

CITY OF CORONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



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, 2020

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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, 2019

Christopher P. Morill

Executive Director/CEO





December 16, 2020

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, 2020. 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 in this financial report, 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, 2020. 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 is part of a broader, federally mandated audit of state and local governments (“Single Audit”) designed to meet the special needs of federal granting agencies. The standards governing Single Audit require the auditor to report not only on the fair presentation of the financial statements, but also on the City’s internal controls and compliance with legal requirements. These reports are available in the City of Corona’s separately issued Single Audit Report.

The 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 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 168,248 as of January 2020, ranked 31st largest among all cities in the State of California. The City limits cover approximately 39.54 square miles.

The City of Corona was established in 1886 and incorporated in 1896 under the general laws of the State of California. The City operates under a Council-Manager form of government. Five Corona citizens make up the Corona City Council and each is elected by district to a four-year term of office. The Mayor is appointed annually by and from the City Council. The City’s first District Election which impacted Districts 1, 4 and 5, was held in November 2018. Districts 2 and 3 held their first elections in November 2020.

A Full-Service City

The City provides full services to its citizens, including essential services such as: public safety (police and fire), streets, electric, public library, parks, community center and other public facilities, planning and zoning, public transportation (Dial-A-Ride and Corona Cruiser programs), housing and economic development programs. Water and water reclamation services are provided through the legally separate Corona Utility Authority, which functions as a department of the City of Corona. The Corona Housing Authority and the Corona Public Financing Authority are component units of the primary City government and are financially accountable to the City. Additional information on all of these legally separated entities can be found in the Notes to the Basic Financial Statements, under the Description of Reporting Entity section.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation approved by the City Council. Each year, a proposed budget is submitted to the City Council and a public meeting is conducted to receive taxpayer and stakeholder feedback. In recent years, the City has conducted multiple budget workshops to encourage additional public input. The budget is subsequently adopted by the City Council through passage of resolutions at a normally agendaized meeting of the full City Council. The legal level of budgetary control is at the department level. The City Council may amend the budget to add or delete appropriations or move appropriations between funds at any time during the fiscal year.

Demographic and Economic Information

Demographically, 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 49,941 households averaging 3.48 persons each, with a median age of 35. Annual median household income is \$86,790, 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 in excess of \$550,000.

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 a highly educated and sought-after labor force. Vacancy rates in industrial, commercial, and office properties rose slightly in 2020, largely due to the economic impacts related to COVID-19, however, Corona remains above average in relation to surrounding communities. Industrial vacancy rates continue to hover around 3.0% while commercial vacancy has increased to 6.5%. Office vacancy rates are steadily increasing as well, currently at 10.0%.

New industrial development has helped to expand Corona's job market, which has surpassed the pre-2008 recession peaks. Job growth in Corona reported a 2.0% increase with employment numbers reaching 86,000 in the first quarter of 2020. Due to the global pandemic, Corona has seen temporary volatility in the retail and hospitality sectors with impacts to job growth and periods of decreased employment. Major contributors to local economic 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 remained 2.0% higher. This growth will continue to be fueled by the more than 1.8 million square feet of industrial development planned and the recent completion of 147,000 square feet of Class A office. The strong local job market keeps the unemployment rate in Corona at 9.0%, which is approximately 1.5% below the Riverside County average.

Fiscal Year 2020 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 and Corona's newest retail development, Bedford Marketplace. Both communities have seen strong sales despite the impacts of the global pandemic.

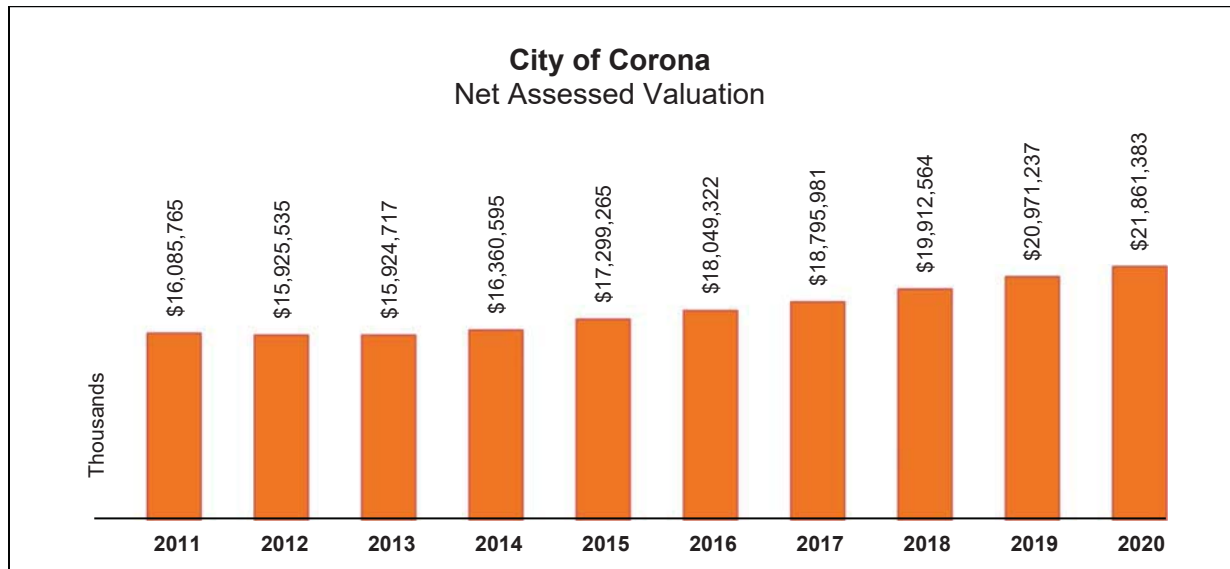
With limited opportunities for large-scale new development, Corona continues looking for opportunities to redevelop and expand currently underutilized properties. Through its ongoing commitment to stimulate the local economy, maintain essential services, and expand its labor force, the City of Corona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

Financial Condition of the City

Nationwide, the economy has continued to show strong recovery from early COVID-19 pandemic shutdowns. The national unemployment rate was 11.2% at the end of Fiscal Year 2020, but decreased to 6.9% the first quarter of Fiscal Year 2021. 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 7.5% to 7.0% over three years, effective Fiscal Year 2019. Also, the CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removed the 5-year ramp-up and ramp-down on the unfunded accrued liability (UAL) bases attributable to assumption changes and non-investment gains/losses. These changes have been applied to new UAL bases established on or after June 30, 2019.

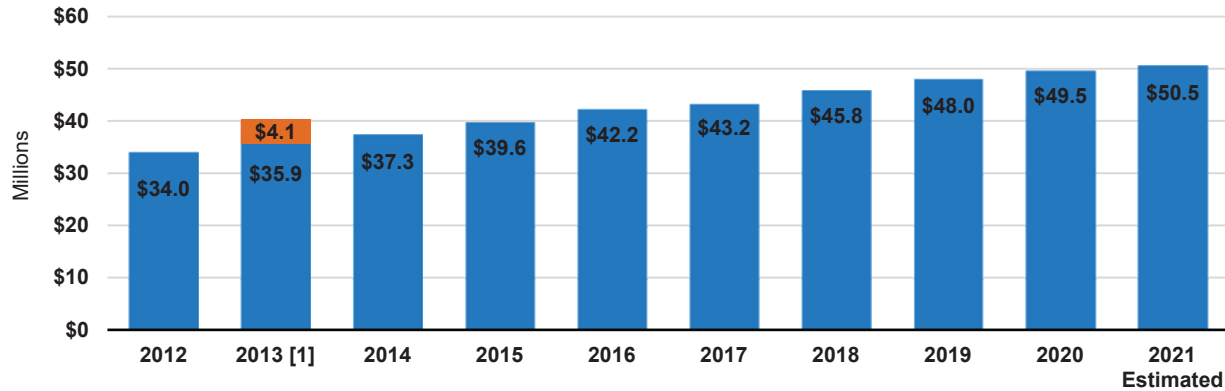
The steep increase in non-discretionary costs places significant pressure on the City’s revenue generating capabilities, amid other state policies that continue to shift responsibilities to cities, without the necessary funding, increasing costs to law enforcement and public safety, and making it more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

Property tax continues to be the largest General Fund revenue source for the City in Fiscal Year 2020. Total taxable assessed valuation in Corona for the year was \$21.9 billion, representing an increase of 4.2% from the previous year.



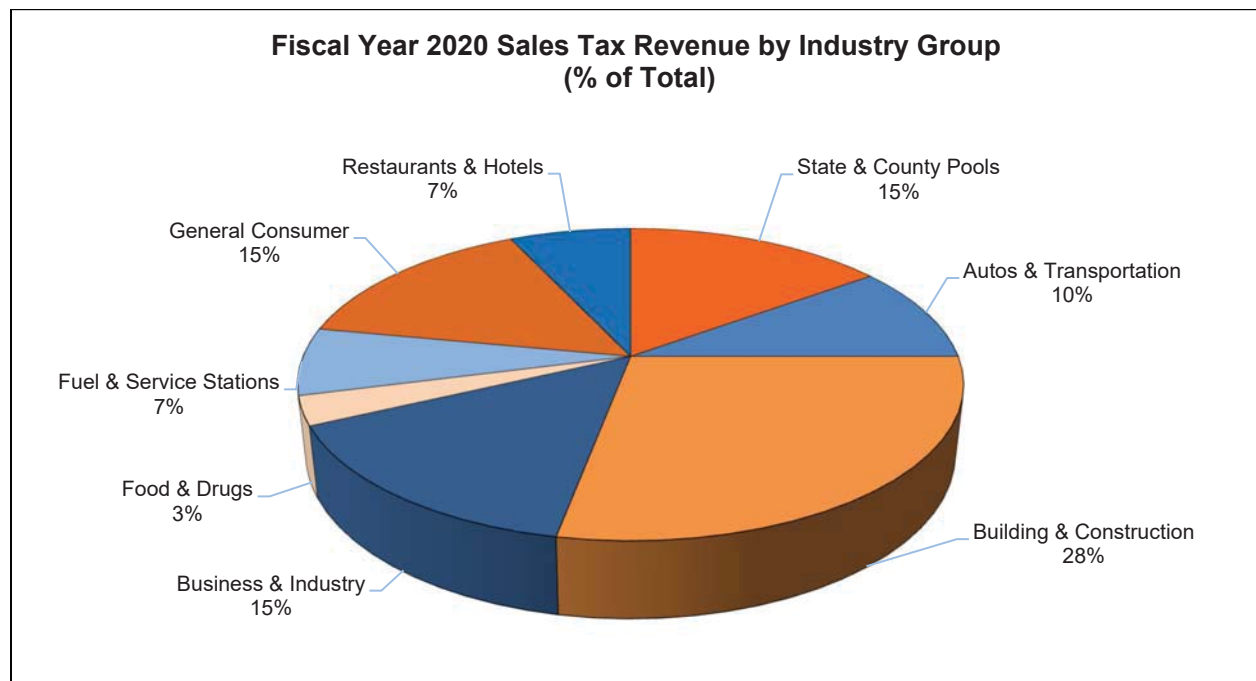
Source: HdL Coren & Cone; Riverside County Assessor combined tax rolls

City of Corona Historical Property Tax Revenue



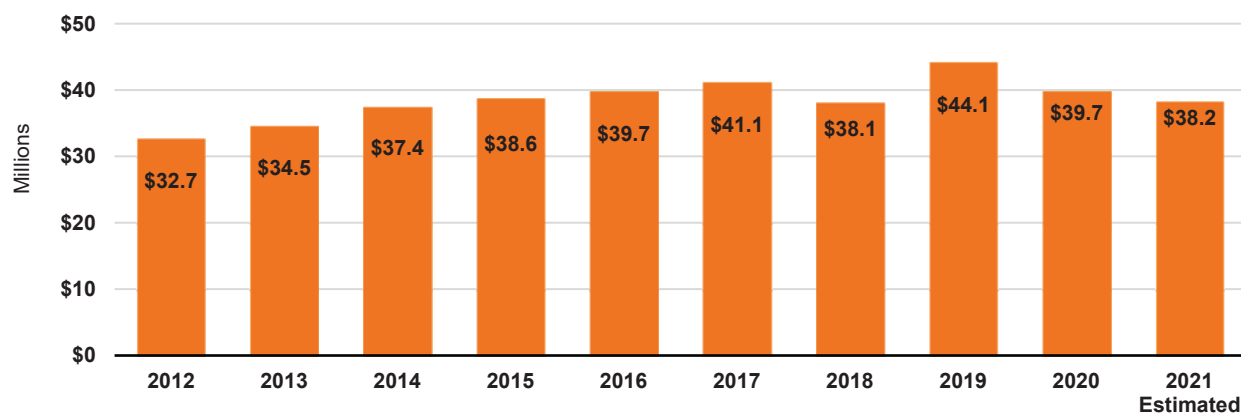
[1] FY 2013 includes one-time residual payment of \$4.1 million.

Sales tax is the second largest revenue source for the City. Taxable retail sales totaled \$3.7 billion in Fiscal Year 2020, a decrease of 4.0% from the previous year. Consumer spending declined in Fiscal Year 2020, driven by the COVID-19 pandemic and financial impacts on the local and national economy. 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

City of Corona Historical Sales & Use Tax Revenue



Long Term Financial Planning

Escalating pension costs are presenting a serious threat to the City's financial sustainability. The burden of funding current pension obligations, amid continued state takeaways and the state shifting responsibilities, without the necessary funding is taking priority over spending on essential services and adding significant demands for additional locally-controlled revenue.

The City has been consistently demonstrating strong fiscal stewardship by proactively responding to the impact of the broader state-wide pension situation that is often times described as grim. This proactive stewardship includes contributing additional funds toward the City's unfunded pension liability with CalPERS. On November 18, 2020, the City Council was presented a plan to proactively manage the City's pension debt by considering the issuance of Pension Obligation Bonds (POBs) and establishing an irrevocable Section 115 Trust. The City Council directed staff to pursue this plan of action, with final approval to be considered during Fiscal Year 2021.

The City continues to explore and fund new technology to improve overall operational efficiency. In addition to cutting costs, the City adopted new revenue streams by establishing City-wide community facilities districts for services. The City has been working to establish the guidelines and process for approving Cannabis businesses to operate within the City limits. The City anticipates accepting applications starting in January 2021. The City maintains a healthy General Fund reserve level, following best practices established by the Government Finance Officers Association (GFOA).

This commitment to fiscal stewardship did not go unnoticed by the rating agencies. In September 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 are exceptionally pleased about this recognition and proud to have attained this strong rating.

Financial Policies and Practices

The City has adopted various critical financial policies and practices with the goal of building a fiscally resilient government over the long-term, improving financial sustainability, all while increasing transparency and encouraging public engagement every step of the way.

Fund Balance Policy for the General Fund

The City established its reserves policy for the General Fund in June 2010. In June 2016, the City updated its Fund Balance Policy for the General Fund to increase the emergency contingency reserve balance to three-months of regular General Fund operating expenses. The purpose of the revised policy is to protect our community against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, as well as the enhanced credit worthiness of the City. As of June 30, 2020, the Emergency Contingency Reserve balance was \$33.8 million.

Zero-Based Budgeting

The City launched zero-based budgeting in Fiscal Year 2017, 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

Following the best practice guidelines for debt management published by the GFOA, the City develops and maintains a formal Debt Policy and Procedures to ensure that debt is issued and managed prudently. The purpose of this policy is to standardize the parameters for debt issuance and management, improve the quality of decisions, provide guidance for the structure of debt issuance to ensure the most prudent, equitable, and cost-effective method of financing is chosen,

and demonstrate a commitment to long-term capital and financial planning. The current policy was approved by the City Council in August 2020 and is reviewed on an annual basis.

Investment Policy

The City's Investment Policy outlines the guidelines and practices to be used in effectively managing the City's available cash and investment portfolio. All available funds are to be invested in compliance with the California Government Code and other governing provisions of law. The policy lists in detail the authorized investments, as well as the percentage of portfolio limitations and the required rating for each investment type. The Investment Policy is reviewed, updated and adopted annually.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Corona for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 30th 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,



Jacob Ellis
City Manager



Kim Sitton
Acting Administrative Services Director



CITY OF CORONA

Elected Officials and Executive Management

Elected Officials

JIM STEINER..... Mayor
 JACQUE CASILLAS..... Vice Mayor
 YOLANDA CARRILLO Councilmember
 JASON SCOTT Councilmember
 WES SPEAKE..... Councilmember

CHAD WILLARDSON..... City Treasurer

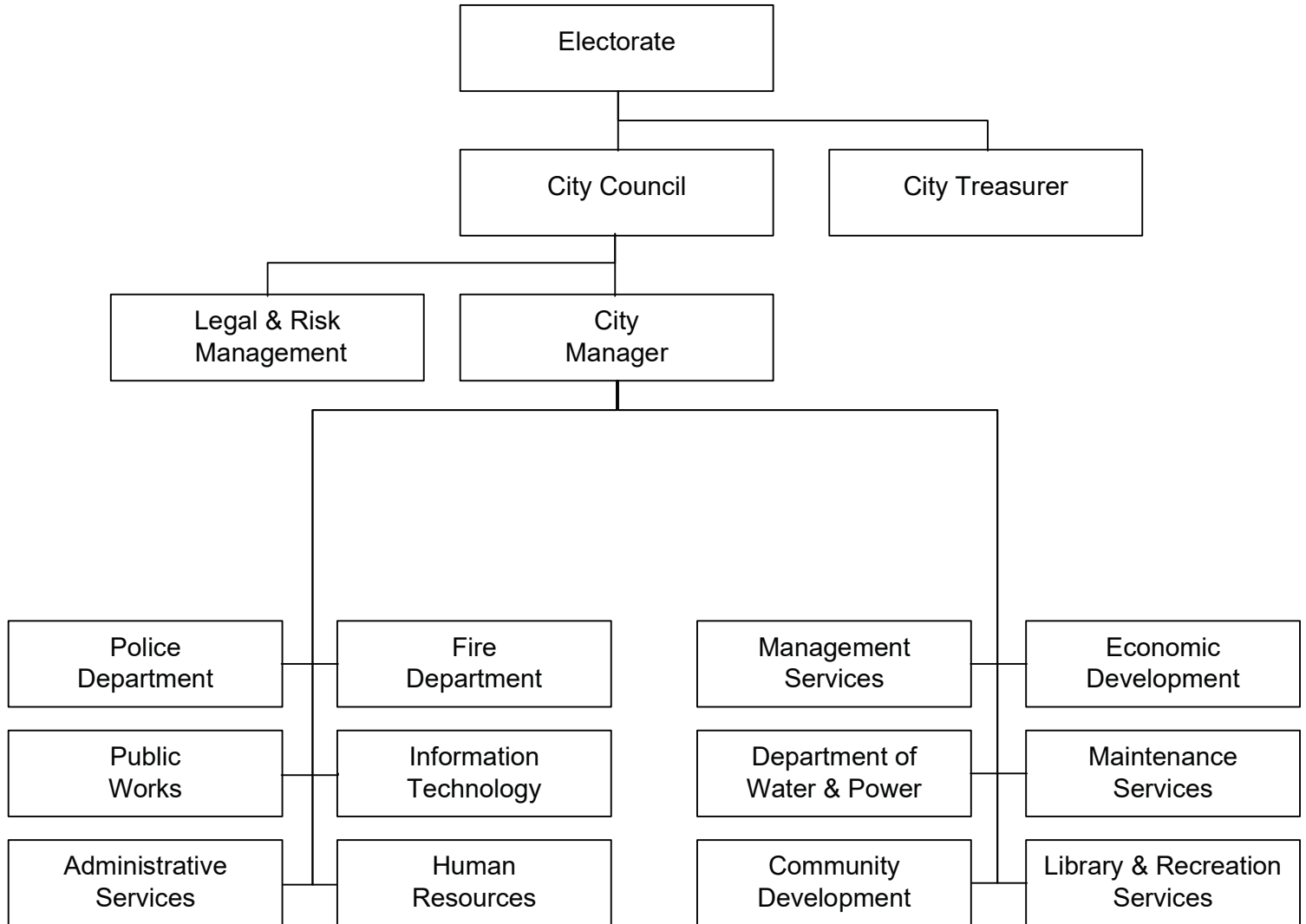
Executive Management

JACOB ELLIS..... City Manager
 ROGER BRADLEY Assistant City Manager
 JOANNE COLETTA..... Community Development Director
 DEAN DERLETH..... City Attorney & Legal/Risk Management Director
 JESSICA GONZALES..... Economic Development Director
 GEORGE JOHNSTONE..... Chief of Police
 TOM KOPER..... Acting Public Works Director
 CHRIS MCMASTERS Chief Information Officer
 DAVID MONTGOMERY-SCOTT..... Library & Recreation Services Director
 TOM MOODY General Manager
 ANGELA RIVERA Chief Talent Officer
 KIM SITTON..... Acting Administrative Services Director
 BRIAN YOUNG Fire Chief



CITY OF CORONA

Organizational Chart





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, 2020, 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, 2020, 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 schedule for the general fund, the modified approach for the City's infrastructure assets, the schedule of changes in net pension liability and related ratio, 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 liability, 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 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. Such 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.



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 December 3, 2020 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.

Lance, Soll & Lingham, LLP

Brea, California
December 3, 2020





MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2020

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, 2020, 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, 2020 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). The City did not implement any new GASB standards during the 2019-20 fiscal year.

Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$1,139.5 million (*net position*).
- The overall City's net position increased by \$58.8 million from the previous fiscal year, primarily due to revenues exceeding expenditures by \$57.7 million. Total assets increased by \$51.7 million, total liabilities decreased by \$30.4 million, combined with an decrease in deferred outflows in the amount of \$0.3 million, and an increase in deferred inflows in the amount of \$23.0 million primarily due to OPEB related items, net position of the City saw an increase of 5.4% from the prior year.
- Total expenses for governmental activities were \$167.7 million for Fiscal Year 2020. The sources for these expenses came from program revenues of \$86.2 million, taxes in the amount of \$100.4 million, and other general revenue of \$23.3 million. For the current year, revenues from governmental activities exceeded expenses by \$42.2 million, together with a transfer out of \$0.7 million and a beginning balance restatement of (\$0.3) million, net position for governmental activities increased by \$41.2 million from the previous year.
- For business-type activities, total revenues exceeded expenses by \$15.5 million. Among the total program revenue of \$111.5 million, \$103.3 million was from charges for services, \$2.2 million from operating contributions and grants, and the remaining \$6.0 million represents capital contributions and grants. Combined with investment earnings and other general revenues of \$10.2 million, and a transfer in of \$0.7 million, the net position for business-type activities increased by \$17.6 million from the previous year.

CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020

Fund Based

- The City's governmental funds reported a combined ending fund balance of \$230.1 million, an increase of \$10.7 million from the previous year. The net increase was due to the combination of current year's revenues exceeding expenditures by \$11.7 million, net transfer of (\$0.7) million, and a restatement to the prior year's fund balance of (\$0.3) million.
- Fund balance for all governmental funds totaled \$230.1 million at the close of the fiscal year. Among the total fund balance, \$125.4 million, or 54.5% are either non-spendable or restricted for specific purposes. In addition, \$42.0 million was committed by the City Council, including \$33.9 million as an emergency contingency, \$5.6 million as designated revenues and \$2.5 million for a pension obligation reserve. There was \$62.9 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 through its component unit, the Corona Utility Authority. These activities are reported in the business-type activities category along with Electric, Transit and Airport services.

The government-wide financial statements can be found on the pages immediately following this discussion in the Basic Financial Statements section.

CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020

Fund Financial Statements

A fund is a set of related accounts that is used to control resources that have been segregated to carry on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds are divided into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary and fiduciary activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help manage and report money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement. The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

Proprietary funds

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses and changes in fund net position. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's self-insurance, information technology and fleet operations funds. The internal service funds are reported with governmental activities in the government-wide financial statements. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020

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 \$58.8 million from the previous year. The increase in financial position was primarily due to positive operating results where revenues exceeded expenditures by \$57.7 million, combined with a special item of \$2.1 million and a restatement to the prior year's fund balance of (\$1.0) million. The government-wide net position reported \$1,139.5 million as of June 30, 2020.

Among the total net position, \$1,063.8 million were invested in capital assets, net of related debt. These capital assets are essential for City operations, which include land, buildings, machinery and equipment, water and water reclamation rights, and infrastructure. Net position invested in capital assets is not available for spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for the liabilities.

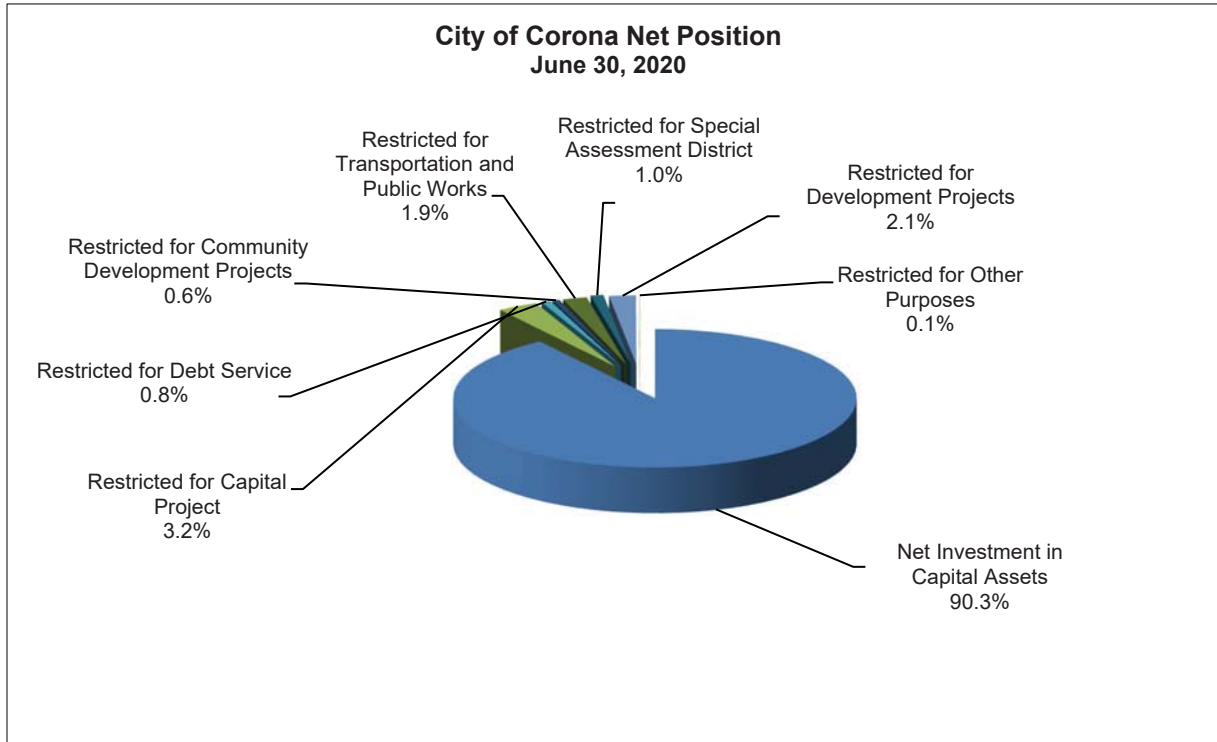
The remaining \$75.7 million of total government-wide net position are composed of \$110.5 million restricted funds and (\$34.8) million unrestricted. Net position may be restricted for capital projects, debt payments, and/or special programs such as transportation and special assessment district improvements.

CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020

The graph below illustrates the various components of the City's net position at fiscal year ended June 30, 2020.



CITY OF CORONA

Management's Discussion and Analysis (continued)
June 30, 2020

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2020 with comparative data from the previous fiscal year:

City of Corona's Net Position
(in millions)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 295.5	\$ 283.1	\$ 168.3	\$ 148.1	\$ 463.8	\$ 431.2
Internal balances	178.1	178.6	(178.1)	(178.6)	-	-
Capital assets	752.5	730.9	414.3	416.8	1,166.8	1,147.7
Total assets	1,226.1	1,192.6	404.5	386.3	1,630.6	1,578.9
Deferred charges on refunding	0.5	0.5	-	-	0.5	0.5
Deferred pension related items	46.1	45.1	4.4	6.1	50.5	51.2
Deferred OPEB related items	15.5	15.2	2.5	2.4	18.0	17.6
Total deferred outflows	62.1	60.8	6.9	8.5	69.0	69.3
Long-term debt	37.4	40.6	66.2	70.6	103.6	111.2
Net pension liability	218.9	215.3	34.5	34.2	253.4	249.5
Net OPEB liability	81.8	106.2	13.4	16.7	95.2	122.9
Other liabilities	60.0	62.2	17.2	14.0	77.2	76.2
Total liabilities	398.1	424.3	131.3	135.5	529.4	559.8
Deferred pension related items	6.7	6.4	0.6	0.6	7.3	7.0
Deferred OPEB related items	20.1	0.6	3.3	0.1	23.4	0.7
Total deferred inflows	26.8	7.0	3.9	0.7	30.7	7.7
Net investment in capital assets	715.6	694.0	348.2	346.1	1,063.8	1,040.1
Restricted	102.6	97.2	7.9	7.9	110.5	105.1
Unrestricted	45.1	30.9	(79.9)	(95.4)	(34.8)	(64.5)
Total net position	\$ 863.3	\$ 822.1	\$ 276.2	\$ 258.6	\$ 1,139.5	\$ 1,080.7

CITY OF CORONA

Management's Discussion and Analysis (continued)
June 30, 2020

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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 31.8	\$ 39.4	\$ 103.3	\$ 105.6	\$ 135.1	\$ 145.0
Operating Contributions and Grants	18.4	17.2	2.2	1.8	20.6	19.0
Capital Contributions and Grants	36.0	46.1	6.0	6.9	42.0	53.0
General Revenues:						
Taxes:						
Property Taxes	50.4	48.1	-	-	50.4	48.1
Sales and Use Taxes	39.7	44.1	-	-	39.7	44.1
Other Taxes	10.3	11.6	-	-	10.3	11.6
Investment Earnings	10.8	9.1	6.2	5.0	17.0	14.1
Other Income	12.5	11.8	4.0	8.5	16.5	20.3
Total Revenues	<u>209.9</u>	<u>227.4</u>	<u>121.7</u>	<u>127.8</u>	<u>331.6</u>	<u>355.2</u>
Expenses:						
General Government	35.2	33.6	-	-	35.2	33.6
Public Safety - Fire	29.4	29.0	-	-	29.4	29.0
Public Safety - Police	45.4	51.7	-	-	45.4	51.7
Public Works & Maintenance Services	47.4	41.1	-	-	47.4	41.1
Library and Recreation Services	3.7	4.3	-	-	3.7	4.3
Community Development	5.2	4.7	-	-	5.2	4.7
Economic Development	0.2	0.4	-	-	0.2	0.4
Interest on Long-term Debt	1.2	1.3	-	-	1.2	1.3
Water	-	-	59.0	54.2	59.0	54.2
Water Reclamation	-	-	28.8	28.2	28.8	28.2
Electric	-	-	15.2	15.6	15.2	15.6
Transit Services	-	-	3.0	3.1	3.0	3.1
Airport	-	-	0.2	0.2	0.2	0.2
Total Expenses	<u>167.7</u>	<u>166.1</u>	<u>106.2</u>	<u>101.3</u>	<u>273.9</u>	<u>267.4</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42.2</u>	<u>61.3</u>	<u>15.5</u>	<u>26.5</u>	<u>57.7</u>	<u>87.8</u>
Transfers	(0.7)	(1.9)	0.7	1.9	-	-
Extraordinary Items	-	-	2.1	-	2.1	-
Change in Net Position	<u>41.5</u>	<u>59.4</u>	<u>18.3</u>	<u>28.4</u>	<u>59.8</u>	<u>87.8</u>
Net Position - Beginning of Year	822.1	764.6	258.6	230.2	1,080.7	994.8
Restatement	(0.3)	(1.9)	(0.7)	-	(1.0)	(1.9)
Net Position - End of Year	<u>\$ 863.3</u>	<u>\$ 822.1</u>	<u>\$ 276.2</u>	<u>\$ 258.6</u>	<u>\$ 1,139.5</u>	<u>\$ 1,080.7</u>

CITY OF CORONA

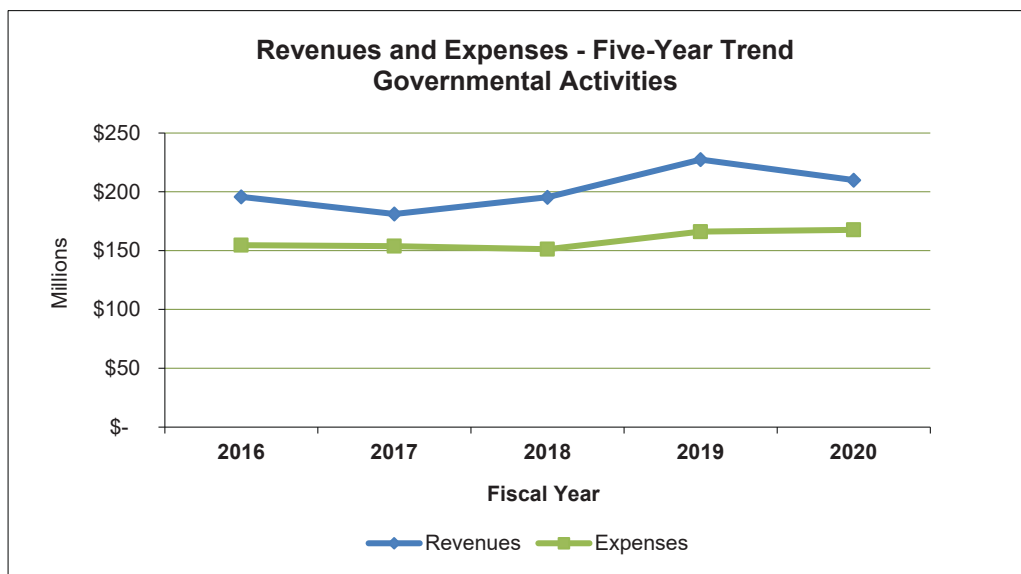
Management's Discussion and Analysis (continued)

June 30, 2020

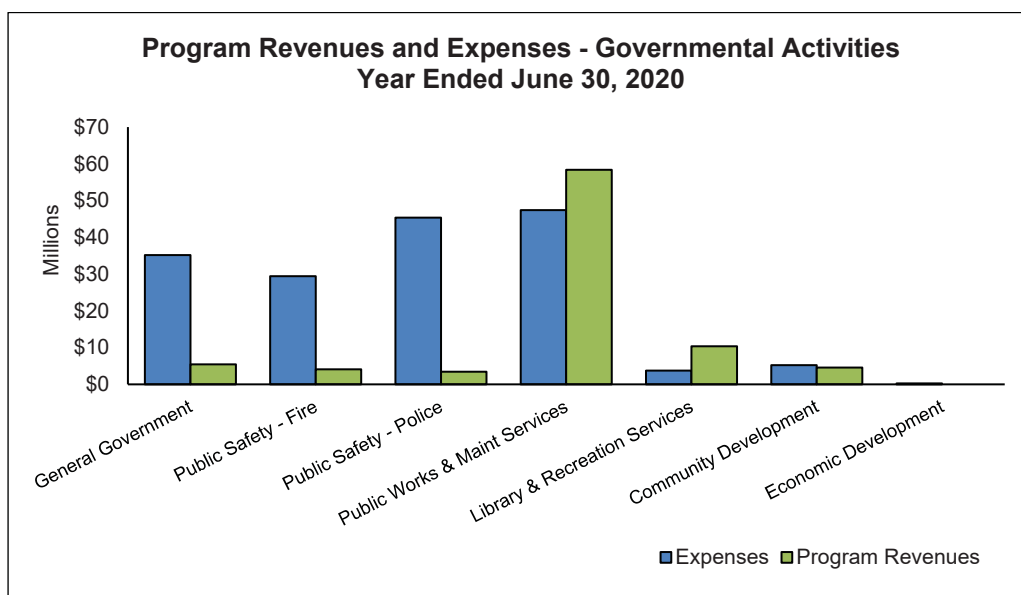
Governmental Activities

Total resources available during the year to finance governmental operations were \$1,031.7 million. This amount consists of the beginning net position of \$821.8 million, which includes a restatement of (\$0.3) million, program revenues of \$86.2 million and general revenues of \$123.8 million. Total uses in governmental activities during the year totaled \$167.7 million. Transfers from governmental activities were \$0.7 million. Therefore, the net position for governmental activities increased by \$41.2 million and ended at \$863.3 million as of June 30, 2020.

The chart below presents governmental activity revenues and expenses for the past five years:



The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations.



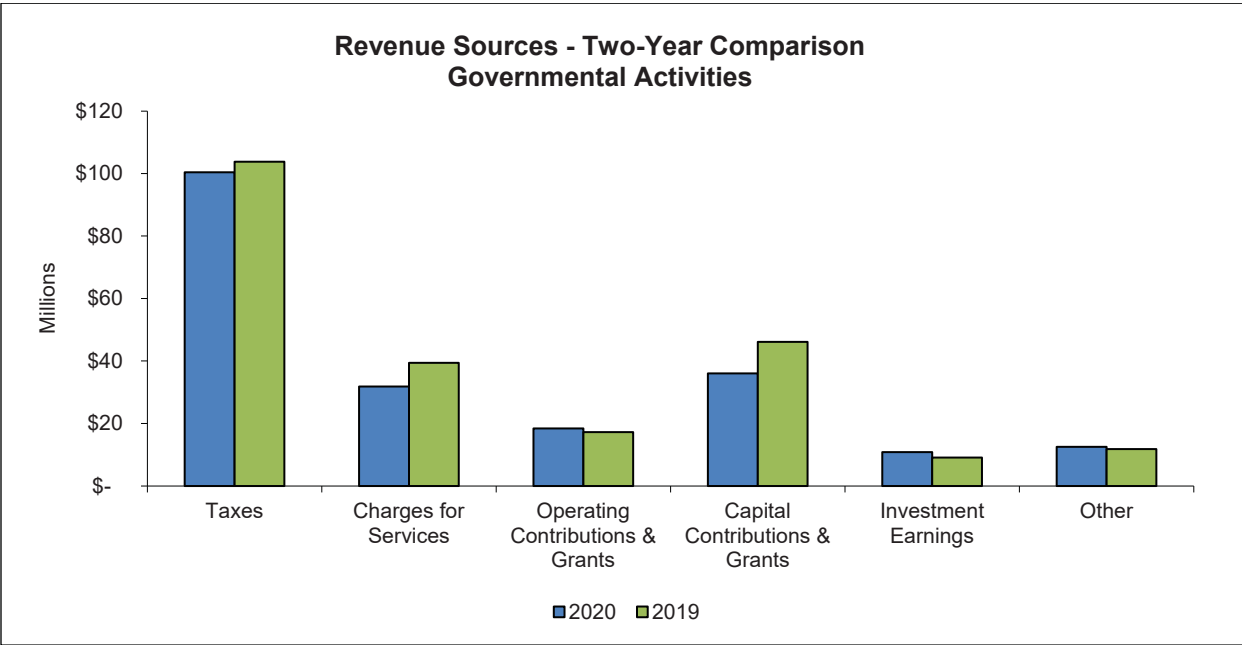
CITY OF CORONA

Management’s Discussion and Analysis (continued)
June 30, 2020

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 the transportation system, with funding provided by gas tax, Measure A, various federal, state and local grants, special assessments, as well as other general revenues. The funding source for 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, 2020 was \$167.7 million. As shown in the statement of activities, the amount the taxpayers ultimately funded for these activities was \$81.5 million, the remaining \$86.2 million was paid by various program revenues, including \$31.8 million by those who directly benefited from the programs, \$17.6 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$36.8 million from capital contributions and grants.

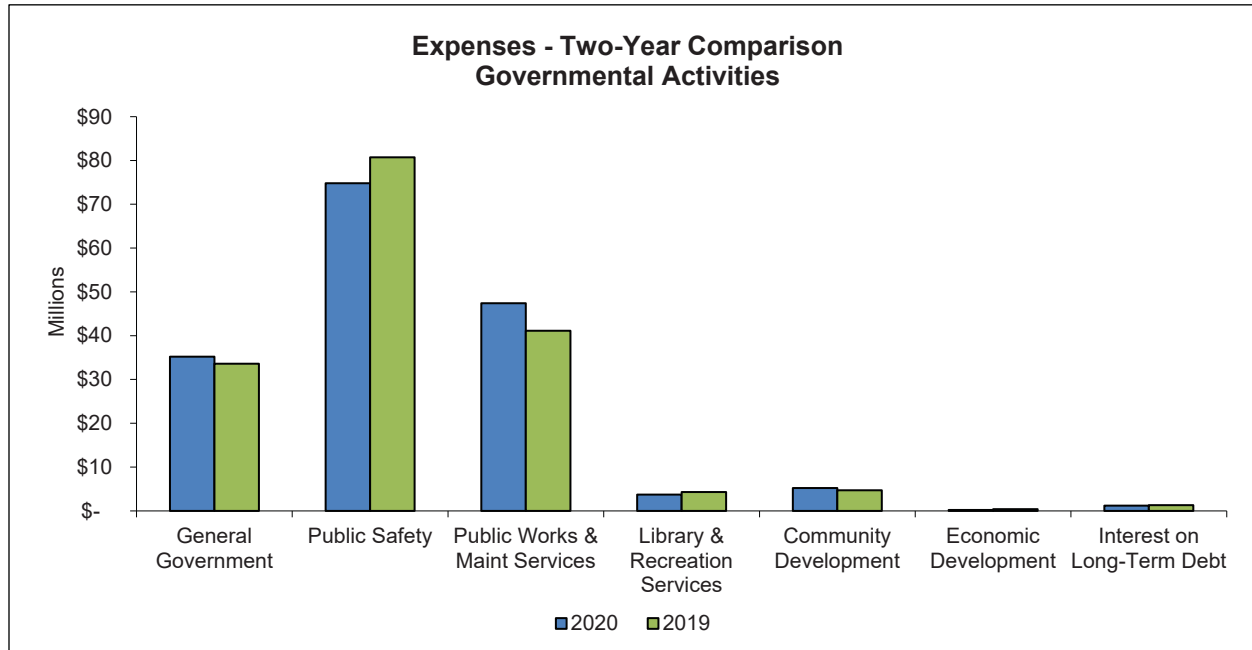
The following two charts illustrate the total revenue and expense for the governmental activities, excluding transfers for the fiscal years ended June 30, 2020 and June 30, 2019, respectively.



CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020



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

- Program revenues represent 41.1% of total revenues generated by governmental activities. Total program revenues for governmental activities in the current year were \$86.2 million, a decrease of \$16.5 million from the previous year. Charges for services decreased \$7.6 million, primarily due to an updated cost allocation plan in Fiscal Year 2019 and the impact of COVID-19 on building, development, and recreation activities. Capital contributions and grants decreased \$9.3 million due to a reduction of TUMF funding and other Public Works grants received. Operating contributions and grants increased \$0.4 million compared to the prior year.
- Taxes comprised 47.8% of the total revenues from governmental activities. Total tax revenues were \$100.4 million for the current year, showing a decrease of \$3.4 million from the previous year. Property tax revenue represents 50.2% of total taxes, where sales and use tax revenue ranked second sharing 39.5% of total tax revenue. The remaining 10.3% 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 decreased by \$4.4 million in comparison to the prior year. The California Department of Tax and Fee Administration had complications with their new sales tax return software in Fiscal Year 2018 resulting in delays in processing and distributing sales tax to local agencies. A majority of those delayed payments were received and recorded in Fiscal Year 2019. Sales tax has trended lower in Fiscal Year 2020 than the prior year due to the impact of COVID-19, in addition to the one-time catch up payments received in the prior year.
- Overall governmental expenses increased by \$1.6 million from the prior year due to an increase of salaries and benefits of \$1.8 million and a decrease in services and supplies of \$0.2 million. The increase in salaries and benefits was due to the allocation of the additional PERS contribution towards the City's unfunded accrued liability in the amount of \$2.3 million, combined with a savings of \$0.5 million due to personnel vacancies.

CITY OF CORONA

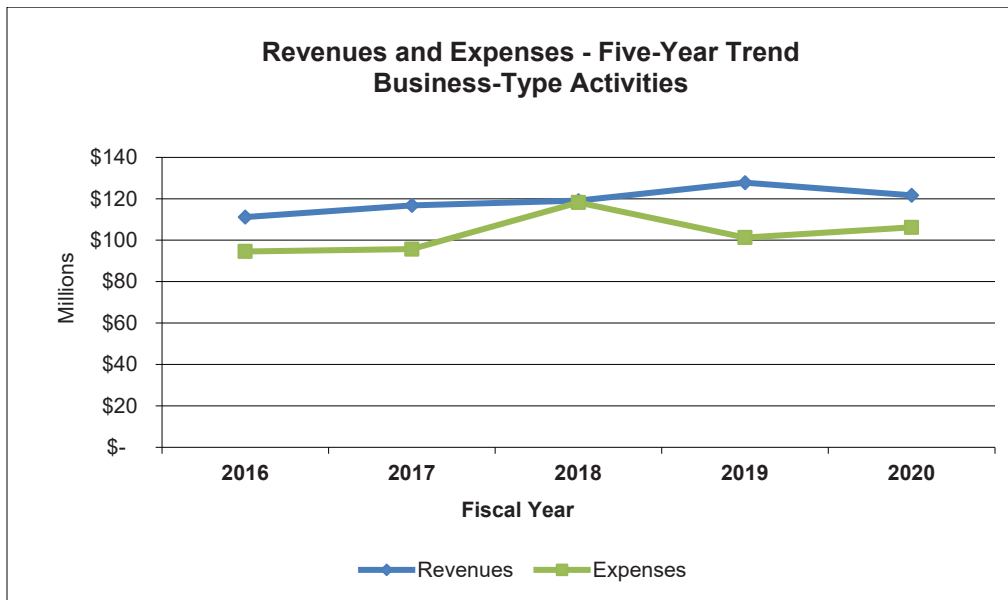
Management's Discussion and Analysis (continued)

June 30, 2020

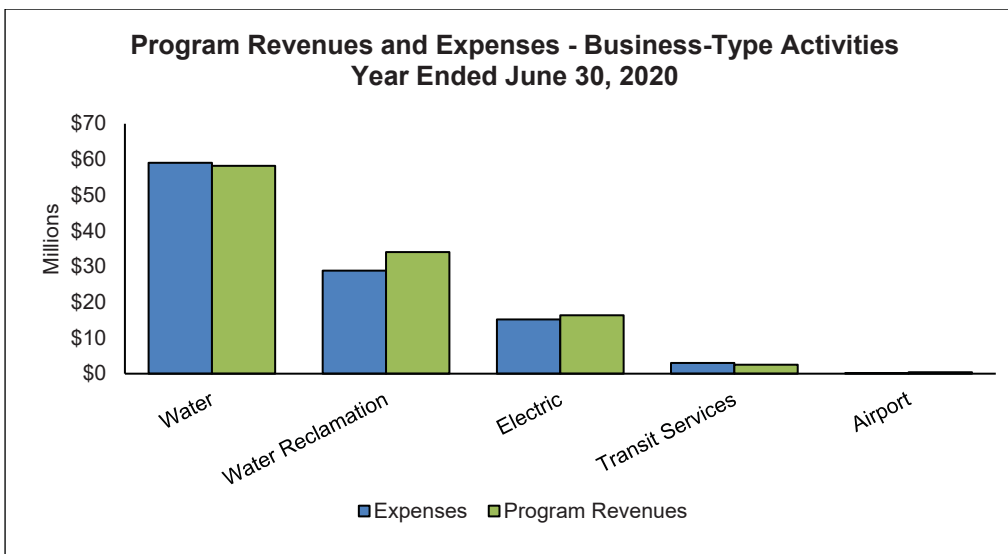
Business-Type Activities

The City's net position in the business-type activities increased by \$17.6 million. The primary contributors to the increase was excess revenues over expenses in the amount of \$15.5 million, combined with a transfer in of \$0.7 million and special items in the amount of \$2.1 million. The overall net position reported in the business-type activities was \$276.2 million as of June 30, 2020.

The chart below presents revenues and expenses in the business-type activities for the past five years.



The following graph shows the expenses of each business-type function compared to the program revenues generated specifically from its operations.



CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020

Total expenses of all business-type activities for the fiscal year ended June 30, 2020 were \$106.2 million, representing an increase of \$4.9 million, or 4.84% from the previous year. As shown in the statement of activities, the amount paid by users of the systems was \$103.3 million, reported as charge for services. Revenues from operating grants and contributions were \$2.2 million, and capital grants and contributions were \$6.0 million. Total program revenue reported for the year was \$111.5 million.

Total resources available during the year to finance business type activities were \$382.4 million. This amount consists of the beginning net position of \$257.9 million, combined with total revenues of \$121.7 million, a transfer in of \$0.7 million, and extraordinary items in the amount of \$2.1 million. After funding total expenses of \$106.2 million, net position for business-type activities increased by \$18.3 million to \$276.2 million at June 30, 2020.

Comparing to the prior year, expenses increased by \$4.9 million primarily due to an increase of \$4.8 million in water expenses. The water operating budget increased by \$2.9 million, including an increase of \$1.7 million primarily due to water purchases and chemicals and an increase in salaries and benefits of \$1.1 million. These increases were derived from pension and OPEB funding and other salaries and benefits based on current MOUs. Revenues decreased by \$6.1 million, due to \$2.8 million decrease in program revenues, \$1.2 million increase in investment earnings and \$4.5 million decrease in other income.

FUND FINANCIAL ANALYSIS**General Fund**

The General Fund is the primary operating fund of the City. Fund balance increased by \$5.3 million for the fiscal year ended June 30, 2020, with an ending balance of \$127.2 million.

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

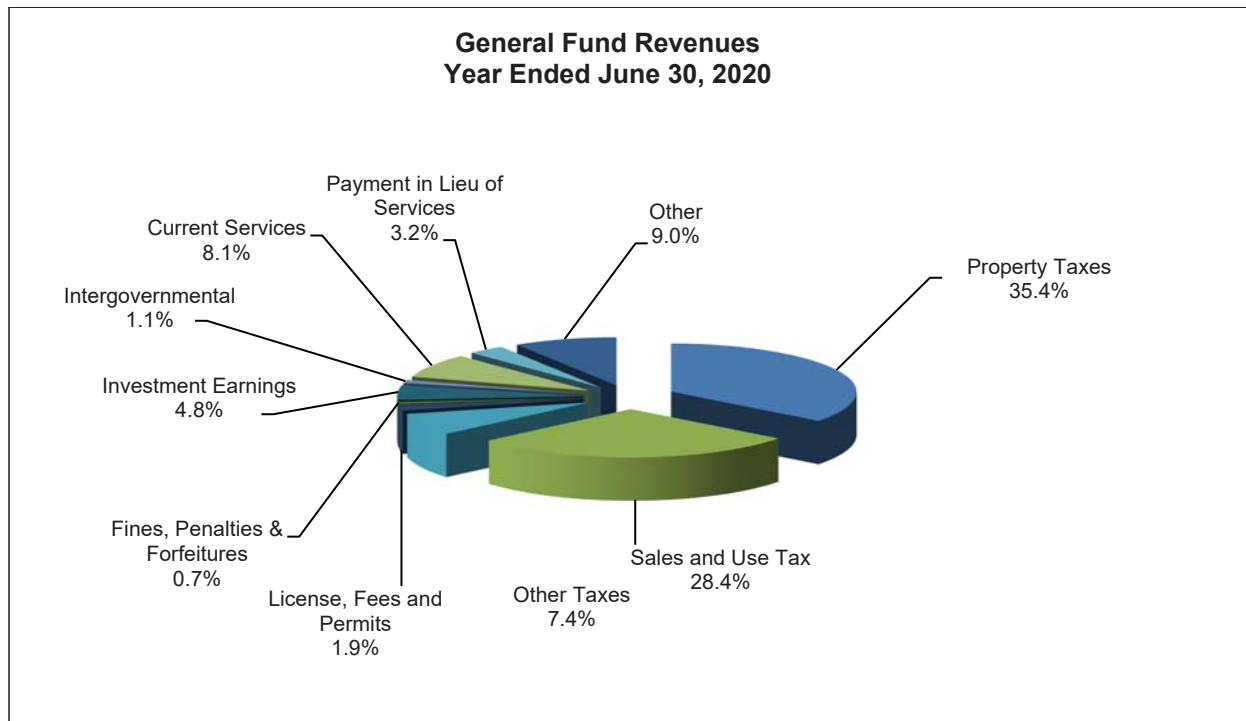
**City of Corona's General Fund Fund Balance
Three-Year Trend Information
(in millions)**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Fund Balances:			
Nonspendable	\$ 22.8	\$ 26.5	\$ 31.5
Committed	42.0	39.9	36.2
Assigned	62.4	55.5	40.9
Total Fund Balance	<u>\$ 127.2</u>	<u>\$ 121.9</u>	<u>\$ 108.6</u>
Fund Balance - Beginning	\$ 121.9	\$ 108.6	\$ 109.1
Excess Revenues over Expenditures	3.9	15.5	(2.7)
Transfers	1.4	(1.7)	-
Capital Leases	-	-	1.4
Restatement	-	(0.5)	0.8
Fund Balance - Ending	<u>\$ 127.2</u>	<u>\$ 121.9</u>	<u>\$ 108.6</u>

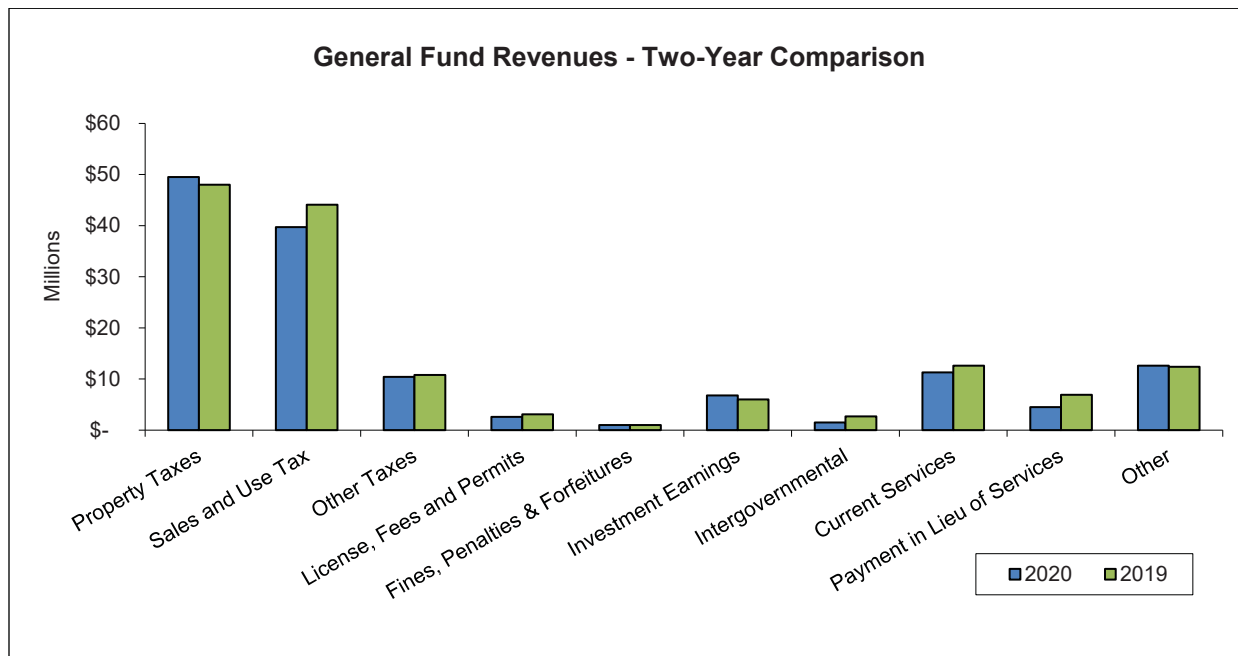
CITY OF CORONA

Management's Discussion and Analysis (continued)
 June 30, 2020

The graph below illustrates General Fund revenues by major sources:



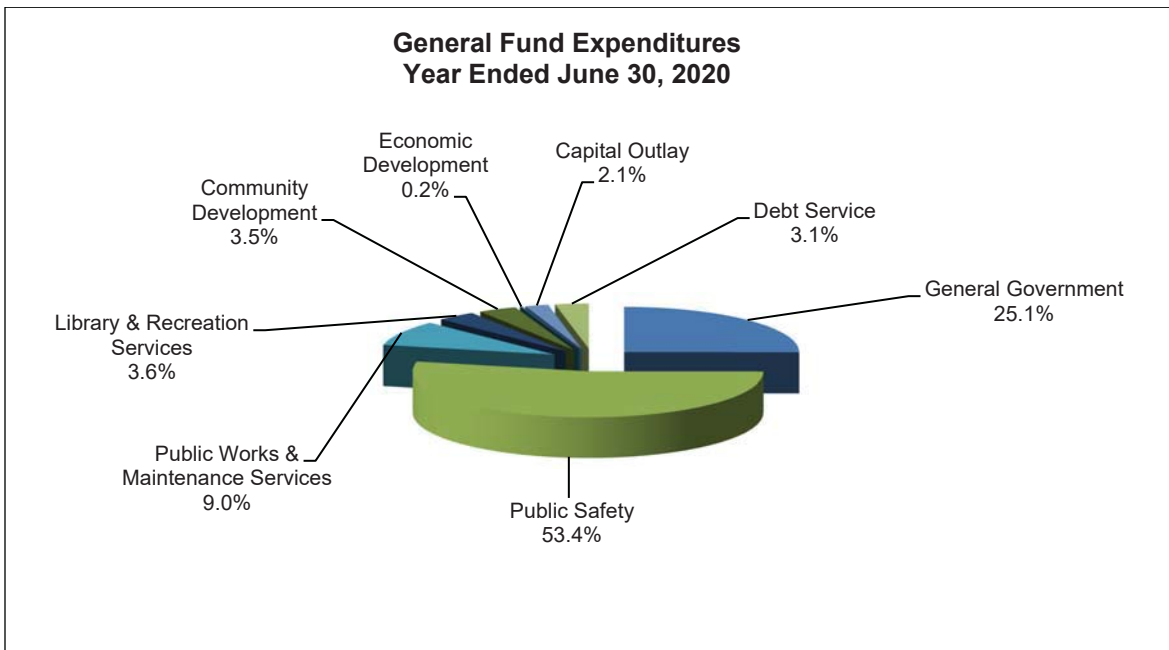
A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2020 and June 30, 2019 is presented below:



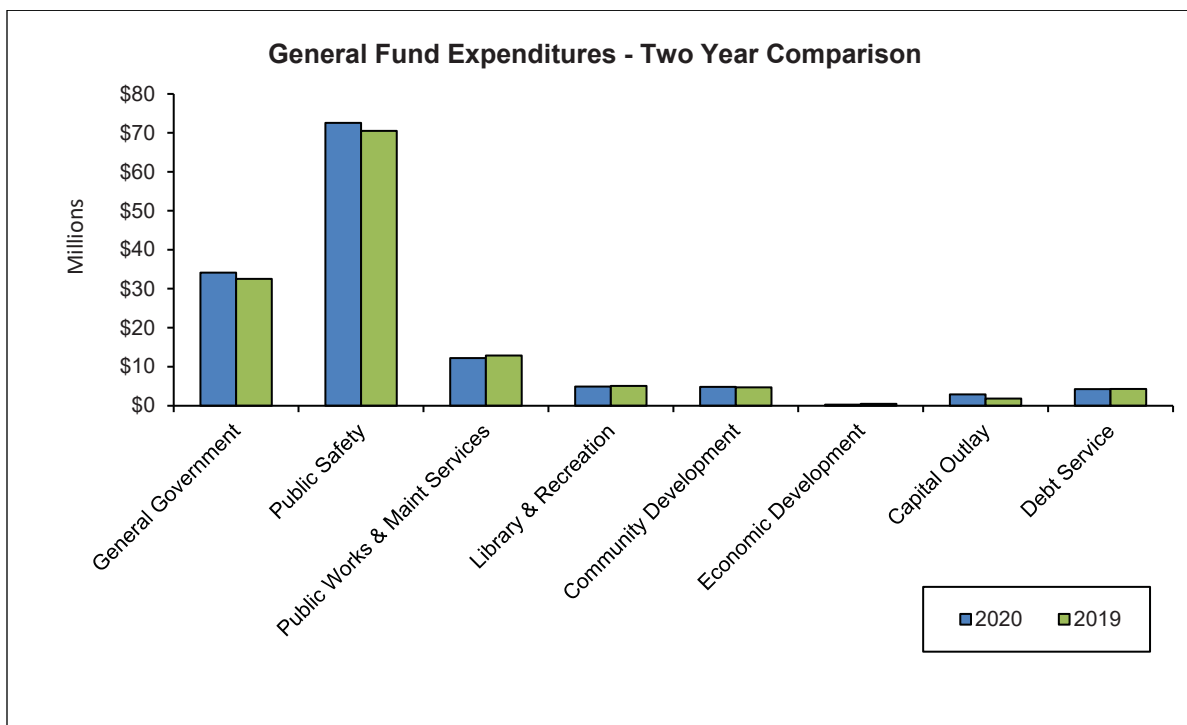
CITY OF CORONA

Management’s Discussion and Analysis (continued)
 June 30, 2020

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, 2020 and June 30, 2019 is presented below:



CITY OF CORONA

Management's Discussion and Analysis (continued)**June 30, 2020**

Overall General Fund revenues decreased by \$7.7 million or 5.2%, compared to the previous year. Property taxes are the largest revenue source of the General Fund and increased by 3.1% in the current year. Sales and use tax is the second largest revenue source of the General Fund and decreased by 10.0%. As shown in the General Fund Revenues graph, revenues decreased in a majority of the revenue sources. Exceptions are in Property Taxes as mentioned above, Investment Earnings which increased by 13.3% and Other Revenues increased by 1.6%. COVID-19 has negatively impacted program and general revenues, especially in the areas of recreation fees, transient occupancy taxes, business license fees and construction related fees.

Overall General Fund expenditures increased by \$3.9 million comparing to the previous year. A majority of the increase is due to the allocation of the additional PERS contribution towards the unfunded accrued liability. The City contributed \$6.0 million in Fiscal Years 2019 and 2020, but in Fiscal Year 2020 the allocation increased since the additional contributions were applied to the Police plan.

Other Major Governmental Funds

The Development capital project fund reported a fund balance of \$20.0 million, an increase of \$0.1 million from the prior year. Revenues exceeded expenditures in the current year by \$0.4 million. License, fees, and permit revenues were \$1.1 million in the current year, a decrease of \$9.5 million compared to the prior year. Capital outlay expenses decreased by \$0.2 million. There was also a restatement of the beginning fund balance in the amount of (\$0.3) 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 \$29.5 million, an increase of \$1.1 million from the previous year. The fund balance includes \$10.0 million in cash and investments, \$2.0 million in land held for resale, and long-term receivables in the amount of \$17.5 million from various developers.

The Other Grants capital project fund reported an ending fund balance of \$0.7 million. This capital project fund consists of governmental grants and reimbursement agreements. Revenue for the reimbursement of capital outlay was \$28.5 million in the current year, a decrease of \$3.6 million over the prior year. Revenues exceeded expenditures in the current year by \$0.2 million.

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, 2020, net capital assets totaled \$752.5 million for the governmental activities, and \$414.3 million for the business-type activities respectively. Depreciation on capital assets is recognized in the government-wide financial 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:

CITY OF CORONA

Management's Discussion and Analysis (continued)

June 30, 2020

- 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, 2020 was 71, a slight decrease from the previous assessment result of 72. 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 \$37.3 million on street maintenance during the current fiscal year. These expenditures delayed deterioration and maintained the street condition from the previous assessment. The City has estimated that the amount of annual expenditures required maintaining the current average PCI rating of 71 through the year 2021 is a minimum of \$6.0 million. Please refer to the Required Supplementary Information section of the accompanying financial statement for additional information on the City's Pavement Management Program.

The table below presents comparative summary information on the City's capital assets:

	City of Corona's Capital Assets					
	Net of Depreciation (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 73.8	\$ 72.9	\$ 5.7	\$ 5.4	\$ 79.5	\$ 78.3
Streets	220.2	220.1	-	-	220.2	220.1
Buildings and improvements	111.7	115.7	56.0	57.9	167.7	173.6
Machinery and equipment	12.4	13.5	43.7	46.1	56.1	59.6
Infrastructure	195.2	200.2	273.8	271.5	469.0	471.7
Construction in progress	139.0	108.2	14.7	15.2	153.7	123.4
Intangible assets	0.2	0.3	20.4	20.7	20.6	21.0
Total Capital Assets	<u>\$ 752.5</u>	<u>\$ 730.9</u>	<u>\$ 414.3</u>	<u>\$ 416.8</u>	<u>\$1,166.8</u>	<u>\$1,147.7</u>

CITY OF CORONA

Management's Discussion and Analysis (continued)
June 30, 2020

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.

	City of Corona's Outstanding Debt (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Loans and Agreement Payable	\$ -	\$ -	\$ 28.9	\$ 31.2	\$ 28.9	\$ 31.2
Lease Payable	13.2	14.9	-	-	13.2	14.9
Capital Leases Payable	0.9	1.1	-	-	0.9	1.1
Revenue Bonds	20.9	22.1	35.9	37.9	56.8	60.0
Unamortized Bond Premium	2.4	2.5	1.4	1.5	3.8	4.0
Total Outstanding Debt	<u>\$ 37.4</u>	<u>\$ 40.6</u>	<u>\$ 66.2</u>	<u>\$ 70.6</u>	<u>\$ 103.6</u>	<u>\$ 111.2</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund appropriations were originally adopted at \$139.7 million for Fiscal Year 2020, including transfers to other funds of \$0.2 million. Final appropriations were increased by \$19.8 million to \$159.5 million. Among the budgetary increase, \$9.2 million was due to continuing appropriations from the prior year's capital projects and grant funded activities, and \$7.7 million was for prior year committed purchases (encumbrances).

There was \$2.9 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons: (1) The personnel budget increased by \$1.4 million, primarily for new memorandum of understanding agreements that were approved for the Fire and Police bargaining groups. (2) The operating budget increased by \$0.4 million. The increase was primarily for grant related activity, with corresponding revenues that offset the additional costs. (3) The capital improvement program budget increased by \$0.3 million. This increase was approved for the Parks Facility and Amenities Inventory, Lincoln Park Project, and the Griffin Park Improvements Project. There were budgetary reductions for other projects that were completed or no longer needed.

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

Original Budget	\$ 139,683,585
Continued Appropriations	9,177,756
Encumbrances	7,734,944
Supplemental Changes	2,863,777
Final Budget	<u>\$ 159,460,062</u>

CITY OF CORONA

Management’s Discussion and Analysis (continued)
June 30, 2020

At June 30, 2020, the City’s General Fund concluded the fiscal year with a net favorable variance of \$30.9 million. The net favorable variance is the result of an increase in revenues and transfers in of \$8.3 million and an expenditure budget/transfers out savings of \$22.6 million.

Revenues and transfers in received in Fiscal Year 2020 had a favorable variance of \$8.3 million primarily related to sales tax revenues, investment income (including book entries for gains and losses) and current services revenue, which includes building related activity.

Included in the \$22.6 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, \$1.2 million will be carried forward from the expenditure budget for grant related activity. Encumbered purchase orders totaling \$5.4 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 \$5.1 million. Please refer to the Required Supplementary Information section of the accompanying financial statements for additional information.

Final Budget	\$ 159,460,062
Actual Expenditures	135,998,857
Transfers Out	<u>872,276</u>
Favorable Budget Variance	<u>\$ 22,588,929</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.

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, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets			
Cash and Investments	\$ 220,671,970	\$ 128,364,487	\$ 349,036,457
Accounts Receivable, Net	3,369,470	16,642,138	20,011,608
Interest Receivable	972,507	554,676	1,527,183
Due from Other Governmental Agencies	33,141,916	1,312,744	34,454,660
Inventories and Prepayments	682,693	3,660,574	4,343,267
Deposits	-	155,693	155,693
Land Held for Resale	3,459,648	-	3,459,648
Restricted Cash and Investments	856,169	9,156,450	10,012,619
Total Current Assets	263,154,373	159,846,762	423,001,135
Noncurrent Assets			
Internal Balances	178,120,964	(178,120,964)	-
Long-term Receivable, Net	32,405,490	-	32,405,490
Investment in Joint Venture	-	8,396,071	8,396,071
Capital Assets:			
Land and Construction in Progress	432,982,023	40,098,905	473,080,928
Other Capital Assets, Net of Depreciation	319,477,302	374,243,048	693,720,350
Total Capital Assets	752,459,325	414,341,953	1,166,801,278
Total Noncurrent Assets	962,985,779	244,617,060	1,207,602,839
Total Assets	1,226,140,152	404,463,822	1,630,603,974
Deferred Outflows of Resources			
Deferred Charges on Refunding	477,678	-	477,678
Deferred Pension Related Items	46,061,649	4,389,969	50,451,618
Deferred OPEB Related Items	15,561,778	2,543,743	18,105,521
Total Deferred Outflows of Resources	62,101,105	6,933,712	69,034,817
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	13,896,123	12,391,921	26,288,044
Unearned Revenue	5,323,760	1,656,170	6,979,930
Deposits	10,489,052	1,895,604	12,384,656
Interest Payable	285,955	-	285,955
Claims and Judgments Payable	3,450,732	-	3,450,732
Compensated Absences Payable	6,179,532	718,006	6,897,538
Long-term Debt, Net of Unamortized Premium	3,368,178	4,506,960	7,875,138
Liabilities Payable from Restricted Assets	297,836	298,977	596,813
Total Current Liabilities	43,291,168	21,467,638	64,758,806
Noncurrent Liabilities			
Claims and Judgments Payable	17,748,429	-	17,748,429
Compensated Absences Payable	2,335,935	274,553	2,610,488
Long-term Debt, Net of Unamortized Premium	34,001,107	61,661,395	95,662,502
Net Pension Liability	218,940,606	34,527,944	253,468,550
Net OPEB Liability	81,806,700	13,372,156	95,178,856
Total Noncurrent Liabilities	354,832,777	109,836,048	464,668,825
Total Liabilities	398,123,945	131,303,686	529,427,631
Deferred Inflows of Resources			
Deferred Pension Related Items	6,711,603	617,695	7,329,298
Deferred OPEB Related Items	20,120,453	3,286,981	23,407,434
Total Deferred Inflows of Resources	26,832,056	3,904,676	30,736,732
Net Position			
Net Investment in Capital Assets	715,567,718	348,173,598	1,063,741,316
Restricted for:			
Capital Projects	30,073,897	6,735,454	36,809,351
Debt Service	8,627,925	-	8,627,925
Specific Projects and Programs:			
Community Development Projects	6,594,350	-	6,594,350
Transportation and Public Works	21,690,954	377,421	22,068,375
Special Assessment District Projects	11,617,840	-	11,617,840
Development Projects	23,608,622	792,804	24,401,426
Other Purposes	350,132	-	350,132
Unrestricted	45,153,818	(79,890,105)	(34,736,287)
Total Net Position	\$ 863,285,256	\$ 276,189,172	\$ 1,139,474,428

CITY OF CORONA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government				
Governmental Activities				
General Government	\$ 35,158,626	\$ 4,942,880	\$ 490,526	\$ -
Public Safety - Fire	29,429,998	4,048,936	26,899	-
Public Safety - Police	45,363,320	2,274,242	1,133,864	-
Public Works & Maintenance Services	47,417,239	14,552,360	9,783,442	34,047,429
Library and Recreation Services	3,720,964	1,919,806	5,979,710	2,421,781
Community Development	5,179,409	4,084,790	154,476	311,382
Economic Development	219,500	-	-	-
Interest and Fiscal Charges	1,239,678	-	-	-
Total Governmental Activities	167,728,734	31,823,014	17,568,917	36,780,592
Business-Type Activities				
Water	59,032,333	55,238,024	8,145	2,947,111
Water Reclamation	28,852,053	30,984,409	1,374	3,036,564
Electric	15,159,666	16,346,238	564	-
Transit Services	2,972,289	297,111	2,165,591	20,761
Airport	150,703	398,281	10,000	-
Total Business-Type Activities	106,167,044	103,264,063	2,185,674	6,004,436
Total Primary Government	\$ 273,895,778	\$ 135,087,077	\$ 19,754,591	\$ 42,785,028

General Revenues

Taxes:

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

Transfers

Extraordinary Item - Impairment of capital asset

Total General Revenues, Transfers, and Extraordinary Item

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**

Governmental Activities	Business-Type Activities	Total
\$ (29,725,220)	\$ -	\$ (29,725,220)
(25,354,163)	-	(25,354,163)
(41,955,214)	-	(41,955,214)
10,965,992	-	10,965,992
6,600,333	-	6,600,333
(628,761)	-	(628,761)
(219,500)	-	(219,500)
(1,239,678)	-	(1,239,678)
(81,556,211)	-	(81,556,211)
-	(839,053)	(839,053)
-	5,170,294	5,170,294
-	1,187,136	1,187,136
-	(488,826)	(488,826)
-	257,578	257,578
-	5,287,129	5,287,129
(81,556,211)	5,287,129	(76,269,082)
50,397,965	-	50,397,965
2,163,511	-	2,163,511
39,657,924	-	39,657,924
6,064,348	-	6,064,348
2,141,217	-	2,141,217
10,810,066	6,237,118	17,047,184
12,544,603	4,001,432	16,546,035
(706,869)	706,869	-
-	2,052,000	2,052,000
123,072,765	12,997,419	136,070,184
41,516,554	18,284,548	59,801,102
822,097,104	258,592,131	1,080,689,235
(328,402)	(687,507)	(1,015,909)
821,768,702	257,904,624	1,079,673,326
\$ 863,285,256	\$ 276,189,172	\$ 1,139,474,428



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, 2020

	General	Capital Projects Funds	
		Low Mod Income Housing Asset	Other Grants
Assets			
Cash and Investments	\$ 93,166,926	\$ 9,956,005	\$ 28
Receivables:			
Accounts Receivable	1,866,867	-	-
Interest Receivable	599,319	42,442	234
Due from Other Governmental Agencies	12,702,267	-	16,070,296
Due from Other Funds	14,597,419	-	-
Long-term Receivables, Net	6,432,353	9,942,191	-
Interfund Advances Receivable	16,024,057	-	-
Loans Receivable, Net	-	7,523,920	2,300,000
Inventories and Prepayments	331,124	-	-
Land Held for Resale	-	1,998,648	-
Restricted Assets:			
Cash and Investments	-	-	782,615
Total Assets	\$ 145,720,332	\$ 29,463,206	\$ 19,153,173
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 6,063,895	\$ 4,714	\$ 3,638,843
Deposits	8,434,324	5,898	-
Due to Other Funds	-	-	12,460,530
Unearned Revenue	1,908,588	-	2,255,031
Interfund Advances Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	136,250
Total Liabilities	16,406,807	10,612	18,490,654
Deferred Inflows of Resources			
Unavailable Revenue	2,089,124	-	-
Total Deferred Inflows of Resources	2,089,124	-	-
Fund Balances			
Nonspendable	22,787,534	-	-
Restricted	-	29,452,594	662,519
Committed	41,987,810	-	-
Assigned	62,449,057	-	-
Unassigned	-	-	-
Total Fund Balances	127,224,401	29,452,594	662,519
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 145,720,332	\$ 29,463,206	\$ 19,153,173

CITY OF CORONA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Capital Projects Funds		Total Governmental Funds
	Development	Other Governmental Funds	
Assets			
Cash and Investments	\$ 29,444,766	\$ 49,423,879	\$ 181,991,604
Receivables:			
Accounts Receivable	-	1,418,921	3,285,788
Interest Receivable	122,375	208,137	972,507
Due from Other Governmental Agencies	136	4,365,730	33,138,429
Due from Other Funds	-	-	14,597,419
Long-term Receivables, Net	1,189,660	1,956,888	19,521,092
Interfund Advances Receivable	-	-	16,024,057
Loans Receivable, Net	341,340	2,719,138	12,884,398
Inventories and Prepayments	-	-	331,124
Land Held for Resale	-	1,461,000	3,459,648
Restricted Assets:			
Cash and Investments	57,000	16,554	856,169
Total Assets	\$ 31,155,277	\$ 61,570,247	\$ 287,062,235
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 189,808	\$ 3,207,260	\$ 13,104,520
Deposits	2,040,780	8,050	10,489,052
Due to Other Funds	-	2,136,889	14,597,419
Unearned Revenue	-	1,160,141	5,323,760
Interfund Advances Payable	8,964,635	2,105,961	11,070,596
Liabilities Payable from Restricted Assets	1,374	160,212	297,836
Total Liabilities	11,196,597	8,778,513	54,883,183
Deferred Inflows of Resources			
Unavailable Revenue	-	-	2,089,124
Total Deferred Inflows of Resources	-	-	2,089,124
Fund Balances			
Nonspendable	-	-	22,787,534
Restricted	19,958,680	52,489,927	102,563,720
Committed	-	-	41,987,810
Assigned	-	493,812	62,942,869
Unassigned	-	(192,005)	(192,005)
Total Fund Balances	19,958,680	52,791,734	230,089,928
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,155,277	\$ 61,570,247	\$ 287,062,235



CITY OF CORONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balance - Total Governmental Funds \$ 230,089,928

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. 748,553,184

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, 2019, and contributions made subsequent to the measurement date are reclassified as deferred OPEB contributions. 9,685,312

Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2019, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions. 29,071,918

Deferred outflow of resources reported are:

Pension related items:

Difference between expected and actual experiences \$ 6,948,987
Change in assumptions 7,318,375
Adjustment due to Differences in Proportions 1,489,168

OPEB related items:

Change in assumptions 5,147,092 20,903,622

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 2,089,124

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. (285,955)

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 (8,226,221)
Unamortized Deferred Charges on Refunding 477,678
Long-term Debt (34,084,755)
Unamortized Bond Premium (2,379,652)
Net Pension Liability (209,241,244)
Net OPEB Liability (77,972,459) (331,426,653)

Deferred inflow of resources reported are:

Pension related items:

Difference between expected and actual experiences (766,340)
Changes in assumptions (869,467)
Net difference between projected and actual earnings on pension plan investments (2,844,430)
Adjustment due to Differences in Proportions (25,005)
Difference in actual to proportionate share contribution (2,032,843)

OPEB related items:

Change in assumptions (17,411,175)
Difference between expected and actual experiences (1,443,916)
Net difference between projected and actual earnings on investments (337,581) (25,730,757)

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. 7,707,189

Net Position of Governmental Activities \$ 863,285,256

CITY OF CORONA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General	Capital Projects Funds	
		Low Mod Income Housing Asset	Other Grants
Revenues			
Property Taxes	\$ 49,470,941	\$ -	\$ -
Sales Taxes	39,657,924	-	-
Other Taxes	10,369,076	-	-
Licenses, Fees and Permits	2,550,070	-	-
Fines and Penalties	1,014,288	-	-
Special Assessments	265,282	-	-
Investment Earnings	6,845,013	462,845	2,779
Intergovernmental Revenues	1,545,061	-	11,011,784
Current Services	11,312,015	-	-
Payments in Lieu of Services	4,534,660	-	-
Other Revenues	12,301,809	767,947	17,528,347
Total Revenues	139,866,139	1,230,792	28,542,910
Expenditures			
Current:			
General Government	34,122,773	-	-
Public Safety - Fire	25,726,291	-	-
Public Safety - Police	46,831,457	-	-
Public Works & Maintenance Services	12,211,085	-	-
Library and Recreation Services	4,892,082	-	47,652
Community Development	4,823,157	175,765	-
Economic Development	264,656	-	-
Capital Outlay	2,880,642	-	28,325,691
Debt Service:			
Principal Retirement	2,905,510	-	-
Interest and Fiscal Charges	1,341,204	-	-
Total Expenditures	135,998,857	175,765	28,373,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,867,282	1,055,027	169,567
Other Financing Sources (Uses)			
Transfers In	2,343,015	-	-
Transfers Out	(872,276)	-	-
Total Other Financing Sources (Uses)	1,470,739	-	-
Net Change in Fund Balances	5,338,021	1,055,027	169,567
Fund Balances, Beginning of Year	121,886,380	28,397,567	492,952
Restatements	-	-	-
Fund Balances, Beginning of Year, as Restated	121,886,380	28,397,567	492,952
Fund Balances, End of Year	\$ 127,224,401	\$ 29,452,594	\$ 662,519

CITY OF CORONA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Capital Projects Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Development</u>		
Revenues			
Property Taxes	\$ -	\$ -	\$ 49,470,941
Sales Taxes	-	-	39,657,924
Other Taxes	-	-	10,369,076
Licenses, Fees and Permits	1,134,343	774,592	4,459,005
Fines and Penalties	-	169,656	1,183,944
Special Assessments	-	8,641,030	8,906,312
Investment Earnings	1,305,114	2,194,315	10,810,066
Intergovernmental Revenues	-	14,844,107	27,400,952
Current Services	-	9,735,548	21,047,563
Payments in Lieu of Services	199,680	-	4,734,340
Other Revenues	296	386,611	30,985,010
Total Revenues	<u>2,639,433</u>	<u>36,745,859</u>	<u>209,025,133</u>
Expenditures			
Current:			
General Government	-	100,457	34,223,230
Public Safety - Fire	1,195	-	25,727,486
Public Safety - Police	578	475,384	47,307,419
Public Works & Maintenance Services	94,261	26,657,856	38,963,202
Library and Recreation Services	867	117,604	5,058,205
Community Development	-	705,020	5,703,942
Economic Development	-	-	264,656
Capital Outlay	930,032	3,674,161	35,810,526
Debt Service:			
Principal Retirement	-	-	2,905,510
Interest and Fiscal Charges	-	1,856	1,343,060
Total Expenditures	<u>1,026,933</u>	<u>31,732,338</u>	<u>197,307,236</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,612,500</u>	<u>5,013,521</u>	<u>11,717,897</u>
Other Financing Sources (Uses)			
Transfers In	-	165,407	2,508,422
Transfers Out	<u>(1,215,000)</u>	<u>(1,128,015)</u>	<u>(3,215,291)</u>
Total Other Financing Sources (Uses)	<u>(1,215,000)</u>	<u>(962,608)</u>	<u>(706,869)</u>
Net Change in Fund Balances	397,500	4,050,913	11,011,028
Fund Balances, Beginning of Year	19,889,582	48,740,821	219,407,302
Restatements	<u>(328,402)</u>	<u>-</u>	<u>(328,402)</u>
Fund Balances, Beginning of Year, as Restated	<u>19,561,180</u>	<u>48,740,821</u>	<u>219,078,900</u>
Fund Balances, End of Year	<u>\$ 19,958,680</u>	<u>\$ 52,791,734</u>	<u>\$ 230,089,928</u>

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, 2020**

Net Changes in Fund Balances - Total Governmental Funds \$ 11,011,028

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	34,774,586
Deletions of capital assets during the current year	(79,321)

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. (12,300,785)

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	927,024
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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. 26,720

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. 241,165

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	\$ 1,255,000
Lease Payable	1,650,510
Bond Premium Amortization	148,728
Deferred Charges Amortization	(29,855)
	3,024,383

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. (1,358,371)

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. 5,330,220

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. (80,095)

Change in Net Position of Governmental Activities **\$ 41,516,554**

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, 2020

	<u>Business-Type Activities - Enterprise Funds</u> <u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
Assets			
Current Assets			
Cash and Investments	\$ 33,082,921	\$ 71,412,925	\$ 22,599,426
Accounts Receivable, Net	8,328,513	6,607,586	1,703,806
Interest Receivable	142,167	304,654	101,164
Due from Other Governmental Agencies	234,696	21,118	-
Inventories and Prepayments	3,072,008	-	588,566
Deposits	-	-	155,693
Restricted:			
Cash and Investments	6,180,671	1,498,358	1,100,000
Total Current Assets	51,040,976	79,844,641	26,248,655
Noncurrent Assets			
Interfund Advances Receivable	-	-	2,105,961
Investment in Joint Venture	-	8,396,071	-
Capital Assets:			
Land and Construction in Progress	33,029,347	5,307,076	1,762,482
Other Capital Assets, Net of Depreciation	229,732,458	131,833,719	8,907,573
Total Capital Assets	262,761,805	137,140,795	10,670,055
Total Noncurrent Assets	262,761,805	145,536,866	12,776,016
Total Assets	313,802,781	225,381,507	39,024,671
Deferred Outflows of Resources			
Deferred Pension Related Items	2,390,492	1,455,207	416,797
Deferred OPEB Related Items	1,358,957	898,119	203,208
Total Deferred Outflows of Resources	3,749,449	2,353,326	620,005
Total Assets and Deferred Outflows of Resources	\$ 317,552,230	\$ 227,734,833	\$ 39,644,676
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 6,834,424	\$ 1,840,415	\$ 3,565,159
Unearned Revenue	687,116	-	-
Deposits	1,353,716	541,448	-
Claims and Judgments Payable	-	-	-
Compensated Absences Payable	370,116	256,915	74,621
Long-term Capital Lease Payable	6,860	-	-
Long-term Debt	3,594,431	905,669	-
Liabilities Payable from Restricted Assets	201,028	97,949	-
Total Current Liabilities	13,047,691	3,642,396	3,639,780
Noncurrent Liabilities			
Interfund Advances Payable	-	-	7,059,422
Claims and Judgments Payable	-	-	-
Compensated Absences Payable	131,376	101,561	-
Long-term Capital Lease Payable	10,395	-	-
Corona Utility Authority Lease Payable	106,819,662	65,808,682	-
Long-term Debt, Net of Unamortized Premium	42,093,283	19,557,717	-
Net Pension Liability	18,801,680	11,445,478	3,278,183
Net OPEB Liability	7,143,898	4,721,267	1,068,248
Total Noncurrent Liabilities	175,000,294	101,634,705	11,405,853
Total Liabilities	188,047,985	105,277,101	15,045,633

CITY OF CORONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020

(CONTINUED)

	Business-Type Activities - Enterprise Funds		
	Corona Utility Authority		
	Water	Water Reclamation	Electric
Deferred Inflows of Resources			
Deferred Pension Related Items	336,356	204,757	58,645
Deferred OPEB Related Items	1,755,809	1,161,181	262,792
Total Deferred Inflows of Resources	2,092,165	1,365,938	321,437
Net Position			
Net Investment in Capital Assets	217,056,836	116,677,409	10,670,055
Restricted for:			
Capital Projects	6,568,086	167,368	-
Transportation	-	-	-
Restricted for Development Agreements	-	792,804	-
Unrestricted	(96,212,842)	3,454,213	13,607,551
Total Net Position	127,412,080	121,091,794	24,277,606
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 317,552,230	\$ 227,734,833	\$ 39,644,676

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, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
Assets			
Current Assets			
Cash and Investments	\$ 1,269,215	\$ 128,364,487	\$ 38,680,366
Accounts Receivable, Net	2,233	16,642,138	83,682
Interest Receivable	6,691	554,676	-
Due from Other Governmental Agencies	1,056,930	1,312,744	3,487
Inventories and Prepayments	-	3,660,574	351,569
Deposits	-	155,693	-
Restricted:			
Cash and Investments	377,421	9,156,450	-
Total Current Assets	2,712,490	159,846,762	39,119,104
Noncurrent Assets			
Interfund Advances Receivable	-	2,105,961	-
Investment in Joint Venture	-	8,396,071	-
Capital Assets:			
Land and Construction in Progress	-	40,098,905	57,345
Other Capital Assets, Net of Depreciation	3,769,298	374,243,048	3,848,796
Total Capital Assets	3,769,298	414,341,953	3,906,141
Total Noncurrent Assets	3,769,298	424,843,985	3,906,141
Total Assets	6,481,788	584,690,747	43,025,245
Deferred Outflows of Resources			
Deferred Pension Related Items	127,473	4,389,969	1,233,201
Deferred OPEB Related Items	83,459	2,543,743	729,374
Total Deferred Outflows of Resources	210,932	6,933,712	1,962,575
Total Assets and Deferred Outflows of Resources	\$ 6,692,720	\$ 591,624,459	\$ 44,987,820
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 151,923	\$ 12,391,921	\$ 791,603
Unearned Revenue	969,054	1,656,170	-
Deposits	440	1,895,604	-
Claims and Judgments Payable	-	-	3,450,732
Compensated Absences Payable	16,354	718,006	219,706
Long-term Capital Lease Payable	-	6,860	361,914
Long-term Debt	-	4,500,100	-
Liabilities Payable from Restricted Assets	-	298,977	-
Total Current Liabilities	1,137,771	21,467,638	4,823,955
Noncurrent Liabilities			
Interfund Advances Payable	-	7,059,422	-
Claims and Judgments Payable	-	-	17,748,429
Compensated Absences Payable	41,616	274,553	69,540
Long-term Capital Lease Payable	-	10,395	542,964
Corona Utility Authority Lease Payable	-	172,628,344	-
Long-term Debt, Net of Unamortized Premium	-	61,651,000	-
Net Pension Liability	1,002,603	34,527,944	9,699,362
Net OPEB Liability	438,743	13,372,156	3,834,241
Total Noncurrent Liabilities	1,482,962	289,523,814	31,894,536
Total Liabilities	2,620,733	310,991,452	36,718,491

CITY OF CORONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
Deferred Inflows of Resources			
Deferred Pension Related Items	17,937	617,695	173,518
Deferred OPEB Related Items	107,199	3,286,981	927,781
Total Deferred Inflows of Resources	125,136	3,904,676	1,101,299
Net Position			
Net Investment in Capital Assets	3,769,298	348,173,598	3,001,263
Restricted for:			
Capital Projects	-	6,735,454	-
Transportation	377,421	377,421	-
Restricted for Development Agreements	-	792,804	-
Unrestricted	(199,868)	(79,350,946)	4,166,767
Total Net Position	3,946,851	276,728,331	7,168,030
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,692,720	\$ 591,624,459	\$ 44,987,820

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 276,728,331
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(173,086)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(366,073)
Net Position per Statement of Net Position	\$ 276,189,172

CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Corona Utility Authority		
	Water	Water Reclamation	Electric
Operating Revenues			
Service Charges	\$ 51,680,610	\$ 30,590,108	\$ 15,444,822
Fees and Permits	4,622,168	2,952,838	-
Fines and Penalties	412,308	229,582	45,558
Other Revenues	2,185,792	213,651	883,485
Total Operating Revenues	58,900,878	33,986,179	16,373,865
Operating Expenses			
Personnel Services	10,393,621	6,436,605	1,510,297
Contractual	4,346,784	1,558,110	2,469,861
Materials and Supplies	26,195,554	10,479,555	1,760,883
Utilities	4,790,351	2,504,183	8,136,039
Depreciation and Amortization	8,434,047	5,821,241	1,022,338
Claims Expense	-	-	-
Total Operating Expenses	54,160,357	26,799,694	14,899,418
Operating Income (Loss)	4,740,521	7,186,485	1,474,447
Nonoperating Revenues (Expenses)			
Investment Earnings	1,755,809	3,288,017	1,119,436
Interest Expense	(4,662,230)	(2,554,979)	(228,917)
Operating Grants and Contributions	8,145	1,374	564
Loss on Joint Venture	-	627,616	-
Total Nonoperating Revenues (Expenses)	(2,898,276)	1,362,028	891,083
Income (Loss) Before Contributions and Transfers	1,842,245	8,548,513	2,365,530
Capital Grants and Contributions	2,947,111	248,445	-
Transfers In	706,869	-	-
Total Contributions and Transfers	3,653,980	248,445	-
Extraordinary Item - Impairment of asset	-	2,052,000	-
Changes in Net Position	5,496,225	10,848,958	2,365,530
Net Position, Beginning of Year	122,283,579	110,562,619	21,912,076
Restatements	(367,724)	(319,783)	-
Net Position, Beginning of Year, as Restated	121,915,855	110,242,836	21,912,076
Net Position, End of Year	\$ 127,412,080	\$ 121,091,794	\$ 24,277,606
Reconciliation of Changes in Net Position to the Statement of Activities:			
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			
Changes in Net Position of Business-Type Activities per Statement of Activities			

CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
Operating Revenues			
Service Charges	\$ -	\$ 97,715,540	\$ 14,319,967
Fees and Permits	35,717	7,610,723	-
Fines and Penalties	-	687,448	-
Other Revenues	756,975	4,039,903	2,031,089
Total Operating Revenues	792,692	110,053,614	16,351,056
Operating Expenses			
Personnel Services	402,864	18,743,387	6,486,850
Contractual	1,710,277	10,085,032	3,419,531
Materials and Supplies	152,649	38,588,641	4,168,285
Utilities	180,082	15,610,655	822,728
Depreciation and Amortization	677,120	15,954,746	1,063,811
Claims Expense	-	-	793,808
Total Operating Expenses	3,122,992	98,982,461	16,755,013
Operating Income (Loss)	(2,330,300)	11,071,153	(403,957)
Nonoperating Revenues (Expenses)			
Investment Earnings	73,856	6,237,118	-
Interest Expense	-	(7,446,126)	(42,211)
Operating Grants and Contributions	2,175,591	2,185,674	-
Loss on Joint Venture	-	627,616	-
Total Nonoperating Revenues (Expenses)	2,249,447	1,604,282	(42,211)
Income (Loss) Before Contributions and Transfers	(80,853)	12,675,435	(446,168)
Capital Grants and Contributions	20,761	3,216,317	-
Transfers In	-	706,869	-
Total Contributions and Transfers	20,761	3,923,186	-
Extraordinary Item - Impairment of asset	-	2,052,000	-
Changes in Net Position	(60,092)	18,650,621	(446,168)
Net Position, Beginning of Year	4,006,943	258,765,217	7,614,198
Restatements	-	(687,507)	-
Net Position, Beginning of Year, as Restated	4,006,943	258,077,710	7,614,198
Net Position, End of Year	\$ 3,946,851	\$ 276,728,331	\$ 7,168,030
Reconciliation of Changes in Net Position to the Statement of Activities:			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds		\$ 18,650,621	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		(366,073)	
Changes in Net Position of Business-Type Activities per Statement of Activities		\$ 18,284,548	

CITY OF CORONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Corona Utility Authority		
	Water	Water Reclamation	Electric
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 54,578,902	\$ 33,609,976	\$ 14,819,355
Cash paid to suppliers for goods and services	(33,045,669)	(14,946,326)	(11,022,513)
Cash paid to employees for services	(9,129,847)	(5,675,818)	(1,600,409)
Cash paid for current claims	-	-	-
Cash paid for long-term claims	-	-	-
Cash received from others	3,381,273	397,793	883,485
Net Cash Provided (Used) by Operating Activities	15,784,659	13,385,625	3,079,918
Cash Flows from Non-Capital Financing Activities:			
Transfers in	706,869	-	-
Advance to other funds	-	-	(960,555)
Repayments of advance from other funds	-	-	116,438
Operating grants and contributions	8,145	1,374	564
Net Cash Provided (Used) by Non-Capital Financing Activities	715,014	1,374	(843,553)
Cash Flows from Capital and Related Financing Activities:			
Proceeds from long-term capital lease payable	-	-	-
Capital grants and contributions	2,947,111	248,445	-
Acquisition and construction of capital assets	(9,815,092)	(5,221,279)	(1,005,885)
Retirement on long-term debt	(3,504,104)	(874,690)	-
Interest payments of long-term debt	(4,750,805)	(2,573,910)	(228,917)
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,122,890)	(8,421,434)	(1,234,802)
Cash Flows from Investing Activities:			
Interest received	1,758,321	3,286,155	1,122,749
Net Cash Provided (Used) by Investing Activities	1,758,321	3,286,155	1,122,749
Net Increase (Decrease) in Cash and Cash Equivalents	3,135,104	8,251,720	2,124,312
Cash and Cash Equivalents at Beginning of Year	36,128,488	64,659,563	21,575,114
Cash and Cash Equivalents at End of Year	\$ 39,263,592	\$ 72,911,283	\$ 23,699,426

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020

(CONTINUED)

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 4,740,521	\$ 7,186,485	\$ 1,474,447
Adjustments to Reconcile Operating Income (Loss)			
Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	8,434,047	5,821,241	1,022,338
(Increase) decrease in accounts receivable	(2,100,417)	163,100	297,872
(Increase) decrease in deposits receivable	-	-	(60,502)
(Increase) decrease in due from other governments	1,195,481	184,142	-
(Increase) decrease in inventories and prepayments	(165,242)	-	(511,899)
(Increase) decrease in deferred outflows of pension related items	894,048	562,779	222,855
(Increase) decrease in deferred outflows of OPEB items	(77,740)	(70,445)	(2,025)
Increase (decrease) in accounts payable and accrued liabilities	2,300,357	(83,805)	1,857,278
Increase (decrease) in unearned revenue	(123,353)	-	-
Increase (decrease) in deposits payable	87,586	(325,652)	(908,395)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	22,753	(14,075)	59,838
Increase (decrease) in liabilities payable from restricted assets	159,220	(315,892)	-
Increase (decrease) in pension liability	481,094	189,508	(289,685)
Increase (decrease) in OPEB liability	(1,802,795)	(1,058,350)	(336,597)
Increase (decrease) in deferred inflows of pension related items	35,326	19,807	22
Increase (decrease) in deferred inflows of OPEB items	1,703,773	1,126,782	254,371
Total Adjustments	11,044,138	6,199,140	1,605,471
Net Cash Provided (Used) by Operating Activities	\$ 15,784,659	\$ 13,385,625	\$ 3,079,918
Non-Cash Investing, Capital, and Financing Activities:			
Extraordinary Gain on impairment of Capital Asset.	\$ -	\$ 2,052,000	\$ -
Gain/(Loss) on Investment in Joint Venture	-	627,616	-
Amortization of bond premium	(88,575)	(18,931)	-

CITY OF CORONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 34,207	\$ 103,042,440	\$ 14,305,079
Cash paid to suppliers for goods and services	(2,243,681)	(61,258,189)	(8,360,484)
Cash paid to employees for services	(431,662)	(16,837,736)	(4,767,940)
Cash paid for current claims	-	-	(566,979)
Cash paid for long-term claims	-	-	(1,226,022)
Cash received from others	674,803	5,337,354	2,028,650
Net Cash Provided (Used) by Operating Activities	(1,966,333)	30,283,869	1,412,304
Cash Flows from Non-Capital Financing Activities:			
Transfers in	-	706,869	-
Advance to other funds	-	(960,555)	-
Repayments of advance from other funds	-	116,438	-
Operating grants and contributions	2,175,591	2,185,674	-
Net Cash Provided (Used) by Non-Capital Financing Activities	2,175,591	2,048,426	-
Cash Flows from Capital and Related Financing Activities:			
Proceeds from long-term capital lease payable	-	-	(5,737)
Capital grants and contributions	20,761	3,216,317	-
Acquisition and construction of capital assets	(20,760)	(16,063,016)	(122,070)
Retirement on long-term debt	-	(4,378,794)	(307,978)
Interest payments of long-term debt	-	(7,553,632)	(42,211)
Net Cash Provided (Used) by Capital and Related Financing Activities	1	(24,779,125)	(477,996)
Cash Flows from Investing Activities:			
Interest received	73,473	6,240,698	-
Net Cash Provided (Used) by Investing Activities	73,473	6,240,698	-
Net Increase (Decrease) in Cash and Cash Equivalents	282,732	13,793,868	934,308
Cash and Cash Equivalents at Beginning of Year	1,363,904	123,727,069	37,746,058
Cash and Cash Equivalents at End of Year	\$ 1,646,636	\$ 137,520,937	\$ 38,680,366

CITY OF CORONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (2,330,300)	\$ 11,071,153	\$ (403,957)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	677,120	15,954,746	1,063,811
(Increase) decrease in accounts receivable	460	(1,638,985)	(14,888)
(Increase) decrease in deposits receivable	-	(60,502)	-
(Increase) decrease in due from other governments	(492,162)	887,461	(2,439)
(Increase) decrease in inventories and prepayments	-	(677,141)	(161,559)
(Increase) decrease in deferred outflows of pension related items	58,046	1,737,728	264,352
(Increase) decrease in deferred outflows of OPEB items	4,778	(145,432)	(65,823)
Increase (decrease) in accounts payable and accrued liabilities	(201,461)	3,872,369	219,325
Increase (decrease) in unearned revenue	408,470	285,117	-
Increase (decrease) in deposits payable	(450)	(1,146,911)	-
Increase (decrease) in claims and judgments	-	-	(999,193)
Increase (decrease) in compensated absences	13,604	82,120	15,517
Increase (decrease) in liabilities payable from restricted assets	-	(156,672)	-
Increase (decrease) in pension liability	(32,196)	348,721	1,346,287
Increase (decrease) in OPEB liability	(177,419)	(3,375,161)	(799,300)
Increase (decrease) in deferred inflows of pension related items	935	56,090	36,267
Increase (decrease) in deferred inflows of OPEB items	104,242	3,189,168	913,904
Total Adjustments	363,967	19,212,716	1,816,261
Net Cash Provided (Used) by Operating Activities	\$ (1,966,333)	\$ 30,283,869	\$ 1,412,304
Non-Cash Investing, Capital, and Financing Activities:			
Extraordinary Gain on impairment of Capital Asset.	\$ -	\$ 2,052,000	\$ 156,009
Gain/(Loss) on Investment in Joint Venture	-	627,616	-
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, 2020

	Private- Purpose Trust Fund Successor Agency Trust Fund	Agency Funds
Assets		
Cash and Investments	\$ 7,093,146	\$ 1,474,872
Interest Receivable	-	6,287
Due from Other Governmental Agencies	-	187,313
Restricted Assets:		
Cash and Investments	6,956,120	19,419,564
Total Assets	14,049,266	\$ 21,088,036
Deferred Outflows of Resources		
Deferred Pension Related Items	10,025	
Deferred OPEB Related Items	38,102	
Total Deferred Outflows of Resources	48,127	
Liabilities		
Current:		
Accounts Payable and Accrued Liabilities	740,180	\$ 7,303
Long-Term Debt Due within One Year	4,185,000	-
Liabilities Payable from Restricted Assets	3,203	-
Noncurrent:		
Due to Other Governmental Agencies	5,223,921	-
Long-term Debt, Net of Unamortized Premium	43,354,591	-
Net Pension Liability	78,855	-
Net OPEB Liability	200,296	-
Due to Bondholders	-	21,080,733
Total Liabilities	53,786,046	\$ 21,088,036
Deferred Inflows of Resources		
Deferred Pension Related Items	1,411	
Deferred OPEB Related Items	49,181	
Total Deferred Inflows or Resources	50,592	
Net Position		
Held in Trust for Successor Agency Activities	(39,739,245)	
Total Net Position	\$ (39,739,245)	

CITY OF CORONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2020

	<u>Private-Purpose Trust Fund Successor Agency Trust Fund</u>
Additions	
Property Taxes	\$ 11,415,449
Investment Income	67,581
Total Additions	<u>11,483,583</u>
Deductions	
Administrative Expenses	56,666
Developer Payments - OPA Approved by DOF	2,003,029
Debt Service Payments	2,332,347
Total Deductions	<u>4,392,042</u>
Changes in Net Position	7,091,541
Net Position, Beginning of Year	<u>(46,830,786)</u>
Net Position, End of the Year	<u>\$ (39,739,245)</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 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

m. Other Post-employment 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, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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, 2020

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:	5.85 years	OPEB plan
	2.3 years	Pension Misc.-Agent Multiple Employer Plan
	4.2 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, 2020

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 15 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, 2020

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, 2020, the City did not implement any new Governmental Accounting Standards Board (GASB) standards.

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, 2020, the Public Facility Project Fund had a deficit fund balance of \$192,005 and the Warehouse and Information Technology internal service funds had a deficit net position of \$198,483 and \$6,238,358, respectively. The deficits will be eliminated with future revenue. The Successor Agency Trust Fund had a deficit net position amount of \$39,739,245.

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 \$1,590,859 at June 30, 2020. Bank balances before reconciling items were \$2,297,048 at that date. All City's cash and investments as of June 30, 2020 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;
- Diversified management companies, as defined by Section 53601 (l) of the Government Code, not to exceed 10% of the portfolio;

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

- 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:

	2020	2019
Realized gain/(loss) on matured investments	\$ 566,474	\$ (124,241)
Unrealized gain/(loss) in changes in fair value of investments	8,948,385	7,338,438
Interest Income	7,532,325	6,838,384
Total investment income	\$ 17,047,184	\$ 14,052,581

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, 2020

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, 2020:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and Investments	\$ 220,671,970	\$ 128,364,487	\$ 349,036,457	\$ 8,568,018	\$ 357,604,475
Restricted Cash and Investments	\$ 856,169	\$ 9,156,450	\$ 10,012,619	\$ 26,375,684	36,388,303
Total Cash and Investments					\$ 393,992,778

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, 2020 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

As of June 30, 2020, the City had \$47,373,322 invested in LAIF. Fair value of the City's LAIF investments was \$47,606,057 as of June 30, 2020. 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 1.004912795.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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, 2020, are presented below:

Investment Type	Investment Maturities (in Months)		
	12 Months or Less	12 Months to 60 Months	More than 60 Months
Cash and Investments:			
FHLB	\$ 5,982,714	\$ 25,224,682	\$ -
FHLMC	1,242,101	21,753,896	-
FNMA	7,409,471	45,925,765	-
FHLMC - CMO	-	22,285,349	-
US T-Notes	-	62,608,953	-
LAIF	47,606,057	-	-
California Taxable GO Federated	672,701	-	-
Toronto Dominion Bank Note	-	3,471,155	-
HSBC Holdings PLC Note	-	4,243,237	-
International Bank Recon & Development Note	4,009,384	-	-
International Finance Corp Note	1,703,282	-	-
Inter-American Dev Bank Note	-	7,827,950	-
Royal Bank of Canada Note	-	3,787,776	-
American Honda Finance Note	-	3,455,662	-
Apple	-	2,341,410	-
Bank of America Corp	-	3,474,127	-
Bank of New York Mellon Corp	-	3,533,291	-
Berkshire Hathaway Note	-	2,647,598	-
Caterpillar Financial Service	-	2,751,909	-
Charles Schwab Corp	-	2,366,190	-
Chevron Corp	-	3,214,485	-
Chubb INA Holdings Inc	2,557,295	-	-
Exxon Mobil Corp Callable Note	2,731,034	-	-
General Dynamics Corp Note	3,038,571	-	-
Honda Auto Receivables	-	5,207,909	-
IBM Credit Corp Note	-	3,062,323	-
John Deere Capital Corp	1,880,895	1,593,473	-
John Deere Owner Trust	-	7,441,231	-
JP Morgan Chase & Co	-	3,365,271	-
Mercedes-Benz Auto Lease Trust	-	1,066,098	-
Microsoft Note	1,039,217	1,900,669	-
Nissan ABS	-	2,331,940	-
Oracle Corp Callable Note	-	3,381,824	-
Paccar Financial Corp	-	3,241,766	-
PNC Bank Callable Note	-	3,164,988	-
State Street Bank Note	2,104,785	-	-
Toyota ABS	-	2,574,886	-
Toyota Motor Credit Corp Note	-	3,195,697	-
US Bancorp Callable Note	-	4,378,608	-
Verizon Owner Trust	-	1,425,906	-
Wal-Mart Stores	-	2,178,734	-
Deposits	1,590,859	-	-
	<u>\$ 83,568,365</u>	<u>\$ 274,036,110</u>	<u>\$ -</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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
Restricted Cash and Investments:			
Cash and Investments with Fiscal Agents	\$ 2,842,990	\$ -	\$ -
Local Agency Investment Funds	2,308,948	-	-
Blackrock Federal	24,778,589	-	-
Morgan Stanley Govt Advisory	2,742,574	-	-
MBIA Financial Guaranty Ins Policy	-	1	-
MBIA Debt Service Reserve Surety Bond	-	1	-
Natixis Funding Corp	3,715,200	-	-
Total Investments	\$ 36,388,301	\$ 2	\$ -

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, 2020, the City had the following deposits and investments:

	Credit Rating	Fair Value	Total
City Treasury:			
Deposits	Not Rated	\$ 1,590,859	\$ 1,590,859
Investments:			
Medium Term Notes	AAA	2,939,885	
Medium Term Notes	AA+	2,341,410	
Medium Term Notes	AA	10,771,850	
Medium Term Notes	AA-	4,378,608	
Medium Term Notes	A+	6,437,463	
Medium Term Notes	A	29,435,543	
Medium Term Notes	A-	10,295,059	
Asset Backed Securities	AAA	10,852,332	
Asset Backed Securities	Not Rated	9,195,637	86,647,788
U.S. Government Agency Securities			
FHLB	AA+	31,207,396	
FHLMC	AA+	14,864,552	
FNMA	AA+	53,335,236	
FHLMC	NR	6,889,344	
U.S. Treasury	AA+	62,608,953	168,905,481
FHLMC - CMO	AAA	4,151,175	
FHLMC - CMO	AA+	1,242,101	
FHLMC - CMO	Not Rated	18,134,174	23,527,450
Money Market Funds	AAA	672,701	672,701
Municipal Bonds			
California State Taxable GO	AA-	3,611,355	3,611,355
Foreign Corporate			
Toronto Dominion Bank Note	AA-	2,088,186	
Toronto Dominion Bank Note	A	1,382,969	
Royal Bank of Canada Note	A	3,787,776	
HSBC Holdings PLC Note	A-	4,243,237	11,502,168
Supranationals			
Inter-American Dev Bank Note	AAA	3,716,618	
International Bank Recon & Development Note	AAA	4,009,384	
International Finance Corp Note	AAA	1,703,282	
Inter-American Dev Bank Note	NR	4,111,332	13,540,617
Local Agency Investment Funds	Not Rated	47,606,057	47,606,057
Restricted Cash and Investments:			
Cash & Investments with Fiscal Agents	Not Rated	33,545,316	
Development Restricted Cash	Not Rated	57,000	
Water Reclamation Restricted Cash	Not Rated	509,441	
Electric Restricted Cash	Not Rated	1,100,000	
Transit Restricted Cash	Not Rated	377,421	
Special Tax Districts Restricted Cash	Not Rated	16,510	
Transportation Grants Restricted Cash	Not Rated	782,615	36,388,303
Total Deposits and Investments			\$ 393,992,778

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

The City's credit risk, expressed on a percentage basis as of June 30, 2020, is presented below:

Investment Type	Moody's Rating	S&P Rating	% of Investment
US T-Notes	Aaa	AA+	17.59%
Federal National Mortgage Association	AAA & NR	AA+	14.98%
LAIF	NR	NR	13.37%
Federal Home Loan Bank	Aaa	AA+	8.77%
Federal Home Loan Mortgage Corp - CMO	AAA & NR	AA+	6.61%
Federal Home Loan Mortgage Corp	Aaa	AA+ & NR	6.11%
Inter-American Dev Bank	Aaa	AAA & NR	2.20%
John Deere Owner Trust	Aaa	NR	2.09%
US Bancorp	A1	AA-	1.23%
HSBC Holdings PLC	A2	A-	1.19%
Honda Auto Receivables Owner	Aaa	AAA & NR	1.19%
International Bank Recon & Development Note	Aaa	AAA	1.13%
Royal Bank of Canada	A2	A	1.06%
California St Taxable GO	Aa2	AA-	1.01%
Bank of NY Mellon Corp	A1	A	0.99%
John Deere Capital Corp	A2	A	0.98%
Bank of America Corp	A2	A-	0.98%
Toronto Dominion Bank Note	Aa1 & Aa3	AA- & A	0.98%
American Honda Finance	A3	A-	0.97%
Oracle Corp	A3	A	0.95%
JP Morgan Chase & Co	A2	A-	0.95%
Paccar Financial Corp	A1	A+	0.91%
Chevron Corp	Aa2	AA	0.90%
Toyota Motor Credit Corp	A1	A+	0.90%
PNC Bank	A2	A	0.89%
IBM Credit Corp	A2	A	0.86%
General Dynamics Corp	A2	A	0.85%
Microsoft	Aaa	AAA	0.83%
Caterpillar Financial Services Note	A3	A	0.77%
Exxon Mobil Corp	Aa1	AA	0.77%
Berkshire Hathaway	Aa2	AA	0.74%
Toyota Auto Receivables Owner	Aaa	AAA	0.72%
Chubb INA Holdings Inc	A3	A	0.72%
Charles Schwab Corp	A2	A	0.66%
Apple Inc	Aa1	AA+	0.66%
Nissan Auto Receivables Owner	Aaa	AAA	0.63%
Wal-Mart Stores	Aa2	AA	0.61%
State Street Bank	A1	A	0.59%
International Finance Corp	Aaa	AAA	0.48%
Verizon Owner Trust	NR	AAA	0.40%
Mercedes Benz Auto Lease Trust	Aaa	AAA	0.30%
Honda Auto Receivables	Aaa	AAA	0.28%
Federated Govt Obligation Money Market Fund	Aaa	AAA	0.19%
Nissan Auto Receivables	Aaa	NR	0.03%
Total			100.0%

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

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. Federal government agency investments and corporate notes are classified in Level 2 of the fair value hierarchy and valued using institutional bond quotes or specified fair market value factors.

The City has the following recurring fair value measurements as of June 30, 2020:

	June 30, 2020	Investments not Measured at Fair Value	Level 2
Investments:			
US Treasury	\$ 62,608,953	\$ -	\$ 62,608,953
Federal Government Agency	106,296,528	-	106,296,528
Collateral Mortgage Obligations	23,527,450	-	23,527,450
Foreign Corporate	11,502,168	-	11,502,168
Supranationals	13,540,617	-	13,540,617
Medium-Term Corporate Notes	66,599,819	-	66,599,819
Asset-Backed Securities	20,047,969	-	20,047,969
Municipal Bonds	3,611,355	-	3,611,355
Money Market Funds	672,701	672,701	-
Local Agency Investment Fund	47,606,057	47,606,057	-
Total Cash Investments	<u>356,013,616</u>	<u>48,278,758</u>	<u>307,734,858</u>
Restricted Investments:			
Local Agency Investment Fund	2,308,948	-	2,308,948
Cash and Investments with Fiscal Agent	2,842,990	-	2,842,990
Medium-Term Corporate Notes	3,715,202	-	3,715,202
US Treasury	27,521,163	-	27,521,163
Total Restricted Investments	<u>36,388,303</u>	<u>-</u>	<u>36,388,303</u>
Total Investments	<u>\$ 392,401,919</u>	<u>\$ 48,278,758</u>	<u>\$ 344,123,161</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, 2020:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds:			
General Fund	\$ 14,597,419	Other Grants	\$ 12,460,530
Non-Major Funds:			
Special Revenue Funds:			
		Other Grants & Endowments	10,420
Capital Projects Funds:			
		Public Facility Project	947,674
		HUD Grants	1,178,795
Total	<u>\$ 14,597,419</u>	Total	<u>\$ 14,597,419</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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

At June 30, 2020, 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>
Major Funds:		Major Funds:	
General Fund	\$ 16,024,057	Capital Project Funds:	
		Development	\$ 8,964,635
<u>Enterprise Funds:</u>		<u>Enterprise Funds:</u>	
Electric	2,105,961	Electric	7,059,422
		Non-Major Funds:	
		<u>Special Revenue Funds:</u>	
		Special Tax Districts	2,105,961
Total	<u><u>\$ 18,130,018</u></u>	Total	<u><u>\$ 18,130,018</u></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, 2020, the balance of this Interfund Loan was \$8,826,554. The General Fund also has an interfund loan between the Temescal Canyon Fire Facility Fee funds within the development fund in the amount of \$138,081.

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, 2020, the balance payable from Electric to the General Fund was \$7,059,422.

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, 2020 the balance of this Interfund Loan was \$2,105,961.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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, 2020, the lease payment for Water and Water Reclamation utilities were calculated with a discount rate of 6%.

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, 2020:

<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, 2020

Note 4: Interfund Transactions (Continued)

Current Year Transactions

During Fiscal Year 2019-20, the following related party transactions were recorded by the City and the Authority:

<u>Leasee</u>	<u>Amount</u>
Water Utility	\$ 2,877,084
Water Reclamation Utility	1,932,246
Total Payment from the Authority to the City	<u>\$ 4,809,330</u>

Capital Lease Payments

At June 30, 2020, 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:

Corona Utility Authority		
Future Lease Payments - Water Utility		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ 2,720,530
2022	-	2,571,803
2023	-	2,430,513
2024	-	2,296,287
2025	-	2,168,773
2026 - 2030	-	9,143,472
2031 - 2035	-	6,787,745
2036 - 2040	-	4,964,929
2041 - 2045	-	3,554,470
2046 - 2050	-	2,356,969
2051 - 2055	-	953,043
2056	-	34,918
Total Future Lease Payments	-	<u>\$ 39,983,452</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>	

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 4: Interfund Transactions (Continued)

At June 30, 2020, 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:

Corona Utility Authority		
Future Lease Payments - Water Reclamation Utility		
Fiscal Year	Principal	Interest
2021	\$ -	\$ 1,828,883
2022	-	1,730,689
2023	-	1,637,405
2024	-	1,548,785
2025	-	1,464,595
2026 - 2030	-	6,200,320
2031 - 2035	-	4,644,992
2036 - 2040	-	3,441,509
2041 - 2045	-	2,510,275
2046 - 2050	-	1,789,706
2051 - 2055	-	1,543,555
2056	-	233,254
Total Future Lease Payments	-	<u>\$ 28,573,968</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:

- \$1,082,754 from the Gas Tax special revenue fund to the General Fund for the payment of street maintenance costs.
- \$1,215,000 from the Dwelling Development tax fund to the General fund to fund capital projects.
- \$706,869 from the General fund to the Water Utility fund for the payment of insurance proceeds.
- Transfers from the General fund to Special Tax Districts and Traffic Offender Funds of \$125,753 and \$39,654, respectively for benefit and unfunded liability contributions.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 4: Interfund Transactions (Continued)

Total transfers of \$3,215,291 are presented below:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 165,407
	Water Enterprise Fund	706,869
		<u>872,276</u>
Development Fund	General Fund	1,215,000
Other Governmental Funds	General Fund	1,128,015
		<u>\$ 3,215,291</u>

Note 5: Long-Term Receivables

Long-term receivables on the governmental fund financial statement as of June 30, 2020 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>
Major Funds:		
General Fund	\$ -	\$ 6,432,353
<u>Capital Project Funds:</u>		
Low Mod Income Housing Asset	7,523,920	9,942,191
Other Grants	2,300,000	-
Development	341,340	1,189,660
Non-Major Funds:		
<u>Capital Project Funds:</u>		
HUD Grants	2,719,138	1,956,888
Total	\$ 12,884,398	\$ 19,521,092

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

- Various City/former Corona Redevelopment Agency loans totaled \$5,223,921 as of June 30, 2020. 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 22b for additional information.
- Reimbursement receivables from developers for the Temescal Canyon Communications Tower in the amount of \$260,870.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 5: Long-Term Receivables (Continued)

- Amount to be reimbursed by developers for South Corona area Community Facilities Plan for \$172,562.
- 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 \$341,340, 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 \$7,523,920 at June 30, 2020.

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 \$2,719,138 reported in the HUD Grants fund represented various outstanding HUD program loans as of June 30, 2020.

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, 2020 was \$1,998,648 in the Low Mod Income Housing Asset Fund and \$1,461,000 in the HUD grants 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, 2020

Note 7: Capital Assets (Continued)

A summary of capital assets of the City as of June 30, 2020, is presented below:

	Beginning Balance June 30, 2019	Transfers from Business-Type Activities	Construction in Progress Completed	Additions	Deletions	Balance June 30, 2020
Governmental Activities:						
Capital assets not being depreciated:						
Land	\$ 72,846,805	\$ -	\$ 1,042,283	\$ -	\$ (78,054)	\$ 73,811,034
Streets	220,097,965	-	-	89,832	-	220,187,797
Construction in Progress	108,208,515	-	(2,569,366)	33,344,043	-	138,983,192
Total Capital Assets not being Depreciated	401,153,285	-	(1,527,083)	33,433,875	(78,054)	432,982,023
Capital assets being depreciated:						
Buildings and Improvements	234,941,703	-	1,053,275	65,755	-	236,060,733
Machinery and Equipment	40,999,314	17,472	473,808	879,612	(370,850)	41,999,356
Computer Software	959,782	-	-	-	-	959,782
Infrastructure	336,098,359	-	-	673,423	-	336,771,782
Total Capital Assets being Depreciated	612,999,158	17,472	1,527,083	1,618,790	(370,850)	615,791,653
Less accumulated depreciation for:						
Buildings and Improvements	(119,229,566)	-	-	(5,111,660)	-	(124,341,226)
Machinery and Equipment	(27,539,041)	(17,472)	-	(2,430,057)	369,583	(29,616,987)
Computer Software	(667,903)	-	-	(140,137)	-	(808,040)
Infrastructure	(135,865,356)	-	-	(5,682,742)	-	(141,548,098)
Total Accumulated Depreciation	(283,301,866)	(17,472)	-	(13,364,596)	369,583	(296,314,351)
Total Capital Assets Being Depreciated, Net	329,697,292	-	1,527,083	(11,745,806)	(1,267)	319,477,302
Governmental Activities Capital Assets, Net	\$ 730,850,577	\$ -	\$ -	\$ 21,688,069	\$ (79,321)	\$ 752,459,325

For the year ended June 30, 2020, accumulated depreciation on governmental activity capital assets and depreciation expense charged to each governmental function are presented as follows:

	Beginning Balance June 30, 2019	Current Year Depreciation	Accumulated Depreciation	Adjustments to Depreciation	Accumulated Depreciation June 30, 2020
General Governments	\$ 46,442,563	\$ 3,025,211	\$ 49,467,774	\$ (131,048)	\$ 49,336,726
Public Safety - Fire	7,405,832	350,337	7,756,169	-	7,756,169
Public Safety - Police	5,431,411	590,522	6,021,933	(225,415)	5,796,518
Public Works	11,722,651	780,623	12,503,274	-	12,503,274
Maintenance Services	208,838,737	7,529,910	216,368,647	4,352	216,372,999
Library and Recreation	210,786	24,182	234,968	-	234,968
Internal Service Funds	3,249,886	1,063,811	4,313,697	-	4,313,697
Total Depreciation Expense	\$ 283,301,866	\$ 13,364,596	\$ 296,666,462	\$ (352,111)	\$ 296,314,351

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 7: Capital Assets (Continued)

	Beginning Balance June 30, 2019	Transfer to Governmental Activities	Construction in Progress Completed	Additions	Deletions	Balance June 30, 2020
Business-Type Activities:						
Capital assets not being depreciated:						
Land	\$ 5,438,405	\$ -	\$ -	\$ 278,472	\$ -	\$ 5,716,877
Water Reclamation Rights	19,644,651	-	-	-	-	19,644,651
Construction in Progress	15,194,115	-	(10,646,971)	10,190,233	-	14,737,377
Total Capital Assets not being Depreciated	40,277,171	-	(10,646,971)	10,468,705	-	40,098,905
Capital assets being depreciated:						
Buildings and Improvements	105,193,315	-	33,423	392,632	-	105,619,370
Machinery and Equipment	112,634,993	(17,472)	3,383,942	1,319,440	-	117,320,903
Computer Software	1,722,208	-	47,985	-	-	1,770,193
Infrastructure	378,006,146	-	7,181,621	1,979,051	-	387,166,818
Total Capital Assets being Depreciated	597,556,662	(17,472)	10,646,971	3,691,123	-	611,877,284
Less accumulated depreciation for:						
Buildings and Improvements	(47,295,229)	-	-	(2,304,466)	-	(49,599,695)
Machinery and Equipment	(66,586,476)	17,472	-	(7,099,847)	-	(73,668,851)
Computer Software	(706,274)	-	-	(316,946)	-	(1,023,220)
Infrastructure	(106,479,903)	-	-	(6,862,567)	-	(113,342,470)
Total Accumulated Depreciation	(221,067,882)	17,472	-	(16,583,826)	-	(237,634,236)
Total Capital Assets Being Depreciated, Net	376,488,780	-	10,646,971	(12,892,703)	-	374,243,048
Business-Type Activities Capital Assets, Net	\$ 416,765,951	\$ -	\$ -	\$ (2,423,998)	\$ -	\$ 414,341,953

Business-type activities depreciation expense for capital assets for the year ended June 30, 2020, is as follows:

Water	\$ 8,434,047
Water Reclamation	5,821,241
Electric	1,022,338
Transit Services	662,823
Airport	14,297
Total depreciation expense - business-type activities	<u>\$ 15,954,746</u>

Extraordinary Item- Impairment of Capital Asset

In Fiscal Year 2019-20, there was an explosion in the biosolids drying structure at the City of Corona's Water Reclamation Facility #1. This accident resulted in an impairment of machinery and equipment related to the asset, in the amount of \$629,080, which increased depreciation in the current year. The repairs will be funded through insurance proceeds. The City reported an extraordinary gain resulting from the impairment in the amount of \$2,052,000.

Total depreciation expense	\$ 15,954,746
Adjustment to depreciation for impairment	629,080
Total increase to accumulated depreciation	<u>\$ 16,583,826</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 7: Capital Assets (Continued)

Below is a summary of infrastructure assets of the City as of June 30, 2020:

Description	Historical Cost	Accumulated Depreciation	Net Cost
Governmental Activities:			
Modified Approach			
Street Pavement System	\$ 220,187,797	\$ -	\$ 220,187,797
Basic Approach			
Curbing	79,521,977	(40,054,026)	39,467,951
Sidewalks	87,076,816	(43,326,843)	43,749,973
Signs and Lights	46,723,143	(16,225,051)	30,498,092
Storm Drains	116,327,494	(39,508,075)	76,819,419
Fiberoptics	5,899,800	(2,408,995)	3,490,805
Electric	1,206,137	(24,123)	1,182,014
Water Reclamation	16,415	(985)	15,430
Subtotal Basic Approach	336,771,782	(141,548,098)	195,223,684
Total Governmental Activities	\$ 556,959,579	\$ (141,548,098)	\$ 415,411,481
Business-Type Activities:			
Basic Approach			
Fiberoptics	\$ 235,951	\$ (178,194)	\$ 57,757
Curbing	200	(25)	175
Sidewalks	283,178	(4,478)	278,700
Electric	7,030,599	(1,587,677)	5,442,922
Signs and Lights	361,508	(56,602)	304,906
Storm Drains	191,467	(5,960)	185,507
Water	261,285,140	(80,650,291)	180,634,849
Water Reclamation	117,778,775	(30,859,243)	86,919,532
Total Business-Type Activities	\$ 387,166,818	\$ (113,342,470)	\$ 273,824,348

Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2020. 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 \$153,720,569.

The following material construction commitments existed at June 30, 2020:

Project Name	Contract Amount	Expenditures to date as of June 30, 2020	Remaining Commitments
Governmental Activities:			
McKinley Street Separation Grade	\$ 14,791,089	\$ 8,891,193	\$ 5,899,896
Business-Type Activities:			
WRF 1 Sludge Storage Project	2,652,137	674,517	1,977,620
Keith Tank 1220-Zone potable water tank	7,195,199	2,886,479	4,308,720
Total Construction Commitments	\$ 24,638,425	\$ 12,452,189	\$ 12,186,236

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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 \$2,335,935 for governmental activities and \$274,553 for business-type activities at June 30, 2020. 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, 2020 was \$8,515,467 for governmental activities and \$992,559 for business-type activities.

	<u>Balance July 1, 2019</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
Governmental Activities	\$ 8,741,115	\$ 5,953,602	\$ (6,179,250)	\$ 8,515,467	\$ 6,179,532	\$ 2,335,935
Business-Type Activities	\$ 910,439	\$ 838,427	\$ (756,307)	\$ 992,559	\$ 718,006	\$ 274,553

Note 9: Long-Term Obligations

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2020:

	<u>Balance June 30, 2019</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
Governmental Activities:						
Public Offering:						
Lease Revenue Bonds Payable	\$ 22,115,000	\$ -	\$ 1,255,000	\$ 20,860,000	\$ 1,300,000	\$ 19,560,000
Unamortized Bond Premium	2,528,380	-	148,728	2,379,652	-	2,379,652
Total Public Offerings:	24,643,380	-	1,403,728	23,239,652	1,300,000	21,939,652
Direct Borrowing:						
Lease Payable	14,875,265	-	1,650,510	13,224,755	1,706,264	11,518,491
Capital Leases Payable	1,062,584	156,008	313,714	904,878	361,914	542,964
Total Direct Borrowing:	15,937,849	156,008	1,964,224	14,129,633	2,068,178	12,061,455
Total Governmental Activities	\$ 40,581,229	\$ 156,008	\$ 3,367,952	\$ 37,369,285	\$ 3,368,178	\$ 34,001,107
Business-Type Activities:						
Public Offering:						
Revenue Bonds	\$ 37,935,000	\$ -	\$ 2,075,000	\$ 35,860,000	\$ 2,145,000	\$ 33,715,000
Unamortized Bond Premium	1,486,146	-	107,506	1,378,640	-	1,378,640
Total Public Offerings:	39,421,146	-	2,182,506	37,238,640	2,145,000	35,093,640
Direct Borrowing:						
Installment Agreement Payable	7,467,067	-	375,987	7,091,080	387,268	6,703,812
Lease Payable	24,115	-	6,860	17,255	6,860	10,395
Contracts Payable	690,390	-	-	690,390	-	690,390
Term Loan Payable	23,051,937	-	1,920,947	21,130,990	1,967,832	19,163,158
Total Direct Borrowing:	31,233,509	-	2,303,794	28,929,715	2,361,960	26,567,755
Total Business-Type Activities	\$ 70,654,655	\$ -	\$ 4,486,300	\$ 66,168,355	\$ 4,506,960	\$ 61,661,395

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 9: Long-Term Obligations (Continued)

The City's outstanding bonds from public offerings related to governmental activities of \$23,239,652 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 \$37,238,640, 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 Bonds2016 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>
2021		\$ 2,106,250
2022		2,108,150
2023		2,112,750
2024		2,114,950
2025		2,109,850
2026-2030		7,477,175
2031-2035		6,691,300
2036-2037		2,668,300
Total Minimum Lease Payments		27,388,725
Less: Amount Representing Interest		(6,528,725)
Present Value of Future Minimum Lease Payments		<u>\$ 20,860,000</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

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, 2020, the net present value of future minimum lease payments required under the capital lease was \$13,224,755. The future minimum lease payments are presented below:

2012 Refunding Lease Payables	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2021	\$ 2,135,122
2022	2,135,122
2023	2,135,122
2024	2,135,122
2025	2,135,122
2026-2027	4,270,245
Total Minimum Lease Payments	14,945,855
Less: Amount Representing Interest	(1,721,100)
Present Value of Future Minimum Lease Payments	<u>\$ 13,224,755</u>

c. Capital Leases Payable

The following outstanding capital lease payables were reported in the governmental activities as of June 30, 2020:

<u>Issuance</u>	<u>Balance</u>
Cisco Networking Equipment	\$ 415,792
Vehicles	489,086
Total Capital Leases Payable	<u><u>\$ 904,878</u></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, 2020

Note 9: Long-Term Obligations (Continued)

As of June 30, 2020, the net present value of future minimum lease payments required under the capital lease was \$415,792. The future minimum lease payments are presented below:

Computer Network Lease	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2021	\$ 217,202
2022	217,202
Total Minimum Lease Payments	434,404
Less: Amount Representing Interest	(18,612)
Present Value of Future Minimum Lease Payments	<u>\$ 415,792</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, 2020, the net present value of future minimum lease payments required under the capital lease was \$486,086. The future minimum lease payments are presented below:

Vehicle Lease	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2021	\$ 157,060
2022	157,060
2023	152,513
2024	48,589
2025	18,349
Total Minimum Lease Payments	533,571
Less: Amount Representing Interest	(44,485)
Present Value of Future Minimum Lease Payments	<u>\$ 489,086</u>

d. Revenue Bonds

The following outstanding revenue bonds were reported in the business-type activities as of June 30, 2020:

<u>Revenue Bonds</u>	<u>Balance</u>
\$35,880,000 Corona Utility Authority 2012 Water Revenue Bonds	\$ 26,390,000
\$20,890,000 Corona Utility Authority 2013 Wastewater Revenue Bonds	9,470,000
Total Revenue Bonds	<u>\$ 35,860,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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
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	1,830,000	896,600	2,726,600
2026 - 2030	10,490,000	3,115,175	13,605,175
2031 - 2033	7,550,000	578,500	8,128,500
Totals	\$ 26,390,000	\$ 8,997,350	\$ 35,387,350

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, 2020

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:

Fiscal Year	2013 CUA Wastewater Revenue Bonds		
	Principal	Interest	Total
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	725,000	287,875	1,012,875
2026 - 2030	4,195,000	869,725	5,064,725
2031 - 2032	1,940,000	78,400	2,018,400
Totals	\$ 9,470,000	\$ 2,697,950	\$ 12,167,950

e. Installment Agreement Payable

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, 2020, outstanding balance on the debt was \$7,091,080. The future annual debt service requirements per the agreement are presented below:

Fiscal Year	Brine Line System Discharge Right Agreement		
	Principal	Interest	Total
2021	\$ 387,268	\$ 212,732	\$ 600,000
2022	398,887	201,114	600,001
2023	410,852	189,148	600,000
2024	423,178	176,822	600,000
2025	435,873	164,127	600,000
2026-2030	2,383,533	616,467	3,000,000
2031-2035	2,651,489	236,832	2,888,321
Totals	\$ 7,091,080	\$ 1,797,242	\$ 8,888,322

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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, 2020, the net present value of future minimum lease payments required under the capital lease was \$17,255. The future minimum lease payments are presented below:

Vehicle Lease	
<u>Fiscal Year</u>	<u>Lease Payment</u>
2021	\$ 7,351
2022	7,351
2023	3,062
Total Minimum Lease Payments	17,764
Less: Amount Representing Interest	(509)
Present Value of Future Minimum Lease Payments	<u>\$ 17,255</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, 2020 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, 2020:

<u>Term Loans</u>	<u>Balance</u>
State Revolving Fund Loan Contract No. C-06-4802-110	\$ 10,713,277
State Revolving Fund Loan Contract No. C-06-7834-110	10,417,713
Total Term Loans Payable	<u>\$ 21,130,990</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

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, 2020 was \$10,713,277. Annual future debt service requirements for the loan are presented below:

State Revolving Fund Loan C-06-4802-110			
Fiscal Year	Principal	Interest	Total
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	1,851,274	93,721	1,944,995
2026	1,897,557	47,439	1,944,996
Totals	\$ 10,713,277	\$ 956,695	\$ 11,669,972

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, 2020 was \$10,417,713. Annual future debt service requirements for the loan are presented below:

State Revolving Fund Loan C-06-7834-110			
Fiscal Year	Principal	Interest	Total
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	315,865	193,576	509,441
2026 - 2030	1,681,654	865,551	2,547,205
2031 - 2035	1,865,801	681,404	2,547,205
2036 - 2040	2,070,113	477,092	2,547,205
2041 - 2045	2,296,798	250,407	2,547,205
2046 - 2047	987,666	31,219	1,018,885
Totals	\$ 10,417,713	\$ 3,337,198	\$ 13,754,911

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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 \$56,990,989 in outstanding debts as of June 30, 2020. 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 23.2% of net revenues subject to the pledge. The total remaining debt service including interest to be paid on these obligations are \$72,980,181. Principal and interest paid for the current year was \$6,217,191, and total customer net revenue subject to pledge was \$26,850,511.

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, 2020, the special assessment district bonds' balances outstanding were:

Assessment District Bonds (Non-City Debt)	Balance
\$ 855,000 A.D. No. 95-1 Improvement Bonds	\$ 60,000
\$ 1,624,200 A.D. No. 96-1 1996 A Improvement Bonds	125,000
\$ 685,000 A.D. No. 96-1 1997 A Improvement Bonds	110,000
\$ 1,605,000 A.D. No. 96-1 1997 B Improvement Bonds	280,000
\$ 2,657,100 A.D. No. 96-1 1999 A Improvement Bonds	760,000
Total Special Assessment District Bonds	\$ 1,335,000

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, 2020

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	\$ 3,355,000
\$ 7,350,000 CFD 89-1 Refunding 2014 Series A Bonds	1,310,000
\$ 5,495,000 CFD 89-1 IA Refunding 2014 Series A Bonds	980,000
\$ 9,525,000 CFD 97-2 Refunding 2014 Series A Bonds	4,565,000
\$ 13,455,000 CFD 2002-1 2017 Special Tax Refunding Bonds	12,080,000
\$ 7,125,000 CFD 2002-1 2017 Special Tax Refunding Bonds IA	6,475,000
\$ 7,010,000 CFD 2002-4 2017 Special Tax Refunding Bonds	6,205,000
\$ 5,475,000 CFD 2016-2 2018 Special Tax Bonds	5,365,000
\$ 9,000,000 CFD 2018-1 IA1 2018 Special Tax Series A	8,980,000
\$ 3,650,000 CFD 2017-2 2018 Special Tax Bonds	3,650,000
\$ 4,175,000 CFD 2000 1, 2020 Special Tax Refunding Bond	4,175,000
\$ 2,150,000 CFD 2001-2, 2020 Special Tax Refunding Bond	2,150,000
\$ 5,200,000 CFD 2003-2, 2020 Special Tax Refunding Bond	5,200,000
\$ 2,505,000 CFD 2004-1, 2020 Special Tax Refunding Bond	2,505,000
Total Community Facilities District Bonds	\$ 66,995,000

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, 2020, the aggregate principal amount of Conduit Debt Obligations outstanding totaled \$140,377.

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, 2020, 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, 2020

Note 13: Pension Plan (Continued)

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

	Miscellaneous	
	<u>Classic*</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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	7.688%	5.750%
Required employer contribution rates	9.808%	11.554%
Required Employer payment of unfunded liability	\$ 9,950,229	\$ -
	Safety Police	
	<u>Classic*</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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	20.950%	23.940%
Required Employer payment of unfunded liability	\$ 5,296,228	\$ -
	Safety Fire	
	<u>Classic*</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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	8.988%	12.750%
Required employer contribution rates	23.346%	12.965%
Required employer payment of unfunded liability	\$ 2,333,317	\$ 592

*Closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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	380	113
Inactive employees entitled to but not yet receiving benefits	14	3
Active employees	416	152
Total	810	268

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, 2020, the contributions recognized as a reduction to the net pension liability were \$18,301,125, \$8,767,137, and \$4,307,750 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, 2018 actuarial valuations were rolled forward to June 30, 2019 and were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table**	Derived using CalPERS' Membership Data for all Funds
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

** 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.

All other actuarial assumptions used in the June 30, 2018 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 under Forms and Publications.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 13: Pension Plan (Continued)

Change of Assumptions

In measurement period 2019, 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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
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, 2020

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
Balance at: 6/30/2019 (Valuation Date of 6/30/18)	\$ 356,537,861	\$ 238,004,053	\$ 118,533,808
Changes recognized for the Measurement Period:			
Service Cost	4,280,881	-	4,280,881
Interest on TPL	25,059,830	-	25,059,830
Differences between Expected and Actual Experience	715,766	-	715,766
Contributions from the Employer	-	17,933,587	(17,933,587)
Contributions from the Employees	-	1,990,004	(1,990,004)
Net Investment Income	-	16,183,643	(16,183,643)
Benefit Payments, including Refunds of Employee	(17,813,858)	(17,813,858)	-
Administrative Expense	-	(169,845)	169,845
Other Miscellaneous Income	-	531	(531)
Net changes during 2018-2019	12,242,619	18,124,062	(5,881,443)
Balance at: 6/30/20 (Measurement Date of 6/30/19)	\$ 368,780,480	\$ 256,128,115	\$ 112,652,365

Safety Police Plan:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at: 6/30/2019 (Valuation Date of 6/30/18)	\$ 254,570,535	\$ 167,739,678	\$ 86,830,857
Changes recognized for the Measurement Period:			
Service Cost	5,440,494	-	5,440,494
Interest on TPL	18,247,956	-	18,247,956
Differences between Expected and Actual Experience	3,515,370	-	3,515,370
Contributions from the Employer	-	8,647,659	(8,647,659)
Contributions from the Employees	-	1,554,430	(1,554,430)
Net Investment Income	-	11,128,659	(11,128,659)
Benefit Payments, including Refunds of Employee Contributions	(11,179,964)	(11,179,964)	-
Administrative Expense	-	(119,703)	119,703
Other Miscellaneous Income	-	390	(390)
Net changes during 2018-19	16,023,856	10,031,471	5,992,385
Balance at: 6/30/20 (Measurement Date of 6/30/19)	\$ 270,594,391	\$ 177,771,149	\$ 92,823,242

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 13: Pension Plan (Continued)

The City reported net pension liabilities for its proportionate share of the Safety Fire Plan in the amount of \$48,071,798.

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019, was as follows:

	Plan Net Pension Liability/(Asset)
Balance at: 6/30/2018 (Valuation Date)	<u>\$ 44,243,817</u>
Balance at: 6/30/2019 (Measurement Date)	<u>48,071,798</u>
Net Changes during 2018-19	<u>\$ 3,827,981</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:

	<u>Miscellaneous</u>	<u>Safety Police</u>	<u>Safety Fire</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%	
Net Pension Liability	\$ 164,140,709	\$ 132,825,901	\$ 72,842,929	<u>\$ 369,809,539</u>
Current Discount Rate	7.15%	7.15%	7.15%	
Net Pension Liability	\$ 112,652,365	\$ 92,823,242	\$ 48,071,798	<u>\$ 253,547,405</u>
1% Increase	8.15%	8.15%	8.15%	
Net Pension Liability	\$ 70,597,816	\$ 60,335,458	\$ 27,763,351	<u>\$ 158,696,625</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
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, 2020, the City recognized pension expense totaling \$39,689,632 for the Miscellaneous, \$15,032,557, Safety Police \$15,290,637, and Safety Fire Plans \$9,366,438. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety - Police</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contribution subsequent to measurement date	\$ 13,918,336	\$ -	\$ 15,758,046	\$ -
Change in Assumptions	-	(255,676)	5,347,996	(329,830)
Difference between Expected and Actual Experience	404,563	(89,360)	3,564,882	(712,125)
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	(1,670,281)	-	(1,169,762)
Adjustment due to difference in proportion	-	-	-	-
Difference in proportionate share	-	-	-	-
Total	\$ 14,322,899	\$ (2,015,317)	\$ 24,670,924	\$ (2,211,717)

	<u>Safety - Fire</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contribution subsequent to measurement date	\$ 4,869,618	\$ -	\$ 34,546,000	\$ -
Change in Assumptions	1,970,379	(384,518)	7,318,375	(970,024)
Difference between Expected and Actual Experience	3,138,655	-	7,108,100	(801,485)
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	(661,309)	-	(3,501,352)
Adjustment due to difference in proportion	1,489,168	(25,005)	1,489,168	(25,005)
Difference in proportionate share	-	(2,032,843)	-	(2,032,843)
Total	\$ 11,467,820	\$ (3,103,675)	\$ 50,461,643	\$ (7,330,709)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 13: Pension Plan (Continued)

Amounts of \$13,918,336, \$15,758,046, and \$4,869,618 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 fiscal year ended June 30, 2021. Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement 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
2020	\$ 643,263	\$ 4,101,939	\$ 3,190,072	\$ 7,935,274
2021	(2,024,240)	1,593,086	(273,707)	(704,861)
2022	(403,580)	674,336	449,491	720,247
2023	173,803	331,800	128,671	634,274
	<u>\$ (1,610,754)</u>	<u>\$ 6,701,161</u>	<u>\$ 3,494,527</u>	<u>\$ 8,584,934</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 2019-20, the City contributed \$23,647 on hourly salaries of \$1,787,182 with the employees contributing \$114,209.

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, 2020

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 6.80%, the long-term expected return on trust assets.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active	585
Inactive employees or beneficiaries currently receiving benefits	603
Total	<u>1,188</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, 2019, the City’s cash contributions were \$10,006,129 in total payments, which were recognized as a reduction to the OPEB liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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, 2019 and to develop the total OPEB liability at the beginning of the measurement period on June 30, 2019, the results of the June 30, 2019 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	2.50%
Salary Increases	3.00% per year
Investment Rate of Return	6.80%, net of plan investment expenses
Mortality Rate (1)	MacLeod Watts Scale 2018 applied generationally
Healthcare Trend Rate	Adjusted in future years ranging from 5.00% - 6.50%

Notes:

(1) Mortality rates used were those published by CalPERS, adjusted to back out 15 years of Scale MP 2016 to central year 2015, 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	59.00%	5.98%
Global Debt Securities	25.00%	2.62%
Inflation Assets	5.00%	5.00%
REITs	8.00%	1.46%
Commodities	3.00%	2.87%
Total	<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, 2020

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)
Balance at June 30, 2019 (Valuation date of 6/30/2018)	\$ 164,908,792	\$ 41,676,146	\$ 123,232,646
Changes recognized over the measurement period:			
Service Cost	1,674,724	-	1,674,724
Interest	11,059,411	-	11,059,411
Difference between expected and actual experience	(25,689,430)	-	(25,689,430)
Changes of assumptions	(2,130,435)	-	(2,130,435)
Contributions - employer	-	10,006,129 *	(10,006,129)
Net investment income	-	2,770,796	(2,770,796)
Benefit Payments	(7,890,228)	(7,890,228)	-
Administrative expense	-	(9,161)	9,161
Net Changes	(22,975,958)	4,877,536	(27,853,494)
Balance at June 30, 2020 (Measurement date of 06/30/2019)	\$ 141,932,834	\$ 46,553,682	\$ 95,379,152

*Includes an implied subsidy amount of \$1,373,204.

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, 2019:

	1% Decrease	Current	1% Increase
	(5.80%)	Discount Rate (6.80%)	(7.80%)
Net OPEB Liability	\$ 113,239,144	\$ 95,379,152	\$ 80,658,978

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, 2019.

	1% Decrease	Current Healthcare	1% Increase
	80,433,055	Cost Trend Rates 95,379,152	113,439,249
Net OPEB Liability	\$ 80,433,055	\$ 95,379,152	\$ 113,439,249

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, 2020

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, 2020, the City recognized OPEB expense of \$6,222,811. As of fiscal year ended June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 11,847,476	\$ -
Changes of assumptions	6,296,147	1,766,258
Difference between expected and actual experience	-	21,298,074
Net difference between projected and actual earnings on OPEB plan investments	-	392,283
Total	\$ 18,143,623	\$ 23,456,615

The \$11,847,476 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. 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
2021	\$ (3,614,878)
2022	(3,614,880)
2023	(3,420,034)
2024	(3,383,219)
2025	(3,127,457)
Thereafter	-
	<u>\$ (17,160,468)</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, 2020

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, 2020

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, 2020, are presented below:

	General	Low Mod Income Housing Asset	Other Grants	Development	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable						
Long-term Receivables	\$ 6,432,353	\$ -	\$ -	\$ -	\$ -	\$ 6,432,353
Interfund Advances Receivable	16,024,057	-	-	-	-	16,024,057
Inventories and Prepayments	331,124	-	-	-	-	331,124
Restricted						
Street Maintenance	-	-	-	-	23,655,636	23,655,636
Trip Reduction	-	-	-	-	1,187,464	1,187,464
Asset Forfeiture	-	-	-	-	286,378	286,378
Special Tax District	-	-	-	-	20,245,765	20,245,765
Housing & Community Development	-	29,452,594	-	-	6,594,350	36,046,944
Other Grants	-	-	662,519	-	63,754	726,273
Development	-	-	-	19,958,680	-	19,958,680
Residential Refuse	-	-	-	-	456,580	456,580
Committed						
Emergency Contingency	33,846,470	-	-	-	-	33,846,470
Designated Revenues	5,610,848	-	-	-	-	5,610,848
Pension Obligation Reserve	2,530,492	-	-	-	-	2,530,492
Assigned						
Budget Balancing Measures	40,539,138	-	-	-	-	40,539,138
Continuing Appropriations	17,963,306	-	-	-	-	17,963,306
Other Purposes	3,946,613	-	-	-	493,812	4,440,425
Unassigned	-	-	-	-	(192,005)	(192,005)
Total Fund Balances	\$ 127,224,401	\$ 29,452,594	\$ 662,519	\$ 19,958,680	\$ 52,791,734	\$ 230,089,928

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, 2020 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2020, 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, 2020

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, 2020, 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,
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
2020	19,745,716	1,267,601	(1,332,648)	19,680,669

Of the total liabilities, \$2,847,357 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, 2020 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, 2020, 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, 2020, 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,
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
2020	2,452,638	(748,391)	(185,755)	1,518,492

Of the total liabilities, \$603,375 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, 2020 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, 2020

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, 2020, the City's appropriations limit totaled \$558,578,920 and the City's appropriations subject to limitation were \$107,814,952.

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, 2020, 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>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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, 2020, 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, 2020, was \$8,396,071.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 18: Joint Venture (Continued)

Unaudited financial information of the Authority for the fiscal year ended June 30, 2020, was summarized as follows:

Western Riverside County Regional Wastewater Authority Net Position:	
Total assets	\$ 121,563,996
Total liabilities	(72,564,484)
Deferred inflow of resources	<u>(350,000)</u>
Total Net Position	<u>\$ 48,649,512</u>
Water Facilities Authority Changes in Net Position:	
Operating revenues	\$ 8,209,307
Operating expenses	<u>(7,503,084)</u>
Operating loss before depreciation and amortization	706,223
Depreciation and amortization	<u>(4,209,769)</u>
Operating revenue (loss)	<u>(3,503,546)</u>
Nonoperating revenues (expenses)	<u>6,876,430</u>
Change in Net Position	3,372,884
Beginning Net Position	<u>45,276,628</u>
Ending Net Position	<u>\$ 48,649,512</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, 2020

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, 2020, the City abated taxes totaling \$5,283,879. 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 2019-20 the abatement amounted to \$424,383.
- 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 2019-20 the abatement amounted to \$141,580.
- 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 2019-20 the abatement amounted to \$213,663.
- 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 2019-20 the abatement amounted to \$1,158,621.
- 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 2019-20 the abatement amounted to \$3,033,186.
- 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 2019-20 the abatement amounted to \$312,446.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 20: Restatements

a. Restatement on Government-Wide Statements

Restatements to net position made on the government-wide statements for Fiscal Year 2019-20 are summarized below:

	<u>Governmental Activities</u>
Beginning Net Position, as reported	\$ 822,097,104
Restatements	<u>(328,402)</u>
Beginning Net Position, as restated	<u>\$ 821,768,702</u>

Restatement to Governmental Activities

A total of \$328,402 was reduced from the beginning net position in governmental activities due to the following adjustments:

- The City adjusted (\$328,402) to account for development fees initially received and recorded as revenues, and report as developer deposits, according to the development agreement.

b. Restatement on Fund Statements

Governmental Funds

Restatement to the fund balance on the governmental fund financial statements for Fiscal Year 2019-20, is summarized as follows:

	<u>Governmental Funds</u>
	<u>Development</u>
Beginning Fund Balance, as reported	\$ 19,889,582
Restatements	<u>(328,402)</u>
Beginning Fund Balance, as restated	<u>\$ 19,561,180</u>

Development Fund

The City adjusted \$(328,402) to account for development fees received and recorded as revenues, which should have been recorded as developer deposits, according to the development agreement.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 20: Restatements (Continued)

c. Restatement on Proprietary Fund Statements

	Proprietary Funds	
	Water	Water Reclamation
Beginning Net Position, as reported	\$ 122,283,579	\$ 110,562,619
Restatements	(367,724)	(319,783)
Beginning Net Position, as restated	\$ 121,915,855	\$ 110,242,836

The City adjusted \$(367,724) and (\$319,783) in the Water and Water reclamation funds, respectively, to account for development fees received and recorded as revenues, which should have been recorded as developer deposits, according to the development agreement.

Note 21: Subsequent Event

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 to receive their allocation of the CARES Act funding. The funding is to be received in six monthly installments of \$346,230, with the first installment received by the City in July 2020. The total amount of CARES Act funding to be received by the City is \$2,077,380. This funding was for the reimbursement of costs incurred by the City since the start of the pandemic.

Note 22: 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 22: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

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	\$ 7,093,146
Cash and Investments with Fiscal Agent	<u>6,956,120</u>
Total Cash and Investments	<u><u>\$ 14,049,266</u></u>

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, 2020, the Successor Agency reported due to other governmental agencies in the amount of \$5,223,921.

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 California State Department of Finance (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.

The following is a summary of loans due to the City as of June 30, 2020:

<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
Main Street South Project Area 2007 Loan	328,112
Merged Project Area A Loan	1,666,005
Temescal Canyon Project Area 2005 Loan	326,650
Temescal Canyon Project Area 2006 Loan	150,360
Temescal Canyon Project Area 2010 Loan	331,507
Corona Revitalization Zone 2011 Loan	<u>2,130,276</u>
Total Amount Due to the City of Corona	<u><u>\$ 5,223,921</u></u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 22: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

c. Long-Term Obligations

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

	Balance June 30, 2019	Incurred or Issued	Satisfied or Matured	Balance June 30, 2020	Amounts Due Within One Year	Amounts Due in More than One Year
Public Offering						
2007 Temescal Canyon Project Area Tax Allocation Bonds	\$ 14,525,000	\$ -	\$ 860,000	\$ 13,665,000	\$ 875,000	\$ 12,790,000
2007 Merged and Amended Project Area "A" Tax Allocation Bonds	23,275,000	-	605,000	22,670,000	645,000	22,025,000
Subordinate Tax Allocation Refunding Bonds, Series 2015A	12,800,000	-	2,560,000	10,240,000	2,665,000	7,575,000
	<u>\$ 50,600,000</u>	<u>\$ -</u>	<u>\$ 4,025,000</u>		<u>\$ 4,185,000</u>	<u>\$ 42,390,000</u>
			Unamortized Bond Premium	964,591		
		Total		<u>\$ 47,539,591</u>		

The Successor Agency's outstanding bonds from public offerings of \$46,575,000, 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
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	940,000	431,703	1,371,703
2026-2030	5,350,000	1,482,913	6,832,913
2031-2032	3,830,000	263,700	4,093,700
Totals	<u>\$ 13,665,000</u>	<u>\$ 4,301,090</u>	<u>\$ 17,966,090</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 22: 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
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	3,760,000	1,122,280	4,882,280
2026-2028	16,065,000	1,652,463	17,717,463
Totals	\$ 22,670,000	\$ 8,104,559	\$ 30,774,559

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
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
Totals	\$ 10,240,000	\$ 995,750	\$ 11,235,750

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 22: 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 DOF on the Recognized Obligations Payment Schedule (ROPS). The total principal and interest remaining on the Successor Agency debt obligations were \$59,976,399 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 \$11,415,449 and the debt service obligation on the bonds was \$6,650,993.

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, 2020, 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 2019-20, the City was in the fourth 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, 2020**

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		
Major Governmental Funds:				
<u>General Fund</u>				
Revenue	\$ 138,616,329	\$ 131,463,632	\$ 139,866,139	\$ 8,402,507
Expenditure	139,518,178	158,587,786	135,998,857	22,588,929
Transfers In	2,415,000	2,415,000	2,343,015	(71,985)
Transfers Out	165,407	872,276	872,276	-
Net change in Fund Balance	<u>\$ 1,347,744</u>	<u>\$ (25,581,430)</u>	<u>\$ 5,338,021</u>	<u>\$ 30,919,451</u>

CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) JUNE 30, 2020

General Fund

General Fund appropriations were originally adopted at \$139.7 million for Fiscal Year 2019-20, including transfers to other funds of \$0.2 million. Final appropriations were increased by \$19.8 million to \$159.5 million. Among the budgetary increase, \$9.2 million was due to continuing appropriations from the prior year's capital projects and grant funded activities and \$7.7 million was for prior year committed purchases (encumbrances). There was \$2.9 million in supplemental funding and transfers approved by the City Council subsequent to the budget adoption due to the following reasons:

- The personnel budget increased by \$1.4 million, primarily for new memorandum of understanding agreements that were approved for the Fire and Police bargaining groups. Within that total, grant funding of \$0.2 million was approved for personnel related costs.
- The operating budget was increased by a total of \$0.4 million. The increase was primarily for grant related activity. Grant funding was approved from multiple sources such as Federal Emergency Management Assistance, Riverside County Continuum of Care, and the Department of Homeland Security Department. A component of the operating budget increase was for the Library and Recreation Services Department for \$52,479 in donations that were received.
- The capital outlay budget was increased by a net total of \$0.3 million. There was \$0.2 million approved for the Parks Facilities and Amenities Inventory and \$50,000 for the Lincoln Park Project which was offset by a donation for the same amount. In addition, \$60,414 was appropriated to the Griffin Park Improvements Project. There were budgetary reductions for other projects that were completed or no longer needed.

Revenues and transfers in received in Fiscal Year 2019-20 had a favorable variance of \$8.3 million, due to the following reasons:

- Sales tax was higher than estimated by \$4.7 million. The sales tax category was originally estimated to be \$40.8 million for FY 2019-20. Due to the estimated COVID-19 impacts, the revenue estimated was reduced to \$35.0 million during the fiscal year. The City's sales tax revenues were not impacted as negatively as anticipated which provided an ending variance of \$4.7 million.
- Investment earnings were higher than anticipated by \$4.2 million which includes book entries (\$3.6 million) for investment gains and losses.
- The current services category was also higher than budgeted by \$0.3 million. The increase is primarily for some building related items such as planning application fees, plan check, and engineering/inspection fees. There were also some decreases in this category for recreation related activity which was impacted by the COVID-19 pandemic.
- The payments in lieu of services category had an unfavorable variance of \$0.7 million due to the updated cost allocation plan that was completed during the fiscal year.

Included in the \$22.6 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, a total of \$1.2 million will carry forward in the operating budget. The operating budget funding is for the completion of the City's strategic plan and funding for the homeless program. Included in the operating funding is \$0.4 million in grant funded projects.

Encumbered purchase orders totaling \$5.4 million will also be carried forward for activity that crosses fiscal years. After considering the noted items that will carry forward to fiscal year 2020-21, there is a net savings of \$5.1 million. The departments within the General Government section realized cost savings of \$2.4 million due to vacancies and reduced operating costs for professional/contractual services and insurance premiums. The Fire department had a favorable variance of \$0.4 million, primarily from personnel savings. The Police department function achieved cost savings of \$0.5 million due to personnel vacancies and savings in professional/contractual services. The Public Works and Maintenance Services ended the fiscal year with \$1.0 million in budget savings due to vacant positions and lower operating costs for items such as professional/contractual services and inspection costs. The Library and Recreation Services recognized a savings for \$0.7 million, primarily due to personnel vacancies as many programs were cancelled due to the COVID-19 pandemic.

CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2020BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 121,886,380	\$ 121,886,380	\$ 121,886,380	\$ -
Resources (Inflows):				
Property taxes	49,388,441	49,562,800	49,470,941	(91,859)
Sales taxes	40,828,595	34,972,340	39,657,924	4,685,584
Other taxes	11,109,250	10,418,400	10,369,076	(49,324)
Licenses, fees and permits	1,794,823	2,333,100	2,550,070	216,970
Intergovernmental	1,759,073	1,479,350	1,545,061	65,711
Special Assessments	247,500	247,749	265,282	17,533
Current services	10,901,037	10,964,179	11,312,015	347,836
Investment earnings	2,635,318	2,691,038	6,845,013	4,153,975
Fines and penalties	893,100	1,003,451	1,014,288	10,837
Payments in lieu of services	7,000,574	5,254,542	4,534,660	(719,882)
Other revenues	12,058,618	12,536,683	12,301,809	(234,874)
Transfers in	2,415,000	2,415,000	2,343,015	(71,985)
Amounts Available for Appropriations	262,917,709	255,765,012	264,095,534	8,330,522
Charges to Appropriation (Outflow):				
General Government				
City Council	281,652	295,016	108,479	186,537
City Attorney	1,820,990	1,814,544	1,737,309	77,235
Management Services	3,327,804	3,522,489	2,325,680	1,196,809
City Treasurer	15,942	15,942	15,942	-
Human Resources	1,716,596	2,101,365	1,523,971	577,394
Finance	4,682,696	4,783,360	4,362,079	421,281
Non-Departmental	25,862,901	25,212,226	24,049,313	1,162,913
Public Safety				
Fire	25,438,740	26,338,861	25,726,291	612,570
Police	46,078,444	47,523,881	46,831,457	692,424
Public Works & Maintenance Services	12,915,737	13,849,043	12,211,085	1,637,958
Library and Recreation Services	5,425,523	5,646,082	4,892,082	754,000
Community Development	4,763,232	4,932,912	4,823,157	109,755
Economic Development	384,267	414,678	264,656	150,022
Capital outlay	2,554,680	17,888,413	2,880,642	15,007,771
Debt service:				
Principal retirement	4,247,474	4,247,474	2,905,510	1,341,964
Interest and fiscal charges	1,500	1,500	1,341,204	(1,339,704)
Transfers out	165,407	872,276	872,276	-
Total Charges to Appropriations	139,683,585	159,460,062	136,871,133	22,588,929
Budgetary Fund Balance, June 30	\$ 123,234,124	\$ 96,304,950	\$ 127,224,401	\$ 30,919,451

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2020

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 assessments were performed using the StreetSaver software. The results from the assessments are shown below:

<u>Assessment Date</u>	<u>PCI Rating</u>
October 2016	73
September 2017	71
September 2018	73
October 2019	72
October 2020	71

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

CITY OF CORONA

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2020**

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 2020, the City's street system was rated at a PCI index of 71 on the average for the entire network. A breakdown by condition is as follows:

<u>Condition</u>	<u>% of Streets</u>
Good to Excellent	43%
Fair	49%
Poor	7%
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 \$37,286,497 on street maintenance for the fiscal year ended June 30, 2020. 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 72 in the prior year to 71 in the current year. A majority of the current year expenditures were incurred by the I15/Cajalco Arantine Hills project and the McKinley Grade Separation project. The City has estimated that the amount of annual expenditures required to maintain the current average PCI rating of 71 through the year 2021 is a minimum of \$6,000,000. A schedule of the estimated annual amount required to maintain and preserve the City's streets at the current level compared to actual expenditures for street maintenance for the last five years is presented below:

<u>Fiscal Year</u>	<u>Requirement</u>	<u>Expenditures</u>	<u>Rating</u>
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
2019-20	4,800,000	37,286,497	71

As of June 30, 2020, approximately 57% of the City's streets were rated below the average policy standard of 71. In the most recent physical condition assessment of all City streets, it was estimated that in addition to the minimum annual maintenance requirement of \$6.0 million, the total deferred work to rehabilitate all roads amounted to \$78.7 million as of June 30, 2020.

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

	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service Cost	\$ 4,280,881	\$ 4,516,596	\$ 4,540,608	\$ 4,295,676	\$ 4,563,432	\$ 5,035,483
Interest	25,059,830	24,208,803	23,517,716	23,066,815	22,262,610	21,435,216
Difference Between Expected and Actual Experience	715,766	(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	(17,813,858)	(17,027,780)	(15,593,323)	(14,718,032)	(13,719,331)	(13,231,513)
Net Change in Total Pension Liability	12,242,619	9,627,405	27,527,823	10,683,455	5,559,081	13,239,186
Total Pension Liability - Beginning	356,537,861	346,910,456	319,382,633	308,699,178	303,140,097	289,900,911
Total Pension Liability - Ending (a)	\$ 368,780,480	\$ 356,537,861	\$ 346,910,456	\$ 319,382,633	\$ 308,699,178	\$ 303,140,097
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 17,933,587	\$ 22,977,143	\$ 9,175,138	\$ 7,373,950	\$ 8,612,426	\$ 7,913,193
Contribution - Employee	1,990,044	1,905,754	1,875,784	1,975,493	2,099,982	2,168,466
Net Investment Income	16,183,643	18,381,353	22,406,369	1,044,158	4,430,161	29,675,543
Benefit Payments, Including Refunds of Employee Contributions	(17,813,858)	(17,027,780)	(15,593,323)	(14,718,032)	(13,719,331)	(13,231,513)
Net Plan to Plan Resource Movement	-	(531)	-	-	-	-
Administrative Expense	(169,845)	(334,672)	(289,120)	(121,423)	(224,286)	-
Other Miscellaneous Income/Expense	531	(635,548)	-	-	-	-
Net Change in Fiduciary Net Position	18,124,102	25,265,719	17,574,848	(4,445,854)	1,198,952	26,525,689
Plan Fiduciary Net Position - Beginning	238,004,053	212,738,334	195,163,486	199,609,340	198,410,388	171,884,699
Plan Fiduciary Net Position - Ending (b)	256,128,155	238,004,053	212,738,334	195,163,486	199,609,340	198,410,388
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 112,652,325	\$ 118,533,808	\$ 134,172,122	\$ 124,219,147	\$ 109,089,838	\$ 104,729,709
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.45%	66.75%	61.32%	61.11%	64.66%	65.45%
Covered Payroll	\$ 23,717,698	\$ 23,569,508	\$ 23,728,408	\$ 23,919,171	\$ 25,422,638	\$ 27,078,868
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	474.97%	502.91%	565.45%	519.33%	429.11%	386.76%

(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 six years are shown.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: In 2019, there were no changes. 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.

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

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 13,918,336	\$ 18,301,125	\$ 20,903,317	\$ 9,175,138	\$ 7,373,950	\$ 8,612,427
Contribution in Relation to the Actuarially Determined Contribution	(13,918,336)	(12,301,125)	(10,803,317)	(9,175,138)	(7,373,950)	(8,612,427)
Contribution Deficiency (Excess)	\$ -	\$ 6,000,000	\$ 10,100,000	\$ -	\$ -	\$ -
Covered Payroll	\$ 24,603,470	\$ 23,717,698	\$ 23,569,508	\$ 23,728,408	\$ 23,919,171	\$ 25,422,638
Contributions as a Percentage of Covered Payroll	56.57%	51.86%	45.84%	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 six years is shown.

Note to Schedule:

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level Percentage of payroll, closed
Assets valuation method	Direct rate smoothing
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.85%
Investment rate of return	7.25% net of pension investment and administrative expenses, including inflation.

Retirement age 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 2015. 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 under forms and publications.

Mortality The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table please refer to the 2017 experience study report.

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

	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service Cost	\$ 5,440,494	\$ 5,925,006	\$ 5,711,294	\$ 4,874,596	\$ 4,735,543	\$ 4,618,139
Interest	18,247,956	17,126,542	16,152,688	15,292,872	14,549,722	13,684,244
Difference Between Expected and Actual Experience	3,515,370	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	(11,179,964)	(10,101,119)	(8,569,669)	(8,102,489)	(7,482,701)	(7,151,132)
Net Change in Total Pension Liability	16,023,856	13,935,316	27,049,472	10,217,149	8,494,268	11,151,251
Total Pension Liability - Beginning	254,570,535	240,635,219	213,585,747	203,368,598	194,874,330	183,723,079
Total Pension Liability - Ending (a)	\$ 270,594,391	\$ 254,570,535	\$ 240,635,219	\$ 213,585,747	\$ 203,368,598	\$ 194,874,330
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 8,647,659	\$ 5,180,881	\$ 8,867,806	\$ 8,123,334	\$ 6,391,221	\$ 5,650,100
Contribution - Employee	1,554,430	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	11,128,659	13,353,137	16,030,928	707,298	2,973,078	19,983,092
Benefit Payments, Including Refunds of Employee Contributions	(11,179,964)	(10,101,119)	(8,569,669)	(8,102,489)	(7,482,701)	(7,151,132)
Administrative Expenses	(119,703)	(242,374)	(205,265)	(84,027)	(155,162)	-
Other Miscellaneous Income	390	(460,273)	-	-	-	-
Net Change in Fiduciary Net Position	10,031,471	9,436,371	17,965,463	2,244,086	3,243,943	19,944,731
Plan Fiduciary Net Position - Beginning	167,739,678	158,303,307	140,337,844	138,093,758	134,849,815	114,905,084
Plan Fiduciary Net Position - Ending (b)	\$ 177,771,149	\$ 167,739,678	\$ 158,303,307	\$ 140,337,844	\$ 138,093,758	\$ 134,849,815
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 92,823,242	\$ 86,830,857	\$ 82,331,912	\$ 73,247,903	\$ 65,274,840	\$ 60,024,515
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.70%	65.89%	65.79%	65.71%	67.90%	69.20%
Covered Payroll	\$ 16,881,033	\$ 17,447,330	\$ 18,290,005	\$ 17,486,548	\$ 16,688,133	\$ 15,386,513
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	549.87%	497.67%	450.15%	418.88%	391.15%	390.11%

(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 six years are shown.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: In 2019, there were no changes. 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.

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

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 9,758,046	\$ 8,767,137	\$ 7,784,453	\$ 8,867,806	\$ 8,123,334	\$ 6,391,222
Contribution in Relation to the Actuarially Determined Contribution	(15,758,046)	(8,767,137)	(7,784,453)	(8,867,806)	(8,123,334)	(6,391,222)
Contribution Deficiency (Excess)	\$ (6,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 17,304,425	\$ 16,881,033	\$ 17,447,330	\$ 18,290,005	\$ 17,486,548	\$ 16,688,133
Contributions as a Percentage of Covered Payroll	0.00%	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 six years are shown.

Note to Schedule:

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level Percentage of payroll, closed
Assets valuation method	Direct rate smoothing
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.85%
Investment rate of return	7.25% net of pension investment and administrative expenses, including inflation.

Retirement age 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 2015. 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 under forms and publications.

Mortality The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table please refer to the 2017 experience study report.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.44095%	0.46900%	0.44005%	0.45425%	0.46305%	0.46039%
Proportionate Share of the Net Pension Liability	\$ 48,071,798	\$ 44,243,817	\$ 43,640,517	\$ 39,306,263	\$ 31,783,428	\$ 28,647,492
Covered Payroll	\$ 9,911,459	\$ 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	485.01%	438.03%	415.17%	397.62%	330.22%	298.78%
Plan Fiduciary Net Position	\$ 132,682,132	\$ 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	73.40%	74.38%	73.61%	73.76%	77.78%	78.83%

Notes to Schedule:

Benefit Changes: No changes in benefits.

Changes of Assumptions: in 2019 there were no changes. 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 six years are shown.

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

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 4,869,618	\$ 4,307,750	\$ 3,772,862	\$ 3,537,799	\$ 4,648,267	\$ 4,239,757
Contribution in Relation to the Actuarially Determined Contribution	(4,869,618)	(4,307,750)	(3,772,862)	(3,537,799)	(4,648,267)	(4,239,757)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 9,849,137	\$ 9,911,459	\$ 10,100,596	\$ 10,511,383	\$ 9,885,314	\$ 9,624,801
Contributions as a Percentage of Covered Payroll	49.44%	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 six years are shown.

Note to Schedule:

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Assets valuation Method	Direct rate smoothing
Actuarial Assumptions	
Investment rate of return	7.25% net of pension investment and administrative expenses, including inflation.
Projected Salary Increases	Varies by entry age and service
Inflation	2.63%
Payroll Growth	2.85%
Retirement age	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 2015. 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 under forms and publications.

Mortality

The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table please refer to the 2017 experience study report.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 JUNE 30, 2020

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

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 1,674,724	\$ 1,437,025	\$ 1,391,792
Interest on the total OPEB liability	11,059,411	10,832,995	10,487,715
Differences between actual and expected experience	(25,689,430)	-	-
Changes in assumptions	(2,130,435)	8,986,849	-
Benefit payments	(7,890,228)	(7,431,858)	(6,931,922)
Net change in total OPEB liability	(22,975,958)	13,825,011	4,947,585
Total OPEB liability - beginning	164,908,792	151,083,781	146,136,196
Total OPEB liability - ending (a)	\$ 141,932,834	\$ 164,908,792	\$ 151,083,781
Plan Fiduciary Net Position			
Contribution - employer	\$ 10,006,129	\$ 10,445,297	\$ 10,000,838
Net investment income	2,770,796	2,899,746	3,235,963
Benefit payments	(7,890,228)	(7,431,858)	(6,931,922)
Administrative expense	(9,161)	(19,731)	(16,420)
Other expense	-	(47,396)	-
Net change in plan fiduciary net position	4,877,536	5,846,058	6,288,459
Plan fiduciary net position - beginning	41,676,146	35,830,088	29,541,629
Plan fiduciary net position - ending (b)	46,553,682	41,676,146	35,830,088
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 95,379,152	\$ 123,232,646	\$ 115,253,693
Plan fiduciary net position as a percentage of the total OPEB liability	32.80%	25.27%	23.72%
Covered-employee payroll	\$ 62,361,582	\$ 63,618,121	\$ 65,624,320
Net OPEB liability as a percentage of covered-employee payroll	152.95%	193.71%	175.63%

(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, 2020

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 11,087,025	\$ 10,760,239	\$ 10,443,091
Contribution in Relation to the Actuarially Determined Contributions	(11,847,476)	(10,006,129)	(10,445,297)
Contribution Deficiency (Excess)	<u>\$ (760,451)</u>	<u>\$ 754,110</u>	<u>\$ (2,206)</u>
Covered-employee payroll	\$ 62,361,582	\$ 62,361,582	\$ 63,618,121
Contributions as a percentage of covered-employee payroll	17.78%	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	7.5% initial decreasing 0.500% per year to trend rate of 5%
Retirement Age	50-75 years
Mortality	CalPERS 2014 experience study; projected with MW scale 2017



Supplementary Information

Supplementary Information consists of the following:

- Combining Balance Sheet – Non-major Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds
- Budgetary Comparison Schedules – Non-major Governmental Funds
- Combining Statement of Net Position – Non-major Enterprise Funds
- Combining Statement of Revenue, Expenses, and Changes in Net Position – Non-major Enterprise Funds
- Combining Statement of Cash Flows – Non-major 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 – Non-major 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 – Non-major 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, 2020

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
Assets				
Cash and Investments	\$ 5,693,203	\$ 17,558,002	\$ 1,647,038	\$ 581,315
Receivables:				
Accounts Receivable	154	5,931	52,610	-
Interest Receivable	24,034	75,228	7,021	2,478
Due from Other Governmental Agencies	444,600	1,024,277	-	-
Long-term Receivables	-	-	-	-
Loans Receivable	-	-	-	-
Land held for resale	-	-	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
Total Assets	\$ 6,161,991	\$ 18,663,438	\$ 1,706,669	\$ 583,793
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 945,599	\$ 141,538	\$ 519,205	\$ -
Deposits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	297,415
Interfund Advances Payable	-	-	-	-
Liabilities Payable from Restricted Assets	45,119	37,537	-	-
Total Liabilities	990,718	179,075	519,205	297,415
Fund Balances				
Restricted	5,171,273	18,484,363	1,187,464	286,378
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,171,273	18,484,363	1,187,464	286,378
Total Liabilities and Fund Balances	\$ 6,161,991	\$ 18,663,438	\$ 1,706,669	\$ 583,793

CITY OF CORONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Special Tax Districts	Other Grants & Endowments	Residential Refuse	Public Facility Project
Assets				
Cash and Investments	\$ 22,595,467	\$ 613,153	\$ 50,100	\$ -
Receivables:				
Accounts Receivable	78,734	-	1,281,043	-
Interest Receivable	96,608	2,555	213	-
Due from Other Governmental Agencies	144,118	179,764	-	905,965
Long-term Receivables	-	-	-	-
Loans Receivable	-	-	-	-
Land held for resale	-	-	-	-
Restricted Assets:				
Cash and Investments	16,510	-	-	-
Total Assets	\$ 22,931,437	\$ 795,472	\$ 1,331,356	\$ 905,965
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 500,649	\$ 9,391	\$ 818,759	\$ 150,296
Deposits	1,550	-	-	-
Due to Other Funds	-	10,420	-	947,674
Unearned Revenue	-	711,907	56,017	-
Interfund Advances Payable	2,105,961	-	-	-
Liabilities Payable from Restricted Assets	77,556	-	-	-
Total Liabilities	2,685,716	731,718	874,776	1,097,970
Fund Balances				
Restricted	20,245,721	63,754	456,580	-
Assigned	-	-	-	-
Unassigned	-	-	-	(192,005)
Total Fund Balances	20,245,721	63,754	456,580	(192,005)
Total Liabilities and Fund Balances	\$ 22,931,437	\$ 795,472	\$ 1,331,356	\$ 905,965

CITY OF CORONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Capital Projects Funds		Debt Service	Total Other Governmental Funds
	HUD Grants	Planned Local Drainage	Fund Public Financing Authority	
Assets				
Cash and Investments	\$ 487,484	\$ 198,117	\$ -	\$ 49,423,879
Receivables:				
Accounts Receivable	209	240	-	1,418,921
Interest Receivable	-	-	-	208,137
Due from Other Governmental Agencies	1,355,415	311,591	-	4,365,730
Long-term Receivables	1,956,888	-	-	1,956,888
Loans Receivable	2,719,138	-	-	2,719,138
Land held for resale	1,461,000	-	-	1,461,000
Restricted Assets:				
Cash and Investments	-	-	44	16,554
Total Assets	\$ 7,980,134	\$ 509,948	\$ 44	\$ 61,570,247
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 105,687	\$ 16,136	\$ -	\$ 3,207,260
Deposits	6,500	-	-	8,050
Due to Other Funds	1,178,795	-	-	2,136,889
Unearned Revenue	94,802	-	-	1,160,141
Interfund Advances Payable	-	-	-	2,105,961
Liabilities Payable from Restricted Assets	-	-	-	160,212
Total Liabilities	1,385,784	16,136	-	8,778,513
Fund Balances				
Restricted	6,594,350	-	44	52,489,927
Assigned	-	493,812	-	493,812
Unassigned	-	-	-	(192,005)
Total Fund Balances	6,594,350	493,812	44	52,791,734
Total Liabilities and Fund Balances	\$ 7,980,134	\$ 509,948	\$ 44	\$ 61,570,247



CITY OF CORONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
Revenues				
Licenses, Fees and Permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	76,108
Special Assessments	-	-	-	-
Investment Earnings	265,678	817,976	75,357	24,487
Intergovernmental Revenues	6,903,336	4,603,261	213,021	-
Current Services	-	-	-	-
Other Revenues	557	3,795	-	-
Total Revenues	7,169,571	5,425,032	288,378	100,595
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety - Police	-	-	-	125,629
Public Works & Maintenance Services	7,353,850	1,628,712	536,968	-
Library and Recreation Services	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	358,639	330,276	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	7,712,489	1,958,988	536,968	125,629
Excess (Deficiency) of Revenues Over (Under) Expenditures	(542,918)	3,466,044	(248,590)	(25,034)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(1,082,754)	-	-	-
Total Other Financing Uses	(1,082,754)	-	-	-
Net Change in Fund Balances	(1,625,672)	3,466,044	(248,590)	(25,034)
Fund Balances, Beginning of Year	6,796,945	15,018,319	1,436,054	311,412
Fund Balances, End of Year	\$ 5,171,273	\$ 18,484,363	\$ 1,187,464	\$ 286,378

CITY OF CORONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Special Tax Districts	Other Grants & Endowments	Residential Refuse	Public Facility Project
Revenues				
Licenses, Fees and Permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	93,548	-
Special Assessments	8,641,030	-	-	-
Investment Earnings	990,827	14,060	2,904	-
Intergovernmental Revenues	31,338	313,275	163,080	191,672
Current Services	49,186	47,250	9,639,112	-
Other Revenues	109,878	-	-	-
Total Revenues	9,822,259	374,585	9,898,644	191,672
Expenditures				
Current:				
General Government	100,457	-	-	-
Public Safety - Police	-	349,755	-	-
Public Works & Maintenance Services	6,310,358	-	9,894,344	-
Library and Recreation Services	-	72,088	45,516	-
Community Development	-	-	-	-
Capital Outlay	2,362,508	-	-	335,177
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	8,773,323	421,843	9,939,860	335,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,048,936	(47,258)	(41,216)	(143,505)
Other Financing Sources (Uses)				
Transfers In	125,753	39,654	-	-
Transfers Out	(45,261)	-	-	-
Total Other Financing Uses	80,492	39,654	-	-
Net Change in Fund Balances	1,129,428	(7,604)	(41,216)	(143,505)
Fund Balances, Beginning of Year	19,116,293	71,358	497,796	(48,500)
Fund Balances, End of Year	\$ 20,245,721	\$ 63,754	\$ 456,580	\$ (192,005)

CITY OF CORONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Capital Projects Funds		Debt Service	Total Other Governmental Funds
	HUD Grants	Planned Local Drainage	Fund Public Financing Authority	
Revenues				
Licenses, Fees and Permits	\$ -	\$ 774,592	\$ -	\$ 774,592
Fines and Penalties	-	-	-	169,656
Special Assessments	-	-	-	8,641,030
Investment Earnings	-	1,582	1,444	2,194,315
Intergovernmental Revenues	2,421,781	3,343	-	14,844,107
Current Services	-	-	-	9,735,548
Other Revenues	16,775	255,606	-	386,611
Total Revenues	2,438,556	1,035,123	1,444	36,745,859
Expenditures				
Current:				
General Government	-	-	-	100,457
Public Safety - Police	-	-	-	475,384
Public Works & Maintenance Services	-	933,624	-	26,657,856
Library and Recreation Services	-	-	-	117,604
Community Development	705,020	-	-	705,020
Capital Outlay	283,061	4,500	-	3,674,161
Debt Service:				
Interest and Fiscal Charges	-	-	1,856	1,856
Total Expenditures	988,081	938,124	1,856	31,732,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,450,475	96,999	(412)	5,013,521
Other Financing Sources (Uses)				
Transfers In	-	-	-	165,407
Transfers Out	-	-	-	(1,128,015)
Total Other Financing Uses	-	-	-	(962,608)
Net Change in Fund Balances	1,450,475	96,999	(412)	4,050,913
Fund Balances, Beginning of Year	5,143,875	396,813	456	48,740,821
Fund Balances, End of Year	\$ 6,594,350	\$ 493,812	\$ 44	\$ 52,791,734

Budgetary Comparison Schedules – Non-major Governmental Funds

The Budgetary Comparison Schedules – Non-major Governmental Funds consist of the following fund types:

- Non-major Special Revenue Funds
- Debt Service Funds
- Capital Project Funds

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,796,945	\$ 6,796,945	\$ 6,796,945	\$ -
Resources (Inflows):				
Intergovernmental	6,987,797	6,516,307	6,903,336	387,029
Investment Earnings	131,498	85,769	265,678	179,909
Other Revenues	-	434	557	123
Amounts Available for Appropriations	13,916,240	13,399,455	13,966,516	567,061
Charges to Appropriation (Outflow):				
Public Works & Maintenance Services	5,623,126	10,589,092	7,353,850	3,235,242
Capital Outlay	-	1,510	358,639	(357,129)
Transfers Out	1,200,000	1,200,000	1,082,754	117,246
Total Charges to Appropriations	6,823,126	11,790,602	8,795,243	2,995,359
Budgetary Fund Balance, June 30	\$ 7,093,114	\$ 1,608,853	\$ 5,171,273	\$ 3,562,420

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
 MEASURE A FUND
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,018,319	\$ 15,018,319	\$ 15,018,319	\$ -
Resources (Inflows):				
Intergovernmental	4,486,000	4,137,000	4,603,261	466,261
Investment Earnings	329,011	328,123	817,976	489,853
Other Revenues	-	3,240	3,795	555
Amounts Available for Appropriations	19,833,330	19,486,682	20,443,351	956,669
Charges to Appropriation (Outflow):				
Public Works & Maintenance Services	6,229,902	14,280,094	1,628,712	12,651,382
Capital Outlay	-	85	330,276	(330,191)
Total Charges to Appropriations	6,229,902	14,280,179	1,958,988	12,321,191
Budgetary Fund Balance, June 30	\$ 13,603,428	\$ 5,206,503	\$ 18,484,363	\$ 13,277,860

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
TRIP REDUCTION
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,436,054	\$ 1,436,054	\$ 1,436,054	\$ -
Resources (Inflows):				
Intergovernmental	210,000	210,000	213,021	3,021
Investment Earnings	29,058	30,143	75,357	45,214
Amounts Available for Appropriations	1,675,112	1,676,197	1,724,432	48,235
Charges to Appropriation (Outflow):				
Public Works & Maintenance Services	18,200	538,306	536,968	1,338
Total Charges to Appropriations	18,200	538,306	536,968	1,338
Budgetary Fund Balance, June 30	\$ 1,656,912	\$ 1,137,891	\$ 1,187,464	\$ 49,573

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 311,412	\$ 311,412	\$ 311,412	\$ -
Resources (Inflows):				
Investment Earnings	10,451	9,911	24,487	14,576
Fines and Penalties	20,000	24,357	76,108	51,751
Amounts Available for Appropriations	341,863	345,680	412,007	66,327
Charges to Appropriation (Outflow):				
Public Safety - Police	118,800	129,878	125,629	4,249
Total Charges to Appropriations	118,800	129,878	125,629	4,249
Budgetary Fund Balance, June 30	\$ 223,063	\$ 215,802	\$ 286,378	\$ 70,576

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
SPECIAL TAX DISTRICTS
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,116,293	\$ 19,116,293	\$ 19,116,293	\$ -
Resources (Inflows):				
Intergovernmental	-	34,838	31,338	(3,500)
Special Assessments	8,599,228	8,543,243	8,641,030	97,787
Current Services	54,585	47,473	49,186	1,713
Investment Earnings	452,424	380,400	990,827	610,427
Other Revenues	115,695	81,798	109,878	28,080
Transfers In	125,753	125,753	125,753	-
Amounts Available for Appropriations	28,463,978	28,329,798	29,064,305	734,507
Charges to Appropriation (Outflow):				
General Government	91,906	94,906	100,457	(5,551)
Public Works & Maintenance Services	7,067,421	7,225,983	6,310,358	915,625
Capital Outlay	422,894	5,120,082	2,362,508	2,757,574
Transfers out	-	-	45,261	(45,261)
Total Charges to Appropriations	7,582,221	12,440,971	8,818,584	3,622,387
Budgetary Fund Balance, June 30	\$ 20,881,757	\$ 15,888,827	\$ 20,245,721	\$ 4,356,894

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS & ENDOWMENTS
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 71,358	\$ 71,358	\$ 71,358	\$ -
Resources (Inflows):				
Intergovernmental	268,000	564,465	313,275	(251,190)
Current Services	177,500	55,013	47,250	(7,763)
Investment Earnings	17,501	11,695	14,060	2,365
Transfers In	39,654	39,654	39,654	-
Amounts Available for Appropriations	574,013	742,185	485,597	(256,588)
Charges to Appropriation (Outflow):				
Public Safety - Police	497,588	553,241	349,755	203,486
Library and Recreation Services	-	113,405	72,088	41,317
Total Charges to Appropriations	497,588	666,646	421,843	244,803
Budgetary Fund Balance, June 30	\$ 76,425	\$ 75,539	\$ 63,754	\$ (11,785)

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
RESIDENTIAL REFUSE
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 497,796	\$ 497,796	\$ 497,796	\$ -
Resources (Inflows):				
Intergovernmental	106,000	111,301	163,080	51,779
Current Services	9,161,940	9,857,000	9,639,112	(217,888)
Investment Earnings	-	(1,342)	2,904	4,246
Fines and Forfeitures	125,000	129,000	93,548	(35,452)
Amounts Available for Appropriations	9,890,736	10,593,755	10,396,440	(197,315)
Charges to Appropriation (Outflow):				
Public Works & Maintenance Services	9,496,645	10,013,346	9,894,344	119,002
Library and Recreation Services	41,436	179,850	45,516	134,334
Total Charges to Appropriations	9,538,081	10,193,196	9,939,860	253,336
Budgetary Fund Balance, June 30	\$ 352,655	\$ 400,559	\$ 456,580	\$ 56,021

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
 LOW MOD INCOME HOUSING ASSET
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 28,397,567	\$ 28,397,567	\$ 28,397,567	\$ -
Resources (Inflows):				
Investment Earnings	177,627	188,474	462,845	274,371
Other Revenues	100,000	879,970	767,947	(112,023)
Amounts Available for Appropriations	28,675,194	29,466,011	29,628,359	162,348
Charges to Appropriation (Outflow):				
Community Development	135,935	149,392	175,765	(26,373)
Capital Outlay	-	-	-	-
Total Charges to Appropriations	135,935	149,392	175,765	(26,373)
Budgetary Fund Balance, June 30	\$ 28,539,259	\$ 29,316,619	\$ 29,452,594	\$ 135,975

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
 OTHER GRANTS
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 492,952	\$ 492,952	\$ 492,952	\$ -
Resources (Inflows):				
Intergovernmental	11,178,077	11,242,551	11,011,784	(230,767)
Investment Earnings	942	498	2,779	2,281
Other Revenues	21,563,712	21,563,712	17,528,347	(4,035,365)
Amounts Available for Appropriations	33,235,683	33,299,713	29,035,862	(4,263,851)
Charges to Appropriation (Outflow):				
Public Works & Maintenance Services	-	-	-	-
Library and Recreation Services	-	90,695	47,652	43,043
Capital Outlay	-	112,312,908	28,325,691	83,987,217
Total Charges to Appropriations	-	112,403,603	28,373,343	84,030,260
Budgetary Fund Balance, June 30	\$ 33,235,683	\$ (79,103,890)	\$ 662,519	\$ 79,766,409

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 19,561,180	\$ 19,561,180	\$ 19,561,180	\$ -
Resources (Inflows):				
Licenses and Permits	2,328,000	1,610,977	1,134,343	(476,634)
Use of Money and Property	615,273	551,833	1,305,114	753,281
Payments in Lieu of Services	286,080	286,080	199,680	(86,400)
Miscellaneous	-	160	296	136
Amounts Available for Appropriations	22,790,533	22,010,230	22,200,613	190,383
Charges to Appropriation (Outflow):				
Public Safety - Fire	547	1,331	1,195	136
Public safety - Police	-	578	578	-
Public Works	19,978	18,100	94,261	(76,161)
Library and recreation services	-	867	867	-
Capital Outlay	1,261,000	17,063,149	930,032	16,133,117
Transfers Out	1,215,000	1,215,000	1,215,000	-
Total Charges to Appropriations	2,496,525	18,299,025	2,241,933	16,057,092
Budgetary Fund Balance, June 30	\$ 20,294,008	\$ 3,711,205	\$ 19,958,680	\$ 16,247,475

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
 PUBLIC FACILITY PROJECT
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (48,500)	\$ (48,500)	\$ (48,500)	\$ -
Resources (Inflows):				
Intergovernmental	5,410,193	1,100,000	191,672	(908,328)
Amounts Available for Appropriations	5,361,693	1,051,500	143,172	(908,328)
Charges to Appropriation (Outflow):				
Capital Outlay	-	5,915,154	335,177	5,579,977
Total Charges to Appropriations	-	5,915,154	335,177	5,579,977
Budgetary Fund Balance, June 30	\$ 5,361,693	\$ (4,863,654)	\$ (192,005)	\$ 4,671,649

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
 HUD GRANTS
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,143,875	\$ 5,143,875	\$ 5,143,875	\$ -
Resources (Inflows):				
Intergovernmental	1,495,407	1,725,112	2,421,781	696,669
Other Revenues	-	51,180	16,775	(34,405)
Amounts Available for Appropriations	6,639,282	6,920,167	7,582,431	662,264
Charges to Appropriation (Outflow):				
Community Development	61,465	61,465	705,020	(643,555)
Capital Outlay	1,661,625	3,071,943	283,061	2,788,882
Total Charges to Appropriations	1,723,090	3,133,408	988,081	2,145,327
Budgetary Fund Balance, June 30	\$ 4,916,192	\$ 3,786,759	\$ 6,594,350	\$ 2,807,591

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE
 PLANNED LOCAL DRAINAGE
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 396,813	\$ 396,813	\$ 396,813	\$ -
Resources (Inflows):				
Licenses, Fees and Permits	780,580	766,094	774,592	8,498
Intergovernmental	-	3,432	3,343	(89)
Investment Earnings	19,341	-	1,582	1,582
Other Revenues	256,085	255,362	255,606	244
Amounts Available for Appropriations	1,452,819	1,421,701	1,431,936	10,235
Charges to Appropriation (Outflow):				
Public Works & Maintenance Services	1,117,990	1,122,221	933,624	188,597
Capital Outlay	4,590	39,077	4,500	34,577
Total Charges to Appropriations	1,122,580	1,161,298	938,124	223,174
Budgetary Fund Balance, June 30	\$ 330,239	\$ 260,403	\$ 493,812	\$ 233,409

Combining Financial Statements

Non-major 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, 2020**

	Business-Type Activities - Enterprise Funds		
	Transit Services	Airport	Totals
Assets			
Current Assets			
Cash and Investments	\$ 323,223	\$ 945,992	\$ 1,269,215
Accounts Receivable, Net	1,143	1,090	2,233
Interest Receivable	2,658	4,033	6,691
Due from Other Governmental Agencies	1,056,930	-	1,056,930
Restricted:			
Cash and Investments	377,421	-	377,421
Total Current Assets	1,761,375	951,115	2,712,490
Noncurrent Assets			
Capital Assets:			
Capital Assets, Net of Depreciation	3,707,055	62,243	3,769,298
Total Capital Assets	3,707,055	62,243	3,769,298
Total Noncurrent Assets	3,707,055	62,243	3,769,298
Total Assets	5,468,430	1,013,358	6,481,788
Deferred Outflows of Resources			
Deferred Pension Related Items	127,473	-	127,473
Deferred OPEB Related Items	52,614	30,845	83,459
Total Deferred Outflows of Resources	180,087	30,845	210,932
Total Assets and Deferred Outflows of Resources	\$ 5,648,517	\$ 1,044,203	\$ 6,692,720
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 144,658	\$ 7,265	\$ 151,923
Unearned Revenue	968,659	395	969,054
Deposits	-	440	440
Compensated Absences Payable	16,354	-	16,354
Total Current Liabilities	1,129,671	8,100	1,137,771
Noncurrent Liabilities			
Compensated Absences Payable	41,616	-	41,616
Net Pension Liability	1,002,603	-	1,002,603
Net OPEB Liability	276,600	162,143	438,743
Total Noncurrent Liabilities	1,320,819	162,143	1,482,962
Total Liabilities	2,450,490	170,243	2,620,733
Deferred Inflows of Resources			
Deferred Pension Related Items	17,937	-	17,937
Deferred OPEB Related Items	67,400	39,799	107,199
Total Deferred Inflows of Resources	85,337	39,799	125,136
Net Position			
Net Investment in Capital Assets	3,707,055	62,243	3,769,298
Restricted for:			
Transportation	377,421	-	377,421
Unrestricted	(971,786)	771,918	(199,868)
Total Net Position	3,112,690	834,161	3,946,851
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,648,517	\$ 1,044,203	\$ 6,692,720

CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Transit Services	Airport	Totals
Operating Revenues			
Fees and Permits	\$ -	\$ 35,717	\$ 35,717
Other Revenues	394,411	362,564	756,975
Total Operating Revenues	394,411	398,281	792,692
Operating Expenses			
Personnel Services	412,225	(9,361)	402,864
Contractual	1,679,288	30,989	1,710,277
Materials and Supplies	47,735	104,914	152,649
Utilities	170,218	9,864	180,082
Depreciation and Amortization	662,823	14,297	677,120
Total Operating Expenses	2,972,289	150,703	3,122,992
Operating Income (Loss)	(2,577,878)	247,578	(2,330,300)
Nonoperating Revenues (Expenses)			
Investment Earnings	29,383	44,473	73,856
Operating Grants and Contributions	2,165,591	10,000	2,175,591
Total Nonoperating Revenues (Expenses)	2,194,974	54,473	2,249,447
Income (Loss) Before Contributions	(382,904)	302,051	(80,853)
Capital Grants and Contributions	20,761	-	20,761
Changes in Net Position	(362,143)	302,051	(60,092)
Net Position, Beginning of Year	3,474,833	532,110	4,006,943
Net Position, End of Year	\$ 3,112,690	\$ 834,161	\$ 3,946,851

CITY OF CORONA

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds		
	Transit Services	Airport	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ -	\$ 34,207	\$ 34,207
Cash paid to suppliers for goods and services	(2,103,823)	(139,858)	(2,243,681)
Cash paid to employees for services	(431,460)	(202)	(431,662)
Cash received from others	312,299	362,504	674,803
Net Cash Provided (Used) by Operating Activities	(2,222,984)	256,651	(1,966,333)
Cash Flows from Non-Capital Financing Activities:			
Operating grants and contributions	2,165,591	10,000	2,175,591
Net Cash Provided (Used) by Non-Capital Financing Activities	2,165,591	10,000	2,175,591
Cash Flows from Capital and Related Financing Activities:			
Capital grants and contributions	20,761	-	20,761
Acquisition and construction of capital assets	(20,760)	-	(20,760)
Net Cash Provided (Used) by Capital and Related Financing Activities	1	-	1
Cash Flows from Investing Activities:			
Interest received	29,954	43,519	73,473
Net Cash Provided (Used) by Investing Activities	29,954	43,519	73,473
Net Increase (Decrease) in Cash and Cash Equivalents	(27,438)	310,170	282,732
Cash and Cash Equivalents at Beginning of Year	728,082	635,822	1,363,904
Cash and Cash Equivalents at End of Year	\$ 700,644	\$ 945,992	\$ 1,646,636
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (2,577,878)	\$ 247,578	\$ (2,330,300)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	662,823	14,297	677,120
(Increase) decrease in accounts receivable	1,520	(1,060)	460
(Increase) decrease in due from other governments	(492,162)	-	(492,162)
(Increase) decrease in deferred outflows of pension related items	58,046	-	58,046
(Increase) decrease in deferred outflows of OPEB items	5,622	(844)	4,778
Increase (decrease) in accounts payable and accrued liabilities	(207,370)	5,909	(201,461)
Increase (decrease) in unearned revenue	408,530	(60)	408,470
Increase (decrease) in compensated absences	13,604	-	13,604
Increase (decrease) in pension liability	(32,196)	-	(32,196)
Increase (decrease) in OPEB liability	(130,067)	(47,352)	(177,419)
Increase (decrease) in deferred inflows of pension related items	935	-	935
Increase (decrease) in deferred inflows of OPEB items	65,609	38,633	104,242
Total Adjustments	354,894	9,073	363,967
Net Cash Provided (Used) by Operating Activities	\$ (2,222,984)	\$ 256,651	\$ (1,966,333)

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, 2020**

	Governmental Activities - Internal Service Funds		
	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
Assets			
Current Assets			
Cash and Investments	\$ 7,930,310	\$ 26,048,442	\$ 2,029,678
Accounts Receivable, Net	18,649	65,033	-
Due from Other Governmental Agencies	3,487	-	-
Inventories and Prepayments	173,131	-	-
Total Current Assets	8,125,577	26,113,475	2,029,678
Noncurrent Assets			
Capital Assets:			
Land and Construction in Progress	57,345	-	-
Other Capital Assets, Net of Depreciation	3,006,839	-	-
Total Capital Assets	3,064,184	-	-
Total Noncurrent Assets	3,064,184	-	-
Total Assets	11,189,761	26,113,475	2,029,678
Deferred Outflows of Resources			
Deferred Pension Related Items	282,160	-	-
Deferred OPEB Related Items	255,824	16,330	19,958
Total Deferred Outflows of Resources	537,984	16,330	19,958
Total Assets and Deferred Outflows of Resources	\$ 11,727,745	\$ 26,129,805	\$ 2,049,636
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 258,177	\$ 127,994	\$ 10,478
Claims and Judgments Payable	-	2,847,357	603,375
Compensated Absences Payable	46,383	-	-
Long-term Capital Lease Payable	157,060	-	-
Total Current Liabilities	461,620	2,975,351	613,853
Noncurrent Liabilities			
Claims and Judgments Payable	-	16,833,312	915,117
Compensated Absences Payable	-	-	-
Long-term Capital Lease Payable	332,026	-	-
Net Pension Liability	2,219,248	-	-
Net OPEB Liability	1,344,846	85,841	104,917
Total Noncurrent Liabilities	3,896,120	16,919,153	1,020,034
Total Liabilities	4,357,740	19,894,504	1,633,887
Deferred Inflows of Resources			
Deferred Pension Related Items	39,701	-	-
Deferred OPEB Related Items	329,647	21,033	25,803
Total Deferred Inflows of Resources	369,348	21,033	25,803
Net Position			
Net Investment in Capital Assets	2,575,098	-	-
Unrestricted	4,425,559	6,214,268	389,946
Total Net Position	7,000,657	6,214,268	389,946
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 11,727,745	\$ 26,129,805	\$ 2,049,636

CITY OF CORONA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

(CONTINUED)

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Warehouse</u>	<u>Information Technology</u>	<u>Totals</u>
Assets			
Current Assets			
Cash and Investments	\$ 406,656	\$ 2,265,280	\$ 38,680,366
Accounts Receivable, Net	-	-	83,682
Due from Other Governmental Agencies	-	-	3,487
Inventories and Prepayments	-	178,438	351,569
Total Current Assets	406,656	2,443,718	39,119,104
Noncurrent Assets			
Capital Assets:			
Land and Construction in Progress	-	-	57,345
Other Capital Assets, Net of Depreciation	-	841,957	3,848,796
Total Capital Assets	-	841,957	3,906,141
Total Noncurrent Assets	-	841,957	3,906,141
Total Assets	406,656	3,285,675	43,025,245
Deferred Outflows of Resources			
Deferred Pension Related Items	51,563	899,478	1,233,201
Deferred OPEB Related Items	41,731	395,531	729,374
Total Deferred Outflows of Resources	93,294	1,295,009	1,962,575
Total Assets and Deferred Outflows of Resources	\$ 499,950	\$ 4,580,684	\$ 44,987,820
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 9,499	\$ 385,455	\$ 791,603
Claims and Judgments Payable	-	-	3,450,732
Compensated Absences Payable	4,057	169,266	219,706
Long-term Capital Lease Payable	-	204,854	361,914
Total Current Liabilities	13,556	759,575	4,823,955
Noncurrent Liabilities			
Claims and Judgments Payable	-	-	17,748,429
Compensated Absences Payable	-	69,540	69,540
Long-term Capital Lease Payable	-	210,938	542,964
Net Pension Liability	405,544	7,074,570	9,699,362
Net OPEB Liability	219,373	2,079,264	3,834,241
Total Noncurrent Liabilities	624,917	9,434,312	31,894,536
Total Liabilities	638,473	10,193,887	36,718,491
Deferred Inflows of Resources			
Deferred Pension Related Items	7,256	126,561	173,518
Deferred OPEB Related Items	52,704	498,594	927,781
Total Deferred Inflows of Resources	59,960	625,155	1,101,299
Net Position			
Net Investment in Capital Assets	-	426,165	3,001,263
Unrestricted	(198,483)	(6,664,523)	4,166,767
Total Net Position	(198,483)	(6,238,358)	7,168,030
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 499,950	\$ 4,580,684	\$ 44,987,820

CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds		
	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
Operating Revenues			
Service Charges	\$ 3,209,051	\$ 1,996,368	\$ 625,628
Other Revenues	658,687	1,350,268	-
Total Operating Revenues	3,867,738	3,346,636	625,628
Operating Expenses			
Personnel Services	1,476,072	-	-
Contractual	92,805	-	-
Materials and Supplies	1,594,879	331,964	937,365
Utilities	822,331	-	-
Depreciation	783,159	-	-
Claims Expense	-	1,496,293	(702,485)
Total Operating Expenses	4,769,246	1,828,257	234,880
Operating Income (Loss)	(901,508)	1,518,379	390,748
Nonoperating Revenues (Expenses)			
Interest Expense	(23,955)	-	-
Total Nonoperating Revenues (Expenses)	(23,955)	-	-
Changes in Net Position	(925,463)	1,518,379	390,748
Net Position, Beginning of Year	7,926,120	4,695,889	(802)
Net Position, End of Year	\$ 7,000,657	\$ 6,214,268	\$ 389,946

CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Totals
Operating Revenues			
Service Charges	\$ 340,552	\$ 8,148,368	\$ 14,319,967
Other Revenues	152	21,982	2,031,089
Total Operating Revenues	340,704	8,170,350	16,351,056
Operating Expenses			
Personnel Services	294,747	4,716,031	6,486,850
Contractual	37,920	3,288,806	3,419,531
Materials and Supplies	92,937	1,211,140	4,168,285
Utilities	397	-	822,728
Depreciation	-	280,652	1,063,811
Claims Expense	-	-	793,808
Total Operating Expenses	426,001	9,496,629	16,755,013
Operating Income (Loss)	(85,297)	(1,326,279)	(403,957)
Nonoperating Revenues (Expenses)			
Interest Expense	-	(18,256)	(42,211)
Total Nonoperating Revenues (Expenses)	-	(18,256)	(42,211)
Changes in Net Position	(85,297)	(1,344,535)	(446,168)
Net Position, Beginning of Year	(113,186)	(4,893,823)	7,614,198
Net Position, End of Year	\$ (198,483)	\$ (6,238,358)	\$ 7,168,030

CITY OF CORONA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Funds		
	Fleet Operations	Self-Insurance	
		Workers' Compensation	Liability Risk
Cash Flows from Operating Activities			
Cash received from customers and users	\$ 3,193,160	\$ 1,997,371	\$ 625,628
Cash paid to suppliers for goods and services	(2,554,998)	(309,387)	(969,797)
Cash paid to employees for services	(1,054,499)	-	-
Cash paid for current claims	-	(464,132)	(102,847)
Cash paid for long-term claims	-	(1,097,208)	(128,814)
Cash received from others	656,248	1,350,268	-
Net Cash Provided (Used) by Operating Activities	239,911	1,476,912	(575,830)
Cash Flows from Capital and Related Financing Activities			
Proceeds from long-term capital lease payable	-	-	-
Acquisition and construction of capital assets	(122,070)	-	-
Principal paid on capital debt	(114,769)	-	-
Interest paid on capital debt	(23,955)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(260,794)	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(20,883)	1,476,912	(575,830)
Cash and Cash Equivalents			
Beginning of Year	7,951,193	24,571,530	2,605,508
End of Year	\$ 7,930,310	\$ 26,048,442	\$ 2,029,678
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (901,508)	\$ 1,518,379	\$ 390,748
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	783,159	-	-
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(15,891)	1,003	-
(Increase) decrease in inventories and prepayments	16,879	-	-
(Increase) decrease in deferred outflows of pension related items	48,929	-	-
(Increase) decrease in deferred outflows of OPEB items	(17,581)	(446)	(546)
Increase (decrease) in accounts payable and accrued liabilities	(60,560)	27,641	(26,245)
Increase (decrease) in claims and judgments	-	(65,047)	(934,146)
Increase (decrease) in compensated absences	5,015	-	-
Increase (decrease) in pension liability	372,492	-	-
Increase (decrease) in OPEB liability	(318,800)	(25,070)	(30,639)
Increase (decrease) in deferred inflows of pension related items	9,357	-	-
Increase (decrease) in deferred inflows of OPEB items	320,859	20,452	24,998
Total Adjustments	1,141,419	(41,467)	(966,578)
Net Cash Provided (Used) by Operating Activities	\$ 239,911	\$ 1,476,912	\$ (575,830)
Non-Cash Investing, Capital, and Financing Activities:			
Capital leases entered into during the year	\$ 156,009	\$ -	\$ -

CITY OF CORONA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Governmental Activities - Internal Service Funds		
	Warehouse	Information Technology	Totals
Cash Flows from Operating Activities			
Cash received from customers and users	\$ 340,552	\$ 8,148,368	\$ 14,305,079
Cash paid to suppliers for goods and services	(140,231)	(4,386,071)	(8,360,484)
Cash paid to employees for services	(186,718)	(3,526,723)	(4,767,940)
Cash paid for current claims	-	-	(566,979)
Cash paid for long-term claims	-	-	(1,226,022)
Cash received from others	152	21,982	2,028,650
Net Cash Provided (Used) by Operating Activities	13,755	257,556	1,412,304
Cash Flows from Capital and Related Financing Activities			
Proceeds from long-term capital lease payable	-	(5,737)	(5,737)
Acquisition and construction of capital assets	-	-	(122,070)
Principal paid on capital debt	-	(193,209)	(307,978)
Interest paid on capital debt	-	(18,256)	(42,211)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(217,202)	(477,996)
Net Increase (Decrease) in Cash and Cash Equivalents	13,755	40,354	934,308
Cash and Cash Equivalents			
Beginning of Year	392,901	2,224,926	37,746,058
End of Year	\$ 406,656	\$ 2,265,280	\$ 38,680,366
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (85,297)	\$ (1,326,279)	\$ (403,957)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	-	280,652	1,063,811
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	-	-	(14,888)
(Increase) decrease in inventories and prepayments	-	(178,438)	(161,559)
(Increase) decrease in deferred outflows of pension related items	(2,472)	217,895	264,352
(Increase) decrease in deferred outflows of OPEB items	623	(47,873)	(65,823)
Increase (decrease) in accounts payable and accrued liabilities	(10,177)	288,666	219,325
Increase (decrease) in claims and judgments	-	-	(999,193)
Increase (decrease) in compensated absences	777	9,725	15,517
Increase (decrease) in pension liability	131,733	842,062	1,346,287
Increase (decrease) in OPEB liability	(76,382)	(348,409)	(799,300)
Increase (decrease) in deferred inflows of pension related items	2,756	24,154	36,267
Increase (decrease) in deferred inflows of OPEB items	52,194	495,401	913,904
Total Adjustments	99,052	1,583,835	1,816,261
Net Cash Provided (Used) by Operating Activities	\$ 13,755	\$ 257,556	\$ 1,412,304
Non-Cash Investing, Capital, and Financing Activities:			
Capital leases entered into during the year	\$ -	\$ -	\$ 156,009



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, 2020

	<u>AD/CFD Fund</u>	<u>AB109 PACT</u>	<u>Totals</u>
Assets:			
Cash and Investments	\$ 1,254,731	\$ 220,141	\$ 1,474,872
Interest Receivable	5,349	938	6,287
Due from Other Governmental Agencies	187,313	-	187,313
Restricted Assets:			
Cash and Investments	19,419,564	-	19,419,564
Total Assets	<u>\$ 20,866,957</u>	<u>\$ 221,079</u>	<u>\$ 21,088,036</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 7,303	\$ -	\$ 7,303
Due to Bondholders	20,859,654	221,079	21,080,733
Total Liabilities	<u>\$ 20,866,957</u>	<u>\$ 221,079</u>	<u>\$ 21,088,036</u>

CITY OF CORONA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>AD/CFD Fund</u>				
Assets				
Cash and Investments	\$ 1,133,288	\$ 15,824,359	\$ 15,702,916	\$ 1,254,731
Interest Receivable	5,489	216,372	216,512	5,349
Due from Other Governmental Agencies	277,693	114,454	204,834	187,313
Restricted Assets:				
Cash and Investments	27,130,909	53,146,729	60,858,074	19,419,564
Total Assets	<u>\$ 28,547,379</u>	<u>\$ 69,301,914</u>	<u>\$ 76,982,336</u>	<u>\$ 20,866,957</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 6,024	\$ 7,654,162	\$ 7,652,883	\$ 7,303
Due to Bondholders	28,541,355	25,816,342	33,498,043	20,859,654
Total Liabilities	<u>\$ 28,547,379</u>	<u>\$ 33,470,504</u>	<u>\$ 41,150,926</u>	<u>\$ 20,866,957</u>
<u>AB109 PACT</u>				
Assets:				
Cash and Investments	\$ 243,058	\$ 11,983	\$ 34,900	\$ 220,141
Interest Receivable	1,177	938	1,177	938
Total Assets	<u>\$ 244,235</u>	<u>\$ 12,921</u>	<u>\$ 36,077</u>	<u>\$ 221,079</u>
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 32,653	\$ -	\$ 32,653	\$ -
Due to Bondholders	211,582	16,940	7,443	221,079
Total Liabilities	<u>\$ 244,235</u>	<u>\$ 16,940</u>	<u>\$ 40,096</u>	<u>\$ 221,079</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Investments	\$ 1,376,346	\$ 15,836,342	\$ 15,737,816	\$ 1,474,872
Interest Receivable	6,666	217,310	217,689	6,287
Due from Other Governmental Agencies	277,693	114,454	204,834	187,313
Restricted Assets:				
Cash and Investments	27,130,909	53,146,729	60,858,074	19,419,564
Total Assets	<u>\$ 28,791,614</u>	<u>\$ 69,314,835</u>	<u>\$ 77,018,413</u>	<u>\$ 21,088,036</u>
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 38,677	\$ 7,654,162	\$ 7,685,536	\$ 7,303
Due to Bondholders	28,752,937	25,833,282	33,505,486	21,080,733
Total Liabilities	<u>\$ 28,791,614</u>	<u>\$ 33,487,444</u>	<u>\$ 41,191,022</u>	<u>\$ 21,088,036</u>



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.

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Financial Trends

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

	Fiscal Year			
	2020	2019	2018	2017
Governmental Activities				
Net Investment in Capital Assets	\$ 715,567,718	\$ 690,776,881	\$ 661,445,807	\$ 638,468,424
Restricted for:				
Capital Projects	30,073,897	34,034,394	35,250,894	26,832,918
Debt Service	8,627,925	6,490,959	5,100,103	3,439,357
Transportation and Public Works	21,690,954	22,272,787	18,493,153	16,363,749
Special Assessment District	11,617,840	12,625,790	11,114,013	14,377,296
Development Projects	23,608,622	21,365,909	9,137,699	5,276,971
Community Development Projects	6,594,350			
Other Purposes	350,132	382,770	309,562	725,421
Total Restricted	102,563,720	97,172,609	79,405,424	67,015,712
Unrestricted	45,153,818	34,147,614	23,749,730	106,765,363
Total Governmental Activities Net Position	<u>\$ 863,285,256</u>	<u>\$ 822,097,104</u>	<u>\$ 764,600,961</u>	<u>\$ 812,249,499</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 348,173,598	\$ 346,111,296	\$ 334,581,059	\$ 324,512,188
Restricted for:				
Capital Projects	6,735,454	6,735,454	6,735,454	6,735,454
Debt Service	-	-	-	-
Transportation and Public Works	377,421	369,860	261,195	697,391
Development Projects	792,804	792,804	-	-
Total Restricted	7,905,679	7,898,118	6,996,649	7,432,845
Unrestricted	(79,890,105)	(95,417,283)	(111,330,380)	(86,423,631)
Total Business-Type Activities Net Position	<u>\$ 276,189,172</u>	<u>\$ 258,592,131</u>	<u>\$ 230,247,328</u>	<u>\$ 245,521,402</u>
Primary Government				
Net Investment in Capital Assets	\$ 1,063,741,316	\$ 1,036,888,177	\$ 996,026,866	\$ 962,980,612
Restricted	110,469,399	105,070,727	86,402,073	74,448,557
Unrestricted	(34,736,287)	(61,269,669)	(87,580,650)	20,341,732
Total Primary Government Net Position	<u>\$ 1,139,474,428</u>	<u>\$ 1,080,689,235</u>	<u>\$ 994,848,289</u>	<u>\$ 1,057,770,901</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 618,953,633	\$ 587,861,831	\$ 557,314,076	\$ 542,474,178	\$ 547,427,503	\$ 512,867,317
24,440,919	23,435,434	31,326,722	87,678,260	95,362,651	26,795,896
2,416,841	2,653,417	2,770,292	2,772,671	3,418,104	10,773,995
15,401,285	19,206,895	19,224,575	16,083,567	14,494,532	-
17,074,793	15,602,868	13,862,186	12,404,874	11,655,625	-
8,866,182	5,939,085	1,934,349	4,703,812	6,763,589	-
514,174	560,289	803,053	1,173,375	708,280	50,908,926
68,714,194	67,397,988	69,921,177	124,816,559	132,402,781	88,478,817
96,234,263	90,173,729	270,365,217	265,060,487	251,564,898	248,153,878
<u>\$ 783,902,090</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>
\$ 312,540,296	\$ 286,045,985	\$ 275,218,430	\$ 281,276,333	\$ 274,761,353	\$ 66,109,520
7,205,941	6,898,174	10,780,901	-	-	-
-	6,061,277	6,813,257	8,435,288	10,969,563	-
611,272	830,088	1,317,690	130,390	637,926	18,065,870
-	-	-	-	-	-
7,817,213	13,789,539	18,911,848	8,565,678	11,607,489	18,065,870
(96,745,399)	(92,820,840)	(91,326,475)	(100,444,897)	(107,169,420)	73,811,520
<u>\$ 223,612,110</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>
\$ 931,493,929	\$ 873,907,816	\$ 832,532,506	\$ 823,750,511	\$ 822,188,856	\$ 578,976,837
76,531,407	81,187,527	88,833,025	133,382,237	144,010,270	106,544,687
(511,136)	(2,647,111)	179,038,742	164,615,590	144,395,478	321,965,398
<u>\$ 1,007,514,200</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>

CITY OF CORONA

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

	Fiscal Year			
	2020	2019	2018	2017
Expenses				
Governmental Activities:				
General Government	\$ 35,158,626	\$ 33,591,975	\$ 21,282,982	\$ 28,273,481
Public Safety - Fire	29,429,998	29,004,569	29,892,569	26,004,329
Public Safety - Police	45,363,320	51,665,087	52,237,558	47,773,812
Public Works & Maintenance Services	47,417,239	41,082,525	38,699,371	35,763,511
Library and Recreation Services	3,720,964	4,301,828	3,815,661	5,281,168
Community Development	5,179,409	4,666,834	3,691,471	4,736,871
Economic Development	219,500	391,110	329,276	4,927,998
Interest and Fiscal Charges	1,239,678	1,347,268	1,398,132	1,034,468
Total Governmental Activities Expenses	<u>\$ 167,728,734</u>	<u>\$ 166,051,196</u>	<u>\$ 151,347,020</u>	<u>\$ 153,795,638</u>
Business-Type Activities:				
Water	59,032,333	54,241,684	66,216,277	52,922,440
Water Reclamation	28,852,053	28,218,102	31,543,999	24,258,766
Electric	15,159,666	15,597,164	16,913,151	15,559,948
Transit Services	2,972,289	3,153,161	3,391,384	2,826,701
Airport	150,703	180,033	146,287	166,860
Total Business-Type Activities Expenses	<u>106,167,044</u>	<u>101,390,144</u>	<u>118,211,098</u>	<u>95,734,715</u>
Total Primary Government Expenses	<u>\$ 273,895,778</u>	<u>\$ 267,441,340</u>	<u>\$ 269,558,118</u>	<u>\$ 249,530,353</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government*	4,942,880	7,377,481	10,394,661	18,216,829
Public Safety - Fire	4,048,936	4,914,360	5,076,947	4,087,577
Public Safety - Police	2,274,242	2,282,448	2,172,690	1,090,884
Public Works & Maintenance Services	14,552,360	17,033,637	15,271,111	15,757,571
Library and Recreation Services	1,919,806	2,882,270	2,582,847	1,690,619
Community Development	4,084,790	4,868,485	3,718,706	2,112,169
Economic Development	-	-	-	-
Operating Grants and Contributions	17,568,917	17,177,545	15,235,243	13,607,731
Capital Grants and Contributions	36,780,592	46,130,203	32,940,776	23,356,504
Total Governmental Activities Program Revenues	<u>86,172,523</u>	<u>102,666,429</u>	<u>87,392,981</u>	<u>79,919,884</u>
Business-Type activities:				
Charges for Services:				
Water	55,238,024	56,486,220	56,153,664	51,435,658
Water Reclamation	30,984,409	31,394,607	31,114,187	31,271,134
Electric	16,346,238	16,971,319	17,772,585	16,789,626
Transit Services	297,111	364,025	359,652	445,604
Airport	398,281	341,505	265,996	298,868
Operating Grants and Contributions	2,185,674	1,813,204	3,195,967	2,876,392
Capital Grants and Contributions	6,004,436	6,915,473	4,992,185	13,061,722
Total Business-Type Activities Program Revenues	<u>111,454,173</u>	<u>114,286,353</u>	<u>113,854,236</u>	<u>116,179,004</u>
Total Primary Government Program Revenues	<u>\$ 197,626,696</u>	<u>\$ 216,952,782</u>	<u>\$ 201,247,217</u>	<u>\$ 196,098,888</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					
2016	2015	2014	2013	2012	2011
\$ 27,435,359	\$ 24,481,334	\$ 23,974,508	\$ 22,853,992	\$ 20,551,027	\$ 21,771,013
24,447,062	24,052,304	23,062,147	22,702,313	21,506,851	23,066,539
44,341,895	42,939,535	40,779,963	40,357,283	39,791,147	40,465,516
39,647,786	33,544,227	39,591,302	43,533,983	41,086,166	43,036,551
6,463,940	6,559,251	4,417,913	2,825,606	2,640,592	2,745,336
5,933,581	3,806,766	3,453,020	-	-	-
4,422,141	3,107,755	5,344,121	6,877,725	12,860,222	15,368,206
1,910,542	2,016,105	2,172,050	2,953,366	3,648,700	14,655,640
<u>\$ 154,602,306</u>	<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>
51,177,312	55,714,372	58,165,289	57,605,446	55,837,945	46,791,524
25,004,508	26,500,708	29,160,167	29,060,647	30,224,698	25,940,578
20,082,535	15,192,888	13,373,418	14,675,785	14,569,429	17,638,508
2,732,394	2,477,893	2,355,405	2,286,292	2,148,857	2,078,197
197,702	282,969	281,771	301,454	307,538	328,658
<u>99,194,451</u>	<u>100,168,830</u>	<u>103,336,050</u>	<u>103,929,624</u>	<u>103,088,467</u>	<u>92,777,465</u>
<u>\$ 253,796,757</u>	<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>
18,556,870	20,774,890	16,938,527	19,341,407	19,419,682	19,112,894
3,679,300	3,142,720	4,264,876	4,242,725	3,926,888	3,092,311
1,082,045	1,065,181	2,070,221	3,011,565	3,079,224	3,295,825
15,708,292	20,011,693	20,068,114	20,993,799	20,043,766	20,211,720
1,481,845	1,014,872	319,806	318,831	264,464	280,729
2,116,832	2,420,301	3,316,624	-	-	-
-	-	666,394	707,126	-	-
13,468,867	11,780,932	12,555,412	13,760,057	12,350,047	18,683,384
40,508,675	27,197,609	20,783,935	5,620,168	8,977,103	3,743,333
<u>96,602,726</u>	<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>
48,753,278	52,620,052	55,937,613	53,906,208	50,243,765	48,103,987
30,755,583	30,735,952	30,626,667	30,620,212	29,472,121	27,361,203
17,057,728	16,760,206	17,182,310	17,138,240	16,531,675	17,247,983
427,417	432,281	406,202	415,615	633,355	364,830
272,217	288,820	316,402	280,915	265,838	297,638
5,116,662	4,160,035	1,640,359	1,635,598	1,531,791	1,600,444
6,954,812	13,485,750	4,225,256	3,453,420	11,730,500	3,261,322
<u>109,337,697</u>	<u>118,483,096</u>	<u>110,334,809</u>	<u>107,450,208</u>	<u>110,409,045</u>	<u>98,237,407</u>
<u>\$ 205,940,423</u>	<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>

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

	Fiscal Year			
	2020	2019	2018	2017
Net (Expense)/Revenue				
Governmental Activities	\$ (81,556,211)	\$ (63,384,767)	\$ (63,954,039)	\$ (73,875,754)
Business-Type Activities	5,287,129	12,896,209	(4,356,862)	20,444,289
Total Primary Government Net Expense	<u>\$ (76,269,082)</u>	<u>\$ (50,488,558)</u>	<u>\$ (68,310,901)</u>	<u>\$ (53,431,465)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	\$ 50,397,965	\$ 48,123,700	\$ 45,646,490	\$ 43,059,232
Sales and Use Tax	39,657,924	44,125,758	38,118,548	41,145,616
Other Taxes	10,369,076	11,640,957	10,490,863	9,565,580
Total taxes	<u>100,424,965</u>	<u>103,890,415</u>	<u>94,255,901</u>	<u>93,770,428</u>
Investment Earnings	10,810,066	9,042,370	540,824	623,227
Miscellaneous	12,544,603	11,764,807	13,123,627	6,892,170
Unrestricted Grants and Contributions	-	-	-	-
Gain/(Loss) on Sale of Capital Asset	-	-	-	-
Extraordinary Items	-	-	-	-
Transfers	(706,869)	(1,896,122)	(2,744,512)	44,970
Special Items	-	-	3,037,670	-
Total Governmental Activities	<u>123,072,765</u>	<u>122,801,470</u>	<u>108,213,510</u>	<u>101,330,795</u>
Business-Type Activities:				
Investment Earnings	6,237,118	5,010,211	334,927	199,758
Other Income	4,001,432	8,542,261	4,887,538	479,465
Gain/(Loss) on Sale of Capital Asset	-	-	-	-
Transfers	706,869	1,896,122	2,744,512	(44,970)
Extraordinary Item - Impairment of Capital Asset	<u>2,052,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>12,997,419</u>	<u>15,448,594</u>	<u>7,966,977</u>	<u>634,253</u>
Total Primary Government	<u>\$ 136,070,184</u>	<u>\$ 138,250,064</u>	<u>\$ 116,180,487</u>	<u>\$ 101,965,048</u>
Change in Net Position				
Governmental Activities	\$ 41,516,554	\$ 59,416,703	\$ 44,259,470	\$ 27,455,041
Business-Type Activities	18,284,548	28,344,803	3,610,115	21,078,542
Total Primary Government	<u>\$ 59,801,102</u>	<u>\$ 87,761,506</u>	<u>\$ 47,869,585</u>	<u>\$ 48,533,583</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ (57,999,580)	\$ (53,099,079)	\$ (71,620,834)	\$ (84,625,187)	\$ (86,111,861)	\$ (104,335,419)
10,143,246	18,314,266	6,998,759	3,520,584	7,320,578	5,459,942
<u>\$ (47,856,334)</u>	<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>
\$ 42,156,726	\$ 38,656,150	\$ 36,462,210	\$ 41,238,344	\$ 45,754,306	\$ 59,090,960
39,663,795	36,608,600	35,623,651	32,969,847	31,190,815	28,505,050
9,349,800	10,566,662	9,099,819	8,249,945	8,546,497	7,802,237
<u>91,170,321</u>	<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>
3,172,905	1,988,557	2,296,081	470,023	4,047,070	3,380,168
4,765,043	3,686,771	2,096,681	2,355,179	3,637,541	658,664
-	-	407	145,742	76,014	686,338
-	-	-	-	-	-
-	5,054,583	(56,854,230)	(8,033,621)	57,030,346	-
14,540	-	(916,819)	(547,690)	(163,000)	40,000
-	-	-	-	-	-
<u>99,122,809</u>	<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>
1,839,114	862,948	1,189,440	2,450,042	4,019,878	3,178,516
45,168	493	1,996,793	3,890,307	-	-
-	(10,207)	2,497,251	-	-	2,350,130
(14,540)	-	916,819	547,690	163,000	(40,000)
-	-	-	-	-	-
<u>1,869,742</u>	<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>\$ 100,992,551</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>
\$ 41,123,229	\$ 43,462,244	\$ (43,813,034)	\$ 2,739,179	\$ 76,096,058	\$ 7,474,812
12,012,988	19,167,500	13,599,062	10,408,623	11,503,456	10,948,588
<u>\$ 53,136,217</u>	<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>

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

	Fiscal Year			
	2020	2019	2018	2017
General Fund				
Nonspendable	\$ 22,787,534	\$ 26,492,072	\$ 31,465,340	\$ 33,241,909
Committed	41,987,810	39,899,272	36,247,833	33,898,271
Assigned	62,449,057	55,495,036	40,855,061	41,979,112
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 127,224,401</u>	<u>\$ 121,886,380</u>	<u>\$ 108,568,234</u>	<u>\$ 109,119,292</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	102,563,720	97,172,609	79,405,424	66,631,585
Assigned	493,812	396,813	389,356	432,652
Unassigned	(192,005)	(48,500)	(48,501)	(48,525)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue	-	-	-	-
Capital Projects	-	-	-	-
Total all other Governmental Funds	<u>\$ 102,865,527</u>	<u>\$ 97,520,922</u>	<u>\$ 79,746,279</u>	<u>\$ 67,015,712</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 34,124,977	\$ 24,378,784	\$ 23,595,803	\$ 22,797,277	\$ 15,070,684	\$ 15,112,080
33,511,464	23,815,795	23,494,027	22,804,343	18,279,947	18,072,691
33,141,625	50,696,555	44,748,578	41,298,885	43,205,474	50,333,810
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 100,778,066</u>	<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>
\$ -	\$ 18,926,818	\$ 3,615,772	\$ 61,512,775	\$ 61,220,936	\$ 61,568,872
59,493,942	42,982,365	41,755,471	22,103,295	27,425,735	35,292,020
9,428,541	5,825,674	1,299,482	17,604,929	19,215,798	25,061,577
(85,423)	(151,869)				
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 68,837,060</u>	<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>

CITY OF CORONA

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

	Fiscal Year			
	2020	2019	2018	2017
Revenues:				
Property Taxes	\$ 49,470,941	\$ 47,994,974	\$ 45,775,246	\$ 43,170,396
Sales Taxes	39,657,924	44,125,758	38,118,548	41,145,616
Other Taxes	10,369,076	10,806,717	10,443,823	9,421,375
Licenses, Fees and Permits	4,459,005	14,334,965	6,530,878	5,682,991
Fines and Penalties	1,183,944	1,260,265	1,243,873	1,467,593
Special Assessments	8,906,312	8,599,669	8,518,569	8,281,089
Investment Earnings	10,810,066	9,042,370	540,761	623,227
Intergovernmental Revenues	27,400,952	23,459,273	19,642,952	26,038,928
Current Services	21,047,563	21,810,063	21,536,206	19,260,514
Payments in Lieu of Services	4,734,340	7,732,356	9,973,782	10,113,191
Other Revenues	30,985,010	38,087,702	35,312,655	14,111,953
Total Revenues	209,025,133	227,254,112	197,637,293	179,316,873
Expenditures:				
General Government	34,223,230	32,612,219	33,897,611	25,520,135
Public Safety - Fire	25,727,486	25,393,135	26,668,495	25,855,247
Public Safety - Police	47,307,419	45,914,260	47,426,516	46,885,033
Public Works & Maintenance Services	38,963,202	33,876,327	32,492,756	27,172,763
Library and Recreation Services	5,058,205	5,140,160	5,153,298	5,197,923
Community Development	5,703,942	5,249,767	4,807,968	4,816,552
Economic Development	264,656	444,925	421,117	4,930,642
Capital Outlay	35,810,526	38,969,422	35,320,776	30,579,173
Debt Service				
Principal	2,905,509	2,814,099	3,324,719	2,853,939
Interest and Fiscal Charges	1,343,061	1,445,283	1,533,230	1,408,493
Total Expenditures	197,307,236	191,859,597	191,046,486	175,219,900
Excess of Revenues Over/(Under) Expenditures	11,717,897	35,394,515	6,590,807	4,096,973
Other Financing Sources/(Uses)				
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	2,508,422	1,382,903	5,533,474	6,291,621
Transfers Out	(3,215,291)	(3,764,070)	(6,296,428)	(5,677,217)
Total Other Financing Sources/(Uses)	(706,869)	(2,381,167)	640,307	896,518
Extraordinary Items				
	-	-	-	-
Special Items				
	-	-	3,037,670	-
Net Change in Fund Balances	\$ 11,011,028	\$ 33,013,348	\$ 10,268,784	\$ 4,993,491
Debt Service as a Percentage of				
Non-capital Expenditures	2.6%	2.8%	3.1%	2.9%



Fiscal Year

	2016	2015	2014	2013	2012	2011
\$	42,175,687	\$ 38,896,950	\$ 36,721,899	\$ 39,447,422	\$ 45,754,306	\$ 59,090,960
	39,663,796	38,565,868	37,430,489	34,529,611	32,725,933	29,923,541
	9,255,961	7,598,684	6,835,935	6,370,589	6,238,073	5,976,783
	7,947,593	9,599,549	2,777,719	2,462,107	5,817,125	2,187,466
	1,338,341	1,041,887	1,068,778	1,717,820	1,841,074	2,168,820
	8,801,035	9,438,713	9,439,079	9,477,719	9,296,683	9,645,684
	3,169,381	1,988,557	2,296,081	470,023	4,047,070	3,380,168
	41,588,677	27,601,255	29,487,199	15,312,882	15,731,101	17,140,177
	18,375,839	17,276,984	17,287,466	16,003,725	14,392,726	13,724,789
	10,202,448	12,638,674	10,644,539	8,999,739	9,544,525	9,681,893
	13,314,649	15,300,761	14,900,407	18,919,899	17,714,051	16,833,436
	<u>195,833,407</u>	<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>
	25,200,855	21,735,399	23,938,276	23,088,936	20,711,464	20,335,688
	25,894,695	24,874,714	24,247,894	22,965,971	22,921,163	23,068,351
	45,080,687	41,966,882	41,161,796	39,770,719	41,751,356	39,523,177
	33,621,625	27,777,052	35,125,462	37,909,062	38,237,264	37,572,220
	4,669,898	4,677,992	4,440,588	2,758,037	2,720,741	2,694,192
	5,953,143	3,829,120	3,422,846	3,019,174	2,971,829	3,258,772
	4,422,141	3,107,755	2,529,859	816,342	9,560,505	10,942,983
	43,444,050	34,342,416	23,609,928	7,769,015	4,349,725	11,089,418
	2,800,122	3,672,900	3,545,895	3,654,332	7,082,070	7,578,502
	1,953,345	2,064,757	2,210,669	2,719,421	7,547,454	14,756,645
	<u>193,040,561</u>	<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>
	2,792,846	11,898,895	4,656,378	9,240,527	5,249,096	(1,066,231)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,588,851	2,315,815	3,767,587	3,771,227	4,533,758	79,529,457
	(1,987,900)	(1,739,145)	(1,124,534)	(1,250,885)	(5,582,646)	(76,674,137)
	<u>600,951</u>	<u>576,670</u>	<u>2,643,053</u>	<u>2,520,342</u>	<u>(1,048,888)</u>	<u>2,855,320</u>
	-	-	(56,854,230)	(8,033,621)	(19,852,703)	-
	-	-	-	-	-	-
\$	<u>3,393,797</u>	<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>

3.2% 4.3% 4.1% 4.6% 9.5% 14.0%

CITY OF CORONA**Schedule 5a
Water Sales By User Type ¹
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
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
2020	21,340	65.5	2,645	8.1	1,012	3.1	361	1.1	7,246	22.2	32,604	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
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
2020	15,133,389	2,736,983	2,708,635	1,764,358	481,982	21,861,383	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 ¹	Quantity Rate per 100 C.F. ²	Monthly Base Rates								
		Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2011	1.85 ³	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2012	1.92 ⁴	18.44	24.18	34.59	60.29	87.98	150.37	230.99	424.21	623.93
2013	2.04 ⁵	18.88	24.76	35.42	61.73	90.09	153.98	236.53	434.39	638.90
2014	2.10 ⁶	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2015	2.10 ⁶	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2016	2.10 ⁶	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2017	2.10 ⁶	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2018	2.10 ⁶	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2019	2.10 ⁶	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2020	1.57	22.28	29.98	45.38	83.88	130.08	276.38	491.98	1,238.88	2,162.88

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

4) 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.

5) 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.

6) 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 ¹	Monthly Base Rates									
	Quantity Rate per 100 C.F. ²	Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2020	1.65	18.12	23.74	34.97	63.06	96.77	203.51	360.81	905.74	1,579.89

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 ²			
	Basic Rate ¹	General Obligation Debt Service	Total Direct	Corona/Norco School District	Alvord School District	Metropolitan Water District	Riverside City Community College
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
2020	1.0000	0.0000	1.0000	0.0939	0.1445	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 2010/11-2019/20 Tax Rate Table.

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

Water Customer	2020			2011		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
City of Corona	\$ 3,036,069	1	5.97%	\$ 2,498,201	1	5.20%
Corona-Norco USD	791,187	2	1.56%	977,788	2	2.04%
CLI Atlas LLC	392,539	3	0.77%			
Eagle Glen Master HOA	255,153	4	0.50%	156,496	7	0.33%
Aseptic Solutions USA	231,168	5	0.45%			
Fairfield Waterstone, LLC	222,908	6	0.44%			
Eagle Glen Country Club, LLC	172,714	7	0.34%			
Breit MF Promenade Terrace LLC	151,540	8	0.30%			
Triana At Corona Ranch Maintenance Corporation	125,429	9	0.25%			
Brookwood Villa Apartments	112,162	10	0.22%			
MG Properties				715,777	3	1.49%
EWR, Inc.				197,699	4	0.41%
223-1 DL Holdings LLC				179,199	5	0.37%
Westdale Asset Management				161,834	6	0.34%
Integrated Protein Tech				146,352	8	0.30%
Hills of Corona				144,989	9	0.30%
Eagle Glen Country Club, LLC				142,114	10	0.30%
	<u>\$ 5,490,869</u>		<u>10.80%</u>	<u>\$ 5,320,449</u>		<u>11.08%</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	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
SCG Atlas Ashton LLC	\$ 284,532,736	1	1.30%			
Castle and Cooke Corona Inc.	169,413,050	2	0.77%	167,476,698	2	1.04%
Fairfield Waterstone LLC	139,276,000	3	0.64%			
Rexco	129,499,973	4	0.59%			
Corona North Main Development	114,593,406	5	0.52%			
Artisan Corona Apartments LLC	99,380,583	6	0.45%			
Costco Wholesale Corporation	93,584,424	7	0.43%			
TC Palisades LLC	92,595,599	8	0.42%			
Breit MF Promenade Terrace LLC	83,359,683	9	0.38%			
JSP Sierra Del Oro I LLC	79,540,528	10	0.36%			
Watson Laboratories Inc				180,712,908	1	1.12%
Kaiser Foundation Health Plan Inc				134,828,731	3	0.84%
Waterstone Apartments NF				118,815,948	4	0.74%
Price Reit Inc				80,503,332	5	0.50%
Dart Container Corporation of Calif				78,258,027	6	0.49%
Guest First Inc				74,006,029	7	0.46%
Dix Leasing Corporation				67,712,101	8	0.42%
Rexco Magnolia				56,271,961	9	0.35%
Corona Summit				46,122,865	10	0.29%
Total	<u>\$ 1,285,775,982</u>		<u>5.86%</u>	<u>\$ 1,004,708,600</u>		<u>6.25%</u>

Source: HdL Coren & Cone, Riverside County Assessor 2019/20 & 2010/11 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 ¹	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2020	31,140,439	30,216,472	97.03%	394,599	30,611,071	98.30%

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
2011	\$ -	\$ 82,025	\$ 65,015	\$ -	\$ -	\$ 26	\$ 3,301	\$ 1,025
2012	-	- ¹	62,020	-	-	25,283	- ¹	660
2013	-	- ¹	33,270	-	-	23,719	- ¹	515
2014	-	- ¹	31,250	-	-	22,353	- ¹	355
2015	-	- ¹	29,145	-	-	20,955	- ¹	185
2016	-	- ¹	27,975	-	-	19,510	- ¹	-
2017	-	- ¹	24,520	2,826	-	18,016	- ¹	-
2018	-	- ¹	23,335	2,677	1,047	16,472	- ¹	-
2019	-	- ¹	22,115	2,528	1,062	14,875	- ¹	-
2020	-	- ¹	20,860	2,379	905	13,225	- ¹	-

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
\$ 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
7,091	-	21,131	-	35,860	1,379	17	690	103,537	2.0%	\$ 615

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

Fiscal Year	General Bonded Debt Outstanding						
	General Obligation Bonds	Redevelopment Bonds ³	Special Assessment Bonds	Capital Lease Payable	Lease Payable	Unamortized Bond Premium	Lease Revenue Bonds
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
2020	-	-	-	905	13,225	2,379	20,860

- 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 ¹ of Property	Per Capita ²
\$ 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
37,369	8,628	28,741	0.13%	171

CITY OF CORONA

Schedule 11

Direct and Overlapping Governmental Activities Debt¹

As of June 30, 2020 (dollars in thousands)

	Debt Outstanding	Est. Percentage Applicable ²	City's Share of Overlapping Debt
Direct and Overlapping Tax and Assessment Debt:			
Metropolitan Water District	\$ 37,300	0.707%	\$ 264
Riverside City Community College District	284,166	19.415%	55,171
Alvord Unified School District	198,005	12.937%	25,616
Corona-Norco Unified School District	513,478	54.188%	278,243
Alvord Unified School District CFD No. 2006-1	6,795	8.333%	566
Corona-Norco Unified School District CFD No. 97-1	796	100.000%	796
Corona-Norco Unified School District CFD No. 99-1	2,102	100.000%	2,102
Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C	4,635	100.000%	4,635
Corona-Norco Unified School District CFD No. 00-1	1,645	100.000%	1,645
Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B	6,375	100.000%	6,375
Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C	10,810	100.000%	10,810
Corona-Norco Unified School District CFD No. 03-3, Imp Area A	3,385	100.000%	3,385
Corona-Norco Unified School District CFD No. 03-5	1,730	100.000%	1,730
Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3	3,555	100.000%	3,555
City of Corona CFD No. 89-1	1,310	100.000%	1,310
City of Corona CFD No. 89-1 Imp Area 1	980	100.000%	980
City of Corona CFD No. 90-1	3,355	100.000%	3,355
City of Corona CFD No. 97-2	4,565	100.000%	4,565
City of Corona CFD No. 2000-1	4,175	100.000%	4,175
City of Corona CFD No. 2001-2	2,150	100.000%	2,150
City of Corona CFD No. 2002-1	12,080	100.000%	12,080
City of Corona CFD No. 2002-1, Imp Area 1	6,475	100.000%	6,475
City of Corona CFD No. 2002-4	6,205	100.000%	6,205
City of Corona CFD No. 2003-2	5,200	100.000%	5,200
City of Corona CFD No. 2004-1	2,505	100.000%	2,505
City of Corona CFD No. 2016-2	5,365	100.000%	5,365
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	8,980	100.000%	8,980
California Statewide Communities Development Authority CFD No. 2002-1	3,190	100.000%	3,190
City of Corona 1915 Act Bonds	1,335	100.000%	1,335
Total Overlapping Tax and Assessment Debt			466,413
Direct and Overlapping General Fund Debt:			
Overlapping General Fund Obligations			
Riverside County General Fund Obligations	\$ 759,808	7.385%	\$ 56,112
Riverside County Pension Obligations Bonds	938,825	7.385%	69,332
Corona-Norco Unified School District General Fund Obligations	25,802	54.188%	13,982
Western Municipal Water District General Fund Obligations	7,818	22.731%	1,777
Total Overlapping General Fund Obligations			\$ 141,203
Direct General Fund Obligations:			
City of Corona General Fund Obligations	34,990		\$ 34,990
Unamortized Bond Premium	2,379		2,379
Total Direct General Fund Obligations		100.000%	\$ 37,369
Total Direct and Overlapping General Fund Obligations			\$ 178,572
Less: Riverside County Supported Obligations			-
Total Net Direct and Overlapping General Fund Obligations			\$ 178,572
Total Direct Debt			\$ 37,369
Total Gross Overlapping Debt			\$ 607,616
Total Net Overlapping Debt			\$ 607,616
Gross Combined Total Direct and Overlapping Debt³			\$ 644,985
Net Combined Total Direct and Overlapping Debt			\$ 644,985

CITY OF CORONA

Schedule 11**Direct and Overlapping Governmental Activities Debt ¹****As of June 30, 2020 (dollars in thousands)**

Notes to Schedule 11

- 1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Corona. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for the repaying the debt, of each overlapping government.*

- 2) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value, except for community facilities district overlapping debt which was estimated by determining the special tax charged on property within the City, divided by the community facilities district's total special tax for the fiscal year.*

- 3) Amount excluded tax and revenue anticipation notes, enterprise revenue bonds, mortgage revenue bonds, Successor Agency's tax allocation bonds and non-bonded capital lease obligations.*

Source: 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 2020**

Assessed Value	\$ 21,861,383
Debt Limit (15% of assessed value)	3,279,207
Debt Applicable to limit:	
General obligation debt	37,369
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>37,369</u>
Legal Debt Margin	<u><u>\$ 3,241,838</u></u>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 2,412,865	\$ 2,388,830	\$ 2,388,708	\$ 2,454,089
Total net debt applicable to limit	<u>68,339</u>	<u>60,498</u>	<u>56,989</u>	<u>53,603</u>
Legal debt margin	\$ 2,344,526	\$ 2,328,332	\$ 2,331,719	\$ 2,400,486
Total debt applicable to the limit as a percentage of debt limit	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>	<u>2020</u>
\$ 2,594,890	\$ 2,707,398	\$ 2,819,397	\$ 2,986,885	\$ 3,145,686	\$ 3,279,207
<u>50,100</u>	<u>47,485</u>	<u>42,536</u>	<u>43,531</u>	<u>40,580</u>	<u>37,369</u>
\$ 2,544,790	\$ 2,659,913	\$ 2,776,861	\$ 2,943,354	\$ 3,105,106	\$ 3,241,838
1.931%	1.754%	1.509%	1.457%	1.290%	1.140%

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	
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 ¹	11	28,750	2,075	1.00	212	5	145	47	1.13
2014	3,394	19	2,020	1,365	1.01	208	4	160	34	1.09
2015	3,373	19	2,105	1,281	1.00	192	1	170	22	1.01
2016	2,353	19	1,170	1,216	0.99	192	0	185	7	1.00
2017	30,614 ⁵	9	27,975	1,367	1	-	-	-	-	-
2018	2,117	1	1,185	931	1	-	-	-	-	-
2019	2,121	-	1,220	901	1	-	-	-	-	-
2020	2,112	-	1,255	857	1	-	-	-	-	-

Notes: Includes the defeasance of 2002 Lease Revenue bonds.
 Includes the defeasance of the 1998 Water Revenue bonds.
 Includes the defeasance of 1997 COPs and 2003 COPs.
 Includes the advanced redemption of 2005 COPs.
 Includes the defeasance of 2006 Lease Revenue bonds.
 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.



<u>Revenue Bonds</u>				<u>Certificates of Participation</u>				
<u>Utility</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Lease</u>	<u>Current</u>	<u>Debt Service</u>		<u>Coverage</u>
<u>Revenues</u>	<u>Principal</u>	<u>Interest</u>				<u>Payments</u>	<u>Account</u>	
\$ 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 ²	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 ³	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 ⁴	0	23,785	555	1.00
5,809	3,775	2,034	1	-	-	-	-	-
28,093	5,166	2,537	4 ⁶	-	-	-	-	-
36,011	5,320	2,370	5	-	-	-	-	-
26,851	3,996	2,222	4	-	-	-	-	-

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
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%
2019	168,248	5,138,227	30,539	34.9	52,557	3.1%

Sources: (1) HdL, Coren & Cone;

(2) California Department of Education -

Corona-Norco Unified School District, School Year 2019/20 Enrollment.

CITY OF CORONA**Schedule 15
Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	5,478	1	6.52%	4,790	1	6.53%
Corona Regional Medical Center	1,200	2	1.43%	1,154	2	1.57%
Kaiser Permanente	995	3	1.18%	896	4	1.22%
All American Asphalt	840	4	1.00%	678	7	0.92%
Monster Energy	814	5	0.97%			
City of Corona	794	6	0.95%	866	5	1.18%
TWR Framing Enterprises	750	7	0.89%			
Fender USA Corona	675	8	0.80%	800	6	1.09%
Veg Fresh Farms	650	9	0.77%			
Thermal Structures	500	10	0.60%			
Watson Laboratories, Inc.				1,045	3	1.42%
Dart Container Corporation				370	8	0.50%
Hansen Beverage				350	9	0.48%
CoreMark International				326	10	0.44%
Total	12,696		15.11%	11,275		15.35%

Source: City of Corona, Economic Development Division;



CITY OF CORONA

**Schedule 16
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees									
	2020	2019	2018**	2017	2016*	2015*	2014*	2013*	2012	2011
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	13.33	14.07	9.90	10.35	9.73	9.73	9.85	9.84	8.00	9.00
Legal & Risk Management ¹	6.34	6.19	6.52	7.67	6.67	6.01	5.29	5.01	0.00	0.00
Administrative Services ^{2,8}	31.74	40.92	38.56	42.23	42.56	34.30	36.31	37.40	0.00	0.00
Human Resources ^{2,8}	9.39								8.50	10.00
Information Technology	24.47	23.99	17.25	13.89	15.09	12.41	13.98	13.86	13.00	14.00
Finance ²									27.00	32.00
Police										
Officers	153.00	150.00	162.00	162.00	162.00	159.00	157.00	153.50	152.00	176.00
Civilians	83.25	80.40	88.01	88.39	85.90	79.13	80.62	77.97	60.00	72.00
Fire										
Firefighters and officers	108.00	107.00	113.00	113.00	112.00	112.00	112.00	111.50	112.00	121.00
Civilians	7.76	7.75	8.20	4.88	6.48	7.18	6.06	6.49	5.00	7.00
Public Works ³	35.75	35.75	35.75	29.05	29.75	31.57	33.78	78.07	74.00	77.00
Maintenance Services ³	42.11	42.11	42.76	43.63	45.00	44.53	41.76	26.09	0.00	0.00
Community Development ⁴	22.14	22.14	25.00	26.48	26.00	22.08	18.02	17.00	17.00	21.00
Economic Development ⁵	2.00	2.00	3.00	3.00	2.00	1.00	4.00	4.00	5.50	
Library and Recreation Services ⁶	72.99	72.74	69.06	70.67	68.04	63.50	64.69	66.62	15.00	17.00
Department of Water and Power	109.60	110.02	108.91	119.18	119.68	120.79	121.76	112.75	112.00	107.00
Transit Services	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Parks and Community Services ⁶									22.00	28.00
Redevelopment ⁷										16.00
Total	729.87	723.08	735.92	742.42	738.90	710.23	712.12	727.10	638.00	714.00

* Data for Fiscal Year 2016 and prior was restated to Full Time Equivalents (FTE) from full-time positions.

** Data for Fiscal Year 2018 was updated to FTE Authorized information.

Note:

- ¹ Formerly City Attorney's Office. During Fiscal Year 2014-15, Risk Management Division merged into the City Attorney's Office and formed Legal & Risk Management Department.
- ² Formerly Finance Department. During Fiscal Year 2014-15, Human Resources Department merged into Finance and formed Administrative Services Department.
- ³ Public Works Department was reorganized during Fiscal Year 2013-14, various maintenance functions were removed from Public Works, and a new department, Maintenance Services was established to assume these functions.
- ⁴ During Fiscal Year 2014-15, Housing Division was merged into Community Development Department.
- ⁵ Formerly Housing and Economic Development, during Fiscal Year 2014-15, the Housing component was merged into Community Development Department.
- ⁶ 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.
- ⁷ Redevelopment Department was dissolved in Fiscal Year 2011-12.
- ⁸ Human Resources Department separated from Administrative Services Department in Fiscal Year 2019-20.

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			
	2020	2019	2018	2017
Police				
Physical Arrests	2,282	2,992	2,895	3,403
Parking Violations	9,574	8,851	6,228	4,993
Traffic Violations	4,718	6,133	9,024	11,896
Fire				
Emergency Responses	13,810	13,141	13,041	12,981
Fires Extinguished	451	362	435	382
Inspections	1,652	1,092	2,726	1,934
Public Works/Maintenance Services				
Street Resurfacing (miles)	75	37	51	39
Street Lights Repaired	437	418	495	1,045
Potholes Filled (sq. ft)	46,850	22,332	35,700	75,000
Parks and Community Services				
Sportsfields Participation	370,799	269,168	248,617 **	2,190,246
Comm. Centers/Gym/Pool	111,007	169,888	249,885	282,797
Other Activity Participation	226,205	135,399	171,679	226,294
Library and Recreation Services				
Volumes in Collection	183,794	165,760	168,148	167,586
Total Volumes Borrowed*	284,375	411,592 ****	783,626	648,522 ***
Water				
New Connections	389	511	391	166
Water Main Repairs	86	72	36	69
Average Daily Consumption (millions of gallons)	31.2	30.2	33.0	30.4
Wastewater				
Average Daily Sewage Treatment (millions of gallons)	12.6	14.3	13.8	14.3
Transit Services				
Total Route Miles (round-trip)	47.7	47.7	47.5	47.5
Passengers				
Fixed Route	100,186	118,366	129,972	132,469
Dial-A-Ride	39,989	52,580	58,089	65,580

* 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>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>	<u>2011*</u>
5,583	5,337	5,422	4,709	4,472	5,701
3,974	4,098	4,119	3,612	4,976	6,541
12,132	11,133	11,147	9,316	8,691	9,456
12,112	11,263	11,131	10,942	9,843	9,606
381	346	397	415	326	318
1,966	1,757	2,217	1,591	1,929	1,478
41	72	72	48	8	71
1,342	846	598	808	1,093	1,811
15,076	15,978	13,185	16,085	13,316	25,557
1,760,600	1,898,300	1,670,668	1,664,800	2,325,101	1,832,892
211,410	189,519	158,431	144,981	216,729	239,464
244,430	232,264	244,593	247,768	232,701	211,533
164,421	167,432	136,128	174,585	170,435	169,188
1,073,736	927,956	861,842	846,171	1,128,969	1,119,281
1,408	173	498	482	80	133
78	84	49	36	37	46
28.4	32.6	34.9	32.0	31.0	30.2
14.0	13.1	12.6	13.4	13.0	13.7
47.5	39.0	39.0	39.0	39.0	39.0
150,002	168,303	169,745	163,054	153,783	152,568
63,162	66,015	68,852	65,635	61,285	58,153

CITY OF CORONA

**Schedule 18
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	62	68	65	55	59	59	53	53	53	60
Fire Stations	7	7	7	7	7	7	7	7	7	7
Streets										
Streets and Alleys (miles)	444	408	408	406	403	404	403	406	403	398
Streetlights ¹	15,117	12,380	12,380	12,587	12,059	12,022	11,888	11,271	11,353	11,237
Traffic Signals	190	188	184	182	179	173	170	169	169	170
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	36	37
Soccer/football fields	18	18	18	18	18	18	18	18	18	18
Community Centers	7	7	7	7	7	7	7	7	7	7
Civic Center Auditorium Seating Cap	380	380	380	380	380	380	380	380	380	380
Fiesta Bandshell Seating Capacity	500	500	500	500	500	500	500	500	500	500
Water										
Water Main (miles)	736	719	697	687	683	694	681	681	677	676
Fire Hydrants	10,062	9,548	9,300	9,222	9,197	9,174	9,087	8,918	8,996	8,788
Storage Capacity ² (millions of gallons)	52	52	52	51	51	51	51	51	51	51
Wastewater										
Sanitary Sewers (miles)	464	458	440	435	434	452	444	444	444	442
Storm Sewers (miles)	223	171	171	167	167	172	171	166	166	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	7	6	6	4	4	5
Dial-A-Ride	13	13	11	11	13	11	10	12	10	10

Source: Various City departments.

Note: ¹ Includes only City-owned street lights.

² Potable & reclaimed water storage capacity.