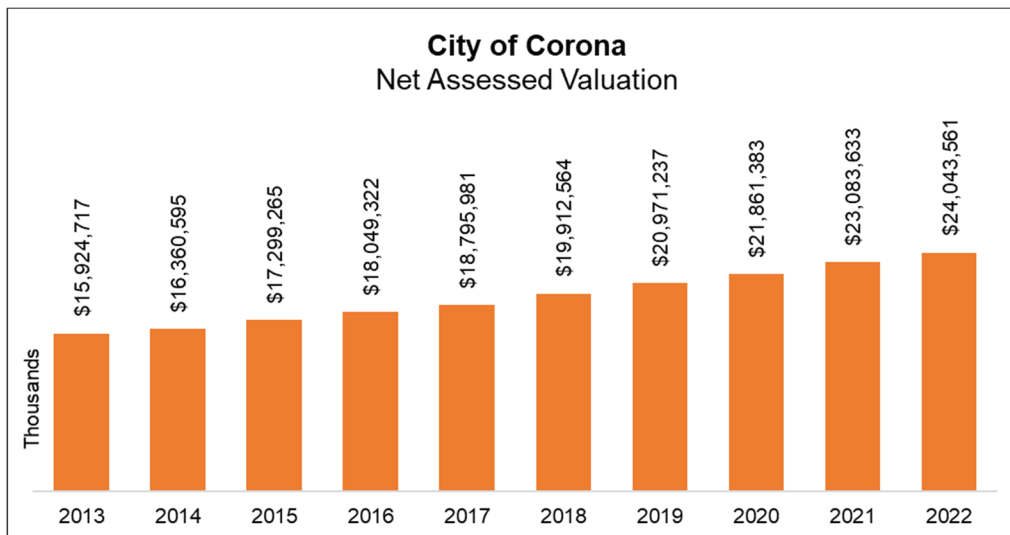


Source: HdL Companies

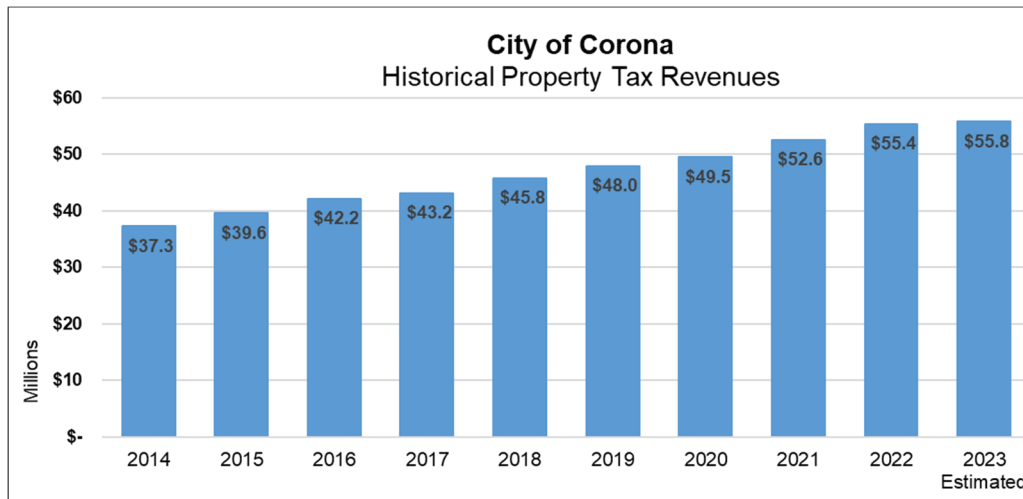


Note: Beginning FY 2022, includes Measure X, 1% sales tax measure effective July 2021

Historically, property tax was the largest General Fund revenue source for the City. In Fiscal Year 2022, it moves to the second largest category. Total taxable assessed valuation in Corona for the year was \$24.0 billion, representing an increase of 4.2% 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, with an initial contribution of \$30 million. 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, with the first businesses to be 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 2022 were \$40 million, greatly surpassing the initial estimates. The City maintains a healthy General Fund reserve level, following best practices established by the Government Finance Officers Association (GFOA).

This commitment to fiscal stewardship did not go unnoticed by the rating agencies. In September 2021, the most 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 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, 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 credit worthiness of the City. As of June 30, 2022, the Emergency Contingency Reserve balance was \$41.7 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 was 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 August 2020 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, 2021. This was the 32nd 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

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

CHAD WILLARDSON City Treasurer

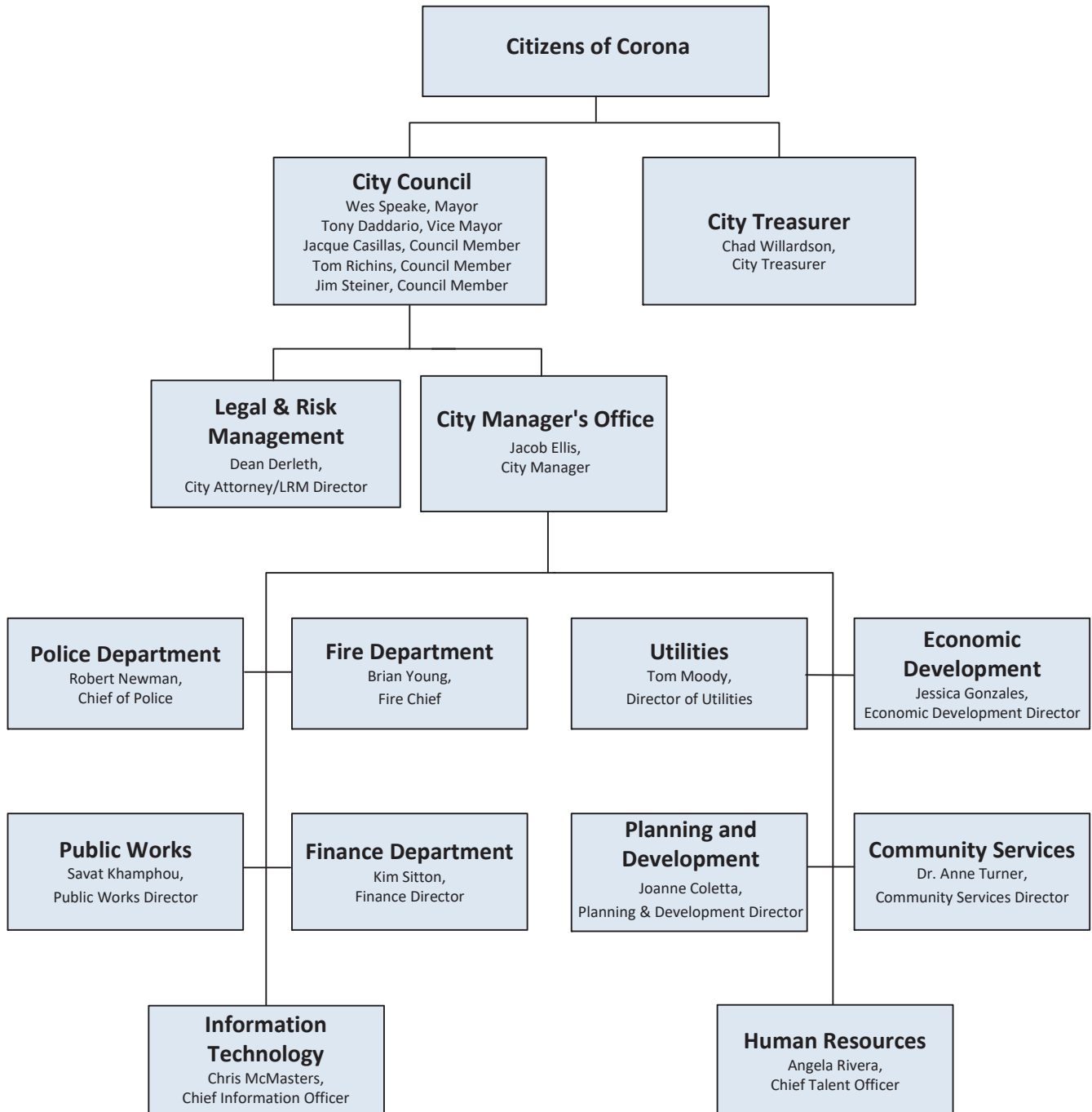
Executive Management

JACOB ELLIS City Manager
ROGER BRADLEY Assistant City Manager
JOANNE COLETTA Planning and Development Director
DEAN DERLETH City Attorney & Legal/Risk Management Director
JESSICA GONZALES Economic Development Director
ROBERT NEWMAN Chief of Police
SAVAT KHAMPHOU Public Works Director
CHRIS MCMASTERS Chief Information Officer
SHAUGHN HULL Chief Communications Officer
ANNE TURNER Community Services Director
TOM MOODY Utilities Director
ANGELA RIVERA Chief Talent Officer
KIM SITTON Finance Director
BRIAN YOUNG Fire Chief



CITY OF CORONA

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, 2022, 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, 2022, 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 Auditor's 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 auditor's 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 generally accepted auditing standards 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 on pages 5 through 22 and 123 through 144 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 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 auditor's 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 29, 2022, 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.



Santa Ana, California
November 29, 2022





MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

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, 2022, 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, 2022 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 87, Leases, was implemented by the City during the fiscal year ended June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of GASB 87 increases the usefulness of the City's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the City's leasing activities.

Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$1,277 million (*net position*).
- The overall City's net position increased by \$86.2 million from the previous fiscal year, primarily due to revenues exceeding expenses by \$83.1 million. Total assets increased by \$100.8 million, total liabilities increased by \$177.5 million, combined with an increase in deferred outflows in the amount of \$261.2 million, and an increase in deferred inflows in the amount of \$98.5 million, primarily due to the issuance of pension obligation bonds in addition to other pension and OPEB related items, net position of the City saw an increase of 7.2% from the prior year.
- Total expenses for governmental activities were \$178.8 million for Fiscal Year 2022. The sources for these expenses came from program revenues of \$91.4 million, taxes in the amount of \$157.9 million, and other general revenue of \$6.1 million. For the current year, revenues from governmental activities exceeded expenses by \$76.7 million, together with a transfer in of \$0.1million, and a beginning balance restatement of \$3.2 million, net position for governmental activities increased by \$79.9 million from the previous year.

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

- For business-type activities, total revenues exceeded expenses by \$6.4 million. Among the total program revenue of \$124.2 million, \$117.2 million was from charges for services, \$5.1 million from operating contributions and grants, and the remaining \$1.9 million represents capital contributions and grants. Combined with a transfer out of \$0.1 million, the net position for business-type activities increased by \$6.3 million from the previous year.

Fund Based

- The City's governmental funds reported a combined ending fund balance of \$426.3 million, an increase of \$201.8 million from the previous year. The net increase was due to the combination of current year's revenues exceeding expenditures of \$29.2 million, and a beginning balance restatement of \$172.6 million. Among the total fund balance, \$330.5 million, or 77.5% are either non-spendable or restricted for specific purposes. In addition, \$48.1 million was committed by the City Council, including \$41.7 million as an emergency contingency, and \$6.4 million as designated revenues. There was \$55.8 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 Water Reclamation 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, 2022

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 of 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 City's fiduciary activities are reported in separate statements of fiduciary net position, 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, 2022

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

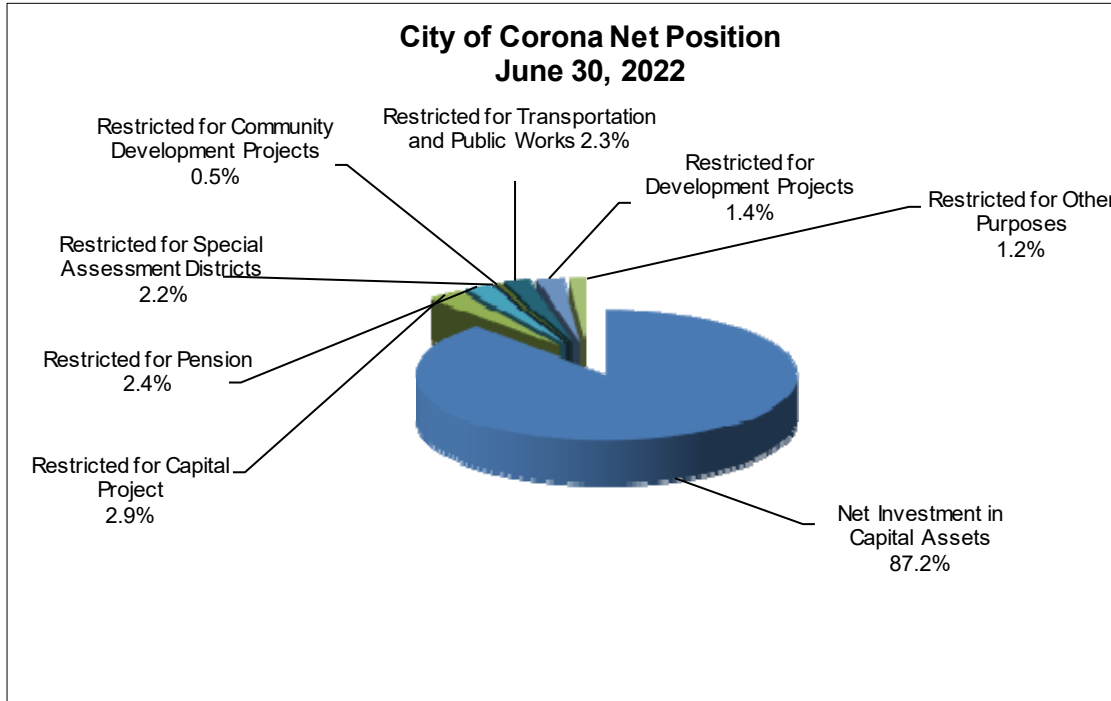
The government-wide financial analysis focus on the City's net position and changes in net position of the governmental and business-type activities during the fiscal year.

As noted earlier, the City's net position increased by \$86.2 million from the previous year. The increase in financial position was primarily due to positive operating results where revenues exceeded expenses by \$83 million. Among the total net position, \$1,139.7 million were 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 water reclamation 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 \$137.3 million of total government-wide net position are composed of \$150.9 million restricted funds and (\$13.6) 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, 2022

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2022.



City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2022 with comparative data from the previous fiscal year:

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 374.1	\$ 294.9	\$ 169.8	\$ 169.7	\$ 543.9	\$ 464.6
Internal balances	174.7	176.5	(174.7)	(176.5)	-	-
Capital assets	805.6	784.9	422.2	421.4	1,227.8	1,206.3
Total assets	1,354.4	1,256.3	417.3	414.6	1,771.7	1,670.9
Deferred charges on refunding	0.4	0.4	-	-	0.4	0.4
Deferred pension related items	265.6	46.5	36.5	5.1	302.1	51.6
Deferred OPEB related items	23.9	14.3	3.4	2.2	27.3	16.5
Total deferred outflows	289.9	61.2	39.9	7.3	329.8	68.5
Long-term debt	258.2	64.5	87.6	62.8	345.8	127.3
Net pension liability	143.5	224.9	20.5	36.1	164.0	261.0
Net OPEB liability	74.4	79.9	10.6	12.3	85.0	92.2
Other liabilities	86.7	30.6	21.5	14.4	108.2	45.0
Total liabilities	562.8	399.9	140.2	125.6	703.0	525.5
Deferred pension related items	67.4	4.7	8.9	-	76.3	4.7
Deferred OPEB related items	24.8	15.7	3.5	2.6	28.3	18.3
Lease	12.5	-	4.4	-	16.9	-
Total deferred inflows	104.7	20.4	16.8	2.6	121.5	23.0
Net investment in capital assets	774.6	751.0	365.1	362.6	1,139.7	1,113.6
Restricted	149.3	107.1	1.6	1.7	150.9	108.8
Unrestricted	53.0	38.9	(66.6)	(70.5)	(13.6)	(31.6)
Total net position	\$ 976.9	\$ 897.0	\$ 300.1	\$ 293.8	\$ 1,277.0	\$ 1,190.8

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

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

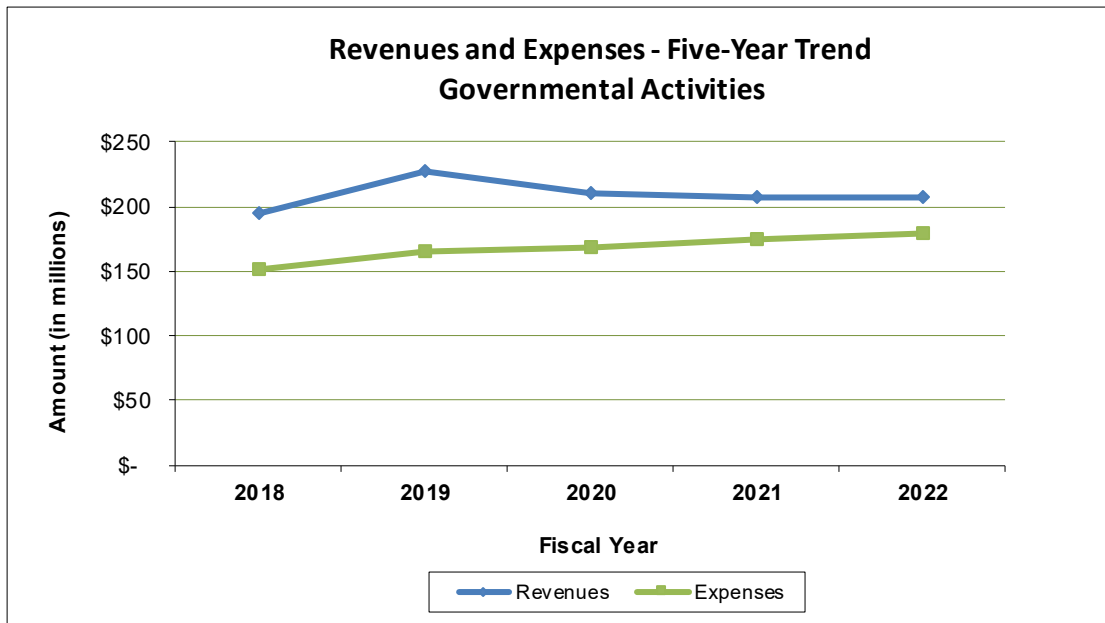
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 34.0	\$ 31.9	\$ 117.2	\$ 117.2	\$ 151.2	\$ 149.1
Operating Contributions and Grants	37.5	33.4	5.1	2.2	42.6	35.6
Capital Contributions and Grants	19.9	19.3	1.9	4.1	21.8	23.4
General Revenues:						
Taxes:						
Property Taxes	55.4	52.6	-	-	55.4	52.6
Sales and Use Taxes	89.9	44.8	-	-	89.9	44.8
Other Taxes	12.6	11.2	-	-	12.6	11.2
Gain on sale of capital assets	0.1	0.2	-	-	0.1	0.2
Investment Earnings	(1.5)	1.0	(3.5)	0.7	(5.0)	1.7
Other Income	7.5	12.1	-	-	7.5	12.1
Total Revenues	255.4	206.5	120.7	124.2	376.1	330.7
Expenses:						
General Government	35.1	37.6	-	-	35.1	37.6
Public Safety - Fire	32.0	32.6	-	-	32.0	32.6
Public Safety - Police	46.4	49.7	-	-	46.4	49.7
Public Works & Maintenance Services	51.1	42.9	-	-	51.1	42.9
Community Services	4.0	3.9	-	-	4.0	3.9
Planning and Development	5.1	6.4	-	-	5.1	6.4
Economic Development	1.2	0.7	-	-	1.2	0.7
Interest and Fiscal Charges	3.9	1.1	-	-	3.9	1.1
Water	-	-	63.4	61.4	63.4	61.4
Water Reclamation	-	-	31.9	27.6	31.9	27.6
Electric	-	-	15.6	14.6	15.6	14.6
Transit Services	-	-	2.9	2.6	2.9	2.6
Airport	-	-	0.5	0.2	0.5	0.2
Total Expenses	178.8	174.9	114.3	106.4	293.1	281.3
Excess (Deficiency) of Revenues Over (Under) Expenditures	76.6	31.6	6.4	17.8	83.0	49.4
Transfers	0.1	(0.1)	(0.1)	0.1	-	-
Special Items	-	-	-	-	-	-
Change in Net Position	76.7	31.5	6.3	17.9	83.0	49.4
Net Position - Beginning of Year	897.0	863.3	293.8	276.2	1,190.8	1,139.5
Restatement	3.2	2.2	-	(0.3)	3.2	1.9
Net Position - End of Year	\$ 976.9	\$ 897.0	\$ 300.1	\$ 293.8	\$ 1,277.0	\$ 1,190.8

City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

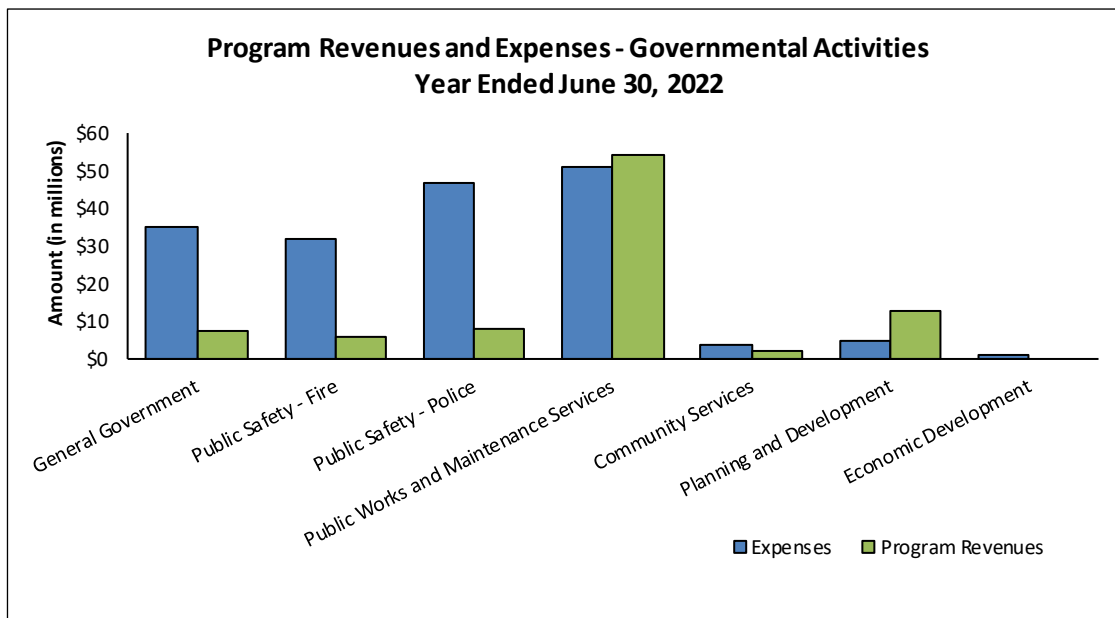
Governmental Activities

Total resources available during the year to finance governmental operations were \$1,155.6 million. This amount consists of the beginning net position of \$900.2 million, which includes a restatement of \$3.2 million, program revenues of \$91.4 million, general revenues of \$164.0 million, and transfer of \$0.1 million. Total uses in governmental activities during the year totaled \$178.8 million. The net position for governmental activities increased by \$79.9 million to \$976.9 million as of June 30, 2022.

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.

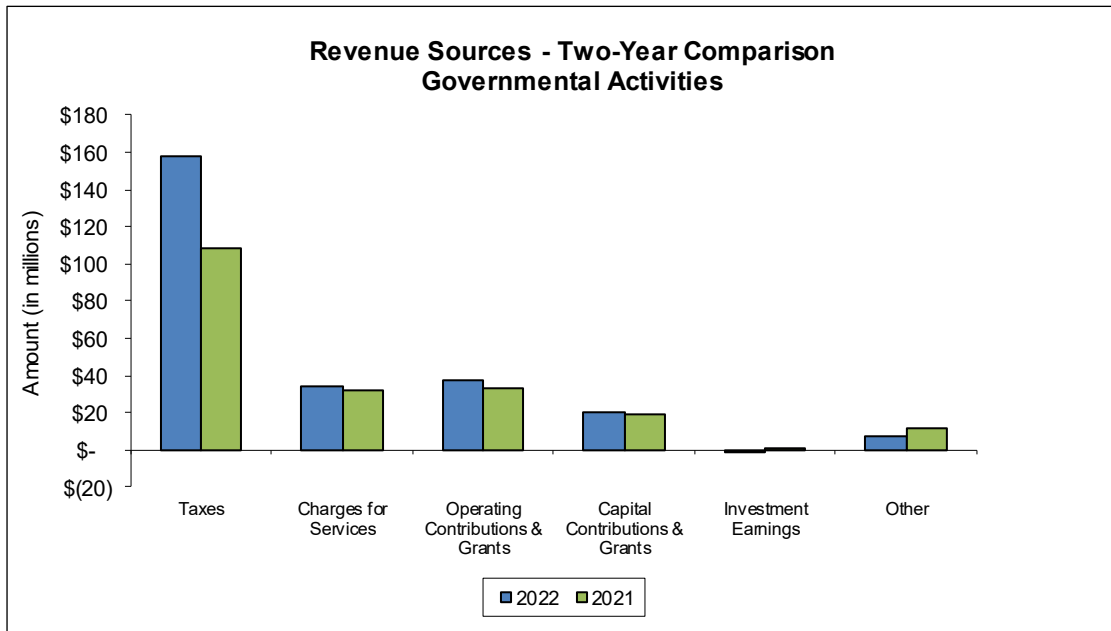


City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

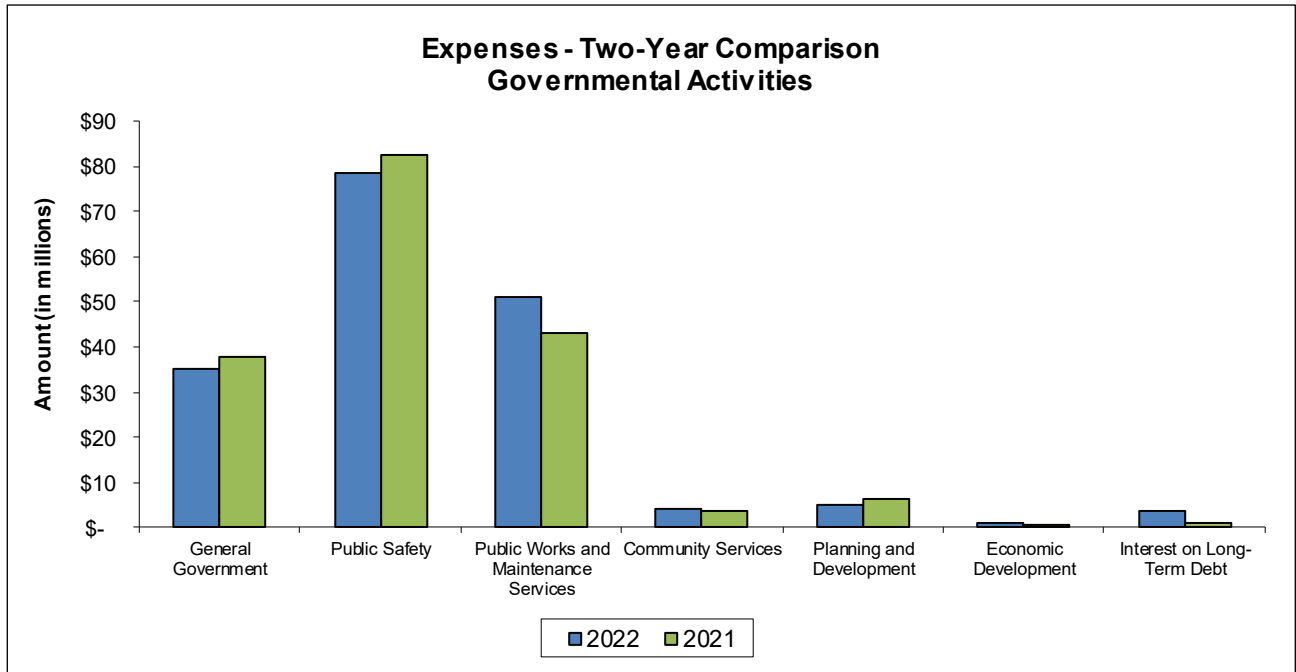
General government support services (administration, legal, human resources and financial) are primarily funded by charges to the direct operating functions they support through a cost allocation program. The public safety function (police and fire) generates program revenues as well, but property taxes, sales tax and other general revenues fund a majority of the cost. The public works and maintenance services program is responsible for maintenance and construction of the transportation system, with funding provided by 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 fiscal year ended June 30, 2022 was \$178.8 million. As shown in the statement of activities, the amount the taxpayers ultimately funded for these activities was \$157.9 million, \$6.1million funded by other income, the remaining \$91.4 million was paid by various program revenues, including \$34.0 million by those who directly benefited from the programs, \$37.5 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$19.9 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, 2022 and June 30, 2021, respectively.



City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2022



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

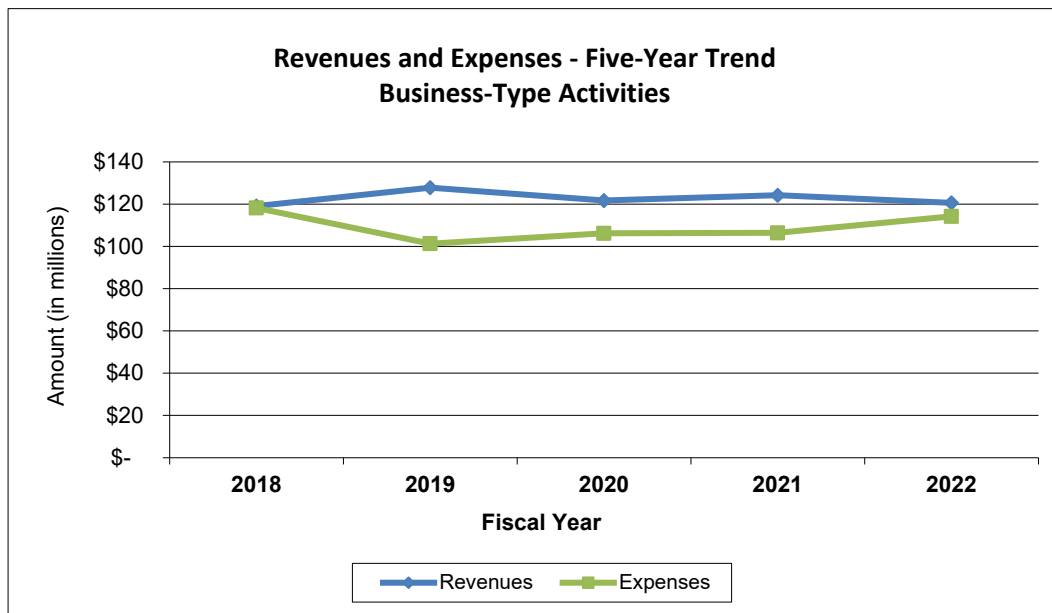
- Program revenues represent 35.8% of total revenues generated by governmental activities. Total program revenues for governmental activities in the current year were \$91.40 million, an increase of \$6.8 million from the previous year, primarily due to an increase of \$4.1 million in operating contributions and grants, and an increase of \$2.1 million in charges for services compared to the prior year.
- Total tax revenues were \$157.9 million for the current year, showing an increase of \$49.3 million from the previous year. Taxes comprised 61.8% of the total revenues from governmental activities, Sales and use tax revenue represents 56.9% of total taxes, where property tax revenue ranked second sharing 35.1% of total tax revenue. The remaining 8% were comprised of franchise fee, business license tax, transient occupancy tax, and dwelling development fee.
- Property tax revenues increased by \$2.8 million compared to prior year. Sales and use tax revenues increased by \$45.1 million in comparison to the prior year, driven by recovery of the economy from the impact of COVID-19 and new Measure X enactment.
- Overall governmental expenses increased by \$4.1 million from the prior year, primarily due to the interest expense of \$2.1 million for the new pension obligation bond, and an increase in professional and contract services of \$1.8 million.

City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

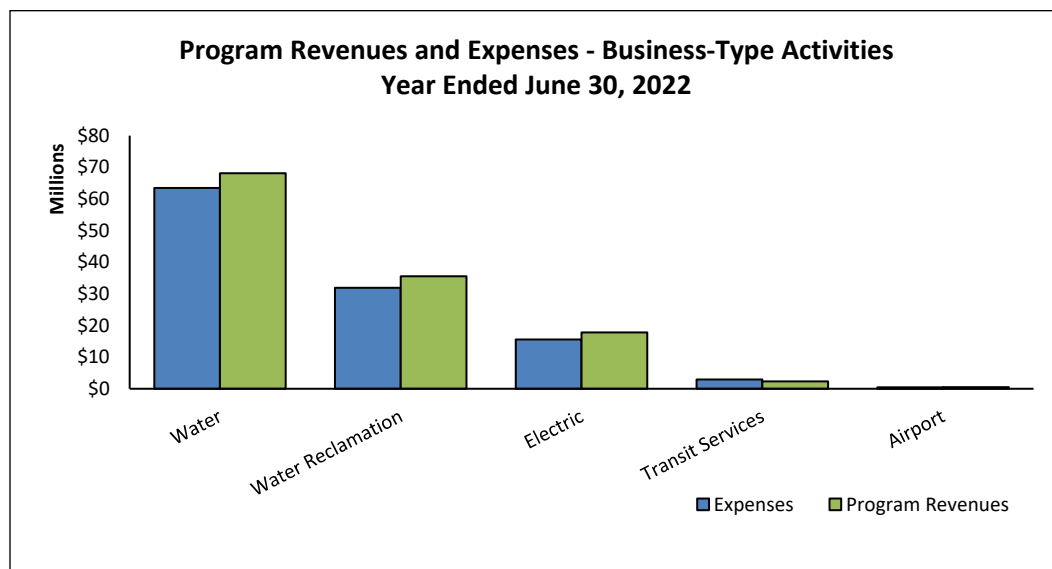
Business-Type Activities

The City’s net position in the business-type activities increased by \$6.3 million. The primary contributor to the increase was excess revenues over expenses in the amount of \$6.4 million, offset by a transfer out of \$0.1 million. The overall net position reported in the business-type activities was \$300.1 million as of June 30, 2022.

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, 2022

Total expenses of all business-type activities for the fiscal year ended June 30, 2022 was \$114.3 million, representing an increase of \$7.9 million from the previous year. Total program revenue reported for the year was \$124.1 million. As shown in the statement of activities, the amount paid by users of the systems was \$117.2 million, reported as charge for services. Revenues from operating grants and contributions were \$5.0 million, and capital grants and contributions were \$1.9 million.

Total resources available during the year to finance business type activities were \$414.3 million. This amount consists of the beginning net position of \$293.8 million, combined with total program revenues of \$124.1 million, investment loss of \$3.5 million, and a transfer out of \$0.1 million. After funding total expenses of \$114.3 million, net position for business-type activities increased by \$6.3 million to \$300.1 million at June 30, 2022.

Comparing to the prior year, expenses increased by \$7.9 million, primarily due to an increase in water reclamation expenses of \$4.3 million, and increases in water and electric expenses of \$2.0 million and \$1.0 million, respectively. Revenues decreased by \$3.6 million, primarily due to GASB 31 book entry of \$3.5 million loss to mark investment to market.

FUND FINANCIAL ANALYSIS

General Fund

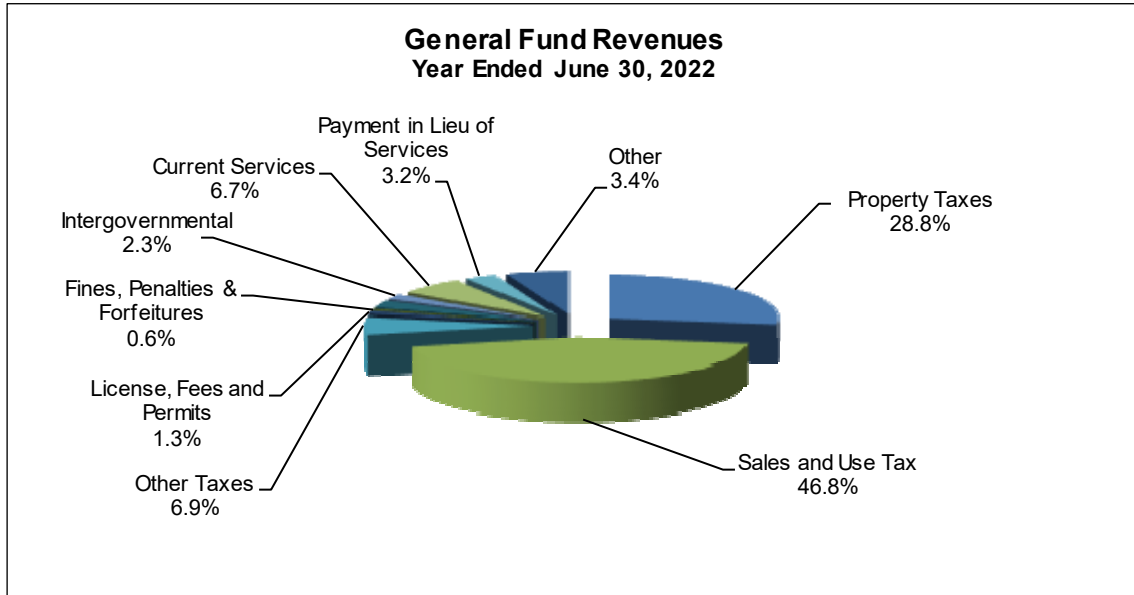
The General Fund is the primary operating fund of the City. Fund balance increased by \$198.4 million for the fiscal year ended June 30, 2022, with an ending balance of \$321.2 million, primarily due to GASB 87 implementation resulting a restatement of beginning fund balance by \$172.6 million, and sales tax revenues from Measure X contributed the additional \$25.2 million.

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

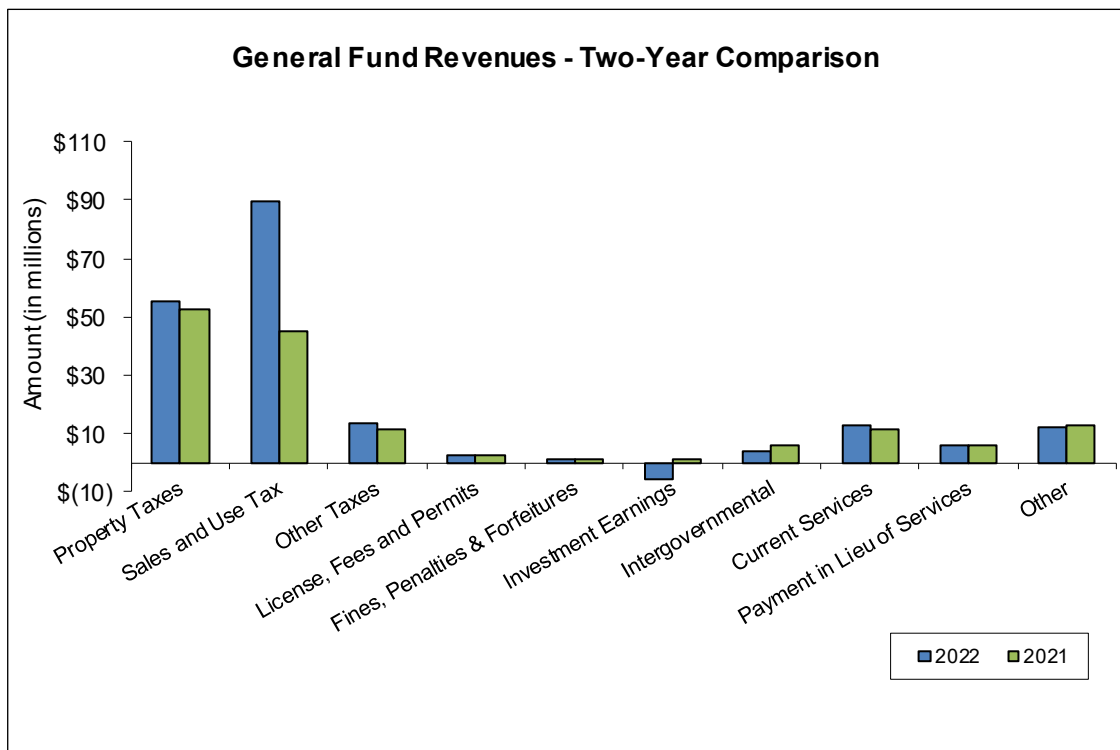
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Fund Balances:			
Nonspendable	\$ 187.6	\$ 19.8	\$ 22.8
Restricted	30.1	-	-
Committed	48.1	42.9	42.0
Assigned	55.2	60.1	62.4
Unassigned	0.2	-	-
Total Fund Balance	<u>\$ 321.2</u>	<u>\$ 122.8</u>	<u>\$ 127.2</u>
Fund Balance - Beginning	\$ 122.8	\$ 127.2	\$ 121.9
Excess Revenues over Expenditures	24.8	(5.4)	3.9
Transfers	1.0	1.0	1.4
Capital Leases	-	-	-
Restatement	172.6	-	-
Fund Balance - Ending	<u>\$ 321.2</u>	<u>\$ 122.8</u>	<u>\$ 127.2</u>

City of Corona
Management’s Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

The graph below illustrates General Fund revenues by major sources:

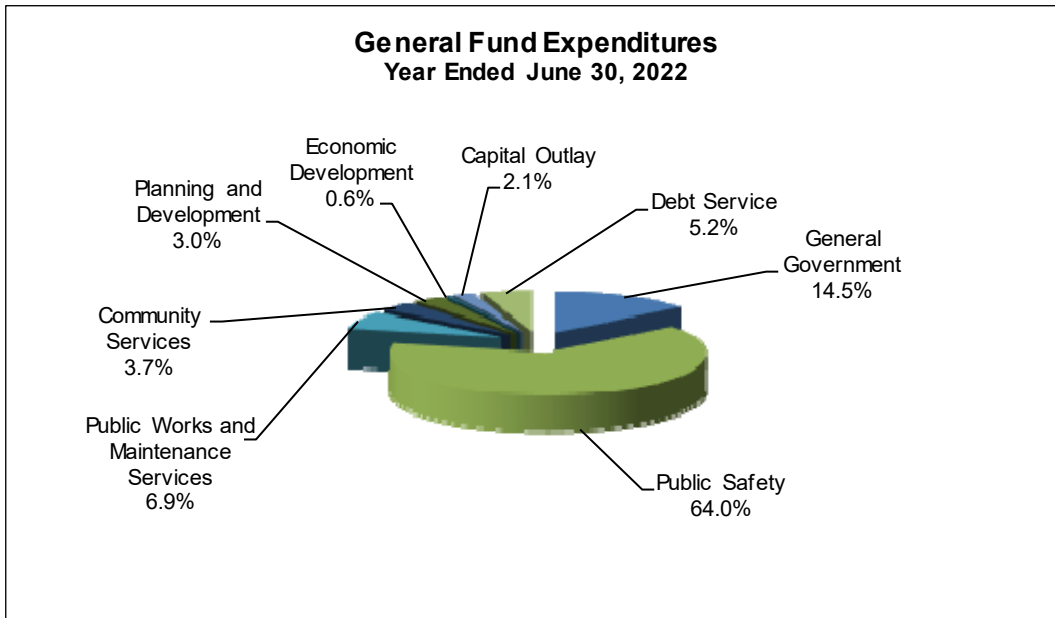


A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2022 and June 30, 2021 is presented below:

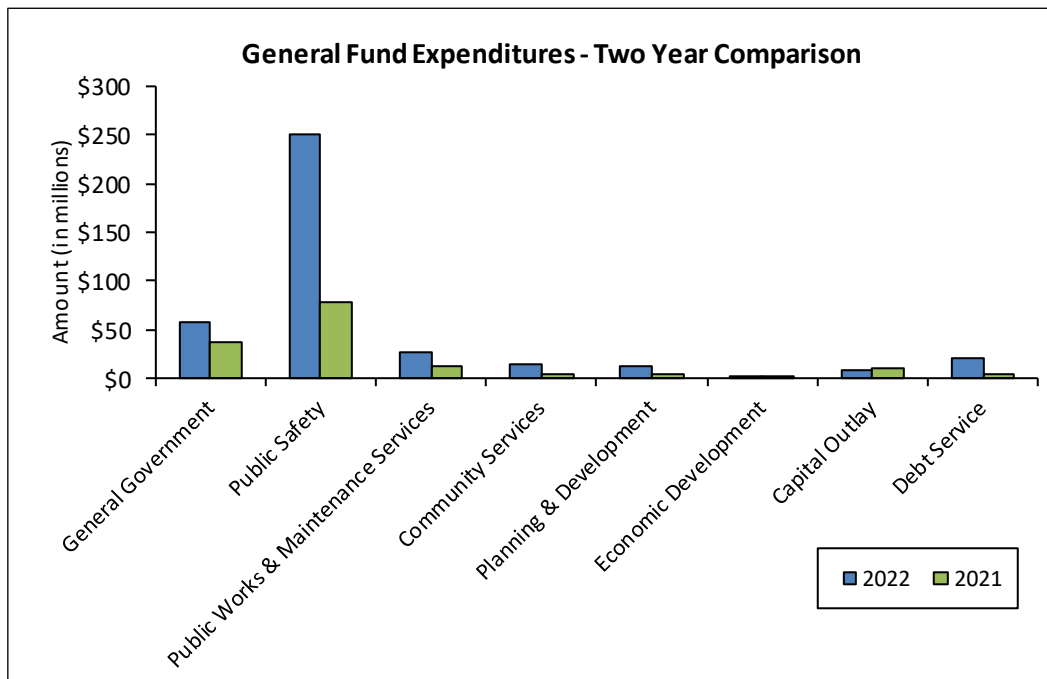


City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

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, 2022 and June 30, 2021 is presented below:



City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Overall General Fund revenues increased by \$42.9 million or 28.85%, compared to the previous year. Sales and use tax are the largest revenue source of the General Fund and increased by 100.7% in the current year due to Measure X enactment. Property taxes is the second largest revenue source of the General Fund and increased by 5.3%. As shown in the General Fund Revenues graph, revenues increased in most of the revenue sources. Other tax revenues increased by 17.9%, current service charges increased by 13.2%, partially offset by decreases in licenses and fees, permits revenue and investment loss.

Overall General Fund expenditures increased by \$236.8 million compared to the previous year. A majority of the increase is due to the issuance of pension obligation bond to pay the unfunded accrued pension liabilities to CALPERS in the amount of \$223.9 million and related principal and interest payment of over \$13 million during the year.

Other Major Governmental Funds

The Development Special Revenue Fund reported a fund balance of \$17.4 million, an increase of \$1.1 million from the prior year. Revenues exceeded expenditures in the current year by \$1.1 million. Primarily due to an increase of development impact fees of \$0.5 million and park dedication fees of \$0.6 million in the current year.

The Low/Mod Income Housing Asset Capital Project Fund reported a fund balance of \$37.6 million, an increase of \$7.7 million from the previous year. The fund balance includes \$18.5 million in cash and investments, \$2.0 million in land held for resale, \$7.1 million loan receivables, and long-term receivables in the amount of \$9.9 million from various developers.

CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At June 30, 2022, net capital assets totaled \$805.6 million for the governmental activities, and \$422.2 million for the business-type activities respectively. Depreciation on capital assets is recognized in the 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, 2022

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, 2022 was 71, the same as the previous assessment result. The City is continuously taking action 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 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 \$21.3 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 maintaining the current average PCI rating of 71 through the year 2023 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:

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 85.6	\$ 80.5	\$ 5.7	\$ 5.7	\$ 91.3	\$ 86.2
Streets	223.7	221.1	-	-	223.7	221.1
Buildings and improvements	105.4	107.0	52.4	54.2	157.8	161.2
Machinery and equipment	15.3	16.5	43.4	42.0	58.7	58.5
Infrastructure	208.1	191.6	274.9	272.4	483.0	464.0
Construction in progress	166.2	168.2	26.0	27.5	192.2	195.7
Intangible assets	1.2	-	19.8	19.6	21.0	19.6
Total Capital Assets	\$ 805.5	\$ 784.8	\$ 422.2	\$ 421.4	\$ 1,227.7	\$ 1,206.2

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, 2022

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Loans and Agreement Payable	\$ -	\$ -	\$ 24.1	\$ 26.6	\$ 24.1	\$ 26.6
Lease Payable	9.8	11.5	-	-	9.8	11.5
Capital Leases Payable	0.5	0.7	-	-	0.5	0.7
Revenue Bonds	18.2	19.6	31.5	33.7	49.7	53.3
Pension Obligation Bonds	221.9	-	37.5	-	259.4	-
Unamortized Bond Premium	2.1	2.2	1.2	1.3	3.3	3.5
Total Outstanding Debt	\$ 252.5	\$ 34.0	\$ 94.3	\$ 61.6	\$ 346.8	\$ 95.6

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund appropriations and transfers out were originally adopted at \$162.1 million for Fiscal Year 2022. Final appropriations were increased by \$255.9 million to \$418.0 million. Among the budgetary increase, \$11.4 million was due to continuing appropriations from the prior year’s capital projects and grant funded activities, and \$2.3 million was for prior year committed purchases (encumbrances).

There was \$242.2 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons: (1) The personnel budget increased by \$215.7 million in Fiscal Year 2022. In October 2021, the City issued pension obligation bonds totaling \$272.0 million. To record the bond issuance, the General Fund budget was increased by \$210.6 million. In early 2022, negotiations were completed with the various labor groups. The General Fund budget was increased by \$5.1 million to account for the respective salary and benefit changes approved by the City Council. (2) The operating budget increased by a total of \$18.1 million. The primary increase is related to the issuance of the pension obligation bonds. The General Fund debt service principal and interest expense increased by \$16.0 million. The Economic Development Department budget was increased by \$0.5 million for a budget correction related to two purchase orders. The Police and Fire departments were increased by \$0.5 million for grant related activity. (3) The capital outlay budget was increased by a net total of \$8.5 million. There was \$5.1 million approved for a property acquisition. An appropriation of \$1.1 million was added for the purchase of an urban Search and Rescue Fire Apparatus. In addition, \$1.5 million was appropriated for the Harrison Street Shelter Project and \$715,000 for the Green Alleys Project. There were budgetary reductions for other projects that were completed or no longer needed.

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

Original Budget	\$ 162,140,866
Continued Appropriations	11,361,568
Encumbrances	2,331,782
Supplemental Changes	242,199,180
Final Budget	\$ 418,033,395

City of Corona
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

At June 30, 2022, the General Fund expenditure and transfers out budget concluded the fiscal year with a net favorable variance of \$27.0 million.

Included in the \$27.0 million savings, \$21.5 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 \$1.1 million will be carried forward from the operating budget for grants and other activity approved by the City Council. Encumbered purchase orders totaling \$2.1 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 \$2.3 million. Please refer to the Required Supplementary Information section of the accompanying financial statements for additional information.

Final Budget	\$ 418,033,395
Actual Expenditures	390,754,562
Transfers Out	<u>269,916</u>
Favorable Budget Variance	<u><u>\$ 27,008,917</u></u>

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Corona
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 244,799,766	\$ 131,125,608	\$ 375,925,374
Accounts receivable	3,606,259	14,990,285	18,596,544
Interest receivable	942,762	390,470	1,333,232
Due from other government	42,340,465	735,466	43,075,931
Lease receivable - due within one year	467,872	293,589	761,461
Inventories and prepaid items	537,034	2,958,168	3,495,202
Deposits	-	149,338	149,338
Land held for resale	3,459,648	-	3,459,648
Restricted cash and investments	38,867,314	1,155,920	40,023,234
Total current assets	<u>335,021,120</u>	<u>151,798,844</u>	<u>486,819,964</u>
Noncurrent assets:			
Restricted cash and investments	-	509,441	509,441
Internal balances	174,731,905	(174,731,905)	-
Lease receivable, due in more than one year	12,239,490	4,255,671	16,495,161
Long-term receivables	26,872,408	-	26,872,408
Investment in joint venture	-	13,211,515	13,211,515
Capital assets:			
Non-depreciable	475,512,659	51,337,257	526,849,916
Depreciable, net	328,897,172	370,752,259	699,649,431
Intangible asset net	1,171,284	160,271	1,331,555
Total capital assets, net	<u>805,581,115</u>	<u>422,249,787</u>	<u>1,227,830,902</u>
Total noncurrent assets	<u>1,019,424,918</u>	<u>265,494,509</u>	<u>1,284,919,427</u>
Total assets	<u>1,354,446,038</u>	<u>417,293,353</u>	<u>1,771,739,391</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	265,523,781	36,543,694	302,067,475
Other postemployment benefits related items	23,927,849	3,425,581	27,353,430
Deferred charges on refunding	417,968	-	417,968
Total deferred outflows of resources	<u>289,869,598</u>	<u>39,969,275</u>	<u>329,838,873</u>

City of Corona
Statement of Net Position (Continued)
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	18,191,724	9,417,949	27,609,673
Retention payable	806,972	702,777	1,509,749
Accrued interest payable	927,740	1,159,100	2,086,840
Unearned revenue	26,025,650	1,445,299	27,470,949
Deposits payable	13,461,696	692,930	14,154,626
Long-term debt - due within one year	27,287,342	8,124,972	35,412,314
Total current liabilities	86,701,124	21,543,027	108,244,151
Noncurrent liabilities:			
Long-term liabilities - due in more than one year	258,239,202	87,552,799	345,792,001
Net pension liability	143,466,412	20,520,827	163,987,239
Net other postemployment benefits liability	74,375,221	10,647,773	85,022,994
Total noncurrent liabilities	476,080,835	118,721,399	594,802,234
Total liabilities	562,781,959	140,264,426	703,046,385
DEFERRED INFLOWS OF RESOURCES			
Pension related items	67,374,119	8,856,631	76,230,750
Other postemployment benefits related items	24,770,080	3,546,157	28,316,237
Lease	12,485,459	4,446,314	16,931,773
Total deferred inflows of resources	104,629,658	16,849,102	121,478,760
NET POSITION			
Net investment in capital assets	774,605,309	365,081,077	1,139,686,386
Restricted:			
Capital projects	37,622,892	-	37,622,892
Pension	30,102,382	-	30,102,382
Debt service	124	509,441	509,565
Special projects and programs:			
Community development projects	6,012,278	-	6,012,278
Transportation and public works	28,902,625	255,544	29,158,169
Special assessment district projects	28,773,861	-	28,773,861
Development projects	17,413,190	855,624	18,268,814
Other	540,572	-	540,572
Total restricted	149,367,924	1,620,609	150,988,533
Unrestricted (deficit)	52,930,786	(66,552,586)	(13,621,800)
Total net position	\$ 976,904,019	\$ 300,149,100	\$ 1,277,053,119

City of Corona
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 35,184,855	\$ 6,179,740	\$ 1,525,700	\$ -
Public safety - fire	31,961,693	3,952,023	2,116,648	-
Public safety - police	46,544,729	2,402,592	1,961,344	3,812,901
Public works and maintenance services	51,021,619	14,764,111	23,275,585	16,012,179
Community services	3,969,626	2,190,731	207,114	36,014
Planning and development	5,081,650	4,592,172	8,434,810	-
Economic development	1,200,606	-	-	-
Interest and fiscal charges	3,857,494	-	-	-
Total governmental activities	178,822,272	34,081,369	37,521,201	19,861,094
Business-type Activities:				
Water	63,431,423	64,960,384	1,975,850	1,162,535
Water reclamation	31,913,449	34,027,929	754,832	731,472
Electric	15,553,202	17,554,503	236,744	-
Transit services	2,906,505	246,155	2,055,243	-
Airport	458,143	434,761	40,119	-
Total business-type activities	114,262,722	117,223,732	5,062,788	1,894,007
Total primary government	\$ 293,084,994	\$ 151,305,101	\$ 42,583,989	\$ 21,755,101

City of Corona
Statement of Activities (Continued)
For the Year Ended June 30, 2022

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (27,479,415)	\$ -	\$ (27,479,415)
Public safety - fire	(25,893,022)	-	(25,893,022)
Public safety - police	(38,367,892)	-	(38,367,892)
Public works and maintenance services	3,030,256	-	3,030,256
Library and recreation services	(1,535,767)	-	(1,535,767)
Planning and development	7,945,332	-	7,945,332
Economic development	(1,200,606)	-	(1,200,606)
Interest and fiscal charges	(3,857,494)	-	(3,857,494)
Total governmental activities	(87,358,608)	-	(87,358,608)
Business-type Activities:			
Water	-	4,667,346	4,667,346
Water reclamation	-	3,600,784	3,600,784
Electric	-	2,238,045	2,238,045
Transit services	-	(605,107)	(605,107)
Airport	-	16,737	16,737
Total business-type activities	-	9,917,805	9,917,805
Total primary government	(87,358,608)	9,917,805	(77,440,803)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes, levied for general purpose	55,400,381	-	55,400,381
Transient occupancy taxes	3,204,109	-	3,204,109
Sales and use taxes	89,912,163	-	89,912,163
Franchise taxes	6,911,392	-	6,911,392
Business license taxes	2,446,841	-	2,446,841
Total taxes	157,874,886	-	157,874,886
Investment loss	(1,537,234)	(3,486,908)	(5,024,142)
Other income	7,519,310	-	7,519,310
Gain on sale of capital asset	120,753	-	120,753
Total general revenues	163,977,715	(3,486,908)	160,490,807
Transfers	109,748	(109,748)	-
Changes in net position	76,728,855	6,321,149	83,050,004
Net position - beginning of year, as restate (Note 18)	900,175,164	293,827,951	1,194,003,115
Net position - end of year	\$ 976,904,019	\$ 300,149,100	\$ 1,277,053,119



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Corona
Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Low Mod Income Housing Asset Capital Projects Fund	Development Special Revenue Funds
ASSETS			
Cash and investments	\$ 86,874,072	\$ 18,510,312	\$ 27,341,363
Accounts receivable	1,982,090	-	-
Interest receivable	625,651	69,804	70,039
Due from other governments	22,957,291	-	-
Due from other funds	14,711,627	-	-
Long-term receivables	2,099,041	9,942,191	1,189,660
Lease receivable	12,707,362	-	-
Loans receivable	-	7,047,242	328,332
Advance to other funds	185,155,991	-	-
Inventories and prepaid items	328,497	-	-
Land held for resale	-	1,998,648	-
Restricted assets:			
Cash and investments with fiscal agents	30,000,124	8,064,885	58,059
Total assets	\$ 357,441,746	\$ 45,633,082	\$ 28,987,453
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 10,523,427	\$ 4,292	\$ 252,398
Retention payable	28,630	-	41,926
Due to other funds	-	-	-
Advance from other funds	-	-	7,478,374
Deposit payable	9,594,467	5,898	3,801,565
Unearned revenue	2,129,412	8,000,000	-
Total liabilities	22,275,936	8,010,190	11,574,263
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,510,330	-	-
Leases	12,485,459	-	-
Total deferred inflows of resources	13,995,789	-	-
Fund Balances:			
Nonspendable	187,583,529	-	-
Restricted	30,102,506	37,622,892	17,413,190
Committed	48,121,481	-	-
Assigned	55,140,510	-	-
Unassigned (deficit)	221,995	-	-
Total fund balances	321,170,021	37,622,892	17,413,190
Total liabilities, deferred inflows of resources, and fund balances	\$ 357,441,746	\$ 45,633,082	\$ 28,987,453

(Continued)

**City of Corona
Balance Sheet (Continued)
Governmental Funds
June 30, 2022**

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and investments	\$ 68,121,222	\$ 200,846,969
Accounts receivable	1,550,318	3,532,408
Interest receivable	177,268	942,762
Due from other governments	19,383,174	42,340,465
Due from other funds	-	14,711,627
Long-term receivables	1,717,405	14,948,297
Lease receivable	-	12,707,362
Loans receivable	4,548,537	11,924,111
Advance to other funds	-	185,155,991
Inventories and prepaid items	-	328,497
Land held for resale	1,461,000	3,459,648
Restricted assets:		
Cash and investments with fiscal agents	744,246	38,867,314
Total assets	<u><u>\$ 97,703,170</u></u>	<u><u>\$ 529,765,451</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 4,400,381	\$ 15,180,498
Retention payable	736,416	806,972
Due to other funds	14,711,627	14,711,627
Advance from other funds	1,596,663	9,075,037
Deposit payable	59,766	13,461,696
Unearned revenue	15,896,238	26,025,650
Total liabilities	<u><u>37,401,091</u></u>	<u><u>79,261,480</u></u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	10,214,656	11,724,986
Leases	-	12,485,459
Total deferred inflows of resources	<u><u>10,214,656</u></u>	<u><u>24,210,445</u></u>
Fund Balances:		
Nonspendable	-	187,583,529
Restricted	57,752,923	142,891,511
Committed	-	48,121,481
Assigned	638,647	55,779,157
Unassigned (deficit)	(8,304,147)	(8,082,152)
Total fund balances	<u><u>50,087,423</u></u>	<u><u>426,293,526</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 97,703,170</u></u>	<u><u>\$ 529,765,451</u></u>

(Concluded)



City of Corona
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 426,293,526

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 \$30,428 reported in Internal Service Funds	\$	475,482,231	
Depreciable assets, net of \$3,012,017 reported in Internal Service Funds		325,885,155	
Lease asset, net of \$1,084,937 reported in Internal Service Funds		86,347	801,453,733

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. 11,724,986

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 \$10,843,530 reported in Internal Service Funds		254,680,251	
Net pension liability, net of \$(6,089,100) reported in Internal Service Funds		(137,377,312)	
Pension related deferred inflows of resources, net of \$2,628,010 reported in Internal Service Funds		(64,746,109)	

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 \$1,061,162 reported under Internal Service Funds		22,866,687	
Net OPEB liabilities, net of \$(3,298,425) reported under Internal Service Funds		(71,076,796)	
OPEB related deferred inflows of resources, net of \$(1,098,514) reported under Internal Service Funds		(23,671,566)	

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 \$1,349,049 reported in Business-type activities. 9,674,228

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (896,546)

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		417,968	
Long-term debt, net of \$(10,550,252) reported under Internal Service Funds		(239,898,885)	
Unamortized bond premium		(2,082,196)	
Compensated absences, net of \$(425,890) reported under Internal Service Funds		(10,457,950)	

Net position of governmental activities \$ 976,904,019

City of Corona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Low Mod Income Housing Asset Capital Projects Fund	Development Special Revenue Funds
REVENUES:			
Taxes	\$ 157,874,886	\$ -	\$ -
Licenses, and permits	2,521,625	-	3,271,580
Intergovernmental	4,027,178	-	-
Special assessments	573,201	-	-
Investment earnings	(5,693,460)	3,684,213	(950,844)
Fines and penalties	1,135,619	-	-
Current services	12,903,009	-	-
Payment in lieu of services	6,060,819	-	151,680
Other revenues	12,219,443	4,117,244	-
Total revenues	191,622,320	7,801,457	2,472,416
EXPENDITURES:			
Current:			
General government	56,625,834	-	-
Public safety- fire	88,959,047	-	7,185
Public safety- police	161,286,250	-	651
Public works and maintenance services	26,826,604	-	45,531
Community services	14,273,997	-	1,188
Planning and development	12,003,036	335,571	-
Economic development	2,369,713	-	-
Capital outlay	8,054,361	-	1,308,197
Debt service:			
Principal retirement	17,048,744	13,920	-
Interest and fiscal charges	3,306,976	2,238	-
Total expenditures	390,754,562	351,729	1,362,752
REVENUES OVER (UNDER) EXPENDITURES	(199,132,242)	7,449,728	1,109,664
OTHER FINANCING SOURCES (USES):			
Transfers in	1,197,681	-	-
Transfers out	(269,916)	-	-
Proceeds from Long term debt	223,947,991	227,697	-
Total other financing sources (uses)	224,875,756	227,697	-
NET CHANGE IN FUND BALANCES	25,743,514	7,677,425	1,109,664
FUND BALANCES:			
Beginning of year, as restated (Note 18)	295,426,507	29,945,467	16,303,526
End of year	<u>\$ 321,170,021</u>	<u>\$ 37,622,892</u>	<u>\$ 17,413,190</u>

(Continued)

City of Corona
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2022

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:		
Taxes	\$ -	\$ 157,874,886
Licenses, and permits	784,271	6,577,476
Intergovernmental	28,702,685	32,729,863
Special assessments	8,859,745	9,432,946
Investment earnings	(2,042,930)	(5,003,021)
Fines and penalties	46,196	1,181,815
Current services	10,659,903	23,562,912
Payment in lieu of services	-	6,212,499
Other revenues	780,282	17,116,969
Total revenues	47,790,152	249,686,345
EXPENDITURES:		
Current:		
General government	-	56,625,834
Public safety- fire	-	88,966,232
Public safety- police	640,076	161,926,977
Public works and maintenance services	22,115,936	48,988,071
Community services	126,344	14,401,529
Planning and development	448,003	12,786,610
Economic development	-	2,369,713
Capital outlay	30,546,985	39,909,543
Debt service:		
Principal retirement	111,168	17,173,832
Interest and fiscal charges	28,923	3,338,137
Total expenditures	54,017,435	446,486,478
REVENUES OVER (UNDER) EXPENDITURES	(6,227,283)	(196,800,133)
OTHER FINANCING SOURCES (USES):		
Transfers in	269,916	1,467,597
Transfers out	(1,197,681)	(1,467,597)
Proceeds from Long term debt	1,818,537	225,994,225
Total other financing sources (uses)	890,772	225,994,225
NET CHANGE IN FUND BALANCES	(5,336,511)	29,194,092
FUND BALANCES:		
Beginning of year, as restated (Note 18)	55,423,934	397,099,434
End of year	\$ 50,087,423	\$ 426,293,526

(Concluded)



City of Corona
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds: \$ 29,194,092

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 \$793,564 reported in Internal Service Funds	\$	32,814,878	
Capital contribution from developer		829,631	
Transfer from business-type activities		109,748	
Depreciation and amortization expense, net of \$1,306,774 reported in Internal Service Funds		<u>(12,505,912)</u>	21,248,345

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. 4,082,323

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 \$(106,025) reported in internal service funds		(1,693,029)	
Pension expense, net of pension contribution made after measurement date		227,222,538	
OPEB expense, net of OPEB contribution made after measurement date		6,044,702	
Accrued interest for long-term debt		(638,230)	
Deferred charges amortization		(29,855)	
Issuance of long-term debt, net of \$(10,656,635) reported in Internal Service Funds		(225,994,225)	
Principal repayment of long-term debt, net of \$1,100,282 reported in Internal Service Funds		17,173,832	
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 \$920,433) allocated to business-type activities). (30,366)

Change in net position of governmental activities \$ 76,728,855



PROPRIETARY FUND FINANCIAL STATEMENTS

City of Corona
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Water Reclamation	Electric
ASSETS			
Current assets:			
Cash and investments	\$ 29,379,363	\$ 75,008,149	\$ 24,582,387
Accounts receivable	8,660,116	4,197,207	2,109,590
Interest receivable	121,177	196,931	66,029
Due from other governments	256,308	40,008	-
Lease receivable	293,589	-	-
Inventories and prepaid items	2,958,168	-	-
Deposits	-	-	149,338
Restricted cash and investments	312,725	10,897	576,754
Total current assets	41,981,446	79,453,192	27,484,098
Noncurrent assets:			
Restricted cash and investments	-	509,441	-
Lease receivable	4,255,671	-	-
Advances to other funds	-	3,614,688	1,596,663
Investment in joint venture	-	13,211,515	-
Capital assets:			
Capital assets, not being depreciated	39,079,747	10,402,637	1,854,873
Capital assets, being depreciated, net	231,004,522	128,772,174	8,497,881
Intangible asset, net	96,359	63,912	-
Total capital assets	270,180,628	139,238,723	10,352,754
Total noncurrent assets	274,436,299	156,574,367	11,949,417
Total assets	316,417,745	236,027,559	39,433,515
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	19,540,145	12,544,510	3,898,501
OPEB related items	1,868,516	1,195,344	302,757
Total deferred outflow of resources	\$ 21,408,661	\$ 13,739,854	\$ 4,201,258

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Water reclamation	Electric
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,840,807	\$ 2,592,004	\$ 1,218,781
Retention payable	454,734	248,043	-
Accrued interest	684,963	328,947	142,250
Unearned revenue	664,402	40,371	-
Deposits payable	94,336	20,000	578,214
Claims and judgments, due within one year	-	-	-
Compensated absences, due within one year	562,634	311,636	121,061
Lease payable, due within one year	3,317	-	-
Bonds and loan payable, due within one year	5,095,281	1,679,486	283,659
Total current liabilities	12,400,474	5,220,487	2,343,965
Noncurrent liabilities:			
Advance from other funds	110,434,350	65,808,682	5,049,273
Claims and judgments, due in more than one year	-	-	-
Compensated absences, due in more than one year	152,281	139,327	-
Lease payable, due in more than one year	-	-	-
Bonds and loan payable, due in more than one year	53,607,157	28,411,651	4,304,482
Net pension liability	10,972,616	7,044,272	2,189,173
Net other postemployment benefits liability	5,807,930	3,715,501	941,064
Total noncurrent liabilities	180,974,334	105,119,433	12,483,992
Total liabilities	193,374,808	110,339,920	14,827,957
DEFERRED INFLOWS OF RESOURCES			
Pension related items	4,735,697	3,040,254	944,830
Other postemployment benefits related items	1,934,286	1,237,418	313,414
Lease	4,446,314	-	-
Total deferred inflows of resources	11,116,297	4,277,672	1,258,244
NET POSITION			
Net investment in capital assets	231,832,147	120,418,494	10,352,754
Restricted:			
Debt service	-	509,441	-
Transportation and public works	-	-	-
Development projects	15,320	840,304	-
Unrestricted (deficit)	(98,512,166)	13,381,582	17,195,818
Total net position	\$ 133,335,301	\$ 135,149,821	\$ 27,548,572

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Nonmajor	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 2,155,709	\$ 131,125,608	\$ 43,952,797
Accounts receivable	23,372	14,990,285	73,851
Interest receivable	6,333	390,470	-
Due from other governments	439,150	735,466	-
Lease receivable	-	293,589	-
Inventories and prepaid items	-	2,958,168	208,537
Deposits	-	149,338	-
Restricted cash and investments	255,544	1,155,920	-
Total current assets	2,880,108	151,798,844	44,235,185
Noncurrent assets:			
Restricted cash and investments	-	509,441	-
Lease receivable	-	4,255,671	-
Advances to other funds	-	5,211,351	-
Investment in joint venture	-	13,211,515	-
Capital assets:			
Capital assets, not being depreciated	-	51,337,257	30,428
Capital assets, being depreciated, net	2,477,682	370,752,259	3,012,017
Intangible asset, net	-	160,271	1,084,937
Total capital assets	2,477,682	422,249,787	4,127,382
Total noncurrent assets	2,477,682	445,437,765	4,127,382
Total assets	5,357,790	597,236,609	48,362,567
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	560,538	36,543,694	10,843,530
OPEB related items	58,964	3,425,581	1,061,162
Total deferred outflow of resources	\$ 619,502	\$ 39,969,275	\$ 11,904,692

(Continued)

City of Corona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Nonmajor	Total Enterprise Funds	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 766,357	\$ 9,417,949	\$ 3,011,226
Retention payable	-	702,777	-
Accrued interest	2,940	1,159,100	31,194
Unearned revenue	740,526	1,445,299	-
Deposits payable	380	692,930	-
Claims and judgments, due within one year	-	-	3,332,678
Compensated absences, due within one year	9,605	1,004,936	287,264
Lease payable, due within one year	-	3,317	228,772
Bonds and loan payable, due within one year	58,293	7,116,719	618,570
Total current liabilities	1,578,101	21,543,027	7,509,704
Noncurrent liabilities:			
Advance from other funds	-	181,292,305	-
Claims and judgments, due in more than one year	-	-	18,778,693
Compensated absences, due in more than one year	53,311	344,919	138,626
Lease payable, due in more than one year	-	-	316,245
Bonds and loan payable, due in more than one year	884,590	87,207,880	9,386,665
Net pension liability	314,766	20,520,827	6,089,100
Net other postemployment benefits liability	183,278	10,647,773	3,298,425
Total noncurrent liabilities	1,435,945	300,013,704	38,007,754
Total liabilities	3,014,046	321,556,731	45,517,458
DEFERRED INFLOWS OF RESOURCES			
Pension related items	135,850	8,856,631	2,628,010
Other postemployment benefits related items	61,039	3,546,157	1,098,514
Lease	-	4,446,314	-
Total deferred inflows of resources	196,889	16,849,102	3,726,524
NET POSITION			
Net investment in capital assets	2,477,682	365,081,077	3,582,365
Restricted:			
Debt service	-	509,441	-
Transportation and public works	255,544	255,544	-
Development projects	-	855,624	-
Unrestricted (deficit)	33,131	(67,901,635)	7,440,912
Total net position	\$ 2,766,357	\$ 298,800,051	\$ 11,023,277
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		1,349,049	
Net position of business-type activities		\$ 300,149,100	

(Concluded)

City of Corona
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Water Reclamation	Electric
OPERATING REVENUES:			
Service charges	\$ 60,025,405	\$ 31,610,482	\$ 16,292,045
Intergovernmental	-	-	-
Fees and permits	3,761,147	1,886,696	-
Fines and penalties	231,125	129,884	19,823
Other revenues	942,707	400,867	1,242,635
Total operating revenues	64,960,384	34,027,929	17,554,503
OPERATING EXPENSES:			
Personnel services	8,819,933	4,069,158	2,272,264
Contractual services	4,490,407	2,142,722	563,575
Materials and supplies	31,321,630	15,532,558	2,295,610
Utilities	6,037,175	2,185,013	9,852,188
Depreciation and amortization	8,954,288	5,859,874	399,433
Claim expense	-	-	-
Total operating expenses	59,623,433	29,789,325	15,383,070
OPERATING INCOME (LOSS)	5,336,951	4,238,604	2,171,433
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	1,975,850	754,832	236,744
Investment loss	(833,872)	(2,731,404)	(870,917)
Interest expense	(4,393,518)	(2,447,012)	(229,491)
Gain on sale of capital assets	-	-	-
Gain on investment in joint venture	-	1,046,197	-
Total nonoperating revenues (expenses)	(3,251,540)	(3,377,387)	(863,664)
CAPITAL CONTRIBUTIONS:			
Capital grants and contributions	1,162,535	731,472	-
Capital contributions	(109,748)	-	-
Total capital contributions	1,052,787	731,472	-
CHANGE IN NET POSITION	3,138,198	1,592,689	1,307,769
NET POSITION:			
Beginning of year, as restated (Note 18)	130,197,103	133,557,132	26,240,803
End of year	\$ 133,335,301	\$ 135,149,821	\$ 27,548,572

City of Corona
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities		Governmental
	Enterprise Funds		Activities -
	Nonmajor	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:			
Service charges	\$ -	\$ 107,927,932	\$ 22,375,706
Intergovernmental	2,055,243	2,055,243	-
Fees and permits	38,390	5,686,233	-
Fines and penalties	23,150	403,982	-
Other revenues	619,376	3,205,585	722,327
Total operating revenues	2,736,159	119,278,975	23,098,033
OPERATING EXPENSES:			
Personnel services	251,138	15,412,493	4,564,907
Contractual services	1,799,035	8,995,739	4,599,578
Materials and supplies	457,868	49,607,666	3,183,428
Utilities	167,559	18,241,935	1,685,917
Depreciation	676,238	15,889,833	1,306,774
Claim expense	-	-	6,780,657
Total operating expenses	3,351,838	108,147,666	22,121,261
OPERATING INCOME (LOSS)	(615,679)	11,131,309	976,772
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	40,119	3,007,545	-
Investment earnings	(96,912)	(4,533,105)	-
Interest expense	(12,810)	(7,082,831)	(160,116)
Gain on sale of capital assets	-	-	120,753
Gain on investment in joint venture	-	1,046,197	-
Total nonoperating revenues (expenses)	(69,603)	(7,562,194)	(39,363)
TRANSFERS AND CAPITAL CONTRIBUTIONS:			
Capital grants and contributions	-	1,894,007	-
Capital contributions	-	(109,748)	-
Total capital contributions and transfers	-	1,784,259	-
CHANGE IN NET POSITION	(685,282)	5,353,374	937,409
NET POSITION:			
Beginning of year	3,451,639	293,446,677	10,085,868
End of year	<u>\$ 2,766,357</u>	<u>\$ 298,800,051</u>	<u>\$ 11,023,277</u>
Adjustments to reflect the consolidation of internal service fund activities related to the proprietary funds		<u>967,775</u>	
Changes in net position of business-type activities		<u>\$ 6,321,149</u>	

City of Corona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Water reclamation	Electric
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 64,204,444	\$ 34,205,610	\$ 17,304,475
Cash paid to suppliers for goods and services	(42,555,347)	(18,797,579)	(13,101,096)
Cash paid to employees for services	(30,108,330)	(17,675,774)	(6,587,514)
Cash paid for insurance or claims	-	-	-
Net cash (used in) operating activities	(8,459,233)	(2,267,743)	(2,384,135)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	2,156,876	775,275	236,744
Proceed from pension obligation bonds	21,833,912	12,257,298	4,886,857
Principal paid on pension obligation bonds	(1,334,629)	(749,244)	(298,716)
Interest paid on pension obligation bonds	(214,584)	(120,465)	(48,028)
Net cash provided by noncapital financing activities	22,441,575	12,162,864	4,776,857
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(8,620,756)	(6,236,165)	(70,280)
Proceed from sale of capital assets	-	-	-
Repayment of capital advances from other funds	-	-	(1,020,217)
Receipt of repayment for advances to other funds	-	-	260,948
Principal paid on long-term debt	(3,720,679)	(936,773)	-
Interest paid on long-term debt	(4,264,200)	(2,323,256)	(194,589)
Net cash (used in) capital and related financing activities	(16,605,635)	(9,496,194)	(1,024,138)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment loss	(865,659)	(2,691,985)	(865,078)
Investment in joint venture	-	(1,903,190)	-
Net cash (used in) investing activities	(865,659)	(4,595,175)	(865,078)
Net increase (decrease) in cash and cash equivalents	(3,488,952)	(4,196,248)	503,506
CASH AND CASH EQUIVALENTS:			
Beginning of year	33,181,040	79,724,735	24,655,635
End of year	\$ 29,692,088	\$ 75,528,487	\$ 25,159,141
CASH AND CASH EQUIVALENTS:			
Cash and investment	\$ 29,379,363	\$ 75,008,149	\$ 24,582,387
Restricted cash and investment, current	312,725	10,897	576,754
Restricted cash and investment, noncurrent	-	509,441	-
Total cash and cash equivalents	\$ 29,692,088	\$ 75,528,487	\$ 25,159,141
NONCASH ITEMS:			
Capital contribution	\$ (109,748)	\$ -	\$ -

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities		
	Enterprise Funds		
	Corona Utility Authority		
	Water	Water reclamation	Electric
INCOME (LOSS) TO NET CASH (USED IN)			
OPERATING ACTIVITIES:			
Operating income (loss)	\$ 5,336,951	\$ 4,238,604	\$ 2,171,433
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	8,954,288	5,859,874	399,433
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(280,094)	177,681	(265,067)
(Increase) decrease in due from other government	-	-	-
(Increase) decrease in inventories and prepaid items	87,234	-	21
(Increase) decrease in deposits	-	-	9,028
(Increase) decrease in lease receivable	316,012	-	-
(Increase) decrease in deferred outflows of resources related to pension	(16,807,409)	(10,829,917)	(3,342,999)
(Increase) decrease in deferred outflows of resources related to OPEB	(657,283)	(417,560)	(104,184)
Increase (decrease) in accounts payable and accrued liabilities	(773,252)	805,422	(450,092)
Increase (decrease) in deposits payable	(372,900)	-	15,039
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in compensated absences	(4,007)	60,373	58,287
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in net pension liabilities	(8,264,221)	(5,025,442)	(1,721,228)
Increase (decrease) in OPEB liabilities	(861,440)	(487,495)	(213,606)
Increase (decrease) in deferred inflows of resources related to pension	4,735,697	3,040,254	944,830
Increase (decrease) in deferred inflows of resources related to OPEB	550,149	310,463	114,970
Increase (decrease) in deferred inflows of resources related to leases	(418,958)	-	-
Total adjustment	(13,796,184)	(6,506,347)	(4,555,568)
Net cash (used in) operating activities	\$ (8,459,233)	\$ (2,267,743)	\$ (2,384,135)

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	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	\$ 3,124,467	\$ 118,838,996	\$ 23,090,634
Cash paid to suppliers for goods and services	(2,785,552)	(77,239,574)	(7,036,696)
Cash paid to employees for services	(1,260,965)	(55,632,583)	(15,164,805)
Cash paid for insurance or claims	-	-	(5,992,027)
Net cash (used in) operating activities	(922,050)	(14,033,161)	(5,102,894)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	5,224	3,174,119	644
Proceed from pension obligation bonds	1,004,270	39,982,337	10,656,635
Principal paid on pension obligation bonds	(61,387)	(2,443,976)	(651,400)
Interest paid on pension obligation bonds	(9,870)	(392,947)	(106,435)
Net cash provided by noncapital financing activities	938,237	40,319,533	9,899,444
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(38,081)	(14,965,282)	(547,540)
Proceed from sale of capital assets	-	-	129,657
Repayment of capital advances from other funds	-	(1,020,217)	-
Repayment of advances to other funds	-	260,948	-
Principal paid on long-term debt	-	(4,657,452)	(448,882)
Interest paid on long-term debt	-	(6,782,045)	(22,487)
Net cash (used in) capital and related financing activities	(38,081)	(27,164,048)	(889,252)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment loss	(95,704)	(4,518,426)	-
Investment in joint venture	-	(1,903,190)	-
Net cash (used in) investing activities	(95,704)	(6,421,616)	-
Net increase (decrease) in cash and cash equivalents	(117,598)	(7,299,292)	3,907,298
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,528,851	140,090,261	40,045,499
End of year	<u>\$ 2,411,253</u>	<u>\$ 132,790,969</u>	<u>\$ 43,952,797</u>
CASH AND CASH EQUIVALENTS:			
Cash and investment	\$ 2,155,709	\$ 131,125,608	\$ 43,952,797
Restricted cash and investment, current	255,544	1,155,920	-
Restricted cash and investment, noncurrent	-	509,441	-
Total cash and cash equivalents	<u>\$ 2,411,253</u>	<u>\$ 132,790,969</u>	<u>\$ 43,952,797</u>
NONCASH ITEMS:			
Capital contribution	\$ -	\$ (109,748)	\$ -

(Continued)

City of Corona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities		Governmental
	Enterprise Funds		Activities -
	Nonmajor	Total Enterprise Funds	Internal Service Funds
INCOME (LOSS) TO NET CASH (USED IN)			
OPERATING ACTIVITIES:			
Operating income (loss)	\$ (615,679)	\$ 11,131,309	\$ 976,772
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	676,238	15,889,833	1,306,774
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(16,018)	(383,498)	(7,399)
(Increase) decrease in due from other government	238,968	238,968	-
(Increase) decrease in inventories and prepaid items	-	87,255	752,659
(Increase) decrease in deposits	-	9,028	-
(Increase) decrease in lease receivable	-	316,012	-
(Increase) decrease in deferred outflows of resources related to pension	(426,223)	(31,406,548)	(9,430,732)
(Increase) decrease in deferred outflows of resources related to OPEB	(10,997)	(1,190,024)	(451,847)
Increase (decrease) in accounts payable and accrued liabilities	(361,491)	(779,413)	1,708,503
Increase (decrease) in deposits payable	-	(357,861)	-
Increase (decrease) in unearned revenue	165,358	165,358	-
Increase (decrease) in compensated absences	(1,285)	113,368	106,025
Increase (decrease) in claims payable	-	-	788,630
Increase (decrease) in net pension liabilities	(630,734)	(15,641,625)	(3,856,158)
Increase (decrease) in OPEB liabilities	(84,605)	(1,647,146)	(27,022)
Increase (decrease) in deferred inflows of resources related to pension	135,850	8,856,631	2,628,010
Increase (decrease) in deferred inflows of resources related to OPEB	8,568	984,150	402,891
Increase (decrease) in deferred inflows of resources related to leases	-	(418,958)	-
Total adjustment	(306,371)	(25,164,470)	(6,079,666)
Net cash (used in) operating activities	\$ (922,050)	\$ (14,033,161)	\$ (5,102,894)

(Concluded)



FIDUCIARY FUND FINANCIAL STATEMENTS



City of Corona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Private-Purpose Trust Fund	
	Successor Agency Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 4,841,812	\$ 2,722,262
Interest receivable	-	7,151
Due from other governments	-	191,648
Restricted:		
Cash and investments with fiscal agent	6,457,864	11,967,986
Total assets	11,299,676	14,889,047
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	69,413	-
OPEB related items	49,704	-
Total deferred outflows of resources	119,117	-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	701	268
Retention payable	3,203	-
Interest payable	608,932	-
Deposits payable	-	62,059
Due to other governments	924,790	-
Bonds payable, due within one year	3,954,458	-
Noncurrent liabilities:		
Bonds payable, due in more than one year	34,624,944	-
Net pension liability	38,978	-
Net OPEB liability	154,495	-
Total liabilities	40,310,501	62,327
DEFERRED INFLOWS OF RESOURCES		
Pension related	16,823	
OPEB related items	51,453	-
Total deferred inflows of resources	68,276	-
NET POSITION		
Held for:		
Held in trust	(28,959,984)	-
Organization and other governments	-	14,826,720
Total net position (deficit)	\$ (28,959,984)	\$ 14,826,720

City of Corona
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Funds
ADDITIONS:		
Redevelopment property tax trust fund	\$ 9,183,265	\$ -
Assessment revenue	-	7,222,042
Investment earning	6,488	(78,753)
Other revenue	90	-
Total additions	9,189,843	7,143,289
DEDUCTIONS:		
Administrative expenses	13,259	-
Developer payments	1,617,107	46,921
Payments for district expenses	-	385,638
Payments for district debt service	2,511,897	6,474,808
Total deductions	4,142,263	6,907,367
Change in net position	5,047,580	235,922
NET POSITION :		
Beginning of year	(34,007,564)	14,590,798
End of year	\$ (28,959,984)	\$ 14,826,720

NOTES TO THE BASIC FINANCIAL STATEMENTS



City of Corona
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For the Year Ended June 30, 2022

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City of Corona
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For the Year Ended June 30, 2022

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City of Corona
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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 water reclamation 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, 2022

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 water reclamation 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, 2022

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, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

- 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.

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, Water Reclamation, 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.
- Water Reclamation Enterprise Fund - accounts for the operation and maintenance of the City's water reclamation 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.

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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments (Continued)

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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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 Receivable

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

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

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

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

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

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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

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 capital lease are capitalized at the net present value of the total lease 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.

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

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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

The City has a policy to recognize a right-to-use lease asset (lease asset) in the government-wide financial statements and proprietary fund financial statements for lease asset over \$100,000. Lease assets are recorded at the amount of the initial measurement of the lease liabilities and adjusted by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. 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.

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 position that apply to future periods.

Deferred Inflows of Resources represent an acquisition of net position that apply 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.

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").

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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 lessee 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 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 State 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 and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

O. 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.

P. 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, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Pensions (Continued)

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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.

Q. 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:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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.

R. 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:

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Property Taxes (Continued)

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".

S. 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.

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position and Fund Balances (Continued)

- 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 Administrative Services 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.

T. 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.

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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

U. 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.

V. Implementation of New GASB Pronouncement

In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The effective date of GASB Statement No. 87 (as amended by GASB Statement No. 95) is for fiscal years beginning after June 15, 2021. Implementation of this Statement resulted in restatement of beginning balance of lease assets (Note 9) and lease liabilities (Note 11) at July 1, 2021.

Note 2 – Stewardship, Compliance and Accountability

Deficit Net Position

At June 30, 2022, Public Facility Project Capital Projects Funds and Other Grants Special Revenue Funds had deficit fund balances of \$3,301,897 and \$5,002,250. 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 \$28,959,984 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, 2022

Note 3 – Cash and Investments (Continued)

The City had the following cash and investments at June 30, 2022:

	Government-Wide Statement of Net Position		Fiduciary Fund	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 244,799,766	\$ 131,125,608	\$ 7,564,074	\$ 383,489,448
Restricted cash and investments	38,867,314	1,665,361	18,425,850	58,958,525
Total cash and investments	\$ 283,667,080	\$ 132,790,969	\$ 25,989,924	\$ 442,447,973

The City's cash and investments at June 30, 2022, in more detail:

Deposits with financial institution	\$ 3,736,051
Petty cash	9,449
Custodial cash	30,000,000
Total cash	33,745,500
Investments	389,952,877
Investments with fiscal agent	18,749,596
Total investments	408,702,473
Total cash and investments	\$ 442,447,973

A. Deposits

The carrying amounts of the City's demand deposits were \$3,736,051 at June 30, 2022. Bank balances at that date were \$6,176,051, 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 market 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, 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, 2022

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
Repurchase 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, 2022, 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, 2022, the City had \$91,797,429 invested in LAIF, which had invested 1.88% 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, 2022

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2022, 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, 2022:

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	\$ -	\$ -	\$ 91,797,429	\$ 91,797,429
Money Market Funds	-	-	3,825,330	3,825,330
United States Government Sponsored				
Enterprise Securities	-	69,692,653	-	69,692,653
US Treasury bills	72,015,403	-	-	72,015,403
Collateralized Mortgage obligation	-	18,951,429	-	18,951,429
Asset Backed Securities	-	39,959,410	-	39,959,410
Corporate Notes	-	78,239,088	-	78,239,088
Negotiable Certificates of Deposit	-	494,257	-	494,257
Municipal Bonds	-	3,318,045	-	3,318,045
Supernational Obligations	-	11,659,833	-	11,659,833
Held by Bond Trustee:				
Money Market Funds	-	-	18,749,596	18,749,596
Total	\$ 72,015,403	\$ 222,314,715	\$ 114,372,355	\$ 408,702,473

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, 2022, 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	\$ 91,797,429	\$ -	\$ -	\$ 91,797,429
Money Market Funds	3,825,330	-	-	3,825,330
United States Government Sponsored				
Enterprise Securities	-	13,965,789	55,726,864	69,692,653
US Treasury bills	-	17,963,623	54,051,780	72,015,403
Collateralized Mortgage obligation	548,810	13,983,060	4,419,559	18,951,429
Asset Backed Securities	-	3,622,531	36,336,879	39,959,410
Corporate Notes	-	11,563,588	66,675,500	78,239,088
Negotiable Certificates of Deposit	494,257	-	-	494,257
Municipal Bonds	-	-	3,318,045	3,318,045
Supernational Obligations	-	-	11,659,833	11,659,833
Held by Bond Trustee:				
Money Market Funds	18,749,596	-	-	18,749,596
Total	\$ 115,415,422	\$ 61,098,591	\$ 232,188,460	\$ 408,702,473

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022 for each investment type:

Investment Type	Fair Value at June 30, 2022	Minimum Legal Rating	AAA		Not Required to be Rated	
			AAA	Other	AAA	Other
Local Agency Investment Fund	\$ 91,797,429	Not Rated	\$ -	\$ -	\$ 91,797,429	
Money Market Funds	3,825,330	N/A	-	-	3,825,330	
United States Government Sponsored						
Enterprise Securities	69,692,653	N/A	69,692,653	-	-	
US Treasury bills	72,015,403	N/A	72,015,403	-	-	
Collateralized Mortgage obligation	18,951,429	AA	18,951,429	-	-	
Asset Backed Securities	39,959,410	AA	39,959,410	-	-	
Corporate Notes	78,239,088	A	5,615,000	72,624,088	-	
Negotiable Certificates of Deposit	494,257	A1/P1	-	494,257	-	
Municipal Bonds	3,318,045	A	-	3,318,045	-	
Supernational Obligations	11,659,833	AA	11,659,833	-	-	
Held by Bond Trustee:						
Money Market Funds	18,749,596	N/A	-	-	18,749,596	
Total	\$ 408,702,473		\$ 217,893,728	\$ 76,436,390	\$ 114,372,355	

N/A - Not Required

The actual rating for the “Other” Category above as follows:

Investment Type	AA+	AA	AA-	A+	A	A-	Total
Corporate Notes	\$ 9,971,844	\$ 5,142,990	\$ 9,624,393	\$ 12,622,090	\$ 17,527,326	\$ 23,350,445	\$ 78,239,088

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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Concentration of Credit Risk (Continued)

At June 30, 2022, 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 Bank	US Government Sponsored Enterprise Securities	\$ 22,040,523	6%
Federal Home Loan Mortgage Corporation	US Government Sponsored Enterprise Securities	17,921,290	5%
Federal National Mortgage Association	US Government Sponsored Enterprise Securities	29,730,840	8%

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, 2022, 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

The City's investment in WRCRWA for the fiscal year ended June 30, 2022 was \$13,211,515.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Investment in Joint Venture (Continued)

Unaudited financial information of the Authority for the fiscal year ended June 30, 2022, was summarized as follows:

Western Riverside County Regional Wastewater Authority Net Position:

Total assets	\$ 115,874,464
Total liabilities	(61,483,001)
Deferred Inflow of resources	(350,000)
Total net position (deficit)	\$ 54,041,463

Western Riverside County Regional Wastewater Authority Changes in Net Position:

Operating revenues	\$ 9,141,794
Operating expenses	(8,718,665)
Operating revenue before depreciation	423,129
Depreciation	(3,978,612)
Operating loss	(3,555,483)
Nonoperating revenue	9,145,851
Change in net position	5,590,368
Beginning net position	48,451,095
Ending net position	\$ 54,041,463

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, 2022 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, 2022, the balances of the long-term receivables were as follows:

Governmental Funds	Long-Term Receivable	Loans Receivable	Total
General Fund	\$ 2,099,041	\$ -	\$ 2,099,041
Low Mod Income Housing Assets Capital Projects Fund	9,942,191	7,047,242	16,989,433
Development Special Revenue Funds	1,189,660	328,332	1,517,992
Nonmajor Governmental Funds	1,717,405	4,548,537	6,265,942
Total	\$ 14,948,297	\$ 11,924,111	\$ 26,872,408

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Receivables (Continued)

General Fund

- Various City/former Corona Redevelopment Agency loans totaled \$924,789 as of June 30, 2022. The loans were approved by the Oversight Board on May 30, 2013. Finding of Completion was issued by the California Department of Finance on April 8, 2013. Repayments of these City loans from the Successor Agency were scheduled to commence after Fiscal Year 2014-15 after the SERAF Loan was paid in full.
- Reimbursement receivables from developers for the Temescal Canyon Communications Tower totaling \$229,687.
- Reimbursement receivables from developers for South Corona area Community Facilities Plan totaling \$169,565.
- 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 \$9,942,191.
- Loans receivables from developers and homeowners for home improvement loan and first-time home buyer programs totaling \$7,047,242.

Development Special Revenue Funds

- Long-term receivables for deferred fees from developers totaling \$1,189,660.
- Loans receivable from the developers totaling \$328,332.

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 \$2,248,537 for residential rehabilitation, home improvement, and first-time home buyer programs.
- The nonmajor governmental funds (Other Grants Capital Projects Funds) reported \$2,300,000 loans receivable from developers for building affordable housing.

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, 2022, the City recognized \$786,213 and \$418,958 in lease revenue and \$176,086 and \$93,585 in interest revenue for General Fund and Water Enterprise Fund, respectively. The outstanding receivables are in the amounts of \$12,707,362 and \$4,549,260 for General Fund and Water Enterprise Fund, respectively.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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
2023	\$ 467,872	\$ 347,432	\$ 815,304	\$ 293,589	\$ 130,511	\$ 424,100
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	473,722	320,299	794,021	334,423	93,454	427,877
2028-2032	3,004,073	1,360,632	4,364,705	1,264,077	337,587	1,601,664
2033-2037	3,455,411	860,336	4,315,747	885,113	196,184	1,081,297
2038-2042	2,695,982	399,820	3,095,802	523,899	84,901	608,800
2034-2047	1,269,622	84,118	1,353,740	296,883	17,509	314,392
Total	\$ 12,707,362	\$ 4,415,989	\$ 17,123,351	\$ 4,549,260	\$ 1,197,008	\$ 5,746,268

Note 8 – Interfund Transactions

A. Government-Wide Financial Statements

Internal Balances - At June 30, 2022, the City had the following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

		Internal Receivable
Internal Payable	Governmental Activities	
Business-Type Activities		\$ 174,731,905

Included in the internal balances are net advances to/from other funds within governmental funds in the amount of \$3,452,610, net of internal services fund activities related to business-type activities in the amount of \$(1,349,049), 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 Water Reclamation 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 Water Reclamation facilities. The finance purchased assets of the Water and Water Reclamation 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, 2022

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 Water Reclamation 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 Water Reclamation 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 Water Reclamation utilities were calculated with a discount rate of 5.0% and 4.4%, respectively. For fiscal year ended June 30, 2022, the payments for Water and Water Reclamation 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, 2022:

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

During the year ended June 30, 2022, the following interfund transactions were paid by the CUA to the City:

Advances from Other Fund	Interest
Water Utility Enterprise Fund	\$ 2,571,803
Water Reclamation Utilities Enterprise Fund	1,730,689
Total	<u>\$ 4,302,492</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Interfund Transactions (Continued)

A. Government-Wide Financial Statements (Continued)

At June 30, 2022, the future debt service payments required under the Agreement for the Water Utility are presented below:

Year Ending June 30,	Principal	Interest
2023	\$ -	\$ 2,430,513
2024	-	2,296,287
2025	-	2,168,773
2026	-	2,047,634
2027	-	1,932,553
2028-2032	-	8,128,159
2033-2037	-	6,002,115
2038-2042	-	4,357,024
2043-2047	-	3,084,084
2048-2052	-	1,779,440
2053-2056	106,819,662	464,538
Total Future Repayments	<u>\$ 106,819,662</u>	<u>\$ 34,691,120</u>

At June 30, 2022, the future debt service payments required under the Agreement for the Water Reclamation utility advances are presented below:

Year Ending June 30,	Principal	Interest
2023	\$ -	\$ 1,637,405
2024	-	1,548,785
2025	-	1,464,595
2026	-	1,384,616
2027	-	1,308,635
2028-2032	-	5,529,976
2033-2037	-	4,126,293
2038-2042	-	3,040,150
2043-2047	-	2,199,711
2048-2052	-	1,614,844
2053-2056	65,808,682	1,159,387
Total Future Payments	<u>\$ 65,808,682</u>	<u>\$ 25,014,397</u>

Transfers – For the year ended June 30, 2022, the business-type activities transferred capital assets to the governmental activities with net book value in the amount of \$109,748.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Interfund Transactions (Continued)

B. Fund Financial Statements

Due From/To Other Funds - At June 30, 2022, the City had the following due from/to other funds:

Due From Other Funds	Due To Other Funds	
	Governmental Funds	
	Nonmajor Governmental Funds	
Governmental Fund:		
General Fund	\$	14,711,627

The above amounts resulted from temporary reclassifications made at June 30, 2022 to cover cash shortfalls.

Advances To/From Other Funds – At June 30, 2022, the City had the following advances:

Advances from Other Funds	Advances to Other Funds			Total
	Governmental Funds		Proprietary Fund	
	General Fund	Water Reclamation Enterprise Fund		
Governmental Fund:				
Development Special Revenue Fund	\$ 7,478,374	\$ -	\$ -	\$ 7,478,374
Nonmajor Governmental Funds	-	-	1,596,663	1,596,663
Proprietary Fund:				
Water Enterprise Fund	106,819,662	3,614,688	-	110,434,350
Water Reclamation Enterprise Fund	65,808,682	-	-	65,808,682
Electric Enterprise Fund	5,049,273	-	-	5,049,273
Total	\$ 185,155,991	\$ 3,614,688	\$ 1,596,663	\$ 190,367,342

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, 2022, the outstanding balance of the interfund loan was \$7,464,511. The General Fund also has another interfund loan with Development Special Revenue Fund (Temescal Canyon Fire Facility Fee Fund) in the amount of \$13,863. Also see advances to Water and Water Reclamation Enterprise Funds at page 82 and 83.

A loan was made from the General Fund to the Electric Enterprise Fund to pay for certain capital improvement projects, and to call the outstanding 2005 Clearwater Cogeneration Projects Certificates of Participation. At June 30, 2022, the outstanding balance payable from the Electric Enterprise Fund to the General Fund was in the amount of \$5,049,273.

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, the available revenue. At June 30, 2022, the outstanding balance was in the amount of \$1,596,663.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 8 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

During the years ended June 30, 2018 and 2019, Water Reclamation 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, 2022 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, 2022, the outstanding balance was in the amount of \$3,614,688.

Transfers In/Out – During the year ended June 30, 2022, the City had the following transfers in/out:

Transfers In	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
Governmental Fund:			
General Fund	\$ -	\$ 1,197,681	\$ 1,197,681
Nonmajor Governmental Funds	269,916	-	269,916
Total	\$ 269,916	\$ 1,197,681	\$ 1,467,597

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 \$1,116,081 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, 2022

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, 2022 is as follows:

	Balance July 1, 2021 (As Restated)	Transfers	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:					
Land	\$ 80,457,389	\$ 5,102,845	\$ -	\$ -	\$ 85,560,234
Streets	221,098,411	1,807,625	829,631	-	223,735,667
Construction in progress	168,178,715	(31,779,429)	29,817,472	-	166,216,758
Total capital assets, not being depreciated	469,734,515	(24,868,959)	30,647,103	-	475,512,659
Capital assets, being depreciated:					
Buildings and improvements	236,280,294	3,552,718	-	-	239,833,012
Machinery and equipment	44,495,173	2,523,868	112,045	(2,035,967)	45,095,119
Computer software	959,782	-	-	-	959,782
Infrastructure	338,854,056	18,977,222	3,287,902	-	361,119,180
Total capital assets, being depreciated	620,589,305	25,053,808	3,399,947	(2,035,967)	647,007,093
Less accumulated depreciation for:					
Buildings and improvements	(129,306,524)	(75,101)	(5,025,484)	-	(134,407,109)
Machinery and equipment	(29,001,260)	-	(2,800,240)	2,027,063	(29,774,437)
Computer software	(944,865)	-	(4,972)	-	(949,837)
Infrastructure	(147,242,600)	-	(5,735,938)	-	(152,978,538)
Total accumulated depreciation	(306,495,249)	(75,101)	(13,566,634)	2,027,063	(318,109,921)
Total capital assets, being depreciated, net	314,094,056	24,978,707	(10,166,687)	(8,904)	328,897,172
Lease assets, being amortized:					
Intangible asset - right of use	1,373,205	-	391,023	-	1,764,228
Accumulated amortization	(346,892)	-	(246,052)	-	(592,944)
Total lease assets, being amortized, net	1,026,313	-	144,971	-	1,171,284
Governmental activities capital assets, net	\$ 784,854,884	\$ 109,748	\$ 20,625,387	\$ (8,904)	\$ 805,581,115

Depreciation and amortization expense was charged to functions of the governmental activities for the year ended June 30, 2022 as follows:

General government	\$ 2,969,031
Public safety - fire	704,168
Public safety - police	461,203
Public works	770,323
Maintenance service	7,509,225
Community services	91,962
Internal service	1,306,774
Total depreciation expense - governmental activities	\$ 13,812,686

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022 is as follows:

	Balance July 1, 2021 (As Restated)	Transfers	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:					
Land	\$ 5,716,877	\$ -	\$ -	\$ -	\$ 5,716,877
Water and pumping rights	19,644,651	-	-	-	19,644,651
Construction in progress	27,446,364	(16,758,179)	15,287,544	-	25,975,729
Total capital assets, not being depreciated	52,807,892	(16,758,179)	15,287,544	-	51,337,257
Capital assets, being depreciated:					
Buildings and improvements	106,065,448	518,017	-	-	106,583,465
Machinery and equipment	119,532,824	6,707,709	1,201,886	(108,494)	127,333,925
Computer software	1,770,193	-	-	-	1,770,193
Infrastructure	392,738,906	9,347,604	321,466	-	402,407,976
Total capital assets, being depreciated	620,107,371	16,573,330	1,523,352	(108,494)	638,095,559
Less accumulated depreciation for:					
Buildings and improvements	(51,909,999)	75,101	(2,335,822)	-	(54,170,720)
Machinery and equipment	(78,075,133)	-	(6,047,542)	108,494	(84,014,181)
Computer software	(1,347,108)	-	(323,887)	-	(1,670,995)
Infrastructure	(120,321,035)	-	(7,166,369)	-	(127,487,404)
Total accumulated depreciation	(251,653,275)	75,101	(15,873,620)	108,494	(267,343,300)
Total capital assets, being depreciated, net	368,454,096	16,648,431	(14,350,268)	-	370,752,259
Lease assets, being amortized:					
Intangible asset - right of use	217,306	-	-	-	217,306
Accumulated amortization	(40,822)	-	(16,213)	-	(57,035)
Total lease assets, being amortized, net	176,484	-	(16,213)	-	160,271
Business-type activities capital assets, net	\$ 421,438,472	\$ (109,748)	\$ 921,063	\$ -	\$ 422,249,787

Depreciation and amortization expense was charged to functions of the business-type activities for the year ended June 30, 2022 as follows:

Water	\$ 8,954,288
Water Reclamation	5,859,874
Electric	399,433
Transit Service	661,942
Airport	14,296
Total depreciation expense - business-type activities	\$ 15,889,833

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Capital Assets (Continued)

C. Infrastructure Assets

Below is a summary of infrastructure assets of the City as of June 30, 2022:

Description	Historical Cost	Accumulated Depreciation	Net Cost
Governmental activities:			
Modified approach			
Street pavement system	\$ 223,735,667	\$ -	\$ 223,735,667
Basic approach			
Curbing	82,220,356	(42,540,172)	39,680,184
Sidewalks	104,926,058	(46,096,786)	58,829,272
Signs and lights	48,286,143	(17,793,600)	30,492,543
Storm drains	117,684,421	(43,568,989)	74,115,432
Fiberoptics	5,899,801	(2,880,976)	3,018,825
Electric	2,085,986	(96,374)	1,989,612
Water reclamation	16,415	(1,641)	14,774
Subtotal basic approach	<u>361,119,180</u>	<u>(152,978,538)</u>	<u>208,140,642</u>
Total governmental activities	<u><u>\$ 584,854,847</u></u>	<u><u>\$ (152,978,538)</u></u>	<u><u>\$ 431,876,309</u></u>
Business-type activities:			
Basic approach			
Fiberoptics	\$ 235,951	\$ (197,070)	\$ 38,881
Curbing	200	(31)	169
Sidewalks	252,556	(13,192)	239,364
Electric	6,150,749	(1,844,895)	4,305,854
Signs and lights	361,508	(71,063)	290,445
Storm drains	191,468	(13,193)	178,275
Water	273,915,213	(90,347,396)	183,567,817
Water reclamation	121,300,331	(35,000,564)	86,299,767
Total business-type activities	<u><u>\$ 402,407,976</u></u>	<u><u>\$ (127,487,404)</u></u>	<u><u>\$ 274,920,572</u></u>

D. Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2022. These projects include street construction in areas of newly developed housing, pavement rehabilitation, and various water and water reclamation upgrades and replacements. At year end, the City's construction in progress totaled \$192,192,487.

The following material construction commitments existed at June 30, 2022:

Project Name	Contract Amount	Expenditures to date as of June 30, 2022	Remaining Commitments
Governmental activities:			
McKinley Street Grade Separation	\$ 69,054,308	\$ 19,005,865	\$ 50,048,443
Magnolia Avenue Widening	1,515,088	1,157,722	357,366
Ontario Avenue Widening	1,075,654	710,072	365,582
Homeless shelter Rehab	2,368,282	1,395,954	972,328
Business-type activities:			
Mangular Blending Facility	5,056,457	3,893,731	1,162,726
Cottonwood Court Well Replacement	1,350,915	21,718	1,329,197
WRF #3 Decommission Pumping	7,589,826	5,557,794	2,032,032
Total material construction commitments	<u><u>\$ 88,010,530</u></u>	<u><u>\$ 31,742,856</u></u>	<u><u>\$ 56,267,674</u></u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Governmental activities:						
Compensated absences	\$ 9,084,786	\$ 8,236,139	\$ (6,437,085)	\$ 10,883,840	\$ 6,437,654	\$ 4,446,186
Business-type activities						
Compensated absences	\$ 1,236,487	\$ 1,179,201	\$ (1,065,833)	\$ 1,349,855	\$ 1,004,936	\$ 344,919

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

Note 11 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Governmental Activities:						
<u>Public Offering:</u>						
2016 Lease Revenue Refunding Bonds	\$ 19,560,000	\$ -	\$ (1,355,000)	\$ 18,205,000	\$ 1,415,000	\$ 16,790,000
Unamortized bond premium	2,230,924	-	(148,728)	2,082,196	-	2,082,196
2021 Pension Obligation Bond	-	236,650,860	(14,706,329)	221,944,531	14,049,750	207,894,781
Total Public Offering	21,790,924	236,650,860	(16,210,057)	242,231,727	15,464,750	226,766,977
<u>Direct Borrowing:</u>						
2012 Refunding Lease	11,518,492	-	(1,763,903)	9,754,589	1,823,488	7,931,101
<u>Lease Payable:</u>						
Computer network equipment lease	210,938	-	(210,938)	-	-	-
Vehicle leases	536,937	246,024	(237,944)	545,017	228,772	316,245
Total Lease Payable	747,875	246,024	(448,882)	545,017	228,772	316,245
Compensated absences	9,084,786	8,236,139	(6,437,085)	10,883,840	6,437,654	4,446,186
Claims and judgments	21,322,741	2,832,557	(2,043,927)	22,111,371	3,332,678	18,778,693
Total governmental activities	\$ 64,464,818	\$247,965,580	\$ (26,903,854)	\$285,526,544	\$ 27,287,342	\$ 258,239,202

2016 Lease Revenue Refunding Bonds

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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2016 Lease Revenue Refunding Bonds (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,415,000	\$ 697,750	\$ 2,112,750
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
2028-2032	5,110,000	1,594,500	6,704,500
2033-2037	6,205,000	476,175	6,681,175
Total	<u>\$ 18,205,000</u>	<u>\$ 4,969,325</u>	<u>\$ 23,174,325</u>

2021 Taxable Pension Obligation Bonds

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

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 14,049,750	\$ 4,180,098	\$ 2,320,792	\$ 711,991
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
2028-2032	98,385,712	12,597,150	16,437,713	2,179,932
2033-2034	43,117,521	1,728,035	7,737,616	311,390
Total	<u>\$221,944,531</u>	<u>\$ 34,072,570</u>	<u>\$ 37,538,362</u>	<u>\$ 5,859,857</u>

Year Ending June 30,	Fiduciary Activities		Total		
	Principal	Interest	Principal	Interest	Total
2023	\$ 4,458	\$ 1,368	\$ 16,375,000	\$ 4,893,457	\$ 21,268,457
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
2028-2032	31,575	4,187	114,855,000	14,781,269	129,636,269
2033-2034	14,863	598	50,870,000	2,040,023	52,910,023
Total	<u>\$ 72,107</u>	<u>\$ 11,256</u>	<u>\$259,555,000</u>	<u>\$ 39,943,683</u>	<u>\$299,498,683</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2012 Refunding Lease

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, 2022, the net present value of future minimum lease payments required under the capital lease was \$9,754,589. The future minimum lease payments are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,823,488	\$ 311,634	\$ 2,135,122
2024	1,885,087	250,035	2,135,122
2025	1,948,766	186,356	2,135,122
2026	2,014,597	120,526	2,135,123
2027	2,082,651	52,471	2,135,122
Total	<u>\$ 9,754,589</u>	<u>\$ 921,022</u>	<u>\$ 10,675,611</u>

Computer Network Equipment Lease Payable

On October 20, 2017, the City entered into a lease agreement with Key Government Finance, a private lender, in the amount of \$1,403,261 for Cisco Networking equipment. The lease is payable over a five-year period and was paid off during the year ending June 30, 2022.

Vehicle Lease Payable

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 228,772	\$ 14,092	\$ 242,864
2024	130,758	9,687	140,445
2025	107,622	6,310	113,932
2026	64,117	2,304	66,421
2027	13,748	145	13,893
	<u>\$ 545,017</u>	<u>\$ 32,538</u>	<u>\$ 577,555</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Compensated Absences

The balance at June 30, 2022, was \$10,883,840. See Note 10 for more detailed information.

Claims and Judgments

The balance at June 30, 2022, was \$22,111,371. 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Business-Type activities						
<u>Public Offering:</u>						
2012 Water Revenue Bonds	\$ 24,860,000	\$ -	\$ (1,595,000)	\$ 23,265,000	\$ 1,655,000	\$ 21,610,000
2013 Wastewater Revenue Bonds	8,855,000	-	(640,000)	8,215,000	665,000	7,550,000
Total Revenue Bonds	33,715,000	-	(2,235,000)	31,480,000	2,320,000	29,160,000
Bond Premium - Water	1,062,900	-	(88,575)	974,325	-	974,325
Bond Premium - Wastewater	208,234	-	(18,931)	189,303	-	189,303
Total Premium	1,271,134	-	(107,506)	1,163,628	-	1,163,628
2021 Pension Obligation Bond	-	39,982,338	(2,443,976)	37,538,362	2,320,792	35,217,570
Total Public Offering	34,986,134	39,982,338	(4,786,482)	70,181,990	4,640,792	65,541,198
<u>Direct Borrowing:</u>						
Brine Line Installment Agreement	6,703,812	-	(398,886)	6,304,926	410,852	5,894,074
WMWD Contract Payable	690,390	-	-	690,390	-	690,390
State Loan C-06-4802-110	9,036,114	-	(1,719,092)	7,317,022	1,762,070	5,554,952
State Loan C-06-7834-110	10,127,044	-	(296,773)	9,830,271	303,005	9,527,266
Total Direct Borrowing	26,557,360	-	(2,414,751)	24,142,609	2,475,927	21,666,682
Lease Payable	11,018	-	(7,701)	3,317	3,317	-
Compensated absences	1,236,487	1,179,201	(1,065,833)	1,349,855	1,004,936	344,919
Total business-Type activities	\$ 62,790,999	\$ 41,161,539	\$ (8,274,767)	\$ 95,677,771	\$ 8,124,972	\$ 87,552,799

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 outstanding bonds bear interest rates from 2.0% to 5.0% and are due in annual installments ranging from \$1,165,000 to \$2,395,000 through 2030 with term bonds in the amount of \$5,155,000 due on September 1, 2032. The bonds are considered a liability of the Water Utility Enterprise Fund.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2012 Corona Utility Authority Water Revenue Bonds (Continued)

The future annual debt service requirements for the 2012 CUA Water Revenue bonds are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,655,000	\$ 1,070,725	\$ 2,725,725
2024	1,740,000	985,850	2,725,850
2025	1,830,000	896,600	2,726,600
2026	1,915,000	812,550	2,727,550
2027	1,990,000	724,500	2,714,500
2028-2032	11,495,000	2,090,625	13,585,625
2033	2,640,000	66,000	2,706,000
Total	<u>\$ 23,265,000</u>	<u>\$ 6,646,850</u>	<u>\$ 29,911,850</u>

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 Water Reclamation 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 Water Reclamation 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 Water Reclamation Utility fund. The future annual debt service requirements for the 2013 CUA Wastewater Revenue Bonds are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 665,000	\$ 353,800	\$ 1,018,800
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
2028-2032	4,575,000	485,625	5,060,625
Total	<u>\$ 8,215,000</u>	<u>\$ 1,913,050</u>	<u>\$ 10,128,050</u>

2021 Taxable Pension Obligation Bonds

See Note 11A at page 91 for more detail.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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, 2022, outstanding balance on the debt was \$6,304,926. The future annual debt service requirements per the agreement are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 410,852	\$ 189,148	\$ 600,000
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
2028-2032	2,528,690	471,310	3,000,000
2033-2035	1,594,966	93,356	1,688,322
Total	<u>\$ 6,304,926</u>	<u>\$ 1,383,396</u>	<u>\$ 7,688,322</u>

Western Municipal Water District Contracts Payable

Contracts payable arise from the acquisition of certain water and water reclamation facilities and represent amounts due to Western Municipal Water District payable from future water and water reclamation 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. The amount outstanding at June 30, 2022 was \$690,390, with 50% of the obligation attributable to the Water Utility and 50% attributable to Water Reclamation Utility. There is no debt service payment schedule for the contract payable.

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, 2022 was \$7,317,022. Annual future debt service requirements for the loan are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,762,070	\$ 182,926	\$ 1,944,996
2024	1,806,121	138,874	1,944,995
2025	1,851,275	93,721	1,944,996
2026	1,897,556	47,439	1,944,995
Total	<u>\$ 7,317,022</u>	<u>\$ 462,960</u>	<u>\$ 7,779,982</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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, 2022 is \$9,830,271. Annual future debt service requirements for the loan are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 303,005	\$ 206,436	\$ 509,441
2024	309,369	200,073	509,442
2025	315,865	193,576	509,441
2026	322,498	186,943	509,441
2027	329,271	180,170	509,441
2028-2032	1,753,025	794,180	2,547,205
2033-2037	1,944,988	602,218	2,547,206
2038-2042	2,157,973	389,234	2,547,207
2043-2047	2,394,277	152,929	2,547,206
Total	<u>\$ 9,830,271</u>	<u>\$ 2,905,759</u>	<u>\$ 12,736,030</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. Principal and interest to maturity are as follows.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,317	\$ 5	\$ 3,322

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 \$48,627,291 in outstanding debts as of June 30, 2022. 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 are expected to require less than 21.79% of net revenues subject to the pledge. The total remaining debt service including interest to be paid on these obligations are \$60,555,912. Principal and interest paid for the current year was \$6,213,336, and total customer net revenue subject to pledge was \$28,516,437.

Compensated Absences

The balance at June 30, 2022, was \$1,349,855. 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 01, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
<u>Public Offering</u>						
2021 Pension Obligation Bond	\$ -	\$ 76,802	\$ (4,695)	\$ 72,107	\$ 4,458	\$ 67,649
2007 Temescal Canyon Project Area Tax Allocation	12,790,000	-	(880,000)	11,910,000	890,000	11,020,000
2007 Project Area "A" Taxable Tax Allocation Bonds	22,025,000	-	(685,000)	21,340,000	730,000	20,610,000
2015 Tax allocation refunding bonds, Series "A"	7,575,000	-	(2,800,000)	4,775,000	2,330,000	2,445,000
Unamortized Bond Premium	723,443	-	(241,148)	482,295	-	482,295
Total fiduciary activities	\$43,113,443	\$ 76,802	\$ (4,610,843)	\$38,579,402	\$ 3,954,458	\$34,624,944

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Long-Term Liabilities (Continued)

C. Fiduciary Funds (Continued)

The Successor Agency's outstanding bonds from public offerings of \$42,390,000, contain a provision that if any event of default should occur, the trustee shall at the written direction of the Bond Owners of a majority in aggregate principal amount outstanding, and upon receipt of the prior written consent of the Bond Insurer, declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

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
2023	\$ 890,000	\$ 511,506	\$ 1,401,506
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
2028-2032	5,845,000	981,338	6,826,338
2033	1,335,000	30,038	1,365,038
Total	<u>\$ 11,910,000</u>	<u>\$ 3,161,978</u>	<u>\$ 15,071,978</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
2023	\$ 730,000	\$ 1,311,777	\$ 2,041,777
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>\$ 21,340,000</u>	<u>\$ 5,350,922</u>	<u>\$ 26,690,922</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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 requirements for the 2015 Tax Allocation Refunding Bonds Series A are presented below:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,330,000	\$ 180,500	\$ 2,510,500
2024	2,445,000	61,125	2,506,125
Total	<u>\$ 4,775,000</u>	<u>\$ 241,625</u>	<u>\$ 5,016,625</u>

2021 Taxable Pension Obligation Bonds

See Note 11A at page 91 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 \$46,779,525 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 \$6,580,183.

D. Non-City Obligation

Special Assessment District Bonds (Non-City Obligation)

The payment of these 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, 2022

Note 11 – Long-Term Liabilities (Continued)

D. Non-City Obligation (Continued)

As of June 30, 2022, the special assessment district bonds' balances outstanding were:

	Balance at June 30, 2022
Assessment Districts:	
AD 96-1, Series 1997 A	\$ 20,000
AD 96-1, Series 1997 B	60,000
AD 96-1, Series 1999 A	460,000
Total Assessment Districts	\$ 540,000

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, 2022
Community Facilities Districts	
\$ 9,525,000 CFD 97-2, Refunding 2014 Series A Bonds	\$ 2,350,000
13,455,000 CFD 2002-1 Dos Lagos 2017 Special Tax Refunding	10,855,000
7,125,000 CFD 2002-1 Dos Lagos 2017 IA Special Tax Refunding	5,930,000
7,010,000 CFD 2002-4 2017 Special Tax Refunding Bond	5,565,000
5,475,000 CFD 2016-2 2018 Special Tax Bonds	5,140,000
9,000,000 CFD 2018-1 Bedford IA1, 2018 Special Tax Bonds	8,910,000
3,650,000 CFD 2017-2 Valencia/Seville 2018 Special Tax Bonds	3,510,000
4,175,000 CFD 2000-1, 2020 Special Tax Refunding Bond	3,415,000
2,150,000 CFD 2001-2, 2020 Special Tax Refunding Bond	1,785,000
5,200,000 CFD 2003-2, 2020 Special Tax Refunding Bond	4,450,000
2,505,000 CFD 2004-1, 2020 Special Tax Refunding Bond	2,200,000
10,240,000 CFD 2018-1 Bedford IA1, 2020 Special Tax Bonds	10,240,000
Total Community Facilities Districts	\$ 64,350,000

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022, the aggregate principal amount of Conduit Debt Obligations outstanding totaled \$59,316.

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, 2022, 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, 2022 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2022, 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, 2022, 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, 2020	\$ 19,745,716	\$ 1,267,601	\$ (1,332,648)	\$ 19,680,669
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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2022 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, 2022, 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, 2022, 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, 2020	\$ 2,452,638	\$ (748,391)	\$ (185,755)	\$ 1,518,492
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

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, 2022 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, 2020 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, 2022

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%	5.75%	9.00%	12.50%	9.00%	13.75%
Employee (FY21-22)	8.00%	6.50%	9.00%	13.25%	9.00%	13.75%
Employer (Measurement Period)	11.703%	11.703%	23.749%	23.749%	25.540%	13.884%
Employer (FY21-22)	11.390%	11.390%	24.240%	24.240%	25.590%	13.980%

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, 2022

Note 13 – Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2020, the valuation date, the following employees were covered by the benefit terms:

	Plans			
	Miscellaneous	Safety - Police	Safety - Fire	
			Classic	PEPRA
Active employees	355	143	71	17
Transferred and terminated employees	652	33	59	7
Retired employees and beneficiaries	774	192	129	-
Total	1,781	368	259	24

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 103.

B. Net Pension Liability

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.750%
Investment Rate of Return	7% net of pension plan investment and administrative expense; includes inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015
Mortality Rate Table ⁽¹⁾	Derived using CalPERS’ Membership Data for all Funds.

⁽¹⁾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
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Pension Plan (Continued)

B. Net Pension Liability (Continued)

Change of Assumptions

In 2021, there were no changes of 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 as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

⁽¹⁾ In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation rate of 2.00% used

³ An expected inflation rate of 2.92% used

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. 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, 2022

Note 13 – Pension Plan (Continued)

C. Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City’s Miscellaneous Plan recognized over the measurement period.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 381,800,134	\$ 265,071,755	\$ 116,728,379
Changes Recognized for the Measurement Period:			
Service cost	4,403,881	-	4,403,881
Interest on the total pension liability	26,674,374	-	26,674,374
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(944,320)	-	(944,320)
Net plan to plan resource movement	-	(53,189)	53,189
Contributions from the employer	-	13,698,657	(13,698,657)
Contributions from employees	-	2,009,054	(2,009,054)
Net investment income	-	60,189,073	(60,189,073)
Benefit payments, including refunds of employee contributions	(19,979,193)	(19,979,193)	-
Administrative expense	-	(264,791)	264,791
Other	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	10,154,742	55,599,611	(45,444,869)
Balance at June 30, 2021 (Measurement Date)	<u>\$ 391,954,876</u>	<u>\$ 320,671,366</u>	<u>\$ 71,283,510</u>

The following table shows the changes in net pension liability for the City’s Safety Police Plan recognized over the measurement period.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 283,735,836	\$ 192,119,500	\$ 91,616,336
Changes Recognized for the Measurement Period:			
Service cost	5,647,902	-	5,647,902
Interest on the total pension liability	20,210,480	-	20,210,480
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	2,604,970	-	2,604,970
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	13,995,784	(13,995,784)
Contributions from employees	-	1,715,846	(1,715,846)
Net investment income	-	44,733,798	(44,733,798)
Benefit payments, including refunds of employee contributions	(13,001,364)	(13,001,364)	-
Administrative expense	-	(191,916)	191,916
Other	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	15,461,988	47,252,148	(31,790,160)
Balance at June 30, 2021 (Measurement Date)	<u>\$ 299,197,824</u>	<u>\$ 239,371,648</u>	<u>\$ 59,826,176</u>

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2020 (Valuation Date)	\$ 188,753,382	\$ 135,930,043	\$ 52,823,339
Balance at June 30, 2021 (Measurement Date)	196,176,593	163,260,062	32,916,531
Net changes during 2020-21	7,423,211	27,330,019	(19,906,808)

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, 2020). 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, 2021). 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, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-21).
- (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 market 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, 2022

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, 2020	0.4855%
June 30, 2021	0.6086%
Change - Increase (Decrease)	0.1231%

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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
	Miscellaneous Plan	\$ 124,555,575	\$ 71,283,510
Safety Plan - Police	\$ 102,880,279	\$ 59,826,176	\$ 24,749,345
Safety Plan - Fire	\$ 59,323,593	\$ 32,916,531	\$ 11,226,391

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, 2022, the City recognized aggregated pension expense in the amount of \$14,920,167 (\$1,686,782, \$7,456,000 and \$5,777,385 for the Miscellaneous, Safety Police, and Safety Fire Plans, respectively).

As of measurement date of June 30, 2021, 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	\$ 126,731,631	\$ -
Changes of assumptions	-	-
Difference between expected and actual experience	210,760	(533,746)
Net difference between projected and actual earning on pension plan investments	-	(30,231,673)
Total	\$ 126,942,391	\$ (30,765,419)

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Pension Plan (Continued)

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

Safety Plan - Police		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 103,659,698	\$ -
Changes of assumptions	-	(76,116)
Difference between expected and actual experience	3,332,169	-
Net difference between projected and actual earning on pension plan investments	-	(22,630,127)
Total	\$ 106,991,867	\$ (22,706,243)

Safety Plan - Fire		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 60,685,514	\$ -
Changes of assumptions	-	-
Difference between expected and actual experience	5,623,758	-
Net difference between projected and actual earning on pension plan investments	-	(19,591,660)
Adjustment due to differences in proportions	1,893,358	-
Difference between City's contribution and proportionate share of contribution:	-	(3,184,251)
Total	\$ 68,202,630	\$ (22,775,911)

The amounts above are net of outflows and inflows recognized in the 2020-2021 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 2020-21 measurement period is 2.3, 3.8, and 3.7 years, which was obtained by dividing the total service years of 4,082, 1,392 and 561,622 (the sum of remaining service lifetimes of the active employees) by 1,781, 368 and 150,648 (the total number of participants: active, inactive, and retired), respectively.

\$126,731,631, \$103,659,698, and \$60,685,514 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, 2023.

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
2022	\$ (7,840,176)	\$ (3,973,382)	\$ (2,584,300)
2023	(7,186,151)	(4,326,641)	(3,138,735)
2024	(7,236,784)	(4,892,057)	(4,144,409)
2025	(8,291,548)	(6,181,994)	(5,391,351)
Total	\$ (30,554,659)	\$ (19,374,074)	\$ (15,258,795)

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 14 – Other Postemployment Benefits (“OPEB”)

A. General Information about the OPEB Plan

Plan Description

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

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

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

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

Eligibility and Membership Covered by Benefit Terms

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

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, 2021 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

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

A. General Information about the OPEB Plan (Continued)

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, 2021, the City's cash contributions were \$ 10,744,736 in total payments, which were recognized as a reduction to the OPEB liability.

B. Net OPEB Liability

The OPEB liability was measured as of June 30, 2021, 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, 2021, was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Asset Valuation Method	Market value of assets
Long Term return on Assets	6.05% as of June 30, 2021 and 6.8% as of June 30, 2020 net of plan investment expense
Discount Rate	6.05% as of June 30, 2021 and 6.8% 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
Healthcare Trend	5.6% in 2023, decrease until reaches 3.9% in 2076 and thereafter.

Change in assumptions

In 2021, 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

B. Net OPEB Liability (Continued)

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%	-1.50%	0.40%
Global Real Estate (REITs) ⁽¹⁾	20.00%	3.00%	3.70%
Treasury Inflation Protected Securities	5.00%	-1.80%	0.50%
Commodities	3.00%	0.80%	1.10%
	100.00%		

* Preliminary estimate, pending confirmation by CalPERS

C. Changes in Net OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020	\$ 144,144,989	\$ 51,771,433	\$ 92,373,556
Changes Recognized for the Measurement Period:			
Service Cost	1,087,703	-	1,087,703
Interest on the total OPEB liability	9,588,461	-	9,588,461
Expected investment income	-	3,589,076	(3,589,076)
Employer contribution	-	10,489,894	(10,489,894)
Changes of benefit terms	-	-	-
Administrative expenses	-	(19,869)	19,869
Benefit payments	(8,451,822)	(8,451,822)	-
Assumption changes	15,474,651	-	15,474,651
Plan experience	(8,434,702)	-	(8,434,702)
Investment experience	-	10,853,079	(10,853,079)
Contributions from the employer	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	9,264,291	16,460,358	(7,196,067)
Balance at June 30, 2021 (Measurement Date)	\$ 153,409,280	\$ 68,231,791	\$ 85,177,489

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:

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

C. Changes in Net OPEB Liability (Continued)

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

Plan's Net OPEB Liability		
Discount Rate -1% (5.05%)	Current Discount Rate (6.05%)	Discount Rate +1 % (7.05%)
\$ 105,242,629	\$ 85,177,489	\$ 68,709,503

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%
\$ 68,585,271	\$ 85,177,489	\$ 105,260,530

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 \$2,745,056. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after measurement period	\$ 10,744,736	\$ -
Changes in assumptions	16,658,398	(1,037,904)
Difference between expected and actual experience	-	(19,630,079)
Net difference between projected and actual earning on OPEB plan investments	-	(7,699,707)
Total	\$ 27,403,134	\$ (28,367,690)

The \$10,744,736 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the year ending June 30, 2023. 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
2023	\$ (4,167,055)
2024	(4,130,240)
2025	(3,874,479)
2026	(1,068,902)
2027	1,101,713
Thereafter	429,671
Total	\$ (11,709,292)

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 15 – Classification of Fund Balances

At June 30, 2022, fund balances are classified in the governmental funds as follows:

	General Fund	Low Mod Income Housing Assets Capital Projects Fund	Development Special Revenue Funds	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	\$ 328,497	\$ -	\$ -	\$ -	\$ 328,497
Long-term receivable	2,099,041	-	-	-	2,099,041
Advance to other funds	185,155,991	-	-	-	185,155,991
Total nonspendable	187,583,529	-	-	-	187,583,529
Restricted:					
Pension	30,102,382	-	-	-	30,102,382
Housing and community development	-	37,622,892	-	6,012,278	43,635,170
Development projects	-	-	17,413,190	-	17,413,190
Street maintenance	-	-	-	26,970,745	26,970,745
Trip reduction	-	-	-	1,465,940	1,465,940
Asset forfeiture	-	-	-	265,607	265,607
Special tax districts	-	-	-	22,297,448	22,297,448
Other grants	-	-	-	274,965	274,965
Residential refuse	-	-	-	465,940	465,940
Debt service	124	-	-	-	124
Total restricted	30,102,506	37,622,892	17,413,190	57,752,923	142,891,511
Committed:					
Emergency contingency	41,699,024	-	-	-	41,699,024
Designated revenues	6,422,457	-	-	-	6,422,457
Total committed	48,121,481	-	-	-	48,121,481
Assigned:					
Budget balancing measures	3,922,049	-	-	-	3,922,049
Continuing appropriations	24,739,494	-	-	-	24,739,494
Measure X reserve	23,327,465	-	-	-	23,327,465
Other purposes	3,151,502	-	-	638,647	3,790,149
Total assigned	55,140,510	-	-	638,647	55,779,157
Unassigned	221,995	-	-	(8,304,147)	(8,082,152)
Total Fund Balance	\$ 321,170,021	\$ 37,622,892	\$ 17,413,190	\$ 50,087,423	\$ 426,293,526

Note 16 – Commitments and Contingencies

The City has entered into several operating lease agreements in the conduct of its day-to-day operations to provide for facilities and/or services. None of these operating leases are considered to be significant commitments.

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, 2022

Note 16 – Commitments and Contingencies (Continued)

On September 28, 1995, the California Supreme Court reversed a Court of Appeals decision which reinstated provisions of Proposition 62 which was a 1986 voter initiative that required all general taxes to be approved by simple majority vote of the electorate. The Supreme Court provided very little detail on a number of issues surrounding their decision but the only possible exposure, if any, to the decision for the City would be its transient occupancy tax which was increased by 2% in 1989. It remains unclear what, if any, liability the City may have.

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 was \$74,110,619. The current participants and their obligated contribution on this loan through June 30, 2022, 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%

On February 13, 2016, an incident occurred at the Water Reclamation Facility No. 1 causing 4.1 million gallons of fully treated water with chlorine residual released into a nearby creek. All necessary regulatory notifications were addressed in a timely manner, however, there might be a mandatory fine as well as an administrative fine assessed by the State Water Resources Control Board. The amount of the fine could not be reasonably estimated as of the financial statement date and would be solely determined by the State. As of date, the City has not received any notices of violation from the State.

As of June 30, 2022, 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 17 – 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, 2022, the City abated taxes totaling \$6,863,651. 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 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.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Tax Abatement (Continued)

- 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.
- 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 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.

Note 18 – Restatement of Beginning Net Position and Fund Balance

The beginning net position and fund balance were restated as follows:

	Net Position/Fund Balance			
	Governmental		Proprietary Fund	
	Governmental	Fund	Water Enterprise	Water Reclamation
	Activities	General Fund	Fund	Enterprise Fund
Net Position/Fund Balance, as previously reported	\$ 897,012,061	\$ 122,798,163	\$ 133,811,791	\$ 129,942,444
Unavailable revenue	3,163,103	-	-	-
Interfund loan	-	172,628,344	(3,614,688)	3,614,688
Net Position/Fund Balance, as restated	\$ 900,175,164	\$ 295,426,507	\$ 130,197,103	\$ 133,557,132

The beginning net position of governmental activities was restated to recognize the unbilled receivable for expenditures incurred in prior year.

The beginning fund balance of General Fund was restated due to the implementation of GASB Statement No. 87 and to report the interfund advances to Water and Water Reclamation Enterprise Funds in the amount total to \$172,628,344 for the purchase financed enterprise utilities. See Note 8A for more detail.

Beginning net position of the Water Enterprise Fund and Water Reclamation Enterprise Fund was restated to report interfund loan between these two funds for advances in the amount total to \$3,614,688 occurred prior to the year ended June 30, 2022. See Note 8B for more detail.

City of Corona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 19 – 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	\$ 805,581,115	\$ 422,249,787
Unspent capital debt proceed	-	323,622
Capital related deferred inflows of resources	417,968	-
Retention payable	(806,972)	(702,777)
Capital related debt	(30,586,802)	(56,789,555)
Net investment in capital assets	\$ 774,605,309	\$ 365,081,077

	Enterprise Funds				
	Water		Electric	Transit	Airport
	Water	Reclamation			
Total capital assets, net	\$ 270,180,628	\$ 139,238,723	\$ 10,352,754	\$ 2,444,031	\$ 33,651
Unspent capital debt proceed	312,725	10,897	-	-	-
Retention payable	(454,734)	(248,043)	-	-	-
Capital related debt	(38,206,472)	(18,583,083)	-	-	-
Net investment in capital assets	\$ 231,832,147	\$ 120,418,494	\$ 10,352,754	\$ 2,444,031	\$ 33,651



**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 139,962,406	\$ 151,310,723	\$ 157,874,886	\$ 6,564,163
Licenses and permits	1,928,400	2,087,500	2,521,625	434,125
Intergovernmental	1,791,265	3,329,943	4,027,178	697,235
Special assessments	497,332	570,746	573,201	2,455
Investment earnings	2,477,625	2,485,306	(5,693,460)	(8,178,766)
Fines and penalties	569,250	839,472	1,135,619	296,147
Current services	10,619,079	11,314,688	12,903,009	1,588,321
Payment in lieu of services	6,086,383	6,086,383	6,060,819	(25,564)
Other revenues	11,534,124	11,633,818	12,219,443	585,625
Total revenues	<u>175,465,864</u>	<u>189,658,579</u>	<u>191,622,320</u>	<u>1,963,741</u>
EXPENDITURES:				
Current:				
General government:				
City council	142,125	339,035	321,491	17,544
City attorney	1,761,315	5,607,740	5,607,740	-
City manager	4,333,045	10,090,137	9,110,492	979,645
City treasurer	15,682	25,494	25,494	-
Human resources	2,310,616	5,753,762	5,175,995	577,767
Finance	4,511,176	12,725,383	12,031,353	694,030
Non departmental	24,176,162	21,478,492	24,329,001	(2,850,509)
Information technology	-	131,010	24,268	106,742
Public safety- fire	30,621,029	90,050,587	88,959,047	1,091,540
Public safety- police	51,413,864	162,334,346	161,286,250	1,048,096
Public works and maintenance services	15,882,529	28,742,787	26,826,604	1,916,183
Community services	6,251,538	15,400,334	14,273,997	1,126,337
Planning and development	5,661,301	12,624,385	12,003,036	621,349
Economic development	1,019,827	2,535,387	2,369,713	165,674
Capital outlay	9,355,827	29,535,686	8,054,361	21,481,325
Debt service:				
Principal retirement	4,243,273	18,053,818	17,048,744	1,005,074
Interest and fiscal charges	-	2,163,455	3,306,976	(1,143,521)
Total expenditures	<u>161,699,309</u>	<u>417,591,838</u>	<u>390,754,562</u>	<u>26,837,276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,766,555</u>	<u>(227,933,259)</u>	<u>(199,132,242)</u>	<u>28,801,017</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,200,000	1,281,600	1,197,681	(83,919)
Transfers out	(441,557)	(441,557)	(269,916)	171,641
Issuance of debt	-	222,013,459	223,947,991	1,934,532
Total other financing sources (uses)	<u>758,443</u>	<u>222,853,502</u>	<u>224,875,756</u>	<u>2,022,254</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,524,998</u>	<u>\$ (5,079,757)</u>	<u>25,743,514</u>	<u>\$ 30,823,271</u>
FUND BALANCE:				
Beginning of year, as restated (Note 18)			<u>295,426,507</u>	
End of year			<u>\$ 321,170,021</u>	

City of Corona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Development Special Revenue Funds
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 3,649,000	\$ 3,046,732	\$ 3,271,580	\$ 224,848
Investment earnings	445,169	342,374	(950,844)	(1,293,218)
Payment in lieu of services	-	-	151,680	151,680
Other revenues	-	11,903	-	(11,903)
Total revenues	<u>4,094,169</u>	<u>3,401,009</u>	<u>2,472,416</u>	<u>(928,593)</u>
EXPENDITURES:				
Current:				
Public safety- fire	7,185	7,185	7,185	-
Public safety- police	651	651	651	-
Public works and maintenance services	45,531	45,531	45,531	-
Community services	1,188	1,188	1,188	-
Capital outlay	2,348,074	20,196,498	1,308,197	18,888,301
Total expenditures	<u>2,402,629</u>	<u>20,251,053</u>	<u>1,362,752</u>	<u>18,888,301</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,691,540</u>	<u>\$ (16,850,044)</u>	1,109,664	<u>\$ 17,959,708</u>
FUND BALANCE:				
Beginning of year			<u>16,303,526</u>	
End of year			<u>\$ 17,413,190</u>	

City of Corona
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2022

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 2022, the City was in the sixth 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 January 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 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, 2022

7 The legal level of budgetary control is at the department level. A Department Director may transfer appropriations within the department. 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, 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 consisted with generally accepted accounting principles.

General Fund

General Fund appropriations and transfers out were originally adopted at \$161.7 million for Fiscal Year 2022. Final appropriations were increased by \$255.9 million to \$418.0 million. Among the budgetary increase, \$11.4 million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$2.3 million was for prior year committed purchases (encumbrances). There was \$242.2 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons:

- The personnel budget increased by \$215.7 million in Fiscal Year 2022. In October 2021, the City issued pension obligation bonds totaling \$272.0 million. To record the bond issuance, the General Fund budget was increased by \$210.6 million. In early 2022, negotiations were completed with the various labor groups. The General Fund budget was increased by \$5.1 million to account for the respective salary and benefit changes approved by the City Council.
- The operating budget was increased by a total of \$18.1 million. The primary increase is related to the issuance of the pension obligation bonds. The General Fund debt service principal and interest expense budget increased by \$16.0 million. The Economic Development Department budget was increased by \$0.5 million to for a budget correction related to two purchase orders. The Police and Fire departments were increased by \$0.4 million for grant related activity.
- The capital outlay budget was increased by a net total of \$8.5 million. There was \$5.1 million approved for a property acquisition. An appropriation of \$1.1 million was added for the purchase of an Urban Search and Rescue Fire Apparatus. In addition, \$1.2 million was appropriated for the Harrison Street Shelter Project and \$715,000 for the Green Alleys Project. There were budgetary reductions for other projects that were completed or no longer needed.

Revenues and transfers in received in Fiscal Year 2022 had a favorable variance of \$2.4 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 \$1.7 million, Sales tax was higher than estimated by \$3.9 million, and Other Taxes were higher than estimated by \$0.9 million. All of these areas outperformed the final budget estimates for the fiscal year.
- The current services category was also higher than budgeted by \$1.6 million. Approximately \$1.0 million of the variances is related to building activities such as planning application fees, plan check, and engineering/inspection fees. There is a variance of \$0.2 million for fire department related activity, including emergency medical services and various inspection services. Additionally, there is a variance of \$0.1 million for activities related to Community Services, including passport revenues, recreation activities, and facility rentals.
- The Intergovernmental category has a variance of \$0.7 million, related to Federal grant activity. This category primarily accounts for grants and funding agreements with other governmental agencies.
- Investment earnings has a negative variance of \$8.2 million which includes book entries (\$8.3 million) for investment gains and losses.

The expenditures and transfers out in FY 2022 had a favorable variance of \$27.0 million. Included in the savings, \$21.5 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 \$1.1 million will carry forward in the operating budget, as approved by the City Council. Of the \$1.1 million carryover funds, there is \$0.2 million for the homeless program operations and a total of \$0.8 million for grants in the Fire Department, Police Department, and Community Services. In addition, purchase orders totaling \$2.1 million encumbered in Fiscal Year 2022 will also be carried forward for activity that crosses fiscal years.

After considering the budgets carrying forward into Fiscal Year 2023 as noted above, the net savings for Fiscal Year 2022 is \$2.3 million. The savings is primarily from the personnel budget due to vacancies throughout the year. There were 61 new positions included in Fiscal Year 2022, largely due to the passage of Measure X. With the additional positions, there was an increase in the vacancy savings for Fiscal Year 2022. Public Works/Maintenance Services had a positive variance of \$1.1 million in the personnel budget. The Police Department personnel budget experienced a savings of \$0.7 million, Community Services had \$0.9 million, Finance had \$0.6 million, and Fire finished the year with a savings of \$0.3 million.

City of Corona
Required Supplementary Information (Unaudited)
Modified Approach for City Streets Infrastructure Capital Assets
For the Year Ended June 30, 2022

The City accounts for and reports its infrastructure capital assets in accordance with GASB Statement No. 34. Infrastructure assets are defined as the basic physical systems including street, water purification and distribution system, water reclamation collection and treatment facilities, park and recreation lands and improvement; 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:

Assessment Date	PCI Rating
September 2018	73
October 2019	72
October 2020	71
November 2021	71
September 2022	71

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

The following conditions were defined with the corresponding rating:

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

City of Corona
Required Supplementary Information (Unaudited)
Modified Approach for City Streets Infrastructure Capital Assets (Continued)
For the Year Ended June 30, 2022

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 September 2022, the City's street system was rated at a PCI index of 71 on the average for the entire network. A breakdown by condition is as follows:

<u>Condition</u>	<u>% of Streets</u>
Good to Excellent	48%
Fair	42%
Poor	8%
Very Poor	2%

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 \$21,336,640 on street maintenance for the fiscal year ended June 30, 2022. These expenditures delayed deterioration and maintained the street condition from the previous assessment. The condition of the streets is rated at 71 in the current year, the same as 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 current average PCI rating of 71 through the year 2023 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>
2017-2018	\$ 4,800,000	\$ 20,576,034	71
2018-2019	4,800,000	36,631,051	73
2019-2020	4,800,000	37,286,497	72
2020-2021	6,000,000	28,349,295	71
2021-2022	6,000,000	21,336,640	71

As of June 30, 2022, approximately 52% 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 \$39.3 million as of June 30, 2022.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

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 only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 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: In 2020 and 2021 there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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

Measurement period	2018-19	2019-20	2020-21
Total pension liability			
Service cost	\$ 4,280,881	\$ 4,466,642	\$ 4,403,881
Interest	25,059,830	25,962,850	26,674,374
Differences between expected and actual experience	715,766	1,615,820	(944,320)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(17,813,858)	(19,025,658)	(19,979,193)
Net change in total pension liability	12,242,619	13,019,654	10,154,742
Total pension liability - beginning	356,537,861	368,780,480	381,800,134
Total pension liability - ending (a)	<u>\$ 368,780,480</u>	<u>\$ 381,800,134</u>	<u>\$ 391,954,876</u>
Pension fiduciary net position			
Contributions - employer	\$ 17,933,587	\$ 13,255,939	\$ 13,698,657
Contributions - employee	1,990,044	2,223,117	2,009,054
Net investment income	16,183,603	12,851,320	60,189,073
Benefit payments, including refunds of employee contributions	(17,813,858)	(19,025,658)	(19,979,193)
Net plan to plan resources movement	-	-	(53,189)
Administrative expense	(169,845)	(361,078)	(264,791)
Other miscellaneous income/expense	531	-	-
Net change in plan fiduciary net position	18,124,062	8,943,640	55,599,611
Plan fiduciary net position - beginning	238,004,053	256,128,115	265,071,755
Plan fiduciary net position - ending (b)	<u>\$ 256,128,115</u>	<u>\$ 265,071,755</u>	<u>\$ 320,671,366</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 112,652,365</u>	<u>\$ 116,728,379</u>	<u>\$ 71,283,510</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>
Covered payroll	<u>\$ 23,197,580</u>	<u>\$ 24,461,346</u>	<u>\$ 26,963,410</u>
Plan net pension liability as a percentage of covered payroll	<u>485.62%</u>	<u>477.20%</u>	<u>264.37%</u>

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

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 only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 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: In 2020 and 2021, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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

Measurement period	2018-19	2019-20	2020-21
Total pension liability			
Service cost	\$ 5,440,494	\$ 5,552,558	\$ 5,647,902
Interest	18,247,956	19,147,726	20,210,480
Differences between expected and actual experience	3,515,370	418,217	2,604,970
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(11,179,964)	(11,977,056)	(13,001,364)
Net change in total pension liability	16,023,856	13,141,445	15,461,988
Total pension liability - beginning	254,570,535	270,594,391	283,735,836
Total pension liability - ending (a)	\$270,594,391	\$283,735,836	\$299,197,824
Pension fiduciary net position			
Contributions - employer	\$ 8,647,659	\$ 15,780,216	\$ 13,995,784
Contributions - employee	1,554,430	1,611,310	1,715,846
Net investment income	11,128,659	9,184,495	44,733,798
Benefit payments, including refunds of employee contributions	(11,179,964)	(11,977,056)	(13,001,364)
Net plan to plan move	-	-	-
Administrative expense	(119,703)	(250,614)	(191,916)
Other miscellaneous income/expense	390	-	-
Net change in plan fiduciary net position	10,031,471	14,348,351	47,252,148
Plan fiduciary net position - beginning	167,739,678	177,771,149	192,119,500
Plan fiduciary net position - ending (b)	\$177,771,149	\$192,119,500	\$239,371,648
Plan net pension liability - ending (a) - (b)	\$ 92,823,242	\$ 91,616,336	\$ 59,826,176
Plan fiduciary net position as a percentage of the total pension liability	65.70%	67.71%	80.00%
Covered payroll	\$ 17,096,107	\$ 17,137,525	\$ 17,699,772
Plan net pension liability as a percentage of covered payroll	542.95%	534.59%	338.01%

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, 2022

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 only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 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: In 2020 and 2021, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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, 2022

Last Ten Fiscal Years¹

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

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

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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 ²	\$ 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 Historical information is presented only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

2 Includes on year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-2022; 3 percent payroll growth assumption for fiscal years ended June 30, 2014-2017.

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, 2018 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	15 year smoothed market
Inflation	2.500%
Salary increases	varies by entry age and service
Payroll Growth	2.750%
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, 2022

Last Ten Fiscal Years¹

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

Fiscal year	2019	2020	2021	2022
Actuarially determined contribution	\$ 11,933,587	\$ 13,255,939	\$ 13,698,657	\$ 126,731,631
Contributions in relation to the actuarially determined contribution	(17,933,587)	(13,255,939)	(13,698,657)	(126,731,631)
Contribution deficiency (excess)	<u>\$ (6,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 23,197,580	\$ 24,461,346	\$ 26,963,410	\$ 27,704,904
Contributions as a percentage of covered payroll.	77.31%	54.19%	50.80%	457.43%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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	\$ 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 Historical information is presented only for measurement periods for which GASB No. 68 is presented for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.
- 2 Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent 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 2020-21 were derived from the June 30, 2018 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	15 year smoothed market
Inflation	2.500%
Salary increases	varies by entry age and service
Payroll Growth	2.750%
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, 2022

Last Ten Fiscal Years¹

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

Fiscal year	2019	2020	2021	2022
Actuarially determined contribution	\$ 8,647,659	\$ 9,780,216	\$ 13,995,784	\$ 103,659,698
Contributions in relation to the actuarially determined contribution	(8,647,659)	(15,780,216)	(13,995,784)	(103,659,698)
Contribution deficiency (excess)	\$ -	\$ (6,000,000)	\$ -	\$ -
Covered payroll ²	\$ 17,096,107	\$ 17,137,525	\$ 17,699,772	\$ 18,186,516
Contributions as a percentage of covered payroll.	50.58%	92.08%	79.07%	76.96%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 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 Historical information is presented only for measurement periods for which GASB No. 68 is presented for periods after GASB 68

² Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2021 and 2020, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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

Fiscal year	2019	2020	2021	2022
Actuarially determined contribution	\$ 4,307,750	4,869,618	6,225,062	60,685,514
Contributions in relation to the actuarially determined contribution	<u>(4,307,750)</u>	<u>(4,869,618)</u>	<u>(6,225,062)</u>	<u>(60,685,514)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 9,911,459	\$ 9,614,463	\$ 10,418,921	\$ 10,705,441
Contributions as a percentage of covered payroll	43.46%	50.65%	59.75%	566.87%

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, 2022

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Measurement period	2016-17 ¹	2017-18	2018-19	2019-20
Total OPEB liability				
Service cost	\$ 1,391,792	\$ 1,437,025	\$ 1,674,724	\$ 1,053,465
Interest	10,487,715	10,832,995	11,059,411	9,441,454
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	(25,689,430)	-
Changes of assumptions	-	8,986,849	(2,130,435)	-
Benefit payments, including refunds of employee contributions	(6,931,922)	(7,431,858)	(7,890,228)	(8,282,764)
Net change in total pension liability	4,947,585	13,825,011	(22,975,958)	2,212,155
Total OPEB liability - beginning	146,136,196	151,083,781	164,908,792	141,932,834
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>
OPEB fiduciary net position				
Contributions - employer	\$ 10,000,838	\$ 10,445,297	\$ 10,006,129	\$ 11,847,476
Net investment income	3,235,963	2,899,746	2,770,796	1,676,639
Benefit payments, including refunds of employee contributions	(6,931,922)	(7,431,858)	(7,890,228)	(8,282,764)
Administrative expense	(16,420)	(19,731)	(9,161)	(23,600)
Other expenses	-	(47,396)	-	-
Net change in plan fiduciary net position	6,288,459	5,846,058	4,877,536	5,217,751
Plan fiduciary net position - beginning	29,541,629	35,830,088	41,676,146	46,553,682
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>
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>
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>
Covered-employee payroll	<u>\$ 65,624,320</u>	<u>\$ 63,618,121</u>	<u>\$ 62,361,582</u>	<u>\$ 67,841,626</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>

¹ Historical information is presented only for measurement periods after GASB 75 implementation in fiscal year of 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, 2022

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

	2020-21
Measurement period	
Total OPEB liability	
Service cost	\$ 1,087,703
Interest	9,588,461
Changes of benefit terms	-
Differences between expected and actual experience	(8,434,702)
Changes of assumptions	15,474,651
Benefit payments, including refunds of employee contributions	(8,451,822)
Net change in total pension liability	9,264,291
Total OPEB liability - beginning	144,144,989
Total OPEB liability - ending (a)	\$ 153,409,280
OPEB fiduciary net position	
Contributions - employer	\$ 10,489,894
Net investment income	14,442,155
Benefit payments, including refunds of employee contributions	(8,451,822)
Administrative expense	(19,869)
Other expenses	-
Net change in plan fiduciary net position	16,460,358
Plan fiduciary net position - beginning	51,771,433
Plan fiduciary net position - ending (b)	\$ 68,231,791
Plan net OPEB liability - ending (a) - (b)	\$ 85,177,489
Plan fiduciary net position as a percentage of the total OPEB liability	44.48%
Covered-employee payroll	\$ 68,613,350
Plan net OPEB liability as a percentage of covered-employee payroll	124.14%

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

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

1 Historical information is presented only for measurement periods after GASB 75 implementation in fiscal year of 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 2076

City of Corona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

Other Postemployment Benefits ("OPEB") Plan

Fiscal year	2022
Actuarially determined contribution	\$ 10,744,736
Contributions in relation to the actuarially determined contribution	(10,744,736)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 74,680,408
Contributions as a percentage of covered-employee payroll. ²	14.39%

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 154,408	\$ 297,233	\$ 3,684,213	\$ 3,386,980
Current services	25,000	220,000	-	(220,000)
Other revenues	669,945	1,297,390	4,117,244	2,819,854
Total revenues	<u>849,353</u>	<u>1,814,623</u>	<u>7,801,457</u>	<u>5,986,834</u>
EXPENDITURES:				
Current:				
Planning and development	175,335	483,407	335,571	147,836
Debt service:				
Principal retirement	-	13,920	13,920	-
Interest and fiscal charges	-	2,238	2,238	-
Total expenditures	<u>175,335</u>	<u>499,565</u>	<u>351,729</u>	<u>147,836</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>227,697</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 901,715</u>	<u>\$ 1,542,755</u>	7,677,425	<u>\$ 6,134,670</u>
FUND BALANCE:				
Beginning of year			<u>29,945,467</u>	
End of year			<u>\$ 37,622,892</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.

Other Grants and Endowments Fund - accounts for receipts and expenditures of money received from various governmental grants and various library grants.

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, 2022

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
ASSETS				
Cash and investments	\$ 7,783,766	\$ 17,898,748	\$ 1,462,102	\$ 450,463
Accounts receivable	166	7,430	-	-
Interest receivable	21,442	46,987	3,840	1,183
Due from other governments	577,706	1,772,423	55,733	-
Long term receivables	-	-	-	-
Loans receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Restricted cash and investments	-	-	-	-
Total assets	\$ 8,383,080	\$ 19,725,588	\$ 1,521,675	\$ 451,646
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 181,968	\$ 99,587	\$ 2	\$ 136
Retention payable	178,681	158,280	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Deposit payable	-	-	-	-
Unearned revenue	-	-	-	185,903
Total liabilities	360,649	257,867	2	186,039
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	519,407	55,733	-
Total deferred inflows of resources	-	519,407	55,733	-
Fund Balances (Deficits):				
Restricted	8,022,431	18,948,314	1,465,940	265,607
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	8,022,431	18,948,314	1,465,940	265,607
Total liabilities, deferred inflows of resources and fund balances	\$ 8,383,080	\$ 19,725,588	\$ 1,521,675	\$ 451,646

(Continued)

City of Corona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			Capital Projects Funds
	Special Tax Districts	Other Grants & Endowments	Residential Refuse	Public Facility Project
ASSETS				
Cash and investments	\$ 23,949,265	\$ 15,101,254	\$ 126,263	\$ -
Accounts receivable	73,720	436	1,450,182	-
Interest receivable	62,802	39,666	590	-
Due from other governments	141,814	236,875	36,691	4,134,486
Long term receivables	-	-	-	-
Loans receivable, net	-	-	-	-
Land held for resale	-	-	-	-
Restricted cash and investments	17,272	-	98,422	-
Total assets	\$ 24,244,873	\$ 15,378,231	\$ 1,712,148	\$ 4,134,486
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 279,431	\$ 37,295	\$ 949,699	\$ -
Retention payable	-	-	-	-
Due to other funds	57,168	34,119	-	4,273,280
Advance from other funds	1,596,663	-	-	-
Deposit payable	1,550	-	-	-
Unearned revenue	12,613	15,031,852	296,509	-
Total liabilities	1,947,425	15,103,266	1,246,208	4,273,280
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	3,163,103
Total deferred inflows of resources	-	-	-	3,163,103
Fund Balances (Deficits):				
Restricted	22,297,448	274,965	465,940	-
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	(3,301,897)
Total fund balances (deficits)	22,297,448	274,965	465,940	(3,301,897)
Total liabilities, deferred inflows of resources and fund balances	\$ 24,244,873	\$ 15,378,231	\$ 1,712,148	\$ 4,134,486

(Continued)

City of Corona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds			Total Nonmajor Governmental Funds
	HUD Grants	Planned Local Drainage	Other Grants	
ASSETS				
Cash and investments	\$ 717,174	\$ 343,840	\$ 288,347	68,121,222
Accounts receivable	18,273	111	-	1,550,318
Interest receivable	-	-	758	177,268
Due from other governments	570,757	311,287	11,545,402	19,383,174
Long term receivables	1,717,405	-	-	1,717,405
Loans receivable, net	2,248,537	-	2,300,000	4,548,537
Land held for resale	1,461,000	-	-	1,461,000
Restricted cash and investments	-	-	628,552	744,246
Total assets	\$ 6,733,146	\$ 655,238	\$ 14,763,059	\$ 97,703,170
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 105,265	\$ 16,591	\$ 2,730,407	\$ 4,400,381
Retention payable	24,276	-	375,179	736,416
Due to other funds	494,147	-	9,852,913	14,711,627
Advance from other funds	-	-	-	1,596,663
Deposit payable	3,500	-	54,716	59,766
Unearned revenue	93,680	-	275,681	15,896,238
Total liabilities	720,868	16,591	13,288,896	37,401,091
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	6,476,413	10,214,656
Total deferred inflows of resources	-	-	6,476,413	10,214,656
Fund Balances (Deficits):				
Restricted	6,012,278	-	-	57,752,923
Assigned	-	638,647	-	638,647
Unassigned (deficits)	-	-	(5,002,250)	(8,304,147)
Total fund balances (deficits)	6,012,278	638,647	(5,002,250)	50,087,423
Total liabilities, deferred inflows of resources and fund balances	\$ 6,733,146	\$ 655,238	\$ 14,763,059	\$ 97,703,170

(Concluded)

City of Corona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Intergovernmental	7,325,323	5,768,921	163,100	65,384
Special assessments	-	-	-	-
Investment earnings	(280,048)	(648,395)	(51,179)	(20,517)
Current services	-	-	-	-
Other revenues	22,266	9,687	-	-
Total revenues	<u>7,067,541</u>	<u>5,130,213</u>	<u>111,921</u>	<u>44,867</u>
EXPENDITURES:				
Current:				
Public safety- Police	-	-	-	192,868
Public works & maintenance services	1,165,268	115,757	25,540	-
Community services	-	-	-	-
Community development	-	-	-	-
Capital outlay	4,760,681	5,492,357	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	646
Total expenditures	<u>5,925,949</u>	<u>5,608,114</u>	<u>25,540</u>	<u>193,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,141,592</u>	<u>(477,901)</u>	<u>86,381</u>	<u>(148,647)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,116,081)	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>(1,116,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	25,511	(477,901)	86,381	(148,647)
FUND BALANCES (DEFICITS):				
Beginning of year	7,996,920	19,426,215	1,379,559	414,254
End of year	<u>\$ 8,022,431</u>	<u>\$ 18,948,314</u>	<u>\$ 1,465,940</u>	<u>\$ 265,607</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, 2022

	Special Revenue Funds			Capital Projects Funds
	Special Tax Districts	Other Grants & Endowments	Residential Refuse	Public Facility Project
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	45,946	-
Intergovernmental	-	963,980	141,962	-
Special assessments	8,859,745	-	-	-
Investment earnings	(740,699)	(287,055)	(6,055)	-
Current services	57,163	52,750	10,549,990	-
Other revenues	91,751	35,844	-	-
Total revenues	8,267,960	765,519	10,731,843	-
EXPENDITURES:				
Current:				
Public safety- Police	-	447,208	-	-
Public works & maintenance services	7,432,896	-	11,127,092	-
Community services	-	58,136	20,534	-
Community development	-	75,753	-	-
Capital outlay	110,560	208,072	41,752	-
Debt service:				
Principal retirement	-	-	19,069	-
Interest and fiscal charges	10,403	-	3,066	-
Total expenditures	7,553,859	789,169	11,211,513	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	714,101	(23,650)	(479,670)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	229,101	40,815	-
Transfers out	-	(81,600)	-	-
Issuance of debt	-	-	311,913	-
Total other financing sources (uses)	-	147,501	352,728	-
NET CHANGES IN FUND BALANCES	714,101	123,851	(126,942)	-
FUND BALANCES (DEFICITS):				
Beginning of year	21,583,347	151,114	592,882	(3,301,897)
End of year	<u>\$ 22,297,448</u>	<u>\$ 274,965</u>	<u>\$ 465,940</u>	<u>\$ (3,301,897)</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, 2022

	Capital Projects Funds			Total Nonmajor Governmental Funds
	HUD Grants	Planned Local Drainage	Other Grants	
REVENUES:				
Licenses and permits	\$ -	\$ 784,271	-	\$ 784,271
Fines and Penalties	250	-	-	46,196
Intergovernmental	424,859	-	13,849,156	28,702,685
Special assessments	-	-	-	8,859,745
Investment earnings	-	404	(9,386)	(2,042,930)
Current services	-	-	-	10,659,903
Other revenues	26,449	286,221	308,064	780,282
Total revenues	451,558	1,070,896	14,147,834	47,790,152
EXPENDITURES:				
Current:				
Public safety- Police	-	-	-	640,076
Public works & maintenance services	-	2,249,383	-	22,115,936
Community services	-	-	47,674	126,344
Community development	372,250	-	-	448,003
Capital outlay	392,981	9,936	19,530,646	30,546,985
Debt service:				
Principal retirement	8,630	83,469	-	111,168
Interest and fiscal charges	1,388	13,420	-	28,923
Total expenditures	775,249	2,356,208	19,578,320	54,017,435
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(323,691)	(1,285,312)	(5,430,486)	(6,227,283)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	269,916
Transfers out	-	-	-	(1,197,681)
Issuance of debt	141,170	1,365,454	-	1,818,537
Total other financing sources (uses)	141,170	1,365,454	-	890,772
NET CHANGES IN FUND BALANCES	(182,521)	80,142	(5,430,486)	(5,336,511)
FUND BALANCES (DEFICITS):				
Beginning of year	6,194,799	558,505	428,236	55,423,934
End of year	<u>\$ 6,012,278</u>	<u>\$ 638,647</u>	<u>\$ (5,002,250)</u>	<u>\$ 50,087,423</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 7,395,482	\$ 7,285,482	\$ 7,325,323	\$ 39,841
Investment earnings	98,330	105,395	(280,048)	(385,443)
Other revenues	-	9,372	22,266	12,894
Total revenues	<u>7,493,812</u>	<u>7,400,249</u>	<u>7,067,541</u>	<u>(332,708)</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	1,577,374	3,472,569	1,165,268	2,307,301
Capital outlay	4,150,482	9,775,874	4,760,681	5,015,193
Debt service:				
Principal retirement	-	119,293	-	119,293
Interest and fiscal charges	-	19,180	-	19,180
Total expenditures	<u>5,727,856</u>	<u>13,386,916</u>	<u>5,925,949</u>	<u>7,460,967</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,765,956</u>	<u>(5,986,667)</u>	<u>1,141,592</u>	<u>7,128,259</u>
OTHER FINANCING (USES):				
Transfers out	(1,200,000)	(1,200,000)	(1,116,081)	83,919
Total other financing (uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,116,081)</u>	<u>83,919</u>
NET CHANGE IN FUND BALANCE	<u>\$ 565,956</u>	<u>\$ (7,186,667)</u>	25,511	<u>\$ 7,212,178</u>
FUND BALANCE:				
Beginning of year			7,996,920	
End of year			<u>\$ 8,022,431</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 4,378,000	\$ 4,378,000	\$ 5,768,921	\$ 1,390,921
Investment earnings	292,250	241,771	(648,395)	(890,166)
Other revenues	-	9,687	9,687	-
Total revenues	<u>4,670,250</u>	<u>4,629,458</u>	<u>5,130,213</u>	<u>500,755</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	115,759	115,759	115,757	2
Capital outlay	7,090,316	22,951,631	5,492,357	17,459,274
Total expenditures	<u>7,206,075</u>	<u>23,067,390</u>	<u>5,608,114</u>	<u>17,459,276</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,535,825)</u>	<u>\$ (18,437,932)</u>	(477,901)	<u>\$ 17,960,031</u>
FUND BALANCE:				
Beginning of year			19,426,215	
End of year			<u>\$ 18,948,314</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ 200,000	\$ 163,100	\$ (36,900)
Investment earnings	18,072	18,145	(51,179)	(69,324)
Total revenues	<u>18,072</u>	<u>218,145</u>	<u>111,921</u>	<u>(106,224)</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	100	29,550	25,540	4,010
Capital Outlay	-	76,500	-	76,500
Total expenditures	<u>100</u>	<u>106,050</u>	<u>25,540</u>	<u>80,510</u>
NET CHANGE IN FUND BALANCE	<u>\$ 17,972</u>	<u>\$ 112,095</u>	86,381	<u>\$ (25,714)</u>
FUND BALANCE:				
Beginning of year			<u>1,379,559</u>	
End of year			<u>\$ 1,465,940</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ 55,725	\$ 65,384	\$ 9,659
Investment earnings	6,634	7,096	(20,517)	(27,613)
Total revenues	<u>6,634</u>	<u>62,821</u>	<u>44,867</u>	<u>(17,954)</u>
EXPENDITURES:				
Current:				
Public safety - police	161,200	218,505	192,868	25,637
Debt service:				
Interest and fiscal charges	500	500	646	(146)
Total expenditures	<u>161,700</u>	<u>219,005</u>	<u>193,514</u>	<u>25,491</u>
NET CHANGE IN FUND BALANCE	<u>\$ (155,066)</u>	<u>\$ (156,184)</u>	(148,647)	<u>\$ 7,537</u>
FUND BALANCE:				
Beginning of year			414,254	
End of year			<u>\$ 265,607</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special assessments	\$ 8,689,964	\$ 8,725,287	\$ 8,859,745	\$ 134,458
Investment earnings	329,862	423,879	(740,699)	(1,164,578)
Current services	69,776	69,776	57,163	(12,613)
Other revenues	29,487	51,351	91,751	40,400
Total revenues	<u>9,119,089</u>	<u>9,270,293</u>	<u>8,267,960</u>	<u>(1,002,333)</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	7,852,570	8,644,982	7,432,896	1,212,086
Capital outlay	-	1,565,602	110,560	1,455,042
Debt service:				
Interest and fiscal charges	3,530	3,530	10,403	(6,873)
Total expenditures	<u>7,856,100</u>	<u>10,214,114</u>	<u>7,553,859</u>	<u>2,660,255</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,262,989</u>	<u>\$ (943,821)</u>	714,101	<u>\$ 1,657,922</u>
FUND BALANCE:				
Beginning of year			<u>21,583,347</u>	
End of year			<u>\$ 22,297,448</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Grants & Endowments Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 612,521	\$ 15,403,964	\$ 963,980	\$ (14,439,984)
Investment earnings	13,064	209,473	(287,055)	(496,528)
Current services	55,000	40,000	52,750	12,750
Other revenue	-	-	35,844	35,844
Total revenues	<u>680,585</u>	<u>15,653,437</u>	<u>765,519</u>	<u>(14,887,918)</u>
EXPENDITURES:				
Current:				
Public safety - police	545,217	676,486	447,208	229,278
Community services	-	101,159	58,136	43,023
Planning and development	99,047	1,597,975	75,753	1,522,222
Capital outlay	-	29,130,448	208,072	28,922,376
Total expenditures	<u>644,264</u>	<u>31,506,068</u>	<u>789,169</u>	<u>30,716,899</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>36,321</u>	<u>(15,852,631)</u>	<u>(23,650)</u>	<u>15,828,981</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>147,501</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 36,321</u>	<u>\$ (15,705,130)</u>	<u>123,851</u>	<u>\$ 15,828,981</u>
FUND BALANCE:				
Beginning of year			<u>151,114</u>	
End of year			<u>\$ 274,965</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 111,600	\$ 124,256	\$ 141,962	\$ 17,706
Investment earnings	(400)	184	(6,055)	(6,239)
Fines and penalties	135,500	19,574	45,946	26,372
Current services	10,876,486	10,500,639	10,549,990	49,351
Total revenues	<u>11,123,186</u>	<u>10,644,653</u>	<u>10,731,843</u>	<u>87,190</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	11,584,042	11,972,285	11,127,092	845,193
Community services	-	139,766	20,534	119,232
Capital outlay	-	239,839	41,752	198,087
Debt service:				
Principal retirement	-	19,069	19,069	-
Interest and fiscal charges	-	3,066	3,066	-
Total expenditures	<u>11,584,042</u>	<u>12,374,025</u>	<u>11,211,513</u>	<u>1,162,512</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(460,856)</u>	<u>(1,729,372)</u>	<u>(479,670)</u>	<u>1,249,702</u>
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	311,913	311,913
Transfers in	-	40,815	40,815	-
Total other financing sources	<u>-</u>	<u>40,815</u>	<u>352,728</u>	<u>311,913</u>
NET CHANGE IN FUND BALANCE	<u>\$ (460,856)</u>	<u>\$ (1,688,557)</u>	<u>(126,942)</u>	<u>\$ 1,561,615</u>
FUND BALANCE:				
Beginning of year			<u>592,882</u>	
End of year			<u>\$ 465,940</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Facility Project Capital Projects Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Capital outlay	\$ -	\$ 668,839	\$ -	\$ 668,839
Total expenditures	<u>-</u>	<u>668,839</u>	<u>-</u>	<u>668,839</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (668,839)</u>	<u>-</u>	<u>\$ 668,839</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(3,301,897)</u>	
End of year			<u>\$ (3,301,897)</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and penalties	\$ -	\$ -	\$ 250	\$ 250
Intergovernmental	1,646,500	1,646,500	424,859	(1,221,641)
Current services	-	83,677	-	(83,677)
Other revenues	-	76,179	26,449	(49,730)
Total revenues	<u>1,646,500</u>	<u>1,806,356</u>	<u>451,558</u>	<u>(1,354,798)</u>
EXPENDITURES:				
Current:				
Planning and development	204,226	422,035	372,250	49,785
Capital outlay	1,440,260	5,223,203	392,981	4,830,222
Debt service:				
Principal retirement	-	8,630	8,630	-
Interest and fiscal charges	-	1,388	1,388	-
Total expenditures	<u>1,644,486</u>	<u>5,655,256</u>	<u>775,249</u>	<u>4,880,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,014</u>	<u>(3,848,900)</u>	<u>(323,691)</u>	<u>(6,234,805)</u>
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	141,170	141,170
Total other financing sources	<u>-</u>	<u>-</u>	<u>141,170</u>	<u>141,170</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,014</u>	<u>\$ (3,848,900)</u>	<u>(182,521)</u>	<u>\$ (6,093,635)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>6,194,799</u>	
End of year			<u>\$ 6,012,278</u>	

City of Corona
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Planned Local Drainage Capital Projects Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 762,863	\$ 762,863	\$ 784,271	\$ 21,408
Investment earnings	-	-	404	404
Other Revenues	286,165	286,165	286,221	56
Total revenues	<u>1,049,028</u>	<u>1,049,028</u>	<u>1,070,896</u>	<u>21,868</u>
EXPENDITURES:				
Current:				
Public works & maintenance services	1,090,286	2,407,557	2,249,383	158,174
Capital outlay	160,775	283,076	9,936	273,140
Debt service:				
Principal retirement	-	83,469	83,469	-
Interest and fiscal charges	-	13,420	13,420	-
Total expenditures	<u>1,251,061</u>	<u>2,787,522</u>	<u>2,356,208</u>	<u>431,314</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(202,033)</u>	<u>(1,738,494)</u>	<u>(1,285,312)</u>	<u>453,182</u>
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	1,365,454	1,365,454
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,365,454</u>	<u>1,365,454</u>
NET CHANGE IN FUND BALANCE	<u>\$ (202,033)</u>	<u>\$ (1,738,494)</u>	80,142	<u>\$ 1,818,636</u>
FUND BALANCE:				
Beginning of year			558,505	
End of year			<u>\$ 638,647</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ 35,523,983	\$ 13,849,156	\$ (21,674,827)
Investment earnings	742	737	(9,386)	(10,123)
Other revenues	-	935,754	308,064	(627,690)
Total revenues	<u>742</u>	<u>36,460,474</u>	<u>14,147,834</u>	<u>(22,312,640)</u>
EXPENDITURES:				
Current:				
Community services	-	318,510	47,674	270,836
Capital outlay	-	110,618,126	19,530,646	91,087,480
Total expenditures	<u>-</u>	<u>110,936,636</u>	<u>19,578,320</u>	<u>91,358,316</u>
NET CHANGE IN FUND BALANCE	<u>\$ 742</u>	<u>\$ (74,476,162)</u>	<u>(5,430,486)</u>	<u>\$ 69,045,676</u>
FUND BALANCE:				
Beginning of year			428,236	
End of year			<u>\$ (5,002,250)</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, 2022

	Transit Services	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 765,278	\$ 1,390,431	\$ 2,155,709
Accounts receivable	4,018	19,354	23,372
Interest receivable	2,681	3,652	6,333
Due from other government	404,315	34,835	439,150
Restricted cash and investments	255,544	-	255,544
Total current assets	1,431,836	1,448,272	2,880,108
Noncurrent assets:			
Capital assets:			
Capital assets, being depreciated, net	2,444,031	33,651	2,477,682
Total noncurrent assets	2,444,031	33,651	2,477,682
Total assets	3,875,867	1,481,923	5,357,790
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	560,538	-	560,538
OPEB related items	58,964	-	58,964
Total deferred outflows of resources	619,502	-	619,502
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	515,395	250,962	766,357
Accrued interest payable	2,940	-	2,940
Unearned revenue	740,136	390	740,526
Deposit payable	-	380	380
Compensated absences, due within one year	9,605	-	9,605
Long-term debt - due within one year	58,293	-	58,293
Total current liabilities	1,326,369	251,732	1,578,101
Noncurrent liabilities:			
Long term liabilities, due in more than one year	884,590	-	884,590
Compensated absences, due in more than one year	53,311	-	53,311
Net pension liability	314,766	-	314,766
Net OPEB liability	183,278	-	183,278
Total non-current liabilities	1,435,945	-	1,435,945
Total liabilities	2,762,314	251,732	3,014,046
DEFERRED INFLOWS OF RESOURCES			
Pension related items	135,850	-	135,850
OPEB related items	61,039	-	61,039
Total deferred inflows of resources	196,889	-	196,889
NET POSITION			
Investment in capital assets	2,444,031	33,651	2,477,682
Restricted	255,544	-	255,544
Unrestricted (deficit)	(1,163,409)	1,196,540	33,131
Total net position	\$ 1,536,166	\$ 1,230,191	\$ 2,766,357

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	Transit Services	Airport	Total
OPERATING REVENUES:			
	\$ 2,055,243	\$ -	\$ 2,055,243
Fees and permits	-	38,390	38,390
Fines and permits	23,150	-	23,150
Other revenues	223,005	396,371	619,376
Total operating revenues	2,301,398	434,761	2,736,159
OPERATING EXPENSES:			
Personnel services	226,297	24,841	251,138
Contractual services	1,728,739	70,296	1,799,035
Materials and supplies	121,803	336,065	457,868
Utilities	154,914	12,645	167,559
Depreciation	661,942	14,296	676,238
Total operating expenses	2,893,695	458,143	3,351,838
OPERATING INCOME (LOSS)	(592,297)	(23,382)	(615,679)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	-	40,119	40,119
Investment earnings	(49,165)	(47,747)	(96,912)
Interest expense	(12,810)	-	(12,810)
Total nonoperating revenues (expenses)	(61,975)	(7,628)	(69,603)
CHANGE IN NET POSITION	(654,272)	(31,010)	(685,282)
NET POSITION:			
Beginning of the year	2,190,438	1,261,201	3,451,639
End of the year	<u>\$ 1,536,166</u>	<u>\$ 1,230,191</u>	<u>\$ 2,766,357</u>

City of Corona
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	Transit Service	Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 2,704,384	\$ 420,083	\$ 3,124,467
Cash paid to suppliers for goods and services	(2,611,892)	(173,660)	(2,785,552)
Cash paid to employees for services	(1,236,124)	(24,841)	(1,260,965)
Net cash provided by (used in) operating activities	(1,143,632)	221,582	(922,050)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grant received	-	5,224	5,224
Proceed from pension obligation bonds	1,004,270	-	1,004,270
Principal paid on pension obligation bonds	(61,387)	-	(61,387)
Interest paid on pension obligation bonds	(9,870)	-	(9,870)
Net cash provided by noncapital financing activities	933,013	5,224	938,237
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(38,081)	-	(38,081)
Net cash (used in) capital and related financing activities	(38,081)	-	(38,081)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment loss	(47,919)	(47,785)	(95,704)
Net cash (used in) investing activities	(47,919)	(47,785)	(95,704)
Net increase (decrease) in cash and cash equivalents	(296,619)	179,021	(117,598)
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,317,441	1,211,410	2,528,851
End of year	<u>\$ 1,020,822</u>	<u>\$ 1,390,431</u>	<u>\$ 2,411,253</u>
CASH AND CASH EQUIVALENTS:			
Cash and investments	\$ 765,278	\$ 1,390,431	\$ 2,155,709
Restricted cash and investments	255,544	-	255,544
Total cash and cash equivalents	<u>\$ 1,020,822</u>	<u>\$ 1,390,431</u>	<u>\$ 2,411,253</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (592,297)	\$ (23,382)	\$ (615,679)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	661,942	14,296	676,238
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,340)	(14,678)	(16,018)
(Increase) decrease in due from other government	238,968	-	238,968
(Increase) decrease in deferred outflows of resources related to pension	(426,223)	-	(426,223)
(Increase) decrease in deferred outflows of resources related to OPEB	(10,997)	-	(10,997)
Increase (decrease) in accounts payable and accrued liabilities	(606,837)	245,346	(361,491)
Increase (decrease) in compensated absences	(1,285)	-	(1,285)
Increase (decrease) in unearned revenue	165,358	-	165,358
Increase (decrease) in net pension liability	(630,734)	-	(630,734)
Increase (decrease) in net OPEB liability	(84,605)	-	(84,605)
Increase (decrease) in deferred inflows of resources related to pension	135,850	-	135,850
Increase (decrease) in deferred inflows of resources related to OPEB	8,568	-	8,568
Total adjustments	(551,335)	244,964	(306,371)
Net cash provided by (used in) operating activities	<u>\$ (1,143,632)</u>	<u>\$ 221,582</u>	<u>\$ (922,050)</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, 2022

	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
ASSETS			
Current assets:			
Cash and investments	\$ 7,120,097	\$ 24,933,954	\$ 3,141,273
Accounts receivable	4,910	46,541	-
Inventories and prepaid items	208,537	-	-
Total current assets	7,333,544	24,980,495	3,141,273
Noncurrent assets:			
Capital assets, not depreciated	30,299	-	-
Capital assets, being depreciated, net	2,722,806	-	-
Intangible assets, net	1,084,937	-	-
Total noncurrent assets	3,838,042	-	-
Total assets	11,171,586	24,980,495	3,141,273
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,984,242	-	-
OPEB related items	361,910	-	-
Total deferred outflows of resources	2,346,152	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	777,979	224,517	1,754,463
Accrued interest payable	7,366	-	-
Claim payable, due within one year	-	2,977,607	355,071
Compensated absences, due within one year	53,250	-	-
Long-term debt - due within one year	146,069	-	-
Lease payable, due within one year	228,772	-	-
Total current liabilities	1,213,436	3,202,124	2,109,534
Noncurrent liabilities:			
Compensated absences, due more than one year	-	-	-
Long term liabilities, due in more than one year	2,216,567	-	-
Lease payable, due more than one year	316,245	-	-
Claim payable, due more than one year	-	17,746,954	1,031,739
Net pension liability	1,114,236	-	-
Net OPEB liability	1,124,930	-	-
Total noncurrent liabilities	4,771,978	17,746,954	1,031,739
Total liabilities	5,985,414	20,949,078	3,141,273
DEFERRED INFLOWS OF RESOURCES			
Pension related items	480,896	-	-
OPEB related items	374,649	-	-
Total deferred inflows of resources	855,545	-	-
NET POSITION			
Net investment in capital assets	3,293,025	-	-
Unrestricted (deficit)	3,383,754	4,031,417	-
Total net position	\$ 6,676,779	\$ 4,031,417	\$ -

(Continued)

City of Corona
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2022

	Warehouse	Information Technology	Total
ASSETS			
Current assets:			
Cash and investments	\$ 623,113	\$ 8,134,360	\$ 43,952,797
Accounts receivable	-	22,400	73,851
Inventories and prepaid items	-	-	208,537
Total current assets	623,113	8,156,760	44,235,185
Noncurrent assets:			
Capital assets, not depreciated	-	129	30,428
Capital assets, being depreciated net	-	289,211	3,012,017
Intangible assets, net	-	-	1,084,937
Total noncurrent assets	-	289,340	4,127,382
Total assets	623,113	8,446,100	48,362,567
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	280,258	8,579,030	10,843,530
OPEB related items	37,797	661,455	1,061,162
Total deferred outflows of resources	318,055	9,240,485	11,904,692
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	6,647	247,620	3,011,226
Accrued interest payable	1,077	22,751	31,194
Claim payable, due within one year	-	-	3,332,678
Compensated absences, due within one year	1,348	232,666	287,264
Long-term debt - due within one year	21,365	451,136	618,570
Lease payable, due within one year	-	-	228,772
Total current liabilities	30,437	954,173	7,509,704
Noncurrent liabilities:			
Compensated absences, due more than one year	-	138,626	138,626
Long term liabilities, due in more than one year	324,203	6,845,895	9,386,665
Lease payable, due more than one year	-	-	316,245
Claim payable, due more than one year	-	-	18,778,693
Net pension liability	157,377	4,817,487	6,089,100
Net OPEB liability	117,487	2,056,008	3,298,425
Total noncurrent liabilities	599,067	13,858,016	38,007,754
Total liabilities	629,504	14,812,189	45,517,458
DEFERRED INFLOWS OF RESOURCES			
Pension related items	67,923	2,079,191	2,628,010
OPEB related items	39,128	684,737	1,098,514
Total deferred inflows of resources	107,051	2,763,928	3,726,524
NET POSITION			
Net investment in capital assets	-	289,340	3,582,365
Unrestricted (deficit)	204,613	(178,872)	7,440,912
Total net position	\$ 204,613	\$ 110,468	\$ 11,023,277

(Concluded)

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
OPERATING REVENUES:			
Service charges	\$ 4,176,211	\$ 2,234,027	\$ 2,822,608
Other revenues	719,226	1,966	-
Total operating revenues	4,895,437	2,235,993	2,822,608
OPERATING EXPENSES:			
Personnel services	1,098,706	-	-
Contractual services	19,670	-	64,049
Materials and supplies	2,089,325	72,084	-
Utilities	1,321,657	-	-
Depreciation and amortization expense	1,025,428	-	-
Claims and premium	-	3,109,097	3,671,560
Total operating expenses	5,554,786	3,181,181	3,735,609
NET OPERATING INCOME (LOSS)	(659,349)	(945,188)	(913,001)
NONOPERATING REVENUE (EXPENSES):			
Interest expense	(56,285)	-	-
Gain on sale of capital assets	120,270	-	-
Total nonoperating expenses	63,985	-	-
CHANGE IN NET POSITION	(595,364)	(945,188)	(913,001)
NET POSITION:			
Beginning of the year	7,272,143	4,976,605	913,001
End of the year	\$ 6,676,779	\$ 4,031,417	\$ -

(Continued)

City of Corona
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Warehouse	Information Technology	Total
OPERATING REVENUES:			
Service charges	\$ 433,128	\$ 12,709,732	\$ 22,375,706
Other revenues	-	1,135	722,327
Total operating revenues	433,128	12,710,867	23,098,033
OPERATING EXPENSES:			
Personnel services	49,216	3,416,985	4,564,907
Contractual services	52,835	4,463,024	4,599,578
Materials and supplies	66,465	955,554	3,183,428
Utilities	1,142	363,118	1,685,917
Depreciation expense	-	281,346	1,306,774
Claims and premium	-	-	6,780,657
Total operating expenses	169,658	9,480,027	22,121,261
NET OPERATING INCOME (LOSS)	263,470	3,230,840	976,772
NONOPERATING REVENUE (EXPENSES):			
Interest expense	(4,695)	(99,136)	(160,116)
Gain on sale of capital assets	-	483	120,753
Total nonoperating expenses	(4,695)	(98,653)	(39,363)
CHANGE IN NET POSITION	258,775	3,132,187	937,409
NET POSITION:			
Beginning of the year	(54,162)	(3,021,719)	10,085,868
End of the year	<u>\$ 204,613</u>	<u>\$ 110,468</u>	<u>\$ 11,023,277</u>

(Concluded)

City of Corona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	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	\$ 4,901,162	\$ 2,240,285	\$ 2,822,608
Cash paid to suppliers for goods and services	(2,978,278)	(20,268)	1,679,216
Cash paid to employees for services	(3,364,717)	-	-
Cash paid for insurance or claims	-	(2,418,195)	(3,573,832)
Net cash provided by (used in) operating activities	(1,441,833)	(198,178)	927,992
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grants received	644	-	-
Proceed from pension obligation bonds	2,516,458	-	-
Principal paid on pension obligation bonds	(153,822)	-	-
Interest paid on pension obligation bonds	(32,696)	-	-
Net cash provided by noncapital financing activities	2,330,584	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(547,411)	-	-
Proceed from sale of capital assets	129,174	-	-
Principal paid on lease payables	(237,944)	-	-
Interest paid on lease payables	(16,223)	-	-
Net cash (used in) capital and related financing activities	(672,404)	-	-
Net increase (decrease) in cash and cash equivalents	216,347	(198,178)	927,992
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,903,750	25,132,132	2,213,281
End of year	<u>\$ 7,120,097</u>	<u>\$ 24,933,954</u>	<u>\$ 3,141,273</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating loss	\$ (659,349)	\$ (945,188)	\$ (913,001)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	1,025,428	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	5,725	4,292	-
(Increase) decrease in inventories and prepaid items	(23,799)	-	776,458
(Increase) decrease in pension related deferred outflows of resources	(1,694,056)	-	-
(Increase) decrease in OPEB related deferred outflows of resources	(134,834)	-	-
Increase (decrease) in accounts payable and accrued liabilities	484,375	51,816	966,807
Increase (decrease) in claims payable	-	690,902	97,728
Increase (decrease) in compensated absences	9,907	-	-
Increase (decrease) in net pension liability	(928,511)	-	-
Increase (decrease) in net OPEB liability	(122,113)	-	-
Increase (decrease) in pension related deferred inflows of resources	480,896	-	-
Increase (decrease) in OPEB related deferred inflows of resources	114,498	-	-
Total adjustments	(782,484)	747,010	1,840,993
Net cash provided by (used in) operating activities	\$ (1,441,833)	\$ (198,178)	\$ 927,992

City of Corona
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 433,128	\$ 12,693,451	\$ 23,090,634
Cash paid to suppliers for goods and services	(116,668)	(5,600,698)	(7,036,696)
Cash paid to employees for services	(497,557)	(11,302,531)	(15,164,805)
Cash paid for insurance or claims	-	-	(5,992,027)
Net cash provided by (used in) operating activities	(181,097)	(4,209,778)	(5,102,894)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental grants received	-	-	644
Proceed from pension obligation bonds	368,066	7,772,111	10,656,635
Principal paid on pension obligation bonds	(22,498)	(475,080)	(651,400)
Interest paid on pension obligation bonds	(3,618)	(70,121)	(106,435)
Net cash provided by noncapital financing activities	341,950	7,226,910	9,899,444
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(129)	(547,540)
Proceed from sale of capital assets	-	483	129,657
Principal paid on lease payables	-	(210,938)	(448,882)
Interest paid on lease payables	-	(6,264)	(22,487)
Net cash (used in) capital and related financing activities	-	(216,848)	(889,252)
Net increase (decrease) in cash and cash equivalents	160,853	2,800,284	3,907,298
CASH AND CASH EQUIVALENTS:			
Beginning of year	462,260	5,334,076	40,045,499
End of year	<u>\$ 623,113</u>	<u>\$ 8,134,360</u>	<u>\$ 43,952,797</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating loss	\$ 263,470	\$ 3,230,840	\$ 976,772
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	-	281,346	1,306,774
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(17,416)	(7,399)
(Increase) decrease in inventories and prepaid items	-	-	752,659
(Increase) decrease in pension related deferred outflows of resources	(228,852)	(7,507,824)	(9,430,732)
(Increase) decrease in OPEB related deferred outflows of resources	(1,802)	(315,211)	(451,847)
Increase (decrease) in accounts payable and accrued liabilities	1,928	203,577	1,708,503
Increase (decrease) in claims payable	-	-	788,630
Increase (decrease) in compensated absences	(20)	96,138	106,025
Increase (decrease) in net pension liability	(204,481)	(2,723,166)	(3,856,158)
Increase (decrease) in net OPEB liability	(76,498)	171,589	(27,022)
Increase (decrease) in pension related deferred inflows of resources	67,923	2,079,191	2,628,010
Increase (decrease) in OPEB related deferred inflows of resources	(2,765)	291,158	402,891
Total adjustments	<u>(444,567)</u>	<u>(7,440,618)</u>	<u>(6,079,666)</u>
Net cash provided by (used in) operating activities	\$ (181,097)	\$ (4,209,778)	\$ (5,102,894)



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 AB 109 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.



City of Corona
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

	<u>AD/CFD Fund</u>	<u>AB109 PACT</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 2,697,999	\$ 24,263	\$ 2,722,262
Restricted cash and investments	11,967,986	-	11,967,986
Interest receivable	7,087	64	7,151
Due from other governments	119,038	72,610	191,648
Total assets	<u>14,792,110</u>	<u>96,937</u>	<u>14,889,047</u>
LIABILITIES			
Accounts payable	268	-	268
Deposits payable	62,059	-	62,059
Total liabilities	<u>62,327</u>	<u>-</u>	<u>62,327</u>
NET POSITION			
Restricted for:			
Organizations and other governments	<u>\$ 14,729,783</u>	<u>\$ 96,937</u>	<u>\$ 14,826,720</u>

City of Corona
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

	AD/CFD Fund	AB109 PACT	Total
ADDITIONS:			
Assessment revenue	\$ 7,222,042	\$ -	\$ 7,222,042
Investment earnings	(77,864)	(889)	(78,753)
Total additions	7,144,178	(889)	7,143,289
DEDUCTIONS:			
Developer payments	46,921	-	46,921
Payments for district expenses	385,638	-	385,638
Payments for district debt service	6,474,808	-	6,474,808
Total deductions	6,907,367	-	6,907,367
Change in net position	236,811	(889)	235,922
NET POSITION:			
Beginning of year, as restated (Note 18)	14,492,972	97,826	14,590,798
End of year	\$ 14,729,783	\$ 96,937	\$ 14,826,720

STATISTICAL SECTION



City of Corona

Statistical Section Overview

(Unaudited)

This part of the City of Corona's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends

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

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

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 774,605,309	\$ 751,014,897	\$ 715,567,718	\$ 690,776,881	\$ 661,445,807
Restricted for:					
Capital Projects	37,622,892	30,373,703	30,073,897	34,034,394	35,250,894
Pension	30,102,382	-	-	-	-
Debt Service	124	6	8,627,925	6,490,959	5,100,103
Transportation and Public Works	28,902,625	29,395,576	21,690,954	22,272,787	18,493,153
Special Assessment District	28,773,861	24,246,859	11,617,840	12,625,790	11,114,013
Development Projects	17,413,190	16,303,526	23,608,622	21,365,909	9,137,699
Community Development Projects	6,012,278	6,194,799	6,594,350		
Other Purposes	540,572	565,368	350,132	382,770	309,562
Total Restricted	<u>149,367,924</u>	<u>107,079,837</u>	<u>102,563,720</u>	<u>97,172,609</u>	<u>79,405,424</u>
Unrestricted	<u>52,930,786</u>	<u>38,917,327</u>	<u>45,153,818</u>	<u>34,147,614</u>	<u>23,749,730</u>
Total Governmental Activities Net Position	<u><u>\$ 976,904,019</u></u>	<u><u>\$ 897,012,061</u></u>	<u><u>\$ 863,285,256</u></u>	<u><u>\$ 822,097,104</u></u>	<u><u>\$ 764,600,961</u></u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 365,081,077	\$ 362,609,521	\$ 348,173,650	\$ 346,111,296	\$ 334,581,059
Restricted for:					
Capital Projects	-	-	6,735,454	6,735,454	6,735,454
Debt Service	509,441	509,441	-	-	-
Transportation and Public Works	255,544	366,440	377,421	369,860	261,195
Development Projects	855,624	855,624	792,804	792,804	
Total Restricted	<u>1,620,609</u>	<u>1,731,505</u>	<u>7,905,679</u>	<u>7,898,118</u>	<u>6,996,649</u>
Unrestricted	<u>(66,552,586)</u>	<u>(70,513,075)</u>	<u>(79,890,157)</u>	<u>(95,417,283)</u>	<u>(111,330,380)</u>
Total Business-Type Activities Net Position	<u><u>\$ 300,149,100</u></u>	<u><u>\$ 293,827,951</u></u>	<u><u>\$ 276,189,172</u></u>	<u><u>\$ 258,592,131</u></u>	<u><u>\$ 230,247,328</u></u>
Primary Government					
Net Investment in Capital Assets	\$ 1,139,686,386	\$ 1,113,624,418	\$ 1,063,741,368	\$ 1,036,888,177	\$ 996,026,866
Restricted	150,988,533	108,811,342	110,469,399	105,070,727	86,402,073
Unrestricted	<u>(13,621,800)</u>	<u>(31,595,748)</u>	<u>(34,736,339)</u>	<u>(61,269,669)</u>	<u>(87,580,650)</u>
Total Primary Government Net Position	<u><u>\$ 1,277,053,119</u></u>	<u><u>\$ 1,190,840,012</u></u>	<u><u>\$ 1,139,474,428</u></u>	<u><u>\$ 1,080,689,235</u></u>	<u><u>\$ 994,848,289</u></u>

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental Activities					
Net Investment in Capital Assets	\$ 638,468,424	\$ 618,953,633	\$ 587,861,831	\$ 557,314,076	\$ 542,474,178
Restricted for:					
Capital Projects	26,832,918	24,440,919	23,435,434	31,326,722	87,678,260
Pension	-	-	-	-	-
Debt Service	3,439,357	2,416,841	2,653,417	2,770,292	2,772,671
Transportation and Public Works	16,363,749	15,401,285	19,206,895	19,224,575	16,083,567
Special Assessment District	14,377,296	17,074,793	15,602,868	13,862,186	12,404,874
Development Projects	5,276,971	8,866,182	5,939,085	1,934,349	4,703,812
Community Development Projects					
Other Purposes	725,421	514,174	560,289	803,053	1,173,375
Total Restricted	<u>67,015,712</u>	<u>68,714,194</u>	<u>67,397,988</u>	<u>69,921,177</u>	<u>124,816,559</u>
Unrestricted	<u>106,765,363</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>\$ 812,249,499</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	\$ 324,512,188	\$ 312,540,296	\$ 286,045,985	\$ 275,218,430	\$ 281,276,333
Restricted for:					
Capital Projects	6,735,454	7,205,941	6,898,174	10,780,901	-
Debt Service	-	-	6,061,277	6,813,257	8,435,288
Transportation and Public Works	697,391	611,272	830,088	1,317,690	130,390
Development Projects					
Total Restricted	<u>7,432,845</u>	<u>7,817,213</u>	<u>13,789,539</u>	<u>18,911,848</u>	<u>8,565,678</u>
Unrestricted	<u>(86,423,631)</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>\$ 245,521,402</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	\$ 962,980,612	\$ 931,493,929	\$ 873,907,816	\$ 832,532,506	\$ 823,750,511
Restricted	74,448,557	76,531,407	81,187,527	88,833,025	133,382,237
Unrestricted	<u>20,341,732</u>	<u>(511,136)</u>	<u>(2,647,111)</u>	<u>179,038,742</u>	<u>164,615,590</u>
Total Primary Government Net Position	<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>	<u><u>\$ 1,121,748,338</u></u>

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Expenses					
Governmental Activities:					
General Government	\$ 35,184,855	\$ 37,567,629	\$ 35,158,626	\$ 33,591,975	\$ 21,282,982
Public Safety - Fire	31,961,693	32,592,271	29,429,998	29,004,569	29,892,569
Public Safety - Police	46,544,729	49,673,632	45,363,320	51,665,087	52,237,558
Public Works & Maintenance Services	51,021,619	42,862,546	47,417,239	41,082,525	38,699,371
Communiy Services (**)	3,969,626	3,863,503	3,720,964	4,301,828	3,815,661
Planning and Development (**)	5,081,650	6,404,617	5,179,409	4,666,834	3,691,471
Economic Development	1,200,606	651,741	219,500	391,110	329,276
Interest and Fiscal Charges	3,857,494	1,125,253	1,239,678	1,347,268	1,398,132
Total Governmental Activities Expenses	<u>\$ 178,822,272</u>	<u>\$ 174,741,192</u>	<u>\$ 167,728,734</u>	<u>\$ 166,051,196</u>	<u>\$ 151,347,020</u>
Business-Type Activities:					
Water	63,431,423	61,436,086	59,032,333	54,241,684	66,216,277
Water Reclamation	31,913,449	27,651,867	28,852,053	28,218,102	31,543,999
Electric	15,553,202	14,557,426	15,159,666	15,597,164	16,913,151
Transit Services	2,906,505	2,563,422	2,972,289	3,153,161	3,391,384
Airport	458,143	187,251	150,703	180,033	146,287
Total Business-Type Activities Expenses	<u>114,262,722</u>	<u>106,396,052</u>	<u>106,167,044</u>	<u>101,390,144</u>	<u>118,211,098</u>
Total Primary Government Expenses	<u>\$ 293,084,994</u>	<u>\$ 281,137,244</u>	<u>\$ 273,895,778</u>	<u>\$ 267,441,340</u>	<u>\$ 269,558,118</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (*)	6,179,740	5,908,573	4,942,880	7,377,481	10,394,661
Public Safety - Fire	3,952,023	3,889,503	4,048,936	4,914,360	5,076,947
Public Safety - Police	2,402,592	2,112,639	2,274,242	2,282,448	2,172,690
Public Works & Maintenance Services	14,764,111	13,536,491	14,552,360	17,033,637	15,271,111
Communiy Services (**)	2,190,731	867,243	1,919,806	2,882,270	2,582,847
Planning and Development (**)	4,592,172	5,605,810	4,084,790	4,868,485	3,718,706
Economic Development	-	-	-	-	-
Operating Grants and Contributions	37,521,201	33,382,020	17,568,917	17,177,545	15,235,243
Capital Grants and Contributions	19,861,094	19,254,389	36,780,592	46,130,203	32,940,776
Total Governmental Activities Program Revenues	<u>91,463,664</u>	<u>84,556,668</u>	<u>86,172,523</u>	<u>102,666,429</u>	<u>87,392,981</u>
Business-Type activities:					
Charges for Services:					
Water	64,960,384	65,486,307	55,238,024	56,486,220	56,153,664
Water Reclamation	34,027,929	34,562,829	30,984,409	31,394,607	31,114,187
Electric	17,554,503	16,484,158	16,346,238	16,971,319	17,772,585
Transit Services	246,155	63,382	297,111	364,025	359,652
Airport	434,761	591,652	398,281	341,505	265,996
Operating Grants and Contributions	5,062,788	2,226,923	2,185,674	1,813,204	3,195,967
Capital Grants and Contributions	1,894,007	4,146,239	6,004,436	6,915,473	4,992,185
Total Business-Type Activities Program Revenues	<u>124,180,527</u>	<u>123,561,490</u>	<u>111,454,173</u>	<u>114,286,353</u>	<u>113,854,236</u>
Total Primary Government Program Revenues	<u>\$ 215,644,191</u>	<u>\$ 208,118,158</u>	<u>\$ 197,626,696</u>	<u>\$ 216,952,782</u>	<u>\$ 201,247,217</u>

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Expenses					
Governmental Activities:					
General Government	\$ 28,273,481	\$ 27,435,359	\$ 24,481,334	\$ 23,974,508	\$ 22,853,992
Public Safety - Fire	26,004,329	24,447,062	24,052,304	23,062,147	22,702,313
Public Safety - Police	47,773,812	44,341,895	42,939,535	40,779,963	40,357,283
Public Works & Maintenance Services	35,763,511	39,647,786	33,544,227	39,591,302	43,533,983
Communiy Services (**)	5,281,168	6,463,940	6,559,251	4,417,913	2,825,606
Planning and Development (**)	4,736,871	5,933,581	3,806,766	3,453,020	-
Economic Development	4,927,998	4,422,141	3,107,755	5,344,121	6,877,725
Interest and Fiscal Charges	1,034,468	1,910,542	2,016,105	2,172,050	2,953,366
Total Governmental Activities Expenses	<u>\$ 153,795,638</u>	<u>\$ 154,602,306</u>	<u>\$ 140,507,277</u>	<u>\$ 142,795,024</u>	<u>\$ 142,104,268</u>
Business-Type Activities:					
Water	52,922,440	51,177,312	55,714,372	58,165,289	57,605,446
Water Reclamation	24,258,766	25,004,508	26,500,708	29,160,167	29,060,647
Electric	15,559,948	20,082,535	15,192,888	13,373,418	14,675,785
Transit Services	2,826,701	2,732,394	2,477,893	2,355,405	2,286,292
Airport	166,860	197,702	282,969	281,771	301,454
Total Business-Type Activities Expenses	<u>95,734,715</u>	<u>99,194,451</u>	<u>100,168,830</u>	<u>103,336,050</u>	<u>103,929,624</u>
Total Primary Government Expenses	<u>\$ 249,530,353</u>	<u>\$ 253,796,757</u>	<u>\$ 240,676,107</u>	<u>\$ 246,131,074</u>	<u>\$ 246,033,892</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (*)	18,216,829	18,556,870	20,774,890	16,938,527	19,341,407
Public Safety - Fire	4,087,577	3,679,300	3,142,720	4,264,876	4,242,725
Public Safety - Police	1,090,884	1,082,045	1,065,181	2,070,221	3,011,565
Public Works & Maintenance Services	15,757,571	15,708,292	20,011,693	20,068,114	20,993,799
Communiy Services (**)	1,690,619	1,481,845	1,014,872	319,806	318,831
Planning and Development (**)	2,112,169	2,116,832	2,420,301	3,316,624	-
Economic Development	-	-	-	666,394	707,126
Operating Grants and Contributions	13,607,731	13,468,867	11,780,932	12,555,412	13,760,057
Capital Grants and Contributions	23,356,504	40,508,675	27,197,609	20,783,935	5,620,168
Total Governmental Activities Program Revenues	<u>79,919,884</u>	<u>96,602,726</u>	<u>87,408,198</u>	<u>80,983,909</u>	<u>67,995,678</u>
Business-Type activities:					
Charges for Services:					
Water	51,435,658	48,753,278	52,620,052	55,937,613	53,906,208
Water Reclamation	31,271,134	30,755,583	30,735,952	30,626,667	30,620,212
Electric	16,789,626	17,057,728	16,760,206	17,182,310	17,138,240
Transit Services	445,604	427,417	432,281	406,202	415,615
Airport	298,868	272,217	288,820	316,402	280,915
Operating Grants and Contributions	2,876,392	5,116,662	4,160,035	1,640,359	1,635,598
Capital Grants and Contributions	13,061,722	6,954,812	13,485,750	4,225,256	3,453,420
Total Business-Type Activities Program Revenues	<u>116,179,004</u>	<u>109,337,697</u>	<u>118,483,096</u>	<u>110,334,809</u>	<u>107,450,208</u>
Total Primary Government Program Revenues	<u>\$ 196,098,888</u>	<u>\$ 205,940,423</u>	<u>\$ 205,891,294</u>	<u>\$ 191,318,718</u>	<u>\$ 175,445,886</u>

(Continued)

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

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

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Net (Expense)/Revenue					
Governmental Activities	\$ (87,358,608)	\$ (90,184,524)	\$ (81,556,211)	\$ (63,384,767)	\$ (63,954,039)
Business-Type Activities	9,917,805	17,165,438	5,287,129	12,896,209	(4,356,862)
Total Primary Government Net Expense	<u>\$ (77,440,803)</u>	<u>\$ (73,019,086)</u>	<u>\$ (76,269,082)</u>	<u>\$ (50,488,558)</u>	<u>\$ (68,310,901)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 55,400,381	\$ 52,583,004	\$ 50,397,965	\$ 48,123,700	\$ 45,646,490
Sales and Use Tax	89,912,163	44,752,843	39,657,924	44,125,758	38,118,548
Other Taxes	12,562,342	11,213,308	10,369,076	11,640,957	10,490,863
Total taxes	<u>157,874,886</u>	<u>108,549,155</u>	<u>100,424,965</u>	<u>103,890,415</u>	<u>94,255,901</u>
Investment Earnings	(1,537,234)	972,402	10,810,066	9,042,370	540,824
Miscellaneous	7,519,310	12,065,796	12,544,603	11,764,807	13,123,627
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)	(2,744,512)
Special Items	-	-	-	-	3,037,670
Total Governmental Activities	<u>164,087,463</u>	<u>121,693,251</u>	<u>123,072,765</u>	<u>122,801,470</u>	<u>108,213,510</u>
Business-Type Activities:					
Investment Earnings	(3,486,908)	684,844	6,237,118	5,010,211	334,927
Other Income	-	-	4,001,432	8,542,261	4,887,538
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	-
Transfers	(109,748)	52,902	706,869	1,896,122	2,744,512
Extraordinary Item - Impairment of Capital Asset	-	-	2,052,000	-	-
Total Business-Type Activities	<u>(3,596,656)</u>	<u>737,746</u>	<u>12,997,419</u>	<u>15,448,594</u>	<u>7,966,977</u>
Total Primary Government	<u>\$ 160,490,807</u>	<u>\$ 122,430,997</u>	<u>\$ 136,070,184</u>	<u>\$ 138,250,064</u>	<u>\$ 116,180,487</u>
Change in Net Position					
Governmental Activities	\$ 76,728,855	\$ 31,508,727	\$ 41,516,554	\$ 59,416,703	\$ 44,259,471
Business-Type Activities	6,321,149	17,903,184	18,284,548	28,344,803	3,610,115
Total Primary Government	<u>\$ 83,050,004</u>	<u>\$ 49,411,911</u>	<u>\$ 59,801,102</u>	<u>\$ 87,761,506</u>	<u>\$ 47,869,586</u>

(Continued)

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Net (Expense)/Revenue					
Governmental Activities	\$ (73,875,754)	\$ (57,999,580)	\$ (53,099,079)	\$ (71,620,834)	\$ (74,108,590)
Business-Type Activities	20,444,289	10,143,246	18,314,266	6,998,759	(3,520,584)
Total Primary Government Net Expense	<u>\$ (53,431,465)</u>	<u>\$ (47,856,334)</u>	<u>\$ (34,784,813)</u>	<u>\$ (64,622,075)</u>	<u>\$ (77,629,174)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 43,059,232	\$ 42,156,726	\$ 38,656,150	\$ 36,462,210	\$ 41,238,344
Sales and Use Tax	41,145,616	39,663,795	36,608,600	35,623,651	32,969,847
Other Taxes	9,565,580	9,349,800	10,566,662	9,099,819	8,249,945
Total taxes	<u>93,770,428</u>	<u>91,170,321</u>	<u>85,831,412</u>	<u>81,185,680</u>	<u>82,458,136</u>
Investment Earnings	623,227	3,172,905	1,988,557	2,296,081	470,023
Miscellaneous	6,892,170	4,765,043	3,686,771	2,096,681	2,355,179
Unrestricted Grants and Contributions	-	-	-	407	145,742
Gain/(Loss) on Sale of Capital Asset	-	-	-	-	-
Extraordinary Items	-	-	5,054,583	(56,854,230)	(8,033,621)
Transfers	44,970	14,540	-	(916,819)	(547,690)
Special Items	-	-	-	-	-
Total Governmental Activities	<u>101,330,795</u>	<u>99,122,809</u>	<u>96,561,323</u>	<u>27,807,800</u>	<u>76,847,769</u>
Business-Type Activities:					
Investment Earnings	199,758	1,839,114	862,948	1,189,440	2,450,042
Other Income	479,465	45,168	493	1,996,793	3,890,307
Gain/(Loss) on Sale of Capital Asset	-	-	(10,207)	2,497,251	-
Transfers	(44,970)	(14,540)	-	916,819	547,690
Extraordinary Item - Impairment of Capital Asset	-	-	-	-	-
Total Business-Type Activities	<u>634,253</u>	<u>1,869,742</u>	<u>853,234</u>	<u>6,600,303</u>	<u>6,888,039</u>
Total Primary Government	<u>\$ 101,965,048</u>	<u>\$ 100,992,551</u>	<u>\$ 97,414,557</u>	<u>\$ 34,408,103</u>	<u>\$ 83,735,808</u>
Change in Net Position					
Governmental Activities	\$ 27,455,041	\$ 41,123,229	\$ 43,462,244	\$ (43,813,034)	\$ 2,739,179
Business-Type Activities	21,078,542	12,012,988	19,167,500	13,599,062	3,367,455
Total Primary Government	<u>\$ 48,533,583</u>	<u>\$ 53,136,217</u>	<u>\$ 62,629,744</u>	<u>\$ (30,213,972)</u>	<u>\$ 6,106,634</u>

(Concluded)

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

	Fiscal Year				
	2022	2021	2020	2019	2018
General Fund					
Nonspendable	\$ 187,583,529	\$ 19,804,579	\$ 22,787,534	\$ 26,492,072	\$ 31,465,340
Restricted	30,102,506	6	-	-	-
Committed	48,121,481	42,939,942	41,987,810	39,899,272	36,247,833
Assigned	55,140,510	60,053,636	62,449,057	55,495,036	40,855,061
Unassigned	221,995	-	-	-	-
Total General Fund	<u>\$ 321,170,021</u>	<u>\$ 122,798,163</u>	<u>\$ 127,224,401</u>	<u>\$ 121,886,380</u>	<u>\$ 108,568,234</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	112,789,005	104,416,319	102,563,720	97,172,609	79,405,424
Assigned	638,647	558,505	493,812	396,813	389,356
Unassigned	(8,304,147)	(3,301,897)	(192,005)	(48,500)	(48,501)
Total all other Governmental Funds	<u>\$ 105,123,505</u>	<u>\$ 101,672,927</u>	<u>\$ 102,865,527</u>	<u>\$ 97,520,922</u>	<u>\$ 79,746,279</u>

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

	Fiscal Year				
	2017	2016	2015	2014	2013
General Fund					
Nonspendable	\$ 33,241,909	\$ 34,124,977	\$ 24,378,784	\$ 23,595,803	\$ 22,797,277
Restricted	-	-	-	-	-
Committed	33,898,271	33,511,464	23,815,795	23,494,027	22,804,343
Assigned	41,979,112	33,141,625	50,696,555	44,748,578	41,298,885
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 109,119,292</u>	<u>\$ 100,778,066</u>	<u>\$ 98,891,134</u>	<u>\$ 91,838,408</u>	<u>\$ 86,900,505</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ 18,926,818	\$ 3,615,772	\$ 61,512,775
Restricted	66,631,585	59,493,942	42,982,365	41,755,471	22,103,295
Assigned	432,652	9,428,541	5,825,674	1,299,482	17,604,929
Unassigned	(48,525)	(85,423)	(151,869)	-	-
Total all other Governmental Funds	<u>\$ 67,015,712</u>	<u>\$ 68,837,060</u>	<u>\$ 67,582,988</u>	<u>\$ 46,670,725</u>	<u>\$ 101,220,999</u>

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Revenues:					
Property Taxes	\$ 55,400,381	\$ 52,583,004	\$ 49,470,941	\$ 47,994,974	\$ 45,775,246
Sales Taxes	89,912,163	44,752,843	39,657,924	44,125,758	38,118,548
Other Taxes	12,562,342	11,213,308	10,369,076	10,806,717	10,443,823
Licenses, Fees and Permits	6,577,476	5,469,660	4,459,005	14,334,965	6,530,878
Fines and Penalties	1,181,815	790,144	1,183,944	1,260,265	1,243,873
Special Assessments	9,432,946	9,203,891	8,906,312	8,599,669	8,518,569
Investment Earnings	(5,003,021)	1,490,406	10,810,066	9,042,370	540,761
Intergovernmental Revenues	32,729,863	38,145,769	27,400,952	23,459,273	19,642,952
Current Services	23,562,912	21,619,934	21,047,563	21,810,063	21,536,206
Payments in Lieu of Services	6,212,499	5,796,335	4,734,340	7,732,356	9,973,782
Other Revenues	17,116,969	13,735,817	30,985,010	38,087,702	35,312,655
Total Revenues	249,686,345	204,801,111	209,025,133	227,254,112	197,637,293
Expenditures:					
General Government	56,625,834	37,706,387	34,223,230	32,612,219	33,897,611
Public Safety - Fire	88,966,232	29,921,638	25,727,486	25,393,135	26,668,495
Public Safety - Police	161,926,977	48,530,984	47,307,419	45,914,260	47,426,516
Public Works & Maintenance Services	48,988,071	34,447,957	38,963,202	33,876,327	32,492,756
Community Services (*)	14,401,529	4,537,236	5,058,205	5,140,160	5,153,298
Planning and Development (*)	12,786,610	6,572,646	5,703,942	5,249,767	4,807,968
Economic Development	2,369,713	689,231	264,656	444,925	421,117
Capital Outlay	39,909,543	43,682,940	35,810,526	38,969,422	35,320,776
Debt Service					
Principal	17,173,832	3,006,263	2,905,509	2,814,099	3,324,719
Interest and Fiscal Charges	3,338,137	1,271,765	1,343,061	1,445,283	1,533,230
Total Expenditures	446,486,478	210,367,047	197,307,236	191,859,597	191,046,486
Excess of Revenues Over/(Under) Expenditures	(196,800,133)	(5,565,936)	11,717,897	35,394,515	6,590,807
Other Financing Sources/(Uses)					
Issuance of Debt	225,994,225	-	-	-	-
Principal Retirement	-	-	-	-	-
Bond Premium	-	-	-	-	-
Issuance of Leases	-	-	-	-	1,403,261
Transfers In	1,467,597	1,274,306	2,508,422	1,382,903	5,533,474
Transfers Out	(1,467,597)	(1,327,208)	(3,215,291)	(3,764,070)	(6,296,428)
Total Other Financing Sources/(Uses)	225,994,225	(52,902)	(706,869)	(2,381,167)	640,307
Extraordinary Items	-	-	-	-	-
Special Items	-	-	-	-	3,037,670
Net Change in Fund Balances	\$ 29,194,092	\$ (5,618,838)	\$ 11,011,028	\$ 33,013,348	\$ 10,268,784
Debt Service as a Percentage of					
Non-capital Expenditures	5.0%	2.6%	2.6%	2.8%	3.1%

* 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 4
Changes in Fund Balances, Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues:					
Property Taxes	\$ 43,170,396	\$ 42,175,687	\$ 38,896,950	\$ 36,721,899	\$ 39,447,422
Sales Taxes	41,145,616	39,663,796	38,565,868	37,430,489	34,529,611
Other Taxes	9,421,375	9,255,961	7,598,684	6,835,935	6,370,589
Licenses, Fees and Permits	5,682,991	7,947,593	9,599,549	2,777,719	2,462,107
Fines and Penalties	1,467,593	1,338,341	1,041,887	1,068,778	1,717,820
Special Assessments	8,281,089	8,801,035	9,438,713	9,439,079	9,477,719
Investment Earnings	623,227	3,169,381	1,988,557	2,296,081	470,023
Intergovernmental Revenues	26,038,928	41,588,677	27,601,255	29,487,199	15,312,882
Current Services	19,260,514	18,375,839	17,276,984	17,287,466	16,003,725
Payments in Lieu of Services	10,113,191	10,202,448	12,638,674	10,644,539	8,999,739
Other Revenues	14,111,953	13,314,649	15,300,761	14,900,407	18,919,899
Total Revenues	179,316,873	195,833,407	179,947,882	168,889,591	153,711,536
Expenditures:					
General Government	25,520,135	25,200,855	21,735,399	23,938,276	23,088,936
Public Safety - Fire	25,855,247	25,894,695	24,874,714	24,247,894	22,965,971
Public Safety - Police	46,885,033	45,080,687	41,966,882	41,161,796	39,770,719
Public Works & Maintenance Services	27,172,763	33,621,625	27,777,052	35,125,462	37,909,062
Community Services (*)	5,197,923	4,669,898	4,677,992	4,440,588	2,758,037
Planning and Development (*)	4,816,552	5,953,143	3,829,120	3,422,846	3,019,174
Economic Development	4,930,642	4,422,141	3,107,755	2,529,859	816,342
Capital Outlay	30,579,173	43,444,050	34,342,416	23,609,928	7,769,015
Debt Service					
Principal	2,853,939	2,800,122	3,672,900	3,545,895	3,654,332
Interest and Fiscal Charges	1,408,493	1,953,345	2,064,757	2,210,669	2,719,421
Total Expenditures	175,219,900	193,040,561	168,048,987	164,233,213	144,471,009
Excess of Revenues Over/(Under) Expenditures	4,096,973	2,792,846	11,898,895	4,656,378	9,240,527
Other Financing Sources/(Uses)					
Issuance of Debt	24,520,000	-	-	-	-
Principal Retirement	(27,212,450)	-	-	-	-
Bond Premium	2,974,564	-	-	-	-
Issuance of Leases	-	-	-	-	-
Transfers In	6,291,621	2,588,851	2,315,815	3,767,587	3,771,227
Transfers Out	(5,677,217)	(1,987,900)	(1,739,145)	(1,124,534)	(1,250,885)
Total Other Financing Sources/(Uses)	896,518	600,951	576,670	2,643,053	2,520,342
Extraordinary Items	-	-	-	(56,854,230)	(8,033,621)
Special Items	-	-	-	-	-
Net Change in Fund Balances	\$ 4,993,491	\$ 3,393,797	\$ 12,475,565	\$ (49,554,799)	\$ 3,727,248
Debt Service as a Percentage of					
Non-capital Expenditures	2.9%	3.2%	4.3%	4.1%	4.6%

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

City of Corona
Schedule 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
2013	23,283	64.8	3,480	9.7	1,225	3.4	3,711	10.3	4,243	11.8	35,942	100.0
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

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
2013	10,441,897	2,124,926	2,121,234	1,500,847	264,187	15,924,717	1.0000
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

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"
2013	2.04 ⁶	18.88	24.76	35.42	61.73	90.09	153.98	236.53	434.39	638.90
2014	2.10 ⁷	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2015	2.10 ⁷	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2016	2.10 ⁷	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2017	2.10 ⁷	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2018	2.10 ⁷	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2019	2.10 ⁷	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2020	1.57 ⁷	22.28	29.98	45.38	83.88	130.08	276.38	491.98	1,238.88	2,162.88
2021	1.65 ⁷	23.40	31.48	47.65	88.08	136.59	290.20	516.58	1,300.83	2,271.03
2022	1.74 ⁷	24.57	33.06	50.04	92.49	143.42	304.71	542.41	1,365.88	2,384.59

1) There are instances where the rates were changed during the fiscal year.

2) For Fiscal Year 2009-10 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 2009-10 rate includes a pass-through charge from Western Municipal Water District (WMWD) of \$0.29 per 100 C.F. adopted with Ordinance No. 3005, effective September 4, 2009.

4) For Fiscal Year 2010-11, the quantity rate included a pass-through charge from WMWD of \$0.04 per 100 C.F. for Tier 1 rates.

5) For Fiscal Year 2011-12, the quantity rate includes a pass-through charge from WMWD of \$0.03 per 100 C.F. for Tier 1 rates.

6) For Fiscal Year 2012-13, the quantity rate includes a pass-through charge from WMWD of \$0.08 per 100 C.F. for Tier 1 rates.

7) For Fiscal Year 2013-14, 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										
Fiscal Year ¹	Quantity Rate per 100 C.F.	Ready-To-Serve Charge								
	²	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2013	\$ 1.48	\$ 18.53	\$ 24.30	\$ 34.76	\$ 60.58	\$ 88.41	\$ 151.10	\$ 232.12	\$ 426.29	\$ 626.98
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

1) There are instances where the rates were changed during the fiscal year.

2) Rates for Reclaimed Water were established July 2, 2006 by Ordinance 2854.

3) For Fiscal Year 2009-10 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.

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
2013	1.0000	0.0000	1.0000	0.0654	0.1184	0.0035	0.0170
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

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 2012/13-2021/22 Tax Rate Table

City of Corona
Schedule 7a
Principal Water Customers
Current Year and Nine Years Ago

Water Customer	2022			2013		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
City of Corona	\$ 3,797,709	1	6.45%	\$ 3,435,777	1	6.96%
Corona-Norco USD	996,029	2	1.69%	1,037,738	2	2.10%
CLI Atlas LLC	486,237	3	0.83%			
Eagle Glen Master HOA	379,862	4	0.64%	185,849	7	0.38%
Raintree Corona Pointe, LLC.	378,675	5	0.64%			
Eagle Glen Country Club, LLC	320,208	6	0.54%			
Aseptic Solutions USA	318,655	7	0.54%			
Breit MF Promenade Terrace LLC	177,884	8	0.30%			
Cal Trans D-8 (CRNA)	160,539	9	0.27%			
MM Meadowood Holdings, LLC	159,649	10	0.27%			
MG Properties				464,028	3	0.94%
Integrated Protein Tech				226,903	4	0.46%
Waterstone at Corona Pointe				196,397	5	0.40%
Hunter Contracting				188,026	6	0.38%
EWR, Inc.				177,299	8	0.36%
Marquessa Apartments				170,808	9	0.35%
Watson Laboratories				162,272	10	0.33%
	<u>\$ 7,175,447</u>		<u>12.17%</u>	<u>\$ 6,245,097</u>		<u>12.66%</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>	<u>2022</u>			<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
SCG Atlas Ashton LLC	\$ 293,219,933	1	1.22%			
Castle and Cooke Corona Inc.	199,702,432	2	0.83%	172,018,751	2	1.08%
Raintree Corona Pointe LLC	144,473,407	3	0.60%			
Corona North Retail Development	127,379,794	4	0.53%			
Rexco	125,588,918	5	0.52%			
Breit MF Promenade Terrace LLC	102,221,087	6	0.43%			
Artisan Corona Apartments LLC	101,828,615	7	0.42%			
Costco Wholesale Corporation	96,425,449	8	0.40%	67,104,844	8	0.42%
TC Palisades LLC	94,261,226	9	0.39%			
AMFP V Country Hills	94,060,880	10	0.39%			
Watson Laboratories Inc				179,326,609	1	1.13%
Kaiser Foundation Health Plan Inc				140,780,868	3	0.88%
Waterstone Apartments NF				88,052,250	4	0.55%
Dart Container Corporation of Calif				72,961,649	7	0.46%
223 1 DL Holdings				73,365,106	6	0.46%
Dix Leasing Corporation				60,295,252	9	0.38%
IBM Credit LLC				45,538,494	10	0.29%
Rexco Magnolia				80,249,439	5	0.50%
Total	\$ 1,379,161,741		5.73%	\$ 979,693,262		6.15%

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
2013	\$ 22,560,351	\$ 21,235,423	94.13%	\$ 979,403	\$ 22,214,826	98.47%
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%

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	Long-Term Agreement Payable	Special Assessment Bonds
2013	\$ -	\$ -	\$ 33,270	\$ -	\$ -	\$ 23,719	\$ -	\$ 515
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	-	-

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
\$ 1,299	\$ -	\$ 21,362	\$ 64,380	\$60,791	\$ -	\$ -	\$ 690	\$ -	\$ 206,026	4.9%	\$ 1,314
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



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 ¹ of Property	Per Capita ²
2013	\$ -	\$ 515	\$ 23,719	\$ -	\$ 33,270	\$ 57,504	\$ 2,773	\$ 54,731	0.34%	\$ 349
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

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, 2022 (dollars in thousands)

Direct and Overlapping Tax and Assessment Debt:	Debt <u>Outstanding</u>	Est. Percentage Applicable ²	City's Share of <u>Overlapping Debt</u>
Metropolitan Water District	\$ 20,175	0.708%	\$ 143
Riverside City Community College District	300,457	18.883%	56,735
Alvord Unified School District	197,212	12.854%	25,350
Corona-Norco Unified School District	498,729	54.197%	270,296
Alvord Unified School District CFD No. 2006-1	6,235	8.333%	520
Corona-Norco Unified School District CFD No. 97-1	646	100.000%	646
Corona-Norco Unified School District CFD No. 99-1	1,766	100.000%	1,766
Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C	4,028	100.000%	4,028
Corona-Norco Unified School District CFD No. 00-1	1,465	100.000%	1,465
Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B	5,615	100.000%	5,615
Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C	9,825	100.000%	9,825
Corona-Norco Unified School District CFD No. 03-3, Imp Area A & B	3,085	100.000%	3,085
Corona-Norco Unified School District CFD No. 03-5	1,575	100.000%	1,575
Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3	3,255	100.000%	3,255
Corona-Norco Unified School District CFD No. 17-1	3,440	100.000%	3,440
City of Corona CFD No. 97-2	2,350	100.000%	2,350
City of Corona CFD No. 2000-1	3,415	100.000%	3,415
City of Corona CFD No. 2001-2	1,785	100.000%	1,785
City of Corona CFD No. 2002-1	10,910	100.000%	10,910
City of Corona CFD No. 2002-1, Imp Area 1	5,875	100.000%	5,875
City of Corona CFD No. 2002-4	5,565	100.000%	5,565
City of Corona CFD No. 2003-2	4,450	100.000%	4,450
City of Corona CFD No. 2004-1	2,200	100.000%	2,200
City of Corona CFD No. 2016-2	5,140	100.000%	5,140
City of Corona CFD No. 2017-2	3,510	100.000%	3,510
City of Corona CFD No. 2018-1 Improvement Area 1, 2018 Series	9,000	100.000%	9,000
City of Corona CFD No. 2018-1 Improvement Area 1, 2020 Series	10,150	100.000%	10,150
California Statewide Communities Development Authority Community Facilities District No. 2002-1	2,585	100.000%	2,585
California Statewide Communities Development Authority assessment District No. 2002-1 21-01	1,395	100.000%	1,395
City of Corona 1915 Act Bonds	460	100.000%	460
Total Overlapping Tax and Assessment Debt			456,534
Direct and Overlapping General Fund Debt:			
Overlapping General Fund Obligations			
Riverside County General Fund Obligations	\$ 720,218	7.260%	\$ 52,288
Riverside County Pension Obligations Bonds	820,060	7.260%	59,536
Corona-Norco Unified School District General Fund Obligations	21,594	53.769%	11,611
Western Municipal Water District General Fund Obligations	5,461	22.360%	1,221
Total Overlapping General Fund Obligations			\$ 124,656
Direct General Fund Obligations:			
City of Corona General Fund Obligations	27,960		\$ 27,960
City of Corona Pension Obligation Bonds	259,482		259,482
Unamortized Bond Premium	2,082		2,082
Total Direct General Fund Obligations		100.000%	\$ 289,524
Total Direct and Overlapping General Fund Obligations			\$ 414,180
Less: Riverside County Supported Obligations			-
Total Net Direct and Overlapping General Fund Obligations			\$ 414,180
Total Direct Debt			\$ 289,524
Total Gross Overlapping Debt			\$ 581,190
Total Net Overlapping Debt			\$ 581,190
Gross Combined Total Direct and Overlapping Debt³			\$ 870,714
Net Combined Total Direct and Overlapping Debt			\$ 870,714

City of Corona
Schedule 11
Direct and Overlapping Governmental Activities Debt¹ (Continued)
As of June 30, 2022 (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, Successor Agency's tax allocation bonds and non-bonded capital lease obligations.

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 2022

Assessed Value	\$ 24,043,561
Debt Limit (15% of assessed value)	3,606,534
Debt Applicable to limit:	
General obligation debt	251,986
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	251,986
Legal Debt Margin	\$ 3,354,548

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 2,388,708	\$ 2,454,089	\$ 2,594,890	\$ 2,707,398	\$ 2,819,397
Total net debt applicable to limit	56,989	53,603	50,100	47,485	42,536
Legal debt margin	\$ 2,331,719	\$ 2,400,486	\$ 2,544,790	\$ 2,659,913	\$ 2,776,861
Total debt applicable to the limit as a percentage of debt limit	2.386%	2.184%	1.931%	1.754%	1.509%

*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				
	2018	2019	2020	2021	2022
Debt Limit	\$ 2,986,885	\$ 3,145,686	\$ 3,279,207	\$ 3,462,545	\$ 3,606,534
Total net debt applicable to limit	<u>43,531</u>	<u>40,580</u>	<u>37,369</u>	<u>33,309</u>	<u>251,986</u>
Legal debt margin	\$ 2,943,354	\$ 3,105,106	\$ 3,241,838	\$ 3,429,236	\$ 3,354,548
Total debt applicable to the limit as a percentage of debt limit	1.457%	1.290%	1.140%	0.962%	6.987%

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	
2013	\$ 30,825 ¹	\$ 11	\$ 28,750	\$ 2,075	1.00	\$ 212	\$ 5	\$ 145	\$ 47	1.13
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 ⁵	9	27,975	1,367	1.04	-	-	-	-	-
2018	2,117	1	1,185	931	1.00	-	-	-	-	-
2019	2,121	-	1,220	901	1.00	-	-	-	-	-
2020	2,112	-	1,255	857	1.00	-	-	-	-	-
2021	2,106	-	1,300	806	1.00	-	-	-	-	-
2022	2,108	-	1,355	753	1.00	-	-	-	-	-

- Notes:
- ¹ Includes the defeasance of 2002 Lease Revenue bonds.
 - ² Includes the defeasance of the 1998 Water Revenue bonds.
 - ³ Includes the defeasance of 1997 COPs and 2003 COPs.
 - ⁴ Includes the advanced redemption of 2005 COPs.
 - ⁵ Includes the defeasance of 2006 Lease Revenue bonds.
 - ⁶ 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	
2013	\$ 29,597	\$ 26,430	\$ 1,491	1.06	\$ 7,391	\$ 22	\$ 2,935	\$ 4,154	1.05
2014	3,187	1,165	2,022	1.00	60,552	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	0	23,785	555	1.00
2017	5,809	3,775	2,034	1.00	-	-	-	-	-
2018	28,093	5,166	2,537	3.65	-	-	-	-	-
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	-	-	-	-	-



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
2012	156,823	4,232,339	26,988	32.0	53,437	7.0%
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%

Sources: (1) HdL, Coren & Cone;

(2) California Department of Education -
 Corona-Norco Unified School District, School Year 2020/21 Enrollment.

**City of Corona
Schedule 15
Principal Employers
Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	4,807	1	5.64%	4,686	1	5.84%
Kaiser Permanente	450	9	0.53%	1,783	2	2.22%
Corona Regional Medical Center	1,096	2	1.29%	1,200	3	1.50%
Fender USA Corona	960	3	1.13%	800	6	1.00%
Monster Energy	900	4	1.06%			
City of Corona	824	5	0.97%	866	5	1.08%
All American Asphalt	650	7	0.76%	679	7	0.85%
Veg Fresh Farms	629	8	0.74%			
TWR Framing Enterprises	725	6	0.85%			
Thermal Structures	404	10	0.47%			
Watson Laboratories, Inc.				950	4	1.18%
Arizon Pipeline				400	8	0.50%
Dart Container Corporation				394	9	0.49%
Hansen Beverage				350	10	0.44%
Total	11,445		13.44%	12,108		15.10%

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>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>	<u>2013*</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	19.55	14.07	13.33	14.07	9.90	10.35	9.73	9.73	9.85	9.84
Legal & Risk Management ¹	6.72	6.72	6.34	6.19	6.52	7.67	6.67	6.01	5.29	5.01
Administrative Services ^{2,7,8}			31.74	40.92	38.56	42.23	42.56	34.30	36.31	37.40
Human Resources ^{2,7}	14.00	11.48	9.39							
Information Technology	29.03	25.03	24.47	23.99	17.25	13.89	15.09	12.41	13.98	13.86
Finance ²	33.82	31.93								
Police										
Officers	163.30	158.00	153.00	149.00	162.00	162.00	162.00	159.00	157.00	153.50
Civilians	100.93	86.70	83.25	80.40	88.01	88.39	85.90	79.13	80.62	77.97
Fire										
Firefighters and officers	114.96	111.48	108.00	107.00	113.00	113.00	112.00	112.00	112.00	111.50
Civilians	7.24	5.32	7.76	7.75	8.20	4.88	6.48	7.18	6.06	6.49
Public Works ^{3, 13}	58.34	35.75	35.75	35.75	35.75	29.05	29.75	31.57	33.78	78.07
Maintenance Services ^{5, 11}		34.15	42.11	42.11	42.76	43.63	45.00	44.53	41.76	26.09
Community Development ⁴		23.89	22.14	22.14	25.00	26.48	26.00	22.08	18.02	17.00
Planning and Development Development ¹²	53.06									
Economic Development ²	6.00	4.00	2.00	2.00	3.00	3.00	2.00	1.00	4.00	4.00
Library and Recreation Services ⁶			72.99	72.74	69.06	70.67	68.04	63.50	64.69	66.62
Community Services Department ⁹	111.65	86.36								
Utilities Department ⁶	112.21	111.60	109.60	110.02	108.91	119.18	119.68	120.79	121.76	112.75
Transit Services ¹⁴		2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Total	<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>	<u>727.10</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Police					
Physical Arrests	2,941	2,345	2,282	2,992	2,895
Parking Violations	5,224	2,731	9,574	8,851	6,228
Traffic Violations	8,148	6,051	4,718	6,133	9,024
Fire					
Emergency Responses	15,359	14,422	13,810	13,141	13,041
Fires Extinguished	472	524	451	362	435
Inspections	1,396	979	1,652	1,092	2,726
Public Works/Maintenance Services					
Street Resurfacing (miles)	66	44	75	37	51
Street Lights Repaired	714	415	437	418	495
Potholes Filled (sq. ft)	38,930	20,204	46,850	22,332	35,700
Community Services - Recreation					
Sportsfields Participation	568,496	404,679	370,799	269,168	248,617 ²
Comm. Centers/Gym/Pool	31,832	28,393	111,007	169,888	249,885
Other Activity Participation	330,737	222,473	226,205	135,399	171,679
Community Services - Library					
Volumes in Collection	209,357	210,747	183,794	165,760	168,148
Total Volumes Borrowed ¹	280,958	182,733	284,375	411,592 ⁴	783,626
Water					
New Connections	309	634	389	511	391
Water Main Repairs	45	95	86	72	36
Average Daily Consumption (millions of gallons)	32.1	33.2	31.2	30.2	33.0
Wastewater					
Average Daily Sewage Treatment (millions of gallons)	12.6	12.8	12.6	14.3	13.8
Transit Services					
Total Route Miles (round-trip)	47.7	47.7	47.7	47.7	47.5
Passengers					
Fixed Route	95,892	76,645	100,186	118,366	129,972
Dial-A-Ride	22,673	13,386	39,989	52,580	58,089

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.

Source: Various Departments.

City of Corona
Schedule 17
Operating Indicators by Function/Program (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	<u>2017</u>	<u>2016</u> ¹	<u>2015</u> ¹	<u>2014</u> ¹	<u>2013</u> ¹
Police					
Physical Arrests	3,403	5,583	5,337	5,422	4,709
Parking Violations	4,993	3,974	4,098	4,119	3,612
Traffic Violations	11,896	12,132	11,133	11,147	9,316
Fire					
Emergency Responses	12,981	12,112	11,263	11,131	10,942
Fires Extinguished	382	381	346	397	415
Inspections	1,934	1,966	1,757	2,217	1,591
Public Works/Maintenance Services					
Street Resurfacing (miles)	39	41	72	72	48
Street Lights Repaired	1,045	1,342	846	598	808
Potholes Filled (sq. ft)	75,000	15,076	15,978	13,185	16,085
Community Services - Recreation					
Sportsfields Participation	2,190,246	1,760,600	1,898,300	1,670,668	1,664,800
Comm. Centers/Gym/Pool	282,797	211,410	189,519	158,431	144,981
Other Activity Participation	226,294	244,430	232,264	244,593	247,768
Community Services - Library					
Volumes in Collection	167,586	164,421	167,432	136,128	174,585
Total Volumes Borrowed ¹	648,522 ³	1,073,736	927,956	861,842	846,171
Water					
New Connections	166	1,408	173	498	482
Water Main Repairs	69	78	84	49	36
Average Daily Consumption (millions of gallons)	30.4	28.4	32.6	34.9	32.0
Wastewater					
Average Daily Sewage Treatment (millions of gallons)	14.3	14.0	13.1	12.6	13.4
Transit Services					
Total Route Miles (round-trip)	47.5	47.5	39.0	39.0	39.0
Passengers					
Fixed Route	132,469	150,002	168,303	169,745	163,054
Dial-A-Ride	65,580	63,162	66,015	68,852	65,635

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

Function/Program	Fiscal Year									
	<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>	<u>2013</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	71	65	62	68	65	55	59	59	53	53
Fire Stations	7	7	7	7	7	7	7	7	7	7
Streets										
Streets and Alleys (miles)	464	463	444	408	408	406	403	404	403	406
Streetlights ¹	14,976	15,117	15,117	12,380	12,380	12,587	12,059	12,022	11,888	11,271
Traffic Signals	191	191	190	188	184	182	179	173	170	169
Community Services - Recreation										
Total Park Acreage	378	378	376	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)	736	736	736	719	697	687	683	694	681	681
Fire Hydrants	9,760	9,760	10,062	9,548	9,300	9,222	9,197	9,174	9,087	8,918
Storage Capacity ² (millions of gallons)	55	55	52	52	52	51	51	51	51	51
Wastewater										
Sanitary Sewers (miles)	464	464	464	458	440	435	434	452	444	444
Storm Sewers (miles)	225	225	223	171	171	167	167	172	171	166
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	6	6	4
Dial-A-Ride	13	13	13	13	11	11	13	11	10	12

Source: Various City departments.

Note: ¹ Includes only City-owned street lights.

² Potable & reclaimed water storage capacity.