

City of Corona, CA

Quarterly Budget Update - Quarter 2, FY 2022

February 2, 2022

Quarter 2, Fiscal Year 2022

Overview

City management is pleased to present this quarterly update summarizing the City's overall budget activity through Quarter 2 (December 31, 2021) for Fiscal Year (FY) 2022. The City's fiscal year is July 1 through June 30. For audited information, or to find greater detail, please refer to the City's annual financial statement, which is released by December 31st following the end of the fiscal year.

Budget Adjustments and Revenue Estimates. The revenue projections and budget expenditures presented in this update include budget adjustments approved by the City Council, continuing appropriations, and prior year encumbrances. The second quarter also includes updated information for Mid-Year revenue projections.

Items to note. There are two important items to note about this update. (1) In October 2021, the City issued Pension Obligation Bonds. With the bond issuance in process at the beginning of the fiscal year, the City did not make the annual CalPERS unfunded liability prepayment in July 2021. That change has a significant impact when comparing FY 2022 to FY 2021. (2) In August 2021, the City implemented a reorganization of multiple departments. The funding details are not captured in this update. Some of the accounting details are still being finalized and will be included by the Quarter 3 update.

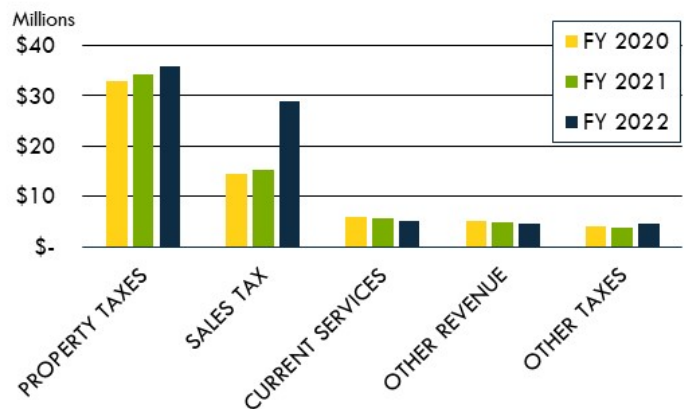
General Fund

General Fund Financial Condition. The City's General Fund is the primary source of discretionary resources that funds many of the services provided to the citizens of the City of Corona.

The General Fund inflows (revenue and transfers in) for FY 2022 are currently estimated at \$177.6 million. Based on Mid-Year projections, the updated estimate is \$184.5 million, an increase of \$6.9 million. The revenue changes will be discussed later in this section.



**General Fund Revenues
Top 5 Revenues Compared, Quarter 2
FY 2020 - FY 2021 - FY 2022**



The City has received or recorded 46.6% of the estimated General Fund inflows, through the end of Quarter 2 (at the time this information was prepared). Overall, inflows are up by +22.6% when compared to the same quarter of FY 2021, largely due to Measure X revenues.

As of Quarter 2 of FY 2022, the General Fund has spent 41.0% of its cumulative expenditure budget (including transfers out). The current savings is primarily due to capital improvement projects which will take multiple years to complete.

Comparing Quarter 2 of FY 2022 to FY 2021, expenditures are -12.8% lower, or -\$10.8 million. This is largely due to annual unfunded liability pension payment related to the issuance of the pension obligation bonds. Additionally, in FY 2021, the City made a one time payment to CalPERS for \$4.0 million towards the unfunded pension liability.

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General Fund Inflows - Revenues + Transfers In Quarter 2, FY 2021 to FY 2022

General Fund Revenue Category	Through Q2 FY 2021	Through Q2 FY 2022	% Change
Property Tax	\$ 34,312,229	\$ 35,851,588	4.5%
Sales Tax	15,263,762	16,564,025	8.5%
Measure X	-	12,434,371	NA
Current Services	5,702,160	5,064,055	-11.2%
Other Revenue	4,961,786	4,728,775	-4.7%
Other Taxes	3,872,143	4,572,325	18.1%
Payments in Lieu of Services	2,844,531	3,027,487	6.4%
Intergovernmental Revenues	3,541,888	1,703,666	-51.9%
Licenses, Fees & Permits	1,218,821	1,178,788	-3.3%
Fines, Penalties & Forfeitures	254,945	432,680	69.7%
Special Assessments	-	-	NA
Proceeds from Long Term Oblig.	-	16,777	NA
Investment Earnings	(2,464,161)	(210,620)	NA
Total Revenues	\$ 69,508,105	\$ 85,363,917	22.8%
Transfers In	511,022	504,571	-1.3%
Total Inflows	\$ 70,019,127	\$ 85,868,488	22.6%

Measure X, Prop. 172 sales tax, and allowance for sales tax agreements. As of Quarter 2, the total received for Measure X is \$12.4 million and \$16.6 million for the combined remaining sales tax items.

For sales tax payments, the City receives monthly advances from the State with a quarterly clean-up/reconciliation. There is a lag of one quarter between when vendors report to the State and when revenues are received by the City. Details of the first quarter activity were presented by the City's sales tax consultant, HdL Companies, at the January 12, 2022 Committee of the Whole meeting.

Current Services. At the end of Quarter 2, a total of \$5.1 million has been received in the Current Services category. Items in this revenue group include plan check fees, engineering and inspection fees, recreation revenues, and the Emergency Medical Services Program. Current Services are down by -11.2%, or -\$0.6 million as compared to Quarter 2 of FY 2021.

When comparing to the prior fiscal year, there are increases in recreation revenues, facility rentals, and passport revenues. These are all items experiencing an increase when compared to limited activity in the prior year due to the COVID-19 pandemic. There is an increase in engineering and inspection revenues and decreases in plan check related revenues. The largest decrease at Quarter 2 is for fire service agreements, which is a timing issue and will be re-received by fiscal year-end.

Other Revenues. The Other Revenues category is the fourth largest category at the end of the Quarter 2. Activity in this revenue group includes Rental/Lease Income, Development Agreements, Telecommunication Site Rentals, and Billboard Revenues. At the end of Quarter 2, the total received is \$4.7 million. Overall, the Other Revenues category is down by -4.7%, or -\$0.2 million, as compared to the same quarter in FY 2021. This is due to miscellaneous one-time items received in FY 2021.

General Fund Inflows

Top Five Revenues. The City's top five General Fund revenue categories account for approximately 93% of the total estimated General Fund inflows for FY 2022. Focusing on these sources can provide a useful understanding of the City's income position. Details of the categories will be described in the following paragraphs.

The bar graph, on page 1, illustrates the performance of the top five revenues as compared to the same quarter of the prior two fiscal years.

Property Tax. At the end of Quarter 2, property tax is the largest General Fund revenue category. The total for property taxes is \$35.9 million, an increase of +\$1.5 million, or +4.5%, over the prior fiscal year. The increase is primarily in secured property taxes. The majority of property tax revenues are recorded as revenue and booked as a receivable, once the annual report is received from the County of Riverside (generally November/December). Year-end adjustments 'true-up' the amounts to the actual cash received.

Sales Tax. At the end of Quarter 2, Sales Tax is the second largest General Fund revenue category. This category includes the City's portion of sales tax,

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Other Taxes. At the end of Quarter 2, a total of \$4.6 million has been received in the Other Taxes category. Items in this category include Franchise Fees, Transient Occupancy Taxes (TOT), and Business Licenses Taxes. Through the end of Quarter 2, revenues are up by +18.1%, or +\$0.7 million, as compared to FY 2021. When comparing to Quarter 2 of the prior year, Franchise Fees and TOT revenues are higher and Business License Taxes are lower.

General Fund Mid-Year Inflow Estimates

With the updated Mid-Year projections, the General Fund inflows are estimated to increase by +3.9%, from \$177.6 million to \$184.5 million.

General Fund Inflows - Revenues + Transfers In Budget to Mid-Year Estimates, FY 2022

General Fund Revenue Category	Cumulative Budget FY 2021	Mid-Yr Estimate FY 2022	\$ Change	% Change
Property Tax	\$ 53,697,100	\$ 53,415,400	\$ (281,700)	-0.5%
Sales Tax	45,168,306	47,721,910	2,553,604	5.7%
Measure X	30,000,000	33,000,000	3,000,000	10.0%
Other Revenue	11,534,124	11,496,702	(37,422)	-0.3%
Other Taxes	11,097,000	11,613,000	516,000	4.6%
Current Services	10,667,079	11,136,187	469,108	4.4%
Payments in Lieu of Services	6,086,383	6,086,383	-	0.0%
Intergovernmental Revenues	2,589,814	2,880,287	290,473	11.2%
Investment Earnings	2,477,625	2,485,306	7,681	0.3%
Licenses, Fees & Permits	1,928,400	1,987,350	58,950	3.1%
Fines, Penalties & Forfeitures	569,250	766,462	197,212	34.6%
Special Assessments	497,332	570,746	73,414	14.8%
Proceeds from Long Term Obl	-	16,777	16,777	NA
Total Revenues	\$ 176,312,413	\$ 183,176,510	\$ 6,864,098	3.9%
Transfers In	1,281,600	1,281,600	-	0.0%
Total Inflows	\$ 177,594,013	\$ 184,458,110	\$ 6,864,098	3.9%

General Fund Mid-Year Changes. The changes in Mid-Year estimates are based on three revenue categories.

- **Sales Tax.** Based on the current economic outlook and the City's mix of sales tax generating businesses, sales tax is projected to increase. Measure X revenues are anticipated to grow by +\$3.0 million as compared to original estimates. The remaining sales tax items are estimated to increase by +\$2.6 million, totaling and increase of +\$5.6 million in sales tax revenues.
- **Other Taxes.** The estimated increase in the Other

Taxes category is due to Business License Taxes and Franchise Fees.

- **Current Services.** The primary increases in this category are for plan check, passport processing services, and engineering & inspection services.

General Fund Inflows - Revenues + Transfers In Mid-Year Est. to Actuals, Quarter 2, FY 2022

General Fund Revenue Category	Mid-Yr Estimate FY 2022	Through Q2 FY 2022	% Received
Property Tax	\$ 53,415,400	\$ 35,851,588	67.1%
Sales Tax	47,721,910	16,564,025	34.7%
Measure X	33,000,000	12,434,371	37.7%
Other Revenue	11,496,702	4,728,775	41.1%
Other Taxes	11,613,000	4,572,325	39.4%
Current Services	11,136,187	5,064,055	45.5%
Payments in Lieu of Services	6,086,383	3,027,487	49.7%
Intergovernmental Revenues	2,880,287	1,703,666	59.1%
Investment Earnings	2,485,306	(210,620)	-8.5%
Licenses, Fees & Permits	1,987,350	1,178,788	59.3%
Fines, Penalties & Forfeitures	766,462	432,680	56.5%
Special Assessments	570,746	-	0.0%
Proceeds from Long Term Obl	16,777	16,777	100.0%
Total Revenues	\$ 183,176,510	\$ 85,363,917	46.6%
Transfers In	1,281,600	504,571	39.4%
Total Inflows	\$ 184,458,110	\$ 85,868,488	46.6%

General Fund Expenditures

The FY 2022 budget was adopted with \$161.7 million in General Fund expenditures. With continuing appropriations of \$11.4 million, encumbrances (committed purchase orders) of \$2.3 million, and transfers out of \$0.4 million, the beginning outflow budget was \$175.8 million. Through Council Actions and other authorized adjustments, the cumulative budget is \$178.6 million.

Through Quarter 2, the City has spent \$73.2 million, or 41.0% of the cumulative budget. At this point in the fiscal year, expenditures should be approximately 50% of budget. When comparing to the same quarter in FY 2021, outflows are down by -12.8%, or -\$10.8 million, largely related to the unfunded pension liability payments and the issuance of pension obligation bonds. The largest expenditure category for the General Fund is Personnel Services.

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General Fund Outflows Expenditures + Transfers Out Quarter 2, FY 2021 to FY 2022

General Fund Expenditures By Category	Through Q2 FY 2021	Through Q2 FY 2022	% Change
Contractual	4,299,333	4,293,775	-0.1%
Materials and Supplies	17,256,768	15,525,848	-10.0%
Other Sources	333,201	526,625	58.1%
Personnel Services (Other)	40,681,203	46,316,443	13.9%
PERS Unfunded Liability (UAL)	15,455,261	3,974,619	-74.3%
PERS Addl UAL Payment	4,000,000	-	-100.0%
Utilities	1,867,766	2,285,749	22.4%
Total Expenditures	\$ 83,893,531	\$ 72,923,059	-13.1%
Transfers Out	54,021	269,916	N/A
Total Outflows	\$ 83,947,552	\$ 73,192,975	-12.8%

Personnel Services. In the PERS unfunded liability line items, there is a decrease of -\$15.5 million when compared to the prior year. This is due to two factors: (1) In FY 2021, the City made an additional contribution of \$4.0 million towards the unfunded liability and (2) In FY 2021, the City made the full annual unfunded liability contribution in July 2020. This action provided the City with cash savings of approximately 3%. The City did not exercise the prepayment option in FY 2021 as the City was preparing to issue pension obligation bonds. The bonds were issued in October 2021. For the remainder of FY 2022 and the life of the bonds, the debt service payments will move from the personnel category to materials and supplies.

The Personnel Services (Other) is an increase of +\$5.6 million as compared to the same quarter last fiscal year. The changes are based on MOU contract extensions that have been approved by the City Council. The contract extensions included base pay increases for Police and Fire and one-time payments for non-public safety personnel.

Materials and Supplies. The Materials and Supplies category is down by -\$1.7 million when compared to Quarter 2 of FY 2021. There are multiple increases and decreases in this category. The primary drivers are one-time expenditures in the prior year for licensed vehicle and land acquisition transactions.

General Fund Outflows Expenditures + Transfers Out Budget to Actuals, Quarter 2, FY 2022

General Fund Expenditures By Department	Cumulative Budget FY 2022	Through Q2 FY 2022	% Spent
Capital Improvement Projects	\$ 22,165,625	\$ 1,435,413	6.5%
City Attorney's Office	1,780,788	829,517	46.6%
Community Services	12,705,292	5,288,811	41.6%
Debt Service	4,244,773	2,817,880	66.4%
Economic Development	1,387,005	608,450	43.9%
Elected Officials	157,807	68,386	43.3%
Finance	4,674,258	1,718,042	36.8%
Fire	31,186,799	16,079,580	51.6%
General Government	23,788,657	10,784,008	45.3%
Human Resources	2,541,152	841,233	33.1%
Maintenance Services	5,790,585	2,361,341	40.8%
City Manager's Office	6,025,181	1,671,167	27.7%
Planning & Development	5,771,495	1,901,838	33.0%
Police	51,797,066	25,197,460	48.6%
Public Works	4,174,852	1,319,933	31.6%
Total Expenditures	\$ 178,191,334	\$ 72,923,059	40.9%
Transfers Out	441,557	269,916	61.1%
Total Outflows	\$ 178,632,891	\$ 73,192,975	41.0%

General Fund Expenditures by Department. Through December 31, 2021, approximately 50% of the fiscal year is complete. Departments with a variance of greater than 10% are explained below.

- **Capital Improvement Projects.** This budget does not follow the normal trends as these are multi-year projects. Any unspent encumbrances (purchase orders) or remaining balance carries forward to the next fiscal year to continue the project activities.
- **Debt Service.** Debt service runs above the trend at this point in the fiscal year due to the timing of when debt obligation payments are processed.
- **Finance and Human Resources.** These two departments are experiencing savings due to personnel vacancies.
- **City Manager's Office, Planning & Development, and Public Works.** These three departments currently have savings due to personnel vacancies and contractual services.

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General Fund Reserves

The General Fund has multiple reserves in fund balance for various purposes. For the full list, please reference the City's financial statements (Note 14 for Fiscal Year Ending June 30, 2021, page 112). Noted below are the audited FY 2021 amounts, which total \$80.1 million. This represents an increase of \$3.2 million over the FY 2020 noted reserves. At the January 19, 2022 City Council meeting, a pension stabilization trust was approved. Once the trust documents are finalized, \$30 million will be transferred from the Budget Balancing Reserve to the new trust. That transaction will be reflected in the Quarter 3 information.

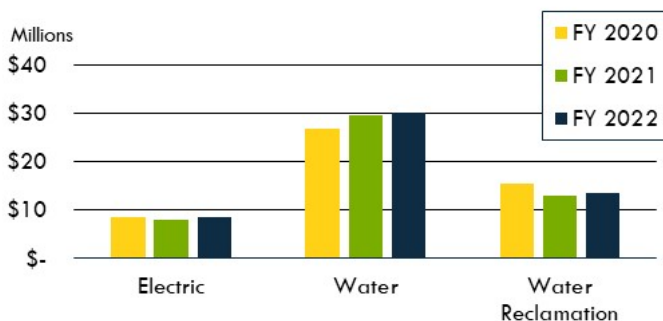
Emergency Contingency	Budget Balancing *	Total of Noted Reserves
\$ 36,522,368	\$ 43,614,486	\$ 80,136,855

* \$30 Million transferring to Pension Stabilization Trust, approved Jan. 19, 2022.

Enterprise Funds-Utilities

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

**Enterprise Funds-Utilities Revenues Compared, Quarter 2
FY 2020 - FY 2021 - FY 2022**



Enterprise Funds-Utilities Revenues

Through Quarter 2 of FY 2022, revenues received have an increase of 3.3%. Total inflows are +2.2% higher, or +\$1.1 million, as compared to the same quarter in Fiscal Year 2021.

Electric. Comparing Quarter 2 of FY 2022 revenues to FY 2021, there is a net increase of +\$0.6 million, or +7.0%. There is currently an increase in Utility Service Charges and Investment Earnings. There is also a decrease in Other Revenue due to one-time items received in the prior fiscal year. Of the increase in the Investment Earnings category, \$0.4 million is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash. If the book entries are excluded, the Quarter 2 revenues for the Electric Utility are a net increase of +1.8%.

Water. Through the second quarter of FY 2022, there is an increase of +1.6%, or +\$0.5 million, as compared to FY 2021 revenues. There is an increase in Utility Service Charges and Investment Earnings. There is also a decrease in Other Revenue due to one-time items received in the prior fiscal year. Of the increase in the Investment Earnings category, \$0.6 million is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash. If the book entries are excluded, the Quarter 2 revenues for the Water Utility are a net decrease of -0.5%.

**Enterprise Funds-Utilities
Inflows - Revenues + Transfers In
Quarter 2, FY 2021 to FY 2022**

Enterprise Funds Fund Type	Through Q2 FY 2021	Through Q2 FY 2022	% Change
Electric	\$ 8,005,200	\$ 8,567,382	7.0%
Water	29,626,008	30,106,725	1.6%
Water Reclamation	12,913,335	13,545,124	4.9%
Total Revenues	\$ 50,544,542	\$52,219,231	3.3%
Transfers In - Electric	79	-	N/A
Transfers In - Water	51,708	-	N/A
Transfers In - Wtr Rclm	496,932	-	N/A
Total Inflows	\$ 51,093,262	\$52,219,231	2.2%

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Water Reclamation. Through Quarter 2, there is a net increase of +4.9%, or +\$0.6 million, when compared to FY 2021. There are increases in Investment Earnings, Utility Service Charges, and Other Sources (insurance proceeds). There is a decrease in the licenses, fees, and permits category due to one-time capacity fee revenues received in FY 2021.

Of the increase in the Investment Earnings category, \$1.0 million is due to how the City must report the unrealized gains/losses from investments. These are book entries and not actual cash. If the book entries are excluded, the Quarter 2 revenues for the Water Reclamation Utility are a net decrease of -3.0%.

Utilities Mid-Year Inflow Estimates

The Mid-Year estimates for the total utility inflows are estimated to decrease by -3.5% over the current budget amount from \$132.8 million to \$128.2 million.

Enterprise Funds-Utilities Inflows Budget to Mid-Year Estimates, FY 2022

Enterprise Funds Fund Type	Cumulative Budget	Mid-Yr Estimate FY 2022	\$		%	
	FY 2021		Change	Change	Change	Change
Electric	\$ 16,286,836	\$ 17,108,860	\$ 822,024		5.0%	
Water	76,178,570	70,791,931	(5,386,639)		-7.1%	
Water Reclamation	35,636,437	35,583,216	(53,221)		-0.1%	
Total Revenues	\$ 128,101,843	\$ 123,484,007	\$ (4,617,836)		-3.6%	
Transfers In - Electric	-	-	-		N/A	
Transfers In - Water	4,701,340	4,701,340	-		0.0%	
Transfers In - Wtr Rclm	-	-	-		N/A	
Total Inflows	\$ 132,803,183	\$ 128,185,347	\$ (4,617,836)		-3.5%	

Utilities Inflow Mid-Year Changes.

- **Electric.** Electric utility revenues are anticipated to increase by +\$0.8 million to \$17.1 million. This represents a +5% increase over the current budget amount of \$16.3 million. The increase is from State grant revenues, direct access electric sales, and miscellaneous income/refunds.
- **Water.** Water utility revenues are estimated to decrease by a net -\$5.4 million, as compared to the current budget amount of \$76.2 million. The Mid-year estimate of \$70.8 million represents a -7.1% decrease. The decrease is largely due to one-time capacity fees that are linked to building activity. Additionally, there are anticipated decreases in utility service charges and fines and penalties. There is an increase included for State grant revenues.

Enterprise Funds-Utilities Inflows - Revenues + Transfers In Mid-Year Estimates to Actuals, Quarter 2, FY 2022

Enterprise Funds Fund Type	Mid-Yr Estimate FY 2022	Through Q2 FY 2022	% Received
Electric	\$ 17,108,860	\$ 8,567,382	50.1%
Water	70,791,931	30,106,725	42.5%
Water Reclamation	35,583,216	13,545,124	38.1%
Total Revenues	\$ 123,484,007	\$ 52,219,231	0.0%
Transfers In - Electric	-	-	N/A
Transfers In - Water	4,701,340	-	0.0%
Transfers In - Wtr Rclm	-	-	N/A
Total Inflows	\$ 128,185,347	\$ 52,219,231	40.7%

Enterprise Funds-Utilities Outflows

When comparing the total of utility outflows, Quarter 2 of FY 2022 to FY 2021, outflows are lower by -11.5%, or -\$5.8 million.

There are two main drivers for the overall decrease: Personnel Services (unfunded liability payments related to pension obligation bonds) and Contractual (construction costs related to capital projects).

Enterprise Funds-Utilities Outflows - Expenditures + Transfers Out Quarter 2, FY 2021 to FY 2022

Enterprise Funds Expenditures By Category	Through Q2 FY 2021	Through Q2 FY 2022	\$ Change	% Change
Electric				
Contractual	\$ 413,733	\$ 242,598	\$ (171,135)	-41.4%
Materials and Supplies	969,456	1,006,187	36,731	3.8%
Personnel Services (Other)	584,517	710,889	126,373	21.6%
PERS Unfunded Liability	388,648	89,771	(298,877)	-76.9%
Utilities	3,853,748	4,473,238	619,491	16.1%
Electric Total	6,210,102	6,522,684	312,583	5.0%
Water				
Contractual	\$ 5,793,720	\$ 2,665,004	\$ (3,128,716)	-54.0%
Materials and Supplies	17,755,512	16,563,404	(1,192,108)	-6.7%
Personnel Services (Other)	3,340,450	3,589,244	248,794	7.4%
PERS Unfunded Liability	1,930,211	401,089	(1,529,122)	-79.2%
Utilities	3,018,360	1,184,717	(1,833,643)	-60.7%
Water Total	31,838,252	24,403,458	(7,434,794)	-23.4%
Water Reclamation				
Contractual	\$ 1,779,997	\$ 2,770,991	\$ 990,994	55.7%
Materials and Supplies	5,995,005	7,049,915	1,054,910	17.6%
Personnel Services (Other)	2,056,959	2,243,517	186,559	9.1%
PERS Unfunded Liability	1,110,525	225,167	(885,358)	-79.7%
Utilities	1,145,534	1,138,527	(7,007)	-0.6%
Water Total	12,088,020	13,428,118	1,340,097	11.1%
Transfers Out - Electric	-	-	-	N/A
Transfers Out - Water	-	-	-	N/A
Transfers Out - Water Reclamation	-	-	-	N/A
Grand Total	\$ 50,136,374	\$ 44,354,260	\$ (5,782,115)	-11.5%

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Personnel Services - all utilities. In the PERS unfunded liability line items, there is a significant decrease (combined -\$2.7 million) when compared to the prior year. In FY 2021, the City made the full annual unfunded liability contribution in July 2020. This action provided the City with cash savings of approximately 3%. The City did not exercise the prepayment option in FY 2022 as the City was preparing to issue pension obligation bonds. The bonds were issued in October 2021. For the remainder of FY 2022 and the life of the bonds, the debt service payments will move from the personnel category to materials and supplies.

The Personnel Services (Other) is an increase of \$0.6 million (combined) as compared to the same quarter last fiscal year. The changes are based on MOU contract extensions that have been approved by the City Council. The contract extensions include one-time payments for non-public safety personnel.

Enterprise Funds-Utilities Outflows - Expenditures + Transfers Out Budget to Actuals, Quarter 2, FY 2022

Enterprise Funds Expenditures By Department	Cumulative Budget FY 2022	Through Q2 FY 2022	%
			Spent
Electric			
Capital Improvement Projects	\$ 1,546,473	\$ 131,487	8.5%
Finance	2,002	518	25.9%
Public Works	185,902	64,771	34.8%
Utilities Department	15,315,017	6,325,908	41.3%
Electric Total	17,049,394	6,522,684	38.3%
Water			
Capital Improvement Projects	\$ 52,646,827	\$ 3,070,698	5.8%
Finance	-	1,553	N/A
Public Works	895,423	297,603	33.2%
Utilities Department	55,113,379	21,033,604	38.2%
Water Total	108,655,629	24,403,458	22.5%
Water Reclamation			
Capital Improvement Projects	\$ 28,728,206	\$ 2,993,805	10.4%
City Manager's Office	2,926	1,032	35.3%
Finance	12,013	3,107	25.9%
Public Works	622,455	201,826	32.4%
Utilities Department	27,831,218	10,228,348	36.8%
Water Reclamation Total	57,196,818	13,428,118	23.5%
Transfers Out - Electric	-	-	N/A
Transfers Out - Water	-	-	N/A
Transfers Out - Water Reclamation	4,701,340	-	N/A
Grand Total	\$ 187,603,181	\$ 44,354,260	23.6%

Electric. Overall, the Electric utility expenditures through Quarter 2 are up by +5.0%, or +\$0.3 million, when compared to last fiscal year, due to wholesale energy costs. At Quarter 2, the capital improvement project expenditures equate to 8.5% of the cumulative budget. The operating budget expenditures total 41.2% of the current FY 2022 budget.

Water. Overall, the Water utility expenditures are down by -23.4% or -\$7.4 million, when compared to FY 2021. There is a decrease of -\$2.5 million for capital improvement projects and -\$4.4 million for the Utilities Department. The decreases in the Utilities Department are in materials and supplies, personnel, and utilities costs. Through Quarter 2, the capital improvement project costs are 5.8% of the current expenditure budget. The operating budget transactions total 38.1% of the current FY 2022 budget.

Water Reclamation. The Water Reclamation utility expenditures are up by +11.1%, or +\$1.3 million, when compared to Quarter 2 of FY 2021. There is an increase of +\$1.6 million in capital improvement project expenditures. At the end of Quarter 2, the capital improvement project expenditures total 10.4% of the cumulative budget. The operating budget expenditures total 36.7% of the current FY 2022 budget.

Enterprise Fund Reserves

This project is pending for Fiscal Year 2022 and is not ready for Quarter 2. Staff was anticipating to have this completed by Quarter 2, but it is still in development. This item will be incorporated with the budget process for FY 2023.

What do you think? We value your opinion.

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