

# CITY OF CORONA

## C A L I F O R N I A

### COMPREHENSIVE ANNUAL FINANCIAL REPORT

Community  
Culture  
Commerce



YEAR ENDED JUNE 30, 2019



# CITY OF CORONA, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



*Prepared by the City of Corona Administrative Services Department*

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CITY OF CORONA  
 FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Corona  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO







November 20, 2019

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The CAFR 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 contained herein, the City contracted an independent audit firm, Lance, Soll & Lunghard, 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. Lance, Soll & Lunghard, LLP issued an unmodified opinion for the City's financial statements for the fiscal year ended June 30, 2019. 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 CAFR. 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 CAFR 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 was 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 CAFR is a required component of continuing disclosure to the bond holders as covenanted by certain bond issues.

### **Community Profile**

The City of Corona is located approximately 45 miles southeast of Los Angeles in western Riverside County. The community is ideally situated at the base of the mountainous Cleveland National Forest on an alluvial plain leading down, or north to the Santa Ana River. Based on data provided by the California State Department of Finance, the City’s population was 168,101 as of January 2019, ranked 31<sup>st</sup> largest among all cities in the State of California. The City limits cover approximately 39.4 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. Two remaining at-large City Council seats will transition to districts with the election cycle in 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 by 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 additional community outreach to encourage as much budgetary feedback as possible. The budget is subsequently adopted by the City Council through passage of resolutions at a normally agendized 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.

## Demographic and Economic Information

Demographically, the City of 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 49,434 households averaging 3.58 persons each, with a median age of 34. Annual median family income is \$83,399, and 84.9% of the population possess a high school diploma or higher according to U.S. Census data. Median home price continues to improve with median values pushing past \$510,000.

The City of Corona continues to maintain its position as the premier location for businesses looking to relocate and expand. Centrally located between Riverside and Orange Counties, Corona's geographic position attracts highly educated and sought-after labor force. Corona continues to see improvements in several key economic indicators. Vacancy rates in industrial, commercial, and office properties continue to see positive absorption. Industrial vacancy rates continue to hover around 2.0% while commercial vacancy has dropped to 4.0%. Office vacancy rates are steadily on the decline as well, currently at 4.0%.

New industrial development has helped to expand Corona's job market, which has surpassed the pre-recession peaks. Job growth in Corona reported a 2.0% increase with employment numbers reaching 84,500 in Fiscal Year 2018-19. Major contributors of the growth are the construction and financial industries, in addition to the fast growing professional, management and technology sectors in previous years. In comparison to Orange County, the job market growth rate in Corona is 2.0% higher. This growth will continue to be fueled by the completion of 727,000 square feet of new industrial development, which is estimated to bring an additional 500 jobs in the next 18 months and the development of more than 147,000 square feet of Class A office. The strong local job market keeps the unemployment rate in Corona at 2.5%, which is approximately 1.3% below the Riverside County average.

Fiscal Year 2018-19 continued to see an expanding housing market with increased median home prices and average rents for multi-family communities. With limited development opportunities, Corona has seen a lack in housing stock, a key driver for price and equity increase. Much of Corona's recent residential development has been multi-family housing, with the exception of Sierra Bella, a new family community consisting of 237 single family homes and Bedford by the New Home Company, which will add more than 1,500 single family units to the City. The first phase of Corona's newest urban development, Main Street Metro was completed in 2012 and consisted of over 404 luxury units. The second phase completed in late 2017 added an additional 464 luxury units. The final phase completed in 2019 added 60,000 square feet of retail, changing the North Main corridor into a bustling urban setting within walking distance to Riverside County's busiest Metrolink station.

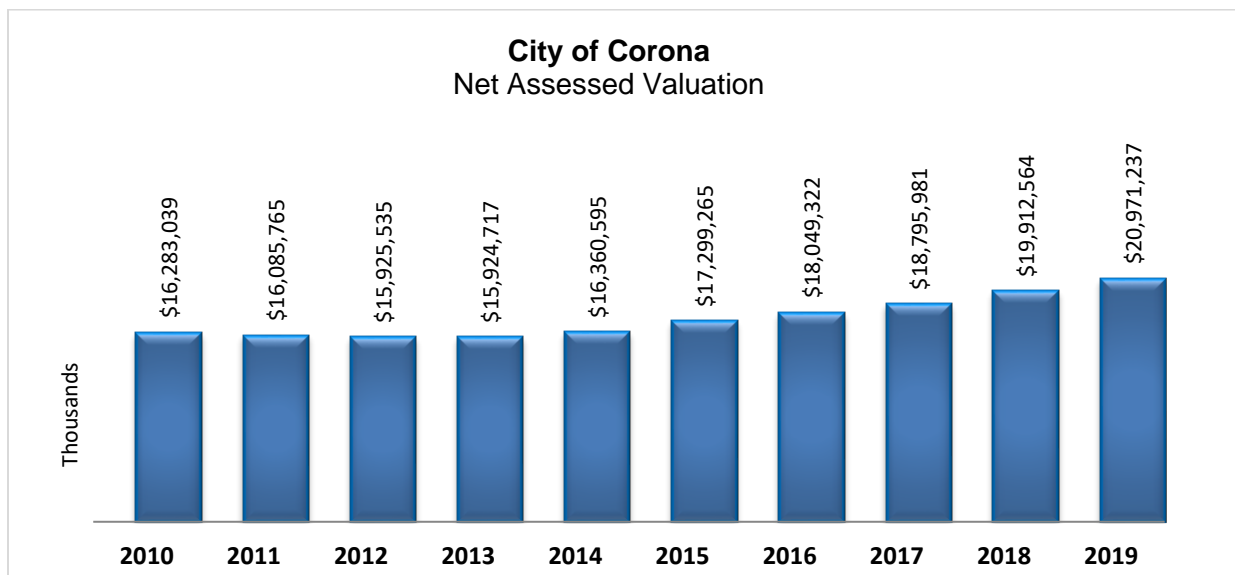
With limited opportunities for large-scale new development, Corona continues looking for opportunities to redevelop and expand currently underutilized properties. Through its ongoing commitment to stimulate the local economy, maintain essential services, and expand its labor force, the City of Corona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

### Financial Condition of the City

Nationwide, the economy continued to show strong growth during the year. The main drivers of the expansion, over the past year, are decreasing unemployment rates and the rise in home prices. In October 2018, the national unemployment rate fell to 3.6%. However, improving 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 the current 7.5% to 7.0% over the next three years, effective Fiscal Year 2018-19. Also, the CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens 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 removes 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 will apply only to new UAL bases established on or after June 30, 2019.

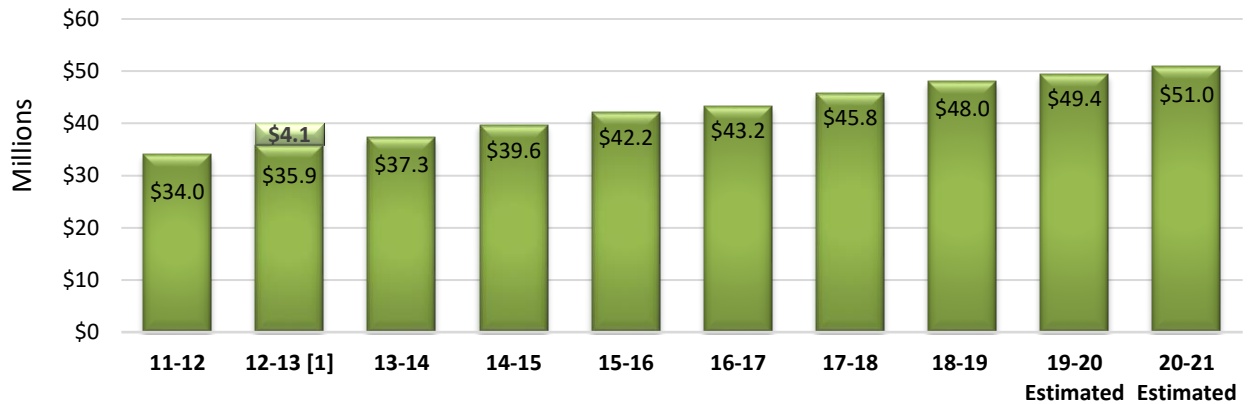
The steep increase in non-discretionary costs places significant pressure on the City’s revenue generating capabilities, amid other state policies that continue to shift responsibilities to cities, without the necessary funding, increasing costs to law enforcement and public safety, and making it more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

Property tax continues to be the largest General Fund revenue source for the City in Fiscal Year 2018-19. Total taxable assessed valuation in Corona for the year was \$21.0 billion, representing an increase of 5.3% from the previous year.



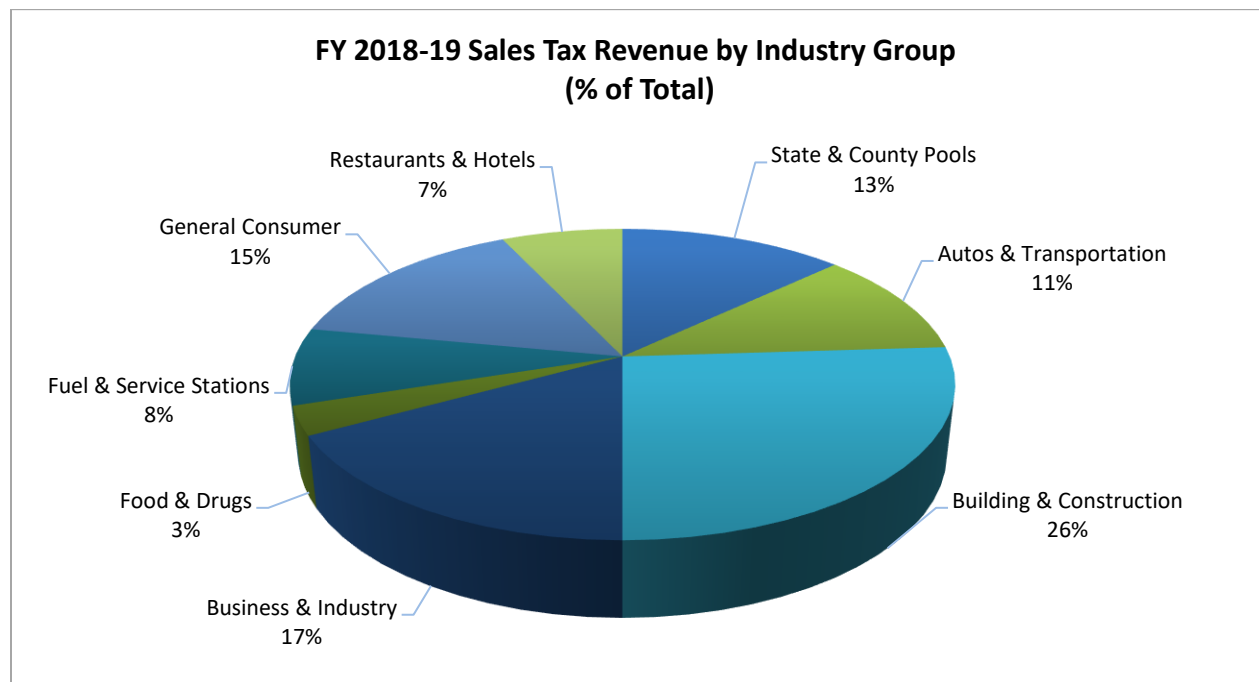
Source: HdL Coren & Cone, Riverside County Assessor Combined tax rolls

### City of Corona Historical Property Tax Revenue

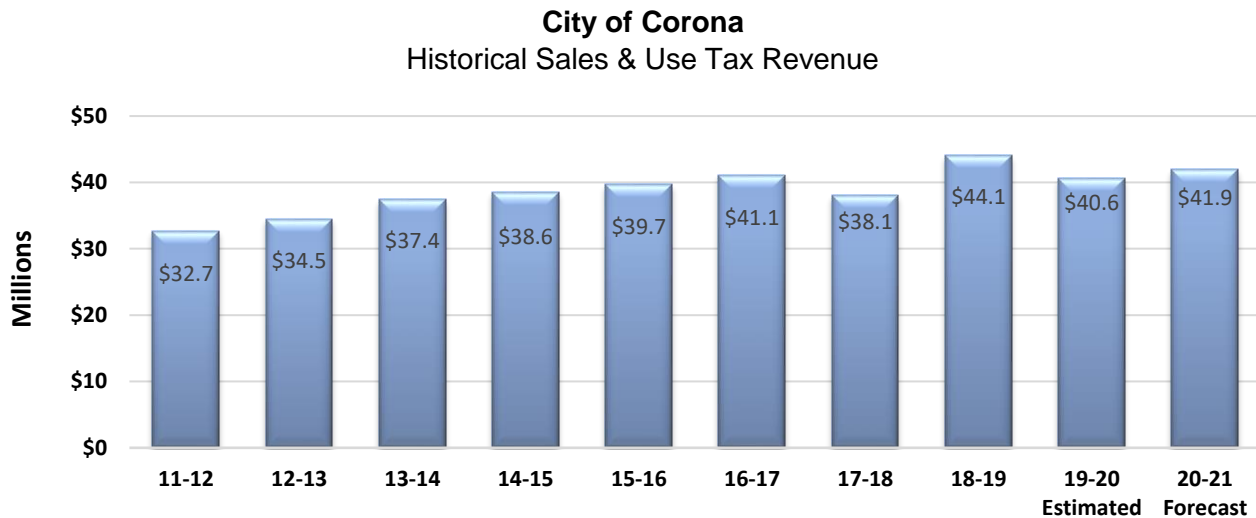


[1] FY 2012-13 includes one-time residual payment of \$4.1 million.

Sales tax is the second largest revenue source for the City. Taxable retail sales totaled \$3.9 billion in Fiscal Year 2018-19, an increase of 4.0% from the previous year. Consumer spending continues to be on the rise, driven by the local and regional labor market growth. Much of this consumer spending is best seen in the general consumer goods, automobile purchases, business and construction related industries. 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 slightly higher than other categories.



Source: HdL Coren & Cone



### 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.

In an effort to maintain fiscal stability, and responsible stewardship, the City commissioned KPMG in December 2016 to conduct an analysis of the City's pension, OPEB, and employee healthcare obligations and budget considerations. The analysis presented a 10-year forecast of the pension, OPEB and healthcare cost with various sensitivity assumptions noted for review and future refinement. The result of the analysis revealed significant budget shortfall in the coming years.

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, as well as a significant level of 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 strove to maintain 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 2018, the most recent credit review performed by Standard and Poor's Financial Services (S&P), among the positive factors the City was acknowledged for were "very strong budgetary flexibility," "very strong liquidity," and "strong 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're exceptionally pleased about this recognition and proud to have attained this strong rating.

## **Financial Policies and Practices**

The City 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, 2019, the Emergency Contingency Reserve balance was \$32.6 million.

### Zero-Based Budgeting

The City launched zero-based budgeting in Fiscal Year 2016-17, following 22 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

The City of Corona, following the best practice guidelines for debt management published by the GFOA, 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 September 2015 and reviewed on an annual basis.

Investment Policy

The 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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 29<sup>th</sup> 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 CAFR 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 CAFR 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 Lance, Soll & Lunghard, LLP, in completing the CAFR.

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,



Mitch Lansdell  
Interim City Manager



Kerry D. Eden  
Assistant City Manager/ Administrative  
Services Director



# CITY OF CORONA

## Elected Officials and Executive Management

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*Elected Officials*

- JASON SCOTT ..... Mayor
- JIM STEINER ..... Vice Mayor
- YOLANDA CARRILLO ..... Councilmember
- JACQUE CASILLAS ..... Councilmember
- WES SPEAKE ..... Councilmember
  
- CHAD WILLARDSON ..... City Treasurer

*Executive Management*

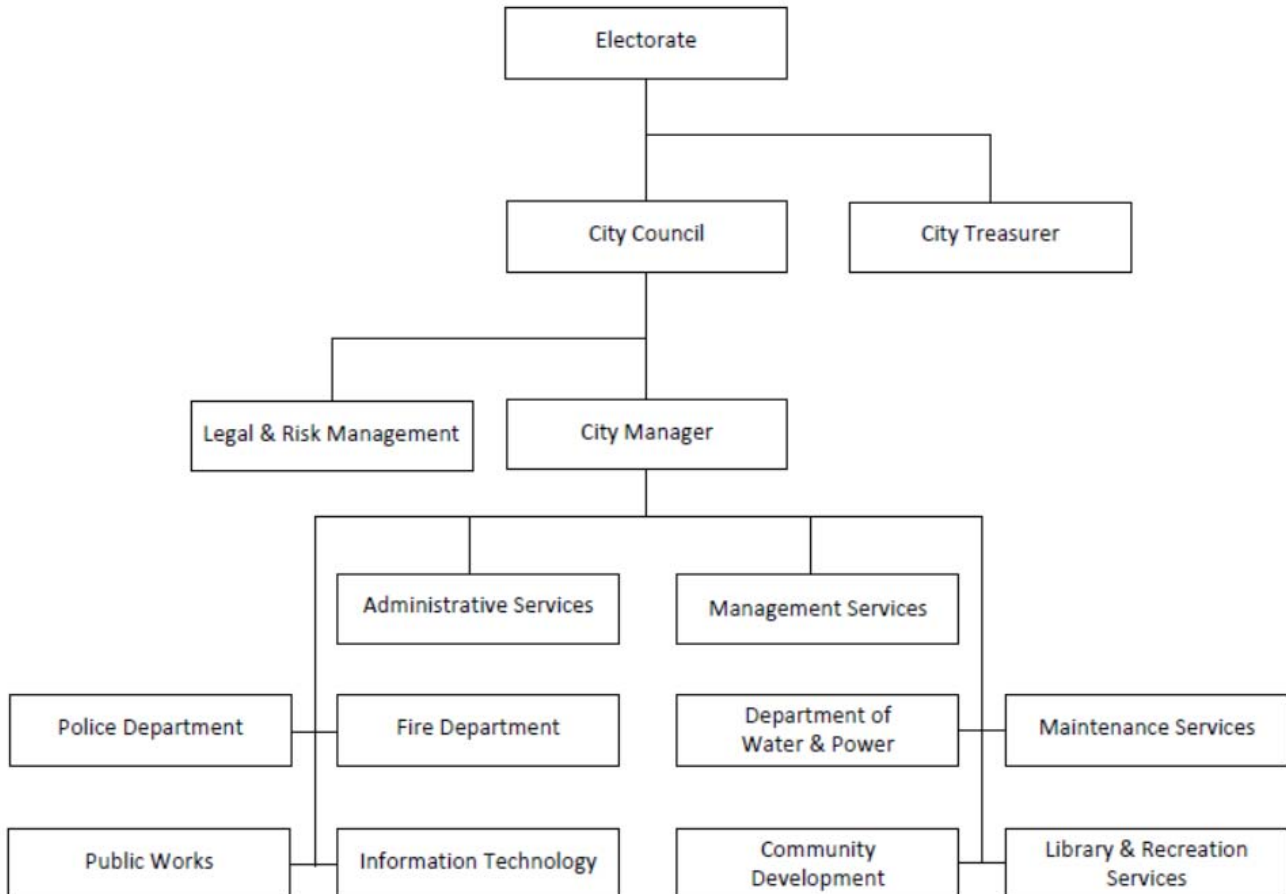
- MITCH LANSDELL ..... Acting City Manager
- DEAN DERLETH ..... City Attorney and Legal and Risk Management Director
- KERRY D. EDEN ..... Assistant City Manager/Admin Services Director
  
- JOANNE COLETTA ..... Community Development Director
- GEORGE JOHNSTONE ..... Chief of Police
- CHRIS MCMASTERS ..... Chief Information Officer
- TOM MOODY ..... General Manager
- DAVID MONTGOMERY-SCOTT ..... Library and Recreation Services Director
- NELSON NELSON ..... Public Works Director
- BRIAN YOUNG ..... Fire Chief



# CITY OF CORONA

## Organizational Chart

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Corona, California

### **Report on the Financial Statements**

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 City of Corona, California, (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council  
City of Corona, California

### ***Opinions***

In our opinion, the 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 of Corona, California, as of June 30, 2019, 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.

### ***Other Matters***

#### *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 for the general fund, the modified approach for the City's infrastructure assets, the schedules of changes in net pension liability and related ratios, the schedules of plan contributions, the schedule of proportionate share of the net pension liability, the schedule of changes in net OPEB liability and related ratio, and the schedule of contributions - OPEB, 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.

#### *Other 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 introductory section, combining and individual nonmajor fund financial statements and budgetary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council  
City of Corona, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California  
November 7, 2019





## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2019

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, 2019, 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, 2019 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements was implemented by the City during the fiscal year ended June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowing and direct placement. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of this Statement will improve financial reporting by providing essential information to understand the effects of debt on a government's future resource flows.

#### Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$1,080.7 million (*net position*).
- The overall City's net position increased by \$85.9 million from the previous fiscal year, primarily due to revenues exceeding expenditures by \$87.8 million combined with a restatement to the prior year's fund balance of (\$1.9) million. Total assets increased by \$76.5 million, total liabilities decreased by \$19.7 million, combined with a decrease in deferred outflows in the amount of \$11.8 million, and a decrease in deferred inflows in the amount of \$1.5 million primarily due to pension related items, net position of the City saw an increase of 8.6% from the prior year.
- Total expenses for governmental activities were \$166.1 million for Fiscal Year 2018-19. The sources for these expenses came from program revenues of \$102.7 million, taxes in the amount of \$103.8 million, and other general revenue of \$20.9 million. For the current year, revenues from governmental activities exceeded expenses by \$61.3 million, together with a transfer out of \$1.9 million and a beginning balance restatement of (\$1.9) million, net position for governmental activities increased by \$57.5 million from the previous year.
- For business-type activities, total revenues exceeded expenses by \$26.5 million. Among the total program revenue of \$114.3 million, \$105.6 million was from charges for services, \$1.8 million from operating grants and contributions, and the remaining \$6.9 million



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**CITY OF CORONA**

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**Management's Discussion and Analysis (continued)****June 30, 2019**

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represents capital grants and contributions. Combined with investment earnings and other general revenues of \$13.5 million, and a transfer in of \$1.9 million, the net position for business-type activities increased by \$28.3 million from the previous year.

**Fund Based**

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$219.4 million, an increase of \$31.1 million from the previous year. The net increase was due to the combination of current year's revenues exceeded expenditures by \$35.4 million, net transfer of (\$2.4) million, and a restatement to the prior year's fund balance of (\$1.9) million.
- Fund balance for all governmental funds totaled \$219.4 million at the close of the fiscal year. Among the total fund balance, \$123.7 million, or 56.4% are either non-spendable or restricted for specific purposes. An additional amount of \$39.9 million was committed by the City Council, including \$32.6 million as an emergency contingency, \$4.8 million as designated revenues and \$2.5 million for a pension obligation reserve. There was \$55.8 million assigned to specific City programs and projects. Please refer to Note 15 for additional information on the categorization of the governmental funds' fund balances.

**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, Library and Recreation Services, Community 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

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)

June 30, 2019

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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.

### **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,

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)

June 30, 2019

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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 only) and combining statement of net position and combining statement of changes in assets and liabilities (agency funds only).

**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 the agency fiduciary fund 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 \$85.9 million from the previous year. The increase in financial position was primarily due to positive operating results where revenues exceeded expenditures by \$87.8 million, combined with a restatement to the prior year's fund balance of (\$1.9) million. The government-wide net position reported \$1,080.7 million as of June 30, 2019.

Among the total net position, \$1,036.9 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.

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**CITY OF CORONA**

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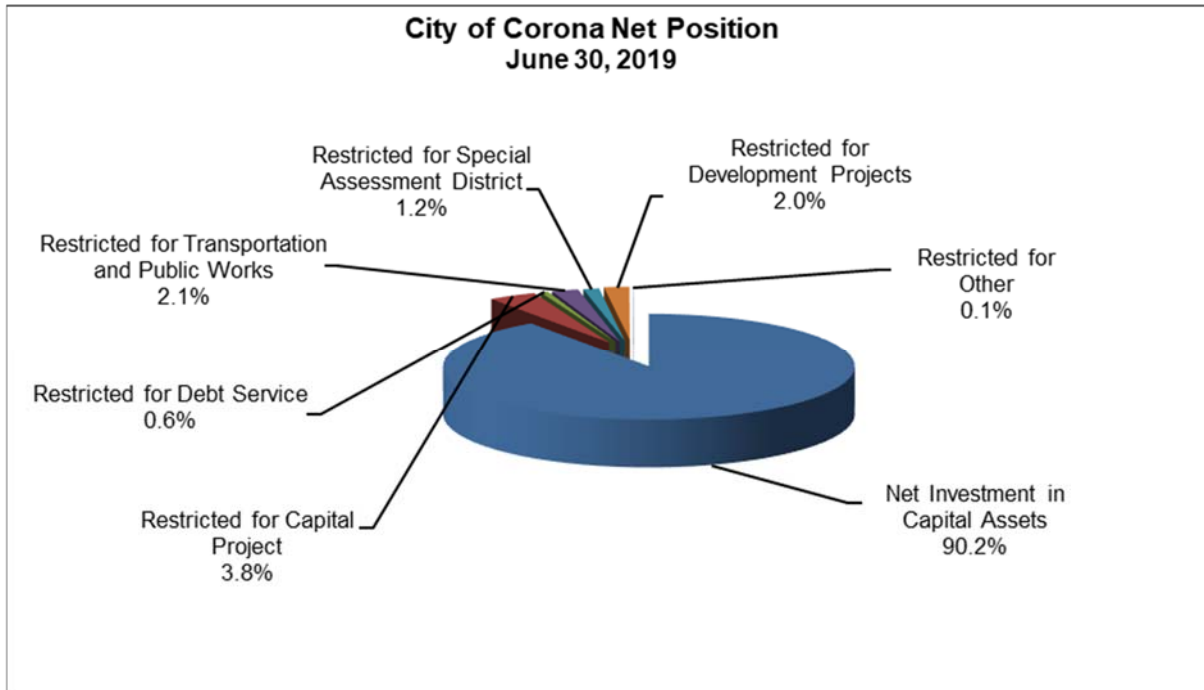
**Management's Discussion and Analysis (continued)****June 30, 2019**

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The remaining \$43.8 million of total government-wide net position are composed of \$105.1 million restricted funds and (\$61.3) million unrestricted. Net position may be restricted for capital projects, debt payments, and/or special programs such as transportation and special assessment district improvements.

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2019.



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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)  
June 30, 2019

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The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2019 with comparative data from the previous fiscal year:

**City of Corona's Net Position**  
(in millions)

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 283.1	\$ 250.4	\$ 148.1	\$ 136.4	\$ 431.2	\$ 386.8
Internal balances	178.6	179.7	(178.6)	(179.7)	-	-
Capital assets	730.9	704.4	416.8	411.2	1,147.7	1,115.6
<b>Total assets</b>	<b>1,192.6</b>	<b>1,134.5</b>	<b>386.3</b>	<b>367.9</b>	<b>1,578.9</b>	<b>1,502.4</b>
Deferred charges on refunding	0.5	0.5	-	-	0.5	0.5
Deferred pension related items	45.1	60.4	6.1	9.8	51.2	70.2
Deferred OPEB related items	15.2	9.0	2.4	1.4	17.6	10.4
<b>Total deferred outflows</b>	<b>60.8</b>	<b>69.9</b>	<b>8.5</b>	<b>11.2</b>	<b>69.3</b>	<b>81.1</b>
Long-term debt	40.6	43.5	70.6	76.7	111.2	120.2
Net pension liability	215.3	222.4	34.2	37.5	249.5	259.9
Net OPEB liability	106.2	99.6	16.7	15.4	122.9	115.0
Other liabilities	62.2	66.2	14.0	18.2	76.2	84.4
<b>Total liabilities</b>	<b>424.3</b>	<b>431.7</b>	<b>135.5</b>	<b>147.8</b>	<b>559.8</b>	<b>579.5</b>
Deferred pension related items	6.4	7.4	0.6	1.0	7.0	8.4
Deferred OPEB related items	0.6	0.7	0.1	0.1	0.7	0.8
<b>Total deferred inflows</b>	<b>7.0</b>	<b>8.1</b>	<b>0.7</b>	<b>1.1</b>	<b>7.7</b>	<b>9.2</b>
Net investment in capital assets	690.8	661.4	346.1	334.6	1,036.9	996.0
Restricted	97.2	79.4	7.9	7.0	105.1	86.4
Unrestricted	34.1	23.8	(95.4)	(111.4)	(61.3)	(87.6)
<b>Total net position</b>	<b>\$ 822.1</b>	<b>\$ 764.6</b>	<b>\$ 258.6</b>	<b>\$ 230.2</b>	<b>\$ 1,080.7</b>	<b>\$ 994.8</b>

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)  
June 30, 2019

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

**City of Corona's Changes in Net Position**  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 39.4	\$ 39.2	\$ 105.6	\$ 105.7	\$ 145.0	\$ 144.9
Operating Contributions and Grants	17.2	15.2	1.8	3.2	19.0	18.4
Capital Contributions and Grants	46.1	32.9	6.9	5.0	53.0	37.9
General Revenues:						
Taxes:						
Property Taxes	48.1	45.7	-	-	48.1	45.7
Sales and Use Taxes	44.1	38.1	-	-	44.1	38.1
Other Taxes	11.6	10.5	-	-	11.6	10.5
Investment Earnings	9.1	0.6	5.0	0.3	14.1	0.9
Other Income	11.8	13.1	8.5	4.9	20.3	18.0
Total Revenues	<u>227.4</u>	<u>195.3</u>	<u>127.8</u>	<u>119.1</u>	<u>355.2</u>	<u>314.4</u>
<b>Expenses:</b>						
General Government	33.6	21.0	-	-	33.6	21.0
Public Safety - Fire	29.0	30.1	-	-	29.0	30.1
Public Safety - Police	51.7	52.2	-	-	51.7	52.2
Public Works & Maintenance Services	41.1	38.8	-	-	41.1	38.8
Library and Recreation Services	4.3	3.8	-	-	4.3	3.8
Community Development	4.7	3.7	-	-	4.7	3.7
Economic Development	0.4	0.3	-	-	0.4	0.3
Interest on Long-term Debt	1.3	1.4	-	-	1.3	1.4
Water	-	-	54.2	66.2	54.2	66.2
Water Reclamation	-	-	28.2	31.5	28.2	31.5
Electric	-	-	15.6	16.9	15.6	16.9
Transit Services	-	-	3.1	3.4	3.1	3.4
Airport	-	-	0.2	0.2	0.2	0.2
Total Expenses	<u>166.1</u>	<u>151.3</u>	<u>101.3</u>	<u>118.2</u>	<u>267.4</u>	<u>269.5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61.3</u>	<u>44.0</u>	<u>26.5</u>	<u>0.9</u>	<u>87.8</u>	<u>44.9</u>
Transfers	(1.9)	(2.7)	1.9	2.7	-	-
Special Items	-	3.0	-	-	-	3.0
Change in net position	<u>59.4</u>	<u>44.3</u>	<u>28.4</u>	<u>3.6</u>	<u>87.8</u>	<u>47.9</u>
Net position - beginning of year	764.6	812.2	230.2	245.5	994.8	1,057.7
Restatement	(1.9)	(91.9)	-	(18.9)	(1.9)	(110.8)
Net position - end of year	<u>\$ 822.1</u>	<u>\$ 764.6</u>	<u>\$ 258.6</u>	<u>\$ 230.2</u>	<u>\$ 1,080.7</u>	<u>\$ 994.8</u>

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)

June 30, 2019

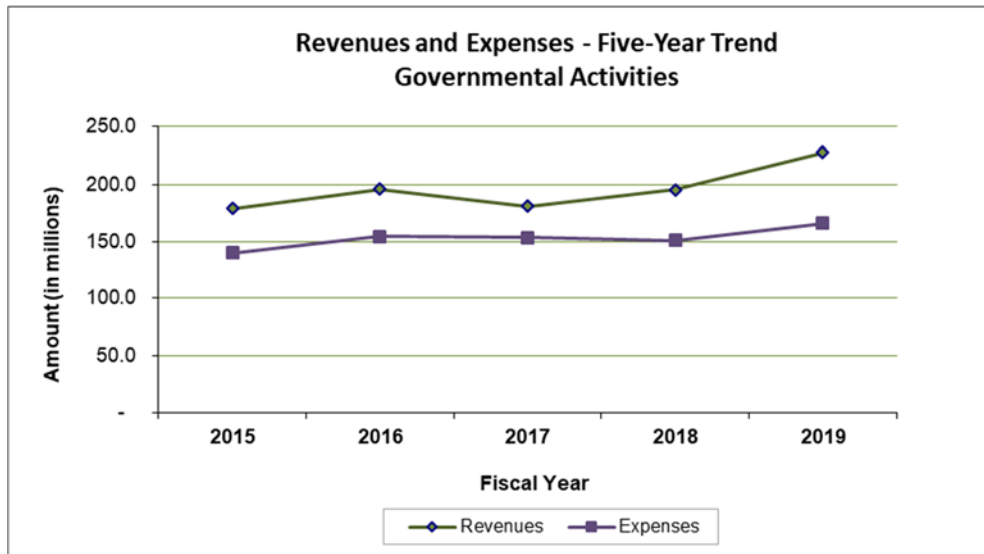
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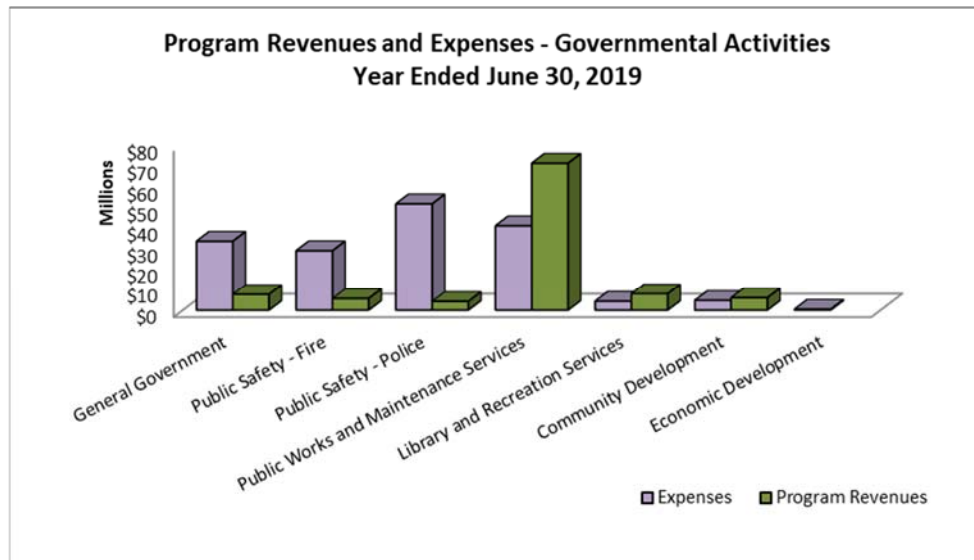
**Governmental Activities**

Total resources available during the year to finance governmental operations were \$990.1 million. This amount consists of the beginning net position of \$762.7 million, which includes a restatement of (\$1.9) million, program revenues of \$102.7 million and general revenues of \$124.7 million. Total uses in governmental activities during the year totaled \$166.1 million. Transfers from governmental activities were \$1.9 million. Therefore, the net position for governmental activities increased by \$57.5 million and ended at \$822.1 million as of June 30, 2019.

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.



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**CITY OF CORONA**

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## Management's Discussion and Analysis (continued)

June 30, 2019

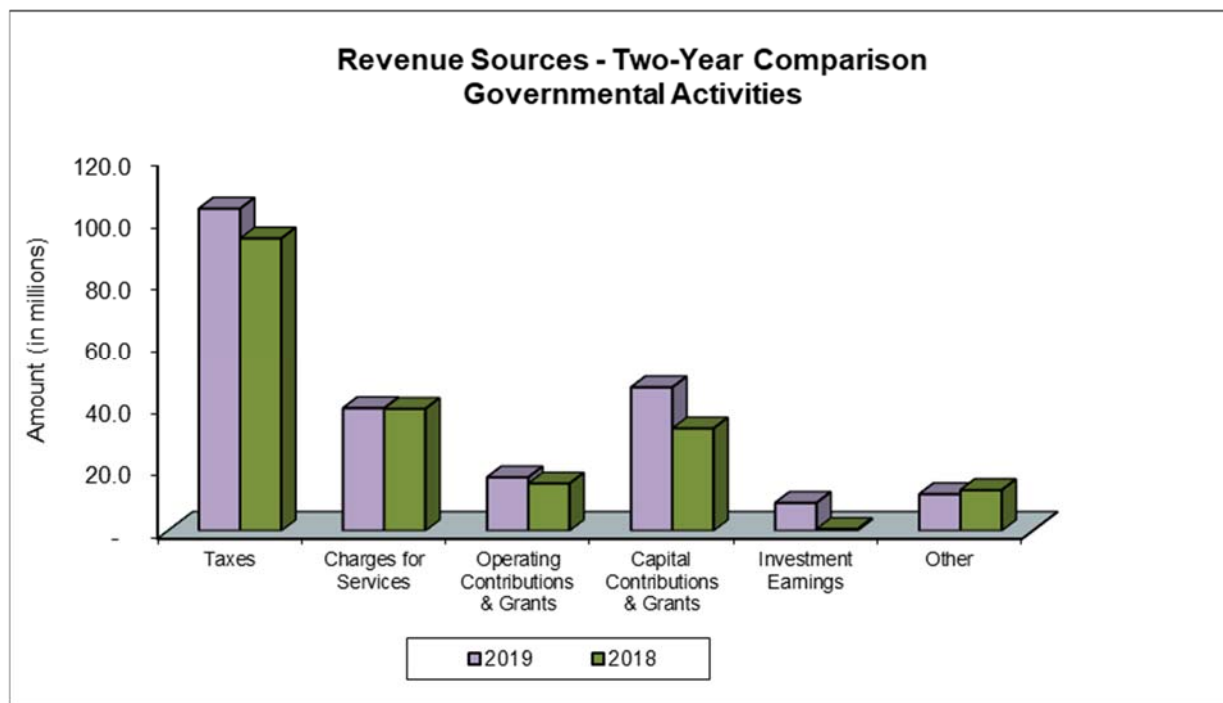
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General government support services (administration, legal, human resources and financial) are primarily funded by charges to the direct operating functions they support through a cost allocation program. The public safety function (police and fire) generate 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 transportation systems, 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 library and recreation services is primarily general revenues and some program fees. Community 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, 2019 was \$166.1 million. As shown in the statement of activities, the amount the taxpayers ultimately funded for these activities was \$63.4 million, the remaining \$102.7 million was paid by various program revenues, including \$39.4 million by those who directly benefited from the programs, \$17.2 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$46.1 million from capital contributions and grants.

The following two charts illustrate the total revenue and expense for the governmental activities, excluding transfers for the fiscal years ended June 30, 2019 and June 30, 2018 respectively.





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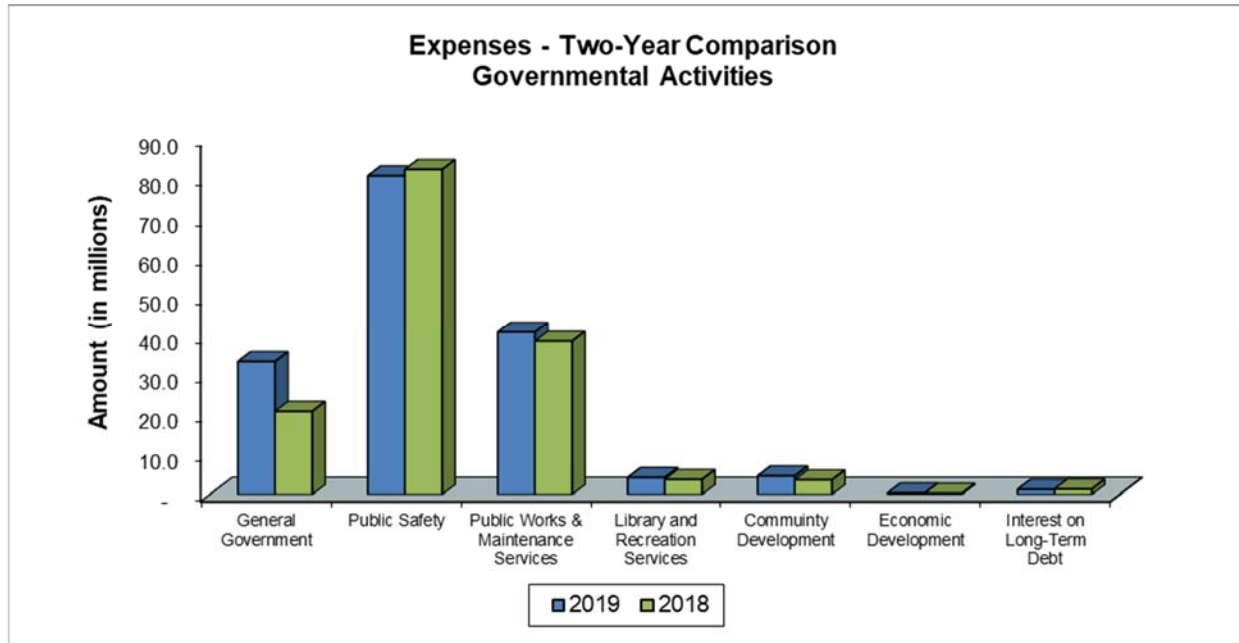
**CITY OF CORONA**

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## Management's Discussion and Analysis (continued)

June 30, 2019

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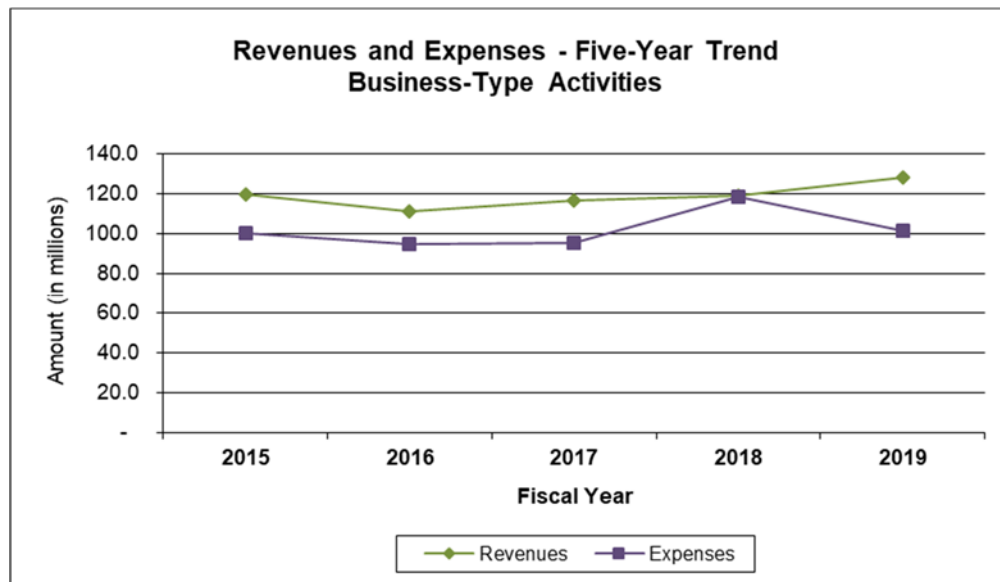
Highlights of the major revenue sources and expenses are listed below:

- Program revenues represent 45.2% of total revenues generated by governmental activities. Total program revenues for governmental activities in the current year were \$102.7 million, an increase of \$15.4 million from the previous year, primarily due to the increased revenue from capital contributions and grants. There are several major capital improvement projects in progress, including the I-15 Cajalco project and Arantine Hills. The City received significant engineering and inspection fees and development agreement reimbursements.
- Taxes comprised 45.7% of the total revenues from governmental activities. Total tax revenues were \$103.9 million for the current year, showing an increase of \$9.6 million from the previous year. Property tax revenue represents 46.3% of total taxes, where sales and use tax revenue ranked second sharing 42.5% of total tax revenue. The remaining 11.2% were comprised of franchise fee, business license tax, transient occupancy tax, and dwelling development fee.
- Property tax revenues increased by \$2.3 million in comparison to the prior year. Sales and use tax revenues increased by \$6.0 million in comparison to the prior year. The California Department of Tax and Fee Administration had complications with their new sales tax return software last fiscal year resulting in delays in processing and distributing sales tax to local agencies. A majority of those delayed payments were received in the current year.
- Overall governmental expenses increased by \$14.8 million from the prior year, primarily due to the net pension liability adjustment that was required last year in the amount of \$14.9 million.

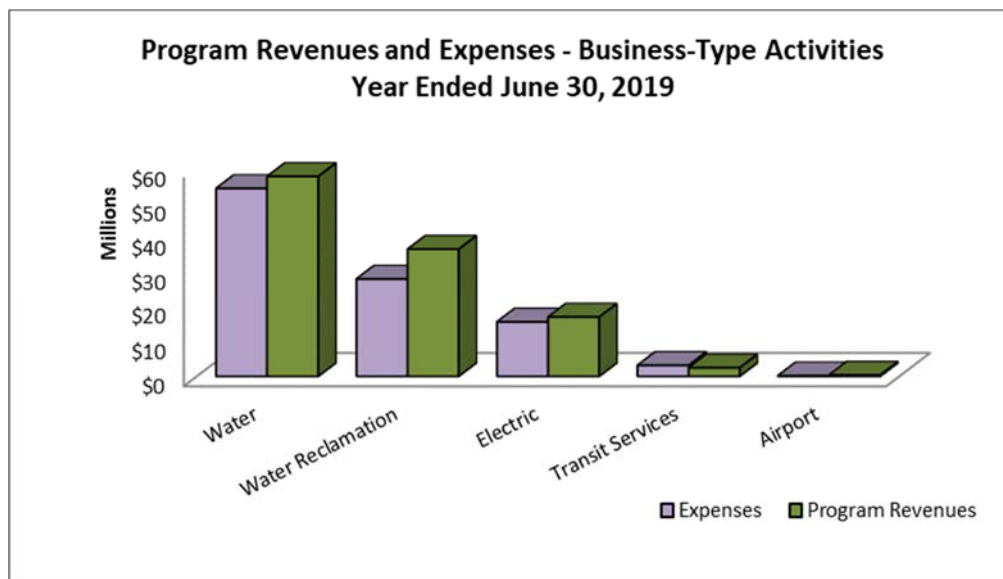
## Business-Type Activities

The City's net position in the business-type activities increased by \$28.4 million. The primary contributors to the increase was excess revenues over expenditures in the amount of \$26.5 million, combined with a transfer in of \$1.9 million. The overall net position reported in the business-type activities was \$258.6 million as of June 30, 2019.

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.



Total expenses of all business-type activities for the fiscal year ended June 30, 2019 were \$101.3 million, representing a decrease of \$16.9 million, or 16.7% from the previous year. As shown in the statement of activities, the amount paid by users of the systems was \$105.6 million, reported as charge for services. Revenues from operating grants and contributions were

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)  
June 30, 2019

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\$1.8 million, and capital grants and contributions were \$6.9 million. Total program revenue reported for the year was \$114.3 million.

Total resources available during the year to finance business type activities were \$360.0 million. This amount consists of the beginning net position of \$230.2 million, combined with total revenues of \$127.8 million and a transfer in of \$1.9 million. After funding total expenses of \$101.3 million, net position for business-type activities increased by \$28.3 million to \$258.6 million at June 30, 2019.

Comparing to the previous year, expenses decreased by \$16.9 million primarily due to the net pension liability adjustment that was required last year and the completion of various water and water reclamation upgrades and replacements in the prior year. Revenues increased by \$8.7 million, due to \$0.4 million increase in program revenues, \$4.7 million increase in investment earnings and \$3.6 million increase in other income.

**FUND FINANCIAL ANALYSIS****General Fund**

The General Fund is the primary operating fund of the City. Fund balance increased by \$13.3 million for the fiscal year ended June 30, 2019, with an ending balance of \$121.9 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.

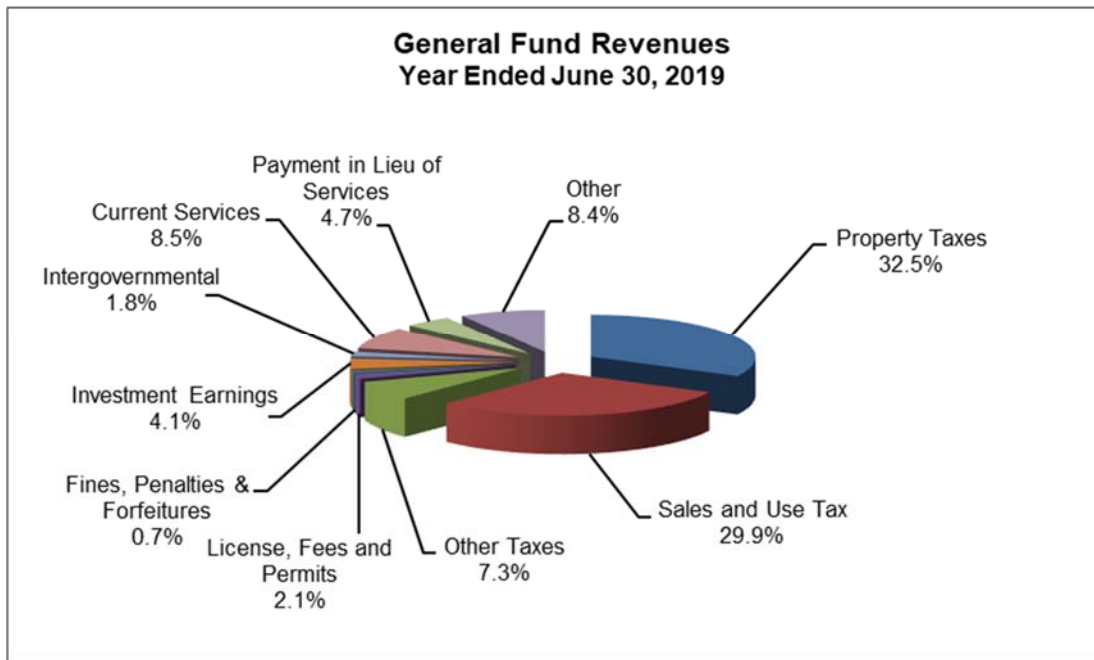
**City of Corona's General Fund Fund Balance  
Three-Year Trend Information  
(in millions)**

	<u>FY 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>
Fund Balances:			
Nonspendable	\$ 26.5	\$ 31.5	\$ 33.2
Committed	39.9	36.2	33.9
Assigned	55.5	40.9	42.0
Total Fund Balance	<u>\$ 121.9</u>	<u>\$ 108.6</u>	<u>\$ 109.1</u>
Fund Balance - Beginning	\$ 108.6	\$ 109.1	\$ 100.8
Excess Revenues Over Expenditures	15.5	(2.7)	1.6
Transfers	(1.7)	-	6.1
Capital Leases	-	1.4	-
Restatement	(0.5)	0.8	0.6
Fund Balance - Ending	<u>\$ 121.9</u>	<u>\$ 108.6</u>	<u>\$ 109.1</u>

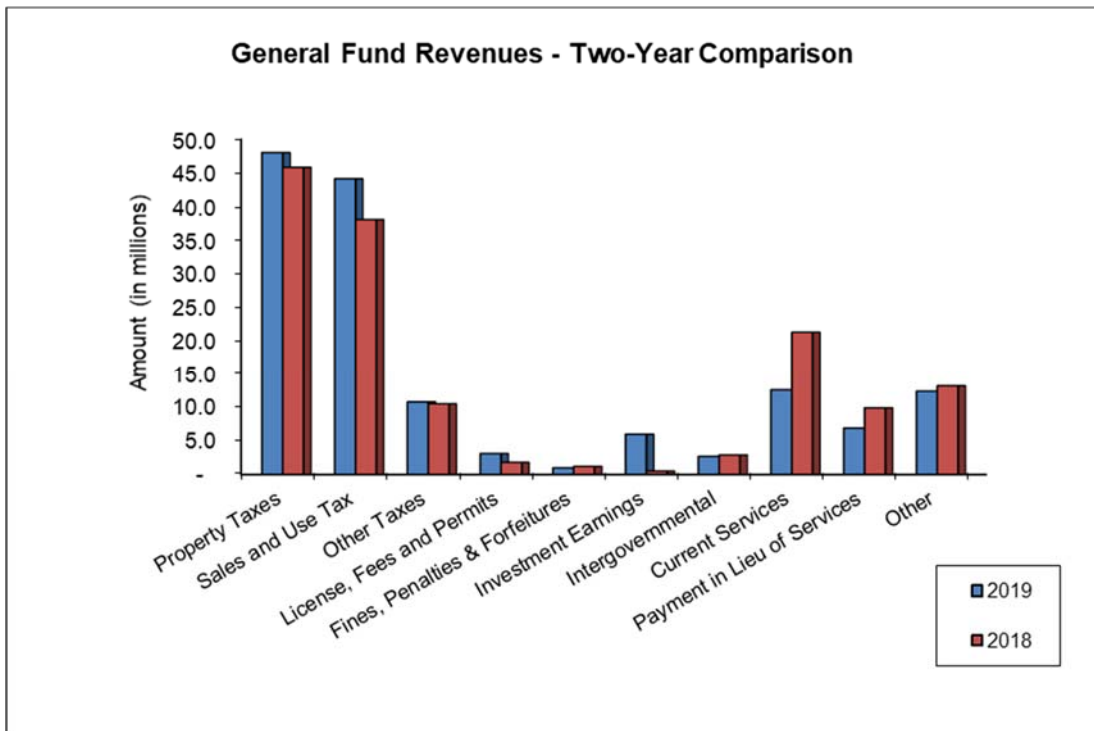
**CITY OF CORONA**

Management’s Discussion and Analysis (continued)  
 June 30, 2019

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, 2019 and June 30, 2018 is presented below:



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**CITY OF CORONA**

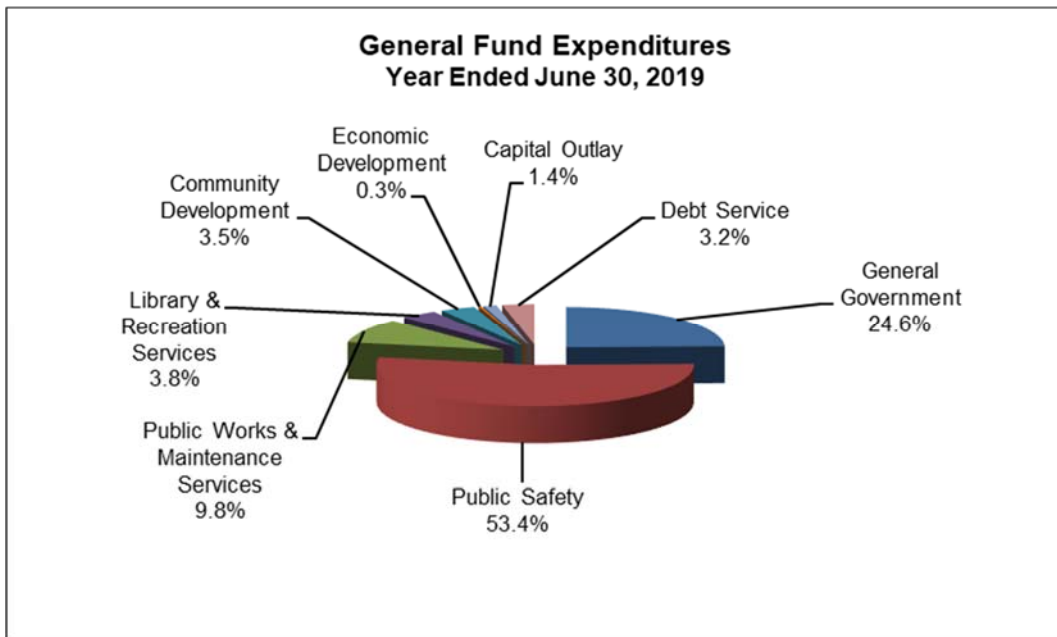
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Management's Discussion and Analysis (continued)  
June 30, 2019

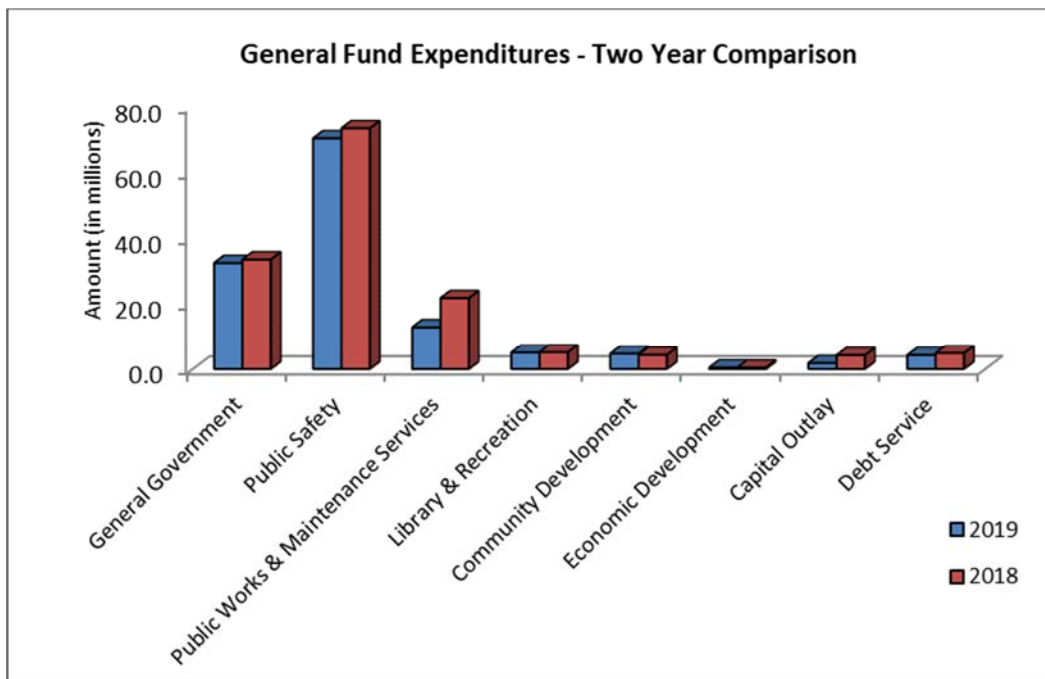
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The graph below illustrates General Fund expenditures by category:



A two-year comparison of each General Fund expenditure category for the fiscal years ended June 30, 2019 and June 30, 2018 is presented below:



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**CITY OF CORONA**

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**Management's Discussion and Analysis (continued)****June 30, 2019**

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Overall General Fund revenues increased by \$2.4 million or 1.65%, compared to the previous year. Property taxes are the largest revenue source of the General Fund and increased by 4.8% in the current year. Sales and use tax is the second largest revenue source of the General Fund and increased by 15.7%. A portion of this increase is due to receiving delayed sales tax distributions from the State, as mentioned previously. As shown in the General Fund Revenues graph, revenues were maintained or increased in a majority of the revenue sources. Exceptions are in Current Services which decreased by 40.8% and Payment in Lieu of Services decreased by 30.3%. A fee study was conducted, and many of the City's fees were reduced, resulting in decreased revenues.

Overall General Fund expenditures decreased by \$15.8 million comparing to the previous year. A majority of the decrease is due to the City contributing additional funds toward the City's unfunded pension liability with CalPERS last fiscal year.

**Other Major Governmental Funds**

The Development capital project fund reported a fund balance of \$19.9 million, an increase of \$10.8 million from the prior year. Revenues exceeded expenditures in the current year by \$11.2 million. License, fees, and permit revenues were \$10.6 million in the current year, an increase of \$6.6 million compared to the prior year. Expenses increased by \$0.6 million due to an increase in capital outlay of \$0.7 million and a decrease of \$0.1 million in public works and maintenance services. There was also a restatement of the beginning fund balance in the amount of (\$0.5) million due to development fees recorded as revenues in a prior year, that should have been recorded as developer deposits.

The Low/Mod Income Housing Asset capital project fund reported a fund balance of \$28.4 million, an increase of \$0.2 million from the previous year. The fund balance includes \$9.5 million in cash, \$1.2 million in land held for resale, and long-term receivables in the amount of \$17.7 million from various developers. The land inventories were approved by the State Department of Finance as Housing assets on September 7, 2012. The City's Housing Successor has 5 years from that date to either develop these properties into affordable housing units or liquidate them and deposit the funds to the Low and Moderate Income Housing Asset Fund. The land held for resale was increased by \$0.1 million in the current year for affordable housing projects, with an outstanding balance of \$1.2 million as of June 30, 2019.

The Other Grants capital project fund reported an ending fund balance of \$0.5 million. This capital project fund consists of governmental grants and reimbursement agreements. Revenue for the reimbursement of capital outlay was \$32.1 million in the current year, an increase of \$10.1 million over the prior year. Expenditures exceeded revenues in the current year by \$0.1 million. The fund balance includes a restatement of the beginning fund balance in the amount of (\$1.4) million due grant receivables that were not received within the one-year revenue recognition period. The revenue was deferred until it will be received.

**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, 2019, net capital assets totaled \$730.9 million for the governmental activities, and \$416.8 million for the business-type activities respectively. Depreciation on capital assets is recognized in the government-wide financial

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)  
June 30, 2019

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statements. Please refer to Note 7 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.

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, 2019 was 72, a slight decrease from the previous assessment result of 73. 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 \$36.6 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 2020 is a minimum of \$4.8 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:

	<b>City of Corona's Capital Assets Net of Depreciation (in millions)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 72.9	\$ 72.9	\$ 5.4	\$ 5.4	\$ 78.3	\$ 78.3
Streets	220.1	196.2	-	-	220.1	196.2
Buildings and improvements	115.7	115.6	57.9	53.6	173.6	169.2
Machinery and equipment	13.5	14.1	46.1	38.1	59.6	52.2
Infrastructure	200.2	190.1	271.5	247.3	471.7	437.4
Construction in progress	108.2	115.1	15.2	46.1	123.4	161.2
Intangible assets	0.3	0.4	20.7	20.7	21.0	21.1
<b>Total Capital Assets</b>	<b>\$ 730.9</b>	<b>\$ 704.4</b>	<b>\$ 416.8</b>	<b>\$ 411.2</b>	<b>\$1,147.7</b>	<b>\$1,115.6</b>

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**CITY OF CORONA**

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Management's Discussion and Analysis (continued)  
June 30, 2019

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**DEBT ADMINISTRATION**

The City continued its efforts to reduce its long-term debt obligation. S&P Global Ratings reaffirmed the City's "AA-" rating. For additional information, please refer to Note 9 of the accompanying financial statements.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Loans and agreement payable	\$ -	\$ -	\$ 31.2	\$ 33.7	\$ 31.2	\$ 33.7
Lease payable	14.9	16.5	-	-	14.9	16.5
Capital leases payable	1.1	1.0	-	-	1.1	1.0
Revenue bonds	22.1	23.3	37.9	41.4	60.0	64.7
Unamortized bond premium	2.5	2.7	1.5	1.6	4.0	4.3
Total Outstanding Debt	<u>\$ 40.6</u>	<u>\$ 43.5</u>	<u>\$ 70.6</u>	<u>\$ 76.7</u>	<u>\$ 111.2</u>	<u>\$ 120.2</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund appropriations were originally adopted at \$137.0 million for Fiscal Year 2018-19, including transfers to other funds of \$2.7 million. Final appropriations were increased by \$17.0 million to \$154.0 million. Among the budgetary increase, \$6.4 million was due to continuing appropriations from the prior year's capital projects and grant funded activities, and \$3.8 million was for prior year committed purchases (encumbrances).

There was \$6.9 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons: (1) The non-personnel budget increased by \$5.7 Million, primarily for an appropriation of \$4.0 Million that was approved for the purchase of four new fire apparatus: two engines, one quint tractor drawn aerial and one quint rear mount aerial. The non-personnel budget also increased by \$0.9 Million by various Council Actions that included funds for the Kraft Ranch Storm Drain debris removal project, funding for operational audits of the Police and Fire departments, purchase of CPR equipment, and grant related activity. (2) The personnel budget increased by \$0.9 Million. A total of \$0.7 Million was added through updated MOU agreements with non-sworn staff in June 2019. Additionally, there were changes of \$0.2 Million for grants and other funding agreements, with corresponding revenues that offset the costs. (3) The capital improvement program budget increased by \$223,818 with \$185,334 for the Corona Airport Waterline, \$61,853 for the State Route 91 Betterments Project, and \$38,926 in donations to the Library Materials project. There were budgetary reductions for other projects that were completed or no longer needed.



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**CITY OF CORONA**

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**Management's Discussion and Analysis (continued)**  
**June 30, 2019**

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

Original Budget	\$ 136,960,383
Continued Appropriations	6,434,429
Encumbrances	3,782,697
Supplemental Changes	<u>6,855,257</u>
Final Budget	<u>\$ 154,032,766</u>

At June 30, 2019, the City's General Fund concluded the fiscal year with a net favorable variance of \$27.7 million. The net favorable variance is the result of an increase in revenues and transfers in of \$8.5 million and an expenditure budget/transfers out savings of \$19.2 million.

Revenues and transfers in received in Fiscal Year 2018-19 had a favorable variance of \$8.5 million primarily related to increases in property tax revenues, sales tax revenues, investment income (including book entries for gains and losses) and current services revenue, which includes building related activity and recreation revenues.

Included in the \$19.2 million savings in the expenditure budget and transfer out, \$10.9 million was unspent funding for ongoing capital improvement projects. These funds will be carried over to the next fiscal year to complete the projects. In addition, \$0.2 million will be carried forward from the expenditure budget for grant related activity. Encumbered purchase orders totaling \$5.8 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	\$ 154,032,766
Actual Expenditures	132,101,152
Transfers Out	<u>2,717,350</u>
Favorable Budget Variance	<u>\$ 19,214,264</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 Administrative Services Department at 400 South Vicentia Ave., Corona, California, 92882, phone number 951-279-3500 or e-mail [finance@coronaca.gov](mailto:finance@coronaca.gov).

## ***Government-Wide Financial Statements***

***Governmental Activities*** – Activities include General Government, Fire, Police, Public Works, Maintenance Services, Library and Recreation Services, Community Development, and Housing and Economic Development. Revenues to finance these activities include property and sales taxes, user fees, investment income, franchise fees and state and federal grants.

***Business-Type Activities*** – Activities relate to the City's water system, water reclamation system, electric, transit and airport services. Fees charged to customers for the services provided cover all or most of the cost of the business-type activities.



## CITY OF CORONA

STATEMENT OF NET POSITION  
JUNE 30, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 212,148,387	\$ 112,790,514	\$ 324,938,901
Accounts Receivable, Net	7,645,045	12,689,797	20,334,842
Interest Receivable	1,061,448	558,256	1,619,704
Due from Other Governmental Agencies	24,612,197	2,200,205	26,812,402
Inventories and Prepayments	396,351	2,983,433	3,379,784
Deposits	-	95,191	95,191
Land Held for Resale	1,189,388	-	1,189,388
Restricted Cash and Investments	1,045,099	10,936,555	11,981,654
<b>Total Current Assets</b>	<b>248,097,915</b>	<b>142,253,951</b>	<b>390,351,866</b>
<b>Noncurrent Assets</b>			
Internal Balances	178,599,008	(178,599,008)	-
Long-term Receivable, Net	35,033,471	-	35,033,471
Investment in Joint Venture	-	5,865,267	5,865,267
<b>Capital Assets:</b>			
Land and Construction in Progress	401,153,285	40,277,171	441,430,456
Other Capital Assets, Net of Depreciation	329,697,292	376,488,780	706,186,072
Total Capital Assets	730,850,577	416,765,951	1,147,616,528
<b>Total Noncurrent Assets</b>	<b>944,483,056</b>	<b>244,032,210</b>	<b>1,188,515,266</b>
<b>Total Assets</b>	<b>1,192,580,971</b>	<b>386,286,161</b>	<b>1,578,867,132</b>
<b>Deferred Outflows of Resources</b>			
Deferred Charges on Refunding	507,533	-	507,533
Deferred Pension Related Items	45,135,475	6,127,697	51,263,172
Deferred OPEB Related Items	15,212,257	2,398,311	17,610,568
<b>Total Deferred Outflows of Resources</b>	<b>60,855,265</b>	<b>8,526,008</b>	<b>69,381,273</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Liabilities	16,003,779	8,519,552	24,523,331
Unearned Revenue	5,577,506	1,371,053	6,948,559
Deposits	9,313,406	2,722,732	12,036,138
Interest Payable	312,675	-	312,675
Claims and Judgments Payable	4,080,364	-	4,080,364
Compensated Absences Payable	5,669,522	633,878	6,303,400
Long-term Debt, Net of Unamortized Premium	3,208,420	4,378,796	7,587,216
Liabilities Payable from Restricted Assets	31,239	455,649	486,888
<b>Total Current Liabilities</b>	<b>44,196,911</b>	<b>18,081,660</b>	<b>62,278,571</b>
<b>Noncurrent Liabilities</b>			
Claims and Judgments Payable	18,117,990	-	18,117,990
Compensated Absences Payable	3,071,593	276,561	3,348,154
Long-term Debt, Net of Unamortized Premium	37,372,809	66,275,859	103,648,668
Net Pension Liability	215,340,359	34,179,223	249,519,582
Net OPEB Liability	106,226,553	16,747,317	122,973,870
<b>Total Noncurrent Liabilities</b>	<b>380,129,304</b>	<b>117,478,960</b>	<b>497,608,264</b>
<b>Total Liabilities</b>	<b>424,326,215</b>	<b>135,560,620</b>	<b>559,886,835</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	6,380,399	561,605	6,942,004
Deferred OPEB Related Items	632,518	97,813	730,331
<b>Total Deferred Inflows of Resources</b>	<b>7,012,917</b>	<b>659,418</b>	<b>7,672,335</b>
<b>Net Position</b>			
Net Investment in Capital Assets	690,776,881	346,111,296	1,036,888,177
<b>Restricted for:</b>			
Capital Projects	34,034,394	6,735,454	40,769,848
Debt Service	6,490,959	-	6,490,959
<b>Specific Projects and Programs:</b>			
Transportation and Public Works	22,272,787	369,860	22,642,647
Special Assessment District Projects	12,625,790	-	12,625,790
Development Projects	21,365,909	792,804	22,158,713
Other Purposes	382,770	-	382,770
Unrestricted	34,147,614	(95,417,283)	(61,269,669)
<b>Total Net Position</b>	<b>\$ 822,097,104</b>	<b>\$ 258,592,131</b>	<b>\$ 1,080,689,235</b>

See Notes to Financial Statements

CITY OF CORONA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General Government	\$ 33,591,976	\$ 7,377,481	\$ 276,848	\$ -
Public Safety - Fire	29,004,569	4,914,360	374,506	328,415
Public Safety - Police	51,665,087	2,282,448	1,672,065	228,845
Public Works & Maintenance Services	41,082,525	17,033,637	9,724,436	44,533,269
Library and Recreation Services	4,301,828	2,882,270	5,070,376	-
Community Development	4,666,834	4,868,485	59,314	1,039,674
Economic Development	391,110	-	-	-
Interest and Fiscal Charges	1,347,268	-	-	-
<b>Total Governmental Activities</b>	<b>166,051,197</b>	<b>39,358,681</b>	<b>17,177,545</b>	<b>46,130,203</b>
<b>Business-Type Activities</b>				
Water	54,241,684	56,486,220	2,466	1,219,809
Water Reclamation	28,218,102	31,394,607	296,988	5,088,723
Electric	15,597,164	16,971,319	19,103	-
Transit Services	3,153,161	364,025	1,484,647	606,941
Airport	180,033	341,505	10,000	-
<b>Total Business-Type Activities</b>	<b>101,390,144</b>	<b>105,557,676</b>	<b>1,813,204</b>	<b>6,915,473</b>
<b>Total Primary Government</b>	<b>\$ 267,441,341</b>	<b>\$ 144,916,357</b>	<b>\$ 18,990,749</b>	<b>\$ 53,045,676</b>

**General Revenues**

Taxes:

- Property Taxes
- Transient Occupancy Tax
- Sales and Use Tax
- Franchise Tax
- Business Tax
- Dwelling Development Tax
- Investment Earnings
- Other Income

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position, Beginning of Year

Restatement of Net Position

Net Position, Beginning of Year, as Restated

**Net Position at End of Year**

**Net (Expenses) Revenues  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (25,937,647)	\$ -	\$ (25,937,647)
(23,387,288)	-	(23,387,288)
(47,481,729)	-	(47,481,729)
30,208,817	-	30,208,817
3,650,818	-	3,650,818
1,300,639	-	1,300,639
(391,110)	-	(391,110)
(1,347,268)	-	(1,347,268)
<b>(63,384,768)</b>	<b>-</b>	<b>(63,384,768)</b>
-	3,466,811	3,466,811
-	8,562,216	8,562,216
-	1,393,258	1,393,258
-	(697,548)	(697,548)
-	171,472	171,472
<b>-</b>	<b>12,896,209</b>	<b>12,896,209</b>
<b>(63,384,768)</b>	<b>12,896,209</b>	<b>(50,488,559)</b>
48,123,700	-	48,123,700
2,725,406	-	2,725,406
44,125,758	-	44,125,758
5,830,823	-	5,830,823
2,250,488	-	2,250,488
834,240	-	834,240
9,042,370	5,010,211	14,052,581
11,764,807	8,542,261	20,307,068
(1,896,122)	1,896,122	-
<b>122,801,470</b>	<b>15,448,594</b>	<b>138,250,064</b>
59,416,702	28,344,803	87,761,505
764,600,961	230,247,328	994,848,289
(1,920,559)	-	(1,920,559)
762,680,402	230,247,328	992,927,730
<b>\$ 822,097,104</b>	<b>\$ 258,592,131</b>	<b>\$ 1,080,689,235</b>



## ***Governmental Fund Financial Statements***

### **MAJOR FUNDS:**

**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund, and for certain general programs and activities including equipment capital outlay and City facilities.

### **Capital Project Funds**

***Low Mod Income Housing Asset Fund*** – This fund is used to account for transactions related to affordable housing activities as prescribed in the Corona Housing Authority.

***Other Grants*** – This fund accounts for receipts and expenditures of money received from various governmental grants.

***Development Fund*** – This fund is used to account for park dedication fees, dwelling development fees and other development fees received. The fees collected are used to offset the burden resulting from new developments.

### **NON-MAJOR GOVERNMENTAL FUNDS:**

***Other Governmental Funds*** – These funds represent the non-major governmental funds, which include special revenue, debt service and capital project funds.



CITY OF CORONA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General	Capital Projects Funds	
		Low Mod Income Housing Asset	Other Grants
<b>Assets</b>			
Cash and Investments	\$ 90,442,084	\$ 9,538,688	\$ -
Accounts Receivable	2,216,539	-	3,898,879
Interest Receivable	667,053	46,194	79
Due from Other Governmental Agencies	12,718,863	-	7,438,229
Due from Other Funds	7,523,156	-	-
Long-term Receivables, Net	8,712,633	9,942,191	-
Interfund Advances Receivable	17,573,098	-	-
Loans Receivable, Net	-	7,708,385	2,300,000
Inventories and Prepayments	206,341	-	-
Land Held for Resale	-	1,189,388	-
Restricted Assets:			
Cash and Investments	-	-	973,474
<b>Total Assets</b>	<b>\$ 140,059,767</b>	<b>\$ 28,424,846</b>	<b>\$ 14,610,661</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 6,750,226	\$ 12,729	\$ 6,604,239
Deposits	8,278,133	14,550	-
Due to Other Funds	-	-	5,083,935
Unearned Revenue	1,982,928	-	2,424,535
Interfund Advances Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	5,000
<b>Total Liabilities</b>	<b>17,011,287</b>	<b>27,279</b>	<b>14,117,709</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	1,162,100	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,162,100</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	26,492,072	-	-
Restricted	-	28,397,567	492,952
Committed	39,899,272	-	-
Assigned	55,495,036	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>121,886,380</b>	<b>28,397,567</b>	<b>492,952</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 140,059,767</b>	<b>\$ 28,424,846</b>	<b>\$ 14,610,661</b>

CITY OF CORONA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<b>Capital Projects Funds</b>		<b>Total Governmental Funds</b>
	<b>Development</b>	<b>Other Governmental Funds</b>	
<b>Assets</b>			
Cash and Investments	\$ 29,071,899	\$ 45,349,658	\$ 174,402,329
Accounts Receivable	-	1,460,833	7,576,251
Interest Receivable	130,272	217,850	1,061,448
Due from Other Governmental Agencies	-	4,454,057	24,611,149
Due from Other Funds	-	-	7,523,156
Long-term Receivables, Net	1,189,660	1,956,888	21,801,372
Interfund Advances Receivable	-	-	17,573,098
Loans Receivable, Net	371,051	2,852,663	13,232,099
Inventories and Prepayments	-	-	206,341
Land Held for Resale	-	-	1,189,388
Restricted Assets:			
Cash and Investments	57,000	14,625	1,045,099
<b>Total Assets</b>	<b>\$ 30,819,882</b>	<b>\$ 56,306,574</b>	<b>\$ 270,221,730</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 342,269	\$ 1,722,038	\$ 15,431,501
Deposits	1,019,173	1,550	9,313,406
Due to Other Funds	-	2,439,221	7,523,156
Unearned Revenue	-	1,170,043	5,577,506
Interfund Advances Payable	9,553,121	2,222,399	11,775,520
Liabilities Payable from Restricted Assets	15,737	10,502	31,239
<b>Total Liabilities</b>	<b>10,930,300</b>	<b>7,565,753</b>	<b>49,652,328</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	-	-	1,162,100
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>1,162,100</b>
<b>Fund Balances</b>			
Nonspendable	-	-	26,492,072
Restricted	19,889,582	48,392,508	97,172,609
Committed	-	-	39,899,272
Assigned	-	396,813	55,891,849
Unassigned	-	(48,500)	(48,500)
<b>Total Fund Balances</b>	<b>19,889,582</b>	<b>48,740,821</b>	<b>219,407,302</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 30,819,882</b>	<b>\$ 56,306,574</b>	<b>\$ 270,221,730</b>



CITY OF CORONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

**Total Fund Balance - Total Governmental Funds** \$ 219,407,302

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 the governmental funds balance sheet. 726,158,704

Long-term capital lease in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 172,628,344

Governmental funds report all OPEB contributions as expenditures, however, the OPEB liability has a measurement date of June 30, 2018, and contributions made subsequent to the measurement date are reclassified as deferred OPEB contributions. 8,249,053

Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2018, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions. 24,795,492

Deferred outflow of resources reported are:

Pension related items:

Difference between expected and actual experiences	\$ 2,343,283	
Change in assumptions	14,734,389	
Net difference between projected and actual earnings on pension plan investments	468,013	
Adjustment due to Differences in Proportions	1,139,742	
Difference in actual to proportionate share contribution	157,003	

OPEB related items:

Net difference between projected and actual earnings on investments	6,299,651	25,142,083
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Revenues are reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

Unavailable revenue from property taxes	1,162,100
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Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (312,675)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. These include:

Compensated Absences	(8,467,386)	
Unamortized Deferred Charges on Refunding	507,533	
Long-term Debt	(36,990,265)	
Unamortized Bond Premium	(2,528,380)	
Net Pension Liability	(206,987,284)	
Net OPEB Liability	(101,593,012)	(356,058,794)

Deferred inflow of resources reported are:

Pension related items:

Difference between expected and actual experiences	(1,986,480)	
Changes in assumptions	(2,428,228)	
Net difference between projected and actual earnings on pension plan investments	(62,242)	
Adjustment due to Differences in Proportions	(238,999)	
Difference in actual to proportionate share contribution	(1,527,199)	

OPEB related items:

Net difference between projected and actual earnings on investments	(618,642)	(6,861,789)
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide Statement of Net Position.

7,787,284

**Net Position of Governmental Activities** **\$ 822,097,104**

CITY OF CORONA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	General	Capital Projects Funds	
		Low Mod Income Housing Asset	Other Grants
<b>Revenues</b>			
Property Taxes	\$ 47,994,974	\$ -	\$ -
Sales Taxes	44,125,758	-	-
Other Taxes	10,806,717	-	-
Licenses, Fees and Permits	3,059,318	-	-
Fines and Penalties	997,484	-	-
Special Assessments	98,931	-	-
Investment Earnings	5,976,173	331,216	1,002
Intergovernmental Revenues	2,718,180	-	6,683,362
Current Services	12,583,103	-	-
Payments in Lieu of Services	6,898,116	-	-
Other Revenues	12,299,534	47,324	25,372,626
<b>Total Revenues</b>	<b>147,558,288</b>	<b>378,540</b>	<b>32,056,990</b>
<b>Expenditures</b>			
Current:			
General Government	32,508,481	-	-
Public Safety - Fire	25,392,593	-	-
Public Safety - Police	45,083,301	-	-
Public Works & Maintenance Services	12,870,865	-	1,146
Library and Recreation Services	5,043,827	-	20,498
Community Development	4,696,978	179,935	-
Economic Development	444,925	-	-
Capital Outlay	1,805,537	15,896	32,084,990
Debt Service:			
Principal Retirement	2,816,576	-	-
Interest and Fiscal Charges	1,438,069	-	-
<b>Total Expenditures</b>	<b>132,101,152</b>	<b>195,831</b>	<b>32,106,634</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,457,136	182,709	(49,644)
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,046,720	12,281	-
Transfers Out	(2,717,350)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,670,630)</b>	<b>12,281</b>	<b>-</b>
Net Change in Fund Balances	13,786,506	194,990	(49,644)
Fund Balances, Beginning of Year	108,568,234	28,202,577	1,978,059
Restatements	(468,360)	-	(1,435,463)
Fund Balances, Beginning of Year, as Restated	108,099,874	28,202,577	542,596
<b>Fund Balances, End of Year</b>	<b>\$ 121,886,380</b>	<b>\$ 28,397,567</b>	<b>\$ 492,952</b>

CITY OF CORONA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Capital Projects Funds		Total Governmental Funds
	Development	Other Governmental Funds	
<b>Revenues</b>			
Property Taxes	\$ -	\$ -	\$ 47,994,974
Sales Taxes	-	-	44,125,758
Other Taxes	-	-	10,806,717
Licenses, Fees and Permits	10,553,439	722,208	14,334,965
Fines and Penalties	-	262,781	1,260,265
Special Assessments	-	8,500,738	8,599,669
Investment Earnings	1,030,661	1,703,318	9,042,370
Intergovernmental Revenues	-	14,057,731	23,459,273
Current Services	-	9,226,960	21,810,063
Payments in Lieu of Services	834,240	-	7,732,356
Other Revenues	284	367,934	38,087,702
<b>Total Revenues</b>	<b>12,418,624</b>	<b>34,841,670</b>	<b>227,254,112</b>
<b>Expenditures</b>			
Current:			
General Government	-	103,738	32,612,219
Public Safety - Fire	542	-	25,393,135
Public Safety - Police	-	830,959	45,914,260
Public Works & Maintenance Services	78,581	20,925,735	33,876,327
Library and Recreation Services	-	75,835	5,140,160
Community Development	-	372,854	5,249,767
Economic Development	-	-	444,925
Capital Outlay	1,102,522	3,960,477	38,969,422
Debt Service:			
Principal Retirement	-	-	2,816,576
Interest and Fiscal Charges	-	4,737	1,442,806
<b>Total Expenditures</b>	<b>1,181,645</b>	<b>26,274,335</b>	<b>191,859,597</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,236,979	8,567,335	35,394,515
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	323,902	1,382,903
Transfers Out	-	(1,046,720)	(3,764,070)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(722,818)</b>	<b>(2,381,167)</b>
Net Change in Fund Balances	11,236,979	7,844,517	33,013,348
Fund Balances, Beginning of Year	9,137,699	40,427,944	188,314,513
Restatements	(485,096)	468,360	(1,920,559)
Fund Balances, Beginning of Year, as Restated	8,652,603	40,896,304	186,393,954
<b>Fund Balances, End of Year</b>	<b>\$ 19,889,582</b>	<b>\$ 48,740,821</b>	<b>\$ 219,407,302</b>

CITY OF CORONA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

**Net Changes in Fund Balances - Total Governmental Funds** \$ 33,013,348

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the government-wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses:

Capital Outlay	38,544,698	
Deletions of capital assets during the current year	(1,747,877)	

Depreciation expense on capital assets is reported in the government-wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures governmental funds.	(12,429,899)
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Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the government-wide Statement of Activities:	
Property taxes	128,726
Operating Grants	1,822

Interest expense on long-term debt is reported in the government-wide Statement of Activities, but does not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in governmental funds. This amount represents the change in accrued interest from the prior year.	23,848
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Long-term compensated absences are reported in the government-wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in the governmental funds. This amount represents the change from the prior year.	(206,299)
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal Repayments:		
Lease Revenue Bond Payable	\$ 1,220,000	
Lease Payable	1,596,576	
Contribution of lease to internal service fund	807,947	
Bond Premium Amortization	148,728	
Deferred Charges Amortization	(29,855)	3,743,396

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(6,431,807)
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Governmental funds report all contributions in relation to the actuarially determined contribution for OPEB as expenditures, however in the statement of activities only the annual OPEB cost is an expense.	1,463,696
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet operations, to individual funds. The funds' revenues and expenditures are included as governmental activities in the Statement of Activities but not in the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances.	3,313,050
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**Change in Net Position of Governmental Activities** **\$ 59,416,702**

## ***Proprietary Fund Financial Statements***

### **MAJOR FUNDS:**

***Water Fund*** – This fund is used to account for the operation of the City’s water utility, a self-supporting activity which renders services on a user charge basis to residents and businesses located in the City.

***Water Reclamation Fund*** – This fund is used to account for the operation of the City’s water reclamation utility, a self-supporting activity which renders services on a user charge basis to residents and businesses located in the City.

***Electric Fund*** – This fund is used to account for the operation of the City’s electric utility, a self-supporting activity which renders services on a user charge basis to businesses located in the City.

### **NON-MAJOR PROPRIETARY FUNDS:**

***Other Funds*** – These funds represent the non-major proprietary funds, which include Public Financing Authority Fund and Public Improvement Corporation Fund.

### **GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUNDS:**

These funds are used to account for goods and services provided to other City departments or agencies on a cost reimbursement basis.



CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Corona Utility Authority</b>		
	<b>Water</b>	<b>Water Reclamation</b>	<b>Electric</b>
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 29,884,464	\$ 62,345,288	\$ 19,566,718
Accounts Receivable, Net	6,595,820	4,089,606	2,001,678
Interest Receivable	144,679	302,792	104,477
Due from Other Governmental Agencies	1,430,177	205,260	-
Inventories and Prepayments	2,906,766	-	76,667
Deposits	-	-	95,191
Restricted:			
Cash and Investments	6,244,024	2,314,275	2,008,396
<b>Total Current Assets</b>	<b>47,205,930</b>	<b>69,257,221</b>	<b>23,853,127</b>
Noncurrent Assets			
Interfund Advances Receivable	-	-	2,222,399
Investment in Joint Venture	-	5,865,267	-
Capital Assets:			
Land and Construction in Progress	31,552,425	7,075,437	1,649,309
Other Capital Assets, Net of Depreciation	229,828,335	133,197,588	9,037,199
Total Capital Assets	261,380,760	140,273,025	10,686,508
<b>Total Noncurrent Assets</b>	<b>261,380,760</b>	<b>146,138,292</b>	<b>12,908,907</b>
<b>Total Assets</b>	<b>308,586,690</b>	<b>215,395,513</b>	<b>36,762,034</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	3,284,540	2,017,986	639,652
Deferred OPEB Related Items	1,281,217	827,674	201,183
<b>Total Deferred Outflows of Resources</b>	<b>4,565,757</b>	<b>2,845,660</b>	<b>840,835</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 313,152,447</b>	<b>\$ 218,241,173</b>	<b>\$ 37,602,869</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 4,534,067	\$ 1,924,220	\$ 1,707,881
Unearned Revenue	810,469	-	-
Deposits	1,266,130	547,317	908,395
Claims and Judgments Payable	-	-	-
Compensated Absences Payable	365,008	240,782	14,783
Long-term Capital Lease Payable	6,860	-	-
Long-term Debt	3,497,245	874,691	-
Liabilities Payable from Restricted Assets	41,808	413,841	-
<b>Total Current Liabilities</b>	<b>10,521,587</b>	<b>4,000,851</b>	<b>2,631,059</b>
Noncurrent Liabilities			
Interfund Advances Payable	-	-	8,019,977
Claims and Judgments Payable	-	-	-
Compensated Absences Payable	113,731	131,769	-
Long-term Capital Lease Payable	17,255	-	-
Corona Utility Authority Lease Payable	106,819,662	65,808,682	-
Long-term Debt, Net of Unamortized Premium	45,776,288	20,482,316	-
Net Pension Liability	18,320,586	11,255,970	3,567,868
Net OPEB Liability	8,946,693	5,779,617	1,404,845
<b>Total Noncurrent Liabilities</b>	<b>179,994,215</b>	<b>103,458,354</b>	<b>12,992,690</b>
<b>Total Liabilities</b>	<b>190,515,802</b>	<b>107,459,205</b>	<b>15,623,749</b>

See Notes to Financial Statements

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

(CONTINUED)

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	301,030	184,950	58,623
Deferred OPEB Related Items	52,036	34,399	8,421
<b>Total Deferred Inflows of Resources</b>	<b>353,066</b>	<b>219,349</b>	<b>67,044</b>
<b>Net Position</b>			
Net Investment in Capital Assets	212,083,111	118,916,019	10,686,508
Restricted for:			
Capital Projects	6,568,086	167,368	-
Transportation	-	-	-
Restricted for Development Agreements	-	792,804	-
Unrestricted	(96,367,618)	(9,313,572)	11,225,568
<b>Total Net Position</b>	<b>122,283,579</b>	<b>110,562,619</b>	<b>21,912,076</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 313,152,447</b>	<b>\$ 218,241,173</b>	<b>\$ 37,602,869</b>

**Reconciliation of Net Position to the Statement of Net Position**

Net Position per Statement of Net Position - Proprietary Funds

Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds

Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds

**Net Position per Statement of Net Position**

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 994,044	\$ 112,790,514	\$ 37,746,058
Accounts Receivable, Net	2,693	12,689,797	68,794
Interest Receivable	6,308	558,256	-
Due from Other Governmental Agencies	564,768	2,200,205	1,048
Inventories and Prepayments	-	2,983,433	190,010
Deposits	-	95,191	-
Restricted:			
Cash and Investments	369,860	10,936,555	-
<b>Total Current Assets</b>	<b>1,937,673</b>	<b>142,253,951</b>	<b>38,005,910</b>
Noncurrent Assets			
Interfund Advances Receivable	-	2,222,399	-
Investment in Joint Venture	-	5,865,267	-
Capital Assets:			
Land and Construction in Progress	-	40,277,171	29,639
Other Capital Assets, Net of Depreciation	4,425,658	376,488,780	4,662,234
Total Capital Assets	4,425,658	416,765,951	4,691,873
<b>Total Noncurrent Assets</b>	<b>4,425,658</b>	<b>424,853,617</b>	<b>4,691,873</b>
<b>Total Assets</b>	<b>6,363,331</b>	<b>567,107,568</b>	<b>42,697,783</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	185,519	6,127,697	1,497,553
Deferred OPEB Related Items	88,237	2,398,311	663,551
<b>Total Deferred Outflows of Resources</b>	<b>273,756</b>	<b>8,526,008</b>	<b>2,161,104</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,637,087</b>	<b>\$ 575,633,576</b>	<b>\$ 44,858,887</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 353,384	\$ 8,519,552	\$ 572,278
Unearned Revenue	560,584	1,371,053	-
Deposits	890	2,722,732	-
Claims and Judgments Payable	-	-	4,080,364
Compensated Absences Payable	13,305	633,878	152,491
Long-term Capital Lease Payable	-	6,860	302,911
Long-term Debt	-	4,371,936	-
Liabilities Payable from Restricted Assets	-	455,649	-
<b>Total Current Liabilities</b>	<b>928,163</b>	<b>18,081,660</b>	<b>5,108,044</b>
Noncurrent Liabilities			
Interfund Advances Payable	-	8,019,977	-
Claims and Judgments Payable	-	-	18,117,990
Compensated Absences Payable	31,061	276,561	121,238
Long-term Capital Lease Payable	-	17,255	759,673
Corona Utility Authority Lease Payable	-	172,628,344	-
Long-term Debt, Net of Unamortized Premium	-	66,258,604	-
Net Pension Liability	1,034,799	34,179,223	8,353,075
Net OPEB Liability	616,162	16,747,317	4,633,541
<b>Total Noncurrent Liabilities</b>	<b>1,682,022</b>	<b>298,127,281</b>	<b>31,985,517</b>
<b>Total Liabilities</b>	<b>2,610,185</b>	<b>316,208,941</b>	<b>37,093,561</b>

See Notes to Financial Statements

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

(CONTINUED)

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	17,002	561,605	137,251
Deferred OPEB Related Items	2,957	97,813	13,877
<b>Total Deferred Inflows of Resources</b>	<b>19,959</b>	<b>659,418</b>	<b>151,128</b>
<b>Net Position</b>			
Net Investment in Capital Assets	4,425,658	346,111,296	3,599,650
Restricted for:			
Capital Projects	-	6,735,454	-
Transportation	369,860	369,860	-
Restricted for Development Agreements	-	792,804	-
Unrestricted	(788,575)	(95,244,197)	4,014,548
<b>Total Net Position</b>	<b>4,006,943</b>	<b>258,765,217</b>	<b>7,614,198</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 6,637,087</b>	<b>\$ 575,633,576</b>	<b>\$ 44,858,887</b>

**Reconciliation of Net Position to the Statement of Net Position**

Net Position per Statement of Net Position - Proprietary Funds	\$ 258,765,217
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(181,483)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	8,397
<b>Net Position per Statement of Net Position</b>	<b>\$ 258,592,131</b>

CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Corona Utility Authority</b>		
	<b>Water</b>	<b>Water Reclamation</b>	<b>Electric</b>
<b>Operating Revenues</b>			
Service Charges	\$ 49,024,380	\$ 30,692,782	\$ 15,948,217
Fees and Permits	6,831,790	179,624	-
Fines and Penalties	531,903	300,346	50,222
Other Revenues	4,186,087	4,396,758	1,006,845
<b>Total Operating Revenues</b>	<b>60,574,160</b>	<b>35,569,510</b>	<b>17,005,284</b>
<b>Operating Expenses</b>			
Personnel Services	9,325,566	5,787,533	1,936,206
Contractual	3,888,629	1,362,126	458,889
Materials and Supplies	23,732,431	9,831,248	3,725,939
Utilities	4,635,440	3,152,170	8,250,226
Depreciation and Amortization	7,769,263	5,363,829	982,327
Claims Expense	-	-	-
<b>Total Operating Expenses</b>	<b>49,351,329</b>	<b>25,496,906</b>	<b>15,353,587</b>
Operating Income (Loss)	11,222,831	10,072,604	1,651,697
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	1,539,255	2,562,565	855,037
Interest Expense	(4,856,866)	(2,654,759)	(257,669)
Operating Grants and Contributions	2,466	296,988	19,103
Intergovernmental	-	181,498	-
Contributions	-	-	-
Loss on Joint Venture	-	(94,231)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(3,315,145)</b>	<b>292,061</b>	<b>616,471</b>
Income (Loss) Before Contributions and Transfers	7,907,686	10,364,665	2,268,168
Capital Grants and Contributions	1,219,809	5,088,723	-
Transfers In	2,827,104	562,898	220,290
Transfers Out	-	(1,760,084)	-
Changes in Net Position	11,954,599	14,256,202	2,488,458
Net Position, Beginning of Year	110,328,980	96,306,417	19,423,618
Restatements	-	-	-
Net Position, Beginning of Year, as Restated	110,328,980	96,306,417	19,423,618
<b>Net Position, End of Year</b>	<b>\$ 122,283,579</b>	<b>\$ 110,562,619</b>	<b>\$ 21,912,076</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds			
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds			
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>			

## CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Operating Revenues</b>			
Service Charges	\$ -	\$ 95,665,379	\$ 16,282,415
Fees and Permits	31,903	7,043,317	-
Fines and Penalties	-	882,471	-
Other Revenues	724,093	10,313,783	865,488
<b>Total Operating Revenues</b>	<b>755,996</b>	<b>113,904,950</b>	<b>17,147,903</b>
<b>Operating Expenses</b>			
Personnel Services	480,099	17,529,404	6,805,550
Contractual	1,804,249	7,513,893	1,533,610
Materials and Supplies	188,464	37,478,082	4,141,747
Utilities	182,118	16,219,954	861,189
Depreciation and Amortization	678,264	14,793,683	386,693
Claims Expense	-	-	1,130,845
<b>Total Operating Expenses</b>	<b>3,333,194</b>	<b>93,535,016</b>	<b>14,859,634</b>
Operating Income (Loss)	(2,577,198)	20,369,934	2,288,269
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	53,354	5,010,211	-
Interest Expense	-	(7,769,294)	(47,181)
Operating Grants and Contributions	1,505,956	1,824,513	-
Intergovernmental	2,180	183,678	-
Contributions	-	-	595,314
Loss on Joint Venture	-	(94,231)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,561,490</b>	<b>(845,123)</b>	<b>548,133</b>
Income (Loss) Before Contributions and Transfers	(1,015,708)	19,524,811	2,836,402
Capital Grants and Contributions	606,941	6,915,473	-
Transfers In	45,914	3,656,206	485,045
Transfers Out	-	(1,760,084)	-
Changes in Net Position	(362,853)	28,336,406	3,321,447
Net Position, Beginning of Year	4,369,796	230,428,811	7,106,568
Restatements	-	-	(2,813,817)
Net Position, Beginning of Year, as Restated	4,369,796	230,428,811	4,292,751
<b>Net Position, End of Year</b>	<b>\$ 4,006,943</b>	<b>\$ 258,765,217</b>	<b>\$ 7,614,198</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds		\$ 28,336,406	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		8,397	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>		<b>\$ 28,344,803</b>	

## CITY OF CORONA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Corona Utility Authority</b>		
	<b>Water</b>	<b>Water Reclamation</b>	<b>Electric</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 55,627,250	\$ 30,935,039	\$ 16,856,740
Cash paid to suppliers for goods and services	(35,626,140)	(15,079,077)	(11,760,803)
Cash paid to employees for services	(9,246,825)	(5,658,793)	(1,767,325)
Cash paid for current claims	-	-	-
Cash paid for long-term claims	-	-	-
Cash received from others	4,686,877	4,216,032	1,305,091
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>15,441,162</b>	<b>14,413,201</b>	<b>4,633,703</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers in	2,827,104	562,898	220,290
Transfers out	-	(1,760,084)	-
Cash borrowed due to other funds	-	-	-
Advance to other funds	-	-	(932,057)
Repayments of advance from other funds	-	-	609,026
Operating grants and contributions	2,466	296,988	19,103
Intergovernmental	-	181,498	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>2,829,570</b>	<b>(718,700)</b>	<b>(83,638)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from capital debt	24,115	-	-
Proceeds from long-term capital lease payable	-	-	-
Capital grants and contributions	1,219,809	5,088,723	-
Acquisition and construction of capital assets	(8,020,007)	(13,836,967)	(50,420)
Retirement on long-term debt	(3,631,131)	(2,293,834)	-
Interest payments of long-term debt	(4,945,441)	(2,673,690)	(257,669)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(15,352,655)</b>	<b>(13,715,768)</b>	<b>(308,089)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	1,509,510	2,522,023	824,280
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,509,510</b>	<b>2,522,023</b>	<b>824,280</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,427,587</b>	<b>2,500,756</b>	<b>5,066,256</b>
Cash and Cash Equivalents at Beginning of Year	31,700,901	62,158,807	16,508,858
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 36,128,488</b>	<b>\$ 64,659,563</b>	<b>\$ 21,575,114</b>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2019

(CONTINUED)

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 11,222,831	\$ 10,072,604	\$ 1,651,697
<b>Adjustments to Reconcile Operating Income (Loss)</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation and Amortization	7,769,263	5,363,829	982,327
(Increase) decrease in accounts receivable	198,552	1,033,346	15,215
(Increase) decrease in deposits receivable	-	-	(65,309)
(Increase) decrease in due from other governments	500,790	(180,726)	298,246
(Increase) decrease in inventories and prepayments	(31,824)	-	65,807
(Increase) decrease in deferred outflows of pension related items	1,996,024	1,188,917	322,596
(Increase) decrease in deferred outflows of OPEB items	(537,512)	(336,745)	(81,062)
Increase (decrease) in accounts payable and accrued liabilities	(2,620,352)	(799,035)	611,622
Increase (decrease) in unearned revenue	60,442	-	-
Increase (decrease) in deposits payable	(1,019,817)	(1,271,059)	908,395
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	33,150	90,183	5,700
Increase (decrease) in liabilities payable from restricted assets	(695,605)	78,125	-
Increase (decrease) in pension liability	(1,939,405)	(1,047,613)	(121,866)
Increase (decrease) in OPEB liability	740,630	362,693	79,428
Increase (decrease) in deferred inflows of pension related items	(232,550)	(139,086)	(38,551)
Increase (decrease) in deferred inflows of OPEB items	(3,455)	(2,232)	(542)
<b>Total Adjustments</b>	<b>4,218,331</b>	<b>4,340,597</b>	<b>2,982,006</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 15,441,162</b>	<b>\$ 14,413,201</b>	<b>\$ 4,633,703</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Gain/(Loss) on Investment in Joint Venture	\$ -	\$ (94,231)	\$ -
Amortization of bond premium	(88,575)	(18,931)	-



CITY OF CORONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2019

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities- Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 33,792	\$ 103,452,821	\$ 16,295,226
Cash paid to suppliers for goods and services	(1,975,613)	(64,441,633)	(6,255,203)
Cash paid to employees for services	(462,265)	(17,135,208)	(4,003,497)
Cash paid for current claims	-	-	(304,159)
Cash paid for long-term claims	-	-	(1,537,808)
Cash received from others	1,690,024	11,898,024	865,488
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(714,062)</b>	<b>33,774,004</b>	<b>5,060,047</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers in	45,914	3,656,206	485,045
Transfers out	-	(1,760,084)	-
Cash borrowed due to other funds	(694,343)	(694,343)	-
Advance to other funds	(115,000)	(1,047,057)	-
Repayments of advance from other funds	-	609,026	-
Operating grants and contributions	1,505,956	1,824,513	-
Intergovernmental	2,180	183,678	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>744,707</b>	<b>2,771,939</b>	<b>485,045</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from capital debt	-	24,115	297,067
Proceeds from long-term capital lease payable	-	-	807,947
Capital grants and contributions	606,941	6,915,473	595,314
Acquisition and construction of capital assets	(131,449)	(22,038,843)	(2,430,733)
Retirement on long-term debt	-	(5,924,965)	(281,729)
Interest payments of long-term debt	-	(7,876,800)	(47,181)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>475,492</b>	<b>(28,901,020)</b>	<b>(1,059,315)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	50,842	4,906,655	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>50,842</b>	<b>4,906,655</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>556,979</b>	<b>12,551,578</b>	<b>4,485,777</b>
Cash and Cash Equivalents at Beginning of Year	806,925	111,175,491	33,260,281
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,363,904</b>	<b>\$ 123,727,069</b>	<b>\$ 37,746,058</b>

## CITY OF CORONA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Business-Type Activities - Enterprise Funds		
	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (2,577,198)	\$ 20,369,934	\$ 2,288,269
<b>Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation and Amortization	678,264	14,793,683	386,693
(Increase) decrease in accounts receivable	4,087	1,251,200	12,811
(Increase) decrease in deposits receivable	-	(65,309)	-
(Increase) decrease in due from other governments	772,959	1,391,269	-
(Increase) decrease in inventories and prepayments	-	33,983	172,574
(Increase) decrease in deferred outflows of pension related items	139,933	3,647,470	656,576
(Increase) decrease in deferred outflows of OPEB items	(45,412)	(1,000,731)	(453,601)
Increase (decrease) in accounts payable and accrued liabilities	203,409	(2,604,356)	151,369
Increase (decrease) in unearned revenue	190,774	251,216	-
Increase (decrease) in deposits payable	-	(1,382,481)	-
Increase (decrease) in claims and judgments	-	-	(711,122)
Increase (decrease) in compensated absences	4,599	133,632	233,671
Increase (decrease) in liabilities payable from restricted assets	-	(617,480)	-
Increase (decrease) in pension liability	(213,001)	(3,321,885)	88,074
Increase (decrease) in OPEB liability	143,622	1,326,373	2,316,943
Increase (decrease) in deferred inflows of pension related items	(15,860)	(426,047)	(80,421)
Increase (decrease) in deferred inflows of OPEB items	(238)	(6,467)	(1,789)
<b>Total Adjustments</b>	<b>1,863,136</b>	<b>13,404,070</b>	<b>2,771,778</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (714,062)</b>	<b>\$ 33,774,004</b>	<b>\$ 5,060,047</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Gain/(Loss) on Investment in Joint Venture	\$ -	\$ (94,231)	\$ -
Amortization of bond premium	-	(107,506)	-



## ***Fiduciary Fund Financial Statements***

### **FIDUCIARY FUNDS:**

***Successor Agency Trust Fund*** – This fund is a private-purpose trust fund, used to account for activities of the Successor Agency of the former Corona Redevelopment Agency. The Corona Redevelopment Agency dissolved with the passage of Assembly Bill 1X 26 on January 31, 2012. The City serves as a custodian for the assets of the dissolved agency.

***Pass-Through Agency Fund*** – This fund is an agency fund, and is custodial in nature and used to account for receipts of special assessments and taxes that will be used to pay principal and interest on the bonds that have no direct City obligation.

CITY OF CORONA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2019

	Private- Purpose Trust Fund Successor Agency Trust Fund	Agency Funds
<b>Assets</b>		
Cash and Investments	\$ 6,618,051	\$ 1,376,346
Interest Receivable	-	79,938
Due from Other Governmental Agencies	-	204,421
Restricted Assets:		
Cash and Investments	6,940,502	27,130,909
<b>Total Assets</b>	<b>13,558,553</b>	<b>\$ 28,791,614</b>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Related Items	15,937	
Deferred OPEB Related Items	37,059	
<b>Total Deferred Outflows of Resources</b>	<b>52,996</b>	
<b>Liabilities</b>		
Current:		
Accounts Payable and Accrued Liabilities	792,714	\$ 38,677
Long-Term Debt Due within One Year	4,025,000	-
Liabilities Payable from Restricted Assets	3,203	-
Noncurrent:		
Due to Other Governmental Agencies	7,490,083	-
Long-term Debt, Net of Unamortized Premium	47,780,739	-
Net Pension Liability	88,900	-
Net OPEB Liability	258,776	-
Due to Bondholders	-	28,752,937
<b>Total Liabilities</b>	<b>60,439,415</b>	<b>\$ 28,791,614</b>
<b>Deferred Inflows of Resources</b>		
Deferred Pension Related Items	1,461	
Deferred OPEB Related Items	1,459	
<b>Total Deferred Inflows or Resources</b>	<b>2,920</b>	
<b>Net Position</b>		
Held in Trust for Successor Agency Activities	(46,830,786)	
<b>Total Net Position</b>	<b>\$ (46,830,786)</b>	

CITY OF CORONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2019

	<u>Private-Purpose Trust Fund Successor Agency Trust Fund</u>
<b>Additions</b>	
Property Taxes	\$ 11,105,302
Investment Income	100,120
<b>Total Additions</b>	<u>11,205,422</u>
<b>Deductions</b>	
Administrative Expenses	(24,450)
Developer Payments - OPA Approved by DOF	1,894,084
Debt Service Payments	2,508,279
<b>Total Deductions</b>	<u>4,377,913</u>
Changes in Net Position	6,827,509
Net Position, Beginning of Year	<u>(53,658,295)</u>
<b>Net Position, End of the Year</b>	<u><u>\$ (46,830,786)</u></u>



**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Summary of Significant Accounting Policies**

The accounting policies of the City of Corona, California conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). The most significant accounting policies are described below.

**a. 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 (CPFA), the Corona Public Improvement Corporation (CPIC), the Corona Utility Authority (Authority), and the Corona Housing Authority (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 Units**

**The Corona Public Financing Authority** 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 Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. 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.

**The Corona Utility Authority** 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.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**The Corona Housing Authority** 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 (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.

**b. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including the statement of net position and the statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activities are eliminated to avoid duplication of revenues and expenses.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its blended component unit at year-end. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restriction to these program uses. Other revenue sources not included with program revenues are reported as general revenues of the City, they are primarily taxes.

**Fund Financial Statements**

The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary and fiduciary.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. Major individual governmental and enterprise funds are reported in separate columns.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance.

The following are the City's 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 project 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.
- The Other Grants capital projects fund accounts for receipts and expenditures of money received from various governmental grants.
- The Development capital projects fund is used to account for Quimby and various development impact fees (DIF) received. The use of DIF funds is governed by Section 66006 of the Government Code.

The City also reports the following non-major governmental funds:

- Special revenue funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects) as follows:

Gas Tax	Asset Forfeiture
Trip Reduction	Special Tax Districts
Other Grants & Endowments	Residential Refuse
Measure A	

- Capital project funds – accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. The non-major capital project funds include:

Public Facility Project	HUD Grants
Planned Local Drainage	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

- Debt service funds – accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than enterprise debt. The City’s debt service fund includes:

Public Financing Authority

Proprietary Funds

Proprietary funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City’s proprietary funds are classified as enterprise funds and internal service funds.

The following are the City’s major enterprise funds:

- The Water fund is used to account 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.
- The Water Reclamation fund is used to account 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.
- The Electric Fund is used to 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 Corona Utility Authority, a blended component unit of the City. The Authority operates both the Water and Water Reclamation systems pursuant to separate management agreements with the City.

The City also reports the following non-major enterprise funds:

Transit Services

Airport

Additionally, the City reports the internal service funds that account for the City’s fleet operations, information technology, risk management and warehouse services. These funds provide services to other City departments on a cost reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City on behalf of outside related organizations and are not included in the government-wide financial statements. The fiduciary fund reporting focuses on economic resources and are accounted for under the accrual basis of accounting.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

The City reports the following two types of fiduciary funds:

Private-Purpose Trust Fund

Reported in this fund type is the Successor Agency Trust Fund, which was established in February 2011 to account for the assets and liabilities of the Successor Agency to the former Corona Redevelopment Agency, and its allocated revenue to pay estimated installment payments of the enforceable obligations until the obligations of the Successor Agency are paid in full and assets fully liquidated.

Agency Funds

Two funds are reported under the Agency 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.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**c. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflow of resources and liabilities associated with the operation of the City are included on the statement of net position. 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. The statement of activities reports revenues and expenses. Internal service fund transactions have been eliminated in the statement of activities except for those between the governmental and business-type activities.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increased (revenues) and decreases (expenses) in total net position. The statements of cash flows provide information about how the City finances and meets the cash flow needs of its proprietary activities.

**d. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Fiduciary funds use the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

**Revenue – Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the availability is defined within 60 days of year-end.

**Revenue – Non-Exchange Transactions**

Non-exchange transactions in which the City receives value without directly giving equal value in return, includes sales taxes, property taxes, grants and donations. 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 (Note 1.F). 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. On a modified accrual basis, revenue from non-exchange transaction also must be available (generally 60 days after year-end) before it can be recognized in the governmental funds. 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.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, federal and state grants.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria listed above have been satisfied.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**Proprietary Funds Operating and Non-operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**e. Cash, Cash Equivalents and Investments**

Cash Management

The City pools cash resources of its various funds, including the Successor Agency 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 at each month based on ending cash and investment balances of each fund.

Investments Valuation

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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's investments are presented in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The City's investments were categorized as Level 2 only, and there were no Level 1 or Level 3 investments.

State Investment Pool

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

All investments in LAIF were considered as Level 2 investment under GASB Statement No.72.

For purposes of the statement of cash flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

**f. Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "interfund advances receivable/payable" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are presented as nonspendable in fund balances to indicate that they are not in a spendable form.

Property taxes are assessed, collected and allocated by Riverside County throughout the fiscal year according to the following property tax calendar.

Lien Date	January 1
Levy Date	July 1 to June 30
Due Dates	November 1, 1st installment, February 1, 2nd installment
Delinquent Dates	December 11, 1st installment, April 11, 2nd installment

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".

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**g. Inventories, Prepaid Items and Land Held for Resale**

Inventory in the governmental and proprietary funds consists of expendable supplies held for future consumption or capitalization. Inventory is valued at cost using the first in, first out (FIFO) method. The cost is recorded as an expenditure/expense as inventory items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expenditure/expense when consumed.

Land held for resale is valued at the lower of cost or estimated net realizable value and is recorded in the capital project fund.

**h. Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." 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. Refer to Note 4 for additional information.

**i. Capital Assets**

The City's assets are capitalized at historical cost or estimated historical cost. 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 has chosen the "modified approach" for reporting the streets subsystem of infrastructure capital assets. Donated capital assets are reported at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as shown below:

Buildings -----	20-50 years
Computer Software -----	5 years
Equipment -----	3-20 years
Improvements -----	20 years
Infrastructure -----	25-65 years

The City has elected not to retroactively report its internally generated intangible assets as permitted by GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

The City defines infrastructure as the basic physical assets that allow the City to function. These 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.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (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, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

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.

**j. Compensated Absences Payable**

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. Please refer to Note 8 for additional information.

**k. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

In accordance to GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, 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.

**I. Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions, if any) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

**m. Other Postemployment Benefits (OPEB) Liability**

For purposes 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 plan (OPEB Plan), the assets of which are held by the California Employers' Retiree Benefit Trust Program (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

**n. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so would not be recognized as an outflow of resources (expenses/expenditure) until then. The City has two type of items that qualifies for reporting in this category. The item, deferred charge on refunding, is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items are deferred pension related items and deferred OPEB related items, are reported in the government-wide statement of net position.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applied to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. The City has two types of items. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from five sources: property taxes, special assessments and developer fees not received within 60 days subsequent to year end, loans and long-term receivables, as well as the capital lease between the City and the Corona Utility Authority. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred pension and OPEB related items reported in the government-wide statement of net position.

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or 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 pension or OPEB and are to be recognized in future pension and OPEB expense, respectively.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earning on pension or OPEB plan investments	5 years	All plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan. As of June 30, 2018, EARLS were:	6.68 years	OPEB plan
	2.4 years	Pension Misc.-Agent Multiple Employer Plan
	4.6 years	Pension Safety – Agent Multiple Employer Plan
	3.8 years	Pension Safety – Cost Sharing Plan

**o. Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Governmental Fund Balances**

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent.

Fund balances are classified as follows:

Nonspendable

These are amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

Restricted

These are amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

Committed fund balances contain self-imposed constraints of the government from its highest level of decision-making authority, the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned

Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council, through City ordinance, has expressly delegated to the City Manager and the Finance Director the authority to assign funds for particular purposes.

Unassigned

Fund balances are reported as unassigned for the residual amount when the balances do not meet any of the above criterions. The General Fund is the only fund that reports a positive fund balance amount.

The City considers restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. Please refer to Note 16 for additional information.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide and proprietary funds financial statements. Net positions were classified in the following categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restricts imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources were considered to be applied. The City's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**p. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**q. Effect of New Accounting Standards**

During the fiscal year ended June 30, 2019, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**II. STEWARDSHIP**

**Note 2: Stewardship, Compliance and Accountability**

**a. Budget**

Budget schedule is not presented for the Public Financing Authority Fund.

**b. Deficit Fund Balance or Net Position**

At June 30, 2019, the Public Facility Project Fund had a deficit fund balance of \$48,500 and the Liability Risk, Warehouse and Information Technology internal service funds had a deficit net position of \$802, \$113,186 and \$4,893,823, respectively. The deficits will be eliminated with future revenue. The Successor Agency Trust Fund had a deficit net position amount of \$46,830,786.

III. DETAILED NOTES ON ALL FUNDS

**Note 3: Cash and Investments**

The City of Corona maintains a cash and investment pool that is available for all City activities, covering governmental, business-type and fiduciary. Each activity balance in the pool is reflected on the government-wide statement of net position as well as the statement of fiduciary net position as cash and investments. The City apportions interest earnings to all activities based on their monthly cash balances reported in each fund.

**a. Cash Deposits**

The carrying amounts of the City's cash deposits were \$1,703,446 at June 30, 2019. Bank balances before reconciling items were \$2,335,835 at that date. All City's cash and investments as of June 30, 2019 were collateralized or insured with securities held by pledging financial institutions in the City's name. 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 City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under 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 funds.

**b. Investments**

The authorized investments under the provisions of the City's investment policy and in accordance with California Government Code are listed below:

- Securities issued by the U.S. Treasury;
- Notes or discount notes issued by agencies of the federal government, not to exceed 75% of the portfolio;
- Banker's acceptances, not to exceed 20% of the portfolio;
- Negotiable certificates of deposit issued by institutions insured by the federal government, not to exceed 20% of the portfolio;
- Repurchase agreements, not to exceed 10% of the portfolio;
- California Local Agency Investment Fund (State Pool);
- Corporate medium-term notes, not to exceed 30% of the portfolio;
- Commercial paper, not to exceed 25% of the portfolio, may not represent more than 10% of issuer's outstanding paper;

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

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**Note 3: Cash and Investments (Continued)**

- Diversified management companies, as defined by Section 53601 (l) of the Government Code, not to exceed 10% of the portfolio;
- Bonds issued by the City, including bonds payable solely out of revenue from a revenue producing property owned, controlled or operated by the City, not to exceed 25% of the portfolio for combined municipal debt;
- Bonds, notes or other evidence of indebtedness of any local agency within the State, or State warrants, or treasury notes or bonds of the State not to exceed 25% of the portfolio for combined municipal debt;
- Bonds, notes or other evidence of indebtedness in any of the other 49 states, in addition to California, not to exceed 25% of the portfolio for combined municipal debt;
- Mortgage-backed pass-through securities, collateralized mortgage obligations and asset backed securities not to exceed 15% of investing agency's surplus, and
- Supranationals, not to exceed 10% per issuer

In accordance with the City's investment policy, all securities are held by a third-party custodian in the name of the City.

Per GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value. Accordingly, fund balances reflected the portfolio's change in value, which are unrealized unless sold.

Investment income in all funds and component units are presented using an aggregated method under GASB Statement No. 31:

	2019	2018
Realized gain/(loss) on matured investments	\$ (124,241)	\$ 143,829
Unrealized gain/(loss) in changes in fair value of investments	7,338,438	(4,263,618)
Interest Income	6,838,384	4,995,540
Total investment income	\$ 14,052,581	\$ 875,751

The calculation of realized gains and losses on investments is independent of the calculation of the change of the fair market value, and realized gains and losses are the accumulation of prior years.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 3: Cash and Investments (Continued)**

**c. Summary of Cash and Investments**

The following is a summary of pooled cash and investments at June 30, 2019:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and Investments	\$ 212,148,387	\$ 112,790,514	\$ 324,938,901	\$ 7,994,397	\$ 332,933,298
Restricted Cash and Investments	\$ 1,045,099	\$ 10,936,555	\$ 11,981,654	\$ 34,071,411	46,053,065
Total Cash and Investments					\$ 378,986,363

**d. Investments in Local Agency Investment Funds**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight to the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The City's investments with LAIF at June 30, 2019 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

As of June 30, 2019, the City had \$64,562,349 invested in LAIF. Fair value of the City's LAIF investments was \$64,672,866 as of June 30, 2019. This is arrived at by multiplying the City's LAIF account balance by a fair value factor determined by LAIF. The fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost, resulting in a factor of 1.00171179.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

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 the City's investment portfolio to maturities not to exceed five years at time of purchase. The investment maturities of the City's portfolio as of June 30, 2019, are presented below:

Investment Type	Investment Maturities (in Months)		
	12 Months or Less	12 Months to 60 Months	More than 60 Months
<b>Cash and Investments:</b>			
FHLB	\$ -	\$ 24,382,412	\$ -
FHLMC	4,974,608	11,876,430	-
FNMA	3,979,588	33,591,661	-
FHLMC - CMO	-	18,889,619	-
US T-Notes	-	65,281,749	-
LAIF	64,672,866	-	-
Federated	456,303	-	-
Commercial Paper	2,481,556	-	-
Toronto Dominion Bank Note	-	3,318,532	-
HSBC Holdings PLC Note	-	1,248,444	-
International Bank Recon & Development Note	-	3,984,796	-
International Finance Corp Note	-	1,693,914	-
International Finance Corp Note	699,244	-	-
Inter-American Dev Bank Note	-	7,626,575	-
Royal Bank of Canada Note	-	2,410,193	-
American Express Credit	-	2,345,195	-
American Honda Finance Note	-	3,348,413	-
Apple	-	2,236,933	-
Bank of America Corp	-	3,369,207	-
Bank of New York Mellon Corp	-	3,393,216	-
Berkshire Hathaway Note	-	2,540,390	-
Boeing Co	-	1,982,862	-
Charles Schwab Corp	-	759,329	-
Chase CHAIT	-	1,149,522	-
Chevron Corp	-	3,113,625	-
Chubb INA Holdings Inc	-	2,546,089	-
Costco Wholesale Corp	1,623,623	-	-
Exxon Mobil Corp Callable Note	-	2,707,482	-
General Dynamics Corp Note	-	3,018,090	-
Home Depot	1,136,042	-	-
Honda Auto Receivables	4,191	4,122,104	-
IBM Credit Corp Note	-	2,947,689	-
John Deere Capital Corp	-	3,398,711	-
John Deere Owner Trust	-	3,520,070	-
JP Morgan Chase & Co	-	3,297,167	-
Microsoft Note	-	2,893,624	-
Nissan ABS	-	681,848	-
Oracle Corp Callable Note	-	3,308,169	-
Paccar Financial Corp	-	2,379,785	-
PNC Bank Callable Note	-	3,081,500	-
Qualcomm Inc Note	2,399,218	-	-
State Street Bank Note	-	2,069,593	-
Toyota ABS	-	1,217,239	-
Toyota Motor Credit Corp Note	-	3,132,435	-
US Bancorp Callable Note	-	1,263,363	-
Wal-Mart Stores	-	2,102,056	-
Wells Fargo Corp Note	2,572,582	-	-
Deposits	1,703,446	-	-
<b>Total Investments</b>	<b>\$ 86,703,267</b>	<b>\$ 246,230,031</b>	<b>\$ -</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

Investment Type	Investment Maturities (in Months)		
	12 Months or Less	12 Months to 60 Months	More than 60 Months
<b>Restricted Cash and Investments:</b>			
Cash and Cash in Escrow	\$ 3,932,340	\$ -	\$ -
Local Agency Investment Funds	3,407,810	-	-
Blackrock Federal	33,893,281	-	-
Morgan Stanley Govt Advisory	1,104,432	-	-
MBIA Financial Guaranty Ins Policy	-	1	-
MBIA Debt Service Reserve Surety Bond	-	1	-
Natixis Funding Corp	-	3,715,200	-
<b>Total Investments</b>	<b>\$ 42,337,863</b>	<b>\$ 3,715,202</b>	<b>\$ -</b>

**Credit Risk.** State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's, Fitch Ratings, and Moody's Investors Service.

The City portfolio value fluctuates in an inverse relationship to any change in interest rates. Accordingly, if interest rates have risen, the portfolio value would have declined. If interest rates have fallen, the portfolio value would have risen.

As of June 30, 2019, the City had the following deposits and investments.

	Credit Rating	Fair Value	Total
<b>City Treasury:</b>			
Deposits	Not Rated	\$ 1,703,446	\$ 1,703,446
<b>Investments:</b>			
Medium Term Notes	AAA	2,893,624	
Medium Term Notes	AA+	4,944,415	
Medium Term Notes	AA	7,756,071	
Medium Term Notes	AA-	6,440,604	
Medium Term Notes	A+	8,284,861	
Medium Term Notes	A-	11,638,174	
Asset Backed Securities	AAA	4,438,544	
Asset Backed Securities	Not Rated	8,601,625	79,661,362
U.S. Government Agency Securities			
FHLB	AA+	24,382,412	
FHLMC	AA+	16,851,038	
FNMA	AA+	37,571,249	
U.S. Treasury	AA+	65,281,749	144,086,448
FHLMC - CMO	AAA	4,132,444	
FHLMC - CMO	AA+	1,253,613	
FHLMC - CMO	Not Rated	13,503,562	18,889,619
Money Market Funds	AAA	456,303	456,303
Commercial Paper			
MUFG Bank Ltd/NY Discount CP	AA	2,481,556	2,481,556
Foreign Corporate			
Toronto Dominion Bank Note	AA-	2,003,811	
Toronto Dominion Bank Note	A	1,314,721	
Royal Bank of Canada Note	AA-	2,410,193	
HSBC Holdings PLC Note	A	1,248,444	6,977,169
Supranationals			
International Bank Recon & Development Note	AAA	3,984,796	
International Finance Corp Note	AAA	2,393,158	
Inter-American Dev Bank Note	NR	7,626,575	14,004,529
Local Agency Investment Funds	Not Rated	64,672,866	64,672,866
<b>Restricted Cash and Investments:</b>			
Cash & Investments with Fiscal Agents	Not Rated	42,120,725	
Development Restricted Cash	Not Rated	57,000	
Water Reclamation Restricted Cash	Not Rated	509,441	
Electric Restricted Cash	Not Rated	2,008,396	
Transit Restricted Cash	Not Rated	369,860	
Special Tax Districts Restricted Cash	Not Rated	14,169	
Transportation Grants Restricted Cash	Not Rated	973,474	46,053,065
<b>Total Investments</b>			<b>\$ 378,986,363</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

The City's credit risk, expressed on a percentage basis as of June 30, 2019, is presented below:

Investment Type	Moody's Rating	S&P Rating	% of Investment
US T-Notes	Aaa	AA+	19.71%
LAIF	NR	NR	19.53%
Federal National Mortgage Association	Aaa	AA+	11.34%
Federal Home Loan Bank	Aaa	AA+	7.36%
Federal Home Loan Mortgage Corp - CMO	Aaa	AA+	5.70%
Federal Home Loan Mortgage Corp	Aaa	AA+	5.09%
Inter-American Dev Bank	Aaa	NR	2.30%
International Bank Recon & Development Note	Aaa	AAA	1.20%
Bank of NY Mellon Corp	A1	A	1.02%
Bank of America Corp	A2	A-	1.02%
Oracle Corp	A1	AA-	1.00%
JP Morgan Chase & Co	A2	A-	1.00%
Toyota Motor Credit Corp	Aa3	AA-	0.95%
Chevron Corp	Aa2	AA	0.94%
PNC Bank	A2	A	0.93%
General Dynamics Corp	A2	A+	0.91%
IBM Credit Corp	A1	A	0.89%
Exxon Mobil Corp	Aaa	AA+	0.82%
Wells Fargo Corp	A2	A-	0.78%
Chubb INA Holdings Inc	A3	A	0.77%
Berkshire Hathaway	Aa2	AA	0.77%
MUFG Bank - Commercial Paper	P-1	A-1	0.75%
Royal Bank of Canada	Aa2	AA-	0.73%
Qualcomm Inc	A2	A-	0.72%
International Finance Corp	Aaa	AAA	0.72%
John Deere Owner Trust	Aaa	NR	0.72%
Paccar Financial Corp	A1	A+	0.72%
American Honda Finance	A2	A	0.72%
American Express Credit	Aaa	NR	0.71%
Apple Inc	Aa1	AA+	0.68%
Wal-Mart Stores	Aa2	AA	0.63%
Honda Auto Receivables	Aaa	AAA	0.63%
State Street Bank	A1	A	0.62%
Honda Auto Receivables Owner	Aaa	NR	0.62%
Toronto Dominion Bank Note	Aa1	AA-	0.60%
Boeing Co	A2	A	0.60%
John Deere Capital Corp	A2	A	0.56%
Microsoft	Aaa	AAA	0.56%
Costco Wholesale Corp	Aa3	A+	0.49%
John Deere Capital Corp	A2	A	0.46%
Toronto Dominion Bank Note	Aa3	A	0.40%
US Bancorp	A1	A+	0.38%
HSBC Holdings PLC	A2	A	0.38%
Chase CHAIT	NR	AAA	0.35%
Home Depot	A2	A	0.34%
Microsoft	Aaa	AAA	0.31%
Toyota Auto Receivables Owner	Aaa	AAA	0.30%
American Honda Finance	A2	A	0.29%
John Deere Owner Trust	Aaa	NR	0.23%
Charles Schwab Corp	A2	A	0.23%
Nissan Auto Receivables	Aaa	NR	0.21%
Federated Govt Obligation Money Market Fund	NR	NR	0.14%
John Deere Owner Trust	Aaa	NR	0.11%
Toyota Auto Receivable	Aaa	AAA	0.07%
Honda Auto Receivables	Aaa	NR	0.001%
<b>Total</b>			<b>100.0%</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 3: Cash and Investments (Continued)**

**f. Fair Value Measurement and Application**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

	June 30, 2019	Investments not Measured at Fair Value	Level 2
<b>Investments:</b>			
US Treasury	\$ 65,281,749	\$ -	\$ 65,281,749
Federal Government Agency	78,804,699	-	78,804,699
Collateral Mortgage Obligations	18,889,619	-	18,889,619
Commercial Paper	2,481,556	-	2,481,556
Foreign Corporate	6,977,169	-	6,977,169
Supranationals	14,004,529	-	14,004,529
Medium-Term Corporate Notes	66,621,194	-	66,621,194
Asset-Backed Securities	13,040,168	-	13,040,168
Money Market Funds	456,303	456,303	-
Local Agency Investment Fund	64,672,866	64,672,866	-
Total Cash Investments	<u>331,229,852</u>	<u>65,129,169</u>	<u>266,100,683</u>
<b>Restricted Investments:</b>			
Local Agency Investment Fund	3,407,810	-	3,407,810
Medium-Term Corporate Notes	3,715,202	-	3,715,202
US Treasury	34,997,714	34,997,714	-
Total Restricted Investments	<u>42,120,725</u>	<u>34,997,714</u>	<u>7,123,012</u>
Total Investments	<u>\$ 373,350,577</u>	<u>\$ 100,126,883</u>	<u>\$ 273,223,695</u>

**Note 4: Interfund Transactions**

**a. Current Interfund Receivables/Payables**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of current interfund balances as of June 30, 2019:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Major Funds:</b>			
General Fund	\$ 7,523,156	Other Grants	\$ 5,083,935
<b>Non-Major Funds:</b>			
<b>Special Revenue Funds:</b>			
		Other Grants & Endowments	5,768
<b>Capital Projects Funds:</b>			
		Public Facility Project	1,675,240
		HUD Grants	758,213
<b>Total</b>	<u>\$ 7,523,156</u>	<b>Total</b>	<u>\$ 7,523,156</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 4: Interfund Transactions (Continued)****b. Long-Term Interfund Receivables/Payables**

At June 30, 2019, the funds below have made advances that were not expected to be repaid within one year.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Major Funds:</b>		<b>Major Funds:</b>	
General Fund	\$ 17,573,098	<u>Capital Project Funds:</u>	
		Development	\$ 9,553,121
<u>Enterprise Funds:</u>		<u>Enterprise Funds:</u>	
Electric	2,222,399	Electric	8,019,977
		<b>Non-Major Funds:</b>	
		<u>Special Revenue Funds:</u>	
		Special Tax Districts	2,222,399
<b>Total</b>	<u>\$ 19,795,497</u>	<b>Total</b>	<u>\$ 19,795,497</u>

The General Fund made cash advances to the Park Development (Quimby) capital project fund over the years to help the Quimby 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. Repayments to the General Fund will continue to be made from development impact fees collected with future development. As of June 30, 2019, the balance of this Interfund Loan was \$9,275,722. The General Fund also has interfund loans between the Temescal Canyon Law Enforcement Facility Fee and Temescal Canyon Fire Facility Fee funds within the development fund in the amount of \$79,119 and \$198,280, respectively.

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. As of June 30, 2019, the balance payable from Electric to the General Fund was \$8,019,977.

In September 2017, the Electric enterprise fund made a loan to the Special Tax Districts special revenue fund to advance funding for the LED street and safety light retrofit project. Repayment is expected to be made over a 10-year period, from available revenues. As of June 30, 2019 the balance of this Interfund Loan was \$2,222,399.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 4: Interfund Transactions (Continued)****c. Internal Balances – Capital Lease**Related Parties

In 2002, the City established the Corona Utility Authority (Authority) as a joint powers authority pursuant to a Joint Exercise of Powers Agreement between the City and the former Redevelopment Agency of the City of Corona 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.

Capital Lease Obligations

In February 2002, the Authority entered into capital leases with the City to lease the City's Water and Water Reclamation facilities (Lease Agreements). The terms of the leases are 55 years. The leases will terminate on February 6, 2056, at which time the Authority could renew the capital leases of the Water and Water Reclamation facilities. The capital 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 lease payable for an amount equal to the net capital assets recorded on the City's financial statements.

Per the Lease Agreements, maximum lease payments are calculated with a discount rate of 6.0%. The original lease 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 lease principal amounts by a range from 1.2% to 3.0%. Starting Fiscal Year 2008-09 and continued to the next fiscal year, the lease payment was calculated with a 3.5% to 4.0% growth factor over the previous fiscal year, equivalent to discounting the lease principal amounts by 3.2% for Water Utilities and 2.8% for Water Reclamation Utilities. In Fiscal Year 2011-12, the annual lease 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 lease payment was discounted at 5.7% of the lease principal amount. For fiscal years 2013-14 and 2014-15, the lease payment 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, 2019, the lease payment for Water and Water Reclamation utilities were calculated with a discount rate of 6.0%.

Per the Lease Agreements, all lease payments are considered interest payments toward the lease obligation. The Authority's obligations under the Lease Agreements shall be forgiven, discharged and excused upon the date the aggregate amount of payments made by the Authority to the City equals the amount of the principal amount of the lease obligation.

The following Internal Balances – Capital Leases were outstanding at June 30, 2019:

<u>Leasee</u>	<u>Balance</u>
Capital Lease - Water Utility	\$ 106,819,662
Capital Lease - Water Reclamation Utility	65,808,682
Total Internal Balances - Capital Leases	<u>\$ 172,628,344</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 4: Interfund Transactions (Continued)**

Current Year Transactions

During Fiscal Year 2018-19, the following related party transactions were recorded by the City and the Authority:

<u>Leasee</u>	<u>Amount</u>
Water Utility	\$ 3,041,878
Water Reclamation Utility	2,041,048
Total Payment from the Authority to the City	<u>\$ 5,082,926</u>

Capital Lease Payments

At June 30, 2019, the future minimum lease payments required under the capital leases and the net present value of the future lease payments for the Water utility are presented below:

<b>Corona Utility Authority</b>		
<b>Future Lease Payments - Water Utility</b>		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ -	\$ 2,877,084
2021	-	2,720,530
2022	-	2,571,803
2023	-	2,430,513
2024	-	2,296,287
2025 - 2029	-	9,691,549
2030 - 2034	-	7,211,837
2035 - 2039	-	5,293,084
2040 - 2044	-	3,808,389
2045 - 2049	-	2,622,328
2050 - 2054	-	1,200,047
2055 - 2056	-	137,085
Total Future Lease Payments	-	<u>\$ 42,860,536</u>
Amount to be Forgiven at End of Lease	<u>106,819,662</u>	
Present Value of Total Lease Payment	<u>\$ 106,819,662</u>	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 4: Interfund Transactions (Continued)**

At June 30, 2019, the future minimum lease payments required under the capital leases and the net present value of the future lease payments for the Water Reclamation utility are presented below:

<b>Corona Utility Authority</b>		
<b>Future Lease Payments - Water Reclamation Utility</b>		
Fiscal Year	Principal	Interest
2020	\$ -	\$ 1,932,246
2021	-	1,828,883
2022	-	1,730,689
2023	-	1,637,405
2024	-	1,548,785
2025 - 2029	-	6,562,179
2030 - 2034	-	4,924,991
2035 - 2039	-	3,658,167
2040 - 2044	-	2,677,922
2045 - 2049	-	1,919,427
2050 - 2054	-	1,543,555
2055 - 2056	-	541,965
Total Future Lease Payments	-	<u>\$ 30,506,214</u>
Amount to be Forgiven at End of Lease	<u>65,808,682</u>	
Present Value of Total Lease Payment	<u>\$ 65,808,682</u>	

**d. Transfers Between Funds**

With Council approval, resources may be transferred from one fund to another. Significant one-time transfers made during the current fiscal year were:

- \$1,046,720 from the Gas Tax special revenue fund to the General Fund for the payment of street maintenance costs.
- \$1,760,084 from the Water enterprise fund to the Water Reclamation Fund for payment of the operating capital projects loan.
- \$2,579,552 from the General Fund for the PERS additional unfunded liability contribution to the following funds:
  - Gas Tax fund - \$102,210
  - Other Grants and Endowments fund - \$14,193
  - Planned Local Drainage fund - \$69,701
  - Low-Mod Income Housing fund - \$12,281
  - Water fund - \$1,067,020
  - Water Reclamation fund - \$562,898
  - Transit Services fund - \$45,914
  - Electric fund - \$220,290
  - Fleet Operations fund - \$128,805
  - Warehouse Operations fund - \$20,235
  - Information Technology fund - \$336,005



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 4: Interfund Transactions (Continued)**

Total transfers of \$5,524,154 are presented below:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Low-Mod Income Housing Asset Fund	\$ 12,281
	Other Governmental Funds	323,902
	Water Enterprise Fund	1,067,020
	Water Reclamation Enterprise Fund	562,898
	Electric Enterprise Fund	220,290
	Other Enterprise Funds	45,914
	Internal Service Funds	<u>485,045</u>
		2,717,350
Other Governmental Funds	General Fund	1,046,720
Water Reclamation Enterprise Fund	Water Enterprise Fund	<u>1,760,084</u>
		<u>\$ 5,524,154</u>

**Note 5: Long-Term Receivables**

Long-term receivables on the governmental fund financial statement as of June 30, 2019 are presented by specific description so as not to be aggregated. The major receivable balances in the governmental funds which are not expected to be collected within one year are:

<u>Governmental Funds</u>	<u>Loans Receivable</u>	<u>Long-Term Receivable</u>
<b>Major Funds:</b>		
General Fund	\$ -	\$ 8,712,633
<u>Capital Project Funds:</u>		
Low Mod Income Housing Asset	7,708,385	9,942,191
Other Grants	2,300,000	-
Development	371,051	1,189,660
<b>Non-Major Funds:</b>		
<u>Capital Project Funds:</u>		
HUD Grants	<u>2,852,663</u>	<u>1,956,888</u>
<b>Total</b>	<b><u>\$ 13,232,099</u></b>	<b><u>\$ 21,801,372</u></b>

The General Fund long-term receivable includes the following items:

- Various City/former Corona Redevelopment Agency loans totaled \$7,490,083 as of June 30, 2019. 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. Please refer to Note 21b for additional information.
- Reimbursement receivables from developers for the Temescal Canyon Communications Tower in the amount of \$273,304.

**CITY OF CORONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

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**Note 5: Long-Term Receivables (Continued)**

- Amount to be reimbursed by developers for South Corona area Community Facilities Plan for \$174,246.
- Notes receivables from developers for the sale of land totaling \$775,000.

The Development capital project fund reported long-term loans receivables from developers totaling \$1,189,660 and loans receivable of \$371,051, related to deferred development fees.

The Low Income Housing Asset fund reported long-term receivables from developers totaling \$9,942,191 and loans receivable from various developers with a total of \$7,708,385 at June 30, 2019.

Loans receivable from developers of \$2,300,000 for building affordable housing.

The HUD Grants fund had long-term receivables of \$1,956,888 for amounts to be reimbursed by developers of low-income housing. Loans receivable in the amount of \$2,852,663 reported in the HUD Grants fund represented various outstanding HUD program loans as of June 30, 2019.

**Note 6: 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, 2019 was \$1,189,388 in the Low Mod Income Housing Asset Fund.

**Note 7: Capital Assets**

The City has reported all capital assets including infrastructure in the government-wide statement of net position.

The City elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting for its street pavement system. As a result, no accumulated depreciation or depreciation expense has been recorded for this system. A more detailed discussion of the “modified approach” is presented in the Required Supplementary Information section of this report.

All other capital assets including other infrastructure systems were reported using the basic approach whereby accumulated depreciation and/or amortization and depreciation/ amortization expense have been recorded.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

Note 7: Capital Assets (Continued)

A summary of capital assets of the City as of June 30, 2019, is presented below:

	Beginning Balance June 30, 2018	Construction in Progress Completed	Additions	Deletions	Balance June 30, 2019
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 72,846,805	\$ -	\$ -	\$ -	\$ 72,846,805
Streets	196,155,351	23,714,006	228,608	-	220,097,965
Construction in Progress	115,147,472	(42,558,700)	35,619,743	-	108,208,515
Total Capital Assets not being Depreciated	384,149,628	(18,844,694)	35,848,351	-	401,153,285
Capital assets being depreciated:					
Buildings and Improvements	229,975,881	4,914,662	51,160	-	234,941,703
Machinery and Equipment	40,847,883	779,139	1,120,169	(1,747,877)	40,999,314
Computer Software	934,921	24,861	-	-	959,782
Infrastructure	320,609,687	13,126,032	2,362,640	-	336,098,359
Total Capital Assets being Depreciated	592,368,372	18,844,694	3,533,969	(1,747,877)	612,999,158
Less accumulated depreciation for:					
Buildings and Improvements	(114,342,277)	-	(4,887,289)	-	(119,229,566)
Machinery and Equipment	(26,719,522)	-	(2,413,186)	1,593,667	(27,539,041)
Computer Software	(532,645)	-	(135,258)	-	(667,903)
Infrastructure	(130,484,496)	-	(5,380,860)	-	(135,865,356)
Total Accumulated Depreciation	(272,078,940)	-	(12,816,593)	1,593,667	(283,301,866)
Total Capital Assets Being Depreciated, Net	320,289,432	18,844,694	(9,282,624)	(154,210)	329,697,292
Governmental Activities Capital Assets, Net	\$ 704,439,614	\$ -	\$ 26,565,727	\$ (154,210)	\$ 730,850,577

For the year ended June 30, 2019, accumulated depreciation on governmental activity capital assets and depreciation expense charged to each governmental function are presented as follows:

	Beginning Balance June 30, 2018	Current Year Depreciation	Accumulated Depreciation	Adjustments to Depreciation	Accumulated Depreciation June 30, 2019
General Governments	\$ 43,359,112	\$ 3,040,720	\$ 46,399,832	\$ 42,731	\$ 46,442,563
Public Safety - Fire	7,542,663	458,632	8,001,295	(595,463)	7,405,832
Public Safety - Police	4,986,699	1,087,948	6,074,647	(643,236)	5,431,411
Public Works	9,819,113	700,406	10,519,519	1,203,132	11,722,651
Maintenance Services	203,297,884	7,116,560	210,414,444	(1,575,707)	208,838,737
Library and Recreation	210,276	25,634	235,910	(25,124)	210,786
Internal Service Funds	2,863,193	386,693	3,249,886	-	3,249,886
Total Depreciation Expense	\$ 272,078,940	\$ 12,816,593	\$ 284,895,533	\$ (1,593,667)	\$ 283,301,866

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

Note 7: Capital Assets (Continued)

	Beginning Balance June 30, 2018	Construction in Progress Completed	Additions	Deletions	Balance June 30, 2019
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 5,421,427	\$ -	\$ 16,978	\$ -	\$ 5,438,405
Water Reclamation Rights	19,644,651	-	-	-	19,644,651
Construction in Progress	46,063,905	(48,961,285)	18,091,495	-	15,194,115
Total Capital Assets not being Depreciated	71,129,983	(48,961,285)	18,108,473	-	40,277,171
Capital assets being depreciated:					
Buildings and Improvements	98,792,702	6,400,613	-	-	105,193,315
Machinery and Equipment	100,641,562	13,075,025	1,152,750	(2,234,344)	112,634,993
Computer Software	1,546,192	176,016	-	-	1,722,208
Infrastructure	347,441,419	29,309,631	1,255,096	-	378,006,146
Total Capital Assets being Depreciated	548,421,875	48,961,285	2,407,846	(2,234,344)	597,556,662
Less accumulated depreciation for:					
Buildings and Improvements	(45,150,673)	-	(2,144,556)	-	(47,295,229)
Machinery and Equipment	(62,563,779)	-	(6,056,286)	2,033,589	(66,586,476)
Computer Software	(422,636)	-	(283,638)	-	(706,274)
Infrastructure	(100,170,700)	-	(6,309,203)	-	(106,479,903)
Emission Reduction Credits	-	-	-	-	-
Total Accumulated Depreciation	(208,307,788)	-	(14,793,683)	2,033,589	(221,067,882)
Total Capital Assets Being Depreciated, Net	340,114,087	48,961,285	(12,385,837)	(200,755)	376,488,780
Business-Type Activities Capital Assets, Net	<u>\$ 411,244,070</u>	<u>\$ -</u>	<u>\$ 5,722,636</u>	<u>\$ (200,755)</u>	<u>\$ 416,765,951</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2019, is as follows:

Water	\$ 7,769,263
Water Reclamation	5,363,829
Electric	982,327
Transit Services	663,967
Airport	14,297
Total depreciation expense - business-type activities	<u>\$ 14,793,683</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

Note 7: Capital Assets (Continued)

Below is a summary of infrastructure assets of the City as of June 30, 2019:

Description	Historical Cost	Accumulated Depreciation	Net Cost
<b>Governmental Activities:</b>			
<b>Modified Approach</b>			
Street Pavement System	\$ 220,097,965	\$ -	\$ 220,097,965
<b>Basic Approach</b>			
Curbing	79,459,488	(38,817,520)	40,641,968
Sidewalks	86,912,804	(41,979,134)	44,933,670
Signs and Lights	46,335,143	(15,448,688)	30,886,455
Storm Drains	116,268,572	(37,446,357)	78,822,215
Fiberoptics	5,899,800	(2,173,000)	3,726,800
Electric	1,206,137		
Water Reclamation	16,415	(657)	15,758
Subtotal Basic Approach	<u>336,098,359</u>	<u>(135,865,356)</u>	<u>199,026,866</u>
<b>Total Governmental Activities</b>	<u>\$ 556,196,324</u>	<u>\$ (135,865,356)</u>	<u>\$ 419,124,831</u>
<b>Business-Type Activities:</b>			
<b>Basic Approach</b>			
Fiberoptics	\$ 235,951	\$ (168,756)	\$ 67,195
Curbing	200	(22)	178
Sidewalks	283,179	(122)	283,057
Electric	6,212,266	(1,463,431)	4,748,835
Signs and Lights	361,508	(49,372)	312,136
Storm Drains	180,967	(2,554)	178,413
Water	257,094,605	(75,917,120)	181,177,485
Water Reclamation	113,637,470	(28,878,526)	84,758,944
<b>Total Business-Type Activities</b>	<u>\$ 378,006,146</u>	<u>\$ (106,479,903)</u>	<u>\$ 271,526,243</u>

Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2019. 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 \$123,402,630.

The following material construction commitments existed at June 30, 2019:

Project Name	Contract Amount	Expenditures to date as of June 30, 2019	Remaining Commitments
<b>Governmental Activities:</b>			
Cajalco/115 Interchange Improvement	\$ 46,654,046	\$ 37,347,277	\$ 9,306,769
McKinley Street Separation Grade	9,833,393	3,720,940	6,112,453
<b>Total Construction Commitments</b>	<u>\$ 56,487,439</u>	<u>\$ 41,068,217</u>	<u>\$ 15,419,222</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

**Note 8: Compensated Absences Payable**

As described in Note 1, 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.

As shown in the table below, the long-term portion of this debt amounts to \$3,071,593 for governmental activities and \$276,561 for business-type activities at June 30, 2019. These amounts are expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the General Fund and the proprietary funds. The total amount outstanding at June 30, 2019 was \$8,741,115 for governmental activities and \$910,439 for business-type activities.

	<u>Balance July 1, 2018</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
Governmental Activities	\$ 8,301,145	\$ 6,114,052	\$ 5,674,082	\$ 8,741,115	\$ 5,669,522	\$ 3,071,593
Business-Type Activities	\$ 776,807	\$ 826,287	\$ 692,655	\$ 910,439	\$ 633,878	\$ 276,561

**Note 9: Long-Term Obligations**

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2019:

	<u>Balance June 30, 2018</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
<b>Governmental Activities:</b>						
<b>Public Offering:</b>						
Lease Revenue Bonds Payable	\$ 23,335,000	\$ -	\$ 1,220,000	\$ 22,115,000	\$ 1,255,000	\$ 20,860,000
Unamortized Bond Premium	2,677,108	-	148,728	2,528,380	-	2,528,380
Total Public Offerings:	26,012,108	-	1,368,728	24,643,380	1,255,000	23,388,380
<b>Direct Borrowing:</b>						
Lease Payable	16,471,841	-	1,596,576	14,875,265	1,650,509	13,224,756
Capital Leases Payable	1,047,246	297,067	281,729	1,062,584	302,911	759,673
Total Direct Borrowing:	17,519,087	297,067	1,878,305	15,937,849	1,953,420	13,984,429
<b>Total Governmental Activities</b>	<b>\$ 43,531,195</b>	<b>\$ 297,067</b>	<b>\$ 3,247,033</b>	<b>\$ 40,581,229</b>	<b>\$ 3,208,420</b>	<b>\$ 37,372,809</b>
<b>Business-Type Activities:</b>						
<b>Public Offering:</b>						
Revenue Bonds	\$ 41,380,000	\$ -	\$ 3,445,000	\$ 37,935,000	\$ 2,075,000	\$ 35,860,000
Unamortized Bond Premium	1,593,652	-	107,506	1,486,146	-	1,486,146
Total Public Offerings:	42,973,652	-	3,552,506	39,421,146	2,075,000	37,346,146
<b>Direct Borrowing:</b>						
Installment Agreement Payable	8,071,849	-	604,782	7,467,067	375,989	7,091,078
Lease Payable	-	34,654	10,539	24,115	6,860	17,255
Contracts Payable	690,390	-	-	690,390	-	690,390
Term Loan Payable	24,927,120	-	1,875,183	23,051,937	1,920,947	21,130,990
Total Direct Borrowing:	33,689,359	34,654	2,490,504	31,233,509	2,303,796	28,929,713
<b>Total Business-Type Activities</b>	<b>\$ 76,663,011</b>	<b>\$ 34,654</b>	<b>\$ 6,043,010</b>	<b>\$ 70,654,655</b>	<b>\$ 4,378,796</b>	<b>\$ 66,275,859</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 9: Long-Term Obligations (Continued)**

The City's outstanding bonds from public offerings related to governmental activities of \$24,643,380 are payable from and secured by the revenues received by the City.

The City's outstanding bonds from public offerings related to business-type activities of \$39,421,146, contain a provision that if any event of default should occur, the trustee shall at the written direction of the Bond Owners of not less than a majority in aggregate principal amount outstanding, declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

The City's outstanding debt from direct borrowing related to business-type activities contain a provision that upon termination of the agreement, the City agrees, upon demand, to immediately repay an amount equal to the installment payments due.

**a. Lease Revenue Bonds**2016 Lease Revenue Refunding Bonds

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

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

<u>Fiscal Year</u>	<u>2016 Lease Revenue Refunding Bonds</u>	<u>Lease Payment</u>
2020		\$ 2,112,350
2021		2,106,250
2022		2,108,150
2023		2,112,750
2024		2,114,950
2025-2029		8,245,625
2030-2034		6,696,400
2035-2036		4,004,600
Total Minimum Lease Payments		29,501,075
Less: Amount Representing Interest		<u>(7,386,075)</u>
Present Value of Future Minimum Lease Payments		<u>\$ 22,115,000</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 9: Long-Term Obligations (Continued)****b. Lease Payable**2012 Refunding Lease

On June 1, 2012, the City entered into the 2012 Refunding Lease 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, 2019, the net present value of future minimum lease payments required under the capital lease was \$14,875,265. The future minimum lease payments are presented below:

<b>2012 Refunding Lease Payables</b>	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2020	\$ 2,135,122
2021	2,135,122
2022	2,135,122
2023	2,135,122
2024	2,135,122
2025-2026	<u>6,405,367</u>
Total Minimum Lease Payments	17,080,977
Less: Amount Representing Interest	<u>(2,205,712)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 14,875,265</u>

**c. Capital Leases Payable**

The following outstanding capital lease payables were reported in the governmental activities as of June 30, 2019:

<u>Issuance</u>	<u>Balance</u>
Cisco Networking Equipment	\$ 614,738
Vehicles	<u>447,846</u>
<b>Total Capital Leases Payable</b>	<u>\$ 1,062,584</u>

Computer Network Equipment Lease

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 to finance the purchase of Cisco Networking equipment. The lease is payable over a five-year period.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 9: Long-Term Obligations (Continued)**

As of June 30, 2019, the net present value of future minimum lease payments required under the capital lease was \$614,738. The future minimum lease payments are presented below:

<b>Computer Network Lease</b>	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2020	\$ 217,202
2021	217,202
2022	217,202
Total Minimum Lease Payments	651,606
Less: Amount Representing Interest	(36,868)
Present Value of Future Minimum Lease Payments	<u>\$ 614,738</u>

Internal Service Fund Vehicle Lease

On February 17, 2016, the City entered into a lease agreement with Enterprise FM Trust, a private lender, in the amount of \$255,551 to finance City vehicles. The lease is payable over a five-year period.

As of June 30, 2019, the net present value of future minimum lease payments required under the capital lease was \$447,846. The future minimum lease payments are presented below:

<b>Vehicle Lease</b>	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2020	\$ 125,949
2021	125,949
2022	125,949
2023	104,952
2024	14,336
Total Minimum Lease Payments	497,135
Less: Amount Representing Interest	(49,289)
Present Value of Future Minimum Lease Payments	<u>\$ 447,846</u>

**d. Revenue Bonds**

The following outstanding revenue bonds were reported in the business-type activities as of June 30, 2019:

<u>Revenue Bonds</u>	<u>Balance</u>
\$35,880,000 Corona Utility Authority 2012 Water Revenue Bonds	\$ 27,875,000
\$20,890,000 Corona Utility Authority 2013 Wastewater Revenue Bonds	10,060,000
<b>Total Revenue Bonds</b>	<u>\$ 37,935,000</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**
**Note 9: Long-Term Obligations (Continued)**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 fund.

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

Fiscal Year	2012 CUA Water Revenue Bonds		
	Principal	Interest	Total
2020	\$ 1,485,000	\$ 1,259,375	\$ 2,744,375
2021	1,530,000	1,206,500	2,736,500
2022	1,595,000	1,144,000	2,739,000
2023	1,655,000	1,070,725	2,725,725
2024	1,740,000	985,850	2,725,850
2025 - 2029	10,030,000	3,582,025	13,612,025
2030 - 2033	9,840,000	1,008,250	10,848,250
<b>Totals</b>	<b>\$ 27,875,000</b>	<b>\$ 10,256,725</b>	<b>\$ 38,131,725</b>

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**
**Note 9: Long-Term Obligations (Continued)**

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:

<b>Fiscal Year</b>	<b>2013 CUA Wastewater Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 590,000	\$ 429,100	\$ 1,019,100
2021	615,000	405,000	1,020,000
2022	640,000	379,900	1,019,900
2023	665,000	353,800	1,018,800
2024	690,000	323,250	1,013,250
2025 - 2029	4,000,000	1,061,600	5,061,600
2030 - 2032	2,860,000	174,400	3,034,400
<b>Totals</b>	<b>\$ 10,060,000</b>	<b>\$ 3,127,050</b>	<b>\$ 13,187,050</b>

**e. Installment Agreement Payables**

The following outstanding installment agreement payables were reported in the business-type activities as of June 30, 2019:

<b>Issuance</b>	<b>Balance</b>
Brine Line System Discharge Right Agreement	\$ 7,467,067
<b>Total Installment Agreement Payable</b>	<b>\$ 7,467,067</b>

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, 2019, outstanding balance on the debt was \$7,467,067. The future annual debt service requirements per the agreement are presented below:

<b>Fiscal Year</b>	<b>Brine Line System Discharge Right Agreement</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 375,988	\$ 224,012	\$ 600,000
2021	387,268	212,732	600,000
2022	398,886	201,114	600,000
2023	410,852	189,148	600,000
2024	423,178	176,822	600,000
2025-2029	2,314,110	685,890	3,000,000
2030-2034	2,682,687	317,313	3,000,000
2035	474,098	14,223	488,321
<b>Totals</b>	<b>\$ 7,467,067</b>	<b>\$ 2,021,254</b>	<b>\$ 9,488,321</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 9: Long-Term Obligations (Continued)****f. Capital Lease Payables**Water Fund Vehicle Lease

In Fiscal year 2018-19, the City entered into a lease agreement with Enterprise FM Trust, a private lender, in the amount of \$34,653 to finance City vehicles. The lease is payable over a five-year period.

As of June 30, 2019, the net present value of future minimum lease payments required under the capital lease was \$24,115. The future minimum lease payments are presented below:

<u>Vehicle Lease</u>	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2020	\$ 7,351
2021	7,351
2022	7,351
2023	3,062
Total Minimum Lease Payments	25,115
Less: Amount Representing Interest	(1,000)
Present Value of Future Minimum Lease Payments	<u>\$ 24,115</u>

**g. 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, 2019 was \$690,390, with 50% of the obligation attributable to the Water Utility and 50% attributable to Water Reclamation Utility.

**h. Term Loans Payable**

The following outstanding term loan obligations were reported in the business-type activities as of June 30, 2019:

<u>Term Loans</u>	<u>Balance</u>
State Revolving Fund Loan Contract No. C-06-4802-110	\$ 12,349,534
State Revolving Fund Loan Contract No. C-06-7834-110	10,702,403
<b>Total Term Loans Payable</b>	<u>\$ 23,051,937</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 9: Long-Term Obligations (Continued)**

State Revolving Fund Loan Contract No. C-06-4802-110

On June 10, 2003, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. C-06-4802-110 for a maximum amount of \$30,228,817, for construction of facilities at the Water Reclamation Facility No. 1. These facilities will provide recycled water to existing and future customers within the City. The loan is payable over a period of 20 years at an interest rate of 2.50% in equal annual installments of \$1,944,995 through 2026. The amount outstanding at June 30, 2019 was \$12,349,534. Annual future debt service requirements for the loan are presented below:

<b>State Revolving Fund Loan C-06-4802-110</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,636,257	\$ 308,738	\$ 1,944,995
2021	1,677,163	267,832	1,944,995
2022	1,719,092	225,903	1,944,995
2023	1,762,070	182,926	1,944,996
2024	1,806,121	138,874	1,944,995
2025-2026	3,748,831	141,160	3,889,991
<b>Totals</b>	<b>\$ 12,349,534</b>	<b>\$ 1,265,433</b>	<b>\$ 13,614,967</b>

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, 2019 was \$10,702,403. Annual future debt service requirements for the loan are presented below:

<b>State Revolving Fund Loan C-06-7834-110</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 284,691	\$ 224,750	\$ 509,441
2021	290,669	218,772	509,441
2022	296,773	212,668	509,441
2023	303,005	206,436	509,441
2024	309,369	200,073	509,442
2025 - 2029	1,647,066	900,140	2,547,206
2030 - 2034	1,827,425	719,780	2,547,205
2035 - 2039	2,027,535	519,670	2,547,205
2040 - 2044	2,249,558	297,648	2,547,206
2045 - 2047	1,466,312	62,012	1,528,324
<b>Totals</b>	<b>\$ 10,702,403</b>	<b>\$ 3,561,949</b>	<b>\$ 14,264,352</b>

**CITY OF CORONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 10: 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 \$60,986,937 in outstanding debts as of June 30, 2019. 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 21.4% of net revenues subject to the pledge. The total remaining debt service including interest to be paid on these obligations are \$79,198,094. Principal and interest paid for the current year was \$7,690,886, and total customer net revenue subject to pledge was \$36,011,257.

**Note 11: Non-City Obligations**

**a. 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.

As of June 30, 2019, the special assessment district bonds' balances outstanding were:

<b>Assessment District Bonds (Non-City Debt)</b>	<b>Balance</b>
\$ 855,000 A.D. No. 95-1 Improvement Bonds	\$ 120,000
\$ 1,624,200 A.D. No. 96-1 1996 A Improvement Bonds	235,000
\$ 685,000 A.D. No. 96-1 1997 A Improvement Bonds	150,000
\$ 1,605,000 A.D. No. 96-1 1997 B Improvement Bonds	380,000
\$ 2,657,100 A.D. No. 96-1 1999 A Improvement Bonds	895,000
<b>Total Special Assessment District Bonds</b>	<b>\$ 1,780,000</b>

**b. 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.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 11: Non-City Obligations (Continued)**

The following CFD bonds are currently active:

<u>Community Facility District Bonds (Non-City Debt)</u>	<u>Balance</u>
\$ 62,845,000 CFD 90-1 Refunding Bonds	\$ 6,600,000
\$ 6,485,000 CFD 2000-1, Series A Special Tax Bonds	3,765,000
\$ 1,610,000 CFD 2000-1, Series B Special Tax Bonds	1,015,000
\$ 3,675,000 CFD 2001-2 Special Tax Bonds	2,375,000
\$ 6,135,000 CFD 2003-2 Special Tax Bonds, 2005 Series	3,190,000
\$ 4,735,000 CFD 2003-2 Special Tax Bonds, 2006 Series	2,605,000
\$ 3,805,000 CFD 2004-1 Special Tax Bonds	2,690,000
\$ 7,195,000 CFD 86-2 Refunding 2014 Series A Bonds	1,510,000
\$ 7,350,000 CFD 89-1 Refunding 2014 Series A Bonds	2,585,000
\$ 5,495,000 CFD 89-1 IA Refunding 2014 Series A Bonds	1,935,000
\$ 9,525,000 CFD 97-2 Refunding 2014 Series A Bonds	5,620,000
\$ 13,455,000 CFD 2002-1 2017 Special Tax Refunding Bonds	12,640,000
\$ 7,125,000 CFD 2002-1 2017 Special Tax Refunding Bonds IA	6,735,000
\$ 7,010,000 CFD 2002-4 2017 Special Tax Refunding Bonds	6,515,000
\$ 5,475,000 CFD 2016-2 2018 Special Tax Bonds	5,475,000
\$ 9,000,000 CFD 2018-1 IA1 2018 Special Tax Series A	9,000,000
\$ 3,650,000 CFD 2017-2 2018 Special Tax Bonds	3,650,000
<b>Total Community Facilities District Bonds</b>	<u><u>\$ 77,905,000</u></u>

**c. 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, 2019, the aggregate principal amount of Conduit Debt Obligations outstanding totaled \$175,754.

**Note 12: Bond Requirements**

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, 2019, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

**Note 13: Pension Plan**

**a. General Information about the Pension Plans**

**Plan Description**

**Miscellaneous and Safety Police Plans** - All qualified permanent and probationary employees are eligible to participate in the City of Corona's Miscellaneous and Safety Police Pension Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on CalPERS website.

**Safety Fire Plan** - All qualified permanent and probationary employees are eligible to participate in the City of Corona's Safety Fire Pension Plan, cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on CalPERS website.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 13: Pension Plan (Continued)**

The Plans' provisions and benefits in effect at measurement date June 30, 2019, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Classic*</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	7.782%	5.750%
Required employer contribution rates	41.853%	41.853%
	<b>Safety Police</b>	
	<b>Classic*</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.0% - 2.7%
Required employee contribution rates	9.065%	11.750%
Required employer contribution rates	45.204%	45.204%
	<b>Safety Fire</b>	
	<b>Classic*</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.988%	12.250%
Required employer contribution rates	39.585%	12.763%

\*Closed to new entrants

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 13: Pension Plan (Continued)****Employees Covered - Miscellaneous and Safety Police Plans**

At measurement date June 30, 2019, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	385	111
Inactive employees entitled to but not yet receiving benefits	14	3
Active employees	428	161
Total	<u>827</u>	<u>275</u>

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERSL) 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. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as a reduction to the net pension liability were \$20,903,317, \$7,784,453, and \$3,772,862 for the Miscellaneous, Police, and Fire Plans, respectively.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liabilities in the June 30, 2017 actuarial valuations were rolled forward to June 30, 2018 and were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table**	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increases	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

\*\* The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 13: Pension Plan (Continued)****Change of Assumptions**

In 2018, the 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 to the discount rate.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	50.00%	4.80%	5.98%
Global 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 Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

(1) An expected inflation of 2.00% used for this period.

(2) An expected inflation of 2.92% used for this period.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

Note 13: Pension Plan (Continued)

Changes in the Net Pension Liability

The changes in Net Pension Liability for Miscellaneous and Safety Police Plans follows:

Miscellaneous Plan:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at: 6/30/2018 (Valuation Date of 6/30/17)</b>	<b>\$ 346,910,456</b>	<b>\$ 212,738,334</b>	<b>\$ 134,172,122</b>
<b>Changes recognized for the Measurement Period:</b>			
Service Cost	4,516,596	-	4,516,596
Interest on TPL	24,208,803	-	24,208,803
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(536,160)	-	(536,160)
Changes in Assumptions	(1,534,054)	-	(1,534,054)
Net Plan to Plan Resource Movement	-	(531)	531
Contributions from the Employer	-	22,977,143	(22,977,143)
Contributions from the Employees	-	1,905,754	(1,905,754)
Net Investment Income	-	18,381,353	(18,381,353)
Benefit Payments, including Refunds of Employee	(17,027,780)	(17,027,780)	-
Administrative Expense	-	(334,672)	334,672
Other Miscellaneous Income	-	(635,548)	635,548
<b>Net changes during 2017-2018</b>	<b>9,627,405</b>	<b>25,265,719</b>	<b>(15,638,314)</b>
<b>Balance at: 6/30/19 (Measurement Date of 6/30/18)</b>	<b>\$ 356,537,861</b>	<b>\$ 238,004,053</b>	<b>\$ 118,533,808</b>

Safety Police Plan:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at: 6/30/2018 (Valuation Date of 6/30/17)</b>	<b>\$ 240,635,219</b>	<b>\$ 158,303,307</b>	<b>\$ 82,331,912</b>
<b>Changes recognized for the Measurement Period:</b>			
Service Cost	5,925,006	-	5,925,006
Interest on TPL	17,126,542	-	17,126,542
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	1,568,431	-	1,568,431
Changes in Assumptions	(583,544)	-	(583,544)
Net Plan to Plan Resource Movement	-	(390)	390
Contributions from the Employer	-	5,180,881	(5,180,881)
Contributions from the Employees	-	1,706,509	(1,706,509)
Net Investment Income	-	13,353,137	(13,353,137)
Benefit Payments, including Refunds of Employee Contributions	(10,101,119)	(10,101,119)	-
Administrative Expense	-	(242,374)	242,374
Other Miscellaneous Income	-	(460,273)	460,273
<b>Net changes during 2017-18</b>	<b>13,935,316</b>	<b>9,436,371</b>	<b>4,498,945</b>
<b>Balance at: 6/30/19 (Measurement Date of 6/30/18)</b>	<b>\$ 254,570,535</b>	<b>\$ 167,739,678</b>	<b>\$ 86,830,857</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 13: Pension Plan (Continued)**

The City reported net pension liabilities for its proportionate share of the Safety Fire Plan in the amount of \$44,243,817.

The Net Pension Liabilities for the City's pension plans have been primarily liquidated by funding from the General, Water and Water Reclamation funds.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018, was as follows:

	Plan Net Pension Liability/(Asset)
Balance at: 6/30/2017 (Valuation Date)	\$ 43,640,515
Balance at: 6/30/2018 (Measurement Date)	44,243,817
Net Changes during 2017-18	<u>\$ 603,302</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of each Plan, 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% point lower (6.15%) or 1% point higher (8.15%) than the current rate:

	Miscellaneous	Safety Police	Safety Fire	Total
1% Decrease	6.15%	6.15%	6.15%	
Net Pension Liability	\$ 169,056,793	\$ 125,045,972	\$ 68,051,665	<u>\$ 362,154,430</u>
Current Discount Rate	7.15%	7.15%	7.15%	
Net Pension Liability	\$ 118,533,808	\$ 86,830,857	\$ 44,243,817	<u>\$ 249,608,482</u>
1% Increase	8.15%	8.15%	8.15%	
Net Pension Liability	\$ 77,282,821	\$ 55,823,980	\$ 24,737,548	<u>\$ 157,844,349</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**
**Note 13: Pension Plan (Continued)****Pension Plan Fiduciary Net Position**

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the City recognized pension expense totaling \$38,250,925 for the Miscellaneous, \$14,796,845, Safety Police \$15,166,810, and Safety Fire Plans \$8,287,270. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety - Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution subsequent to measurement date	\$ 18,301,125	\$ -	\$ 8,767,137	\$ -
Difference between Expected and Actual Experience	-	(1,052,792)	1,356,011	(1,308,484)
Change in Assumptions	2,704,748	(894,865)	8,493,877	(1,246,886)
Net difference between Projected and Actual Earnings on Pension Plan Investments	245,030	-	-	(62,242)
Adjustment due to difference in proportion	-	-	-	-
Difference in proportionate share	-	-	-	-
<b>Total</b>	<b>\$ 21,250,903</b>	<b>\$ (1,947,657)</b>	<b>\$ 18,617,025</b>	<b>\$ (2,617,612)</b>

	Safety - Fire		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution subsequent to measurement date	\$ 4,307,750	\$ -	\$ 31,376,012	\$ -
Difference between Expected and Actual Experience	987,272	(3,745)	2,343,283	(2,365,021)
Change in Assumptions	4,508,322	(608,253)	15,706,947	(2,750,004)
Net difference between Projected and Actual Earnings on Pension Plan Investments	311,091	-	556,121	(62,242)
Adjustment due to difference in proportion	1,139,742	(238,999)	1,139,742	(238,999)
Difference in proportionate share	157,004	(1,527,199)	157,004	(1,527,199)
<b>Total</b>	<b>\$ 11,411,181</b>	<b>\$ (2,378,196)</b>	<b>\$ 51,279,109</b>	<b>\$ (6,943,465)</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**
**Note 13: Pension Plan (Continued)**

Amounts of \$18,301,125, \$8,767,137, and \$4,307,750 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30:	Miscellaneous	Safety - Police	Safety - Fire	Total
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2019	\$ 3,712,653	\$ 3,867,094	\$ 3,947,190	\$ 11,526,937
2020	158,256	3,100,546	2,310,765	5,569,567
2021	(2,291,404)	591,693	(1,214,460)	(2,914,171)
2022	(577,384)	(327,057)	(318,260)	(1,222,701)
2023	-	-	-	-
Thereafter	-	-	-	-
	<u>\$ 1,002,121</u>	<u>\$ 7,232,276</u>	<u>\$ 4,725,235</u>	<u>\$ 12,959,632</u>

**b. Defined Contribution Pension Plan**

The City provides pension benefits for all of its Part-time, Seasonal and Temporary (PST) employees through the City's PST Deferred Compensation Plan, which is a defined contribution plan. The plan is administered by Nationwide Retirement Solutions. The purpose of the plan is to provide PST employees with a retirement plan as mandated by and in compliance with the Federal Omnibus Reconciliation Act of 1990. The plan provisions including contribution requirements were established by the City Council according to Department of Treasury regulations under Section 457 of the Internal Revenue Code of 1986, as amended. Plan benefits and contribution requirements may be amended by the City Council.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. The City requires the employee to contribute 6.2% of the 7.5% required by the Federal Government. The City's contribution for each employee and interest allocated to the employee's account are fully vested immediately. During Fiscal Year 2018-19, the City contributed \$23,571 on hourly salaries of \$1,773,864 with the employees contributing \$112,397.

**Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB)**
**Plan Description**

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)**

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.

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: either (a) attainment of age 50 (age 52, if a miscellaneous employee 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.

**Funding Policy**

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 7.28%, the long-term expected return on trust assets.

**Employees Covered**

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active	618
Inactive employees or beneficiaries currently receiving benefits	544
Total	<u>1,162</u>

**Contributions**

The plan and its contribution requirements are established by Memoranda 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, 2018, the City's cash contributions were \$10,445,297 in total payments, which were recognized as a reduction to the OPEB liability.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)**

**Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2018 and to develop the total OPEB liability at the beginning of the measurement period on June 30, 2018, the results of the June 30, 2017 valuation were rolled back, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.80%
Inflation	2.75%
Salary Increases	3.25% per year
Investment Rate of Return	6.80%
Mortality Rate (1)	MacLeod Watts Scale 2017 applied generationally
Healthcare Trend Rate	Adjusted in future years ranging from 5.00% - 8.00%

Notes:

(1) Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008, then projected as described above.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	57.00%	10.00%
Global Debt Securities	27.00%	4.20%
Inflation Assets	5.00%	1.60%
REITs	8.00%	6.20%
Commodities	3.00%	-9.60%
<b>Total</b>	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.80 percent. 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 FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

**Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)**

**Changes in the OPEB Liability**

The changes in the net OPEB liability are as follows:

	Increase(Decrease)		
	Total OPEB Liability/(Assets) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Assets) (c) = (a) - (b)
<b>Balance at June 30,2018 (Valuation date of 6/30/2017)</b>	<b>\$ 151,083,781</b>	<b>\$ 35,830,088</b>	<b>\$ 115,253,693</b>
<b>Changes recognized over the measurement period:</b>			
Service Cost	1,437,025	-	1,437,025
Interest	10,832,995	-	10,832,995
Changes of assumptions	8,986,849	-	8,986,849
Contributions - employer	-	10,445,297 *	(10,445,297)
Net investment income	-	2,899,746	(2,899,746)
Benefit Payments	(7,431,858)	(7,431,858)	-
Administrative expense	-	(19,731)	19,731
Other Expenses	-	(47,396)	47,396
<b>Net Changes</b>	<b>13,825,011</b>	<b>5,846,058</b>	<b>7,978,953</b>
<b>Balance at June 30, 2019 (Measurement date of 06/30/2018)</b>	<b>\$ 164,908,792</b>	<b>\$ 41,676,146</b>	<b>\$ 123,232,646</b>

\*Includes an implied subsidy amount of \$1,141,235.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	Current Discount Rate		
	1% Decrease (5.80%)	(6.80%)	1% Increase (7.80%)
Net OPEB Liability	\$ 144,901,967	\$ 123,232,646	\$ 105,405,010

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018.

	Current Healthcare Cost Trend Rates		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 103,801,903	\$ 123,232,646	\$ 148,382,740

**OPEB Plan Fiduciary Net Position**

CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California, 95814.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)**

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$10,735,164. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 10,006,129	\$ -
Changes of assumptions	7,641,498	-
Net difference between projected and actual earnings on OPEB plan investments	-	731,790
<b>Total</b>	<b>\$ 17,647,627</b>	<b>\$ 731,790</b>

The \$10,006,129 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30	Deferred Outflows/(Inflows) of Resources
2020	\$ 1,113,693
2021	1,113,693
2022	1,113,691
2023	1,308,537
2024	1,345,351
Thereafter	914,743
	<u>\$ 6,909,708</u>

**Note 15: Classification of Net Position and Fund Balances**

**a. Government-Wide Financial Statements**

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of the City's capital assets reduce the amount in this category.

Restricted

This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Additionally, this category presents restrictions placed on the categories of capital projects, debt service, and specific projects and programs as established by the City Council.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

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**Note 15: Classification of Net Position and Fund Balances (Continued)**

Unrestricted

This category represents the net position of the City, which are not restricted for any project or other purpose.

**b. Fund Financial Statements**

The City divides fund balances into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable Fund Balance

Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance

Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment. The City's committed fund balance includes:

- 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 Fund Balance

- Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council delegates the authority to assign amounts to be used for specific purposes to the Administrative Services Director.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 15: Classification of Net Position and Fund Balances (Continued)**

Unassigned Fund Balance

These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances in all other funds.

As noted in Note 1, restricted funds are used first as appropriate. Assigned fund balance is reduced to the extent that expenditure has been appropriated by City Council. Decrease in fund balance first reduce committed fund balance, in the event that committed fund balance becomes zero, then assigned and unassigned fund balances are used in that order.

The fund balances of the City's governmental funds as of June 30, 2019, are presented below:

	General	Low Mod Income Housing Asset	Other Grants	Development	Other Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>						
<b>Nonspendable</b>						
Long-term Receivables	\$ 8,712,633	\$ -	\$ -	\$ -	\$ -	\$ 8,712,633
Interfund Advances Receivable	17,573,098	-	-	-	-	17,573,098
Inventories and Prepayments	206,341	-	-	-	-	206,341
<b>Restricted</b>						
Street Maintenance	-	-	-	-	21,815,264	21,815,264
Trip Reduction	-	-	-	-	1,436,054	1,436,054
Asset Forfeiture	-	-	-	-	311,412	311,412
Special Tax District	-	-	-	-	19,116,749	19,116,749
Housing & Community Development	-	28,397,567	-	-	5,143,875	33,541,442
Other Grants	-	-	492,952	-	71,358	564,310
Development	-	-	-	19,889,582	-	19,889,582
Residential Refuse	-	-	-	-	497,796	497,796
<b>Committed</b>						
Emergency Contingency	32,600,000	-	-	-	-	32,600,000
Designated Revenues	4,768,780	-	-	-	-	4,768,780
Pension Obligation Reserve	2,530,492	-	-	-	-	2,530,492
<b>Assigned</b>						
Budget Balancing Measures	34,433,788	-	-	-	-	34,433,788
Continuing Appropriations	17,099,457	-	-	-	-	17,099,457
Other Capital Projects	-	-	-	-	396,813	396,813
Other Purposes	3,961,791	-	-	-	-	3,961,791
Unassigned	-	-	-	-	(48,500)	(48,500)
<b>Total Fund Balances</b>	<b>\$ 121,886,380</b>	<b>\$ 28,397,567</b>	<b>\$ 492,952</b>	<b>\$ 19,889,582</b>	<b>\$ 48,740,821</b>	<b>\$ 219,407,302</b>

**Note 16: 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, 2019 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2019, the City's workers' compensation self-insurance program was funded at a confidence level of 75% according to the most recent actuarial study dated February 15, 2019.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 16: Risk Management (Continued)**

The following table presents claims and judgments payable for the City's workers' compensation self-insurance program for fiscal year ended June 30, 2019, and its four preceding years:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2015	\$ 17,475,000	\$ 3,511,384	\$ (2,646,384)	\$ 18,340,000
2016	18,340,000	2,595,911	(1,060,640)	19,875,271
2017	19,875,271	2,953,371	(1,691,537)	21,137,105
2018	21,137,105	722,158	(1,402,425)	20,456,838
2019	20,456,838	618,559	(1,329,681)	19,745,716

Of the total liabilities, \$3,095,009 is due within one year or less. Claims are paid by the internal service funds.

**b. 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, 2019 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, 2019, the City's General Liability self-insurance program was funded above the confidence level of 90% according to the most recent actuarial study dated February 15, 2019.

The following table presents claims and judgments payable for the general liability self-insurance program, including property losses, for fiscal year ended June 30, 2019, and its four preceding years:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2015	\$ 2,541,000	\$ 251,204	\$ (261,204)	\$ 2,531,000
2016	2,531,000	23,330	(425,436)	2,128,894
2017	2,128,894	294,831	(107,043)	2,316,682
2018	2,316,682	673,040	(537,084)	2,452,638
2019	2,452,638	223,267	(223,267)	2,452,638

Of the total liabilities, \$985,355 is due within one year or less. Claims are paid by the internal service funds.

**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, 2019 has been incorporated in the financial statements as Claims and Judgments Payable in the Liability Risk internal service fund and are based on history only.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 17: 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.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ended June 30, 2019, the City's appropriations limit totaled \$531,674,691 and the City's appropriations subject to limitation were \$105,128,509.

On November 5, 1996, California voters passed Proposition 218 which requires, in general, that any new implementation, increase or extension of taxes, fees, and charges be put to a vote of the public. The City has held special elections for property owners in special districts when appropriate asking for a proportional increase in the annual assessment for landscape maintenance on publicly owned medians and easements. Regardless if the elections were passed or defeated, services in those districts continue to be provided at a level equal to the assessments.

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 \$4.0 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 \$74,111,000. The current participants and their obligated contribution on this loan through June 30, 2019, were as follows:

	<u>Percent</u>
City of Corona	42.42%
Jurupa Community Services District	46.02%
City of Norco	9.10%
Western Municipal Water District	0.88%
Home Gardens Sanitary District	<u>1.58%</u>
Total	<u><u>100%</u></u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

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**Note 17: Commitments and Contingencies (Continued)**

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 will likely 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, 2019, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

**Note 18: Joint Venture**

In July 2012, the City entered into an agreement with the Western Riverside County Regional Wastewater Authority (WRCRWA) and became a voting member of WRCRWA. 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 14.0 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 Gardens Sanitary District	0.75
Total	14.00

The City's investment in WRCRWA for the fiscal year ended June 30, 2019, was \$5,865,267.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

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**Note 18: Joint Venture (Continued)**

Unaudited financial information of the Authority for the fiscal year ended June 30, 2019, was summarized as follows:

Western Riverside County Regional Wastewater Authority Net Position:	
Total assets	\$ 118,934,900
Total liabilities	(73,287,038)
Deferred inflow of resources	<u>(350,000)</u>
Total Net Position	<u>\$ 45,297,862</u>
Water Facilities Authority Changes in Net Position:	
Operating revenues	\$ 8,336,108
Operating expenses	<u>(6,636,290)</u>
Operating loss before depreciation and amortization	1,699,818
Depreciation and amortization	<u>(4,304,051)</u>
Operating revenue (loss)	<u>(2,604,233)</u>
Nonoperating revenues (expenses)	<u>2,061,875</u>
Change in Net Position	(542,358)
Beginning Net Position	<u>45,840,220</u>
Ending Net Position	<u>\$ 45,297,862</u>

Financial statements of the Authority can be obtained from the WRCRA office at 450 Alessandro Boulevard, Riverside, California 92517, for audited financial information.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 19: 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, 2019, the City abated taxes totaling \$5,227,373. Under this program, the City has the following tax abatement agreements:

- A sales tax abatement to a commercial fueling and energy operation facility for expanding operations within the City of Corona, resulting in a significant new local sales tax revenues. Per the agreement, the City shall pay an amount equal to 50% of sales tax revenues received in excess of \$250,000. In Fiscal Year 2018-19 the abatement amounted to \$395,647.
- 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 exceeds \$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. In Fiscal Year 2018-19 the abatement amounted to \$133,910.
- 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. In Fiscal Year 2018-19 the abatement amounted to \$226,454.
- 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. In Fiscal Year 2018-19 the abatement amounted to \$1,152,396.
- 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. In Fiscal Year 2018-19 the abatement amounted to \$2,790,471.
- 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. In Fiscal Year 2018-19 the abatement amounted to \$528,495.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 20: Restatements**

**a. Restatement on Government-Wide Statements**

Restatements to net position made on the government-wide statements for Fiscal Year 2018-19 are summarized below:

	<u>Governmental Activities</u>
Beginning Net Position, as reported	\$ 764,600,961
Restatements	<u>(1,920,559)</u>
Beginning Net Position, as restated	<u>\$ 762,680,402</u>

Restatement to Governmental Activities

A total of \$1,920,559 was reduced from the beginning net position in governmental activities due to the following adjustments:

- Grant receivables of \$1,435,463 were not received within the one year revenue recognition period. A restatement was made to reverse the previous revenues and defer the revenue until the revenue will be received.
- The City adjusted \$485,096 to account for development fees received and recorded as revenues, which should have been recorded as developer deposits, according to the development agreement.

**b. Restatement on Fund Statements**

Governmental Funds

Restatements to fund balance on the governmental fund financial statements for Fiscal Year 2018-19, are summarized as follows:

	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Other Grants</u>	<u>Development</u>	<u>Other Governmental Funds</u>
Beginning Fund Balance, as reported	\$ 108,568,234	\$ 1,978,059	\$ 9,137,699	\$ 40,427,944
Restatements	<u>(468,360)</u>	<u>(1,435,463)</u>	<u>(485,096)</u>	<u>468,360</u>
Beginning Fund Balance, as restated	<u>\$ 108,099,874</u>	<u>\$ 542,596</u>	<u>\$ 8,652,603</u>	<u>\$ 40,896,304</u>

General and Residential Refuse Fund

Beginning fund balances were restated by \$(468,360) and \$468,360 in the General and Residential Refuse funds, respectively, to separately present the activity of the Residential Refuse special revenue fund, which was previously presented as part of the General fund.

Other Grants Fund

Grant receivables of \$(1,435,463) were not received within the one year revenue recognition period. A restatement was made to reverse the previous revenues and defer the revenue until the revenue will be received.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 20: Restatements (Continued)**

Development Fund

The City adjusted \$(485,096) to account for development fees received and recorded as revenues, which should have been recorded as developer deposits, according to the development agreement.

**c. Restatement on Proprietary Fund Statements**

	<u>Proprietary Funds</u>
	<u>Internal Service Funds</u>
Beginning Net Position, as reported	\$ 7,106,568
Restatements	(2,813,817)
Beginning Net Position, as restated	<u>\$ 4,292,751</u>

- During the current year the City adjusted \$2,276,405 related capital assets which were expensed in the Fleet fund and capitalized in the governmental activities in previous years.
- The City created a new Information Technology internal service fund as of July 1, 2018. \$(5,090,222) was adjusted in the fund to allocate the beginning portion of the Net Pension and Net OPEB liabilities related to the fund.

**Note 21: Successor Agency Trust for Former Corona Redevelopment Agency**

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.

**a. Cash and Investment**

The City of Corona maintains a cash and investment pool that is available for all City activities, including the Successor Agency. Cash and investments reported in the statement of fiduciary net position consisted of the following:

	<u>Amount</u>
Cash and Investments Pooled with the City	\$ 6,618,051
Cash and Investments with Fiscal Agent	<u>6,940,502</u>
<b>Total Cash and Investments</b>	<b><u>\$ 13,558,553</u></b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

**Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

The Successor Agency adopted all applicable City's rules, regulations, policies and guidelines by a resolution approved by the City Council on March 21, 2012. These rules, regulations, policies and guidelines were later approved by the Oversight Board. The City manages the Successor Agency's cash and investment in a consistent manner as the rest of its cash and investment pool. Refer to Note 3 for additional information regarding the type of investments and risks.

**b. Due to Other Governmental Agencies**

As of June 30, 2019, the Successor Agency reported due to other governmental agencies in the amount of \$7,490,083.

Supplemental Educational Revenue Augmentation Fund (SERAF) loan that was made in Fiscal Year 2009-10 to fund for the State's Proposition 98 obligations to schools. With the dissolution of redevelopment agencies on February 1, 2012, the City through Resolution No. 2012-005, elected not to retain the housing assets and functions previously performed by the former Corona Redevelopment Agency, and transferred all rights, assets, liabilities, duties and obligations associated with the housing activities to the Corona Housing Authority (CHA), a component unit of the City of Corona. California State Department of Finance (DOF) allowed the SERAF loan to be transferred to CHA, the Housing Successor, and be placed on the Recognized Obligation Payments Schedule (ROPS) for repayment. The SERAF loan was paid in full in 2018-19.

Various administrative loans were made by the City to the former Corona Redevelopment Agency between 1994 and 2011. These loans were determined by the Oversight Board "for legitimate redevelopment purposes" on June 3, 2013. The DOF approved the loans as enforceable obligations on July 15, 2013. In addition, the DOF issued a Finding of Completion to the Successor Agency on April 8, 2013 reaffirming the enforceability of these obligations from future residual distribution to the Successor Agency. Repayment of these loans is anticipated to commence after the SERAF loan is paid in full.

The following is a summary of loans due to the City as of June 30, 2019:

<u>Amount Due to the City of Corona</u>	<u>Balance</u>
Main Street South Project Area 1994 Loan	\$ 66,991
Main Street South Project Area 2001 Loan	224,020
Temescal Canyon Project Area 2005 Loan	326,650
Temescal Canyon Project Area 2006 Loan	150,360
Main Street South Project Area 2007 Loan	328,112
Merged Project Area 2010 Loan	3,932,167
Temescal Canyon Project Area 2010 Loan	331,507
Corona Revitalization Zone 2011 Loan	<u>2,130,276</u>
<b>Total Amount Due to the City of Corona</b>	<u><u>\$ 7,490,083</u></u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2019

Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

c. Long-Term Obligations

The following long-term obligations were approved by the State Department of Finance as enforceable obligations and were considered as accounting liabilities in accordance with GAAP.

	Balance June 30, 2018	Incurred or Issued	Satisfied or Matured	Balance June 30, 2019	Amounts Due Within One Year	Amounts Due in More than One Year
<b>Public Offering</b>						
2007 Temescal Canyon Project Area Tax Allocation Bonds	\$ 15,380,000	\$ -	\$ 855,000	\$ 14,525,000	\$ 860,000	\$ 13,665,000
2007 Merged and Amended Project Area "A" Tax Allocation Bonds	23,850,000	-	575,000	23,275,000	605,000	22,670,000
Subordinate Tax Allocation Refunding Bonds, Series 2015A	15,260,000	-	2,460,000	12,800,000	2,560,000	10,240,000
	<u>\$ 54,490,000</u>	<u>\$ -</u>	<u>\$ 3,890,000</u>		<u>\$ 4,025,000</u>	<u>\$ 46,575,000</u>
			Unamortized Bond Premium	1,205,739		
			<b>Total</b>	<u>\$ 51,805,739</u>		

The Successor Agency's outstanding bonds from public offerings of \$50,600,000, 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:

Fiscal Year	2007 Temescal Canyon Tax Allocation Bonds		
	Principal	Interest	Total
2020	\$ 860,000	\$ 626,093	\$ 1,486,093
2021	875,000	588,703	1,463,703
2022	880,000	550,409	1,430,409
2023	890,000	511,506	1,401,506
2024	900,000	472,156	1,372,156
2025 - 2029	5,120,000	1,715,941	6,835,941
2030 - 2032	5,000,000	462,375	5,462,375
<b>Totals</b>	<u>\$ 14,525,000</u>	<u>\$ 4,927,183</u>	<u>\$ 19,452,183</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2019

**Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

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:

Fiscal Year	2007 Project Area "A" Tax Allocation Bonds		
	Principal	Interest	Total
2020	\$ 605,000	\$ 1,436,700	\$ 2,041,700
2021	645,000	1,397,613	2,042,613
2022	685,000	1,356,024	2,041,024
2023	730,000	1,311,777	2,041,777
2024	785,000	1,264,402	2,049,402
2025 - 2028	19,825,000	2,774,743	22,599,743
<b>Totals</b>	<b>\$ 23,275,000</b>	<b>\$ 9,541,259</b>	<b>\$ 32,816,259</b>

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:

Fiscal Year	2015 Tax Allocation Refunding Bonds Series A		
	Principal	Interest	Total
2020	\$ 2,560,000	\$ 563,200	\$ 3,123,200
2021	2,665,000	445,375	3,110,375
2022	2,800,000	308,750	3,108,750
2023	2,330,000	180,500	2,510,500
2024	2,445,000	61,125	2,506,125
<b>Totals</b>	<b>\$ 12,800,000</b>	<b>\$ 1,558,950</b>	<b>\$ 14,358,950</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**

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**Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

Pledged Revenue for Tax Allocation Bonds

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 California State Department of Finance on the Recognized Obligations Payment Schedule (ROPS). The total principal and interest remaining on the Successor Agency debt obligations were \$66,627,392 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 \$11,105,302 and the debt service obligation on the bonds was \$6,689,871.

**d. Commitments and Contingencies**

The Successor Agency is covered under the City of Corona's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 16.

At June 30, 2019, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.



**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 2018-19, the City was in the third 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 Administrative Services Department (ASD) 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 Administrative Services 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.

**CITY OF CORONA**

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2019**

**Budgets and Budgetary Accounting**

The City uses the following 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.
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, Administrative Services, Legal and Risk Management, and General Government (non-departmental).
8. Budgets for General Fund, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles.

Major changes between the original and final budget, and variance between final budget and actuals are presented for the General Fund as shown below:

Fund	Budget		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Major Governmental Funds:</b>				
<u>General Fund</u>				
Revenue	\$ 136,104,293	\$ 138,624,530	\$ 147,558,288	\$ 8,933,758
Expenditure	134,252,960	151,325,343	132,101,152	19,224,191
Transfers In	1,458,859	1,458,859	1,046,720	(412,139)
Transfers Out	2,707,423	2,707,423	2,717,350	(9,927)
Net change in Fund Balance	<u>\$ 602,769</u>	<u>\$ (13,949,377)</u>	<u>\$ 13,786,506</u>	<u>\$ 27,735,883</u>

## CITY OF CORONA

### REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) JUNE 30, 2019

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#### General Fund

General Fund appropriations were originally adopted at \$137.0 Million for Fiscal Year 2018-19, including transfers to other funds of \$2.7 Million. Final appropriations were increased by \$17.0 Million to \$154.0 Million. Among the budgetary increase, \$6.4 Million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$3.8 Million was for prior year committed purchases (encumbrances). There was \$6.9 Million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons: (1) The non-personnel budget increased by \$5.7 Million, primarily for an appropriation of \$4.0 Million that was approved for the purchase of four new fire apparatus: two engines, one quint tractor drawn aerial and one quint rear mount aerial. The non-personnel budget also increased by \$0.9 Million by various Council Actions that included funds for the Kraft Ranch Storm Drain debris removal project, funding for operational audits of the Police and Fire departments, purchase of CPR equipment, and grant related activity. (2) The personnel budget increased by \$0.9 Million. A total of \$0.7 Million was added through updated MOU agreements with non-sworn staff in June 2019. Additionally, there were changes of \$0.2 Million for grants and other funding agreements, with corresponding revenues that offset the costs. (3) The capital improvement program budget increased by \$223,818 with \$185,334 for the Corona Airport Waterline, \$61,853 for the State Route 91 Betterments Project, and \$38,926 in donations to the Library Materials project. There were budgetary reductions for other projects that were completed or no longer needed.

Revenues and transfers in received in Fiscal Year 2018-19 had a favorable variance of \$8.5 Million, due to the following reasons: (1) Property tax revenue was higher than anticipated by \$0.5 Million, (2) Sales and use tax revenues were higher than anticipated by \$2.7 Million. (3) Investment earnings were higher than anticipated by \$3.6 Million which includes book entries for investment gains and losses. (4) The current services category was also higher than budgeted by \$1.9 Million. Included in this category is building related activity and library and recreation revenues. In addition, some smaller categories had a favorable variance at the fiscal year end.

Included in the \$19.2 Million savings in the expenditure budget and transfers out, \$10.9 Million was unspent funding for ongoing capital improvement projects. These funds will be carried over to the next fiscal year to complete the projects. In addition, \$0.2 Million will be carried forward from the expenditure budget for grant related activity. Encumbered purchase orders totaling \$5.8 Million will also be carried forward for activity that crosses fiscal years. After considering the noted items that will carry forward to fiscal year 2019-20, there is a net savings of \$2.3 Million. The departments within the General Government section realized cost savings of \$1.8 Million due to vacancies and reduced operating costs for professional/contractual services and insurance premiums. The Police department function achieved cost savings of \$0.8 Million due to personnel vacancies and savings in professional/contractual services and minor equipment purchases. The Public Works and Maintenance Services ended the fiscal year with \$0.9 Million in budget savings due to vacant positions and lower operating costs for items such as professional/contractual services, mowing and landscape contracts, tree maintenance and contracted labor services, and building maintenance supplies. The Library and Recreation Services recognized a savings for \$0.2 Million due to personnel vacancies.

## CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2019BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 108,099,874	\$ 108,099,874	\$ 108,099,874	\$ -
<b>Resources (Inflows):</b>				
Property taxes	47,430,900	47,512,166	47,994,974	482,808
Sales taxes	40,927,811	41,416,827	44,125,758	2,708,931
Other taxes	10,356,000	10,670,000	10,806,717	136,717
Licenses, fees and permits	2,116,810	3,268,428	3,059,318	(209,110)
Intergovernmental	1,577,242	2,107,660	2,718,180	610,520
Special Assessments	103,000	100,000	98,931	(1,069)
Current services	10,943,919	10,649,828	12,583,103	1,933,275
Investment earnings	2,384,875	2,395,917	5,976,173	3,580,256
Fines and penalties	855,500	892,700	997,484	104,784
Payments in lieu of services	7,643,491	6,954,382	6,898,116	(56,266)
Other revenues	11,764,745	12,656,622	12,299,534	(357,088)
Transfers in	1,458,859	1,458,859	1,046,720	(412,139)
<b>Amounts Available for Appropriations</b>	<b>245,663,026</b>	<b>248,183,263</b>	<b>256,704,882</b>	<b>8,521,619</b>
<b>Charges to Appropriation (Outflow):</b>				
General Government				
City Council	171,313	179,179	141,445	37,734
City Attorney	1,741,175	1,821,915	1,752,166	69,749
Management Services	2,114,040	2,219,938	2,059,236	160,702
City Treasurer	15,873	15,981	15,979	2
Human Resources	1,400,566	1,669,531	1,551,017	118,514
Information Technology	-	826,057	716,146	109,911
Finance	4,017,887	4,812,532	4,611,377	201,155
Non-Departmental	23,543,138	22,721,650	21,661,115	1,060,535
Public Safety				
Fire	25,263,904	25,604,213	25,392,593	211,620
Police	44,765,456	45,931,244	45,083,301	847,943
Public Works & Maintenance Services	12,537,900	13,758,411	12,870,865	887,546
Library and Recreation Services	5,212,409	5,249,039	5,043,827	205,212
Community Development	4,170,664	4,844,503	4,696,978	147,525
Economic Development	456,092	464,192	444,925	19,267
Capital outlay	4,585,170	16,949,585	1,805,537	15,144,048
Debt service:				
Principal retirement	4,255,873	4,255,873	2,816,576	1,439,297
Interest and fiscal charges	1,500	1,500	1,438,069	(1,436,569)
Transfers out	2,707,423	2,707,423	2,717,350	(9,927)
<b>Total Charges to Appropriations</b>	<b>136,960,383</b>	<b>154,032,766</b>	<b>134,818,502</b>	<b>19,214,264</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 108,702,643</b>	<b>\$ 94,150,497</b>	<b>\$ 121,886,380</b>	<b>\$ 27,735,883</b>

**MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS**

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; storm water 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 system.

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 October 2016. The most recent two assessments were performed in September 2017, September 2018 and October 2019 using the StreetSaver software. The results from the most recent three assessments are shown below:

<u>Assessment Date</u>	<u>PCI Rating</u>
October 2016	73
September 2017	71
September 2018	73
October 2019	72

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

CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2019

**MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS (CONTINUED)**

The following conditions were defined with the corresponding rating:

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

The City's policy is to maintain an average rating of 71, or "Good" condition, for all streets. This rating level allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of October 2019, the City's street system was rated at a PCI index of 72 on the average for the entire network. A breakdown by condition is as follows:

<u>Condition</u>	<u>% of Streets</u>
Good to Excellent	45%
Fair	48%
Poor	6%
Very Poor	1%

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 \$36,631,051 on street maintenance for the fiscal year ended June 30, 2019. These expenditures delayed deterioration, and maintained the street condition from the previous assessment. The condition of the streets slightly decreased from the average rating of 73 in the prior year to 72 in the current year. The majority of current year expenditures relate to the I15/Cajalco Arantine Hills project. The City has estimated that the amount of annual expenditures required to maintain the current average PCI rating of 71 through the year 2020 is a minimum of \$4,800,000. 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>Maintenance Requirement</u>	<u>Actual Expenditures</u>	<u>PCI Rating</u>
2013-14	\$ 5,100,000	\$ 4,588,777	73
2014-15	4,800,000	5,094,898	72
2015-16	4,800,000	12,403,677	73
2016-17	4,800,000	5,297,756	71
2017-18	4,800,000	20,576,034	73
2018-19	4,800,000	36,631,051	72

As of June 30, 2019, approximately 55% of the City's streets were rated below the average policy standard of 71. This was consistent with the prior year's assessment. In the most recent physical condition assessment of all City streets, it was estimated that in addition to the minimum annual maintenance requirement of \$4.8 million, the total deferred work to rehabilitate all roads amounted to \$66.7 million as of June 30, 2019.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**MISCELLANEOUS PLAN**  
**LAST TEN FISCAL YEARS(1)**

	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 4,516,596	\$ 4,540,608	\$ 4,295,676	\$ 4,563,432	\$ 5,035,483
Interest	24,208,803	23,517,716	23,066,815	22,262,610	21,435,216
Difference Between Expected and Actual Experience	(536,160)	(5,673,578)	(1,961,004)	(1,751,061)	-
Changes in Assumptions	(1,534,054)	20,736,400	-	(5,796,569)	-
Benefit Payments, Including Refunds of Employee Contributions	(17,027,780)	(15,593,323)	(14,718,032)	(13,719,331)	(13,231,513)
<b>Net Change in Total Pension Liability</b>	<b>9,627,405</b>	<b>27,527,823</b>	<b>10,683,455</b>	<b>5,559,081</b>	<b>13,239,186</b>
<b>Total Pension Liability - Beginning</b>	<b>346,910,456</b>	<b>319,382,633</b>	<b>308,699,178</b>	<b>303,140,097</b>	<b>289,900,911</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 356,537,861</b>	<b>\$ 346,910,456</b>	<b>\$ 319,382,633</b>	<b>\$ 308,699,178</b>	<b>\$ 303,140,097</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contribution - Employer	\$ 22,977,143	\$ 9,175,138	\$ 7,373,950	\$ 8,612,426	\$ 7,913,193
Contribution - Employee	1,905,754	1,875,784	1,975,493	2,099,982	2,168,466
Net Investment Income	18,381,353	22,406,369	1,044,158	4,430,161	29,675,543
Benefit Payments, Including Refunds of Employee Contributions	(17,027,780)	(15,593,323)	(14,718,032)	(13,719,331)	(13,231,513)
Net Plan to Plan Resource Movement	(531)	-	-	-	-
Administrative Expense	(334,672)	(289,120)	(121,423)	(224,286)	-
Other Miscellaneous Income/Expense	(635,548)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>25,265,719</b>	<b>17,574,848</b>	<b>(4,445,854)</b>	<b>1,198,952</b>	<b>26,525,689</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>212,738,334</b>	<b>195,163,486</b>	<b>199,609,340</b>	<b>198,410,388</b>	<b>171,884,699</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>238,004,053</b>	<b>212,738,334</b>	<b>195,163,486</b>	<b>199,609,340</b>	<b>198,410,388</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 118,533,808</b>	<b>\$ 134,172,122</b>	<b>\$ 124,219,147</b>	<b>\$ 109,089,838</b>	<b>\$ 104,729,709</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>66.75%</b>	<b>61.32%</b>	<b>61.11%</b>	<b>64.66%</b>	<b>65.45%</b>
<b>Covered Payroll</b>	<b>\$ 23,569,508</b>	<b>\$ 23,728,408</b>	<b>\$ 23,919,171</b>	<b>\$ 25,422,638</b>	<b>\$ 27,078,868</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>502.91%</b>	<b>565.45%</b>	<b>519.33%</b>	<b>429.11%</b>	<b>386.76%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: There were no changes in benefits.

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.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS  
 MISCELLANEOUS PLAN  
 LAST TEN FISCAL YEARS(1)

	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 18,301,125	\$ 20,903,317	\$ 9,175,138	\$ 7,373,950	\$ 8,612,427
Contribution in Relation to the Actuarially Determined Contribution	(18,301,125)	(20,903,317)	(9,175,138)	(7,373,950)	(8,612,427)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 23,717,698	\$ 23,569,508	\$ 23,728,408	\$ 23,919,171	\$ 25,422,638
Contributions as a Percentage of Covered Payroll	77.16%	88.69%	38.67%	30.83%	33.88%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years is shown.

**Note to Schedule:**

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level Percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by category, entry age, and duration of service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.

Retirement age: The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

Mortality: The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.



**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
SAFETY POLICE PLAN  
LAST TEN FISCAL YEARS(1)**

	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 5,925,006	\$ 5,711,294	\$ 4,874,596	\$ 4,735,543	\$ 4,618,139
Interest	17,126,542	16,152,688	15,292,872	14,549,722	13,684,244
Difference Between Expected and Actual Experience	1,568,431	(1,030,480)	(1,847,830)	642,707	-
Changes in Assumptions	(583,544)	14,785,639	-	(3,951,003)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,101,119)	(8,569,669)	(8,102,489)	(7,482,701)	(7,151,132)
<b>Net Change in Total Pension Liability</b>	<b>13,935,316</b>	<b>27,049,472</b>	<b>10,217,149</b>	<b>8,494,268</b>	<b>11,151,251</b>
<b>Total Pension Liability - Beginning</b>	<b>240,635,219</b>	<b>213,585,747</b>	<b>203,368,598</b>	<b>194,874,330</b>	<b>183,723,079</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 254,570,535</b>	<b>\$ 240,635,219</b>	<b>\$ 213,585,747</b>	<b>\$ 203,368,598</b>	<b>\$ 194,874,330</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contribution - Employer	\$ 5,180,881	\$ 8,867,806	\$ 8,123,334	\$ 6,391,221	\$ 5,650,100
Contribution - Employee	1,706,509	1,841,663	1,599,970	1,517,507	1,462,671
Net Plan to Plan Resource Management	(390)	-	-	-	-
Net Investment Income	13,353,137	16,030,928	707,298	2,973,078	19,983,092
Benefit Payments, Including Refunds of Employee Contributions	(10,101,119)	(8,569,669)	(8,102,489)	(7,482,701)	(7,151,132)
Administrative Expenses	(242,374)	(205,265)	(84,027)	(155,162)	-
Other Miscellaneous Income	(460,273)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>9,436,371</b>	<b>17,965,463</b>	<b>2,244,086</b>	<b>3,243,943</b>	<b>19,944,731</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>158,303,307</b>	<b>140,337,844</b>	<b>138,093,758</b>	<b>134,849,815</b>	<b>114,905,084</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 167,739,678</b>	<b>\$ 158,303,307</b>	<b>\$ 140,337,844</b>	<b>\$ 138,093,758</b>	<b>\$ 134,849,815</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 86,830,857</b>	<b>\$ 82,331,912</b>	<b>\$ 73,247,903</b>	<b>\$ 65,274,840</b>	<b>\$ 60,024,515</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>65.89%</b>	<b>65.79%</b>	<b>65.71%</b>	<b>67.90%</b>	<b>69.20%</b>
<b>Covered Payroll</b>	<b>\$ 17,447,330</b>	<b>\$ 18,290,005</b>	<b>\$ 17,486,548</b>	<b>\$ 16,688,133</b>	<b>\$ 15,386,513</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>497.67%</b>	<b>450.15%</b>	<b>418.88%</b>	<b>391.15%</b>	<b>390.11%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: There were no changes in benefits.

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.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS  
 SAFETY POLICE PLAN  
 LAST TEN FISCAL YEARS(1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 8,767,137	\$ 7,784,453	\$ 8,867,806	\$ 8,123,334	\$ 6,391,222
Contribution in Relation to the Actuarially Determined Contribution	<u>(8,767,137)</u>	<u>(7,784,453)</u>	<u>(8,867,806)</u>	<u>(8,123,334)</u>	<u>(6,391,222)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 16,881,033	\$ 17,447,330	\$ 18,290,005	\$ 17,486,548	\$ 16,688,133
Contributions as a Percentage of Covered Payroll	51.93%	44.62%	48.48%	46.45%	38.30%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level Percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.

Retirement age: The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

Mortality: The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SAFETY FIRE PLAN  
LAST TEN FISCAL YEARS(1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.75404%	0.73036%	0.75892%	0.77136%	0.46039%
Proportionate Share of the Net Pension Liability	\$ 44,243,817	\$ 43,640,517	\$ 39,306,263	\$ 31,783,428	\$ 28,647,492
Covered Payroll	\$ 10,100,596	\$ 10,511,383	\$ 9,885,314	\$ 9,624,801	\$ 9,308,854
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	438.03%	415.17%	397.62%	330.22%	298.78%
Plan Fiduciary Net Position	\$ 128,456,519	\$ 121,732,971	\$ 110,508,660	\$ 111,251,864	\$ 106,234,188
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.38%	73.61%	73.76%	77.78%	78.83%

**Notes to Schedule:**

Benefit Changes: No changes in benefits.

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.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS  
 SAFETY FIRE PLAN  
 LAST TEN FISCAL YEARS(1)

	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 4,307,750	\$ 3,772,862	\$ 3,537,799	\$ 4,648,267	\$ 4,239,757
Contribution in Relation to the Actuarially Determined Contribution	<u>(4,307,750)</u>	<u>(3,772,862)</u>	<u>(3,537,799)</u>	<u>(4,648,267)</u>	<u>(4,239,757)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,911,459	\$ 10,100,596	\$ 10,511,383	\$ 9,885,314	\$ 9,624,801
Contributions as a Percentage of Covered Payroll	43.46%	37.35%	33.66%	47.02%	44.05%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll
Assets valuation Method	Market value
Actuarial Assumptions	
Discount Rate	7.15%
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of enrollment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2019

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
 LAST TEN FISCAL YEARS (1)

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 1,437,025	\$ 1,391,792
Interest on the total OPEB liability	10,832,995	10,487,715
Actual and expected experience difference	-	-
Changes in assumptions	8,986,849	-
Changes in benefit terms	-	-
Benefit payments	(7,431,858)	(6,931,922)
<b>Net change in total OPEB liability</b>	<b>13,825,011</b>	<b>4,947,585</b>
<b>Total OPEB liability - beginning</b>	<b>151,083,781</b>	<b>146,136,196</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 164,908,792</b>	<b>\$ 151,083,781</b>
<b>Plan Fiduciary Net Position</b>		
Contribution - employer	\$ 10,445,297 *	\$ 10,000,838
Net investment income	2,899,746	3,235,963
Benefit payments	(7,431,858)	(6,931,922)
Administrative expense	(19,731)	(16,420)
Other expense	(47,396)	-
<b>Net change in plan fiduciary net position</b>	<b>5,846,058</b>	<b>6,288,459</b>
<b>Plan fiduciary net position - beginning</b>	<b>35,830,088</b>	<b>29,541,629</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>41,676,146</b>	<b>35,830,088</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 123,232,646</b>	<b>\$ 115,253,693</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	25.27%	23.72%
<b>Covered-employee payroll</b>	\$ 63,618,121	\$ 65,624,320
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	193.71%	175.63%

\*Includes an implied subsidy amount of \$1,072,050.

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None.

Changes in assumptions: None.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2019

SCHEDULE OF CONTRIBUTIONS - OPEB  
 LAST TEN FISCAL YEARS (1)

	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 10,760,239	\$ 10,443,091
Contribution in Relation to the Actuarially Determined Contributions	(10,006,129)	(10,445,297)
Contribution Deficiency (Excess)	<u>\$ 754,110</u>	<u>\$ (2,206)</u>
Covered-employee payroll	\$ 62,361,582	\$ 63,618,121
Contributions as a percentage of covered-employee payroll	17.25%	16.42%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2016 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.75% per year
Payroll Growth	3.25% per year
Investment Rate of Return	7.28%
Healthcare cost-trend rates	8.00% initial decreasing 0.500% per year to trend rate of 5%
Retirement Age	Miscellaneous Tier 1 employees - 2.70% @55 and Tier 2 employees - 2.00% @62 Police/Fire safety Tier 1 employees: 3.0% @50 2.7% @57. The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011

Mortality Retirement mortality probability based on Bickmore Scale 2017 applied generationally



## ***Supplementary Information***

### **Supplementary Information consists of the following:**

- Combining Balance Sheet – Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Combining Statement of Net Position – Nonmajor Enterprise Funds
- Combining Statement of Revenue, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds
- Combining Statement of Cash Flows – Nonmajor Enterprise Funds
- Combining Statement of Net Position – Internal Service Funds
- Combining Statement of Revenue, Expenses, and Changes in Net Position – Internal Service Funds
- Combining Statement of Cash Flows – Internal Service Funds
- Combining Statement of Changes in Assets and Liabilities – Agency Funds



## ***Combining Financial Statements – Nonmajor Governmental Funds***

### **Special Revenue Funds**

***Gas Tax Fund*** – This fund is used to account 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*** – This fund is used to account 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*** – This fund is used to account for allocations made by AB2766 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*** – This fund is used to account for asset seizures and forfeitures resulting from police investigations and court decisions.

***Special Tax District Fund*** – This fund is used to account 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*** – This fund is used to account for receipts and expenditures of money received from various governmental grants and various library endowments.

***Residential Refuse Fund*** – This fund is used to account for receipts from refuse billings and collections to pay for vendor services and impact to roadways.

### **Capital Project Funds**

***Public Facility Project Fund*** – This fund is used to account for transactions related to proceeds from debt and other resources and their use to acquire and construct certain capital facilities.

***HUD Grants Fund*** – This fund is used to account for grants from the Department of Housing and Urban Development (HUD) and expenditures for the block grant programs as approved by the City Council.

## ***Combining Financial Statements – Nonmajor Governmental Funds***

### **Capital Project Funds (Continued)**

***Planned Local Drainage Fund*** – This fund is used to account for storm water drainage fees from developers as a result of City ordinance 1279. The money is used to construct water drainage facilities within a drainage area.

### **Debt Service Funds**

***Public Financing Authority Fund*** – This fund is used to account for debt service transactions including revenue collections and payments of principal and interest on long-term obligations of the component unit.

CITY OF CORONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
<b>Assets</b>				
Cash and Investments	\$ 6,482,077	\$ 14,238,719	\$ 1,372,721	\$ 715,648
Accounts Receivable	151	5,376	56,685	17,315
Interest Receivable	31,392	68,956	6,648	3,474
Due from Other Governmental Agencies	551,713	762,635	-	-
Long-term Receivables	-	-	-	-
Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,065,333</b>	<b>\$ 15,075,686</b>	<b>\$ 1,436,054</b>	<b>\$ 736,437</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 268,388	\$ 48,720	\$ -	\$ 233
Deposits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	424,792
Interfund Advances Payable	-	-	-	-
Liabilities Payable from Restricted Assets	-	8,647	-	-
<b>Total Liabilities</b>	<b>268,388</b>	<b>57,367</b>	<b>-</b>	<b>425,025</b>
<b>Fund Balances</b>				
Restricted	6,796,945	15,018,319	1,436,054	311,412
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>6,796,945</b>	<b>15,018,319</b>	<b>1,436,054</b>	<b>311,412</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,065,333</b>	<b>\$ 15,075,686</b>	<b>\$ 1,436,054</b>	<b>\$ 736,437</b>

## CITY OF CORONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Special Tax Districts	Other Grants &		Public Facility Project
		Endowments	Residential Refuse	
<b>Assets</b>				
Cash and Investments	\$ 21,315,785	\$ 725,359	\$ -	\$ -
Accounts Receivable	89,038	-	1,291,884	-
Interest Receivable	103,298	3,492	590	-
Due from Other Governmental Agencies	152,507	12,356	69,878	1,691,909
Long-term Receivables	-	-	-	-
Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Investments	14,169	-	-	-
<b>Total Assets</b>	<b>\$ 21,674,797</b>	<b>\$ 741,207</b>	<b>\$ 1,362,352</b>	<b>\$ 1,691,909</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 332,700	\$ 135,629	\$ 741,437	\$ 65,169
Deposits	1,550	-	-	-
Due to Other Funds	-	5,768	-	1,675,240
Unearned Revenue	-	528,452	123,119	-
Interfund Advances Payable	2,222,399	-	-	-
Liabilities Payable from Restricted Assets	1,855	-	-	-
<b>Total Liabilities</b>	<b>2,558,504</b>	<b>669,849</b>	<b>864,556</b>	<b>1,740,409</b>
<b>Fund Balances</b>				
Restricted	19,116,293	71,358	497,796	-
Assigned	-	-	-	-
Unassigned	-	-	-	(48,500)
<b>Total Fund Balances</b>	<b>19,116,293</b>	<b>71,358</b>	<b>497,796</b>	<b>(48,500)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,674,797</b>	<b>\$ 741,207</b>	<b>\$ 1,362,352</b>	<b>\$ 1,691,909</b>

CITY OF CORONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Capital Projects Funds		Debt Service	Total Other Governmental Funds
	HUD Grants	Planned Local Drainage	Fund Public Financing Authority	
<b>Assets</b>				
Cash and Investments	\$ 391,638	\$ 107,711	\$ -	\$ 45,349,658
Accounts Receivable	-	384	-	1,460,833
Interest Receivable	-	-	-	217,850
Due from Other Governmental Agencies	893,071	319,988	-	4,454,057
Long-term Receivables	1,956,888	-	-	1,956,888
Loans Receivable	2,852,663	-	-	2,852,663
Restricted Assets:				
Cash and Investments	-	-	456	14,625
<b>Total Assets</b>	<b>\$ 6,094,260</b>	<b>\$ 428,083</b>	<b>\$ 456</b>	<b>\$ 56,306,574</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 98,492	\$ 31,270	\$ -	\$ 1,722,038
Deposits	-	-	-	1,550
Due to Other Funds	758,213	-	-	2,439,221
Unearned Revenue	93,680	-	-	1,170,043
Interfund Advances Payable	-	-	-	2,222,399
Liabilities Payable from Restricted Assets	-	-	-	10,502
<b>Total Liabilities</b>	<b>950,385</b>	<b>31,270</b>	<b>-</b>	<b>7,565,753</b>
<b>Fund Balances</b>				
Restricted	5,143,875	-	456	48,392,508
Assigned	-	396,813	-	396,813
Unassigned	-	-	-	(48,500)
<b>Total Fund Balances</b>	<b>5,143,875</b>	<b>396,813</b>	<b>456</b>	<b>48,740,821</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,094,260</b>	<b>\$ 428,083</b>	<b>\$ 456</b>	<b>\$ 56,306,574</b>



## CITY OF CORONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
<b>Revenues</b>				
Licenses, Fees and Permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	137,190
Special Assessments	-	-	-	-
Investment Earnings	225,260	549,556	51,539	22,775
Intergovernmental Revenues	6,527,657	4,658,115	218,650	-
Current Services	-	-	-	-
Other Revenues	73,986	11,511	28,350	-
<b>Total Revenues</b>	<b>6,826,903</b>	<b>5,219,182</b>	<b>298,539</b>	<b>159,965</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Public Safety - Police	-	-	-	128,204
Public Works & Maintenance Services	2,167,659	2,099,729	18,457	-
Library and Recreation Services	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	1,470,206	885,898	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,637,865</b>	<b>2,985,627</b>	<b>18,457</b>	<b>128,204</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,189,038	2,233,555	280,082	31,761
<b>Other Financing Sources (Uses)</b>				
Transfers In	102,210	-	-	-
Transfers Out	(1,046,720)	-	-	-
<b>Total Other Financing Uses</b>	<b>(944,510)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	2,244,528	2,233,555	280,082	31,761
Fund Balances, Beginning of Year	4,552,417	12,784,764	1,155,972	279,651
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	4,552,417	12,784,764	1,155,972	279,651
<b>Fund Balances, End of Year</b>	<b>\$ 6,796,945</b>	<b>\$ 15,018,319</b>	<b>\$ 1,436,054</b>	<b>\$ 311,412</b>

## CITY OF CORONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Special Tax Districts	Other Grants & Endowments	Residential Refuse	Public Facility Project
<b>Revenues</b>				
Licenses, Fees and Permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	125,591	-
Special Assessments	8,500,738	-	-	-
Investment Earnings	820,883	27,523	3,700	-
Intergovernmental Revenues	28,725	608,245	156,028	1,140,962
Current Services	47,473	150,430	9,029,057	-
Other Revenues	63,452	-	-	-
<b>Total Revenues</b>	<b>9,461,271</b>	<b>786,198</b>	<b>9,314,376</b>	<b>1,140,962</b>
<b>Expenditures</b>				
Current:				
General Government	103,738	-	-	-
Public Safety - Police	-	702,755	-	-
Public Works & Maintenance Services	6,407,955	-	9,275,221	-
Library and Recreation Services	-	56,189	19,646	-
Community Development	-	-	-	-
Capital Outlay	164,556	-	-	1,140,961
Debt Service:				
Interest and Fiscal Charges	2,259	-	-	-
<b>Total Expenditures</b>	<b>6,678,508</b>	<b>758,944</b>	<b>9,294,867</b>	<b>1,140,961</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,782,763	27,254	19,509	1
<b>Other Financing Sources (Uses)</b>				
Transfers In	120,266	14,193	9,927	-
Transfers Out	-	-	-	-
<b>Total Other Financing Uses</b>	<b>120,266</b>	<b>14,193</b>	<b>9,927</b>	<b>-</b>
Net Change in Fund Balances	2,903,029	41,447	29,436	1
Fund Balances, Beginning of Year	16,213,264	29,911	-	(48,501)
Restatements	-	-	468,360	-
Fund Balances, Beginning of Year, as Restated	16,213,264	29,911	468,360	(48,501)
<b>Fund Balances, End of Year</b>	<b>\$ 19,116,293</b>	<b>\$ 71,358</b>	<b>\$ 497,796</b>	<b>\$ (48,500)</b>



## CITY OF CORONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Capital Projects Funds		Debt Service	Total Other Governmental Funds
	HUD Grants	Planned Local Drainage	Fund Public Financing Authority	
<b>Revenues</b>				
Licenses, Fees and Permits	\$ -	\$ 722,208	\$ -	\$ 722,208
Fines and Penalties	-	-	-	262,781
Special Assessments	-	-	-	8,500,738
Investment Earnings	-	-	2,082	1,703,318
Intergovernmental Revenues	719,349	-	-	14,057,731
Current Services	-	-	-	9,226,960
Other Revenues	13,873	176,762	-	367,934
<b>Total Revenues</b>	<b>733,222</b>	<b>898,970</b>	<b>2,082</b>	<b>34,841,670</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	103,738
Public Safety - Police	-	-	-	830,959
Public Works & Maintenance Services	-	956,714	-	20,925,735
Library and Recreation Services	-	-	-	75,835
Community Development	372,854	-	-	372,854
Capital Outlay	294,356	4,500	-	3,960,477
Debt Service:				
Interest and Fiscal Charges	-	-	2,478	4,737
<b>Total Expenditures</b>	<b>667,210</b>	<b>961,214</b>	<b>2,478</b>	<b>26,274,335</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,012	(62,244)	(396)	8,567,335
<b>Other Financing Sources (Uses)</b>				
Transfers In	7,605	69,701	-	323,902
Transfers Out	-	-	-	(1,046,720)
<b>Total Other Financing Uses</b>	<b>7,605</b>	<b>69,701</b>	<b>-</b>	<b>(722,818)</b>
Net Change in Fund Balances	73,617	7,457	(396)	7,844,517
Fund Balances, Beginning of Year	5,070,258	389,356	852	40,427,944
Restatements	-	-	-	468,360
Fund Balances, Beginning of Year, as Restated	5,070,258	389,356	852	40,896,304
<b>Fund Balances, End of Year</b>	<b>\$ 5,143,875</b>	<b>\$ 396,813</b>	<b>\$ 456</b>	<b>\$ 48,740,821</b>

## ***Budgetary Comparison Schedules – Nonmajor Governmental Funds***

**The Budgetary Comparison Schedules – Nonmajor Governmental Funds consist of the following fund types:**

- Nonmajor Special Revenue Funds
- Debt Service Funds
- Capital Project Funds

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 4,552,417	\$ 4,552,417	\$ 4,552,417	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	7,018,138	6,086,127	6,527,657	441,530
Investment Earnings	80,464	116,217	225,260	109,043
Other Revenues	-	681	73,986	73,305
Transfers In	102,210	102,210	102,210	-
<b>Amounts Available for Appropriations</b>	<b>11,753,229</b>	<b>10,857,652</b>	<b>11,481,530</b>	<b>623,878</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Works & Maintenance Services	4,387,657	5,351,494	2,167,659	3,183,835
Capital Outlay	1,602,000	4,855,560	1,470,206	3,385,354
Transfers Out	1,198,315	1,198,315	1,046,720	151,595
<b>Total Charges to Appropriations</b>	<b>7,187,972</b>	<b>11,405,369</b>	<b>4,684,585</b>	<b>6,720,784</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,565,257</b>	<b>\$ (547,717)</b>	<b>\$ 6,796,945</b>	<b>\$ 7,344,662</b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 MEASURE A FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,784,764	\$ 12,784,764	\$ 12,784,764	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	4,143,000	4,364,000	4,658,115	294,115
Investment Earnings	247,848	290,776	549,556	258,780
Other Revenues	-	1,686	11,511	9,825
<b>Amounts Available for Appropriations</b>	<b>17,175,612</b>	<b>17,441,226</b>	<b>18,003,946</b>	<b>562,720</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Works & Maintenance Services	179,475	718,700	2,099,729	(1,381,029)
Capital Outlay	6,983,500	13,991,810	885,898	13,105,912
<b>Total Charges to Appropriations</b>	<b>7,162,975</b>	<b>14,710,510</b>	<b>2,985,627</b>	<b>11,724,883</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,012,637</b>	<b>\$ 2,730,716</b>	<b>\$ 15,018,319</b>	<b>\$ 12,287,603</b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 TRIP REDUCTION  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,155,972	\$ 1,155,972	\$ 1,155,972	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	210,000	210,000	218,650	8,650
Investment Earnings	20,512	25,682	51,539	25,857
Other Revenues	-	9,200	28,350	19,150
<b>Amounts Available for Appropriations</b>	<b>1,386,484</b>	<b>1,400,854</b>	<b>1,454,511</b>	<b>53,657</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Works & Maintenance Services	22,100	557,869	18,457	539,412
<b>Total Charges to Appropriations</b>	<b>22,100</b>	<b>557,869</b>	<b>18,457</b>	<b>539,412</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,364,384</b>	<b>\$ 842,985</b>	<b>\$ 1,436,054</b>	<b>\$ 593,069</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
ASSET FORFEITURE  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 279,651	\$ 279,651	\$ 279,651	\$ -
<b>Resources (Inflows):</b>				
Investment Earnings	9,760	9,237	22,775	13,538
Fines and Penalties	20,000	112,282	137,190	24,908
<b>Amounts Available for Appropriations</b>	<b>309,411</b>	<b>401,170</b>	<b>439,616</b>	<b>38,446</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Safety - Police	209,300	209,300	128,204	81,096
<b>Total Charges to Appropriations</b>	<b>209,300</b>	<b>209,300</b>	<b>128,204</b>	<b>81,096</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 100,111</b>	<b>\$ 191,870</b>	<b>\$ 311,412</b>	<b>\$ 119,542</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL TAX DISTRICTS  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 16,213,264	\$ 16,213,264	\$ 16,213,264	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	4,200	28,725	24,525
Special Assessments	8,314,938	8,498,402	8,500,738	2,336
Current Services	62,089	55,167	47,473	(7,694)
Investment Earnings	376,721	399,844	820,883	421,039
Other Revenues	141,538	41,649	63,452	21,803
Transfers In	120,266	120,266	120,266	-
<b>Amounts Available for Appropriations</b>	<b>25,228,816</b>	<b>25,332,792</b>	<b>25,794,801</b>	<b>462,009</b>
<b>Charges to Appropriation (Outflow):</b>				
General Government	159,996	161,771	103,738	58,033
Public Works & Maintenance Services	7,206,875	7,429,788	6,407,955	1,021,833
Capital Outlay	457,050	4,720,019	164,556	4,555,463
Debt Service:				
Interest and Fiscal Charges	2,259	2,259	2,259	-
<b>Total Charges to Appropriations</b>	<b>7,879,956</b>	<b>12,367,613</b>	<b>6,678,508</b>	<b>5,689,105</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 17,348,860</b>	<b>\$ 12,965,179</b>	<b>\$ 19,116,293</b>	<b>\$ 6,151,114</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
OTHER GRANTS & ENDOWMENTS  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 29,911	\$ 29,911	\$ 29,911	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	268,000	798,977	608,245	(190,732)
Current Services	180,000	173,000	150,430	(22,570)
Investment Earnings	12,888	15,467	27,523	12,056
Transfers In	14,193	14,193	14,193	-
<b>Amounts Available for Appropriations</b>	<b>504,992</b>	<b>1,031,548</b>	<b>830,302</b>	<b>(201,246)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Safety - Police	513,371	543,000	702,755	(159,755)
Library and Recreation Services	-	89,384	56,189	33,195
<b>Total Charges to Appropriations</b>	<b>513,371</b>	<b>807,889</b>	<b>758,944</b>	<b>48,945</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (8,379)</b>	<b>\$ 223,659</b>	<b>\$ 71,358</b>	<b>\$ (152,301)</b>



CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
RESIDENTIAL REFUSE  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 468,360	\$ 468,360	\$ 468,360	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	150,259	156,028	5,769
Current Services	10,783,264	8,896,500	9,029,057	132,557
Investment Earnings	-	-	3,700	3,700
Fines and Forfeitures	125,000	127,000	125,591	(1,409)
<b>Amounts Available for Appropriations</b>	<b>11,376,624</b>	<b>9,642,119</b>	<b>9,792,663</b>	<b>150,544</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Works & Maintenance Services	9,223,653	9,267,983	9,275,221	(7,238)
Library and Recreation Services	-	147,219	19,646	127,573
<b>Total Charges to Appropriations</b>	<b>9,223,653</b>	<b>9,415,202</b>	<b>9,294,867</b>	<b>120,335</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,152,971</b>	<b>\$ 226,917</b>	<b>\$ 497,796</b>	<b>\$ 270,879</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
 LOW MOD INCOME HOUSING ASSET  
 YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 28,202,577	\$ 28,202,577	\$ 28,202,577	\$ -
<b>Resources (Inflows):</b>				
Investment Earnings	186,409	156,984	331,216	174,232
Other Revenues	100,000	168,594	47,324	(121,270)
Transfers In	12,281	12,281	12,281	-
<b>Amounts Available for Appropriations</b>	<b>28,501,267</b>	<b>28,540,436</b>	<b>28,593,398</b>	<b>52,962</b>
<b>Charges to Appropriation (Outflow):</b>				
Community Development	135,203	137,297	179,935	(42,638)
Capital Outlay	20,000	33,947	15,896	18,051
<b>Total Charges to Appropriations</b>	<b>155,203</b>	<b>171,244</b>	<b>195,831</b>	<b>(24,587)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 28,346,064</b>	<b>\$ 28,369,192</b>	<b>\$ 28,397,567</b>	<b>\$ 28,375</b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 OTHER GRANTS  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 542,596	\$ 542,596	\$ 542,596	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,403,000	6,646,347	6,683,362	37,015
Investment Earnings	533	833	1,002	169
Other Revenues	-	25,170,129	25,372,626	202,497
<b>Amounts Available for Appropriations</b>	<b>2,946,129</b>	<b>32,359,905</b>	<b>32,599,586</b>	<b>239,681</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Works & Maintenance Services	-	-	1,146	(1,146)
Library and Recreation Services	-	39,241	20,498	18,743
Capital Outlay	-	143,702,643	32,084,990	111,617,653
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>143,741,884</b>	<b>32,106,634</b>	<b>111,635,250</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,946,129</b>	<b>\$ (111,381,979)</b>	<b>\$ 492,952</b>	<b>\$ 111,874,931</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
DEVELOPMENT  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1, as restated	\$ 8,652,603	\$ 8,652,603	\$ 8,652,603	\$ -
<b>Resources (Inflows):</b>				
Licenses and Permits	7,799,778	8,028,997	10,553,439	2,524,442
Use of Money and Property	444,777	549,272	1,030,661	481,389
Payments in Lieu of Services	485,760	657,600	834,240	176,640
Miscellaneous	-	205	284	79
Transfers In	53,776	53,776	-	(53,776)
<b>Amounts Available for Appropriations</b>	<b>17,436,694</b>	<b>17,942,453</b>	<b>21,071,227</b>	<b>3,128,774</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Safety - Fire	875	875	542	333
Public Works	161,234	167,048	78,581	88,467
Capital Outlay	2,900,382	16,533,690	1,102,522	15,431,168
Transfers Out	260,544	260,544	-	260,544
<b>Total Charges to Appropriations</b>	<b>3,323,035</b>	<b>16,962,157</b>	<b>1,181,645</b>	<b>15,780,512</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 14,113,659</b>	<b>\$ 980,296</b>	<b>\$ 19,889,582</b>	<b>\$ 18,909,286</b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 PUBLIC FACILITY PROJECT  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (48,501)	\$ (48,501)	\$ (48,501)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,000,000	1,140,962	140,962
<b>Amounts Available for Appropriations</b>	<b>(48,501)</b>	<b>951,499</b>	<b>1,092,461</b>	<b>140,962</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital Outlay	-	7,056,116	1,140,961	5,915,155
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>7,056,116</b>	<b>1,140,961</b>	<b>5,915,155</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (48,501)</b>	<b>\$ (6,104,617)</b>	<b>\$ (48,500)</b>	<b>\$ 6,056,117</b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 HUD GRANTS  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,070,258	\$ 5,070,258	\$ 5,070,258	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,459,418	1,459,418	719,349	(740,069)
Other Revenues	-	8,375	13,873	5,498
Transfers In	7,605	7,605	7,605	-
<b>Amounts Available for Appropriations</b>	<b>6,537,281</b>	<b>6,545,656</b>	<b>5,811,085</b>	<b>(734,571)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community Development	80,184	94,943	372,854	(277,911)
Capital Outlay	1,785,459	2,097,494	294,356	1,803,138
<b>Total Charges to Appropriations</b>	<b>1,865,643</b>	<b>2,192,437</b>	<b>667,210</b>	<b>1,525,227</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,671,638</b>	<b>\$ 4,353,219</b>	<b>\$ 5,143,875</b>	<b>\$ 790,656</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
 PLANNED LOCAL DRAINAGE  
 YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 389,356	\$ 389,356	\$ 389,356	\$ -
<b>Resources (Inflows):</b>				
Licenses, Fees and Permits	778,000	780,580	722,208	(58,372)
Investment Earnings	-	17,505	-	(17,505)
Other Revenues	175,000	176,841	176,762	(79)
Transfers In	69,701	69,701	69,701	-
<b>Amounts Available for Appropriations</b>	<b>1,412,057</b>	<b>1,433,983</b>	<b>1,358,027</b>	<b>(75,956)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public Works & Maintenance Services	1,115,170	1,136,604	956,714	179,890
Capital Outlay	4,590	32,318	4,500	27,818
<b>Total Charges to Appropriations</b>	<b>1,119,760</b>	<b>1,168,922</b>	<b>961,214</b>	<b>207,708</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 292,297</b>	<b>\$ 265,061</b>	<b>\$ 396,813</b>	<b>\$ 131,752</b>

## ***Combining Financial Statements***

### ***Nonmajor Enterprise Funds***

***Transit Services 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, receives grants from the Transportation Development Act (TDA).

***Airport 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  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Transit Services</b>	<b>Airport</b>	<b>Totals</b>
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 358,222	\$ 635,822	\$ 994,044
Accounts Receivable, Net	2,663	30	2,693
Interest Receivable	3,229	3,079	6,308
Due from Other Governmental Agencies	564,768	-	564,768
Restricted:			
Cash and Investments	369,860	-	369,860
<b>Total Current Assets</b>	<b>1,298,742</b>	<b>638,931</b>	<b>1,937,673</b>
Noncurrent Assets			
Capital Assets:			
Capital Assets, Net of Depreciation	4,349,118	76,540	4,425,658
Total Capital Assets	4,349,118	76,540	4,425,658
<b>Total Noncurrent Assets</b>	<b>4,349,118</b>	<b>76,540</b>	<b>4,425,658</b>
<b>Total Assets</b>	<b>5,647,860</b>	<b>715,471</b>	<b>6,363,331</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	185,519	-	185,519
Deferred OPEB Related Items	58,236	30,001	88,237
<b>Total Deferred Outflows of Resources</b>	<b>243,755</b>	<b>30,001</b>	<b>273,756</b>
<b>Total Assets and Deferred     Outflows of Resources</b>	<b>\$ 5,891,615</b>	<b>\$ 745,472</b>	<b>\$ 6,637,087</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 352,028	\$ 1,356	\$ 353,384
Unearned Revenue	560,129	455	560,584
Deposits	-	890	890
Compensated Absences Payable	13,305	-	13,305
<b>Total Current Liabilities</b>	<b>925,462</b>	<b>2,701</b>	<b>928,163</b>
Noncurrent Liabilities			
Compensated Absences Payable	31,061	-	31,061
Net Pension Liability	1,034,799	-	1,034,799
Net OPEB Liability	406,667	209,495	616,162
<b>Total Noncurrent Liabilities</b>	<b>1,472,527</b>	<b>209,495</b>	<b>1,682,022</b>
<b>Total Liabilities</b>	<b>2,397,989</b>	<b>212,196</b>	<b>2,610,185</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	17,002	-	17,002
Deferred OPEB Related Items	1,791	1,166	2,957
<b>Total Deferred Inflows of Resources</b>	<b>18,793</b>	<b>1,166</b>	<b>19,959</b>
<b>Net Position</b>			
Net Investment in Capital Assets	4,349,118	76,540	4,425,658
Restricted for:			
Transportation	369,860	-	369,860
Unrestricted	(1,244,145)	455,570	(788,575)
<b>Total Net Position</b>	<b>3,474,833</b>	<b>532,110</b>	<b>4,006,943</b>
<b>Total Liabilities, Deferred Inflows     of Resources, and Net Position</b>	<b>\$ 5,891,615</b>	<b>\$ 745,472</b>	<b>\$ 6,637,087</b>

## CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		
	Transit Services	Airport	Totals
<b>Operating Revenues</b>			
Fees and Permits	\$ -	\$ 31,903	\$ 31,903
Other Revenues	414,491	309,602	724,093
<b>Total Operating Revenues</b>	<b>414,491</b>	<b>341,505</b>	<b>755,996</b>
<b>Operating Expenses</b>			
Personnel Services	468,380	11,719	480,099
Contractual	1,796,796	7,453	1,804,249
Materials and Supplies	50,499	137,965	188,464
Utilities	173,519	8,599	182,118
Depreciation and Amortization	663,967	14,297	678,264
<b>Total Operating Expenses</b>	<b>3,153,161</b>	<b>180,033</b>	<b>3,333,194</b>
Operating Income (Loss)	(2,738,670)	161,472	(2,577,198)
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	28,150	25,204	53,354
Operating Grants and Contributions	1,495,956	10,000	1,505,956
Intergovernmental	2,180	-	2,180
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,526,286</b>	<b>35,204</b>	<b>1,561,490</b>
Income (Loss) Before Contributions and Transfers	(1,212,384)	196,676	(1,015,708)
Capital Grants and Contributions	606,941	-	606,941
Transfers In	45,914	-	45,914
Changes in Net Position	(559,529)	196,676	(362,853)
Net Position, Beginning of Year	4,034,362	335,434	4,369,796
<b>Net Position, End of Year</b>	<b>\$ 3,474,833</b>	<b>\$ 532,110</b>	<b>\$ 4,006,943</b>

## CITY OF CORONA

**COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Transit Services</b>	<b>Airport</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ -	\$ 33,792	\$ 33,792
Cash paid to suppliers for goods and services	(1,821,968)	(153,810)	(1,975,778)
Cash paid to employees for services	(462,100)	-	(462,100)
Cash received from others	1,380,767	309,257	1,690,024
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(903,301)</b>	<b>189,239</b>	<b>(714,062)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers in	45,914	-	45,914
Cash borrowed due to other funds	(694,343)	-	(694,343)
Advance to other funds	-	(115,000)	(115,000)
Operating grants and contributions	1,495,956	10,000	1,505,956
Intergovernmental	2,180	-	2,180
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>849,707</b>	<b>(105,000)</b>	<b>744,707</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Capital grants and contributions	606,941	-	606,941
Acquisition and construction of capital assets	(131,449)	-	(131,449)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>475,492</b>	<b>-</b>	<b>475,492</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	26,389	24,453	50,842
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>26,389</b>	<b>24,453</b>	<b>50,842</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>448,287</b>	<b>108,692</b>	<b>556,979</b>
Cash and Cash Equivalents at Beginning of Year	279,795	527,130	806,925
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 728,082</b>	<b>\$ 635,822</b>	<b>\$ 1,363,904</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (2,738,670)	\$ 161,472	\$ (2,577,198)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	663,967	14,297	678,264
(Increase) decrease in accounts receivable	2,198	1,889	4,087
(Increase) decrease in due from other governments	772,959	-	772,959
(Increase) decrease in deferred outflows of pension related items	139,933	-	139,933
(Increase) decrease in deferred outflows of OPEB items	(32,123)	(13,289)	(45,412)
Increase (decrease) in accounts payable and accrued liabilities	203,202	207	203,409
Increase (decrease) in unearned revenue	191,119	(345)	190,774
Increase (decrease) in compensated absences	4,599	-	4,599
Increase (decrease) in pension liability	(213,001)	-	(213,001)
Increase (decrease) in OPEB liability	118,533	25,089	143,622
Increase (decrease) in deferred inflows of pension related items	(15,860)	-	(15,860)
Increase (decrease) in deferred inflows of OPEB items	(157)	(81)	(238)
<b>Total Adjustments</b>	<b>1,835,369</b>	<b>27,767</b>	<b>1,863,136</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (903,301)</b>	<b>\$ 189,239</b>	<b>\$ (714,062)</b>

**Non-Cash Investing, Capital, and Financing Activities:**

There were no non-cash investing, capital or financing activities during fiscal year 2018-2019.

## ***Combining Financial Statements***

### ***Internal Service Funds***

***Fleet Operations Fund*** – This fund is used to account for Motor Pool rental as the equipment is used. Surplus rental charges are 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 expenses 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 expenditures 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 expenditures 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, 2019**

	Governmental Activities - Internal Service Funds		
	Self-Insurance		
	Fleet Operations	Workers' Compensation	Liability Risk
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 7,951,193	\$ 24,571,530	\$ 2,605,508
Accounts Receivable, Net	2,758	66,036	-
Due from Other Governmental Agencies	1,048	-	-
Inventories and Prepayments	190,010	-	-
<b>Total Current Assets</b>	<b>8,145,009</b>	<b>24,637,566</b>	<b>2,605,508</b>
Noncurrent Assets			
Capital Assets:			
Land and Construction in Progress	29,639	-	-
Other Capital Assets, Net of Depreciation	3,539,625	-	-
Total Capital Assets	3,569,264	-	-
<b>Total Noncurrent Assets</b>	<b>3,569,264</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>11,714,273</b>	<b>24,637,566</b>	<b>2,605,508</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	331,089	-	-
Deferred OPEB Related Items	238,243	15,884	19,412
<b>Total Deferred Outflows of Resources</b>	<b>569,332</b>	<b>15,884</b>	<b>19,412</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 12,283,605</b>	<b>\$ 24,653,450</b>	<b>\$ 2,624,920</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 318,737	\$ 100,353	\$ 36,723
Claims and Judgments Payable	-	3,095,009	985,355
Compensated Absences Payable	41,368	-	-
Long-term Capital Lease Payable	103,965	-	-
<b>Total Current Liabilities</b>	<b>464,070</b>	<b>3,195,362</b>	<b>1,022,078</b>
Noncurrent Liabilities			
Claims and Judgments Payable	-	16,650,707	1,467,283
Compensated Absences Payable	-	-	-
Long-term Capital Lease Payable	343,881	-	-
Net Pension Liability	1,846,756	-	-
Net OPEB Liability	1,663,646	110,911	135,556
<b>Total Noncurrent Liabilities</b>	<b>3,854,283</b>	<b>16,761,618</b>	<b>1,602,839</b>
<b>Total Liabilities</b>	<b>4,318,353</b>	<b>19,956,980</b>	<b>2,624,917</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	30,344	-	-
Deferred OPEB Related Items	8,788	581	805
<b>Total Deferred Inflows of Resources</b>	<b>39,132</b>	<b>581</b>	<b>805</b>
<b>Net Position</b>			
Net Investment in Capital Assets	3,091,779	-	-
Unrestricted	4,834,341	4,695,889	(802)
<b>Total Net Position</b>	<b>7,926,120</b>	<b>4,695,889</b>	<b>(802)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 12,283,605</b>	<b>\$ 24,653,450</b>	<b>\$ 2,624,920</b>

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2019

(CONTINUED)

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Warehouse</u>	<u>Information Technology</u>	<u>Totals</u>
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 392,901	\$ 2,224,926	\$ 37,746,058
Accounts Receivable, Net	-	-	68,794
Due from Other Governmental Agencies	-	-	1,048
Inventories and Prepayments	-	-	190,010
<b>Total Current Assets</b>	<b>392,901</b>	<b>2,224,926</b>	<b>38,005,910</b>
Noncurrent Assets			
Capital Assets:			
Land and Construction in Progress	-	-	29,639
Other Capital Assets, Net of Depreciation	-	1,122,609	4,662,234
Total Capital Assets	-	1,122,609	4,691,873
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>1,122,609</b>	<b>4,691,873</b>
<b>Total Assets</b>	<b>392,901</b>	<b>3,347,535</b>	<b>42,697,783</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	49,091	1,117,373	1,497,553
Deferred OPEB Related Items	42,354	347,658	663,551
<b>Total Deferred Outflows of Resources</b>	<b>91,445</b>	<b>1,465,031</b>	<b>2,161,104</b>
<b>Total Assets and Deferred     Outflows of Resources</b>	<b>\$ 484,346</b>	<b>\$ 4,812,566</b>	<b>\$ 44,858,887</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 19,676	\$ 96,789	\$ 572,278
Claims and Judgments Payable	-	-	4,080,364
Compensated Absences Payable	3,280	107,843	152,491
Long-term Capital Lease Payable	-	198,946	302,911
<b>Total Current Liabilities</b>	<b>22,956</b>	<b>403,578</b>	<b>5,108,044</b>
Noncurrent Liabilities			
Claims and Judgments Payable	-	-	18,117,990
Compensated Absences Payable	-	121,238	121,238
Long-term Capital Lease Payable	-	415,792	759,673
Net Pension Liability	273,811	6,232,508	8,353,075
Net OPEB Liability	295,755	2,427,673	4,633,541
<b>Total Noncurrent Liabilities</b>	<b>569,566</b>	<b>9,197,211</b>	<b>31,985,517</b>
<b>Total Liabilities</b>	<b>592,522</b>	<b>9,600,789</b>	<b>37,093,561</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	4,500	102,407	137,251
Deferred OPEB Related Items	510	3,193	13,877
<b>Total Deferred Inflows of Resources</b>	<b>5,010</b>	<b>105,600</b>	<b>151,128</b>
<b>Net Position</b>			
Net Investment in Capital Assets	-	507,871	3,599,650
Unrestricted	(113,186)	(5,401,694)	4,014,548
<b>Total Net Position</b>	<b>(113,186)</b>	<b>(4,893,823)</b>	<b>7,614,198</b>
<b>Total Liabilities, Deferred Inflows     of Resources, and Net Position</b>	<b>\$ 484,346</b>	<b>\$ 4,812,566</b>	<b>\$ 44,858,887</b>

## CITY OF CORONA

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Fleet Operations</b>	<b>Self-Insurance</b>	
		<b>Workers' Compensation</b>	<b>Liability Risk</b>
<b>Operating Revenues</b>			
Service Charges	\$ 3,079,383	\$ 4,174,916	\$ 1,089,811
Other Revenues	840,182	24,209	-
<b>Total Operating Revenues</b>	<b>3,919,565</b>	<b>4,199,125</b>	<b>1,089,811</b>
<b>Operating Expenses</b>			
Personnel Services	1,102,253	-	-
Contractual	58,910	-	-
Materials and Supplies	1,610,361	464,467	699,722
Utilities	860,908	-	-
Depreciation	106,041	-	-
Claims Expense	-	856,100	274,745
<b>Total Operating Expenses</b>	<b>3,738,473</b>	<b>1,320,567</b>	<b>974,467</b>
Operating Income (Loss)	181,092	2,878,558	115,344
<b>Nonoperating Revenues (Expenses)</b>			
Interest Expense	(23,188)	-	-
Contributions	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(23,188)</b>	<b>-</b>	<b>-</b>
Income (Loss) Before Transfers	157,904	2,878,558	115,344
Transfers In	128,805	-	-
Changes in Net Position	286,709	2,878,558	115,344
Net Position, Beginning of Year	5,363,006	1,817,331	(116,146)
Restatements	2,276,405	-	-
Net Position, Beginning of Year, as Restated	7,639,411	1,817,331	(116,146)
<b>Net Position, End of Year</b>	<b>\$ 7,926,120</b>	<b>\$ 4,695,889</b>	<b>\$ (802)</b>

## CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Totals
<b>Operating Revenues</b>			
Service Charges	\$ 255,171	\$ 7,683,134	\$ 16,282,415
Other Revenues	154	943	865,488
<b>Total Operating Revenues</b>	<b>255,325</b>	<b>7,684,077</b>	<b>17,147,903</b>
<b>Operating Expenses</b>			
Personnel Services	323,630	5,379,667	6,805,550
Contractual	39,900	1,434,800	1,533,610
Materials and Supplies	67,312	1,299,885	4,141,747
Utilities	281	-	861,189
Depreciation	-	280,652	386,693
Claims Expense	-	-	1,130,845
<b>Total Operating Expenses</b>	<b>431,123</b>	<b>8,395,004</b>	<b>14,859,634</b>
Operating Income (Loss)	(175,798)	(710,927)	2,288,269
<b>Nonoperating Revenues (Expenses)</b>			
Interest Expense	-	(23,993)	(47,181)
Contributions	-	595,314	595,314
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>571,321</b>	<b>548,133</b>
Income (Loss) Before Transfers	(175,798)	(139,606)	2,836,402
Transfers In	20,235	336,005	485,045
Changes in Net Position	(155,563)	196,399	3,321,447
Net Position, Beginning of Year	42,377	-	7,106,568
Restatements	-	(5,090,222)	(2,813,817)
Net Position, Beginning of Year, as Restated	42,377	(5,090,222)	4,292,751
<b>Net Position, End of Year</b>	<b>\$ (113,186)</b>	<b>\$ (4,893,823)</b>	<b>\$ 7,614,198</b>



## CITY OF CORONA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019**

	Governmental Activities - Internal Service Funds		
	Self-Insurance		
	Fleet Operations	Workers' Compensation	Liability Risk
<b>Cash Flows from Operating Activities</b>			
Cash received from customers and users	\$ 3,082,096	\$ 4,185,014	\$ 1,089,811
Cash paid to suppliers for goods and services	(2,492,819)	(169,749)	(816,967)
Cash paid to employees for services	(960,802)	-	-
Cash paid for current claims	-	(197,247)	(106,912)
Cash paid for long-term claims	-	(1,369,975)	(167,833)
Cash received from others	840,182	24,209	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>468,657</b>	<b>2,472,252</b>	<b>(1,901)</b>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Transfers In	128,805	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>128,805</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from capital debt	297,067	-	-
Proceeds from long-term capital lease payable	-	-	-
Capital contributions	-	-	-
Acquisition and construction of capital assets	(1,027,472)	-	-
Principal paid on capital debt	(88,520)	-	-
Interest paid on capital debt	(23,188)	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(842,113)</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(244,651)</b>	<b>2,472,252</b>	<b>(1,901)</b>
<b>Cash and Cash Equivalents</b>			
Beginning of Year	8,195,844	22,099,278	2,607,409
<b>End of Year</b>	<b>\$ 7,951,193</b>	<b>\$ 24,571,530</b>	<b>\$ 2,605,508</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ 181,092	\$ 2,878,558	\$ 115,344
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	106,041	-	-
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	2,713	10,098	-
(Increase) decrease in inventories and prepayments	(10,825)	183,399	-
(Increase) decrease in deferred outflows of pension related items	203,966	-	-
(Increase) decrease in deferred outflows of OPEB items	(111,855)	(7,528)	(7,922)
Increase (decrease) in accounts payable and accrued liabilities	56,369	100,181	(118,048)
Increase (decrease) in claims and judgments	-	(711,122)	-
Increase (decrease) in compensated absences	2,519	-	-
Increase (decrease) in pension liability	(206,077)	-	-
Increase (decrease) in OPEB liability	269,076	18,709	8,777
Increase (decrease) in deferred inflows of pension related items	(23,720)	-	-
Increase (decrease) in deferred inflows of OPEB items	(642)	(43)	(52)
<b>Total Adjustments</b>	<b>287,565</b>	<b>(406,306)</b>	<b>(117,245)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 468,657</b>	<b>\$ 2,472,252</b>	<b>\$ (1,901)</b>

**Non-Cash Investing, Capital, and Financing Activities:**

There were no non-cash investing, capital or financing activities during fiscal year 2018-2019.

## CITY OF CORONA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Totals
<b>Cash Flows from Operating Activities</b>			
Cash received from customers and users	\$ 255,171	\$ 7,683,134	\$ 16,295,226
Cash paid to suppliers for goods and services	(96,828)	(2,678,840)	(6,255,203)
Cash paid to employees for services	(143,581)	(2,899,114)	(4,003,497)
Cash paid for current claims	-	-	(304,159)
Cash paid for long-term claims	-	-	(1,537,808)
Cash received from others	154	943	865,488
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>14,916</b>	<b>2,106,123</b>	<b>5,060,047</b>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Transfers In	20,235	336,005	485,045
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>20,235</b>	<b>336,005</b>	<b>485,045</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from capital debt	-	-	297,067
Proceeds from long-term capital lease payable	-	807,947	807,947
Capital contributions	-	595,314	595,314
Acquisition and construction of capital assets	-	(1,403,261)	(2,430,733)
Principal paid on capital debt	-	(193,209)	(281,729)
Interest paid on capital debt	-	(23,993)	(47,181)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(217,202)</b>	<b>(1,059,315)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>35,151</b>	<b>2,224,926</b>	<b>4,485,777</b>
<b>Cash and Cash Equivalents</b>			
Beginning of Year	357,750	-	33,260,281
<b>End of Year</b>	<b>\$ 392,901</b>	<b>\$ 2,224,926</b>	<b>\$ 37,746,058</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ (175,798)	\$ (710,927)	\$ 2,288,269
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	-	280,652	386,693
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	-	-	12,811
(Increase) decrease in inventories and prepayments	-	-	172,574
(Increase) decrease in deferred outflows of pension related items	27,765	424,845	656,576
(Increase) decrease in deferred outflows of OPEB items	(33,998)	(292,298)	(453,601)
Increase (decrease) in accounts payable and accrued liabilities	16,078	96,789	151,369
Increase (decrease) in claims and judgments	-	-	(711,122)
Increase (decrease) in compensated absences	2,071	229,081	233,671
Increase (decrease) in pension liability	(21,366)	315,517	88,074
Increase (decrease) in OPEB liability	203,553	1,816,828	2,316,943
Increase (decrease) in deferred inflows of pension related items	(3,275)	(53,426)	(80,421)
Increase (decrease) in deferred inflows of OPEB items	(114)	(938)	(1,789)
<b>Total Adjustments</b>	<b>190,714</b>	<b>2,817,050</b>	<b>2,771,778</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 14,916</b>	<b>\$ 2,106,123</b>	<b>\$ 5,060,047</b>

**Non-Cash Investing, Capital, and Financing Activities:**

There were no non-cash investing, capital or financing activities during fiscal year 2018-2019.



## ***Combining Financial Statements***

### ***Agency Funds***

Agency Funds are custodial in nature and do not involve measurement of results and operations.

CITY OF CORONA

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2019

	<u>AD/CFD Fund</u>	<u>AB109 PACT</u>	<u>Totals</u>
<b>Assets:</b>			
Cash and Investments	\$ 1,133,288	\$ 243,058	\$ 1,376,346
Interest Receivable	78,761	1,177	79,938
Due from Other Governmental Agencies	204,421	-	204,421
Restricted Assets:			
Cash and Investments	27,130,909	-	27,130,909
<b>Total Assets</b>	<b><u>\$ 28,547,379</u></b>	<b><u>\$ 244,235</u></b>	<b><u>\$ 28,791,614</u></b>
<b>Liabilities:</b>			
Accounts Payable and Accrued Liabilities	\$ 6,024	\$ 32,653	\$ 38,677
Due to Bondholders	28,541,355	211,582	28,752,937
<b>Total Liabilities</b>	<b><u>\$ 28,547,379</u></b>	<b><u>\$ 244,235</u></b>	<b><u>\$ 28,791,614</u></b>

## CITY OF CORONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b><u>AD/CFD Fund</u></b>				
<b>Assets</b>				
Cash and Investments	\$ 1,101,757	\$ 24,726,698	\$ 24,695,167	\$ 1,133,288
Interest Receivable	89,689	235,911	246,839	78,761
Due from Other Governmental Agencies	209,456	204,831	209,866	204,421
Restricted Assets:				
Cash and Investments	30,224,857	39,790,864	42,884,812	27,130,909
<b>Total Assets</b>	<b><u>\$ 31,625,759</u></b>	<b><u>\$ 64,958,304</u></b>	<b><u>\$ 68,036,684</u></b>	<b><u>\$ 28,547,379</u></b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 5,711	\$ 12,099,030	\$ 12,098,717	\$ 6,024
Due to Bondholders	31,620,048	28,272,784	31,351,477	28,541,355
<b>Total Liabilities</b>	<b><u>\$ 31,625,759</u></b>	<b><u>\$ 40,371,814</u></b>	<b><u>\$ 43,450,194</u></b>	<b><u>\$ 28,547,379</u></b>
<b><u>AB109 PACT</u></b>				
<b>Assets:</b>				
Cash and Investments	\$ 1,053,511	\$ 29,935	\$ 840,388	\$ 243,058
Interest Receivable	4,653	1,177	4,653	1,177
<b>Total Assets</b>	<b><u>\$ 1,058,164</u></b>	<b><u>\$ 31,112</u></b>	<b><u>\$ 845,041</u></b>	<b><u>\$ 244,235</u></b>
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$ 147,861	\$ 556,676	\$ 671,884	\$ 32,653
Due to Bondholders	910,303	31,112	729,833	211,582
<b>Total Liabilities</b>	<b><u>\$ 1,058,164</u></b>	<b><u>\$ 587,788</u></b>	<b><u>\$ 1,401,717</u></b>	<b><u>\$ 244,235</u></b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and Investments	\$ 2,155,268	\$ 24,756,633	\$ 25,535,555	\$ 1,376,346
Interest Receivable	94,342	237,088	251,492	79,938
Due from Other Governmental Agencies	209,456	204,831	209,866	204,421
Restricted Assets:				
Cash and Investments	30,224,857	39,790,864	42,884,812	27,130,909
<b>Total Assets</b>	<b><u>\$ 32,683,923</u></b>	<b><u>\$ 64,989,416</u></b>	<b><u>\$ 68,881,725</u></b>	<b><u>\$ 28,791,614</u></b>
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$ 153,572	\$ 12,655,706	\$ 12,770,601	\$ 38,677
Due to Bondholders	32,530,351	28,303,896	32,081,310	28,752,937
<b>Total Liabilities</b>	<b><u>\$ 32,683,923</u></b>	<b><u>\$ 40,959,602</u></b>	<b><u>\$ 44,851,911</u></b>	<b><u>\$ 28,791,614</u></b>



# Statistical Section

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.

## **Contents** **Page #**

### **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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**Sources:** Unless otherwise noted, the information in these schedules was derived from the City's Comprehensive Annual Financial Reports (CAFR) for the relevant year.



**CITY OF CORONA****Schedule 1****Net Position by Component****Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year			
	2019	2018	2017	2016
Governmental Activities				
Net Investment in Capital Assets	\$ 690,776,881	\$ 661,445,807	\$ 638,468,424	\$ 618,953,633
Restricted for:				
Capital Projects	34,034,394	35,250,894	26,832,918	24,440,919
Debt Service	6,490,959	5,100,103	3,439,357	2,416,841
Transportation and Public Works	22,272,787	18,493,153	16,363,749	15,401,285
Special Assessment District	12,625,790	11,114,013	14,377,296	17,074,793
Development Projects	21,365,909	9,137,699	5,276,971	8,866,182
Other Purposes	382,770	309,562	725,421	514,174
Total Restricted	97,172,609	79,405,424	67,015,712	68,714,194
Unrestricted	34,147,614	23,749,730	106,765,363	96,234,263
Total Governmental Activities Net Position	<u>\$ 822,097,104</u>	<u>\$ 764,600,961</u>	<u>\$ 812,249,499</u>	<u>\$ 783,902,090</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 346,111,296	\$ 334,581,059	\$ 324,512,188	\$ 312,540,296
Restricted for:				
Capital Projects	6,735,454	6,735,454	6,735,454	7,205,941
Debt Service	-	-	-	-
Transportation and Public Works	369,860	261,195	697,391	611,272
Development Projects	792,804	-	-	-
Total Restricted	7,898,118	6,996,649	7,432,845	7,817,213
Unrestricted	(95,417,283)	(111,330,380)	(86,423,631)	(96,745,399)
Total Business-Type Activities Net Position	<u>\$ 258,592,131</u>	<u>\$ 230,247,328</u>	<u>\$ 245,521,402</u>	<u>\$ 223,612,110</u>
Primary Government				
Net Investment in Capital Assets	\$ 1,036,888,177	\$ 996,026,866	\$ 962,980,612	\$ 931,493,929
Restricted	105,070,727	86,402,073	74,448,557	76,531,407
Unrestricted	(61,269,669)	(87,580,650)	20,341,732	(511,136)
Total Primary Government Net Position	<u>\$ 1,080,689,235</u>	<u>\$ 994,848,289</u>	<u>\$ 1,057,770,901</u>	<u>\$ 1,007,514,200</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 587,861,831	\$ 557,314,076	\$ 542,474,178	\$ 547,427,503	\$ 512,867,317	\$ 457,625,412
23,435,434	31,326,722	87,678,260	95,362,651	26,795,896	80,695,897
2,653,417	2,770,292	2,772,671	3,418,104	10,773,995	7,079,903
19,206,895	19,224,575	16,083,567	14,494,532	-	-
15,602,868	13,862,186	12,404,874	11,655,625	-	-
5,939,085	1,934,349	4,703,812	6,763,589	-	-
560,289	803,053	1,173,375	708,280	50,908,926	60,915,014
<u>67,397,988</u>	<u>69,921,177</u>	<u>124,816,559</u>	<u>132,402,781</u>	<u>88,478,817</u>	<u>148,690,814</u>
<u>90,173,729</u>	<u>270,365,217</u>	<u>265,060,487</u>	<u>251,564,898</u>	<u>248,153,878</u>	<u>243,443,770</u>
<u>\$ 745,433,548</u>	<u>\$ 897,600,470</u>	<u>\$ 932,351,224</u>	<u>\$ 931,395,182</u>	<u>\$ 849,500,012</u>	<u>\$ 849,759,996</u>
\$ 286,045,985	\$ 275,218,430	\$ 281,276,333	\$ 274,761,353	\$ 66,109,520	\$ 219,780,082
6,898,174	10,780,901	-	-	-	-
6,061,277	6,813,257	8,435,288	10,969,563	-	-
830,088	1,317,690	130,390	637,926	18,065,870	10,779,222
-	-	-	-	-	-
<u>13,789,539</u>	<u>18,911,848</u>	<u>8,565,678</u>	<u>11,607,489</u>	<u>18,065,870</u>	<u>10,779,222</u>
<u>(92,820,840)</u>	<u>(91,326,475)</u>	<u>(100,444,897)</u>	<u>(107,169,420)</u>	<u>73,811,520</u>	<u>(82,129,735)</u>
<u>\$ 207,014,684</u>	<u>\$ 202,803,803</u>	<u>\$ 189,397,114</u>	<u>\$ 179,199,422</u>	<u>\$ 157,986,910</u>	<u>\$ 148,429,569</u>
\$ 873,907,816	\$ 832,532,506	\$ 823,750,511	\$ 822,188,856	\$ 578,976,837	\$ 677,405,494
81,187,527	88,833,025	133,382,237	144,010,270	106,544,687	159,470,036
<u>(2,647,111)</u>	<u>179,038,742</u>	<u>164,615,590</u>	<u>144,395,478</u>	<u>321,965,398</u>	<u>161,314,035</u>
<u>\$ 952,448,232</u>	<u>\$ 1,100,404,273</u>	<u>\$ 1,121,748,338</u>	<u>\$ 1,110,594,604</u>	<u>\$ 1,007,486,922</u>	<u>\$ 998,189,565</u>

**CITY OF CORONA****Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year			
	2019	2018	2017	2016
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 33,591,976	\$ 21,282,982	\$ 28,273,481	\$ 27,435,359
Public Safety - Fire	29,004,569	29,892,569	26,004,329	24,447,062
Public Safety - Police	51,665,087	52,237,558	47,773,812	44,341,895
Public Works & Maintenance Services	41,082,525	38,699,371	35,763,511	39,647,786
Library and Recreation Services	4,301,828	3,815,661	5,281,168	6,463,940
Community Development	4,666,834	3,691,471	4,736,871	5,933,581
Economic Development	391,110	329,276	4,927,998	4,422,141
Interest and Fiscal Charges	1,347,268	1,398,132	1,034,468	1,910,542
Total Governmental Activities Expenses	<u>\$ 166,051,197</u>	<u>\$ 151,347,020</u>	<u>\$ 153,795,638</u>	<u>\$ 154,602,306</u>
Business-Type Activities:				
Water	54,241,684	66,216,277	52,922,440	51,177,312
Water Reclamation	28,218,102	31,543,999	24,258,766	25,004,508
Electric	15,597,164	16,913,151	15,559,948	20,082,535
Transit Services	3,153,161	3,391,384	2,826,701	2,732,394
Airport	180,033	146,287	166,860	197,702
Total Business-Type Activities Expenses	<u>101,390,144</u>	<u>118,211,098</u>	<u>95,734,715</u>	<u>99,194,451</u>
Total Primary Government Expenses	<u>\$ 267,441,341</u>	<u>\$ 269,558,118</u>	<u>\$ 249,530,353</u>	<u>\$ 253,796,757</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government*	7,377,481	10,394,661	18,216,829	18,556,870
Public Safety - Fire	4,914,360	5,076,947	4,087,577	3,679,300
Public Safety - Police	2,282,448	2,172,690	1,090,884	1,082,045
Public Works & Maintenance Services	17,033,637	15,271,111	15,757,571	15,708,292
Library and Recreation Services	2,882,270	2,582,847	1,690,619	1,481,845
Community Development	4,868,485	3,718,706	2,112,169	2,116,832
Economic Development	-	-	-	-
Operating Grants and Contributions	17,177,545	15,235,243	13,607,731	13,468,867
Capital Grants and Contributions	46,130,203	32,940,776	23,356,504	40,508,675
Total Governmental Activities Program Revenues	<u>102,666,429</u>	<u>87,392,981</u>	<u>79,919,884</u>	<u>96,602,726</u>
Business-Type activities:				
Charges for Services:				
Water	56,486,220	56,153,664	51,435,658	48,753,278
Water Reclamation	31,394,607	31,114,187	31,271,134	30,755,583
Electric	16,971,319	17,772,585	16,789,626	17,057,728
Transit Services	364,025	359,652	445,604	427,417
Airport	341,505	265,996	298,868	272,217
Operating Grants and Contributions	1,813,204	3,195,967	2,876,392	5,116,662
Capital Grants and Contributions	6,915,473	4,992,185	13,061,722	6,954,812
Total Business-Type Activities Program Revenues	<u>114,286,353</u>	<u>113,854,236</u>	<u>116,179,004</u>	<u>109,337,697</u>
Total Primary Government Program Revenues	<u>\$ 216,952,782</u>	<u>\$ 201,247,217</u>	<u>\$ 196,098,888</u>	<u>\$ 205,940,423</u>

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

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 24,481,334	\$ 23,974,508	\$ 22,853,992	\$ 20,551,027	\$ 21,771,013	\$ 23,778,004
24,052,304	23,062,147	22,702,313	21,506,851	23,066,539	23,849,351
42,939,535	40,779,963	40,357,283	39,791,147	40,465,516	44,573,946
33,544,227	39,591,302	43,533,983	41,086,166	43,036,551	44,328,099
6,559,251	4,417,913	2,825,606	2,640,592	2,745,336	3,108,194
3,806,766	3,453,020	-	-	-	-
3,107,755	5,344,121	6,877,725	12,860,222	15,368,206	18,283,224
2,016,105	2,172,050	2,953,366	3,648,700	14,655,640	13,471,571
<u>\$ 140,507,277</u>	<u>\$ 142,795,024</u>	<u>\$ 142,104,268</u>	<u>\$ 142,084,705</u>	<u>\$ 161,108,801</u>	<u>\$ 171,392,389</u>
55,714,372	58,165,289	57,605,446	55,837,945	46,791,524	48,080,241
26,500,708	29,160,167	29,060,647	30,224,698	25,940,578	27,212,393
15,192,888	13,373,418	14,675,785	14,569,429	17,638,508	21,951,228
2,477,893	2,355,405	2,286,292	2,148,857	2,078,197	2,309,727
282,969	281,771	301,454	307,538	328,658	316,270
100,168,830	103,336,050	103,929,624	103,088,467	92,777,465	99,869,859
<u>\$ 240,676,107</u>	<u>\$ 246,131,074</u>	<u>\$ 246,033,892</u>	<u>\$ 245,173,172</u>	<u>\$ 253,886,266</u>	<u>\$ 271,262,248</u>
20,774,890	16,938,527	19,341,407	19,419,682	19,112,894	14,964,342
3,142,720	4,264,876	4,242,725	3,926,888	3,092,311	3,204,585
1,065,181	2,070,221	3,011,565	3,079,224	3,295,825	3,551,199
20,011,693	20,068,114	20,993,799	20,043,766	20,211,720	19,475,470
1,014,872	319,806	318,831	264,464	280,729	333,015
2,420,301	3,316,624	-	-	-	-
-	666,394	707,126	-	-	-
11,780,932	12,555,412	13,760,057	12,350,047	18,683,384	11,711,125
27,197,609	20,783,935	5,620,168	8,977,103	3,743,333	9,480,514
<u>87,408,198</u>	<u>80,983,909</u>	<u>67,995,678</u>	<u>68,061,174</u>	<u>68,420,196</u>	<u>55,372,317</u>
52,620,052	55,937,613	53,906,208	50,243,765	48,103,987	50,979,766
30,735,952	30,626,667	30,620,212	29,472,121	27,361,203	26,779,144
16,760,206	17,182,310	17,138,240	16,531,675	17,247,983	23,891,958
432,281	406,202	415,615	633,355	364,830	412,928
288,820	316,402	280,915	265,838	297,638	286,546
4,160,035	1,640,359	1,635,598	1,531,791	1,600,444	1,724,206
13,485,750	4,225,256	3,453,420	11,730,500	3,261,322	4,728,651
118,483,096	110,334,809	107,450,208	110,409,045	98,237,407	108,803,199
<u>\$ 205,891,294</u>	<u>\$ 191,318,718</u>	<u>\$ 175,445,886</u>	<u>\$ 178,470,219</u>	<u>\$ 166,657,603</u>	<u>\$ 164,175,516</u>

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**CITY OF CORONA****Schedule 2****Changes in Net Position****Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year			
	2019	2018	2017	2016
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (63,384,768)	\$ (63,954,039)	\$ (73,875,754)	\$ (57,999,580)
Business-Type Activities	12,896,209	(4,356,862)	20,444,289	10,143,246
Total Primary Government Net Expense	<u>\$ (50,488,559)</u>	<u>\$ (68,310,901)</u>	<u>\$ (53,431,465)</u>	<u>\$ (47,856,334)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property Taxes	\$ 48,123,700	\$ 45,646,490	\$ 43,059,232	\$ 42,156,726
Sales and Use Tax	44,125,758	38,118,548	41,145,616	39,663,795
Other Taxes	11,640,957	10,490,863	9,565,580	9,349,800
Total taxes	<u>103,890,415</u>	<u>94,255,901</u>	<u>93,770,428</u>	<u>91,170,321</u>
Investment Earnings	9,042,370	540,824	623,227	3,172,905
Miscellaneous	11,764,807	13,123,627	6,892,170	4,765,043
Unrestricted Grants and Contributions	-	-	-	-
Gain/(Loss) on Sale of Capital Asset	-	-	-	-
Extraordinary Items	-	-	-	-
Transfers	(1,896,122)	(2,744,512)	44,970	14,540
Special Items	-	3,037,670	-	-
Total Governmental Activities	<u>122,801,470</u>	<u>108,213,510</u>	<u>101,330,795</u>	<u>99,122,809</u>
Business-Type Activities:				
Investment Earnings	5,010,211	334,927	199,758	1,839,114
Other Income	8,542,261	4,887,538	479,465	45,168
Gain/(Loss) on Sale of Capital Asset	-	-	-	-
Transfers	1,896,122	2,744,512	(44,970)	(14,540)
Total Business-Type Activities	<u>15,448,594</u>	<u>7,966,977</u>	<u>634,253</u>	<u>1,869,742</u>
Total Primary Government	<u>\$ 138,250,064</u>	<u>\$ 116,180,487</u>	<u>\$ 101,965,048</u>	<u>\$ 100,992,551</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 59,416,702	\$ 44,259,470	\$ 27,455,041	\$ 41,123,229
Business-Type Activities	28,344,803	3,610,115	21,078,542	12,012,988
Total Primary Government	<u>\$ 87,761,505</u>	<u>\$ 47,869,585</u>	<u>\$ 48,533,583</u>	<u>\$ 53,136,217</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ (53,099,079)	\$ (71,620,834)	\$ (84,625,187)	\$ (86,111,861)	\$ (104,335,419)	\$ (116,020,072)
18,314,266	6,998,759	3,520,584	7,320,578	5,459,942	8,933,340
<u>\$ (34,784,813)</u>	<u>\$ (64,622,075)</u>	<u>\$ (81,104,603)</u>	<u>\$ (78,791,283)</u>	<u>\$ (98,875,477)</u>	<u>\$ (107,086,732)</u>
\$ 38,656,150	\$ 36,462,210	\$ 41,238,344	\$ 45,754,306	\$ 59,090,960	\$ 62,049,578
36,608,600	35,623,651	32,969,847	31,190,815	28,505,050	26,543,193
10,566,662	9,099,819	8,249,945	8,546,497	7,802,237	7,660,365
<u>85,831,412</u>	<u>81,185,680</u>	<u>82,458,136</u>	<u>85,491,618</u>	<u>95,398,247</u>	<u>96,253,136</u>
1,988,557	2,296,081	470,023	4,047,070	3,380,168	7,204,417
3,686,771	2,096,681	2,355,179	3,637,541	658,664	1,311,650
-	407	145,742	76,014	686,338	481,295
-	-	-	-	-	1,776,536
5,054,583	(56,854,230)	(8,033,621)	57,030,346	-	-
-	(916,819)	(547,690)	(163,000)	40,000	57,000
-	-	-	-	-	-
<u>96,561,323</u>	<u>27,807,800</u>	<u>76,847,769</u>	<u>150,119,589</u>	<u>100,163,417</u>	<u>114,431,967</u>
862,948	1,189,440	2,450,042	4,019,878	3,178,516	3,169,884
493	1,996,793	3,890,307	-	-	-
(10,207)	2,497,251	-	-	2,350,130	-
-	916,819	547,690	163,000	(40,000)	(57,000)
<u>853,234</u>	<u>6,600,303</u>	<u>6,888,039</u>	<u>4,182,878</u>	<u>5,488,646</u>	<u>3,112,884</u>
<u>\$ 97,414,557</u>	<u>\$ 34,408,103</u>	<u>\$ 83,735,808</u>	<u>\$ 154,302,467</u>	<u>\$ 105,652,063</u>	<u>\$ 117,544,851</u>
\$ 43,462,244	\$ (43,813,034)	\$ 2,739,179	\$ 76,096,058	\$ 7,474,812	\$ 10,096,548
19,167,500	13,599,062	10,408,623	11,503,456	10,948,588	8,572,826
<u>\$ 62,629,744</u>	<u>\$ (30,213,972)</u>	<u>\$ 13,147,802</u>	<u>\$ 87,599,514</u>	<u>\$ 18,423,400</u>	<u>\$ 18,669,374</u>

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**CITY OF CORONA****Schedule 3  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year			
	2019	2018	2017	2016
General Fund				
Nonspendable	\$ 26,492,072	\$ 31,465,340	\$ 33,241,909	\$ 34,124,977
Committed	39,899,272	36,247,833	33,898,271	33,511,464
Assigned	55,495,036	40,855,061	41,979,112	33,141,625
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 121,886,380</u>	<u>\$ 108,568,234</u>	<u>\$ 109,119,292</u>	<u>\$ 100,778,066</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	97,172,609	79,405,424	66,631,585	59,493,942
Assigned	396,813	389,356	432,652	9,428,541
Unassigned	(48,500)	(48,501)	(48,525)	(85,423)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue	-	-	-	-
Capital Projects	-	-	-	-
Total all other Governmental Funds	<u>\$ 97,520,922</u>	<u>\$ 79,746,279</u>	<u>\$ 67,015,712</u>	<u>\$ 68,837,060</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 24,378,784	\$ 23,595,803	\$ 22,797,277	\$ 15,070,684	\$ 15,112,080	\$ 19,708,805
23,815,795	23,494,027	22,804,343	18,279,947	18,072,691	17,597,806
50,696,555	44,748,578	41,298,885	43,205,474	50,333,810	40,338,627
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 98,891,134</u>	<u>\$ 91,838,408</u>	<u>\$ 86,900,505</u>	<u>\$ 76,556,105</u>	<u>\$ 83,518,581</u>	<u>\$ 77,645,238</u>
\$ 18,926,818	\$ 3,615,772	\$ 61,512,775	\$ 61,220,936	\$ 61,568,872	\$ 58,835,683
42,982,365	41,755,471	22,103,295	27,425,735	35,292,020	41,491,338
5,825,674	1,299,482	17,604,929	19,215,798	25,061,577	26,635,398
(151,869)					(769,101)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 67,582,988</u>	<u>\$ 46,670,725</u>	<u>\$ 101,220,999</u>	<u>\$ 107,862,469</u>	<u>\$ 121,922,469</u>	<u>\$ 126,193,318</u>



**CITY OF CORONA**

**Schedule 4**

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year			
	2019	2018	2017	2016
<b>Revenues:</b>				
Property Taxes	\$ 47,994,974	\$ 45,775,246	\$ 43,170,396	\$ 42,175,687
Sales Taxes	44,125,758	38,118,548	41,145,616	39,663,796
Other Taxes	10,806,717	10,443,823	9,421,375	9,255,961
Licenses, Fees and Permits	14,334,965	6,530,878	5,682,991	7,947,593
Fines and Penalties	1,260,265	1,243,873	1,467,593	1,338,341
Special Assessments	8,599,669	8,518,569	8,281,089	8,801,035
Investment Earnings	9,042,370	540,761	623,227	3,169,381
Intergovernmental Revenues	23,459,273	19,642,952	26,038,928	41,588,677
Current Services	21,810,063	21,536,206	19,260,514	18,375,839
Payments in Lieu of Services	7,732,356	9,973,782	10,113,191	10,202,448
Other Revenues	38,087,702	35,312,655	14,111,953	13,314,649
<b>Total Revenues</b>	<b>227,254,112</b>	<b>197,637,293</b>	<b>179,316,873</b>	<b>195,833,407</b>
<b>Expenditures:</b>				
General Government	32,612,219	33,897,611	25,520,135	25,200,855
Public Safety - Fire	25,393,135	26,668,495	25,855,247	25,894,695
Public Safety - Police	45,914,260	47,426,516	46,885,033	45,080,687
Public Works & Maintenance Services	33,876,327	32,492,756	27,172,763	33,621,625
Library and Recreation Services	5,140,160	5,153,298	5,197,923	4,669,898
Community Development	5,249,767	4,807,968	4,816,552	5,953,143
Economic Development	444,925	421,117	4,930,642	4,422,141
Capital Outlay	38,969,422	35,320,776	30,579,173	43,444,050
Debt Service				
Principal	2,814,099	3,324,719	2,853,939	2,800,122
Interest and Fiscal Charges	1,445,283	1,533,230	1,408,493	1,953,345
<b>Total Expenditures</b>	<b>191,859,597</b>	<b>191,046,486</b>	<b>175,219,900</b>	<b>193,040,561</b>
Excess of Revenues Over/(Under) Expenditures	35,394,515	6,590,807	4,096,973	2,792,846
<b>Other Financing Sources/(Uses)</b>				
Loss from Sale of Land Held for Resale	-	-	-	-
Issuance of Debt	-	-	24,520,000	-
Principal Retirement	-	-	(27,212,450)	-
Proceeds from Sale of Capital Asset	-	-	-	-
Bond Premium	-	-	2,974,564	-
Capital Leases	-	1,403,261	-	-
Transfers In	1,382,903	5,533,474	6,291,621	2,588,851
Transfers Out	(3,764,070)	(6,296,428)	(5,677,217)	(1,987,900)
<b>Total Other Financing Sources/(Uses)</b>	<b>(2,381,167)</b>	<b>640,307</b>	<b>896,518</b>	<b>600,951</b>
<b>Extraordinary Items</b>				
	-	-	-	-
<b>Special Items</b>				
	-	3,037,670	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 33,013,348</b>	<b>\$ 10,268,784</b>	<b>\$ 4,993,491</b>	<b>\$ 3,393,797</b>
Debt Service as a Percentage of Non-capital Expenditures	2.8%	3.1%	2.9%	3.2%



Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 38,896,950	\$ 36,721,899	\$ 39,447,422	\$ 45,754,306	\$ 59,090,960	\$ 62,049,578
38,565,868	37,430,489	34,529,611	32,725,933	29,923,541	27,915,576
7,598,684	6,835,935	6,370,589	6,238,073	5,976,783	5,943,514
9,599,549	2,777,719	2,462,107	5,817,125	2,187,466	2,244,379
1,041,887	1,068,778	1,717,820	1,841,074	2,168,820	2,625,345
9,438,713	9,439,079	9,477,719	9,296,683	9,645,684	9,230,699
1,988,557	2,296,081	470,023	4,047,070	3,380,168	7,205,344
27,601,255	29,487,199	15,312,882	15,731,101	17,140,177	16,982,358
17,276,984	17,287,466	16,003,725	14,392,726	13,724,789	13,469,450
12,638,674	10,644,539	8,999,739	9,544,525	9,681,893	10,524,934
15,300,761	14,900,407	18,919,899	17,714,051	16,833,436	11,586,690
<u>179,947,882</u>	<u>168,889,591</u>	<u>153,711,536</u>	<u>163,102,667</u>	<u>169,753,717</u>	<u>169,777,867</u>
21,735,399	23,938,276	23,088,936	20,711,464	20,335,688	20,752,739
24,874,714	24,247,894	22,965,971	22,921,163	23,068,351	22,886,210
41,966,882	41,161,796	39,770,719	41,751,356	39,523,177	43,154,254
27,777,052	35,125,462	37,909,062	38,237,264	37,572,220	38,683,385
4,677,992	4,440,588	2,758,037	2,720,741	2,694,192	2,925,121
3,829,120	3,422,846	3,019,174	2,971,829	3,258,772	3,280,136
3,107,755	2,529,859	816,342	9,560,505	10,942,983	18,776,318
34,342,416	23,609,928	7,769,015	4,349,725	11,089,418	21,562,741
3,672,900	3,545,895	3,654,332	7,082,070	7,578,502	8,139,799
2,064,757	2,210,669	2,719,421	7,547,454	14,756,645	14,041,809
<u>168,048,987</u>	<u>164,233,213</u>	<u>144,471,009</u>	<u>157,853,571</u>	<u>170,819,948</u>	<u>194,202,512</u>
11,898,895	4,656,378	9,240,527	5,249,096	(1,066,231)	(24,424,645)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,400,000
-	-	-	-	-	-
-	-	-	-	-	-
2,315,815	3,767,587	3,771,227	4,533,758	79,529,457	17,440,737
(1,739,145)	(1,124,534)	(1,250,885)	(5,582,646)	(76,674,137)	(10,398,334)
<u>576,670</u>	<u>2,643,053</u>	<u>2,520,342</u>	<u>(1,048,888)</u>	<u>2,855,320</u>	<u>9,442,403</u>
-	(56,854,230)	(8,033,621)	(19,852,703)	-	-
-	-	-	-	-	-
<u>\$ 12,475,565</u>	<u>\$ (49,554,799)</u>	<u>\$ 3,727,248</u>	<u>\$ (15,652,495)</u>	<u>\$ 1,789,089</u>	<u>\$ (14,982,242)</u>

4.3%

4.1%

4.6%

9.5%

14.0%

12.8%

**CITY OF CORONA****Schedule 5a  
Water Sales By User Type<sup>1</sup>  
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
2010	23,752	64.5	4,404	12.0	1,216	3.3	4,278	11.6	3,165	8.6	36,815	100.0
2011	22,121	65.4	3,812	11.3	1,158	3.4	3,058	9.0	3,700	10.9	33,849	100.0
2012	22,735	65.5	3,662	10.6	1,184	3.4	3,355	9.6	3,768	10.9	34,704	100.0
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

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
2010	\$ 10,338,756	\$ 2,392,421	\$ 2,175,301	\$ 1,628,324	\$ 251,763	\$ 16,283,039	1.00064
2011	10,340,114	2,177,188	2,159,963	1,679,857	271,357	16,085,765	1.0000
2012	10,406,831	2,101,432	2,108,882	1,602,344	293,954	15,925,535	1.0000
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

*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**

Fiscal Year <sup>1</sup>	Quantity Rate per 100 C.F. <sup>2</sup>	Monthly Base Rates								
		Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2010	1.81 <sup>3</sup>	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2011	1.85 <sup>4</sup>	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2012	1.92 <sup>5</sup>	18.44	24.18	34.59	60.29	87.98	150.37	230.99	424.21	623.93
2013	2.04 <sup>6</sup>	18.88	24.76	35.42	61.73	90.09	153.98	236.53	434.39	638.90
2014	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2015	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2016	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2017	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2018	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2019	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04

- 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) Starting Fiscal Years 2013-14, the quantity rate included a pass-through charge from WMWD of \$0.03 per 100 C.F. for Tier 1 rates.

Source: City of Corona Department of Water and Power.

**CITY OF CORONA**

**Schedule 6b  
Reclaimed Water Rates  
Last Ten Fiscal Years**

Fiscal Year <sup>1</sup>	Quantity Rate per 100 C.F. <sup>2</sup>	Monthly Base Rates								
		Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2010	\$ 1.39	\$ 18.04	\$ 23.66	\$ 33.85	\$ 58.99	\$ 86.09	\$ 147.13	\$ 226.02	\$ 415.08	\$ 610.50
2011	1.39	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2012	1.44	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
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

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 Tier 1 of the Budget Based Water Rate Structure adopted with Ordinance No. 3025, effective March 19, 2010.

Source: City of 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 <sup>2</sup>			
	Basic Rate <sup>1</sup>	General Obligation Debt Service	Total Direct	Corona/Norco School District	Alvord School District	Metropolitan Water District	Riverside City Community College
2010	1.0000	0.0006	1.0006	0.0403	0.1255	0.0043	0.0124
2011	1.0000	0.0000	1.0000	0.0452	0.1195	0.0037	0.0150
2012	1.0000	0.0000	1.0000	0.0661	0.1185	0.0037	0.0170
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

**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 2009/10-2018/19 Tax Rate Table.

**CITY OF CORONA****Schedule 7a****Principal Water Customers****Current Year and Nine Years Ago**

Water Customer	2019			2010		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
City of Corona	\$ 3,186,098	1	6.52%	\$ 2,586,751	1	5.92%
Corona-Norco USD	737,551	2	1.51%	730,029	2	1.67%
CLI Atlas LLC	353,044	3	0.72%			
Eagle Glen Master HOA	265,110	4	0.54%	178,617	4	0.41%
Aseptic Solutions USA	250,795	5	0.51%			
Fairfield Waterstone, LLC	201,753	6	0.41%			
Triana At Corona Ranch Maintenance Corporation	143,720	7	0.29%			
Breit MF Promenade Terrace LLC	138,729	8	0.28%			
Meadowood Investors LLC	115,364	9	0.24%	112,244	10	0.26%
CalTrans D-8 (CRNA)	107,812	10	0.22%			
Integrated Protein Tech				185,775	3	0.43%
Westdale Asset Management				144,999	5	0.33%
EWR, Inc.				144,305	6	0.33%
ERP Operating Limited Partnership				132,731	7	0.30%
MG Properties				116,619	8	0.27%
Eagle Glen Country Club, LLC				113,698	9	0.26%
	<u>\$ 5,499,976</u>		<u>11.24%</u>	<u>\$ 4,445,768</u>		<u>10.18%</u>

Source: City of Corona, Department of Water and Power.



**CITY OF CORONA**

**Schedule 7b  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Kaiser Foundation Health Plan Inc	\$ 213,053,571	1	1.02%	\$ 168,650,814	2	1.04%
Castle and Cooke Corona Inc.	185,496,662	2	0.88%	167,609,130	3	1.03%
SCG Atlas Deerwood LLC	152,751,764	3	0.73%			
Fairfield Waterstone LLC	134,792,327	4	0.64%			
Rexco	113,297,551	5	0.54%	139,334,557	4	0.86%
SCG Atlas Ashton LLC	102,448,721	6	0.49%			
Corona North Main Development	99,249,970	7	0.47%			
Artisan Corona Apartments LLC	97,337,473	8	0.46%			
Costco Wholesale Corporation	92,074,211	9	0.44%			
JSP Palisades LLC	90,780,000	10	0.43%			
Watson Laboratories Inc				178,447,640	1	1.10%
223-1 DL Holdings LLC				125,290,614	5	0.77%
Waterstone Apartments NF				119,133,539	6	0.73%
Dart Container Corporation of Calif				78,350,078	7	0.48%
Price Reit Inc				77,380,170	8	0.48%
Avalon California Value VI				49,380,393	9	0.30%
Corona Summit				49,365,151	10	0.30%
<b>Total</b>	<b>\$ 1,281,282,250</b>		<b>6.10%</b>	<b>\$ 1,152,942,086</b>		<b>7.09%</b>

Source: HdL Coren & Cone, Riverside County Assessor 2018/19 & 2009/10 Combined Tax Rolls and the SBE Non Unitary Tax

**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 <sup>1</sup>	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 22,628,536	\$ 19,921,737	88.04%	\$ 2,092,540	\$ 22,014,277	97.29%
2011	22,451,824	19,619,070	87.38%	1,424,373	21,043,443	93.73%
2012	22,448,815	20,689,087	92.16%	1,155,344	21,844,431	97.31%
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%

## Notes:

1) Amounts exclude debt service levies and former Redevelopment property tax increment.

2) Amounts excluded interest and penalties.

Source: City of Corona Administrative Services 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)**

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Redevelopment Bonds	Lease Revenue Bonds	Unamortized Bond Premium	Capital Lease Payable	Lease Payable	Long-Term Agreement Payable	Special Assessment Bonds
2010	\$ -	\$ 85,075	\$ 67,905	\$ -	\$ -	\$ -	\$ 4,530	\$ 1,435
2011	-	82,025	65,015	-	-	26	3,301	1,025
2012	-	- <sup>1</sup>	62,020	-	-	25,283	- <sup>1</sup>	660
2013	-	- <sup>1</sup>	33,270	-	-	23,719	- <sup>1</sup>	515
2014	-	- <sup>1</sup>	31,250	-	-	22,353	- <sup>1</sup>	355
2015	-	- <sup>1</sup>	29,145	-	-	20,955	- <sup>1</sup>	185
2016	-	- <sup>1</sup>	27,975	-	-	19,510	- <sup>1</sup>	-
2017	-	- <sup>1</sup>	24,520	2,826	-	18,016	- <sup>1</sup>	-
2018	-	- <sup>1</sup>	23,335	2,677	1,047	16,472	- <sup>1</sup>	-
2019	-	- <sup>1</sup>	22,115	2,528	1,062	14,875	- <sup>1</sup>	-

1) No longer reported under governmental activities as the result of the dissolution of the former Corona Redevelopment Agency as of February 1, 2012.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Source: City of Corona Administrative Services Department.

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	Total Primary Government	Percent of Personal Income	Per Capita
\$ 2,036	\$ 28,400	\$ 37,207	\$ 93,035	\$ -	\$ -	\$ -	\$ 690	\$ 320,313	7.9%	\$ 2,130
1,764	27,435	34,724	90,320	-	-	-	690	306,325	7.4%	\$ 1,994
1,485	26,430	32,176	87,495	-	-	-	690	236,239	5.6%	\$ 1,539
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	111,234	2.3%	\$ 662

**CITY OF CORONA****Schedule 10****Ratios of Net General Bonded Debt Outstanding****Last Ten Fiscal Years (dollars in thousands, except per capita)**

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonds	Redevelopment Bonds <sup>3</sup>	Special Assessment Bonds	Capital Lease Payable	Lease Payable	Unamortized Bond Premium	Lease Revenue Bonds
2010	\$ -	\$ 85,075	\$ 1,435	\$ -	\$ -	\$ -	\$ 67,905
2011	-	82,025	1,025	-	26	-	65,015
2012	-	-	660	-	25,283	-	62,020
2013	-	-	515	-	23,719	-	33,270
2014	-	-	355	-	22,353	-	31,250
2015	-	-	185	-	20,955	-	29,145
2016	-	-	-	-	19,510	-	27,975
2017	-	-	-	-	18,016	2,826	24,520
2018	-	-	-	1,047	16,472	2,677	23,335
2019	-	-	-	1,062	14,875	2,528	22,115

- Note:**
- 1) See Schedule 5b for property value data.
  - 2) Population data can be found in Schedule 14.
  - 3) No longer considered general bonded debt as the result of the dissolution of the former Corona Redevelopment Agency as of February 1, 2012

Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Total General Bonded Debt	Less Net Position Restricted for Debt Repayment	Net General Bonded Debt	Percentage of Actual Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
\$ 154,415	\$ 7,080	\$ 147,335	0.90%	\$ 980
148,091	10,774	137,317	0.85%	894
87,963	3,418	84,545	0.53%	386
57,504	2,773	54,731	0.34%	349
53,958	2,770	51,188	0.31%	322
50,285	2,653	47,632	0.28%	299
47,485	2,417	45,068	0.25%	274
45,362	3,439	41,923	0.22%	250
43,531	5,100	38,431	0.19%	228
40,580	6,491	34,089	0.16%	203

**CITY OF CORONA**

**Schedule 11**

**Direct and Overlapping Governmental Activities Debt<sup>1</sup>**  
**As of June 30, 2019 (dollars in thousands)**

	Debt Outstanding	Est. Percentage Applicable <sup>2</sup>	City's Share of Overlapping Debt
<b>Direct and Overlapping Tax and Assessment Debt:</b>			
Metropolitan Water District	\$ 48,050	0.720%	\$ 346
Riverside City Community College District	251,471	19.864%	49,952
Alvord Unified School District	203,052	13.548%	27,509
Corona-Norco Unified School District	422,938	54.588%	230,873
Alvord Unified School District CFD No. 2006-1	7,070	8.333%	589
Corona-Norco Unified School District CFD No. 97-1	867	100.000%	867
Corona-Norco Unified School District CFD No. 99-1	2,261	100.000%	2,261
Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C	4,924	100.000%	4,924
Corona-Norco Unified School District CFD No. 00-1	1,730	100.000%	1,730
Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B	6,730	100.000%	6,730
Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C	11,270	100.000%	11,270
Corona-Norco Unified School District CFD No. 03-3, Imp Area A	3,525	100.000%	3,525
Corona-Norco Unified School District CFD No. 03-5	1,800	100.000%	1,800
Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3	3,690	100.000%	3,690
City of Corona CFD No. 86-2 Refunding 2014 Series A	1,510	100.000%	1,510
City of Corona CFD No. 89-1 Refunding 2014 Series A	2,585	100.000%	2,585
City of Corona CFD No. 89-1 IA Refunding 2014 Series A	1,935	100.000%	1,935
City of Corona CFD No. 90-1	6,600	100.000%	6,600
City of Corona CFD No. 97-2 Refunding 2014 Series A	5,620	100.000%	5,620
City of Corona CFD No. 2000-1	4,780	100.000%	4,780
City of Corona CFD No. 2001-2	2,375	100.000%	2,375
City of Corona CFD No. 2002-1, Refunding 2017	12,640	100.000%	12,640
City of Corona CFD No. 2002-1, Improvement Area, Refunding 2017	6,735	100.000%	6,735
City of Corona CFD No. 2002-4, Refunding 2017	6,515	100.000%	6,515
City of Corona CFD No. 2003-2	5,795	100.000%	5,795
City of Corona CFD No. 2004-1	2,690	100.000%	2,690
City of Corona CFD No. 2016-2	5,475	100.000%	5,475
City of Corona CFD No. 2017-2	3,650	100.000%	3,650
City of Corona CFD No. 2018-1 Improvement Area 1, 2018 Series A	9,000	100.000%	9,000
California Statewide Communities Development Authority CFD No. 2002-1	3,450	100.000%	3,450
City of Corona 1915 Act Bonds	1,780	100.000%	1,780
<b>Total Overlapping Tax and Assessment Debt</b>			<b>429,201</b>
<b>Direct and Overlapping General Fund Debt:</b>			
<b>Overlapping General Fund Obligations</b>			
Riverside County General Fund Obligations	\$ 760,134	7.498%	\$ 56,995
Riverside County Pension Obligations Bonds	243,850	7.498%	18,284
Corona-Norco Unified School District General Fund Obligations	29,470	54.588%	16,087
Western Municipal Water District General Fund Obligations	9,021	23.084%	2,082
<b>Total Overlapping General Fund Obligations</b>			<b>\$ 93,448</b>
<b>Direct General Fund Obligations:</b>			
City of Corona General Fund Obligations	38,052		\$ 38,052
Unamortized Bond Premium	2,528		2,528
<b>Total Direct General Fund Obligations</b>		100.000%	<b>\$ 40,580</b>
<b>Total Direct and Overlapping General Fund Obligations</b>			<b>\$ 134,028</b>
Less: Riverside County Supported Obligations			130
<b>Total Net Direct and Overlapping General Fund Obligations</b>			<b>\$ 133,898</b>
<b>Total Direct Debt</b>			<b>\$ 40,580</b>
<b>Total Gross Overlapping Debt</b>			<b>\$ 522,649</b>
<b>Total Net Overlapping Debt</b>			<b>\$ 522,519</b>
<b>Gross Combined Total Direct and Overlapping Debt<sup>3</sup></b>			<b>\$ 563,229</b>
<b>Net Combined Total Direct and Overlapping Debt</b>			<b>\$ 563,099</b>

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**CITY OF CORONA**

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**Schedule 11****Direct and Overlapping Governmental Activities Debt <sup>1</sup>****As of June 30, 2019 (dollars in thousands)**

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*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: 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 2019**

Assessed Value	\$ 20,971,237
Debt Limit (15% of assessed value)	3,145,686
Debt Applicable to limit:	
General obligation debt	40,580
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>40,580</u>
Legal Debt Margin	<u><u>\$ 3,105,106</u></u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 2,442,456	\$ 2,412,865	\$ 2,388,830	\$ 2,388,708	\$ 2,454,089
Total net debt applicable to limit	<u>72,435</u>	<u>68,339</u>	<u>60,498</u>	<u>56,989</u>	<u>53,603</u>
<b>Legal debt margin</b>	<b>\$ 2,370,021</b>	<b>\$ 2,344,526</b>	<b>\$ 2,328,332</b>	<b>\$ 2,331,719</b>	<b>\$ 2,400,486</b>
Total debt applicable to the limit as a percentage of debt limit	2.966%	2.832%	2.533%	2.386%	2.184%

*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.*



<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 2,594,890	\$ 2,707,398	\$ 2,819,397	\$ 2,986,885	\$ 3,145,686
<u>50,100</u>	<u>47,485</u>	<u>42,536</u>	<u>43,531</u>	<u>40,580</u>
\$ 2,544,790	\$ 2,659,913	\$ 2,776,861	\$ 2,943,354	\$ 3,105,106
1.931%	1.754%	1.509%	1.457%	1.290%

**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	
2010	\$ 5,686	\$ 125	\$ 2,790	\$ 3,021	1.00	\$ 525	\$ 79	\$ 465	\$ 131	1.01
2011	5,677	126	2,890	2,915	1.00	376	152	410	97	1.04
2012	5,669	166	2,995	2,801	1.01	212	238	365	67	1.04
2013	30,825 <sup>1</sup>	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	-	185	7	1.00
2017	30,614 <sup>5</sup>	9	27,975	1,367	1.04	-	-	-	-	-
2018	2,117	1	1,185	931	1.00	-	-	-	-	-
2019	2,121	-	1,220	901	1.00	-	-	-	-	-

Notes: <sup>1</sup> Includes the defeasance of 2002 Lease Revenue bonds.

<sup>2</sup> Includes the defeasance of the 1998 Water Revenue bonds.

<sup>3</sup> Includes the defeasance of 1997 COPs and 2003 COPs.

<sup>4</sup> Includes the advanced redemption of 2005 COPs.

<sup>5</sup> Includes the defeasance of 2006 Lease Revenue bonds.

<sup>6</sup> 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: City of Corona Administrative Services Department.

Revenue Bonds				Certificates of Participation				
Utility Revenues	Debt Service		Coverage	Lease Payments	Current Account Balance	Debt Service		Coverage
	Principal	Interest				Principal	Interest	
\$ 2,281	\$ 925	\$ 1,356	1.00	\$ 6,861	\$ 220	\$ 2,610	\$ 4,476	1.00
2,281	965	1,316	1.00	6,859	224	2,715	4,367	1.00
2,278	1,005	1,273	1.00	7,063	24	2,825	4,261	1.00
29,597 <sup>2</sup>	26,430	1,491	1.06	7,391	22	2,935	4,154	1.05
3,187	1,165	2,022	1.00	60,552 <sup>3</sup>	2,143	60,080	2,611	1.00
5,689	3,455	2,234	1.00	1,063	756	695	1,123	1.00
5,809	3,655	2,144	1.00	24,341 <sup>4</sup>	-	23,785	555	1.00
5,809	3,775	2,034	1.00	-	-	-	-	-
28,093	5,166	2,537	3.65 <sup>6</sup>	-	-	-	-	-
36,011	5,320	2,370	4.68	-	-	-	-	-

**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
2009	148,770	3,946,874	26,530	30.5	52,138	10.0%
2010	150,416	4,031,149	26,800	31.5	52,914	10.9%
2011	154,520	4,124,911	26,695	31.5	53,153	10.1%
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%

Sources: (1) HdL, Coren & Cone;

(2) California Department of Education -

Corona-Norco Unified School District, School Year 2018/19 Enrollment.

**CITY OF CORONA****Schedule 15  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2019*			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	5,478	1	6.55%	4,906	1	6.58%
Corona Regional Medical Center	1,200	2	1.44%	1,171	2	1.57%
Kaiser Permanente	995	3	1.19%	655	5	0.88%
All American Asphalt	840	4	1.00%	650	7	0.87%
City of Corona	785	5	0.94%	894	4	1.20%
TWR Framing Enterprises	750	6	0.90%	400	8	0.54%
Fender USA Corona	675	7	0.81%	650	6	0.87%
Monster Energy	607	8	0.73%			
Thermal Structures	500	9	0.60%			
Veg Fresh Farms	425	10	0.51%			
Watson Laboratories, Inc.				1,045	3	1.40%
Dart Container Corporation				360	9	0.48%
CoreMark International				308	10	0.41%
<b>Total</b>	<b>12,255</b>		<b>14.67%</b>	<b>11,039</b>		<b>14.80%</b>

\*Corona top employment data is independently collected from a third party consultant, with permission to disclose from each employer. Due to budgetary reductions in FY 2018-19 the contract for these services was suspended. Staff believes 2018 employment data to be true and accurate with minor variations.

Source: City of Corona, Economic Development Division;  
California Labor Market.



**CITY OF CORONA**

**Schedule 16  
Full-time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees									
	2019	2018**	2017	2016*	2015*	2014*	2013*	2012	2011	2010
General Government										
Elected Officials	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Management Services	14.07	9.90	10.35	9.73	9.73	9.85	9.84	8.00	9.00	9.00
Legal & Risk Management <sup>1</sup>	6.19	6.52	7.67	6.67	6.01	5.29	5.01	0.00	0.00	0.00
Administrative Services <sup>2</sup>	40.92	38.56	42.23	42.56	34.30	36.31	37.40	0.00	0.00	0.00
Human Resources <sup>2</sup>								8.50	10.00	10.00
Information Technology	23.99	17.25	13.89	15.09	12.41	13.98	13.86	13.00	14.00	14.00
Finance <sup>2</sup>								27.00	32.00	32.00
Police										
Officers	150.00	162.00	162.00	162.00	159.00	157.00	153.50	152.00	176.00	177.00
Civilians	80.40	88.01	88.39	85.90	79.13	80.62	77.97	60.00	72.00	72.00
Fire										
Firefighters and officers	107.00	113.00	113.00	112.00	112.00	112.00	111.50	112.00	121.00	121.00
Civilians	7.75	8.20	4.88	6.48	7.18	6.06	6.49	5.00	7.00	7.00
Public Works <sup>3</sup>	35.75	35.75	29.05	29.75	31.57	33.78	78.07	74.00	77.00	76.00
Maintenance Services <sup>3</sup>	42.11	42.76	43.63	45.00	44.53	41.76	26.09	0.00	0.00	0.00
Community Development <sup>4</sup>	22.14	25.00	26.48	26.00	22.08	18.02	17.00	17.00	21.00	21.00
Economic Development <sup>5</sup>	2.00	3.00	3.00	2.00	1.00	4.00	4.00	5.50		
Library and Recreation Services <sup>6</sup>	72.74	69.06	70.67	68.04	63.50	64.69	66.62	15.00	17.00	17.00
Department of Water and Power	110.02	108.91	119.18	119.68	120.79	121.76	112.75	112.00	107.00	112.00
Transit Services	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks and Community Services <sup>6</sup>								22.00	28.00	28.00
Redevelopment <sup>7</sup>									16.00	17.00
<b>Total</b>	<b>723.08</b>	<b>735.92</b>	<b>742.42</b>	<b>738.90</b>	<b>710.23</b>	<b>712.12</b>	<b>727.10</b>	<b>638.00</b>	<b>714.00</b>	<b>720.00</b>

\* Data for Fiscal Year 2016 and prior was restated to Full Time Equivalent (FTE) from full-time positions.

\*\* Data for Fiscal Year 2018 was updated to FTE Authorized information.

**Note:**

- <sup>1</sup> 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.
- <sup>2</sup> Formerly Finance Department. During Fiscal Year 2014-15, Human Resources Department merged into Finance and formed Administrative Services Department.
- <sup>3</sup> 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.
- <sup>4</sup> During Fiscal Year 2014-15, Housing Division was merged into Community Development Department.
- <sup>5</sup> Formerly Housing and Economic Development, during Fiscal Year 2014-15, the Housing component was merged into Community Development Department.
- <sup>6</sup> Parks and Community Services Department was dissolved during Fiscal Year 2013-14, Recreation Division was merged with Library and formed Library and Recreation Department, other functions was merged with Maintenance Services Department.
- <sup>7</sup> Redevelopment Department was dissolved in Fiscal Year 2011-12.

Source: City of Corona, Administrative Services Department.



**CITY OF CORONA****Schedule 17  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2019	2018	2017	2016*
Police				
Physical Arrests	2,992	2,895	3,403	5,583
Parking Violations	8,851	6,228	4,993	3,974
Traffic Violations	6,133	9,024	11,896	12,132
Fire				
Emergency Responses	13,141	13,041	12,981	12,112
Fires Extinguished	362	435	382	381
Inspections	1,092	2,726	1,934	1,966
Public Works/Maintenance Services				
Street Resurfacing (miles)	37	51	39	41
Street Lights Repaired	418	495	1,045	1,342
Potholes Filled (sq. ft)	22,332	35,700	75,000	15,076
Parks and Community Services				
Sportsfields Participation	269,168	248,617 **	2,190,246	1,760,600
Comm. Centers/Gym/Pool	169,888	249,885	282,797	211,410
Other Activity Participation	135,399	171,679	226,294	244,430
Library and Recreation Services				
Volumes in Collection	165,760	168,148	167,586	164,421
Total Volumes Borrowed*	411,592 ****	783,626	648,522 ***	1,073,736
Water				
New Connections	511	391	166	1,408
Water Main Repairs	72	36	69	78
Average Daily Consumption (millions of gallons)	30.2	33.0	30.4	28.4
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	14.3	13.8	14.3	14.0
Transit Services				
Total Route Miles (round-trip)	47.7	47.5	47.5	47.5
Passengers				
Fixed Route	118,366	129,972	132,469	150,002
Dial-A-Ride	52,580	58,089	65,580	63,162

\* Total Volumes Borrowed were restated for years between 2011 and 2016 to exclude the number of visits to Corona Library's website.

\*\* Reporting method changed - report by actual enrollment/attendance numbers.

\*\*\* 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.

\*\*\*\* Reduction in Total Volumes Borrowed was due to the elimination of 11 databases in Fiscal Year.

Source: Various City departments.

Fiscal Year					
<u>2015*</u>	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>	<u>2011*</u>	<u>2010</u>
5,337	5,422	4,709	4,472	5,701	5,337
4,098	4,119	3,612	4,976	6,541	3,241
11,133	11,147	9,316	8,691	9,456	10,087
11,263	11,131	10,942	9,843	9,606	9,683
346	397	415	326	318	378
1,757	2,217	1,591	1,929	1,478	2,560
72	72	48	8	71	85
846	598	808	1,093	1,811	1,775
15,978	13,185	16,085	13,316	25,557	38,187
1,898,300	1,670,668	1,664,800	2,325,101	1,832,892	1,746,257
189,519	158,431	144,981	216,729	239,464	249,295
232,264	244,593	247,768	232,701	211,533	259,179
167,432	136,128	174,585	170,435	169,188	166,163
927,956	861,842	846,171	1,128,969	1,119,281	1,262,964
173	498	482	80	133	217
84	49	36	37	46	45
32.6	34.9	32.0	31.0	30.2	32.9
13.1	12.6	13.4	13.0	13.7	13.0
39.0	39.0	39.0	39.0	39.0	39.0
168,303	169,745	163,054	153,783	152,568	165,104
66,015	68,852	65,635	61,285	58,153	64,689

**CITY OF CORONA**

**Schedule 18  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	68	65	55	59	59	53	53	53	60	65
Fire Stations	7	7	7	7	7	7	7	7	7	7
Streets										
Streets and Alleys (miles)	408	408	406	403	404	403	406	403	398	398
Streetlights <sup>1</sup>	12,380	12,380	12,587	12,059	12,022	11,888	11,271	11,353	11,237	11,733
Traffic Signals	188	184	182	179	173	170	169	169	170	168
Library and Recreation Services										
Total Park Acreage	376	376	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	37	39
Soccer/football fields	18	18	18	18	18	18	18	18	18	17
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)	719	697	687	683	694	681	681	677	676	684
Fire Hydrants	9,548	9,300	9,222	9,197	9,174	9,087	8,918	8,996	8,788	8,692
Storage Capacity <sup>2</sup> (millions of gallons)	52	52	51	51	51	51	51	51	51	53
Wastewater										
Sanitary Sewers (miles)	458	440	435	434	452	444	444	444	442	447
Storm Sewers (miles)	171	171	167	167	172	171	166	166	168	168
Treatment Capacity (millions of gallons)	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Transit Services										
Minibuses										
Fixed Route	7	7	7	7	6	6	4	4	5	5
Dial-A-Ride	13	11	11	13	11	10	12	10	10	9

Source: Various City departments.

Note: <sup>1</sup> Includes only City-owned street lights.

<sup>2</sup> Potable & reclaimed water storage capacity.