

CITY OF CORONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2007



Prepared by the Finance Department

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CITY OF CORONA

Comprehensive Annual Financial Report
Year Ended June 30, 2007

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November 30, 2007

Honorable Mayor, City Council, and Citizens of
the City of Corona
Corona, California

City management assumes responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles and includes all properly classified funds and account groups of the primary government and all component units required to be included in the financial reporting entity. Management is also responsible for adopting sound accounting policies, establishing and maintaining internal controls, and preventing and detecting fraud. Due to cost benefit considerations, internal controls do not prevent all misstatements; however internal controls are designed to provide reasonable assurance that the financial statements are free of material misstatements.

For certain debt issues, the City of Corona covenants to submit a continuing disclosure to the bond holders. The City's Comprehensive Annual Financial Report (CAFR) is a required part of that annual disclosure. The California State Controller requests that the City's Audit Report be delivered to the State Controller's office as soon as available.

Teaman, Ramirez & Smith, Inc., Certified Public Accountants, have issued an unqualified opinion on the City of Corona's financial statements for the year ended June 30, 2007. The opinion states that the financial statements are presented fairly and are in conformity with generally accepted accounting principles. The independent auditor's report is located on page 1 in the Financial Section.

Management's discussion and analysis (MD&A), beginning on page 3 of this report, provides financial highlights, an overview and analysis of the financial statements, budgetary highlights, and economic factors affecting future budgets. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Corona is located approximately 45 miles southeast of Los Angeles in western Riverside County. The community is ideally situated at the base of the mountainous Cleveland National Forest on an alluvial plain leading down, or north to the Santa Ana River. In 2007 the City population was 146,164 and the City limits expanded to cover approximately 39.2 square miles. Corona is a General Law City. 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 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 and provides the following services: Public Safety (Police and Fire), Highways and Streets, Electric, Public Library, Parks, Public Improvements, Planning and Zoning, Public Transportation (Dial-A-Ride and Corona Cruiser programs) and General Administrative Services. Water and Wastewater are provided through the legally separate Corona Utility Authority, which functions as a department of the City of Corona and therefore has been included as an integral part of the City of Corona's financial statements. The Redevelopment Agency, Corona Public Financing Authority and the Corona Public Improvement Corporation are financially accountable by the City of Corona and are reported in the financial statements. Additional information on all of these legally separate entities can be found in the Notes to the Financial Statements. See Note No. 1.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Each year, a proposed budget is submitted to the City Council and a public meeting is conducted to obtain taxpayer comments. The budget is subsequently adopted by the City Council through passage of a resolution. The legal level of budgetary control is at the department level. The City Council may amend the budget to add or delete appropriations, transfer between appropriations within a fund or change appropriations between funds.

Local Economy

Major industries within the City include manufacturers of pharmaceuticals, musical instruments, food products, paper, and construction products. In 2005, Corona's job growth increased by 4.2% versus the region's increase of 3.2% and the State's 2.4%. Retail trade, distribution/transportation and education facilities also provide significant employment opportunities to City residents. The average household income is \$82,187 with 18.5% of the residents employed in manufacturing, 17.4% in education and 12.1% in retail. In 1991, the payroll for firms located in Corona was \$670 million. By 2004, it had more than tripled to \$2.53 billion or an increase of 277.7%. Spendable income of residents in Corona increases 5 to 7% each year. Unemployment in the City was 3.5% in 2006 and is 4.1% for the current year, through June 30, 2007.

Retail sales tax is a principal revenue source for the City. Taxable retail sales have increased fourfold from 1990 to 2006, growing by \$3.24 billion to \$4.03 billion. From 1990-2006, Corona's taxable sales per capita rose from \$10,110 to \$27,858, an increase of 175%.

Taxable assessed valuation on property located in Corona has increased in the past five years by 62.8% to \$15.9 billion. The growth in sales and property tax revenue to the City has provided sufficient revenues to offset increased services and facilities for the growing population. Sales / use tax and property tax constituted 30.2% and 28.6% of the General Fund revenue, respectively.

The City is nearing housing build-out for single family residences; therefore the City is focusing on high-end mixed use developments and redevelopment projects. The City's aim is to broaden housing opportunities by creating upscale housing as well as higher density, affordable housing for seniors and the growing professional workforce. These projects will complement the City's

office and retail expansion. These projects will also see less impact from the recent slow down in the housing market.

Long Term Financial Planning

The City's continued control over expenditure growth has been and will continue to be a key factor in maintaining the City's strong financial position. The City Council has wisely taken advantage of the past years' financial prosperity to secure the future stability of the City. A reserve policy was established and funded for the General Fund and continues to be maintained through June 30, 2007. The reserve policy requires a 15% set aside of the following year's budgeted operating expenditures of the General Fund. On an ongoing basis, funds are being set aside as reserves for building maintenance, vehicle replacement, replacement of large fire equipment and replacement and upgrades for automation needs. The conservative budgets that were passed in prior fiscal years contributed to this overall financial philosophy.

Relevant Financial Policies

Corona follows the General Fund Expenditure Control Budget, or ECB, guidelines as outlined in the budget resolution. The 2006-07 fiscal year budget was the thirteenth year that the budget was prepared in accordance with the ECB policies adopted by the City Council for the General Fund. Departments are given increased flexibility and incentives for meeting their goals as well as being assigned greater accountability for their performance in carrying out their mission. According to the ECB policies, the departments are allowed to carry over certain unspent portions of their individual departmental budgets to be used in future years.

For fiscal year 2006-07, the amount saved by the departments totaled \$2,399,007. The prior year carryover was \$2,318,167 giving the departments a total of \$4,717,174 in reserves. This is designated in the General Fund Balance under the title of Unreserved Fund Balance. Further details are in the Required Supplementary Information on page 95.

Major Initiatives

The expansion of the Corporation Yard facility began construction in late 2006 with completion scheduled for 2009. New construction is planned to include a two building complex which will house the Department of Water and Power, field staff, the Emergency Operations Center and a third building for a new jail. There will be various site improvements and the addition of an access road. The Police Department will relocate to the existing Corporation Yard Administration Building which will be renovated and expanded by 20,000 square feet. The cost of the project is estimated at \$43 million and is being partially financed through Lease Revenue Bonds.

In fiscal year 2007-08, \$12,737,923 has been budgeted for various transportation projects including: \$1,620,000 for the Railroad Grade Separation Project, \$1,030,000 for the Magnolia Avenue Corridor, \$583,000 for an interim interchange, \$1,500,000 for major pavement rehabilitation, \$3,000,000 for pavement rehabilitation for local streets and \$1,200,000 for citywide street improvements. Funding for transportation projects will be through various sources including the General fund, Cal Trans, Gas Tax fund, Measure A, TUMF and RCTC.

citywide street improvements. Funding for transportation projects will be through various sources including the General fund, Cal Trans, Gas Tax fund, Measure A, TUMF and RCTC.

The Redevelopment Agency has budgeted \$3,506,045 for the Downtown Revitalization Project and \$3,000,000 for the Corona Mall Improvement Project. The following projects have each been budgeted \$1,000,000 for the 2007-08 fiscal year: West Sixth Street Revitalization; North Main Transit Oriented Development and East Sixth Street. The Eastern Corona Revitalization project received a \$2,021,087 budget.

Water and Wastewater projects for the fiscal year 2007-08 total \$8,329,000 and \$950,000, respectively. Projects include various waterline and sewer main replacements, the Local Ground Water Augmentation Effort, upgrades to Wastewater Treatment Plant No.1 and No.3 and the Ontario Booster relocation project.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded the seventeenth consecutive Certificate of Achievement for Excellence in Financial Reporting to the City of Corona for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire Finance Department especially Finance Manager Pat Moeder and Accounting Supervisor Theresa Dailey. Staff members have our sincere appreciation for their contributions made in the preparation of this report. Additionally, we would like to thank the City's audit firm of Teaman, Ramirez & Smith, Inc. of Riverside, California.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,



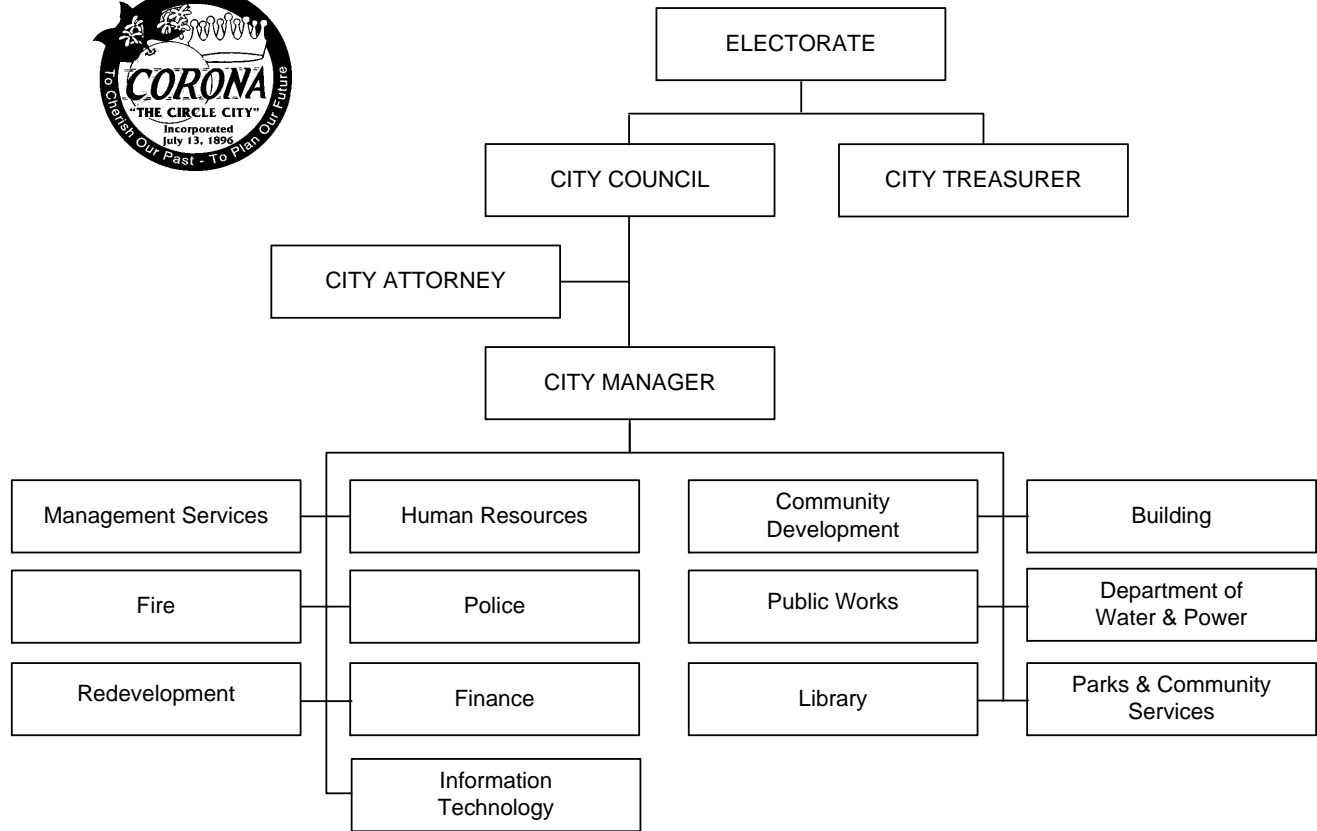
BETH GROVES
City Manager



DEBRA A. FOSTER
Finance Director

CITY OF CORONA

City Organizational Chart and Corporate Values



Corona's Corporate Values

As City of Corona Employees, we are proud of our organization and the community we serve. Therefore we:

- Provide exceptional, responsive service
- Deliver high quality results
- Recognize the financial value of our activities
- Display innovation in problem solving
- Work as a motivated team to get the job done
- Take the initiative with decisive action
- Foster communication
- Promote outstanding professionalism, technical and people skills
- Encourage balance in our lives
- Act with integrity in all we do

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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Ronald J. [unclear]".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Elected Officials

EUGENE MONTANEZ Mayor
JEFF MILLER Mayor Pro Tem
STEVE NOLAN Councilmember
STAN SKIPWORTH Councilmember
KAREN SPIEGEL Councilmember

RICHARD O. HALEY City Treasurer

Administrative Personnel

BETH GROVES City Manager

GREG IRVINE Assistant City Manager
BRADLEY ROBBINS Assistant City Manager/Community Development Director
KEITH CLARKE Building Official
JONATHAN DALY DWP General Manager
RICHARD O. GONZALES Police Chief
DEBRA A. FOSTER Finance Director
JULIE FREDERICKSEN Library Director
GABRIEL GARCIA Director of Parks & Community Services
STEVE LARSON Information Technology Director
LAURIE LO FRANCO Human Resource Director
AMAD QATTAN Director of Public Works
MICHAEL WARREN Fire Chief
VICTORIA WASKO City Clerk
SCOTT WHYTE Redevelopment Director

BEST, BEST & KRIEGER City Attorney

Independent Auditors' Report

The Honorable Mayor and City Council
City of Corona, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corona, California, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Corona's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2007 on our consideration of the City of Corona'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 to describe the scope of our testing of the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Required Supplementary Information, such as management's discussion and analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Corona's basic financial statements. The introductory section, the supplementary information as listed in the table of contents, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information as listed in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Teaman Ramirez & Smith

November 30, 2007







MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2007

This discussion and analysis of the City of Corona's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$892.8 million (*net assets*). Of this amount, \$319.9 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$75.3 million, primarily due to the completion of projects and acquisition of assets from developers.
- Expenses were \$104.5 million greater than the program revenues generated for governmental activities. Taxes, return on investments, gain on sales of assets, other income and special item for \$148.3 million provided sufficient funding for programs and a surplus of \$43.8 million.
- For business-type entities, program revenues exceeded expenses by \$28 million of which \$23.5 million represents contributions of capital assets such as infrastructure from developers. Adding the investment earnings to the revenue that exceeds expense shows a \$31.5 million surplus for the business-type entities. Since infrastructure assets are not liquid assets, the net surplus available is \$8.0 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$204.6 million, an increase of \$ 58 million in comparison to the prior year. Approximately 59% of the combined fund balances, \$120.7 million, represents unreserved fund balance, all of which has been designated for future projects and needs of the City.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$70.7 million, or 65.8% of total general fund expenditures. The unreserved general fund balance has been designated as \$18 million toward budget balancing measures, \$19.4 million designated for contingencies, \$18.3 million for facility projects, \$5.8 million for other specific projects and \$9.2 million in various other designations.
- The City's total debt increased by \$61.3 million during the current fiscal year as a \$22.1 million Redevelopment Tax Allocation Bond was issued for the Temescal Canyon Project Area, a \$37.2 million Lease Revenue Bond was issued to fund the expansion of the City's Corporation Yard facility and a \$2 million loan was received from the State Revolving Fund loan for the Recycled Water project. The City expended \$9.3 million in normally scheduled principal reductions on debt.

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Corona and its component units using the integrated approach as prescribed by GASB Statement No. 34.

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The activities of these two distinctions are as follows:

Governmental activities—Most of the City's basic services are reported in this category, including the General Government, Fire, Police, Public Works, Redevelopment, Parks, Recreation and Community Services and the Library. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities—The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water system, Wastewater system, Electric and Transit Services activities are reported in this category.

The government-wide statements can be found on pages 19-21 of this report.

Fund Financial Statements

The Fund Financial Statements include statements for each of the three categories of activities – governmental, proprietary and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which report a balance sheet, a statement of changes in assets and liabilities and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

are provided to explain the differences created by the integrated approach.

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 it control and manage 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 basic governmental fund financial statements can be found on pages 24-30 of this report.

Proprietary funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses six funds to account for its water, wastewater and electric utilities, transit and financing entities for the City's enterprises. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities—such as the City's self-insurance and fleet operations and equipment replacement funds. The internal service funds are reported with governmental activities in the government-wide financial statements.

The basic proprietary fund statements can be found on pages 32-39 of this report.

Fiduciary funds - The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Combining Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Activities included in these funds are the receipt of special taxes and assessments used to pay principal and interest on related bonded debt that has no direct City liability, as well as receipt and disbursement of capital project proceeds related to these bonds. Other activities reported in this category include activities where the City acts as the trustee, or *fiduciary*, for certain funds held on behalf of the Corona-Norco Unified School District.

The basic fiduciary fund financial statements can be found on page 43 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund financial statements. The notes to the financial statements can be found on pages 45-92 of this report.

CITY OF CORONA

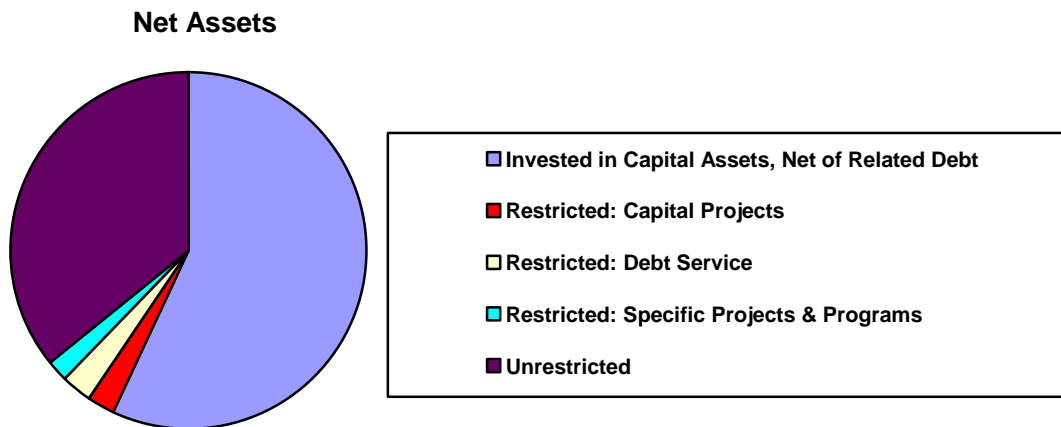
Management's Discussion and Analysis, continued
Year Ended June 30, 2007

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the general fund and each major special revenue fund, and schedules and disclosure of the modified approach for reporting the City's infrastructure.

Combining and individual statements for non-major governmental and proprietary funds, internal service funds and fiduciary funds are presented on pages 106-147 of this report.

GOVERNMENT- WIDE FINANCIAL ANALYSIS



As noted earlier, the net assets for the City as a whole increased 9.2% from \$817.5 million at June 30, 2006 to \$892.8 million at June 30, 2007. The largest portion of the City's net assets (55.6%) reflects the investment in capital assets such as land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to the citizens of the City of Corona; therefore, they are not available for future 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 used to liquidate these liabilities.

An additional portion of the City's net assets (8.5%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$319.9 million) may be used to meet the City's ongoing obligations to citizens and creditors.

Consistent with the prior fiscal year, as of the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for both the government as a whole and for its separate governmental and business-type activities.

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

The following schedule is a condensed version of the City's statement of net assets for the years ended June 30, 2007 and 2006, respectively.

CITY OF CORONA'S NET ASSETS

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 269.9	\$ 208.6	\$ 108.7	\$ 107.0	\$ 378.6	\$ 315.6
Internal balances	173.9	172.6	(173.9)	(172.6)	-	-
Capital assets	556.4	526.4	378.1	349.5	934.5	875.9
Total assets	<u>1,000.2</u>	<u>907.6</u>	<u>312.9</u>	<u>283.9</u>	<u>1,313.1</u>	<u>1,191.5</u>
Long-term liabilities	160.3	115.1	189.6	193.0	349.9	308.1
Other liabilities	53.0	48.4	17.4	20.1	70.4	68.5
Total Liabilities	<u>213.3</u>	<u>163.5</u>	<u>207.0</u>	<u>213.1</u>	<u>420.3</u>	<u>376.6</u>
Net Assets:						
Invested in capital assets, net of related debt	458.3	422.8	38.6	29.7	496.9	452.5
Restricted	58.7	15.3	17.3	7.5	76.0	22.8
Unrestricted	269.8	306.0	50.0	33.6	319.8	339.6
Total Net Assets	<u>\$ 786.8</u>	<u>\$ 744.1</u>	<u>\$ 105.9</u>	<u>\$ 70.8</u>	<u>\$ 892.7</u>	<u>\$ 814.9</u>

GOVERNMENTAL ACTIVITIES

The City's net assets from governmental activities increased \$43.8 million. The cost of all governmental activities this year was \$165.5 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$104.5 million because some of the cost was paid by those who directly benefited from the programs (\$30.4 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$8.3 million), and capital grants and contributions (\$22.4 million). One program, Public Works, shows a net revenue of \$384,273 at year end which is the result of a timing difference in the completion of capital projects as well as the City's intentional building up of certain developer impact fees for upcoming capital improvement projects. Overall, the City's governmental program revenues were \$61 million. The City paid for the remaining "public benefit" portion of governmental activities with \$148.3 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

CITY OF CORONA

Management's Discussion and Analysis, continued
 Year Ended June 30, 2007

The City's programs for governmental activities include General Government, Fire, Police, Public Works, Redevelopment, Parks and Community Services and Library. The programs for the business type activities include the Water and Wastewater utilities, the Electric utility and Transit services. A comparison of each program's revenues and expenses (in millions) for the current year and prior year is presented below.

CITY OF CORONA CHANGES IN NET ASSETS

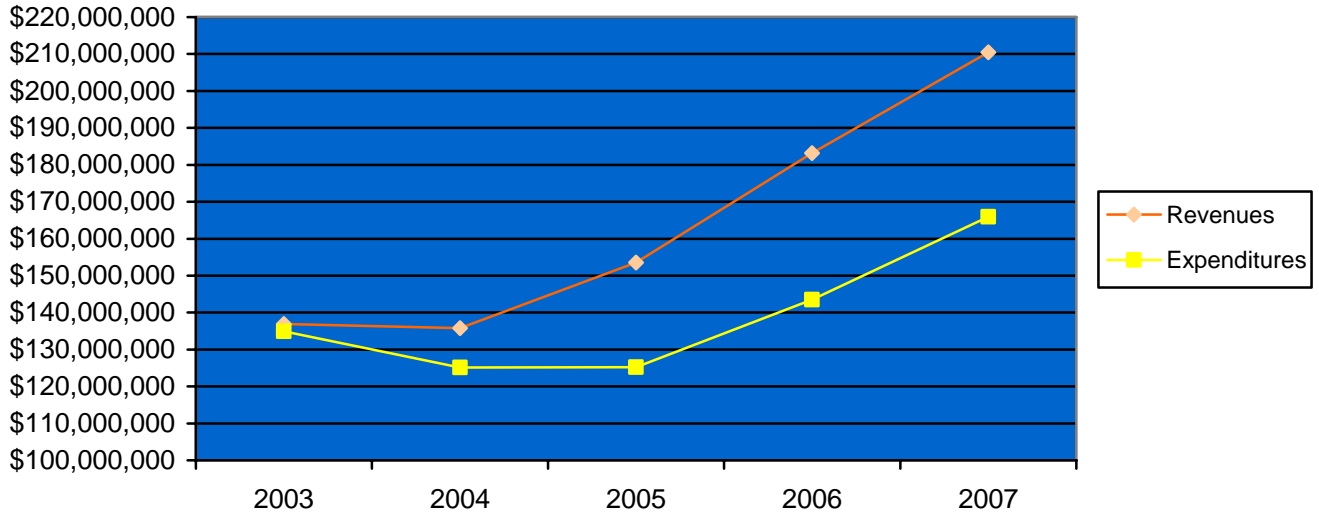
(in millions)

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for services	\$ 30.4	\$ 38.0	\$ 89.9	\$ 78.0	\$ 120.3	\$ 116.0
Operating grants and contributions	8.3	7.8	1.3	1.2	9.6	9.0
Capital grants and contributions	22.4	23.0	31.7	12.7	54.1	35.7
General revenues:						
Taxes:						
Property taxes	63.1	51.0			63.1	51.0
Sales & Use Tax	39.7	39.9			39.7	39.9
Other taxes	9.4	9.5			9.4	9.5
Grants and contributions not restricted to specific programs	2.0	3.7			2.0	3.7
Gain on sale of Capital Assets	6.4				6.4	
Investment earnings	9.6	4.9	3.6	2.5	13.2	7.4
Other Income	10.0	6.7			10.0	6.7
Special Item	8.0				8.0	-
Total revenues	209.3	184.5	126.5	94.4	335.8	278.9
Expenses						
General government	17.9	17.0			17.9	17.0
Public safety - Fire	19.8	19.4			19.8	19.4
Public safety - Police	35.4	35.3			35.4	35.3
Public Works	32.9	28.3			32.9	28.3
Redevelopment	31.5	18.3			31.5	18.3
Parks and Community Services	12.5	12.9			12.5	12.9
Library	3.2	3.2			3.2	3.2
Interest on long term debt	12.3	9.1			12.3	9.1
Water			42.9	40.0	42.9	40.0
Wastewater			25.4	23.4	25.4	23.4
Electric			24.7	20.3	24.7	20.3
Transit Services			1.8	1.6	1.8	1.6
Total expenses	165.5	143.5	94.8	85.3	260.3	228.8
Increase in net assets before transfers	43.6	41.0	31.7	9.1	75.5	50.1
Transfers	0.2	(1.4)	(0.2)	1.4		-
Increase (decrease) in net assets	43.8	39.6	31.5	10.5	75.5	50.1
Net assets 7/1	740.5	704.5	74.4	60.3	814.9	764.8
Net assets 6/30	\$ 784.3	\$ 744.1	\$ 105.9	\$ 70.8	\$ 890.4	\$ 814.9

CITY OF CORONA

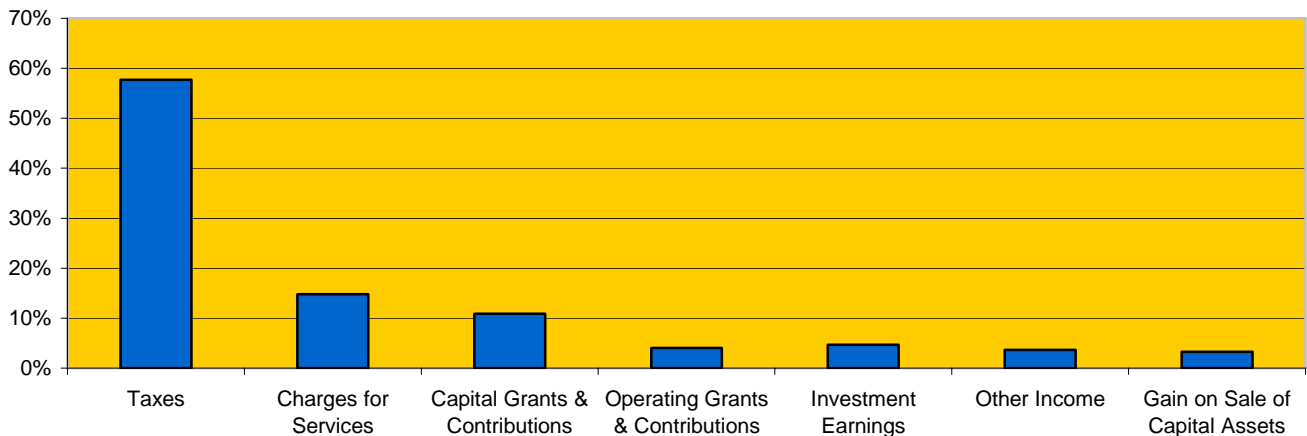
Management's Discussion and Analysis, continued
 Year Ended June 30, 2007

**Revenues and Expenditures
 Governmental Activities**



Total resources available during the year to finance governmental operations were \$952.3 million consisting of Net Assets at July 1, 2006 of \$743.0 million, program revenues of \$61 million and general revenues of \$148.3 million. Total governmental activities during the year were \$165.5 million; thus, Net Assets increased by \$43.8 million to \$786.8 million.

**Revenue Sources
 Governmental Activities**



- Charges for services decreased \$7.9 million from the prior year. Two million of the decrease was in building fees and permits. This is consistent with the slower pace of construction in Corona due to the economy and the City nearing build-out. Internal Service fees decreased \$1 million from the prior year.

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

- Taxes comprise nearly 75.6% of the total revenue. Of this, 56.2% of the taxes are property taxes. Property taxes increased \$12.1 million or 24% over the prior year due to increases in assessed valuation from property sales and new construction.
- Investment earnings increased \$4.7 million a 96% increase. This is attributable to rising interest rates which have improved the return on City investments and additional cash balances available for investment.
- The gain on sale of capital assets for \$6.4 million resulted from the City selling surplus real estate. The proceeds of the sale were applied towards financing the expansion of the City's corporation yard.
- Public Works increased expenses \$4.6 million due to the realignment of staff from the Corona Utility Authority.
- Redevelopment increased expenses by \$13.1 million due to increased redevelopment activity in the Temescal Canyon Project Area and Project Area "A".
- Interest on long term debt increased by \$3.1 million due to the addition of \$59.3 in long term debt.

BUSINESS TYPE ACTIVITIES

The City's net assets from business-type activities increased \$35.1 million. Invested in capital assets, net of related debt, restated, increased \$18.1 million due to ongoing capital projects such as the cogeneration facility, the recycled water project, electric greenfield projects and expansion and improvement to the utility systems.

The cost of all Proprietary (Business Type) activities this year was \$94.8 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$89.9 million, operating grants and contributions were \$ 1.3 million and capital grants and contributions were \$31.7 million. Investment earnings were \$3.6 million.

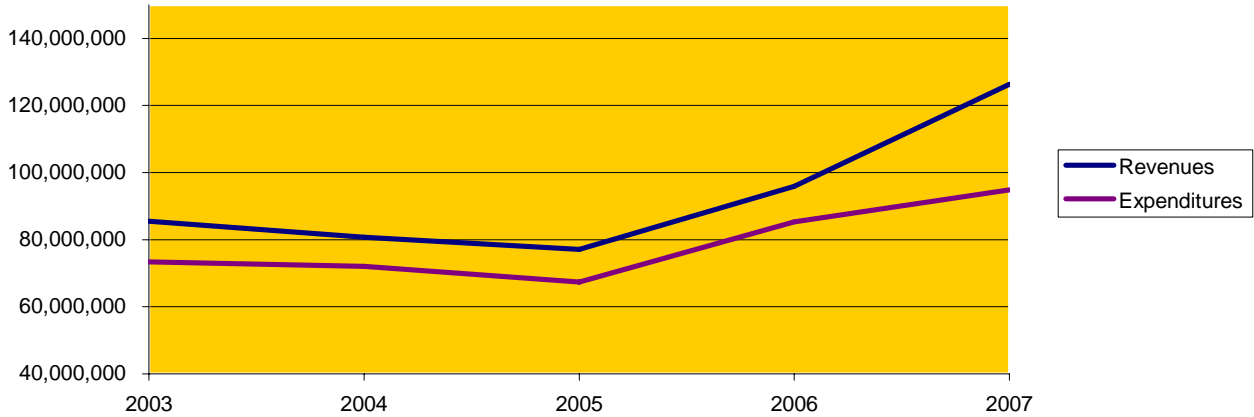
Total resources available during the year to finance Proprietary fund (Business Type) activities were \$200.7 million consisting of Net Assets at July 1, 2006 of \$74.4 million, program revenues of \$122.8 million, general revenues of \$3.5 million. Total Proprietary fund (Business Type) activities during the year were \$94.8 million; thus Net Assets were increased by \$31.5 million to \$105.9 million.

- Charges for services increased \$12 million over the prior year. Water increased \$7 million due to a rate increase effective July 1, 2006 of 8% and increased usage. Wastewater increased \$2 million due to a 5% rate increase. Electric increased \$3.5 million or 17.5% from new service additions.
- Expenses for wastewater and electric grew at the same rate as their revenue increase, primarily due to increases in the cost of chemicals and utilities. Water expenses increased \$3 million or 7.5%, which is consistent with the increase in usage.

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

Revenues and Expenditures Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The net change in the City's General fund was \$19.6 million, with an ending fund balance of \$94.8 million. The prior year net change in fund balance was \$20.4 million; therefore the year to year change was less than \$1 million.

Expenditures increased overall by \$7.8 million primarily in the areas of Public Safety – Police \$3.5 million, Public Safety – Fire \$2.4 million due to additions to staff and pay increases resulting from labor agreements.

Revenues had an increase of \$8.2 million, primarily attributable to increased property tax revenue of \$6.2 million and increased investment earnings of \$2 million over the prior year. Property tax increases are due to additional housing units added within the City and increases in assessed value on existing homes. It is expected that property tax increases will flatten out in future years as the City is reaching build out and property values no longer escalating. Transfers to other funds increased \$3.70 million from the prior year, primarily due to a \$3 million transfer for a development agreement that had been in the prior year's unreserved-designated fund balance. The certain terms of the agreement were achieved during the year, thus necessitating the transfer. The City sold surplus property during the year to finance the Corporation Yard Expansion Project, which resulted in a gain of \$6.7 million.

The Development Special Revenue funds show a decrease in fund balance of \$3.6 million from the prior year due to capital outlay from developer impact fee funds. \$3.4 million was spent on community park projects.

The Redevelopment Special Revenue fund increased \$2.6 million in comparison to the prior year. The fund balance of \$7.4 will be used for low and moderate income housing projects and programs in future years. The Redevelopment Debt Service fund shows an increase of \$7.4 million in fund balance of which \$5.1 million was from debt proceeds. The debt issued was a \$22.1 million Tax Allocation bond for the Temescal Canyon Project Area. The remaining \$17 million in bond proceeds was recorded in the Redevelopment Capital Projects fund.

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

DEBT ADMINISTRATION

Debt considered a liability of governmental activities increased in FY 2006-07 by \$53.9 million, which is comprised of \$59.3 million in new debt and \$5.4 in normal amortization of existing debt. The new debt was for \$22.1 million in Redevelopment Tax Allocation Bonds issued for redevelopment efforts in the Temescal Canyon Project Area and \$37.2 million of Lease Revenue Bonds to finance the expansion of the City's Corporation Yard Facility. The Police department will be moving their operations to the Corporation Yard Facility, which necessitates a new jail and two new buildings for DWP staff and field staff for Public Works and Parks. Correspondingly, per capita debt outstanding increased from \$693 to \$1,059 compared to the prior fiscal year due to the new debt referred to above. Refer to the Notes to Basic Financial Statements No. 8 through 25 for detail regarding debt on pages 69-85 of this report.

Debt of the business-type activities decreased by \$1.8 million in FY 2006-07 due to loan proceeds from a State Revolving Fund loan for the Recycled Water project for \$2 million and \$3.8 million in normally scheduled principal reductions on debt.

A schedule of outstanding debt is presented below (in millions).

	<u>Balance</u> <u>July 1, 2006</u>	<u>Incurred or</u> <u>Issued</u>	<u>Satisfied or</u> <u>Matured</u>	<u>Balance</u> <u>June 30, 2007</u>
Governmental Activities:				
Loans Payable	\$ 1.5	\$ -	\$ 0.4	\$ 1.1
Long Term Agreement Payable	1.1		0.2	0.9
Lease Payable	0.8		0.1	0.7
General Obligation Bonds Payable	2.6		0.6	2.0
Redevelopment Bonds Payable	42.8	22.1	1.7	63.2
Lease Revenue Bonds Payable	51.9	37.2	2.0	87.1
Special Assessment District Bonds	2.9		0.4	2.5
Total Governmental Activities	<u>\$ 103.6</u>	<u>\$ 59.3</u>	<u>\$ 5.4</u>	<u>\$ 157.5</u>
Business-Type Activities:				
Contracts Payable	\$ 0.7	\$ -	\$ -	\$ 0.7
Installment Agreement Payable	0.3		0.1	0.2
Lease Payable	172.6			172.6
Term Loan Payable	43.5	2.0	2.2	43.3
Water Revenue Bonds	31.9		0.8	31.1
Certificates of Participation	101.3		0.7	100.6
Total Business-Type Activities	<u>\$ 350.3</u>	<u>\$ 2.0</u>	<u>\$ 3.8</u>	<u>\$ 348.5</u>

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, 2007, net capital assets of the governmental activities totaled \$556.4 million and the net capital assets of the business-type activities totaled \$378.1 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to the Notes to Basic Financial Statements No. 6 for detail regarding capital assets on pages 66-68 of this report.

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its paving system (streets). Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate 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 70 for all streets. The average rating for the City's streets at June 30, 2007 was 70, which is the City's policy level. 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 interests trenching operations; and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and sidewalk repair. Actual expenditures for street maintenance for the fiscal year ended June 30, 2007 were \$7.4 million. These expenditures delayed deterioration, however the overall condition of the streets was not improved through these maintenance expenditures. The City has determined that the amount of annual expenditures required to maintain the City's streets at the average PCI rating 70 through the year 2011 is a minimum of \$9 million per year.

The following table presents summary information on the City's capital assets (in millions).

Description	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Activities:			
Land	\$ 58.8	\$ -	\$ 58.8
Buildings and Improvements	158.8	(64.0)	94.8
Equipment, Vehicles, Machinery	29.0	(15.6)	13.4
Construction in Progress	27.4		27.4
Infrastructure	437.5	(75.5)	362.0
Total	\$ 711.5	\$ (155.1)	\$ 556.4
Capital Assets - Business-Type Activities:			
Land	\$ 2.5	\$ -	\$ 2.5
Wastewater Rights	9.2		9.2
Buildings and Improvements	116.8	(24.4)	92.4
Equipment, Vehicles, Machinery	63.6	(21.2)	42.4
Construction in Progress	44.4		44.4
Infrastructure	229.2	(42.0)	187.2
Total	\$ 465.7	\$ (87.6)	\$ 378.1

CITY OF CORONA

Management’s Discussion and Analysis, continued
Year Ended June 30, 2007

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2006-07 original (or Adopted) General Fund expenditure budget amount of \$105.5 million to the final budget amount of \$116.1 million shows a net increase of \$10.6 million.

Included in this figure is \$3.0 million in prior fiscal year capital improvement projects approved for carryover into fiscal year 2006-07, as well as \$1.2 million in committed purchase orders from the prior year. The resulting beginning budget balance was \$109.7 million.

Original Budget	\$	105,475,126
Continued Appropriations		2,995,398
Encumbrances		<u>1,227,886</u>
Beginning Balance		109,698,410
Supplemental Changes		<u>6,411,985</u>
Final Budget	\$	<u><u>116,110,395</u></u>

Comparing the beginning budget of \$109.7 million to the final budget of \$116.1 million indicates the General Fund had supplemental budgetary appropriations totaling \$ 6.4 million for the 2006-07 fiscal year.

These supplemental appropriations include \$1.5 million of ECB budget savings that were approved for various departmental projects, \$2.2 million for the design and construction of Stagecoach Park, \$0.5 million for an operating agreement, and \$0.5 million for the I-15 Freeway/Cajalco Interchange project. Additional increases of \$1.6 million were approved throughout the year for public safety staffing, health cost increases, labor agreements and minimum wage increases.

Final Budget	\$	116,110,395
Expenditure Actuals		<u>(107,491,396)</u>
Variance (over) / under	\$	<u><u>8,618,999</u></u>

The General Fund final budget amount of \$116.1 million compared to the June 30, 2007 expenditure actuals of \$107.5 million represents a variance of \$8.6 million. This variance is largely comprised from the following: \$6.9 million from capital outlay, \$1.0 million from General Government, Community Development, and Building, \$0.3 million from Public Safety and \$0.2 million from Culture and Recreation activities.

Major capital projects such as the Sherborn Improvements, I-15 Freeway/ Cajalco Interchange Improvements, Historical Civic Center Renovations, Stagecoach Park and the Magnolia/ 1-15 Freeway Corridor Improvements will require continuing appropriations of \$5.8 million into the next budget year, as these projects were not completed by June 30, 2007. There are also \$1.7 million in committed purchase orders that will carry forward.

Savings in personnel costs from position vacancies and savings from professional and contractual support completed the variances in the remaining activities

CITY OF CORONA

Management's Discussion and Analysis, continued
Year Ended June 30, 2007

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 show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of Finance at 400 South Vicentia, Corona, California, 92882, phone 951-279-3500 or e-mail finance@ci.corona.ca.us.



Government-Wide Financial Statements



CITY OF CORONA

**Statement of Net Assets
June 30, 2007**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets			
Cash and Investments	\$ 165,995,114	\$ 56,662,319	\$ 222,657,433
Accounts Receivable, Net	2,261,226	11,957,212	14,218,438
Interest Receivable	2,337,028	730,283	3,067,311
Due from Other Governmental Agencies	22,942,926	1,374,025	24,316,951
Loans Receivable	1,441,820		1,441,820
Inventories and Prepayments	570,372	1,558,830	2,129,202
Land Held for Resale	10,424,602		10,424,602
Restricted Assets:			
Cash and Investments	48,230,340	18,050,574	66,280,914
Total Current Assets	254,203,428	90,333,243	344,536,671
Noncurrent Assets			
Internal Balances - Capital Lease	172,628,344	(172,628,344)	-
Internal Balances - Interfund	1,265,747	(1,265,747)	-
Long-term Receivable	15,703,257	18,000,000	33,703,257
Intangible Assets		347,700	347,700
Capital Assets:			
Land, wastewater rights, infrastructure and CIP	254,886,202	55,990,563	310,876,765
Depreciable buildings, property, equipment and infrastructure, net	301,478,652	322,141,995	623,620,647
Total Capital Assets	556,364,854	378,132,558	934,497,412
Total Noncurrent Assets	745,962,202	222,586,167	968,548,369
Total Assets	1,000,165,630	312,919,410	1,313,085,040
Liabilities:			
Current Liabilities			
Accounts Payable and Accrued Liabilities	11,830,601	9,610,818	21,441,419
Claims and Judgments Payable	2,632,467		2,632,467
Deposits	6,568,494		6,568,494
Interest Payable	2,204,817		2,204,817
Unearned Revenue	16,690,340	645,711	17,336,051
Compensated Absences Payable	5,983,954	951,947	6,935,901
Long-term Debt - Due Within One Year	6,299,695	5,736,911	12,036,606
Liabilities Payable from Restricted Assets	786,992	435,303	1,222,295
Total Current Liabilities	52,997,360	17,380,690	70,378,050
Noncurrent Liabilities			
Long-term Debt - Due in More than One Year	151,149,810	170,134,876	321,284,686
Claims and Judgments Payable	6,562,598		6,562,598
Unearned Revenue		19,122,585	19,122,585
Compensated Absences Payable	2,614,609	371,506	2,986,115
Total Noncurrent Liabilities	160,327,017	189,628,967	349,955,984
Total Liabilities	213,324,377	207,009,657	420,334,034
Net Assets:			
Invested in Capital Assets, Net of Related Debt	458,250,349	38,558,652	496,809,001
Restricted for:			
Capital Projects	20,417,055		20,417,055
Debt Service	28,838,799		28,838,799
Specific Projects and Programs	9,483,004	17,317,361	26,800,365
Total Restricted Net Assets	58,738,858	17,317,361	76,056,219
Unrestricted	269,852,046	50,033,740	319,885,786
Total Net Assets	\$ 786,841,253	\$ 105,909,753	\$ 892,751,006

See Accompanying Notes to Basic Financial Statements

CITY OF CORONA

**Statement of Activities and Changes in Net Assets
Year Ended June 30, 2007**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities					
General Government	\$ 17,944,188	\$ 1,513,639	\$ 243,949	\$ 64,043	\$ 1,821,631
Public Safety - Fire	19,824,613	4,181,914	910,479	541,291	5,633,684
Public Safety - Police	35,418,464	3,246,509	1,636,605	332,334	5,215,448
Public Works (Note 33)	32,887,632	14,830,576	3,756,466	14,684,863	33,271,905
Redevelopment	31,450,231	1,168	1,064,967	2,826,251	3,892,386
Parks and Community Services	12,504,767	6,064,402	422,613	3,748,915	10,235,930
Library	3,156,247	541,166	235,650	164,972	941,788
Interest & Fiscal Charges	12,348,977				
Total Governmental Activities	165,535,120	30,379,374	8,270,729	22,362,669	61,012,772
Business-Type Activities:					
Water	42,980,979	43,261,136		19,037,809	62,298,945
Wastewater	25,431,501	21,824,979		11,668,951	33,493,930
Electric	24,688,495	24,466,921			24,466,921
Transit Services	1,773,529	316,671	1,284,236	995,854	2,596,761
Total Business-Type Activities	94,874,504	89,869,707	1,284,236	31,702,614	122,856,557
Total Primary Government	\$ 260,409,624	\$ 120,249,081	\$ 9,554,965	\$ 54,065,283	\$ 183,869,329

General Revenues:

- Taxes:
 - Property Taxes
 - Sales and Use Tax
 - Franchise Tax
 - Business Tax
 - Transient Occupancy Tax
 - Property Transfer Tax
 - Dwelling Development Tax
 - Other Taxes
- Total Taxes

- Grants and Contributions not Restricted to Specific Programs
- Gain on Sale of Capital Asset
- Investment Earnings
- Labor Abatement
- Other Income

Special Item

Transfers

Total General Revenues and Transfers

Change in Net Assets

**Net Assets - Beginning of Year,
As Restated (Note 34)**

Net Assets - End of Year

**Net (Expense) Revenue
and Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (16,122,557)	\$ -	\$ (16,122,557)
(14,190,929)		(14,190,929)
(30,203,016)		(30,203,016)
384,273		384,273
(27,557,845)		(27,557,845)
(2,268,837)		(2,268,837)
(2,214,459)		(2,214,459)
<u>(12,348,977)</u>		<u>(12,348,977)</u>
<u>(104,522,348)</u>	<u>-</u>	<u>(104,522,348)</u>
	19,317,966	19,317,966
	8,062,429	8,062,429
	(221,574)	(221,574)
	<u>823,232</u>	<u>823,232</u>
<u>-</u>	<u>27,982,053</u>	<u>27,982,053</u>
<u>(104,522,348)</u>	<u>27,982,053</u>	<u>(76,540,295)</u>
63,121,766		63,121,766
39,684,799		39,684,799
4,154,072		4,154,072
2,241,325		2,241,325
1,387,282		1,387,282
965,176		965,176
312,155		312,155
336,876		336,876
<u>112,203,451</u>	<u>-</u>	<u>112,203,451</u>
1,977,907		1,977,907
6,438,368		6,438,368
9,602,364	3,647,928	13,250,292
378,494		378,494
9,557,888		9,557,888
7,996,099		7,996,099
170,294	(170,294)	-
<u>148,324,865</u>	<u>3,477,634</u>	<u>151,802,499</u>
<u>43,802,517</u>	<u>31,459,687</u>	<u>75,262,204</u>
<u>743,038,736</u>	<u>74,450,066</u>	<u>817,488,802</u>
<u>\$ 786,841,253</u>	<u>\$ 105,909,753</u>	<u>\$ 892,751,006</u>



Governmental Fund Financial Statements

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Development Fund Special Revenue - This fund is used to account for park dedication fees, dwelling development fees and other development fees received. The money is used to offset the burden resulting from new developments.

Redevelopment Fund Special Revenue - This fund is used to account for tax increment monies that are set aside to provide housing assistance to low and moderate income families in Corona and miscellaneous developer agreements related to sales tax generated in a specific project area.

Redevelopment Fund Debt Service - This fund is used to account for tax levies, rentals and other revenues and payments of principal and interest on Redevelopment loans and bonds.

Redevelopment Fund Capital Projects - This fund is used to account for transactions related to proceeds from bonds and other resources and their use to perform redevelopment activities within specific project areas.

Other Government Funds - These funds represents the non-major governmental funds, which include special revenue, debt service and capital projects funds.

CITY OF CORONA

**Balance Sheet
Governmental Funds
June 30, 2007**

	<u>General Fund</u>	<u>Development Special Revenue</u>	<u>Redevelopment Special Revenue</u>
Assets:			
Cash and Investments	\$ 70,358,282	\$ 23,910,566	\$ 6,517,863
Accounts Receivable, Net	1,775,631		1,148
Interest Receivable	1,243,283	228,369	63,187
Due from Other Governmental Agencies	14,063,490	7,974	
Due From Other Funds	16,616,712		1,500,000
Long-term Receivable	495,325	1,751,473	
Interfund Advances Receivable	5,274,435		
Long-term Capital Lease Receivable	172,628,344		
Loans Receivable			10,891,459
Inventories and Prepayments	322,590		
Land Held for Resale			1,152,510
Restricted Assets:			
Cash and Investments	65,680		
Total Assets	<u>\$ 282,843,772</u>	<u>\$ 25,898,382</u>	<u>\$ 20,126,167</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 4,966,127	\$ 1,548,099	\$ 61,071
Deposits	6,565,869		
Claims and Judgements	11,526		
Due to Other Governmental Agencies			
Due to Other Funds		9,460,812	
Deferred Revenues			
Unearned Revenue	176,415,039	1,751,473	10,543,523
Interfund Advances Payable			2,080,033
Liabilities Payable from Restricted Assets	47,297		
Total Liabilities	<u>188,005,858</u>	<u>12,760,384</u>	<u>12,684,627</u>
Fund Balances:			
Reserved for:			
Encumbrances	1,678,433	1,706,038	61,961
Loans Receivable	495,325		347,936
Inventories & Prepayments	322,590		
Debt Service	3,362,335		
Land Held for Resale			1,152,510
Interfund Advances	18,263,074		
Unreserved, reported in:			
Designated	70,716,157		
Special Revenue			
Designated		11,431,960	5,879,133
Undesignated			
Capital Projects			
Designated			
Undesignated			
Total Fund Balances	<u>94,837,914</u>	<u>13,137,998</u>	<u>7,441,540</u>
Total Liabilities and Fund Balances	<u>\$ 282,843,772</u>	<u>\$ 25,898,382</u>	<u>\$ 20,126,167</u>

See Accompanying Notes to Basic Financial Statements



<u>Redevelopment Debt Service</u>	<u>Redevelopment Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,331,556	\$ 12,381,078	\$ 20,236,029	\$ 138,735,374
		468,324	2,245,103
85,698	120,191	329,003	2,069,731
862,326		7,999,986	22,933,776
		-	18,116,712
		2,565,000	4,811,798
			5,274,435
			172,628,344
	1,084,467	357,353	12,333,279
	9,272,092		322,590
			10,424,602
<u>8,664,618</u>	<u>41,331</u>	<u>39,458,711</u>	<u>48,230,340</u>
<u>\$ 14,944,198</u>	<u>\$ 22,899,159</u>	<u>\$ 71,414,406</u>	<u>\$ 438,126,084</u>

\$ 140,123	\$ 269,475	\$ 4,462,684	\$ 11,447,579
		2,625	6,568,494
			11,526
4			4
3,527,827	1,500,000	3,628,073	18,116,712
		2,989,092	2,989,092
	500,000	435,771	189,645,806
1,603,655		325,000	4,008,688
	<u>5,679</u>	<u>734,016</u>	<u>786,992</u>
<u>5,271,609</u>	<u>2,275,154</u>	<u>12,577,261</u>	<u>233,574,893</u>

	1,146,647	17,519,605	22,112,684
	584,467		1,427,728
			322,590
9,672,589		18,276,091	31,311,015
	9,272,092		10,424,602
			18,263,074
			70,716,157
		17,426,618	34,737,711
		(274,798)	(274,798)
	9,620,799	5,677,681	15,298,480
		211,948	211,948
<u>9,672,589</u>	<u>20,624,005</u>	<u>58,837,145</u>	<u>204,551,191</u>
<u>\$ 14,944,198</u>	<u>\$ 22,899,159</u>	<u>\$ 71,414,406</u>	<u>\$ 438,126,084</u>

CITY OF CORONA

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2007**

Total Fund Balances - Total Governmental Funds \$ 204,551,191

Amounts reported for Governmental Activities in the Statement of Net Assets 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. 556,364,854

Deferred revenues reported in Governmental Funds Balance Sheet includes loans receivable, capital lease and franchise fees. The balance was deferred because funds were not available to pay for current period expenditures. 175,944,558

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet. (2,204,817)

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 Assets. 18,156,581

Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.

Compensated Absences (8,521,609)
Long-term Debt (157,449,505)

Net Assets of Governmental Activities \$ 786,841,253

See Accompanying Notes to Basic Financial Statements



CITY OF CORONA**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2007**

	<u>General Fund</u>	<u>Development Special Revenue</u>	<u>Redevelopment Special Revenue</u>
Revenues:			
Property Taxes	\$ 37,584,460	\$ -	\$ -
Other Taxes	47,968,446		
Licenses, Fees and Permits	2,628,666	4,404,522	
Fines and Penalties	821,259		
Special Assessments			
Investment Earnings	3,735,583	1,233,977	275,482
Intergovernmental Revenues	3,062,375	300,000	
Current Services	10,474,168		
Payments in Lieu of Services	9,489,643	312,155	
Other Revenues	9,077,423	301,198	323,782
Total Revenues	<u>124,842,023</u>	<u>6,551,852</u>	<u>599,264</u>
Expenditures:			
Current:			
General Government	21,542,117	1,123,779	-
Planning			
Public Safety - Fire	22,126,488	3,287	
Public Safety - Police	38,964,024	148,918	
Public Works	9,220,382	1,719,096	
Parks and Community Services	7,990,027	-	
Redevelopment			1,632,696
Library	3,202,597	265,882	
Capital Outlay	999,561	5,143,189	
Debt Service:			
Principal Retirement	1,430,052	695,000	-
Interest and Fiscal Charges	1,924,654	305,317	174,471
Total Expenditures	<u>107,399,902</u>	<u>9,404,468</u>	<u>1,807,167</u>
Excess of Revenues Over (Under) Expenditures	<u>17,442,121</u>	<u>(2,852,616)</u>	<u>(1,207,903)</u>
Other Financing Sources (Uses):			
Proceeds from Long-Term Obligations			
Gain on Sale of Capital Asset	6,739,350		
Transfers In	4,954,248	426,153	5,027,284
Transfers Out	(9,548,781)	(1,219,840)	(1,176,648)
Total Other Financing Sources (Uses)	<u>2,144,817</u>	<u>(793,687)</u>	<u>3,850,636</u>
Net Change in Fund Balances	19,586,938	(3,646,303)	2,642,733
Fund Balances - Beginning of Year, As Restated (Note 34)	<u>75,250,976</u>	<u>16,784,301</u>	<u>4,798,807</u>
Fund Balances - End of Year	<u>\$ 94,837,914</u>	<u>\$ 13,137,998</u>	<u>\$ 7,441,540</u>

See Accompanying Notes to Basic Financial Statements

<u>Redevelopment Debt Service</u>	<u>Redevelopment Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 24,865,316	\$ -	\$ 671,991	\$ 63,121,767
		532,407	47,968,446
		857,266	7,565,595
442,828	630,017	7,472,089	1,678,525
		2,019,499	7,472,089
		17,760,418	8,337,386
		6,073,245	21,122,793
	1,491,419	373,857	16,547,413
			9,801,798
			11,567,679
<u>25,308,144</u>	<u>2,121,436</u>	<u>35,760,772</u>	<u>195,183,491</u>
	1,913,314	276,120	24,855,330
	384,341	103,964	488,305
			22,129,775
		524,112	39,637,054
	137,382	21,269,967	32,346,827
	12,877	4,368,130	12,371,034
228,551	26,114,003	661,531	28,636,781
		140,940	3,609,419
	1,310,138	15,482,568	22,935,456
1,920,834		1,420,928	5,466,814
<u>8,254,617</u>		<u>1,051,525</u>	<u>11,710,584</u>
<u>10,404,002</u>	<u>29,872,055</u>	<u>45,299,785</u>	<u>204,187,379</u>
<u>14,904,142</u>	<u>(27,750,619)</u>	<u>(9,539,013)</u>	<u>(9,003,888)</u>
5,103,775	17,051,225	37,180,000	59,335,000
4,782,049	19,708,169	2,541,030	6,739,350
(17,370,887)	(4,505,401)	(2,992,517)	37,438,933
<u>(7,485,063)</u>	<u>32,253,993</u>	<u>36,728,513</u>	<u>(36,814,074)</u>
7,419,079	4,503,374	27,189,500	73,438,559
			57,695,321
2,253,510	16,120,631	31,647,645	146,855,870
<u>\$ 9,672,589</u>	<u>\$ 20,624,005</u>	<u>\$ 58,837,145</u>	<u>\$ 204,551,191</u>

CITY OF CORONA

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets
Year Ended June 30, 2007**

Net Change in Fund Balances - Total Governmental Funds	\$ 57,695,321
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 and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Additions and adjustments to capital assets amounted to \$41,041,222, less deletions of \$865,284, resulted in the net amount of capital assets of \$40,175,938 in the current period.	40,175,938
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(10,160,378)
Some revenues will not be collected for several months after the City's fiscal year end, they are not considered available revenues and are deferred in the governmental funds. Deferred revenues decreased by these amounts this year:	(650,121)
Long-term compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds. This amount represents the change from the prior year.	(1,089,784)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets.	
This amount represents bond proceeds.	(59,335,000)
This amount represents long-term debt repayments.	5,466,814
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in Governmental Funds. The following amount represents the change in accrued interest from the prior year.	(638,393)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.	<u>12,338,120</u>
Change in Net Assets of Governmental Activities	\$ <u><u>43,802,517</u></u>

See Accompanying Notes to Basic Financial Statements

Proprietary Fund Financial Statements

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.

Wastewater Fund - This fund is used to account for the operation of the City's Wastewater System 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.

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).

Internal Service Funds - This fund is used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Nonmajor Other 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.

Public Improvement Corporation 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

**Statement of Net Assets
Proprietary Funds
June 30, 2007**

	Corona Utility Authority		Electric
	Water	Wastewater	
Assets:			
Current Assets			
Cash and Investments	\$ 26,219,530	\$ 20,248,073	\$ 9,978,155
Accounts Receivable, Net	8,048,988	1,796,321	2,110,427
Interest Receivable	255,282	200,545	144,311
Due from Other Governmental Agencies	1,316,594	53,241	
Due From Other Funds		2,622,452	
Inventories and Prepayments	1,533,830		25,000
Restricted Assets:			
Cash and Investments	135,362	14,941	10,448,611
Total Current Assets	37,509,586	24,935,573	22,706,504
Noncurrent Assets			
Interfund Advances Receivable	473,875		6,113,950
Long-term Receivable	18,000,000		
Intangible Assets			347,700
Capital Assets:			
Land, wastewater rights & construction in progress	23,881,748	6,466,332	25,642,483
Depreciable buildings, property, equipment and infrastructure, net	183,538,112	86,722,464	49,673,586
Total Capital Assets	207,419,860	93,188,796	75,316,069
Total Noncurrent Assets	225,893,735	93,188,796	81,777,719
Total Assets	263,403,321	118,124,369	104,484,223
Liabilities:			
Current Liabilities			
Accounts Payable and Accrued Liabilities	3,959,268	1,562,093	3,951,876
Claims and Judgments Payable			2,622,452
Due To Other Funds			
Deferred Revenues	347,801		
Compensated Absences Payable	535,378	353,720	57,179
Long-term Debt - Due Within One Year	2,367,651	1,414,260	1,955,000
Liabilities Payable from Restricted Assets	27,870	14,941	392,492
Total Current Liabilities	7,237,968	3,345,014	8,978,999
Noncurrent Liabilities			
Interfund Advances Payable			1,265,747
Deferred Revenues	19,122,585		
Compensated Absences Payable	371,506		
Long-term Debt - Due in More than One Year	170,930,817	84,147,403	87,685,000
Claims and Judgments Payable			
Total Noncurrent Liabilities	190,424,908	84,147,403	88,950,747
Total Liabilities	197,662,876	87,492,417	97,929,746
Net Assets:			
Invested in Capital Assets, Net of Related Debt	34,294,392	7,627,133	(5,570,706)
Restricted	107,492		10,056,119
Unrestricted	31,338,561	23,004,819	2,069,064
Total Net Assets	\$ 65,740,445	\$ 30,631,952	\$ 6,554,477
See Accompanying Notes to Basic Financial Statements			



<u>Transit Services</u>	<u>Nonmajor Other</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 216,561	\$ -	\$ 56,662,319	\$ 27,259,740
1,476		11,957,212	16,123
4,145	126,000	730,283	267,297
4,190		1,374,025	9,150
		2,622,452	
		1,558,830	247,782
297,910	7,153,750	18,050,574	
<u>524,282</u>	<u>7,279,750</u>	<u>92,955,695</u>	<u>27,800,092</u>
		6,587,825	
		18,000,000	
		347,700	
		55,990,563	
2,207,833		322,141,995	
<u>2,207,833</u>	<u>-</u>	<u>378,132,558</u>	
<u>2,207,833</u>	<u>-</u>	<u>403,068,083</u>	<u>-</u>
<u>2,732,115</u>	<u>7,279,750</u>	<u>496,023,778</u>	<u>27,800,092</u>
137,581		9,610,818	383,018
			2,620,941
		2,622,452	
297,910		645,711	
5,670		951,947	
		5,736,911	
		435,303	
<u>441,161</u>	<u>-</u>	<u>20,003,142</u>	<u>3,003,959</u>
	6,587,825	7,853,572	
		19,122,585	
		371,506	76,954
		342,763,220	
			6,562,598
<u>-</u>	<u>6,587,825</u>	<u>370,110,883</u>	<u>6,639,552</u>
<u>441,161</u>	<u>6,587,825</u>	<u>390,114,025</u>	<u>9,643,511</u>
2,207,833		38,558,652	
	7,153,750	17,317,361	
83,121	(6,461,825)	50,033,740	18,156,581
<u>\$ 2,290,954</u>	<u>\$ 691,925</u>	<u>\$ 105,909,753</u>	<u>\$ 18,156,581</u>

CITY OF CORONA**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2007**

	Corona Utility Authority	
	Water	Wastewater
Operating Revenues:		
Utility Service Charges	\$ 39,152,742	\$ 20,870,418
Intergovernmental Revenues		
Fees and Permits	1,470,943	39,790
Fines and Penalties	899,513	-
Other Revenues	1,737,938	914,771
Total Operating Revenues	<u>43,261,136</u>	<u>21,824,979</u>
Operating Expenses:		
Personnel Services	10,008,315	6,275,767
Contractual	1,603,426	1,339,590
Materials and Supplies	16,428,551	8,439,096
Utilities	5,307,821	3,978,467
Depreciation and Amortization	5,077,999	2,747,239
Claims Expense		
Total Operating Expenses	<u>38,426,112</u>	<u>22,780,159</u>
Operating Income (Loss)	<u>4,835,024</u>	<u>(955,180)</u>
Non-Operating Revenues (Expenses):		
Operating Grants and Contributions		
Investment Earnings	1,239,368	1,139,328
Interest Expense	(4,554,867)	(2,296,602)
Loss on Capital Asset	-	-
Total Non-Operating Revenues	<u>(3,315,499)</u>	<u>(1,157,274)</u>
Income (Loss) before Contributions and Transfers	1,519,525	(2,112,454)
Capital Grants and Contributions	19,037,809	11,668,951
Transfers In	239,221	1,439,723
Transfers Out	(233,219)	(1,439,723)
Change in Net Assets	20,563,336	9,556,497
Total Net Assets - Beginning of Year, As Restated (Note 34)	<u>45,177,109</u>	<u>21,075,455</u>
Total Net Assets - End of Year	<u>\$ 65,740,445</u>	<u>\$ 30,631,952</u>

See Accompanying Notes to Basic Financial Statements

Electric	Transit Services	Nonmajor Other	Totals	Governmental Activities Internal Service Funds
\$ 23,522,265	\$ -	\$ -	\$ 83,545,425	\$ -
	21,605		21,605	
			1,510,733	
-			936,307	
36,794			3,855,637	20,942,333
907,862	295,066			
<u>24,466,921</u>	<u>316,671</u>	<u>-</u>	<u>89,869,707</u>	<u>20,942,333</u>
1,545,727	176,361		18,006,170	1,752,187
395,383	1,226,035		4,564,434	898,416
1,592,898	52,627		26,513,172	3,564,275
17,553,961	157,188		26,997,437	869,718
404,969	161,318		8,391,525	
				2,330,030
<u>21,492,938</u>	<u>1,773,529</u>	<u>-</u>	<u>84,472,738</u>	<u>9,414,626</u>
<u>2,973,983</u>	<u>(1,456,858)</u>	<u>-</u>	<u>5,396,969</u>	<u>11,527,707</u>
	1,284,236		1,284,236	
910,824	11,303	347,105	3,647,928	1,264,978
(3,195,557)		(354,740)	(10,401,766)	
			-	
<u>(2,284,733)</u>	<u>1,295,539</u>	<u>(7,635)</u>	<u>(5,469,602)</u>	<u>1,264,978</u>
689,250	(161,319)	(7,635)	(72,633)	12,792,685
	995,854		31,702,614	
1,106,365			2,785,309	2,183,119
(1,276,659)	-	(6,002)	(2,955,603)	(2,637,684)
518,956	834,535	(13,637)	31,459,687	12,338,120
6,035,521	1,456,419	705,562	74,450,066	5,818,461
<u>\$ 6,554,477</u>	<u>\$ 2,290,954</u>	<u>\$ 691,925</u>	<u>\$ 105,909,753</u>	<u>\$ 18,156,581</u>

CITY OF CORONA

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2007**

	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
Cash Flow from Operating Activities:			
Cash Received (Paid) from / to Customers/Other Funds	\$ 41,605,202	\$ 19,215,877	\$ 23,428,108
Cash Payments to Suppliers of Goods and Services	(26,789,422)	(14,394,645)	(19,721,934)
Cash Payments to Employees for Services	(9,900,157)	(6,334,179)	(1,540,959)
Cash Received (Payments) of Current Claims			
Cash Received (Paid) on Current Claims			
Increase (Decrease) in Long-term Claims			
Other Receipts			944,656
Net Cash Provided by (Used for) Operating Activities	<u>4,915,623</u>	<u>(1,512,947)</u>	<u>3,109,871</u>
Cash Flows from Noncapital Financing Activities:			
Operating Grants and Contributions			
Internal Activity - Proceeds from Interfund Loans			3,888,199
Internal Activity - Payments to Interfund Loans			
Transfers Received	239,221	1,439,723	1,106,365
Transfers Paid	(233,219)	(1,439,723)	(1,276,659)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>6,002</u>	<u>-</u>	<u>3,717,905</u>
Cash Flows from Capital and Related Financing Activities:			
Capital Grants and Contributions	4,488,386	2,673,215	
Acquisition and Construction of Capital Assets	(3,870,885)	(1,641,643)	(1,341,024)
Retirement of Long-term Installments Payable	(2,192,544)	(1,364,864)	(255,000)
Proceeds from Capital Debt	2,037,485		
Interest payments of Long-term debt	(5,537,904)	(2,296,602)	(3,891,057)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,075,462)</u>	<u>(2,629,894)</u>	<u>(5,487,081)</u>
Cash Flows from Investing Activities:			
Purchase of Intangible Asset			
Interest on Investments	1,187,273	1,135,730	863,028
Net Cash Provided by (Used for) Investing Activities	<u>1,187,273</u>	<u>1,135,730</u>	<u>863,028</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,033,436	(3,007,111)	2,203,723
Cash and Cash Equivalents - Beginning of Year	<u>25,321,456</u>	<u>23,270,125</u>	<u>18,223,043</u>
Cash and Cash Equivalents - End of Year	<u>\$ 26,354,892</u>	<u>\$ 20,263,014</u>	<u>\$ 20,426,766</u>

See Accompanying Notes to Basic Financial Statements

Transit Services	Nonmajor Other	Totals	Governmental Activities Internal Service Funds
\$ 159,943	\$ -	\$ 84,409,130	\$ 12,924,882
(1,385,782)		(62,291,783)	(5,612,504)
(170,691)		(17,945,986)	(1,747,256)
			124,010
			(10,450,315)
			8,014,356
295,066		1,239,722	
(1,101,464)	-	5,411,083	3,253,173
1,284,236		1,284,236	
		3,888,199	
		-	
		2,785,309	2,183,119
	(6,002)	(2,955,603)	(2,637,684)
1,284,236	(6,002)	5,002,141	(454,565)
995,854		8,157,455	
(995,854)		(7,849,406)	
		(3,812,408)	
		2,037,485	
	(354,740)	(12,080,303)	
-	(354,740)	(13,547,177)	-
		-	
9,842	347,793	3,543,666	1,241,244
9,842	347,793	3,543,666	1,241,244
192,614	(12,949)	409,713	4,039,852
321,857	7,166,699	74,303,180	23,219,888
\$ 514,471	\$ 7,153,750	\$ 74,712,893	\$ 27,259,740

CITY OF CORONA**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2007**

	Corona Utility Authority		
	Water	Wastewater	Electric
Reconciliation of Operating Income to Net Cash Provided by (Used for) by Operating Activities:			
Operating Income (Loss)	\$ 4,835,024	\$ (955,180)	\$ 2,973,983
Adjustments to Reconcile Operating Income to Net Cash			
Provided (Used) by Operating Activities:			
Depreciation and Amortization	5,077,999	2,747,239	404,969
Inventory adjustments	(177,855)	(38,692)	
Changes in Assets and Liabilities:			
Accounts Receivable	(1,533,349)	45,827	(93,857)
Due from Other Governmental Agencies	(122,585)	(2,654,928)	
Inventories and Prepayments	(600,898)	-	
Accounts Payable and Accrued Liabilities	(2,879,177)	(598,801)	(179,692)
Claims and Judgments Payable			
Deferred Revenues	208,306		(300)
Compensated Absences Payable	108,158	(58,412)	4,768
Net Cash Provided by (Used for) Operating Activities	<u>\$ 4,915,623</u>	<u>\$ (1,512,947)</u>	<u>\$ 3,109,871</u>
Noncash Investing, Capital, and Financing Activities:			
Contributions of capital assets from developers	\$ 14,549,423	\$ 8,995,736	
Write-off of capital assets	-	-	
	<u>\$ 14,549,423</u>	<u>\$ 8,995,736</u>	

See Accompanying Notes to Basic Financial Statements



<u>Transit Services</u>	<u>Nonmajor Other</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ (1,456,858)	\$ -	\$ 5,396,969	\$ 11,527,707
161,318		8,391,525 (216,547)	
1,825		(1,579,554)	6,055
136,513		(2,641,000)	(9,150)
		(600,898)	(73,200)
23,033		(3,634,637)	(201,964)
			(7,996,275)
27,035		235,041	
5,670		60,184	
<u>\$ (1,101,464)</u>	<u>\$ -</u>	<u>\$ 5,411,083</u>	<u>\$ 3,253,173</u>

\$ 23,545,159
-
\$ 23,545,159



Fiduciary Fund Financial Statements

Fiduciary Fund represent an Agency Fund, which is custodial in nature and is 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 liability, and to account for the portion of Redevelopment property tax increment that is allocated for the Corona Norco Unified School District per Redevelopment agreements.



CITY OF CORONA

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007**

	<u>Pass Through Agency Fund</u>
Assets:	
Cash and Investments	\$ 1,509,096
Accounts Receivable, Net	
Interest Receivable	336,467
Due from Other Governmental Agencies	778,911
Restricted Assets:	
Cash and Investments	<u>43,818,065</u>
Total Assets	<u>\$ 46,442,539</u>
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 60,867
Deposits	244,476
Due to Other Governmental Agencies	17,308
Liabilities Payable from Restricted Assets	24,500
Due to Bondholders	<u>46,095,388</u>
Total Liabilities	<u>\$ 46,442,539</u>

See Accompanying Notes to Basic Financial Statements



CITY OF CORONA

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Year Ended June 30, 2007

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Year Ended June 30, 2007

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1) Summary of Significant Accounting Policies**A. Description of the 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 and provides the following services: Public Safety (Police and Fire), Streets and Highways, Water, Wastewater, Electric, Public Library, Parks, Public Improvements, Planning and Zoning, Public Transportation (Transit Services) and General Administrative Services.

The accompanying comprehensive annual financial report includes the financial activities of the City of Corona, the primary government, and its component units, which are the Redevelopment Agency of the City of Corona, the Corona Public Financing Authority, the Corona Public Improvement Corporation and the Corona Utility Authority. Financial information for the City and these component units is 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 Agency, the Authorities and the Corporation and, as such, these entities are presented on a blended basis. Separate financial statements are produced for the Redevelopment Agency of the City of Corona and the Corona Utility Authority component units of the City and may be obtained from the City's Finance Administration office.

Blended Component Units

The Redevelopment Agency of the City of Corona was established August 5, 1964, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law" and on November 11, 1975, the City Council became the governing board. The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City. City staff provides management assistance to the Agency. The funds of the Agency have been included in the Governmental Activities in the financial statements.

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 Authority's Board of Directors is the Corona City Council. The funds of the Authority 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.

The Corona Public Improvement Corporation was organized pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code) on April 7, 1986 for the purpose of providing financial assistance to the City by acquiring, constructing, improving, developing and installing certain real and personal property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The Corporation's Board of Trustees is the Corona City Council. The funds of the Corporation 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.

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 of Corona and the 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 wastewater utility systems. The Authority's Officers are the Corona City Council. The funds of the Utility Authority have been included in the Business-type Activities in the financial statements.

B. Basis of Accounting/Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government - Wide Financial Statements

The City Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the Government-Wide financial statements.

The City of Corona reports the following major governmental funds:

The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Development Special Revenue fund is used to account for park dedication fees, dwelling development fees and other development impact fees received. The money is used to offset the burden resulting from new developments.

The Redevelopment Special Revenue fund is used to account for the Redevelopment Agency's low-mod housing activities.

The Redevelopment Debt Service fund accounts for tax increment revenue and other miscellaneous revenue as well as payments of principal and interest on Redevelopment Agency debt.

The Redevelopment Capital Projects fund accounts for transactions related to proceeds from bonds and other resources and their use to perform redevelopment related activities within specific redevelopment project areas.

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due, however; the City has adopted a 12 month recognition period for Sales Tax and Grant revenues. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

The City of Corona reports the following major proprietary funds:

The Corona Utility Authority funds account for the operation of the water and wastewater systems. The two utilities are owned by the Corona Utility Authority, a blended component unit of the City. The City operates both the water and wastewater systems pursuant to separate management agreements.

The Electric fund is used to account for the operation of the City's electric utility system, a self supporting activity which renders services on a user charge basis to businesses located in the City.

The Transit Services fund accounts 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 fare box revenues, receives grants from the Transportation Development Act (TDA).

Proprietary funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets and Combining Statement of Changes in Assets and Liabilities. The City's Fiduciary funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on the accrual basis of accounting.

Fiduciary funds account for:

1. Receipt of special taxes and assessments used to pay principal and interest on related bonds with no direct City liability, as well as receipt and disbursement of capital project bond proceeds related to bonds that the City has no direct liability.
2. Resources legally held in trust for the Corona-Norco Unified School District pursuant to a tax-sharing agreement with the Redevelopment Agency.

Additionally, the City reports the following funds:

Internal service funds account for risk management and fleet and equipment management services provided to other departments or agencies of the City on a cost reimbursement basis.

Reconciliation of the Fund financial statements to the Government-Wide financial statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

C. Cash, Cash Equivalents and Investments

1. Cash Management

The City pools cash resources of its various funds 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 based on ending accounting period cash and investment balances.

2. 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. Market value is used as fair value for those securities for which market quotations are readily available.

3. 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.

D. Cash and Cash Equivalents

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.

E. Use of Estimates

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

F. Receivables and Payables

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.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

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 offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Proprietary fund receivables are shown net of an allowance for uncollectible accounts. Utility customers are billed monthly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

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

The City accrues as receivable all property taxes received during the first ninety (90) days of the new fiscal year. 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 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."

G. Inventories, Prepaid Items and Land Held for Resale

Inventory is valued at cost using the first in, first out method. Inventory in the Proprietary Funds consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Land held for resale is valued at the lower of cost or estimated net realizable value and is recorded in the capital project funds.

H. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

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 at \$100,000 for infrastructure. The City has chosen the Modified Approach for reporting the streets subsystem of infrastructure capital assets. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

listed below and on a units of productions method for components of the co-generation electric plant.

Buildings -----20-50 years
Improvements----- 20 years
Equipment ----- 3-20 years
Infrastructure-----25-65 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street system, water purification and distribution system, sewer collection and treatment system; park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, 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 a physical assessment of the streets condition in April 2005. This condition assessment will be performed every 3 years. 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 following conditions were defined: excellent condition is assigned to segments with a scale rating between 86 and 100, very good condition is assigned to segments with a scale rating between 71 and 85, good condition is assigned to segments with a rating between 56 and 70, fair condition is assigned to segments with a scale rating between 41 and 55, poor condition is assigned to segments with a scale rating between 26 and 40, very poor segments have a range of 11 to 25 and distressed condition is assigned to segments with a scale rating between 0 and 10. The City's policy relative to maintaining the street assets is to achieve an average rating of 70 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.

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, 2007. 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. Risk Management

The City administers self-insurance programs for workers' compensation and liability losses. These self-funding activities are accounted for in Internal Service Funds. Excess insurance is purchased to protect the City from losses above the self-insured retention. An independent firm performed an actuarial valuation study for June 30, 2007 for the Workers' Compensation and June 30, 2007 for the Liability Risk Insurance Funds. At no time during the past five years have insurance claims exceeded insurance coverage.

K. Compensated Absences Payable

Under certain circumstances and according to 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.

L. Short-Term Debt

The City has no short term debt transactions to report for the fiscal year.

M. 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 assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as costs of issuance, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

2) Cash and Investments

The City of Corona maintains a cash and investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments. The City apportions interest earnings to all funds based on their monthly cash balances.

A. Cash Deposits

The carrying amounts of the City's cash deposits were \$(1,361,518) at June 30, 2007. Bank balances before reconciling items were \$5,651,113 at that date, the total amount of which was collateralized or insured with securities held by pledging financial institutions in the City's name as discussed below.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of the pledged securities must equal at least 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation.

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 fund.

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments were authorized:

- Securities issued by the U.S. Treasury
- Securities issued and fully guaranteed as to payment by an agency of the U.S. Government
- Banker's Acceptances
- Non-negotiable certificates of deposit
- Repurchase Agreements
- California Local Agency Investment Fund (State Pool)
- Corporate medium-term notes
- Mortgage-backed securities
- Diversified Management Companies, as defined by Section 23701(m) of the Revenue Taxation Code

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method in all funds and component units, resulting in the following investment income in all funds and component units:

Realized gain/loss on matured investments	\$ 245,043
Unrealized gain/loss in changes in fair value of investments	1,498,774
Interest Income	<u>11,506,475</u>
Total investment income	<u>\$ 13,250,292</u>

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

In accordance with GASB Statement No. 31, the portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

in value. These portfolio value changes are unrealized unless sold. The City's policy is to buy and hold investments until their maturity dates.

C. Summary of Cash and Investments

The following is a summary of pooled cash and investments at June 30, 2007:

	Government-Wide Statement of Net Assets			Fiduciary Fund Financial Statements	Total
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Assets	
Cash and Investments	<u>\$ 165,995,114</u>	<u>\$ 56,662,319</u>	<u>\$ 222,657,433</u>	<u>\$ 1,509,096</u>	<u>\$ 224,166,529</u>
Restricted Cash and Investments	<u>\$ 48,230,340</u>	<u>\$ 18,050,574</u>	<u>\$ 66,280,914</u>	<u>\$ 43,818,065</u>	<u>\$ 110,098,979</u>
Total Cash and Investments					<u>\$ 334,265,508</u>

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

At June 30, 2007, the City had the following deposits and investments:

	Credit Quality Ratings*	Fair Value
City Treasury:		
Deposits	Not Rated	\$ (1,361,518)
Total Deposits		<u>(1,361,518)</u>
Investments:		
Medium Term Notes	AAA	3,951,890
Medium Term Notes	AA	2,021,902
Medium Term Notes	AA-	13,828,781
Medium Term Notes	A+	10,641,206
Medium Term Notes	A	2,602,236
Total Medium Term Notes		<u>33,046,015</u>
Union Bank Investments	Not Rated	<u>7,128</u>
Securities of U.S. Government Agencies:		
FFCB	AAA	19,836,566
FHLB	AAA	30,067,882
FHLMC	AAA	20,923,800
FNMA	AAA	19,879,309
U.S. Treasury	Not Rated	46,386,373
Total Securities of U.S. Government Agencies		<u>137,093,930</u>
Local Agency Investment Funds	Not Rated	<u>55,380,976</u>
Total Investments		<u>225,528,049</u>
Total City Treasury		<u>224,166,531</u>
Restricted Cash and Investments:		
Cash & Investments with Fiscal Agents	Not Rated	106,482,795
PUC Public Purpose	Not Rated	550,594
Grant Funds	Not Rated	1,290,582
Electric Restricted Cash	Not Rated	1,100,000
Retention & Escrow Accounts	Not Rated	675,008
Total restricted cash and investments		<u>110,098,979</u>
Total cash and investments		<u>\$ 334,265,508</u>

Due to the same day availability of Local Agency Investment Funds, cash deposits were invested to utilize the float time on outstanding checks. This caused the cash deposits to appear as a negative for the purposes of this schedule; however restricted cash funds were not expended for non-restricted purposes.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

D. 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. At June 30, 2007, the City Treasury had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 to 3	3 to 5
FFCB	\$ 19,836,566	\$ 2,991,564	\$ 13,344,690	\$ 3,500,312
FHLB	30,067,882	3,986,876	15,445,926	10,635,080
FHLMC	20,923,800	2,995,704	11,552,663	6,375,433
FNMA	19,879,309		19,879,309	
US T-Notes	46,386,373	14,938,804	13,967,751	17,479,818
LAIF	55,380,976	55,380,976		
Diversified Investment	7,128	7,128		
Amgen Inc	1,935,478		1,935,478	
Lehman Bros Holdings	1,938,248		1,938,248	
Morgan Stanley	1,957,270		1,957,270	
Goldman Sachs Group	1,968,264		1,968,264	
Bank One Corp	2,011,708		2,011,708	
Associates Corporation	4,235,663		4,235,663	
Bank of America	2,161,610		2,161,610	
JP Morgan	2,344,725		2,344,725	
American General Fin	2,465,485		2,465,485	
Merrill Lynch & Co	2,527,408		2,527,408	
CIT Corp	2,602,236		2,602,236	
Household Financial	2,946,030		2,946,030	
General Electric	3,951,890		3,951,890	
Total	<u>\$ 225,528,049</u>	<u>\$ 80,301,052</u>	<u>\$ 107,236,354</u>	<u>\$ 37,990,643</u>

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 NRSCOs, including raters Standard & Poor's, Fitch Ratings, and Moody's Investors Service. At June 30, 2007, the City's credit risks, expressed on a percentage basis are as follows:

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>S & P Rating</u>	<u>% of Investment</u>
FFCB	Aaa	AAA	8.80%
FHLB	Aaa	AAA	13.33%
FHLMC	Aaa	AAA	9.28%
FNMA	Aaa	AAA	8.81%
US T-Notes	Aaa	AAA	20.57%
LAIF	Not Rated	Not Rated	24.55%
Diversified Investment	Not Rated	Not Rated	0.01%
Amgen Inc	A2	A+	0.86%
Lehman Bros Holdings	A1	A+	0.86%
Morgan Stanley	Aa3	A+	0.87%
Goldman Sachs Group	Aa3	AA-	0.87%
Bank One Corp	Aa2	AA-	0.89%
Associates Corporation	Aa1	AA	1.88%
Bank of America	Aa2	AA-	0.96%
JP Morgan	Aa3	A+	1.04%
American General Fin	A1	A+	1.09%
Merrill Lynch & Co	Aa3	AA-	1.12%
CIT Corp	A2	A	1.15%
Household Financial	Aa3	AA-	1.31%
General Electric	Aaa	AAA	1.75%
Total			<u>100.00%</u>

E. Investments in Local Agency Investment Funds

The City's investments with the Local Agency Investment Fund (LAIF), a State of California investment pool, at June 30, 2007, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

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

Asset-Backed Securities, the bulk of which are mortgaged-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2007, the City had \$55,380,976 invested in LAIF. The City valued its investments in LAIF as of June 30, 2007 by multiplying its account balance with LAIF of \$55,406,185 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 .999545022.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

3) Interfund Transactions**A. Current Interfund Balances**

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, 2007.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds:		Major Funds:	
General	\$ 16,616,712	Development Special Revenue	\$ 9,460,812
Redevelopment Special Revenue	1,500,000	Redevelopment Debt Service	3,527,827
		Redevelopment Capital Projects	1,500,000
<u>Enterprise Funds:</u>		<u>Enterprise Funds:</u>	
Wastewater	2,622,452	Electric	2,622,452
		Non-Major Funds:	
		<u>Capital Projects</u>	
		HUD Grants	331,952
		Planned Local Drainage	225,090
		Other Grants	1,754,971
		Public Facilities Projects	1,316,060
Total	<u>\$ 20,739,164</u>		<u>\$ 20,739,164</u>

B. Long-term Interfund Advances

At June 30, 2007, the funds below have made advances that were not expected to be repaid in one year or less.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds:		Major Funds:	
General	\$ 5,274,435	Redevelopment Special Revenue	\$ 2,080,033
<u>Enterprise Funds:</u>		Redevelopment Debt Service	1,603,655
Water	473,875	<u>Enterprise Funds:</u>	
Electric	6,113,950	Electric	1,265,747
Non-Major Funds:		Non-Major Funds:	
		<u>Special Revenue Funds:</u>	
		City Facilities -Airport	325,000
		Enterprise Funds - CPFA	6,587,825
Total	<u>\$ 11,862,260</u>	Total	<u>\$ 11,862,260</u>

The Redevelopment Debt Service and Special Revenue Fund advances are from the General fund and are composed of various operating advances for the Redevelopment

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Agency's different project areas. The advances have different terms and interest rates and are expected to be repaid with tax increment revenue.

The City Facilities Fund advance is being repaid over a 27-year period with annual payments of \$15,000, expected to be repaid by 2025.

The Enterprise Funds - Other payable represents reserves from the Electric Utility and the Water Utility related to the 2003 Certificates of Participation. The reserve will be paid during the final years of the bond term.

The Enterprise Funds – Electric advance is being repaid over a 30 year period.

C. Internal Balances – Capital Lease Receivable

In 2002, the City of Corona (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 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 wastewater utility systems. The Authority's Officers are the Corona City Council. The outstanding receivable at June 30, 2007 was \$172,628,344.

Refer to Note 21 for the future minimum lease payments required under the capital leases and the net present value of the future lease payments.

D. Internal Balances – Interfund

In 2007, the General Fund advanced the Electric Fund \$1,265,747. The outstanding receivable at June 30, 2007 was \$1,265,747.

E. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund. Significant one time transfers were:

- 1) \$6,424,566 from General Fund to the Community Redevelopment Fund to assist in making an agreement payments.
- 2) \$524,380 from Street & Traffic Signals Funds to the TUMF Fund for reimbursements that due to changes in the program will not be reimbursed by TUMF.
- 3) \$1,038,489 from Measure A Fund to TUMF Fund for reimbursements that due to changes in the program will not be reimbursed by TUMF.
- 4) \$1,300,000 from RDA Project Area A Fund to Community Development Fund.
- 5) \$4,177,827 from RDA Project Area A to Project Area A Administration Fund to assist with administration expenses.
- 6) \$400,000 from Temescal Canyon Redevelopment Project Area to Temescal Canyon Project Area Administration to assist with administration expenses.
- 7) \$700,000 form RDA Land Disposition Fund to Community Redevelopment Fund.

Total transfers of \$42,407,361 were as follows:

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

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	Transfers In:						Subtotal
	General Fund	Development Special Revenue	Special Revenue	Redevelopment Debt Service	Capital Projects	Non-Major Governmental	
Transfers Out:							
General fund	\$ 933,622	\$ 426,153	\$ 228	\$ -	\$ 6,462,480	\$ 915,769	\$ 8,738,252
Development Special Revenue	306,968					912,872	1,219,840
Redevelopment Special Revenue			200,000	976,648			1,176,648
Redevelopment Debt Service	38,142		4,827,056		12,505,689		17,370,887
Redevelopment Capital Projects				3,805,401	700,000		4,505,401
Non-major Governmental	2,608,280					384,237	2,992,517
Water							-
Wastewater						158,729	158,729
Electric	1,067,236				40,000	169,423	1,276,659
Other Proprietary							-
Internal Service							-
Total Transfers In	\$ 4,954,248	\$ 426,153	\$ 5,027,284	\$ 4,782,049	\$ 19,708,169	\$ 2,541,030	\$ 37,438,933

Schedule continued on next page.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

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	Transfers In:				Total Transfers Out
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Internal Service</u>	
Transfers Out:					
General fund	\$ -	\$ -	\$ -	\$ 810,529	9,548,781
Development Special Revenue					1,219,840
Redevelopment Special Revenue					1,176,648
Redevelopment Debt Service					17,370,887
Redevelopment Capital Projects					4,505,401
Non-major Governmental					2,992,517
Water	233,219				233,219
Wastewater		1,280,994			1,439,723
Electric					1,276,659
Other Proprietary	6,002				6,002
Internal Service		158,729	1,106,365	1,372,590	2,637,684
Total Transfers In	<u>\$ 239,221</u>	<u>\$ 1,439,723</u>	<u>\$ 1,106,365</u>	<u>\$ 2,183,119</u>	<u>\$ 42,407,361</u>

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

4) Risk Management

Workers' Compensation Insurance The City's self-insured retention is \$1,000,000 with purchased excess insurance for claims over that amount up to policy limits. Departments are charged a percentage of the total estimated insurance, claims expense and premiums based on payroll cost. The estimated liability for pending and incurred but not reported claims at June 30, 2007 has been included in the Claims Payable amount as of June 30, 2007. Claims Payable is incorporated in the financial statements as Claims and Judgments Payable in Internal Service Funds and is based on history and actuarial studies.

The following reconciles Claims and Judgments Payable for the Workers' Compensation Self-Insurance fund for the five years ended June 30, 2007:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2003	\$ 8,868,516	\$ 3,282,282	\$ (2,371,043)	\$ 9,779,755
2004	9,779,755	3,524,800	(2,735,530)	10,569,025
2005	10,569,025	5,276,673	(3,724,233)	12,121,465
2006	12,121,465	5,672,759	(3,608,367)	14,185,857
2007	14,185,857	(5,458,226)	(1,328,542)	7,399,089

Liability Insurance The City's self-insured retention is \$750,000 with an excess policy insuring claims over \$750,000 up to a limit of \$10,000,000. A third party administrator administers claims. The estimated liability for pending and incurred but not reported claims at June 30, 2007, has been incorporated in the financial statements as Claims and Judgments Payable in Internal Service Funds and are based on history and actuarial studies.

Property Losses (excluding earthquake) The City's property losses are covered by insurance policies for covered value of \$174,983,049 with deductibles of \$100,000. The estimated liability for pending and incurred but not reported claims at June 30, 2007 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.

The following reconciles Claims and Judgments Payable for the Liability Risk Self-Insurance fund, including property losses, for the five years ended June 30, 2007:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2003	2,709,532	(1,188,934)	(225,814)	1,294,784
2004	1,294,784	1,290,549	(969,047)	1,616,286
2005	1,616,286	2,387,015	(1,772,269)	2,231,032
2006	2,231,032	3,413,926	(2,651,177)	2,993,781
2007	2,993,781	(363,617)	(845,714)	1,784,450

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

The total liabilities amount to \$7,399,089 for Workers Compensation and \$1,784,450 for Liability. Of these amounts, \$2,055,140 and \$565,801 are the amounts due in one year or less, respectively. Claims are paid by the separate internal service funds for each liability.

5) Long-Term Receivables/Deferred Revenue/Unearned Revenue

	<u>Loans Receivable</u>	<u>Long Term Receivable</u>	<u>Eliminated Gov't-Wide Statements</u>
Major Funds			
General Fund	\$ -	\$ 495,325	
Development Special Revenue		1,751,473	
Redevelopment Special Revenue	10,891,459		
Redevelopment Capital Projects	1,084,467		
Non-Major Funds			
Assessment Districts		2,565,000	X
HUD Grants	357,353		
Total	<u><u>\$ 12,333,279</u></u>	<u><u>\$ 4,811,798</u></u>	
Enterprise Fund			
Water		<u><u>\$ 18,000,000</u></u>	

Receivables on the balance sheet as of June 30, 2007 are presented by specific description so as not to be aggregated. The significant receivable balances in the governmental funds which are not expected to be collected within one year are identified as: 1) the General fund Long-Term Receivable represents reimbursement fees to be paid by developers for the Temescal Canyon Communications Tower in the amount of \$287,325 and reimbursement fees to be paid by developers for Community Facilities Plan Reimbursement for the South Corona area in the amount of \$207,393; 2) Development funds report a Long-Term Receivable for future developer impact fees for the Temescal Canyon Public Safety Facility; 3) Redevelopment Special Revenue funds report Loans Receivable for low-mod housing programs that have varying terms and re-payment provisions; 4) Redevelopment Capital Projects funds report Loans Receivable for various agreements with developers with long-term repayment provisions; 5) Long-Term Assessments Receivable represent future assessments to be received for the payment of Assessment District debt which is considered to be a possible liability of the City in the case of default; 6) HUD Grants funds report Loans Receivable for home improvement programs that have varying terms and re-payment provisions and 7) Water funds report a Long-Term Receivable for the Local Resource Program Agreement from the Western Municipal Water District.

The deferred revenue of \$2,565,000 in debt service funds represent future assessments to be received for the payment of Assessment District debt and other lease revenue to be used to meet the related debt obligation. This deferred revenue is not reported in the government-wide statements.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

The unearned revenues shown in the government-wide statements for Governmental activities in the general and redevelopment funds represent various loans and agreements from certain special revenue and capital project funds. Business-Type activities' unearned revenues represent claims that have been approved by state agencies for Transit Services but not spent in the current period, customer prepayments of utility billings, and a long term agreement between Metropolitan Water District of Southern California, Western Municipal Water District and the City of Corona which utilizes the City's desalter plant to treat groundwater in conjunction with imported water as a means of increasing the potable water available to Corona customers.

6) Capital Assets

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Assets. The City elected to use the "modified approach" as defined by GASB Statement No. 34 for infrastructure reporting for its 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 depreciation expense have been recorded. The following table presents summary information on infrastructure assets.

	Infrastructure Assets		
Description	Historical Cost	Accumulated Depreciation	Net Cost
Governmental Activities:			
Modified Approach:			
Street Pavement System	\$ 168,658,229	\$ -	\$ 168,658,229
Basic Approach:			
Curbing	74,674,934	(24,403,562)	50,271,372
Sidewalks	81,576,373	(26,203,061)	55,373,312
Signs and Lights	35,977,576	(7,663,622)	28,313,954
Storm Drains	75,428,950	(16,908,034)	58,520,916
Fiberoptics	1,187,096	(268,472)	918,624
Subtotal Basic Approach	<u>268,844,929</u>	<u>(75,446,751)</u>	<u>193,398,178</u>
Total Governmental Activities	<u>\$ 437,503,158</u>	<u>\$ (75,446,751)</u>	<u>\$ 362,056,407</u>
Business-Type Activities:			
Basic Approach:			
Fiberoptics	\$ 235,951	\$ (55,499)	\$ 180,452
Electric	2,704,263	(92,860)	2,611,403
Water	165,162,803	(30,477,608)	134,685,195
Wastewater	61,146,358	(11,308,856)	49,837,502
Total Business-Type Activities	<u>\$ 229,249,375</u>	<u>\$ (41,934,823)</u>	<u>\$ 187,314,552</u>

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Capital Assets of the City for the year ended June 30, 2007, consisted of the following:

	Balance *			Inventory	Balance
	July 1, 2006	Increases	Decreases	Adjustments	June 30, 2007
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 58,315,969	\$ 906,610	\$ (387,588)	\$ -	\$ 58,834,991
Streets	164,725,096	3,933,133	-	-	168,658,229
Construction in Progress	11,992,629	22,294,222	(6,581,869)	(312,000)	27,392,982
Total capital assets not being depreciated	235,033,694	27,133,965	(6,969,457)	(312,000)	254,886,202
Capital assets being depreciated:					
Buildings and Improvements	158,395,779	452,922	(74,971)	-	158,773,730
Machinery and Equipment	29,078,464	1,131,462	(1,201,447)	-	29,008,479
Infrastructure	249,940,187	18,904,742	-	-	268,844,929
Total capital assets being depreciated	437,414,430	20,489,126	(1,276,418)	-	456,627,138
Less accumulated depreciation for:					
Buildings and Improvements	(60,402,398)	(3,722,805)	38,644	-	(64,086,559)
Machinery and Equipment	(14,490,774)	(2,196,477)	1,072,075	-	(15,615,176)
Infrastructure	(71,205,657)	(4,241,094)	-	-	(75,446,751)
Total accumulated depreciation	(146,098,829)	(10,160,376)	1,110,719	-	(155,148,486)
Total capital assets being depreciated, net	291,315,601	10,328,750	(165,699)	-	301,478,652
Governmental activity capital assets, net	\$ 526,349,295	\$ 37,462,715	\$ (7,135,156)	\$ (312,000)	\$ 556,364,854
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 2,464,383	\$ -	\$ -	\$ -	\$ 2,464,383
Wastewater Rights	9,180,000	-	-	-	9,180,000
Construction in Progress	57,811,197	9,504,502	(22,616,181)	(353,338)	44,346,180
Total capital assets not being depreciated	69,455,580	9,504,502	(22,616,181)	(353,338)	55,990,563
Capital assets being depreciated:					
Buildings and Improvements	116,483,869	304,330	-	-	116,788,199
Machinery and Equipment	62,290,753	1,869,474	(608,274)	-	63,551,953
Infrastructure	184,439,755	44,672,829	-	136,791	229,249,375
Total capital assets being depreciated	363,214,377	46,846,633	(608,274)	136,791	409,589,527
Less accumulated depreciation for:					
Buildings and Improvements	(21,967,367)	(2,423,322)	-	-	(24,390,689)
Machinery and Equipment	(19,278,708)	(2,557,737)	714,425	-	(21,122,020)
Infrastructure	(38,257,130)	(3,677,693)	-	-	(41,934,823)
Total accumulated depreciation	(79,503,205)	(8,658,752)	714,425	-	(87,447,532)
Total capital assets being depreciated, net	283,711,172	38,187,881	106,151	136,791	322,141,995
Business-type activity capital assets, net	\$ 353,166,752	\$ 47,692,383	\$ (22,510,030)	\$ (216,547)	\$ 378,132,558
Total Capital Assets	\$ 879,516,047	\$ 85,155,098	\$ (29,645,186)	\$ (528,547)	\$ 934,497,412

* Balances are as adjusted. See Note 34

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

For the year ended June 30, 2007, depreciation expense on capital assets was charged to the governmental functions as follows:

General Government	\$	1,978,740
Public Safety – Fire		567,608
Public Safety – Police		1,068,981
Public Works		4,605,890
Community Development		227,629
Parks & Recreation		1,673,212
Library		38,317
Total Depreciation Expense	\$	<u>10,160,377</u>

Construction Commitments

The City has active construction projects as of June 30, 2007. These projects include street construction in areas of newly developed housing, pavement rehabilitation, various water and wastewater upgrades and replacements, and the construction of an electric cogeneration dryer facility. At year end, the City's commitments for construction totaled \$71,739,161.

7) Compensated Absences

The City's policy relating to compensated absences is described in Note 1. As shown in the table below, the long-term portion of this debt, amounting to \$2,614,609 for governmental activities and \$371,506 for business-type activities at June 30, 2007, is 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, 2007 was \$8,598,563 for governmental activities and \$1,323,453 for business-type activities.

	Balance			Balance	Amounts	Amounts
	July 1, 2006	Incurred	Satisfied	June 30, 2007	Due Within	Due in More
					One Year	than One Year
Governmental Activities						
Compensated Absences	\$ 7,503,845	\$ 6,935,621	\$ 5,840,903	\$ 8,598,563	\$ 5,983,954	\$ 2,614,609
Business-Type Activities						
Compensated Absences	\$ 1,263,269	\$ 1,050,887	\$ 990,703	\$ 1,323,453	\$ 951,947	\$ 371,506

CITY OF CORONANotes to the Basic Financial Statements (continued)
June 30, 2007

8) Long-Term Obligations

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2007:

	Balance July 1, 2006	Incurred or Issued	Satisfied or Matured	Balance June 30, 2007	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities:						
Loans Payable	\$ 1,484,790	\$ -	\$ 445,928	\$ 1,038,862	\$ 449,962	\$ 588,900
Long Term Agreement Payable	1,115,000	-	185,834	929,166	185,834	743,332
Lease Payable	786,529	-	100,052	686,477	103,899	582,578
General Obligation Bonds Payable	2,535,000	-	610,000	1,925,000	480,000	1,445,000
Redevelopment Bonds Payable	42,755,000	22,155,000	1,735,000	63,175,000	1,785,000	61,390,000
Lease Revenue Bonds Payable	51,975,000	37,180,000	2,025,000	87,130,000	2,990,000	84,140,000
Special Assessment District Bonds	2,930,000	-	365,000	2,565,000	305,000	2,260,000
Total Governmental Activities	\$ 103,581,319	\$ 59,335,000	\$ 5,466,814	\$ 157,449,505	\$ 6,299,695	\$ 151,149,810
Business-Type Activities:						
Installment Agreement Payable	\$ 296,437	\$ -	\$ 123,530	\$ 172,907	\$ 148,236	\$ 24,671
Contracts Payable	716,572	-	-	716,572	-	716,572
Term Loan Payable	43,428,701	2,037,485	2,143,878	43,322,308	2,288,675	41,033,633
Water Revenue Bonds	31,895,000	-	825,000	31,070,000	855,000	30,215,000
Capital Leases	172,628,344	-	-	172,628,344	-	172,628,344
Certificates of Participation	101,310,000	-	720,000	100,590,000	2,445,000	98,145,000
Total Business-Type Activities	\$ 350,275,054	\$ 2,037,485	\$ 3,812,408	\$ 348,500,131	\$ 5,736,911	\$ 342,763,220

9) Loans Payable

The Loans Payable amount is a loan made to the City from the Riverside County Transportation Commission of future Measure A Revenues for the Smith, Maple, and Lincoln Bridges projects. The Measure A advances outstanding at June 30, 2007 total \$1,038,862 and bear blended interest of 5.611% payable in monthly installments through June, 2009.

10) Long Term Agreement Payable

Pursuant to the Cooperation Agreement dated February 13, 1985 between the Riverside County Flood Control and Water Conservation District and the Redevelopment Agency of the City of Corona, the Agency recorded an obligation in the amount of \$1,244,689 in fiscal years 2000-01 through 2003-04. During the fiscal year 2004-05, the Agency and the District executed a Settlement and Release Agreement. The Agency's unpaid obligation coupled with accrued interest was determined to be \$1,300,835. The Settlement and Release Agreement will allow the Agency to pay the principal balance of the obligation in equal annual payments of \$185,834 over a seven year period, plus accrued interest. The District will calculate the interest due on the principal balance at an adjustable rate in accordance with the average Riverside County Treasurer Pooled Investment Interest Rate.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

**Long Term Agreement Payable to Riverside County
Flood Control and Water Conservation District**

Fiscal Year Ending	Principal	Interest	Total
2008	\$ 185,833	\$ 44,495	\$ 230,328
2009	185,833	44,495	230,328
2010	185,833	41,714	227,547
2011	185,833	34,762	220,595
2012	185,834	21,726	207,560
Totals	\$ 929,166	\$ 187,192	\$ 1,116,358

11) Lease Payable

The City entered into a lease purchase agreement for \$1,065,000 with a funding date of November 22, 2002 for the purpose of purchasing a helicopter and related equipment for use by the City, primarily the Police Department. The helicopter has been recorded as a fixed asset at its purchase price. The lease/purchase is payable over a ten year period at a rate of 3.845% interest in equal installments of \$130,294 per year through the year 2012.

The City's obligation under the lease, as represented by the present value of the minimum future lease payments as of June 30, 2007 is recorded as a long-term obligation in the general fund.

At June 30, 2007, the future minimum lease payments required under the capital lease and the net present value of the future lease payments is as follows:

<u>Fiscal Year Ending</u>	<u>Lease Payment</u>
2008	\$ 130,294
2009	130,294
2010	130,294
2011	130,294
2012	130,294
2013	130,292
Total minimum lease payments	781,762
Less: Amount representing interest	(95,285)
Present Value of Future Minimum Lease Payments	\$ 686,477

12) General Obligation Bonds

These bonds are secured by the City's taxing power. General obligation bonds outstanding at June 30, 2007 are summarized as follows:

\$7,225,000 1995 Refunding General Obligation Bonds \$1,925,000

On December 20, 1995, the City issued \$7,225,000 in 1995 General Obligation Refunding Bonds for the purposes of providing funds to advance refund the series 1988A Corona General Obligation Bonds issued in the aggregate principal amount of

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

\$7,390,000. The Series 1988A bonds were issued for the acquisition and improvement of land for the City's Public Library. The outstanding bonds bear interest from 5.0% to 5.1% and are due in annual installments ranging from \$260,000 to \$310,000 through July 1, 2009 with term bonds of \$1,390,000 due on July 1, 2013. The bonds are payable from ad valorem taxes levied against all taxable real property in the City (with the exception of certain classes of personal property).

Fiscal Year Ending	1995 Refunding Bonds		
	Principal	Interest	Total
2008	\$ 280,000	\$ 90,600	\$ 370,600
2009	295,000	76,225	371,225
2010	310,000	60,945	370,945
2011	320,000	44,880	364,880
2012	340,000	28,050	368,050
2013-2014	380,000	10,965	390,965
Totals	\$ 1,925,000	\$ 311,665	\$ 2,236,665

13) Redevelopment Tax Allocation Bonds

These bonds are special obligations of the Corona Redevelopment Agency and are payable from specific pledged revenues. The following Tax Allocation Bonds were outstanding at June 30, 2007:

\$ 9,355,000 Redevelopment Agency, 1996 Project Area "A" Set-Aside Tax Allocation Bonds	\$ 6,960,000
\$36,910,000 Redevelopment Agency, 2004 Project Area "A" Tax Allocation and Refunding Bonds	34,060,000
\$22,155,000 Redevelopment Agency, 2007 Temescal Canyon Project Area Tax Allocation Bonds	22,155,000
Total Redevelopment Tax Allocation Bonds	\$ 63,175,000

On October 15, 1996, the Corona Redevelopment Agency issued \$9,355,000 of Redevelopment Project Area "A" Housing Set-Aside Tax Allocation Bonds to provide funds for a portion of the costs of reconstruction and rehabilitation of an apartment complex of approximately 160 units by the Southern California Housing Development Corporation and certain other activities for the provision of low and moderate income housing within the Project Area. The bonds were issued for sale to the Corona Public Financing Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 2 of Title 1 (commencing with Section 6584) of the California Government Code (the "JPA Law"). The bonds purchased by the Authority were resold concurrently to the Underwriter. The outstanding bonds bear interest from 5.20% to 5.63% and are due in annual installments ranging from \$315,000 to \$385,000 through September 1, 2011, with term bonds of \$2,255,000 due September 1, 2016, and \$2,965,000 due September 1, 2021. The bonds are payable from pledged revenues of the Housing Set-Aside funds of the Redevelopment Agency. The annual

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

debt service requirements for the 1996 Redevelopment Tax Allocation Bond are as follows:

Fiscal Year Ending	1996 Set-Aside Tax Allocation Bonds		
	Principal	Interest	Total
2008	\$ 315,000	\$ 374,941	\$ 689,941
2009	330,000	358,171	688,171
2010	345,000	340,449	685,449
2011	365,000	321,451	686,451
2012	385,000	301,201	686,201
2013-2017	2,255,000	1,157,169	3,412,169
2018-2022	2,965,000	435,234	3,400,234
Totals	\$ 6,960,000	\$ 3,288,616	\$10,248,616

The \$36,910,000 of Redevelopment Project Area "A" 2004 Tax Allocation and Refunding Bonds bear interest from 2.00% to 5.00% and are due in annual installments ranging from \$1,470,000 to \$2,795,000. The bonds are payable from tax increment revenues of the Agency received from the project area and other funds and accounts pledged under the indenture. The bond issue will reduce debt service payments for the Agency by \$7,015,420 with an economic gain of \$3,226,023 or 8.233% as a percent of refunded bonds. The annual debt service requirements for the 2004 Redevelopment Tax Allocation Bonds are as follows:

Fiscal Year Ending	2004 Tax Allocation Bonds		
	Principal	Interest	Total
2008	\$ 1,470,000	1,447,838	\$ 2,917,838
2009	1,505,000	1,404,963	2,909,963
2010	1,555,000	1,351,413	2,906,413
2011	1,610,000	1,299,044	2,909,044
2012	1,660,000	1,244,838	2,904,838
2013-2017	9,275,000	5,204,750	14,479,750
2018-2022	11,530,000	2,852,644	14,382,644
2023-2024	5,455,000	276,125	5,731,125
Totals	\$ 34,060,000	15,081,615	\$ 49,141,615

The \$22,155,000 of Temescal Canyon Project Area 2007 Tax Allocation Bonds bear interest from 4.00% to 4.50% and are 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 bear interest at 4.50% and are due November 1, 2032. The bonds are payable from tax increment revenues of the Agency received from the project area. The annual debt service requirements for the 2007 Redevelopment Tax Allocation Bond are as follows:

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Fiscal Year Ending	2007 Tax Allocation Bonds		
	Principal	Interest	Total
2008	\$ 0	956,871	\$ 956,871
2009	495,000	946,971	1,441,971
2010	515,000	926,771	1,441,771
2011	625,000	903,746	1,528,746
2012	650,000	877,784	1,527,784
2013-2017	3,665,000	3,961,406	7,626,406
2018-2022	4,295,000	3,125,933	7,420,933
2023-2027	4,730,000	2,150,603	6,880,603
2028-2032	5,845,000	981,338	6,826,338
2033	1,335,000	30,038	1,365,038
Totals	\$ 22,155,000	14,861,461	\$ 37,016,461

14) Lease Revenue Bonds

The following lease revenue bonds were outstanding at June 30, 2007:

\$13,000,000 Corona Public Financing Authority 2000 Lease Revenue Bonds Series A (reported as a liability of the City)	\$ 11,120,000
\$ 9,810,000 Corona Public Financing Authority 2001 Lease Ref Revenue Bonds, Series A (reported as a liability of the City)	6,695,000
\$35,000,000 Corona Public Financing Authority 2002 Lease Revenue Bonds, Series B (reported as a liability of the City)	32,135,000
\$36,060,000 Corona Public Financing Authority 2006 Lease Revenue Bonds, Series C (reported as a liability of the City)	37,180,000
Total Lease Revenue Bonds	\$ 87,130,000

The Corona Public Financing Authority 2000 Lease Revenue Bonds Series A were issued on October 10, 2000 in the amount of \$13,000,000 to pay a portion of the costs of the design, construction and acquisition of the City's Corporation Yard. The outstanding bonds bear interest from 4.50% to 5.35% and are due in annual installments ranging from \$370,000 to \$760,000 through 2022 with term bonds in the amount of \$2,525,000 due on September 1, 2025. The bonds are payable from the revenues expected to be received by the Authority from the City as lease payments for the acquired improvements.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Fiscal Year Ending	2000 Lease Revenue Bonds		
	Principal	Interest	Total
2008	\$ 370,000	\$ 554,193	\$ 924,193
2009	390,000	537,093	927,093
2010	405,000	519,205	924,205
2011	425,000	500,530	925,530
2012	440,000	480,848	920,848
2013-2017	2,550,000	2,057,624	4,607,624
2018-2022	3,255,000	1,321,614	4,576,614
2023-2026	3,285,000	362,406	4,647,406
Totals	\$ 11,120,000	\$ 6,333,513	\$ 17,453,513

The Corona Public Financing Authority 2001 Lease Refunding Revenue Bonds, Series A were issued on May 10, 2001 in the amount of \$9,810,000 to refund the Corona Public Financing Authority 1993 Public Improvement Refunding Bonds originally issued in the aggregate principal amount of \$21,295,000. The outstanding bonds bear interest from 4.00% to 4.75% and are due in annual installments ranging from \$720,000 to \$970,000 through September 1, 2014. The bonds are payable pursuant to a lease agreement with the City.

Fiscal Year Ending	2001 Lease Revenue Bonds		
	Principal	Interest	Total
2008	\$ 720,000	\$ 279,268	\$ 999,268
2009	750,000	249,493	999,493
2010	780,000	217,738	997,738
2011	815,000	183,835	998,835
2012	850,000	147,613	997,613
2013-2015	2,780,000	199,619	2,979,619
Totals	\$ 6,695,000	\$ 1,277,566	\$ 7,972,566

The Corona Public Financing Authority 2002 Lease Revenue Bonds Series B were issued on September 1, 2002 in the amount of \$35,000,000 to pay the costs of the design, construction and acquisition of the City Hall facility. The outstanding bonds bear interest from 3.00% to 5.38% and are due in annual installments ranging from \$1,005,000 to \$1,930,000 through September 1, 2023 with term bonds in the amount of \$8,675,000 due on September 1, 2027. The bonds are payable from the revenues expected to be received by the Authority from the City as lease payments for the acquired improvements.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

2002 Lease Revenue Bonds			
Fiscal Year Ending	Principal	Interest	Total
2008	\$ 1,005,000	\$ 1,415,461	\$ 2,420,461
2009	1,035,000	1,384,861	2,419,861
2010	1,065,000	1,353,361	2,418,361
2011	1,095,000	1,319,319	2,414,319
2012	1,130,000	1,281,476	2,411,476
2013-2017	6,335,000	5,692,794	12,027,794
2018-2022	8,025,000	3,942,018	11,967,018
2023-2027	10,120,000	1,798,350	11,918,350
2028	2,325,000	55,219	2,380,219
Totals	\$32,135,000	\$18,242,859	\$50,377,859

The Corona Public Financing Authority 2006 Lease Revenue Bonds Series C were issued on December 6, 2006 in the amount of \$37,180,000 to pay the costs of the Corporate Yard Expansion project and to redeem the Authority's outstanding 2000 Lease Revenue bonds, Series A. The outstanding bonds bear interest from 3.75% to 4.25% and are due in annual installments ranging from \$895,000 to \$970,000 through September 1, 2026 with term bonds in the amount of \$12,280,000 due on September 1, 2036. The bonds are payable from the revenues expected to be received by the Authority from the City as lease payments for the acquired improvements.

2006 Lease Revenue Bonds			
Fiscal Year Ending	Principal	Interest	Total
2008	\$ 895,000	\$ 1,517,488	\$ 2,412,488
2009	910,000	1,483,644	2,393,644
2010	945,000	1,450,044	2,395,044
2011	980,000	1,411,456	2,391,456
2012	1,015,000	1,371,644	2,386,644
2013-2017	5,680,000	6,279,881	11,959,881
2018-2022	6,830,000	5,058,588	11,888,588
2023-2027	7,645,000	3,367,863	11,012,863
2028-2032	5,505,000	2,044,144	7,549,144
2033-2037	6,775,000	743,856	7,518,856
Totals	\$37,180,000	\$24,728,606	\$61,908,606

15) Special Assessment District Bonds (Indirect City Liability)

The payment of each bond is secured by valid assessment liens upon certain property 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 and the City may, from time to time, when due and delinquent, advance available funds to pay the amount of any succeeding installment of the principal and the interest on the bonds. Therefore, the

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

bonds are recorded as liabilities in the accompanying financial statements pursuant to GASB Statement No. 6.

The following Assessment District Bonds were outstanding at June 30, 2007:

\$3,630,086 Assessment District No. 89-1 Improvement Bonds	\$1,115,000
\$3,000,000 Assessment District No. 90-1 Improvement Bonds	<u>1,450,000</u>
Total Special Assessment District Bonds (Indirect City Liability)	<u><u>\$2,565,000</u></u>

\$3,630,086 Assessment District No. 89-1 Improvement Bonds were issued to finance construction and acquisition of improvements in the Railroad Street Industrial Area. The outstanding bonds bear interest of 7.50% to 7.60% and mature in remaining annual installments of \$190,000 to \$260,000 through September 2, 2011.

\$3,000,000 Assessment District No. 90-1 Improvement Bonds were issued to finance construction and acquisition of improvements within Tract 22909. The outstanding bonds bear interest of 8.00% and mature in remaining annual installments of \$115,000 to \$215,000 through September 2, 2015.

The annual debt service requirements by year for Assessment District Bonds are as follows:

Fiscal Year Ending	A.D. 89-1		
	Principal	Interest	Total
2008	\$ 190,000	\$ 77,213	\$ 267,213
2009	205,000	62,349	267,349
2010	220,000	46,305	266,305
2011	240,000	28,880	268,880
2012	260,000	9,880	269,880
Totals	<u>\$ 1,115,000</u>	<u>\$ 224,627</u>	<u>\$ 1,339,627</u>

Fiscal Year Ending	A.D. 90-1		
	Principal	Interest	Total
2008	\$ 115,000	\$ 111,400	\$ 226,400
2009	125,000	101,800	226,800
2010	135,000	91,400	226,400
2011	145,000	80,200	225,200
2012	160,000	68,000	228,000
2013-2016	770,000	129,200	899,200
Totals	<u>\$ 1,450,000</u>	<u>\$ 582,000</u>	<u>\$ 2,032,000</u>

16) Installment Agreement Payable

On June 28, 2005, the City of Corona entered into an agreement with Southern California Edison to make monthly installments for a delayed billing for electrical services to a meter

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

installed at 219 West Grand Boulevard for a total of \$444,673. The City will make 36 equal payments of \$12,353 through May 2008. The amount outstanding at June 30, 2007 was \$172,907.

17) Contracts Payable

Contracts Payable arise from the acquisition of certain water and wastewater facilities and represent amounts due to Western Municipal Water District payable from future water and wastewater 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, 2007 was \$716,572.

18) Term Loans Payable

The following Term Loans Payable were outstanding at June 30, 2007:

State Revolving Fund Loan Contract No. 6-807-5850-0	\$ 15,144,020
State Revolving Fund Loan Contract No. C-06-4802-110	28,178,288
Total Term Loans Payable	<u>\$ 43,322,308</u>

On September 17, 1996, and February 20, 1997, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. 6-807-5850-0 for a total of \$22,244,222 for purposes of expansion of the Wastewater Treatment Plant No. 1. The loan is payable over a period of 20 years at the rate of 2.8% interest in equal installments of \$1,503,293 through October 2018. The amount outstanding at June 30, 2007 was \$15,144,020.

Fiscal Year Ending	Term Loan Payable State Revolving Loan 6-807-5850-0		
	Principal	Interest	Total
2008	\$ 1,079,260	\$ 424,033	\$ 1,503,293
2009	1,109,480	393,813	1,503,293
2010	1,140,545	362,748	1,503,293
2011	1,172,480	330,813	1,503,293
2012	1,205,310	297,983	1,503,293
2013-2017	6,552,080	964,385	7,516,465
2018-2019	2,884,865	121,722	3,006,587
Totals	<u>\$ 15,144,020</u>	<u>\$ 2,895,497</u>	<u>\$ 18,039,517</u>

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 \$29,940,000, for construction of facilities at the Wastewater Treatment Plant No. 1. These facilities will provide recycled water to existing and potential users within the City. The loan is payable over a period of 20 years at the rate of 2.5% interest in equal annual installments of \$1,878,924 through the year 2025. The amount outstanding at June 30, 2007 was \$28,178,288.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Term Loan Payable
State Revolving Loan C-06-4802-110

Fiscal Year Ending	Principal	Interest	Total
2008	\$ 1,209,415	\$ 669,509	\$1,878,924
2009	1,204,702	674,222	1,878,924
2010	1,234,819	644,105	1,878,924
2011	1,265,690	613,234	1,878,924
2012	1,297,332	581,592	1,878,924
2013-2017	6,989,683	2,404,935	9,394,618
2018-2022	7,908,185	1,486,433	9,394,618
2023-2026	7,068,462	447,232	7,515,694
Totals	\$ 28,178,288	\$ 7,521,262	\$35,699,550

19) Water Revenue Bonds

The \$36,690,000 Corona Public Financing Authority 1998 Water Revenue Bonds were issued to finance the cost of certain improvements to the City's water system, consisting of the construction of a ground water desalting system and to refinance the outstanding 1994 Water System Improvement Project Certificates of Participation. The outstanding bonds bear interest from 4.00% to 4.75% and are due in annual installments ranging from \$855,000 to \$1,100,000 through 2013 with term bonds in the amount of \$6,305,000, 7,950,000 and \$10,025,000 due on September 1, 2018, 2023 and 2028, respectively. The bonds are considered a liability of the water fund. Corresponding long-term receivable and deferred revenue has been eliminated for the Corona Public Financing Authority.

1998 Water Revenue Bonds

Fiscal Year Ending	Principal	Interest	Total
2008	\$ 855,000	\$ 1,428,823	\$ 2,283,823
2009	890,000	1,393,478	2,283,478
2010	925,000	1,355,808	2,280,808
2011	965,000	1,315,876	2,280,876
2012	1,005,000	1,273,260	2,278,260
2013-2017	5,755,000	5,614,631	11,369,631
2018-2022	7,250,000	4,081,438	11,331,438
2023-2027	9,135,000	2,144,031	11,279,031
2028-2029	4,290,000	206,150	4,496,150
Totals	\$ 31,070,000	\$ 18,813,495	\$ 49,883,495

20) Certificates of Participation

The certificates of participation are special obligations of the issuer and are payable from specific pledged revenues of the issuing agency. The certificates are not payable from any other revenues or assets of the City. Neither the faith and credit nor the taxing power

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

of the City of Corona, the State of California or any political subdivision thereof is pledged to the payment of the principal and interest on the certificates.

As of June 30, 2007, the balances outstanding were:

\$7,010,000 Corona Public Improvement Corporation	\$ 4,240,000
1997 Sunkist Wastewater Treatment Facilities Refunding Bonds	
\$68,030,000 Corona Public Financing Authority	67,585,000
2003 Clearwater Cogeneration / Recycled Water Projects	
\$29,020,000 Corona Public Financing Authority	28,765,000
2005 Clearwater Cogeneration	
Total Certificates of Participation	<u>\$ 100,590,000</u>

On January 21, 1997, the Corona Public Improvement Corporation issued \$7,010,000 in 1997 Refunding Certificates of Participation for the purposes of refunding the remaining \$6,425,000 of the 1986 Sunkist Wastewater Treatment Facilities Certificates of Participation and to pay the costs incurred in connection with the issuance, sale, and delivery of the bonds as well as to establish a reserve fund. The original certificates were issued to finance the acquisition, construction and installation of certain improvements to the City's Wastewater Treatment Plant No. 2 (Sunkist Plant). The outstanding bonds bear interest rates from 4.90% to 5.50% and are due in annual installments ranging from \$335,000 to \$530,000 through August 1, 2016. The certificates are payable pursuant to a lease agreement (Corona Public Improvement Corporation to the Wastewater Utility) from revenues of the Wastewater Capacity fund and as such have been shown as long-term obligations (Long-Term Installments Payable) of the Wastewater Utility and eliminated from the General Long-Term Debt of the City. A corresponding long-term obligation and deferred revenue has been eliminated for the Corona Public Improvement Corporation.

1997 Refunding Certificates of Participation

Fiscal Year Ending	Principal	Interest	Total
2008	\$ 335,000	\$ 216,893	\$ 551,893
2009	350,000	199,935	549,935
2010	370,000	181,750	551,750
2011	385,000	162,305	547,305
2012	405,000	141,563	546,563
2013-2017	2,395,000	342,185	2,737,185
Totals	<u>\$ 4,240,000</u>	<u>\$ 1,244,631</u>	<u>\$ 5,484,631</u>

On May 20, 2003, the Corona Public Financing Authority issued \$68,030,000 in 2003 Certificates of Participation for the purpose of financing the acquisition, construction and installation of the Clearwater Cogeneration and Biosolids Project (the "Cogeneration Project"), to finance a portion of the Recycled Water Project and to pay the costs incurred in connection with the issuance, sale and delivery of the bonds as well as to establish a capitalized interest fund and a reserve fund. The outstanding bonds bear interest from 2.00% to 5.00% due in installments of \$1,550,000 to \$3,065,000 through September 1, 2023 with term bonds of \$17,760,000 due September 1, 2028 and \$12,930,000 due September 1, 2031.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

The City purchased the Cogeneration Project from the Corona Public Financing Authority pursuant to an Installment Purchase agreement for a principal amount of \$60,875,000 which is recorded in the City of Corona's Electric Fund. The City will pay purchase payments to the Corona Public Financing Authority from revenues pursuant to two separate Power Sales Agreements between the City and the Corona Utility Authority, and as such have been shown as long-term obligations (Certificates of Participation) of the City's Electric Fund and eliminated from the General Long-Term Debt of the City. A corresponding long-term obligation and deferred revenue has also been eliminated from the Corona Public Financing Authority.

The City purchased the Recycled Water Project from the Corona Public Financing Authority pursuant to an Installment Purchase agreement for a principal amount of \$7,155,000. The City will pay purchase payments to the Corona Public Financing Authority pursuant to a Recycled Water Project Lease Agreement (City of Corona to the Corona Utility Authority). The Corona Utility Authority will make payments to the City from net revenues of the recycled water system and as such have been shown as long-term obligations (Certificates of Participation) of the Water Utility and eliminated from the General Long-Term Debt of the City. A corresponding long-term obligation and deferred revenue has been eliminated from the Corona Public Financing Authority.

Fiscal Year Ending	2003 Certificates of Participation		
	Principal	Interest	Total
2008	\$ 1,550,000	\$ 3,186,213	\$ 4,736,213
2009	1,575,000	3,137,244	4,712,244
2010	1,650,000	3,066,650	4,716,650
2011	1,720,000	2,995,125	4,715,125
2012	1,790,000	2,929,400	4,719,400
2013-2017	10,010,000	13,520,988	23,530,988
2018-2022	12,620,000	10,806,000	23,426,000
2023-2027	16,110,000	7,231,750	23,341,750
2028-2032	20,560,000	2,670,250	23,230,250
Totals	\$ 67,585,000	\$ 49,543,620	\$ 117,128,620

The Corona Public Financing Authority issued \$29,020,000 in 2005 Certificates of Participation for the purpose of financing the remaining costs associated with the acquisition, construction and installation of the Cogeneration Project and the Electric Distribution Facilities Project. The outstanding bonds bear interest from 3.00% to 5.00% due in installments of \$560,000 to \$905,000 through September 1, 2021 with term bonds of \$2,945,000 due September 1, 2024, \$5,910,000 due September 1, 2029 and \$9,280,000 due September 1, 2035.

Approximately \$8.9 million of the proceeds of the Certificates will finance the remaining amounts needed to complete the Cogeneration Project. The City will purchase such remaining facilities of the Cogeneration Project from the Financing Authority pursuant to an Installment Purchase Agreement. Pursuant to the Installment Purchase Agreement, the City will pay Purchase Payments to the Financing Authority.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Approximately \$15 million of the proceeds of the Certificates will finance the acquisition, construction and installation of the electric distribution facilities necessary to supply power to all Greenfield developments within the City. The City will purchase such electric distribution facilities from the Financing Authority pursuant to an Installment Purchase Agreement. On May 7, 2003, the City announced that it would no longer pursue its plan to acquire Southern California Edison's distribution facilities within the City and terminated the eminent domain proceedings. Approximately \$3.1 million of the proceeds of the Certificates reimbursed the City for certain costs incurred in connection with such terminated eminent domain proceedings.

Fiscal Year Ending	2005 Certificates of Participation		
	Principal	Interest	Total
2008	\$ 560,000	\$ 1,262,060	\$ 1,822,060
2009	575,000	1,245,035	1,820,035
2010	590,000	1,227,560	1,817,560
2011	610,000	1,209,560	1,819,560
2012	630,000	1,190,173	1,820,173
2013-2017	3,475,000	5,607,947	9,082,947
2018-2022	4,190,000	4,866,297	9,056,297
2023-2027	5,135,000	3,881,031	9,016,031
2028-2032	6,515,000	2,466,875	8,981,875
2033-2036	6,485,000	668,125	7,153,125
Totals	\$ 28,765,000	\$ 23,624,663	\$ 52,389,663

21) Internal Balances – Capital Leases**A. Related Parties**

In 2002, the City of Corona (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 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 wastewater utility systems. The Authority's Officers are the Corona City Council.

B. Capital Lease Obligations

The Authority entered into capital leases with the City to lease the City's water and wastewater facilities. The term of the leases are 55 years at which time the Authority will own the capital assets of the water and wastewater facilities.

The capital assets of the water and wastewater facilities were recorded at the City's historical cost, net of accumulated depreciation, and related debt has also been recorded resulting in a lease payable for an amount equal to the net assets recorded on the City's financial statements. Lease payments are made quarterly for an amount equal to 8.0% of water and wastewater's utility service charges.

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Notes to the Basic Financial Statements (continued)

June 30, 2007

The following Internal Balances – Capital Leases were outstanding at June 30, 2007:

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

C. Capital Lease Payments

At June 30, 2007, the future minimum lease payments required under the capital leases and the net present value of the future lease payments were as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Water Facility</u>	<u>Lease</u> <u>Payment</u>
2008		\$ 3,213,435
2009		3,325,906
2010		3,458,942
2011		3,597,300
2012		3,741,192
2013-2017		21,074,040
2018-2022		25,639,792
2023-2027		31,194,728
2028-2032		37,953,156
2033-2037		46,175,818
2038-2042		56,179,943
2043-2047		68,351,490
2048-2052		83,160,039
2053-2056		79,323,945
	Total minimum lease payments	<u>466,389,726</u>
	Less: Amount representing interest	<u>(359,570,064)</u>
	Present Value of Future Minimum Lease Payments	<u>\$ 106,819,662</u>

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Notes to the Basic Financial Statements (continued)

June 30, 2007

<u>Fiscal Year Ending</u>	<u>Wastewater Facility</u>	<u>Lease Payment</u>
2008		\$ 1,728,071
2009		1,788,553
2010		1,860,095
2011		1,934,499
2012		2,011,879
2013-2017		11,332,865
2018-2022		13,788,163
2023-2027		16,775,408
2028-2032		20,409,849
2033-2037		24,831,703
2038-2042		30,211,563
2043-2047		36,756,986
2048-2052		44,720,493
2053-2056		42,657,580
	Total minimum lease payments	250,807,707
	Less: Amount representing interest	(184,999,025)
	Present Value of Future Minimum Lease Payments	\$ 65,808,682

D. 2007 Transactions

In 2007, the following related party transactions were recorded by the City and the Authority:

Capital Lease Payments:	
Water Fund	\$ 3,104,769
Wastewater Fund	1,669,633
Total to the City	\$ 4,774,402

22) Special Assessment District Bonds (No City Liability)

The payment of these bonds is secured by valid assessment liens upon certain lands in each district and is not a direct liability of the City. Reserves have been established from the bond proceeds to meet delinquencies should they occur. Neither the faith and credit nor taxing power of the City of Corona is pledged to the payment of the bonds. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay those delinquencies out of any other available funds. The City acts solely as an agent for those paying the assessments and the bondholders.

CITY OF CORONANotes to the Basic Financial Statements (continued)
June 30, 2007

As of June 30, 2007, the balances outstanding were:

\$3,482,630 A.D. No. 87-2 Improvement Bonds	\$ 230,000
\$ 855,000 A.D. No. 95-1 Improvement Bonds	595,000
\$1,624,200 A.D. No. 96-1 1996 A Improvement Bonds	1,145,000
\$ 685,000 A.D. No. 96-1 1997 A Improvement Bonds	505,000
\$1,605,000 A.D. No. 96-1 1997 B Improvement Bonds	1,230,000
\$2,657,100 A.D. No. 96-1 1999 A Improvement Bonds	2,180,000
Total Special Assessment District Bonds (No City Liability)	\$ 5,885,000

23) Community Facilities District Bonds (No City Liability)

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.

Following is a list of the Community Facilities District Bonds currently outstanding:

\$12,775,000 CFD 86-1 Refunding and Improvement Bonds	\$ 1,235,000
\$22,580,000 CFD 86-2 Refunding and Improvement Bonds	16,995,000
\$62,845,000 CFD 90-1 Refunding Bonds	43,590,000
\$19,505,000 CFD 97-2 Special Tax Bonds	16,320,000
\$ 6,485,000 CFD 2000-1, Series A Special Tax Bonds	6,050,000
\$ 1,610,000 CFD 2000-1, Series B Special Tax Bonds	1,525,000
\$20,295,000 Ref CFD 89-1, Series A District-Wide Local Bonds	15,640,000
\$15,715,000 Ref CFD 89-1, Series A-1 Imp Area Local Bonds	11,790,000
\$ 3,675,000 CFD 2001-2 Special Tax Bonds	3,480,000
\$ 9,415,000 CFD 2002-4 Special Tax Bonds	9,265,000
\$10,870,000 CFD 2003-2 Special Tax Bonds	10,755,000
\$22,475,000 CFD 2002-1 Special Tax Bonds & Escrow Term Bonds	22,475,000
\$ 3,805,000 CFD 2004-1 Special Tax Bonds	3,805,000
\$ 10,280,000 CFD 2002-1 Improvement Area Special Tax Bonds	10,280,000
Total Community Facilities District Bonds (No City Liability)	\$173,205,000

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Notes to the Basic Financial Statements (continued)

June 30, 2007

24) Bond Requirements

At June 30, 2007, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

25) Credit Agreements

The City has entered into letter of credit agreements with Citizens Business Bank and Bank of America. The Irrevocable Letters of Credit have been issued in favor of Southern California Edison to comply with various Interconnection Facilities Agreements that the Corona Department of Water & Power has entered into in order to provide electric distribution. The Irrevocable Letters of Credit have expiration dates; however they are automatically extended without amendment annually. The Irrevocable Letters of Credit are to remain in effect until all payment obligations under the terms of the Interconnection Facilities Agreements have been satisfied.

The following Irrevocable Letters of Credit are outstanding as of June 30, 2007:

<u>Payee</u>	<u>Issue Date</u>	<u>Renewal Date</u>	<u>Amount</u>
Southern California Edison	12/26/2002	12/26/2007	\$ 21,225
Southern California Edison	10/15/2005	10/16/2007	176,593
Southern California Edison	4/12/2006	4/12/2008	106,433
Southern California Edison	9/28/2005	10/14/2007	297,000
Southern California Edison	4/11/2006	4/05/2008	121,850
Total Irrevocable Letters of Credit			\$ 723,101

26) Classification of Net Assets and Fund Balances

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – 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.

Unrestricted Net Assets – This category represents the net assets of the City, which are not restricted for any project or other purpose.

In the Fund Financial Statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the City Council and

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

Management and can be increased, reduced or eliminated by similar actions. As of June 30, 2006, reservations of fund balance are described below:

Reserved for Encumbrances - These reserves represent the portion of purchase orders and contracts awarded for which goods and services have not yet been received.

Reserved for Loans Receivable - These reserves were established to reflect the non-current portion of other loans and other receivables so that they will not be considered as current available funds.

Reserved for Inventories and Prepayments - These reserves were established to reflect non-current resources so that they will not be considered as current available funds.

Reserved for Debt Service - These reserves were established to provide for future debt service.

Reserved for Land Held for Resale - This reserve was established to reflect non-current resources so they will not be considered as current available funds.

Reserved for Interfund Advances - These reserves were established to reflect the non-current portion of advances so that they will not be considered as current available funds.

Unreserved fund balances in the Fund Financial Statements are designated by Management as follows:

General Fund

Continuing Appropriations	\$	5,786,613
Miscellaneous		1,721,961
Development Agreements		749,348
ECB Reserve		4,717,174
Budget Reserve		17,964,925
Designated for Contingencies		19,440,675
OPEB		2,000,000
City Facility Projects		18,335,461
Total General Fund	\$	70,716,157

CITY OF CORONANotes to the Basic Financial Statements (continued)
June 30, 2007

Development Special Revenue	
Capital Projects	<u>\$ 11,431,960</u>
Redevelopment Special Revenue	
Low/Mod Housing	<u>\$ 5,879,133</u>
Redevelopment Capital Projects	
Redevelopment Plan	<u>\$ 9,620,799</u>
Other Governmental Funds	
Special Revenue	
Specific Projects and Programs	\$ 17,426,618
Capital Projects	
Specific Projects and Programs	<u>5,677,681</u>
Total Other Governmental Funds	<u>\$ 22,771,261</u>

27) Deficit Fund Balances

The City Facilities fund in Special Revenue had a deficit fund balance of \$260,683 at June 30, 2007. This deficit will be financed through future revenues of the fund.

28) Pension Plan (Defined Benefit)**A. Plan Description**

The City's defined benefit pension plan, (Miscellaneous Plan, Safety Police Plan and the Safety Fire Plan), provides retirement and disability benefits, annual cost-of-living adjustments (COLAs), and death benefits to plan members and beneficiaries. The Miscellaneous and the Safety Police Plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS) agent multiple-employer defined benefit pension plan. The Safety Fire Plan is part of the Public Agency portion of the PERS cost-sharing multiple-employer defined benefit pension plan. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statutes within the Public Employees' Retirement Law. The City adopts its benefit provisions through contract with PERS and approves them through Council Resolutions and specific agreements with City labor groups. Copies of PERS' annual financial report may be obtained from their Executive Office located at Lincoln Plaza North, 400 Q Street, Sacramento, California 95814.

B. Funding Policy

Active plan members in PERS are required to contribute 8.0% (9.0% for safety employees) of their annual covered salary. The City pays the contributions required of all miscellaneous employees hired before January 1, 1999 and for all police safety employees hired before January 1, 2000. Employees hired after those dates pay a portion of the required member contribution totaling 3% and 4%, respectively, while the City pays the remaining 5% and 5% of the member's contribution, respectively. For fire safety employees, the entire 9% is paid by the employee.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

In addition, the City is required to contribute amounts necessary to fund the benefit for its members, at an actuarially determined rate applied to annual covered payroll. The required employer contribution rate for fiscal 2006-07 was 14.274% for miscellaneous employees, 19.884% for the police safety group and 30.177% for the fire safety group. The contribution requirements of plan members and the City are established and may be amended by PERS.

In fiscal year 2005-06, PERS required participation in risk pools for all plans with less than 100 active members, as of June 30, 2003. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Pooling will reduce the volatility of future employer rates. The Safety Fire Plan is part of the PERS cost-sharing multiple-employer defined benefit pension plan; known as the "Safety 3.0% at 50 Risk Pool." The City's contributions to PERS for the Fire Safety Plan for the years ending June 30, 2007, 2006, and 2005, were \$2,899,125, \$2,544,200, and \$2,426,022, respectively, equal to the required contributions for each year.

C. Annual Pension Cost

For fiscal year 2006-07, the City's annual pension cost for the Miscellaneous and Safety Police Plan was \$7,900,968 and was equal to the City's required and actual contributions. The required contribution for fiscal year 2006-07 was determined as part of the June 30, 2004 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions included: (a) an investment rate of return of 7.75% (net of administrative expenses), (b) projected salary increases of 3.25% to 14.45% depending on age, service and type of employment, and (c) 2% per year COLA for retired members. Both (a) and (b) include an inflation component of 3.00% and a payroll growth factor of 3.25%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15-year period (smoothed market value). The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2004 was 21 years for Miscellaneous and 32 years for Safety Police.

Three-Year Trend Information for PERS for Miscellaneous and Police

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2005	\$ 6,936,575	100%	\$0
06/30/2006	8,385,503	100%	0
06/30/2007	7,900,968	100%	0

D. Funded Status and Funding Progress

As of June 30, 2006, the most recent actuarial valuation date, the Miscellaneous Plan was 77.7 percent funded and the Police Safety Plan was 82.9 percent funded. The actuarial accrued liability for benefits was \$153,210,003 for Miscellaneous and \$87,089,222 for Police Safety. The actuarial value of assets was \$119,042,199 for Miscellaneous and \$72,182,093 for Police Safety, resulting in an unfunded actuarial

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Notes to the Basic Financial Statements (continued)

June 30, 2007

accrued liability (UAAL) of \$34,167,804 and \$14,907,129, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$33,216,410 for Miscellaneous and \$13,504,658 for Police Safety, and the ratio of the UAAL to the covered payroll was 102.9 percent and 110.4 percent, respectively.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

29) Pension Plan (Defined Contribution)

The City provides pension benefits for all of its PST employees through the City's Deferred Compensation Plan for Part-time, Seasonal and Temporary Employees, which is a defined contribution plan. The plan is administered by Nationwide Retirement Solutions. The purpose of the plan is to provide part-time, seasonal and temporary employees with a retirement plan as mandated by and in compliance with the Federal Omnibus Reconciliation Act of 1990. Per Department of Treasury regulations, the City has established this substitute retirement plan under section 457 of the Internal Revenue Code of 1986, as amended. 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 the past year, the City contributed \$30,523 on hourly salaries of \$2,347,923 with the employees contributing \$145,571.

30) Post-employment Health Care Benefits

In addition to the pension benefits described above, the City provides post employment health care benefits, in accordance with the health care regulations of the Public Employees Retirement System, to all employees who retire from the City on or after attaining age 50 with at least five years of service. Currently, 336 retirees meet those eligibility requirements. Expenditures for post employment health care benefits are recognized on a pay-as-you-go basis. During the year, expenditures of \$3,383,798 were recognized for post employment health care.

The City also provides life insurance for employees who retire from active work who are 50 years of age and have a minimum of five years of service. The amount of life insurance provided is \$50,000 until the age of 70. Currently, 234 retirees are involved in this insurance plan with a cost for the fiscal year ending June 30, 2007 of \$21,000. Expenditures for post employment life insurance are funded on a pay-as-you-go basis.

31) 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.

As of June 30, 2007, the Redevelopment Agency had entered into various owner participation and development and disposition agreements with businesses and property owners within the Agency's project areas. These agreements provide for various

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

incentives, including land subsidies, sales tax rebates and debt forgiveness to specific projects based on revenues generated by those projects.

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 XIIB 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, 2007, the City's appropriations limit totals \$313,463,992 and the City's appropriations subject to limitation are \$86,937,977.

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 two special elections for property owners in special districts asking for a proportional increase in the annual assessment for landscape maintenance on publicly owned medians and easements. All the elections were defeated. As a result, services in those districts continue to be provided at a level equal to the assessments prior to the elections.

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.

As of June 30, 2007, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

32) 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 Redevelopment Agency. The Bonds are not secured by or payable from revenues or assets of the City or Redevelopment Agency. Neither the faith and credit nor the taxing power of the City, the Corona Redevelopment 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, 2007, the aggregate principal amount of Conduit Debt Obligations outstanding totaled \$63,797,592.

CITY OF CORONA

Notes to the Basic Financial Statements (continued)

June 30, 2007

33) Net Revenue and Changes in Net Assets

The governmental activities for the Public Works program reflect net revenue of \$384,273 on the Statement of Activities and Changes in Net Assets. This is due to the timing of the completion of capital projects funded in the program as well as the City's intentional building up of certain developer impact fees for upcoming capital improvement projects.

34) Prior Period Adjustments

At June 30, 2007, the City of Corona reclassified certain information due to new information obtained regarding the prior year.

Due From Other GovernmentsDecrease Due From Other Governments \$ (1,073,163)

At June 30, 2007, the City of Corona reclassified certain information to correct transactions recorded incorrectly in prior years.

Capital Assets:Increase Government-Wide Construction in Progress \$ 3,627,453**Compensated Absences:**Increase Proprietary Fund Internal Service Compensated Absences \$ (72,019)

For the Government-Wide Financial Statements, the following restatement amounts were reported as of June 30, 2007:

	Governmental <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Net Assets:		
As previously reported	\$ 744,111,899	\$ 70,822,613
Prior Period Adjustments	<u>(1,073,163)</u>	<u>3,627,453</u>
As restated	<u>\$ 743,038,736</u>	<u>\$ 74,450,066</u>

For the Fund Financial Statements, the following restatement amounts were reported as of June 30, 2007:

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Notes to the Basic Financial Statements (continued)

June 30, 2007

	<u>Major Funds</u> <u>Proprietary Funds</u>	
	<u>Electric</u> <u>Fund</u>	<u>Internal Service</u> <u>Fund</u>
Fund Balances/Net Assets:		
As previously reported	\$ 2,408,067	\$ 5,890,480
Prior Period Adjustments	<u>3,627,454</u>	<u>(72,019)</u>
As restated	<u>\$ 6,035,521</u>	<u>\$ 5,818,461</u>
	<u>Major Funds</u> <u>Governmental</u> <u>Funds</u>	<u>Non-Major Funds</u> <u>Governmental</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>
	<u>General Fund</u>	
Fund Balances/Net Assets:		
As previously reported	\$75,249,936	\$ 32,721,848
Prior Period Adjustments	<u>1,040</u>	<u>(1,074,203)</u>
As restated	<u>\$ 75,250,976</u>	<u>\$ 31,647,645</u>

35) Subsequent Event

The Redevelopment Agency of the City of Corona intends to issue the 2007 Merged Downtown and Amended Project Area "A" Tax Allocation Bonds Taxable Series A in December 2007 for approximately \$28,000,000 on a parity basis with respect to the Agency's Merged Downtown and Amended Project Area "A" 2004 Tax Allocation Refunding Bonds Series A. The bonds are being issued to finance redevelopment activities in the project area. The bonds will be payable from tax increment revenues received from the project area.

36) Special Item

The City contracted for an actuarial evaluation to determine claims payable of its Workers' Compensation and Liability Risk self-funded insurance for the year ending June 30, 2007. The actuarial estimate of claims payable was substantially lower than the prior year resulting in revenue recognition of \$6,786,768 and \$1,209,331 for the Workers Compensation and Liability Risk Funds, respectively. Refer to Note 4, Risk Management.

CITY OF CORONA

Required Supplementary Information

June 30, 2007

BUDGETARY INFORMATION

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City's budget is prepared and based on four expenditure categories; personnel, supplies and services, minor capital outlay and capital improvement programs. The first three listed are considered operational in nature or known as *recurring costs*. Capital improvement projects are asset acquisitions, facilities, systems, and infrastructure improvements typically over \$50,000, and/or those items "outside" of the normal operational budget. These are known as *one-time costs*.

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 is where most City services are funded that are not required to be segregated. Corona follows the General Fund Expenditure Control Budget, or ECB, guidelines as outlined in the budget resolution.

The budget process begins as a team effort in January of each year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department review all budget proposals and revenue assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of committees and workshops and the final adoption of the budget is scheduled for the second City Council meeting in June.

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. A public meeting is 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.

CITY OF CORONA

Required Supplementary Information

June 30, 2007

4. All appropriations are as originally adopted or as amended by the City Council and all unencumbered budgeted amounts lapse at year-end, except in the General Fund where an expenditure control budget policy allows departments to carryover a portion of the unexpended amounts into the next fiscal year.
5. Continuing Appropriations are re-budgeted by the City Council as part of the adoption of subsequent year's budgets.
6. Legally adopted budget appropriations are set for the General, Special Revenue, Debt Service and Capital Projects Funds.
7. The legal level of budgetary control is at the department level. A Department Head may transfer appropriations within the department. Expenditures may exceed appropriations at this level to the extent that departmental owned revenues are sufficient to offset the excess. Expenditures in excess of departmental owned revenues must be approved 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.
8. Budgets for General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles.

The 2006-07 fiscal year budget was the thirteenth year that the budget was prepared in accordance with the ECB policies adopted by the City Council for the General Fund. Departments are given increased flexibility and incentives for meeting their goals as well as being assigned greater accountability for their performance in carrying out their mission. According to the ECB policies, the departments are allowed to carry over certain unspent portions of their individual departmental budgets to be used in future years.

A comparison of the original budget to the final follows:

General Fund

Aside from prior year continuing appropriations of \$3.0 million for capital projects and \$1.2 million in committed purchase orders there were \$6.4 million in supplemental appropriations for the General Fund. These supplemental appropriations included \$1.5 million of ECB budget savings that were approved for various department projects. Additionally, there were increases of \$2.2 million for the design and construction of Stagecoach Park, \$0.5 million for an operating agreement, and \$0.5 million for the I-15 Freeway/ Cajalco Interchange project. Also increases of \$1.6 million were approved throughout the year for public safety staffing, health cost increases, labor agreements and minimum wage increases.

Development Special Revenue Funds

Appropriations of \$9.0 million and \$2.5 million in committed purchase orders were carried forward from the prior year for various capital projects.

Redevelopment Special Revenue Fund

An increase in the final budget resulted from \$1.2 million continuing appropriations from the prior year for various capital projects.

CITY OF CORONA

Required Supplementary Information
June 30, 2007

ECB Reserves

For fiscal year 2006-07 the amounts unspent by the departments totaled \$2,399,007. The prior year carryover is \$2,318,167, thereby giving the departments a total of \$4,717,174 in reserves. This is designated in the General Fund balance under the title of Unreserved Fund balance. Further details are in the Notes to the Basic Financial Statements under Note 27, ECB Reserve. The following presents a list of savings by department:

Department	FY 2006-07	Prior Year Carryover	Total ECB Savings Carryover
City Council	\$ 111	\$ 10,988	\$ 11,099
Management Services	30,883	84,715	115,598
City Clerk	6,442	31,849	38,291
City Treasurer	30	6,260	6,290
Human Resources	31,968	54,584	86,552
Information Technology	16,018	28,594	44,612
General Government	-	200,368	200,368
Finance	4,859	200,214	205,073
Community Development	67,517	326,263	393,780
Building	62,595	37,499	100,094
Fire	891,881	-	891,881
Police	475,216	615,548	1,090,764
Public Works	174,250	376,058	550,308
Library	466,459	200,216	666,675
Parks and Community Services	170,778	145,011	315,789
Total	\$ 2,399,007	\$ 2,318,167	\$ 4,717,174

CITY OF CORONA

Required Supplementary Information (continued)

June 30, 2007

**Budgetary Comparison Schedule, General Fund
Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance, July 1, Restated	\$ 75,249,936	\$ 75,249,936	\$ 75,250,976	\$ 1,040
Resources (inflows):				
Property Taxes	31,863,079	35,636,140	37,584,460	1,948,320
Other Taxes	50,285,928	50,916,265	47,968,446	(2,947,819)
Licenses, Fees, and Permits	1,979,889	2,870,690	2,628,667	(242,023)
Fines and Penalties	517,362	722,513	821,259	98,746
Investment Earnings	2,079,588	3,289,159	3,735,583	446,424
Intergovernmental Revenue	1,018,125	2,447,955	3,062,375	614,420
Current Services	6,728,753	8,666,795	10,474,168	1,807,373
Other Revenue	7,523,449	15,264,137	15,816,772	552,635
Payments in Lieu of Services	9,390,594	9,396,830	9,489,643	92,813
Transfers from other Funds	4,975,733	4,975,733	4,954,248	(21,485)
Amount available for appropriation	<u>116,362,500</u>	<u>134,186,217</u>	<u>136,535,621</u>	<u>2,349,404</u>
Charges to appropriations (outflows):				
General Government	12,100,230	14,759,198	14,123,396	635,802
Public Safety:				
Fire	20,945,650	22,062,738	22,126,488	(63,750) ¹
Police	38,258,171	39,389,731	38,964,024	425,707
Public Works	8,931,655	9,296,683	9,220,382	76,301
Culture and Recreation:				
Library	2,843,930	3,203,055	3,202,597	458
Parks	7,956,689	8,318,258	7,990,027	328,231
Non-Departmental:				
General Government	7,825,607	7,946,576	7,418,721	527,855
Debt Service	3,345,667	3,448,961	3,354,706	94,255
Capital Outlay	3,267,527	7,658,196	999,561	6,658,635
Transfers to other funds	2,652,302	9,076,868	9,548,781	(471,913) ²
Total charges to appropriations	<u>108,127,428</u>	<u>125,160,264</u>	<u>116,948,683</u>	<u>8,211,581</u>
Excess of resources over (under) charges to appropriations	<u>8,235,072</u>	<u>9,025,953</u>	<u>19,586,938</u>	<u>10,560,985</u>
Fund Balance, June 30	<u>\$ 83,485,008</u>	<u>\$ 84,275,889</u>	<u>\$ 94,837,914</u>	<u>\$ 10,562,025</u>

1 Fire deficit is offset with ECB ownership of revenue from local fire agencies reimbursements.

2 Transfers are budgeted based on estimates and may not be adjusted for actual activity.

CITY OF CORONA

Required Supplementary Information (continued)

June 30, 2007

**Budgetary Comparison Schedule, Development Special Revenue Fund
Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Fund Balance, July 1, Restated	\$ 16,784,301	\$ 16,784,301	\$ 16,784,301	\$ -
Resources (inflows):				
Licenses, Fees and Permits	3,954,350	3,954,350	4,404,522	450,172
Investment Earnings	1,264,809	1,264,809	1,233,977	(30,832)
Intergovernment Revenues			300,000	300,000
Other Revenues			301,209	301,209
Payments in Lieu of Services	288,000	288,000	312,155	24,155
Transfers from other Funds			426,153	426,153
Amount available for appropriation	<u>\$ 5,507,159</u>	<u>\$ 5,507,159</u>	<u>\$ 6,978,016</u>	<u>\$ 1,470,857</u>
Charges to appropriations (outflows):				
General Government	\$ -	\$ 1,123,779	\$ 1,123,779	\$ -
Public Works	406,280	1,719,212	1,719,096	116
Parks and Community Services				-
Fire		3,171	3,287	(116)
Police		148,918	148,918	-
Library		265,882	265,882	-
Capital Outlay	6,471,418	15,866,730	5,143,189	10,723,541
Debt Service		1,000,317	1,000,317	-
Transfers to other Funds	434,910	959,290	1,219,851	(260,561) ¹
Total charges to appropriations	<u>7,312,608</u>	<u>21,087,299</u>	<u>10,624,319</u>	<u>10,462,980</u>
Excess of Resources over (under)				
Charges to Appropriations	<u>(1,805,449)</u>	<u>(15,580,140)</u>	<u>(3,646,303)</u>	<u>11,933,837</u>
Fund Balance, June 30	<u>\$ 14,978,852</u>	<u>\$ 1,204,161</u>	<u>\$ 13,137,998</u>	<u>\$ 11,933,837</u>

1 Transfers are budgeted based on estimates and may not be adjusted for actual activity.

CITY OF CORONA

Required Supplementary Information (continued)

June 30, 2007

**Budgetary Comparison Schedule, Redevelopment Special Revenue Fund
Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance, July 1	\$ 4,798,807	\$ 4,798,807	\$ 4,798,807	\$ -
Resources (inflows):				
Investment Earnings	150,195	150,195	275,482	125,287
Current Services				-
Other Revenues	125,699	125,699	323,783	198,084
Transfers from other Funds	4,227,056	4,227,056	5,027,284	800,228
Amount available for appropriation	<u>\$ 4,502,950</u>	<u>\$ 4,502,950</u>	<u>\$ 5,626,549</u>	<u>\$ 1,123,599</u>
Charges to appropriations (outflows):				
Redevelopment	\$ 3,017,886	\$ 4,091,762	\$ 1,632,696	\$ 2,459,066
Debt Service:				-
Interest and Fiscal Charges	34,120	174,471	174,471	-
Transfers to Other Funds		-	1,176,649	(1,176,649) ¹
Total charges to appropriations	<u>3,052,006</u>	<u>4,266,233</u>	<u>2,983,816</u>	<u>1,282,417</u>
Excess of Resources over (under)				
Charges to Appropriations	<u>1,450,944</u>	<u>236,717</u>	<u>2,642,733</u>	<u>2,406,016</u>
Fund Balance, June 30	<u>\$ 6,249,751</u>	<u>\$ 5,035,524</u>	<u>\$ 7,441,540</u>	<u>\$ 2,406,016</u>

1 Transfers are budgeted based on estimates and may not be adjusted for actual activity.

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City defines infrastructure as the basic physical assets including the street system; water purification and distribution system; wastewater collection and treatment system; park and recreation lands and improvement system; storm water conveyance system; and buildings combined with site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be 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.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. Under GASB Statement No. 34,

CITY OF CORONA

Required Supplementary Information (continued)
June 30, 2007

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) perform condition assessments and summarize the results using a measurement scale; and (3) estimate 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 commissioned a study to update the physical condition assessment of the streets and received a final report dated August 2007. The prior assessment study was completed in August 2005. The streets, primarily concrete and asphalt pavements 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 four classifications: arterial/major, secondary, collector and local. This condition assessment will be performed every three years. Each street was assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street.

The following conditions were defined:

<u>Condition</u>	<u>Rating</u>
Excellent	86-100
Very Good	71-85
Good	56-70
Fair	41-55
Poor	26-40
Very Poor	11-25
Distressed	0-10

The City Policy is to achieve an average rating of 70 for all streets, which is a good rating. This rating 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 June 30, 2007, the City's street system was rated at a PCI index of 70 on the average with the detail condition as follows:

<u>Condition</u>	<u>% of Streets</u>
Excellent to Good	78%
Fair	9%
Poor to Distressed	13%

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 interests trenching operations; and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking

CITY OF CORONA

Required Supplementary Information (continued)

June 30, 2007

actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and sidewalk repair. The City expended \$7,366,894 on street maintenance for the fiscal year ended June 30, 2007. These expenditures delayed deterioration, however the overall condition of the streets was not improved through these maintenance expenditures. The City has estimated that the amount of annual expenditures required maintaining the City's streets at the average PCI rating of 70 through the year 2011 is a minimum of \$9,000,000. A schedule of the estimated annual amount required to maintain and preserve its streets at the current level compared to actual expenditures for street maintenance for the last five years is presented below.

<u>Fiscal Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>	<u>PCI Rating</u>
2002-03	3,500,000	5,993,817	73
2003-04	3,500,000	5,326,688	71
2004-05	3,500,000	3,605,489	71
2005-06	4,000,000	7,253,669	71
2006-07	9,700,000	7,366,894	70

The City also has an on-going street rehabilitation program funded in the Capital Improvement Program that is intended to improve the condition rating of City streets. The rehabilitation program is formulated based on deficiencies identified as a part of its Pavement Management System (PMS). As of June 30, 2007, approximately 22% of the City's streets were rated below the average standard of 70. This represents an increase over the prior year when the City had 21% of its streets rated below 70. The City will continue to rehabilitate these segments of the streets. Total deficiencies identified in the PMS amounted to approximately \$74,600,000 for all streets, with \$48,600,000 in deficiencies on street segments rated below the PCI of 70.

PENSION TREND DATA

A schedule of funding progress for the year ended June 30, 2007 including the past three actuarial valuations is presented below.

	<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL) (A)</u>	<u>Actuarial Value of Assets (B)</u>	<u>Unfunded Actuarial Liability (UAAL) (A) - (B)</u>	<u>Funded Ratio (B) / (A)</u>	<u>Annual Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((A - B) / C)</u>
Miscellaneous Employees Group	06/30/04	114,672,033	94,372,442	20,299,591	82.3%	31,103,806	65.3%
	06/30/05	137,222,993	106,687,885	30,535,108	77.7%	31,576,569	96.7%
	06/30/06	153,210,003	119,042,199	34,167,804	77.7%	33,216,410	102.9%
Police Safety Employees Group	06/30/04	70,528,257	58,349,169	12,179,088	82.7%	12,146,747	100.3%
	06/30/05	78,526,367	65,095,865	13,430,502	82.9%	12,348,814	108.8%
	06/30/06	87,089,222	72,182,093	14,907,129	82.9%	13,504,658	110.4%

Supplementary Information



Nonmajor Governmental Funds

Traffic Safety Fund - This fund is used to account for fines resulting from violations of the California Vehicle Code as required by provisions of the Vehicle Code Section 42200.

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.

City Facilities Fund - This fund is used to account for all City Facilities revenues, expenditures.

Asset Forfeiture Fund - This fund is used to account for asset seizures and forfeitures resulting from police investigations and court decisions.

Residential Refuse Fund - This fund is used to account for residential refuse billings, abandoned vehicle abatement, collections and payments to contractors.

Special Tax Districts 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.

General Obligation Fund - This fund is used to account for tax levies from which general obligation principal and interest payments are made as they mature for the 1995 General Obligation Bonds.

Assessment Districts Fund - This fund is used to account for assessment collections and payments for principal and interest and providing reserves related to Assessment District Bonds.

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.

Continued

Nonmajor Governmental Funds

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.

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.

Other Grants Fund - This fund is used to account for receipts and expenditures of money received from various governmental grants.

Public Facilities Projects 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.



CITY OF CORONA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007**

	Special Revenue			
	Traffic Safety	Gas Tax	Measure A	Trip Reduction
Assets:				
Cash and Investments	\$ 86,396	\$ 1,651,383	\$ 8,075,088	\$ 306,879
Accounts Receivable, Net				
Interest Receivable	838	15,963	78,329	2,975
Due from Other Governmental Agencies	59,836	244,690	817,139	45,162
Long-term Receivable				
Loans Receivable				
Restricted Assets:				
Cash and Investments		10,702	15,539	
Total Assets	\$ 147,070	\$ 1,922,738	\$ 8,986,095	\$ 355,016
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ -	\$ 121,586	\$ 739,529	\$ 2,388
Deposits				
Due to Other Funds				
Deferred Revenues				
Unearned Revenue				
Interfund Advances Payable				
Liabilities Payable from Restricted Assets		10,702	15,539	
Total Liabilities	-	132,288	755,068	2,388
Fund Balances:				
Reserved for:				
Encumbrances		17,713	2,080,973	51,549
Debt Service				
Unreserved, reported in:				
Special Revenue				
Designated				
Specific Projects and Programs	147,070	1,772,737	6,150,054	301,079
Undesignated				
Capital Projects				
Designated				
Specific Projects and Programs				
Undesignated				
Total Fund Balances (Deficit)	147,070	1,790,450	8,231,027	352,628
Total Liabilities and Fund Balances	\$ 147,070	\$ 1,922,738	\$ 8,986,095	\$ 355,016

Special Revenue

<u>City Facilities</u>	<u>Asset Forfeiture</u>	<u>Residential Refuse</u>	<u>Special Tax Districts</u>	<u>Other Grants & Endowments</u>
\$ 94,600	\$ 422,514	\$ 446,065	\$ 7,865,652	\$ 22,980
1,051		465,636	92	1,545
	4,096		77,696	7,336
		51,571	392,919	140,844
		<u>72,555</u>	<u>333,038</u>	<u>831,094</u>
<u>\$ 95,651</u>	<u>\$ 426,610</u>	<u>\$ 1,035,827</u>	<u>\$ 8,669,397</u>	<u>\$ 1,003,799</u>
\$ 29,723	\$ 897	\$ 958,272	\$ 474,822	\$ 76,358
1,325			1,300	
286	58,284	72,555		239,051
325,000				<u>151,155</u>
<u>356,334</u>	<u>59,181</u>	<u>1,030,827</u>	<u>476,122</u>	<u>466,564</u>
14,115		5,000	15,531	26,730
			-	
(274,798)	367,429		8,177,744	510,505
<u>(260,683)</u>	<u>367,429</u>	<u>5,000</u>	<u>8,193,275</u>	<u>537,235</u>
<u>\$ 95,651</u>	<u>\$ 426,610</u>	<u>\$ 1,035,827</u>	<u>\$ 8,669,397</u>	<u>\$ 1,003,799</u>

Continued

CITY OF CORONA**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007**

	Debt Service		
	General Obligation	Assessment Districts	Public Financing Authority
Assets:			
Cash and Investments	\$ 174,007	\$ 678,793	\$ -
Accounts Receivable, Net			
Interest Receivable	1,875	7,017	101,653
Due from Other Governmental Agencies	63,156	21,723	
Long-term Receivable		2,565,000	
Loans Receivable			
Restricted Assets:			
Cash and Investments	528,800	113,915	16,615,045
Total Assets	\$ 767,838	\$ 3,386,448	\$ 16,716,698
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -
Deposits			
Due to Other Funds			
Deferred Revenues	29,893	2,565,000	
Unearned Revenue			
Interfund Advances Payable			
Liabilities Payable from Restricted Assets			
Total Liabilities	29,893	2,565,000	-
Fund Balances:			
Reserved for:			
Encumbrances			
Debt Service	737,945	821,448	16,716,698
Unreserved, reported in:			
Special Revenue			
Designated			
Specific Projects and Programs			
Undesignated			
Capital Projects			
Designated			
Specific Projects and Programs			
Undesignated			
Total Fund Balances (Deficit)	737,945	821,448	16,716,698
Total Liabilities and Fund Balances	\$ 767,838	\$ 3,386,448	\$ 16,716,698



Capital Projects

HUD Grants	Planned Local Drainage	Other Grants	Public Facilities Projects	Total Other Governmental Funds
\$ 411,672	\$ -	\$ -	\$ -	\$ 20,236,029
3,991		180	27,054	468,324
529,711	237,118	1,971,072	3,425,045	329,003
357,353				7,999,986
				2,565,000
				357,353
-		127,555	20,810,468	39,458,711
<u>\$ 1,302,727</u>	<u>\$ 237,118</u>	<u>\$ 2,098,807</u>	<u>\$ 24,262,567</u>	<u>\$ 71,414,406</u>
\$ 135,169	\$ 12,028	\$ 120,540	\$ 1,791,372	\$ 4,462,684
331,952	225,090	1,754,971	1,316,060	2,625
435,771		24,023		3,628,073
49,191		195,262	312,167	2,989,092
952,083	237,118	2,094,796	3,419,599	435,771
				325,000
				734,016
				12,577,261
128,283		14,424	15,165,287	17,519,605
				18,276,091
				-
				17,426,618
				(274,798)
				-
				-
222,361		(10,413)	5,677,681	5,677,681
350,644	-	4,011	20,842,968	211,948
<u>\$ 1,302,727</u>	<u>\$ 237,118</u>	<u>\$ 2,098,807</u>	<u>\$ 24,262,567</u>	<u>\$ 71,414,406</u>

CITY OF CORONA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2007**

	Special Revenue			
	Traffic Safety	Gas Tax	Measure A	Trip Reduction
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes				
Licenses, Fees and Permits				
Fines, Penalties and Forfeitures	755,467			
Special Assessments				
Investment Earnings	7,631	102,831	523,936	13,168
Intergovernmental Revenues		2,667,534	5,359,619	175,183
Current Services				
Other Revenues		44,466	512	
Total Revenues	763,098	2,814,831	5,884,067	188,351
Expenditures:				
Current:				
General Government		6,000	11,000	
Planning				
Police				
Public Works		1,620,848	7,781,631	159,847
Parks and Community Services				
Redevelopment				
Library				
Capital Outlay		510,877	1,103,342	
Debt Service:				
Principal Retirement			445,928	
Interest and Fiscal Charges			72,105	
Total Expenditures	-	2,137,725	9,414,006	159,847
Excess of Revenues Over (Under) Expenditures	763,098	677,106	(3,529,939)	28,504
Other Financing Sources (Uses):				
Proceeds from Long Term Obligation				
Transfers In		26,297	21,091	
Transfers Out	(755,467)	(1,068,034)	(1,038,489)	
Total Other Financing Sources (Uses)	(755,467)	(1,041,737)	(1,017,398)	-
Net Change in Fund Balances	7,631	(364,631)	(4,547,337)	28,504
Fund Balances - Beginning of Year, As Restated	139,439	2,155,081	12,778,364	324,124
Fund Balances - End of Year	\$ 147,070	\$ 1,790,450	\$ 8,231,027	\$ 352,628



Special Revenue

City Facilities	Asset Forfeiture	Residential Refuse	Special Tax Districts	Other Grants & Endowments
\$ -	\$ -	\$ -	\$ -	\$ -
56,843	101,799		6,928,995	
395	19,627	11,263	352,603	82,739
20,000		81,820		1,477,967
		5,806,732	25,975	240,538
253,423			55,726	516
<u>330,661</u>	<u>121,426</u>	<u>5,899,815</u>	<u>7,363,299</u>	<u>1,801,760</u>
197,421			2,500	
	74,525			449,587
27,327		6,535,921	2,901,673	1,511,548
255,804			4,053,119	
			66,307	114,223
96			122,399	140,844
<u>480,648</u>	<u>74,525</u>	<u>6,535,921</u>	<u>7,145,998</u>	<u>2,216,202</u>
<u>(149,987)</u>	<u>46,901</u>	<u>(636,106)</u>	<u>217,301</u>	<u>(414,442)</u>
190,903		655,619		
		(19,060)	(25,803)	
<u>190,903</u>	<u>-</u>	<u>636,559</u>	<u>(25,803)</u>	<u>-</u>
40,916	46,901	453	191,498	(414,442)
<u>(301,599)</u>	<u>320,528</u>	<u>4,547</u>	<u>8,001,777</u>	<u>951,677</u>
<u>\$ (260,683)</u>	<u>\$ 367,429</u>	<u>\$ 5,000</u>	<u>\$ 8,193,275</u>	<u>\$ 537,235</u>

Continued

CITY OF CORONA**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2007**

	Debt Service		
	General Obligation	Assessment Districts	Public Financing Authority
Revenues:			
Property Taxes	\$ 671,991	\$ -	\$ -
Other Taxes			
Licenses, Fees and Permits			
Fines, Penalties and Forfeitures			
Special Assessments		543,094	
Investment Earnings	13,726	29,676	407,703
Intergovernmental Revenues			
Current Services			
Other Revenues		295	
Total Revenues	<u>685,717</u>	<u>573,065</u>	<u>407,703</u>
Expenditures:			
Current:			
General Government			
Planning			
Police			
Public Works			
Parks and Community Services			
Redevelopment			
Library			
Capital Outlay			
Debt Service:			
Principal Retirement	610,000	365,000	
Interest and Fiscal Charges	129,680	248,395	601,345
Total Expenditures	<u>739,680</u>	<u>613,395</u>	<u>601,345</u>
Excess of Revenues Over (Under) Expenditures	<u>(53,963)</u>	<u>(40,330)</u>	<u>(193,642)</u>
Other Financing Sources (Uses):			
Proceeds from Long Term Obligation			11,426,742
Transfers In			7,846
Transfers Out			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>11,434,588</u>
Net Change in Fund Balances	(53,963)	(40,330)	11,240,946
Fund Balances - Beginning of Year, As Restated	<u>791,908</u>	<u>861,778</u>	<u>5,475,752</u>
Fund Balance - End of Year	<u>\$ 737,945</u>	<u>\$ 821,448</u>	<u>\$ 16,716,698</u>

Capital Projects				
HUD Grants	Planned Local Drainage	Other Grants	Public Facilities Projects	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 671,991
	475,564			532,407
				857,266
				7,472,089
19,457		357	434,387	2,019,499
1,558,876		4,457,908	1,961,511	17,760,418
				6,073,245
11,955	5,775	326	863	373,857
<u>1,590,288</u>	<u>481,339</u>	<u>4,458,591</u>	<u>2,396,761</u>	<u>35,760,772</u>
59,199				276,120
103,964				103,964
				524,112
214,359	516,813			21,269,967
59,207				4,368,130
481,001				661,531
				140,940
672,558		4,449,661	8,623,731	15,482,568
				1,420,928
				1,051,525
<u>1,590,288</u>	<u>516,813</u>	<u>4,449,661</u>	<u>8,623,731</u>	<u>45,299,785</u>
<u>-</u>	<u>(35,474)</u>	<u>8,930</u>	<u>(6,226,970)</u>	<u>(9,539,013)</u>
			25,753,258	37,180,000
	23,785	12,643	1,602,846	2,541,030
		(21,573)	(64,091)	(2,992,517)
<u>-</u>	<u>23,785</u>	<u>(8,930)</u>	<u>27,292,013</u>	<u>36,728,513</u>
<u>-</u>	<u>(11,689)</u>	<u>-</u>	<u>21,065,043</u>	<u>27,189,500</u>
350,644	11,689	4,011	(222,075)	31,647,645
<u>\$ 350,644</u>	<u>\$ -</u>	<u>\$ 4,011</u>	<u>\$ 20,842,968</u>	<u>\$ 58,837,145</u>

Concluded Page 2 of 2



***Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual***

CITY OF CORONA

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2007**

	Traffic Safety			Gas Tax		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Fees and Permits						
Fines, Penalties and Forfeitures	875,000	755,467	(119,533)			
Special Assessments						
Investment Earnings	12,023	7,631	(4,392)	141,991	102,831	(39,160)
Intergovernmental Revenues				2,914,500	2,667,534	(246,966)
Current Services						
Payments in Lieu of Services						
Gifts and Donations						
Other Revenues				400,000	44,466	(355,534)
Total Revenues	887,023	763,098	(123,925)	3,456,491	2,814,831	(641,660)
Expenditures:						
Current:						
General Government					6,000	(6,000)
Public Works				989,770	1,620,848	(631,078)
Parks and Community Services						
Fire						
Police						
Redevelopment						
Library						
Capital Outlay				2,437,946	510,877	1,927,069
Debt Service:						
Principal Retirement						
Interest and Fiscal Charges						
Total Expenditures				3,427,716	2,137,725	1,289,991
Excess of Revenues Over (Under) Expenditures	887,023	763,098	(123,925)	28,775	677,106	648,331
Other Financing Sources (Uses):						
Proceeds from Long-Term Obligations						
Transfers In				26,297	26,297	
Transfers Out	(755,467)	(755,467)		(1,068,034)	(1,068,034)	
Total Other Financing Sources (Uses)	(755,467)	(755,467)	-	(1,041,737)	(1,041,737)	-
Net Change in Fund Balances	\$ 131,556	7,631	\$ (123,925)	\$ (1,012,962)	(364,631)	\$ 648,331
Fund Balances - Beginning of Year, As Restated		139,439			2,155,081	
Fund Balances-End of Year		\$ 147,070			\$ 1,790,450	

Measure A			Trip Reduction		
Budget	Actual	Variance	Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
417,420	523,936	106,516	9,351	13,168	3,817
5,297,000	5,359,619	62,619	172,000	175,183	3,183
	512	512	500		(500)
<u>5,714,420</u>	<u>5,884,067</u>	<u>169,647</u>	<u>181,851</u>	<u>188,351</u>	<u>6,500</u>
71,845	11,000	(11,000)	212,325	159,847	52,478
	7,781,631	(7,709,786)			
17,955,797	1,103,342	16,852,455			
518,032	445,928	72,104			
	72,105	(72,105)			
<u>18,545,674</u>	<u>9,414,006</u>	<u>9,131,668</u>	<u>212,325</u>	<u>159,847</u>	<u>52,478</u>
<u>(12,831,254)</u>	<u>(3,529,939)</u>	<u>9,301,315</u>	<u>(30,474)</u>	<u>28,504</u>	<u>58,978</u>
21,091	21,091				
<u>(1,038,489)</u>	<u>(1,038,489)</u>				
<u>(1,017,398)</u>	<u>(1,017,398)</u>	-	-	-	-
<u>\$ (13,848,652)</u>	<u>(4,547,337)</u>	<u>\$ 9,301,315</u>	<u>\$ (30,474)</u>	<u>28,504</u>	<u>\$ 58,978</u>
	12,778,364			324,124	
	<u>\$ 8,231,027</u>			<u>\$ 352,628</u>	

Continued Sheet 1 of 3

CITY OF CORONA

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2007**

	City Facilities			Asset Forfeiture		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Property Taxes		\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Fees and Permits	50,400	56,843	6,443			
Fines, Penalties and Forfeitures	100		(100)	29,000	101,799	72,799
Special Assessments						
Investment Earnings	(1,750)	395	2,145	13,374	19,627	6,253
Intergovernmental Revenues	10,000	20,000	10,000			
Current Services						
Payments in Lieu of Services						
Gifts and Donations						
Miscellaneous Revenues	247,900	253,423	5,523			
Total Revenues	306,650	330,661	24,011	42,374	121,426	79,052
Expenditures:						
Current:						
General Government	218,898	197,421	21,477			
Public Works	27,327	27,327				
Parks and Community Services	247,879	255,804	(7,925)			
Fire						
Police				327,578	74,525	253,053
Redevelopment						
Library						
Capital Outlay	35,372	96	35,276			
Debt Service:						
Principal Retirement						
Interest and Fiscal Charges						
Total Expenditures	529,476	480,648	48,828	327,578	74,525	253,053
Excess of Revenues Over (Under) Expenditures	(222,826)	(149,987)	72,839	(285,204)	46,901	332,105
Other Financing Sources (Uses):						
Transfers In	190,903	190,903				
Transfers Out						
Total Other Financing Sources (Uses)	190,903	190,903	-	-	-	-
Net Change in Fund Balances	\$ (31,923)	40,916	\$ 72,839	\$ (285,204)	46,901	\$ 332,105
Fund Balances - Beginning of Year, as Restated		(301,599)			320,528	
Fund Balances-End of Year		\$ (260,683)			\$ 367,429	

Residential Refuse			Special Tax Districts		
Budget	Actual	Variance	Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			6,973,559	6,928,995	(44,564)
26,049	11,263	(14,786)	338,262	352,603	14,341
40,000	81,820	41,820			
6,123,000	5,806,732	(316,268)	6,500	25,975	19,475
			40,910	55,726	14,816
<u>6,189,049</u>	<u>5,899,815</u>	<u>(289,234)</u>	<u>7,359,231</u>	<u>7,363,299</u>	<u>4,068</u>
				2,500	(2,500)
6,613,477	6,535,921	77,556	3,272,773	2,901,673	371,100
			4,468,219	4,053,119	415,100
				66,307	
			1,052,464	122,399	930,065
			5,234		5,234
<u>6,613,477</u>	<u>6,535,921</u>	<u>77,556</u>	<u>8,798,690</u>	<u>7,145,998</u>	<u>1,718,999</u>
<u>(424,428)</u>	<u>(636,106)</u>	<u>(211,678)</u>	<u>(1,439,459)</u>	<u>217,301</u>	<u>1,656,760</u>
655,619	655,619				
(19,060)	(19,060)		(25,803)	(25,803)	
636,559	636,559	-	(25,803)	(25,803)	-
<u>\$ 212,131</u>	<u>453</u>	<u>\$ (211,678)</u>	<u>\$ (1,465,262)</u>	<u>191,498</u>	<u>\$ 1,656,760</u>
	4,547			8,001,777	
	<u>\$ 5,000</u>			<u>\$ 8,193,275</u>	

CITY OF CORONA

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances- Budget and Actual
All Special Revenue Funds
Year Ended June 30, 2007**

	Grants & Endowments			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Fees and Permits				50,400	56,843	6,443
Fines, Penalties and Forfeitures				904,100	857,266	(46,834)
Special Assessments				6,973,559	6,928,995	(44,564)
Investment Earnings	8,908	82,739	73,831	965,628	1,114,193	148,565
Intergovernmental Revenues	353,444	1,477,967	1,124,523	8,786,944	9,782,123	995,179
Current Services	222,000	240,538	18,538	6,351,500	6,073,245	(278,255)
Payments in Lieu of Services				-	-	-
Other Revenues		516		689,310	354,643	(334,667)
Total Revenues	584,352	1,801,760	1,216,892	24,721,441	25,167,308	445,867
Expenditures:						
Current:						
General Government				218,898	216,921	1,977
Public Works		1,511,548		11,187,517	20,538,795	(7,839,730)
Parks and Community Services				4,716,098	4,308,923	407,175
Fire				-	-	-
Police	687,607	449,587	238,020	1,015,185	524,112	491,073
Redevelopment				-	66,307	-
Library	71,956	114,223	(42,267)	71,956	114,223	(42,267)
Capital Outlay	1,932,929	140,844	1,792,085	23,414,508	1,877,558	21,536,950
Debt Service:						
Principal Retirement				523,266	445,928	77,338
Interest and Fiscal Charges				-	72,105	(72,105)
Total Expenditures	2,692,492	2,216,202	1,987,838	41,147,428	28,164,872	14,560,411
Excess of Revenues Over (Under) Expenditures	(2,108,140)	(414,442)	1,693,698	(16,425,987)	(2,997,564)	13,428,423
Other Financing Sources (Uses):						
Transfers In				893,910	893,910	-
Transfers Out				(2,906,853)	(2,906,853)	-
Total Other Financing Sources (Uses)				(2,012,943)	(2,012,943)	-
(Under) Expenditures and Other Uses	<u>\$ (2,108,140)</u>	<u>(414,442)</u>	<u>\$ 1,693,698</u>	<u>\$ (18,438,930)</u>	<u>(5,010,507)</u>	<u>\$ 13,428,423</u>
Fund Balances - Beginning of Year, as Restated		951,677			24,373,938	
Fund Balances-End of Year		<u>\$ 537,235</u>			<u>\$ 19,363,431</u>	

Concluded Sheet 3 of 3



CITY OF CORONA**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Debt Service Funds
Year Ended June 30, 2007**

	General Obligation			Redevelopment		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Property Taxes	\$ 736,000	\$ 671,991	\$ (64,009)	\$ 21,154,009	\$ 24,865,316	\$ 3,711,307
Special Assessments						
Investment Earnings	47,491	13,726	(33,765)	416,866	442,828	25,962
Other Revenues				685,801		(685,801)
Total Revenues	783,491	685,717	(97,774)	22,256,676	25,308,144	3,051,468
Expenditures:						
Current:						
Redevelopment				281,213	228,551	52,662
Capital Outlay				268,961		268,961
Debt Service:						
Principal Retirement	745,500	610,000	135,500	9,916,706	1,920,834	7,995,872
Interest and Fiscal Charges		129,680	(129,680)		8,254,617	(8,254,617)
Total Expenditures	745,500	739,680	5,820	10,466,880	10,404,002	62,878
Excess of Revenues Over (Under) Expenditures	37,991	(53,963)	(91,954)	11,789,796	14,904,142	3,114,346
Other Financing Sources (Uses):						
Proceeds from Long-Term Obligations					5,103,775	5,103,775
Principal Retirement						
Bond Premium						
Transfers In				3,605,904	4,782,049	1,176,145
Transfers Out				(17,370,887)	(17,370,887)	
Total Other Financing Sources (Uses)	-	-	-	(13,764,983)	(7,485,063)	6,279,920
Net Change in Fund Balances	\$ 37,991	(53,963)	\$ (91,954)	\$ (1,975,187)	7,419,079	\$ 9,394,266
Fund Balances - Beginning of Year, As Restated		791,908			2,253,510	
Fund Balances-End of Year		\$ 737,945			\$ 9,672,589	

Assessment Districts			Public Financing Authority		
Budget	Actual	Variance	Budget	Actual	Variance
	\$ -	\$ -		\$ -	\$ -
536,244	543,094	6,850			
30,293	29,676	(617)	211,848	407,703	195,855
	295				
566,537	573,065	6,528	211,848	407,703	195,855
616,349	365,000	251,349	600,709		(600,709)
	248,395	(248,395)		601,345	(601,345)
616,349	613,395	2,954	600,709	601,345	(636)
(49,812)	(40,330)	9,482	(388,861)	(193,642)	195,219
				11,426,742	
			1,212,281	7,846	
			(1,204,435)	-	
-	-	-	7,846	11,434,588	-
<u>\$ (49,812)</u>	<u>(40,330)</u>	<u>\$ 9,482</u>	<u>\$ (388,861)</u>	<u>11,240,946</u>	<u>\$ 11,629,807</u>
	861,778			5,475,752	
	<u>\$ 821,448</u>			<u>\$ 16,716,698</u>	

Continued Sheet 1 of 2

CITY OF CORONA**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Debt Service Funds
Year Ended June 30, 2007**

	Totals		
	Budget	Actual	Variance
Revenues:			
Property Taxes	\$ 21,890,009	\$ 25,537,307	\$ 3,647,298
Special Assessments	536,244	543,094	6,850
Investment Earnings	706,498	893,933	187,435
Other Revenues	685,801	295	(685,506)
Total Revenues	<u>23,818,552</u>	<u>26,974,629</u>	<u>3,156,077</u>
Expenditures:			
Current:			
Redevelopment	281,213	228,551	52,662
Capital Outlay	268,961	-	268,961
Debt Service:			
Principal Retirement	11,879,264	2,895,834	8,983,430
Interest and Fiscal Charges	-	9,234,037	(9,234,037)
Total Expenditures	<u>12,429,438</u>	<u>12,358,422</u>	<u>71,016</u>
Excess of Revenues Over (Under) Expenditures	<u>11,389,114</u>	<u>14,616,207</u>	<u>3,227,093</u>
Other Financing Sources (Uses):			
		16,530,517	16,530,517
		-	-
		-	-
Transfers In	4,818,185	4,789,895	(28,290)
Transfers Out	<u>(18,575,322)</u>	<u>(17,370,887)</u>	<u>1,204,435</u>
Total Other Financing Sources (Uses)	<u>(13,757,137)</u>	<u>3,949,525</u>	<u>17,706,662</u>
Net Change in Fund Balances	<u>\$ (2,368,023)</u>	<u>18,565,732</u>	<u>\$ 20,933,755</u>
Fund Balances - Beginning of Year, As Restated		<u>9,382,948</u>	
Fund Balances-End of Year		<u>\$ 27,948,680</u>	

Concluded Sheet 2 of 2



CITY OF CORONA

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Capital Projects Funds
Year Ended June 30, 2007**

	HUD Grants			Planned Local Drainage		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Licenses, Fees & Permits	\$ -	\$ -	\$ -	\$ 482,173	\$ 475,564	\$ (6,609)
Investment Earnings		19,457	19,457	(14,874)		14,874
Intergovernmental Revenues	2,888,566	1,558,876	(1,329,690)			
Other Revenues	155,181	11,955	(143,226)	2,100	5,775	3,675
Total Revenues	3,043,747	1,590,288	(1,453,459)	469,399	481,339	11,940
Expenditures:						
Current:						
Redevelopment	255,064	481,001	(225,937)			
General Government		59,199	(59,199)			
Planning	103,962	103,964	(2)			
Building	47,964		47,964			
Police						
Public Works	28,116	214,359	(186,243)	568,993	516,813	52,180
Library						
Parks and Community Services		59,207	(59,207)			
Capital Outlay	1,909,539	672,558	1,236,981			
Total Expenditures	2,344,645	1,590,288	754,357	568,993	516,813	52,180
Excess of Revenues Over (Under) Expenditures	699,102	-	(699,102)	(99,594)	(35,474)	64,120
Other Financing Sources (Uses):						
Proceeds from Lon-Term Obligations						
Transfers In				23,785	23,785	
Transfers Out						
Net Change in Fund Balances	-	-	-	23,785	23,785	-
(Under) Expenditures and Other Uses	\$ 699,102	-	\$ (699,102)	\$ (123,379)	(11,689)	\$ 64,120
Fund Balances-Beginning of Year, As Restated		350,644			11,689	
Fund Balances-End of Year		\$ 350,644			\$ -	

Other Grants			Redevelopment		
Budget	Actual	Variance	Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(17,875)	357	18,232	513,613	630,017	116,404
8,140,003	4,457,908	(3,682,095)			
	326		1,487,429	1,491,419	3,990
8,122,128	4,458,591	(3,663,537)	2,001,042	2,121,436	120,394
			3,075,686	26,114,003	(23,038,317)
			329,211	1,913,314	(1,584,103)
			459,137	384,341	74,796
			128,897	137,382	(8,485)
				12,877	
11,853,289	4,449,661	7,403,628	31,593,490	1,310,138	30,283,352
11,853,289	4,449,661	7,403,628	35,586,421	29,872,055	5,727,243
(3,731,161)	8,930	3,740,091	(33,585,379)	(27,750,619)	5,834,760
				17,051,225	
12,643	12,643		19,708,169	19,708,169	
(21,573)	(21,573)		(4,505,401)	(4,505,401)	
(8,930)	(8,930)	-	15,202,768	32,253,993	-
<u>\$ (3,740,091)</u>	-	<u>\$ 3,740,091</u>	<u>\$ (18,382,611)</u>	4,503,374	<u>\$ 5,834,760</u>
	4,011			16,120,631	
	<u>\$ 4,011</u>			<u>\$ 20,624,005</u>	

Continued

Sheet 1 of 2

CITY OF CORONA

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Capital Projects Funds
Year Ended June 30, 2007**

	Public Facilities Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Licenses, Fees & Permits	\$ -	\$ -	\$ -	\$ 482,173	\$ 475,564	\$ (6,609)
Investment Earnings		434,387	434,387	480,864	1,084,218	603,354
Intergovernmental Revenues	5,980,000	1,961,511	(4,018,489)	17,008,569	7,978,295	(9,030,274)
Miscellaneous Revenues		863		1,644,710	1,510,338	(134,372)
Total Revenues	5,980,000	2,396,761	(3,583,239)	19,616,316	11,048,415	(8,567,901)
Expenditures:						
Current:						
Redevelopment				3,330,750	26,595,004	(23,264,254)
General Government				329,211	1,972,513	(1,643,302)
Planning				563,099	488,305	74,794
Building				47,964	-	47,964
Police				-	-	-
Public Works				726,006	868,554	(142,548)
Library				-	-	-
Parks and Community Services				-	72,084	(72,084)
Capital Outlay	50,580,277	8,623,731	41,956,546	95,936,595	15,056,088	80,880,507
Total Expenditures	50,580,277	8,623,731	41,956,546	100,933,625	45,052,548	55,881,077
Excess of Revenues Over (Under) Expenditures	(44,600,277)	(6,226,970)	38,373,307	(81,317,309)	(34,004,133)	47,313,176
Other Financing Sources (Uses):						
Proceeds from Long-Term Obligations		25,753,258			42,804,483	42,804,483
Transfers In	(1,602,845)	1,602,846	3,205,691	18,141,752	21,347,443	3,205,691
Transfers Out	(64,091)	(64,091)		(4,591,065)	(4,591,065)	(4,591,065)
Total Other Financing Sources (Uses)	(1,666,936)	27,292,013	3,205,691	13,550,687	59,560,861	41,419,109
Net Change in Fund Balances	\$ (46,267,213)	21,065,043	\$ 41,578,998	\$ (67,766,622)	\$ 25,556,728	\$ 93,323,350
Fund Balances-Beginning of Year, As Restated		(222,075)			16,264,900	
Fund Balances-End of Year		\$ 20,842,968			\$ 41,821,628	

Concluded Sheet 2 of 2

Combining Financial Statements Nonmajor Enterprise 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.

Public Improvement Corporation Fund - This fund is used to account for debt service transactions including revenue collections and payments of principal and interest on long-term obligations.



CITY OF CORONA**Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2007**

	Nonmajor Enterprise Funds		
	Public Financing Authority	Public Improvement Corporation	Totals
Assets:			
Current Assets			
Cash and Investments	\$ -	\$ -	\$ -
Accounts Receivable, Net			
Interest Receivable	112,684	13,316	126,000
Inventories and Prepayments			
Due from Other Governments			
Restricted Assets:			
Cash and Investments	6,590,362	563,388	7,153,750
Total Current Assets	<u>6,703,046</u>	<u>576,704</u>	<u>7,279,750</u>
Liabilities:			
Current Liabilities			
Accounts Payable and Accrued Liabilities			
Claims and Judgments Payable			
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities			
Interfund Advances Payable	6,587,825		6,587,825
Claims and Judgments Payable			
Total Noncurrent Liabilities	<u>6,587,825</u>	<u>-</u>	<u>6,587,825</u>
Total Liabilities	<u>6,587,825</u>	<u>-</u>	<u>6,587,825</u>
Net Assets:			
Restricted	6,590,362	563,388	7,153,750
Unrestricted	(6,475,141)	13,316	(6,461,825)
Total Net Assets	<u>\$ 115,221</u>	<u>\$ 576,704</u>	<u>\$ 691,925</u>



CITY OF CORONA**Combining Statement of Revenues, Expenses, and Changes in Net Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2007**

	Nonmajor Enterprise Funds		
	Public Financing Authority	Public Improvement Corporation	Totals
Operating Revenues:			
Internal Service Charges	\$ -	\$ -	\$ -
Other Revenues			
Total Operating Revenues	-	-	-
Operating Expenses:			
Personnel Services			
Contractual			
Material and Supplies			
Utilities			
Claims Expense			
Total Operating Expenses	-	-	-
Operating Income (Loss)	-	-	-
Non-Operating Revenues:			
Investment Earnings	314,155	32,950	347,105
Interest Expense	(321,678)	(33,062)	(354,740)
Total Non-Operating Revenues	(7,523)	(112)	(7,635)
Income (Loss) Before Transfers	(7,523)	(112)	(7,635)
Transfers In			
Transfers Out	(6,002)		(6,002)
Net Income (Loss)	(13,525)	(112)	(13,637)
Net Assets - Beginning of Year, As Restated	128,746	576,816	705,562
Net Assets - End of Year	\$ 115,221	\$ 576,704	\$ 691,925



CITY OF CORONA

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2007**

	Nonmajor Enterprise Funds		
	Public Financing Authority	Public Improvement Corporation	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers/Other Funds	\$ -	\$ -	\$ -
Cash Payments to Suppliers of Goods and Services			
Cash Payments to Employees for Services			
Cash Received (Payments) of Current Claims			
Increase (Decrease) in Long-Term Claims			
Other Receipts (Payments)			
Net Cash Provided by (Used for) Operating Activities	-	-	-
Cash Flows from Noncapital Financing Activities:			
Transfers Received			-
Transfers Paid	(6,002)		(6,002)
Net Cash Provided by (Used for) Noncapital Financing Activities	(6,002)	-	(6,002)
Cash Flows from Capital and Related Financing Activities:			
Interest payments of Long-term debt	(321,678)	(33,062)	(354,740)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(321,678)	(33,062)	(354,740)
Cash Flows from Investing Activities:			
Interest on Investments	314,669	33,124	347,793
Net Cash Provided by Investing Activities	314,669	33,124	347,793
Net Increase (Decrease) in Cash and Cash Equivalents	(13,011)	62	(12,949)
Cash and Cash Equivalents - Beginning of Year	6,603,373	563,326	7,166,699
Cash and Cash Equivalents - End of Year	\$ 6,590,362	\$ 563,388	\$ 7,153,750
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ -	\$ -	\$ -
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Accounts Receivable			
Due from Other Governments			
Inventories and Prepayments			
Accounts Payable and Accrued Liabilities			
Claims and Judgments Payable			
Net Cash Provided (Used) by Operating Activities	\$ -	\$ -	\$ -



Combining Financial Statements

Internal Service Funds

Equipment Pool Fund - This fund was established by Chapter 12, Title 3 of the Municipal Code as provided by Section 53736 of the Government Code. The fund receives the unencumbered surplus funds from the Fleet Operations Fund.

Fleet Operations Fund - This fund is used to account for Motor Pool rental as the equipment is used. At year end, the surplus rent is transferred to the Equipment Pool to pay for equipment replacement.

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.

**Combining Statement of Net Assets
Internal Service Funds
June 30, 2007**

	Equipment Pool	Fleet Operations	Self-Insurance	
			Workers' Compensation	Liability Risk
Assets:				
Current Assets				
Cash and Investments	\$ 3,584,527	\$ 3,888,075	\$ 16,352,421	\$ 3,409,229
Accounts Receivable, Net		3,610	-	12,513
Interest Receivable	35,149	38,125	160,346	33,430
Inventories and Prepayments		247,782		
Due from Other Governments	8,920			230
Restricted Assets:				
Cash and Investments				
Total Current Assets	<u>3,628,596</u>	<u>4,177,592</u>	<u>16,512,767</u>	<u>3,455,402</u>
Liabilities:				
Current Liabilities				
Accounts Payable and Accrued Liabilities	9,524	217,694	21,492	123,255
Claims and Judgments Payable			2,055,140	565,801
Compensated Absences Payable				
Total Current Liabilities	<u>9,524</u>	<u>217,694</u>	<u>2,076,632</u>	<u>689,056</u>
Noncurrent Liabilities				
Interfund Advances Payable				
Compensated Absences Payable		76,954		
Claims and Judgments Payable			5,343,949	1,218,649
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>5,343,949</u>	<u>1,218,649</u>
Total Liabilities	<u>9,524</u>	<u>217,694</u>	<u>7,420,581</u>	<u>1,907,705</u>
Net Assets:				
Restricted				
Unrestricted	<u>3,619,072</u>	<u>3,882,944</u>	<u>9,092,186</u>	<u>1,547,697</u>
Total Net Assets	<u>\$ 3,619,072</u>	<u>\$ 3,882,944</u>	<u>\$ 9,092,186</u>	<u>\$ 1,547,697</u>

<u>Warehouse</u>	<u>Totals</u>
\$ 25,488	\$ 27,259,740
-	16,123
247	267,297
	247,782
	9,150
<u>25,735</u>	<u>27,800,092</u>
11,053	383,018
-	2,620,941
	-
<u>11,053</u>	<u>3,003,959</u>
	76,954
-	6,562,598
<u>-</u>	<u>6,562,598</u>
<u>11,053</u>	<u>9,566,557</u>
	-
<u>14,682</u>	<u>18,156,581</u>
<u>\$ 14,682</u>	<u>\$ 18,156,581</u>

CITY OF CORONA

**Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
Year Ended June 30, 2007**

	Equipment Pool	Fleet Operations	Self-Insurance	
			Workers' Compensation	Liability Risk
Operating Revenues:				
Internal Service Charges	\$ -	\$ 6,126,836	\$ 4,355,282	\$ 2,100,005
Other Revenues	8,920	129,579	6,792,011	1,092,996
Total Operating Revenues	8,920	6,256,415	11,147,293	3,193,001
Operating Expenses:				
Personnel Services	1,135	1,087,854	175,759	199,731
Contractual	99,419	696,311	63,674	39,012
Material and Supplies	2,193,188	300,872	361,007	675,217
Utilities	4,931	856,441	4,592	3,017
Claims Expense			1,442,530	887,500
Total Operating Expenses	2,298,673	2,941,478	2,047,562	1,804,477
Operating Income (Loss)	(2,289,753)	3,314,937	9,099,731	1,388,524
Non-Operating Revenues:				
Investment Earnings	200,513	213,615	754,482	95,954
Interest Expense				
Total Non-Operating Revenues	200,513	213,615	754,482	95,954
Income (Loss) Before Transfers	(2,089,240)	3,528,552	9,854,213	1,484,478
Transfers In	1,874,796	69,843	197,067	41,413
Transfers Out	(265,309)	(1,283,458)	(951,550)	(137,367)
Net Income (Loss)	(479,753)	2,314,937	9,099,730	1,388,524
Net Assets - Beginning of Year, As Restated	4,098,825	1,568,007	(7,544)	159,173
Net Assets - End of Year	\$ 3,619,072	\$ 3,882,944	\$ 9,092,186	\$ 1,547,697



<u>Warehouse</u>	<u>Totals</u>
\$ -	\$ 12,582,123
<u>336,704</u>	<u>8,360,210</u>
<u>336,704</u>	<u>20,942,333</u>
287,708	1,752,187
	898,416
33,991	3,564,275
737	869,718
<u> </u>	<u>2,330,030</u>
<u>322,436</u>	<u>9,414,626</u>
<u>14,268</u>	<u>11,527,707</u>
414	1,264,978
<u> </u>	<u> </u>
<u>414</u>	<u>1,264,978</u>
14,682	12,792,685
	2,183,119
<u> </u>	<u>(2,637,684)</u>
14,682	12,338,120
<u> </u>	<u>5,818,461</u>
<u>\$ 14,682</u>	<u>\$ 18,156,581</u>

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2007**

	Equipment Pool	Fleet Operations	Self-Insurance	
			Workers' Compensation	Liability Risk
Cash Flows from Operating Activities:				
Cash Received from Customers/Other Funds	\$ -	\$ 6,128,115	\$ 4,355,792	\$ 2,104,271
Cash Payments to Suppliers of Goods and Services	(2,655,618)	(1,818,703)	(454,936)	(659,572)
Cash Payments to Employees for Services	(1,135)	(1,082,923)	(175,759)	(199,731)
Cash Received (Payments) of Current Claims		(176)	(102,603)	226,789
Increase (Decrease) in Long-Term Claims			(8,126,695)	(2,323,620)
Other Receipts (Payments)		129,579	6,792,011	1,092,766
Net Cash Provided by (Used for) Operating Activities	<u>(2,656,753)</u>	<u>3,355,892</u>	<u>2,287,810</u>	<u>240,903</u>
Cash Flows from Noncapital Financing Activities:				
Transfers Received	1,874,796	69,843	197,067	41,413
Transfers Paid	<u>(265,309)</u>	<u>(1,283,458)</u>	<u>(951,550)</u>	<u>(137,367)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,609,487</u>	<u>(1,213,615)</u>	<u>(754,483)</u>	<u>(95,954)</u>
Cash Flows from Capital and Related Financing Activities:				
Interest payments of Long-term debt				
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>210,568</u>	<u>229,822</u>	<u>711,727</u>	<u>88,960</u>
Net Cash Provided by Investing Activities	<u>210,568</u>	<u>229,822</u>	<u>711,727</u>	<u>88,960</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(836,698)	2,372,099	2,245,054	233,909
Cash and Cash Equivalents - Beginning of Year	<u>4,421,225</u>	<u>1,515,976</u>	<u>14,107,367</u>	<u>3,175,320</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,584,527</u>	<u>\$ 3,888,075</u>	<u>\$ 16,352,421</u>	<u>\$ 3,409,229</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ (2,289,753)	\$ 3,314,937	\$ 9,099,731	\$ 1,388,524
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Accounts Receivable		1,279	510	4,266
Due from Other Governments	(8,920)			(230)
Inventories and Prepayments		(73,200)		
Accounts Payable and Accrued Liabilities	(358,080)	113,052	(25,663)	57,674
Claims and Judgments Payable		(176)	(6,786,768)	(1,209,331)
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,656,753)</u>	<u>\$ 3,355,892</u>	<u>\$ 2,287,810</u>	<u>\$ 240,903</u>



<u>Warehouse Services</u>	<u>Totals</u>
\$ 336,704	\$ 12,924,882
(23,675)	(5,612,504)
(287,708)	(1,747,256)
	124,010
	(10,450,315)
	<u>8,014,356</u>
<u>25,321</u>	<u>3,253,173</u>
	2,183,119
	<u>(2,637,684)</u>
<u>-</u>	<u>(454,565)</u>
<u>-</u>	<u>-</u>
<u>167</u>	<u>1,241,244</u>
<u>167</u>	<u>1,241,244</u>
25,488	4,039,852
	<u>23,219,888</u>
<u>\$ 25,488</u>	<u>\$ 27,259,740</u>
\$ 14,268	\$ 11,527,707
	6,055
	(9,150)
	(73,200)
11,053	(201,964)
	<u>(7,996,275)</u>
<u>\$ 25,321</u>	<u>\$ 3,253,173</u>



***Fiduciary Funds
Combining Financial Statements
in Assets and Liabilities***

Fiduciary Funds represent Agency Funds, which are custodial in nature and do not involve measurement of results of operations.



CITY OF CORONA**Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2007**

	Pass Through Agency Fund			
	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
Assets				
Cash and Investments	\$ 2,298,029	\$ 26,738,706	\$ 27,527,639	\$ 1,509,096
Accounts Recivable, Net	-	-	-	-
Interest Receivable	349,701	743,430	756,664	336,467
Due from other Governmental Agencies	600,686	779,132	600,907	778,911
Restricted Assets:				
Cash and Investments	44,936,367	51,674,007	52,792,309	43,818,065
Total Assets	<u>\$ 48,184,783</u>	<u>\$ 79,935,275</u>	<u>\$ 81,677,519</u>	<u>\$ 46,442,539</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 658,117	6,467,059	7,064,309	\$ 60,867
Deposits	399,082	354,140	508,746	244,476
Due to Other Governmental Agencies	6,040	641,401	630,133	17,308
Liabilities Payable from Restricted Assets	-	24,500	-	24,500
Due to Bondholders	47,121,544	12,440,942	13,467,098	46,095,388
Total Liabilities	<u>\$ 48,184,783</u>	<u>\$ 19,928,042</u>	<u>\$ 21,670,286</u>	<u>\$ 46,442,539</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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<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Sources: Unless otherwise noted, the information in these schedules was derived from the City's comprehensive annual financial reports for the relevant year.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities			
Invested in capital assets, net of related debt	<u>\$ 458,250,349</u>	<u>\$ 422,767,976</u>	<u>\$ 456,222,213</u>
Restricted for:			
Capital Projects	20,417,055	-	386,036
Debt Service	26,273,799	6,898,327	7,982,213
Specific Projects and Programs	<u>9,483,004</u>	<u>8,386,210</u>	<u>7,729,386</u>
Total Restricted	<u>56,173,858</u>	<u>15,284,537</u>	<u>16,097,635</u>
Unrestricted	<u>269,852,046</u>	<u>306,059,386</u>	<u>239,481,478</u>
Total governmental activities net assets	<u>\$ 784,276,253</u>	<u>\$ 744,111,899</u>	<u>\$ 711,801,326</u>
Business-type Activities			
Invested in capital assets, net of related debt	<u>\$ 38,558,652</u>	<u>\$ 20,550,655</u>	<u>\$ 21,836,957</u>
Restricted for:			
Specific Projects and Programs	<u>17,317,361</u>	<u>7,548,512</u>	<u>673,256</u>
Unrestricted	<u>50,033,740</u>	<u>42,723,446</u>	<u>39,523,931</u>
Total business-type activities net assets	<u>\$ 105,909,753</u>	<u>\$ 70,822,613</u>	<u>\$ 62,034,144</u>
Primary Government			
Invested in capital assets, net of related debt	\$ 496,809,001	\$ 443,318,631	\$ 478,059,170
Restricted	73,491,219	22,833,049	16,770,891
Unrestricted	<u>319,885,786</u>	<u>348,782,832</u>	<u>279,005,409</u>
Total Primary Government Net Assets	<u>\$ 890,186,006</u>	<u>\$ 814,934,512</u>	<u>\$ 773,835,470</u>

Ten years of data is not available in this format



Fiscal Year				
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>\$ 395,841,709</u>	<u>\$ 392,111,753</u>	<u>\$ 392,349,900</u>	<u>\$ 355,227,433</u>	<u>\$ 337,699,623</u>
9,976,958	13,310,313	13,387,098	14,800,272	15,188,534
13,178,815	19,091,733	21,135,725	21,920,133	32,955,987
-	34,135,270	34,897,216	29,685,938	409,129
<u>23,155,773</u>	<u>66,537,316</u>	<u>69,420,039</u>	<u>66,406,343</u>	<u>48,553,650</u>
<u>265,838,106</u>	<u>42,904,348</u>	<u>42,277,201</u>	<u>64,373,569</u>	<u>84,200,142</u>
<u>\$ 684,835,588</u>	<u>\$ 501,553,417</u>	<u>\$ 504,047,140</u>	<u>\$ 486,007,345</u>	<u>\$ 470,453,415</u>
<u>\$ 14,764,244</u>	<u>\$ 141,335,905</u>	<u>\$ 151,733,910</u>	<u>\$ 128,634,385</u>	<u>\$ 120,684,440</u>
26,387,128	1,709,856	8,134,689	-	-
<u>9,962,623</u>	<u>78,188,671</u>	<u>44,877,402</u>	<u>44,231,415</u>	<u>45,170,290</u>
<u>\$ 51,113,995</u>	<u>\$ 221,234,432</u>	<u>\$ 204,746,001</u>	<u>\$ 172,865,800</u>	<u>\$ 165,854,730</u>
\$ 410,605,953	\$ 533,447,658	\$ 544,083,810	\$ 483,861,818	\$ 458,384,063
49,542,901	68,247,172	77,554,728	66,406,343	48,553,650
<u>275,800,729</u>	<u>121,093,019</u>	<u>87,154,603</u>	<u>108,604,984</u>	<u>129,370,432</u>
<u>\$ 735,949,583</u>	<u>\$ 722,787,849</u>	<u>\$ 708,793,141</u>	<u>\$ 658,873,145</u>	<u>\$ 636,308,145</u>

CITY OF CORONA

**Schedule 2
Changes in Net Assets
Last Eight Fiscal Years (accrual basis of accounting)**

	Fiscal Year		
	2007	2006	2005
Expenses			
Governmental activities:			
General government	\$ 17,944,188	\$ 17,000,514	\$ 11,199,340
Fire	19,824,613	19,372,402	17,247,894
Police	35,418,464	35,290,552	32,105,270
Public Works	32,887,632	28,293,319	25,450,529
Redevelopment	31,450,231	18,317,214	13,825,131
Parks and Community Services	12,504,767	12,863,536	12,091,432
Library	3,156,247	3,233,627	3,111,361
Interest and fiscal charges	12,348,977	9,164,552	10,170,977
Total governmental activities expenses	<u>\$ 165,535,120</u>	<u>\$ 143,535,716</u>	<u>\$ 125,201,934</u>
Business-type activities:			
Water	42,980,979	39,968,554	36,073,601
Wastewater	25,431,501	23,411,865	16,876,237
Electric	24,688,495	20,279,523	12,855,676
Transit	1,773,529	1,663,358	1,615,000
Total business-type activities expenses	<u>94,874,504</u>	<u>85,323,300</u>	<u>67,420,514</u>
Total primary government expenses	<u>\$ 260,409,624</u>	<u>\$ 228,859,016</u>	<u>\$ 192,622,448</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	1,513,639	8,645,359	1,129,140
Fire	4,181,914	3,229,032	3,197,076
Police	3,246,509	3,017,477	2,687,347
Public Works	14,830,576	16,795,580	16,124,597
Redevelopment	1,168	-	157
Parks and Community Services	6,064,402	5,986,229	5,805,482
Library	541,166	402,660	324,561
Operating Grants and Contributions	8,270,729	7,794,735	12,113,704
Capital Grants and Contributions	22,362,669	23,044,293	9,705,129
Total governmental activities program revenues	<u>61,012,772</u>	<u>68,915,365</u>	<u>51,087,193</u>
Business-type activities:			
Charges for services:			
Water	43,261,136	36,548,936	29,061,220
Wastewater	21,824,979	20,211,966	13,897,603
Electric	24,466,921	20,962,161	13,067,845
Transit	316,671	270,679	234,693
Operating Grants and Contributions	1,284,236	1,233,282	1,250,281
Capital Grants and Contributions	31,702,614	12,696,552	17,754,362
Total business-type activities program revenues	<u>122,856,557</u>	<u>91,923,576</u>	<u>75,266,004</u>
Total primary government program revenues	<u>\$ 183,869,329</u>	<u>\$ 160,838,941</u>	<u>\$ 126,353,197</u>

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Fiscal Year				
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 16,972,222	\$ 14,266,453	\$ 11,163,604	\$ 9,961,259	\$ 8,834,646
16,102,014	15,074,400	13,081,838	11,971,891	13,044,864
30,248,573	30,267,856	25,520,663	23,370,509	21,364,450
26,768,539	24,348,477	19,712,213	19,765,894	29,485,709
14,878,105	16,941,126	6,892,793	7,598,465	10,994,583
12,272,328	12,508,067	12,699,189	12,287,167	9,830,458
3,040,136	3,410,263	2,705,314	2,407,180	2,286,619
4,844,242	18,141,782	11,383,870	15,743,435	14,340,456
<u>\$ 125,126,160</u>	<u>\$ 134,958,424</u>	<u>\$ 103,159,484</u>	<u>\$ 103,105,800</u>	<u>\$ 110,181,785</u>
34,644,300	36,292,376	26,868,711	23,957,516	28,722,363
15,833,862	16,941,850	14,598,053	12,817,782	16,315,555
20,053,738	18,880,894	6,434,253	-	-
1,496,799	1,280,630	1,108,456	951,286	880,134
<u>72,028,699</u>	<u>73,395,750</u>	<u>49,009,473</u>	<u>37,726,584</u>	<u>45,918,052</u>
<u>\$ 197,154,859</u>	<u>\$ 208,354,174</u>	<u>\$ 152,168,957</u>	<u>\$ 140,832,384</u>	<u>\$ 156,099,837</u>
953,897	743,077	748,646	618,371	371,560
1,726,756	1,549,395	1,222,672	781,302	817,253
2,689,863	2,740,805	2,253,332	1,854,730	2,431,298
15,175,883	14,074,917	13,508,012	14,043,758	18,708,020
1,385	-	-	-	1,389,324
5,159,390	4,796,231	4,558,960	4,402,648	2,220,737
293,248	237,379	164,788	149,958	163,224
12,211,236	11,549,543	11,788,304	9,270,943	12,106,786
11,271,231	14,898,908	12,355,493	13,977,720	11,755,707
<u>49,482,889</u>	<u>50,590,255</u>	<u>46,600,207</u>	<u>45,099,430</u>	<u>49,963,909</u>
30,633,776	27,999,085	28,475,179	24,540,847	28,154,840
13,245,884	13,382,760	21,292,277	11,138,059	11,608,462
18,287,523	16,420,890	9,265,534	-	-
256,821	131,570	120,923	107,137	67,610
1,234,330	1,259,614	993,988	746,072	631,354
15,814,606	21,081,267	18,954,473	3,889,628	-
<u>79,472,940</u>	<u>80,275,186</u>	<u>79,102,374</u>	<u>40,421,743</u>	<u>40,462,266</u>
<u>\$ 128,955,829</u>	<u>\$ 130,865,441</u>	<u>\$ 125,702,581</u>	<u>\$ 85,521,173</u>	<u>\$ 90,426,175</u>

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

	Fiscal Year	
	2007	2006
Net (Expense)/Revenue		
Governmental activities	\$ (104,522,348)	\$ (74,620,351)
Business-type activities	27,982,053	6,600,276
Total primary government net expense	<u>\$ (76,540,295)</u>	<u>\$ (68,020,075)</u>
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	\$ 63,121,766	\$ 50,973,502
Special Assessments	-	-
Sales and Use Tax	39,684,799	39,915,335
Other Taxes	9,396,886	9,556,368
Total taxes	<u>112,203,451</u>	<u>100,445,205</u>
Unrestricted grants and contributions	1,977,907	3,710,301
Payments in lieu of taxes	-	-
Gain on Sale of Capital Asset	6,438,368	-
Investment earnings	9,602,364	4,875,430
Miscellaneous	9,936,382	6,691,463
Loss on Sale of Land Held for Resale	-	-
Special Item	7,996,099	-
Transfers	170,294	(1,458,852)
Total Governmental activities	<u>148,324,865</u>	<u>114,263,547</u>
Business-type activities:		
Investment earnings	3,647,928	2,491,501
Miscellaneous	-	-
Transfers	(170,294)	1,458,852
Total business-type activities	<u>3,477,634</u>	<u>3,950,353</u>
Total primary government	<u>\$ 151,802,499</u>	<u>\$ 118,213,900</u>
Change in Net Assets		
Governmental activities	\$ 43,802,517	\$ 39,643,196
Business-type activities	31,459,687	10,550,629
Total primary government	<u>\$ 75,262,204</u>	<u>\$ 50,193,825</u>

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Fiscal Year					
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ (74,114,741)	\$ (75,643,271)	\$ (84,368,169)	\$ (56,559,277)	\$ (58,006,370)	\$ (71,973,583)
7,845,490	7,444,241	6,879,436	30,092,901	2,695,159	(5,455,786)
<u>\$ (66,269,251)</u>	<u>\$ (68,199,030)</u>	<u>\$ (77,488,733)</u>	<u>\$ (26,466,376)</u>	<u>\$ (55,311,211)</u>	<u>\$ (77,429,369)</u>
\$ 42,349,908	\$ 32,265,783	\$ 28,924,051	\$ 26,238,648	\$ 24,153,482	\$ 21,345,165
-	839,255	1,409,389	3,290,757	3,757,317	9,175,512
34,502,809	29,471,424	25,219,925	22,966,156	-	-
4,866,205	4,200,484	6,700,169	6,409,162	26,835,838	22,397,927
<u>81,718,922</u>	<u>66,776,946</u>	<u>62,253,534</u>	<u>58,904,723</u>	<u>54,746,637</u>	<u>52,918,604</u>
1,112,066	6,547,602	7,718,551	7,560,375	6,964,417	6,083,373
8,998,347	8,238,819	9,753,104	8,128,085	8,104,303	10,180,116
-	-	-	-	-	-
2,222,270	3,678,428	3,634,423	5,461,343	8,143,691	7,324,782
8,464,284	511,074	2,966,100	3,309,382	3,261,263	5,780,845
-	(201,083)	-	(4,347,175)	(4,757,743)	-
-	-	-	-	-	-
(29,223)	24,778	(4,451,266)	(68,539)	(1,335,313)	1,133,635
<u>102,486,666</u>	<u>85,576,564</u>	<u>81,874,446</u>	<u>78,948,194</u>	<u>75,127,255</u>	<u>83,421,355</u>
1,288,738	1,281,949	2,499,040	1,623,012	2,962,770	2,904,202
482,495	-	2,744,024	-	-	-
29,223	(24,778)	4,365,931	68,539	1,335,313	(1,133,635)
<u>1,800,456</u>	<u>1,257,171</u>	<u>9,608,995</u>	<u>1,691,551</u>	<u>4,298,083</u>	<u>1,770,567</u>
<u>\$ 104,287,122</u>	<u>\$ 86,833,735</u>	<u>\$ 91,483,441</u>	<u>\$ 80,639,745</u>	<u>\$ 79,425,338</u>	<u>\$ 85,191,922</u>
\$ 28,371,925	\$ 9,933,293	\$ (2,493,723)	\$ 22,388,917	\$ 17,120,885	\$ 23,203,479
9,645,946	8,701,412	16,488,431	31,784,452	6,993,242	(3,685,219)
<u>\$ 38,017,871</u>	<u>\$ 18,634,705</u>	<u>\$ 13,994,708</u>	<u>\$ 54,173,369</u>	<u>\$ 24,114,127</u>	<u>\$ 19,518,260</u>

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

	Fiscal Year		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund			
Reserved	\$ 24,121,757	\$ 75,249,936	\$ 13,535,692
Unreserved	<u>70,716,157</u>	<u>-</u>	<u>31,748,096</u>
Total General Fund	<u>\$ 94,837,914</u>	<u>\$ 75,249,936</u>	<u>\$ 45,283,788</u>
All Other Governmental Funds			
Reserved	\$ 59,739,936	\$ 73,372,353	\$ 71,680,887
Unreserved, reported in: Other Governmental Funds	<u>49,973,341</u>	<u>(693,256)</u>	<u>(619,485)</u>
Total all other Governmental Funds	<u>\$ 109,713,277</u>	<u>\$ 72,679,097</u>	<u>\$ 71,061,402</u>

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Fiscal Year				
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 11,896,398	\$ 13,451,103	\$ 8,986,422	\$ 10,394,564	\$ 10,145,446
<u>30,390,874</u>	<u>29,359,950</u>	<u>31,540,915</u>	<u>31,605,673</u>	<u>30,220,537</u>
<u>\$ 42,287,272</u>	<u>\$ 42,811,053</u>	<u>\$ 40,527,337</u>	<u>\$ 42,000,237</u>	<u>\$ 40,365,983</u>
\$ 75,451,071	\$ 95,977,110	\$ 79,182,655	\$ 99,105,126	\$ 51,990,450
<u>(414,006)</u>	<u>(379,278)</u>	<u>(302,030)</u>	<u>(296,194)</u>	<u>48,681,140</u>
<u>\$ 75,037,065</u>	<u>\$ 95,597,832</u>	<u>\$ 78,880,625</u>	<u>\$ 98,808,932</u>	<u>\$ 100,671,590</u>

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

	Fiscal Year	
	<u>2007</u>	<u>2006</u>
Revenues:		
Property Taxes	\$ 63,121,767	\$ 50,973,502
Other Taxes	47,968,446	47,243,504
Licenses, fees and permits	7,565,595	12,052,807
Fines and Penalties	1,678,525	1,778,880
Special Assessments	7,472,089	7,325,244
Investment Earnings	8,337,386	4,093,836
Intergovernmental Revenues	21,122,793	20,878,547
Current Services	16,547,413	16,156,862
Payments in Lieu of Services	9,801,798	11,540,850
Other Revenues	<u>11,567,679</u>	<u>10,514,261</u>
Total Revenues	<u>195,183,491</u>	<u>182,558,293</u>
Expenditures:		
General Government	24,855,330	21,080,414
Planning	488,305	-
Fire	22,129,775	19,689,290
Police	39,637,054	36,165,060
Public Works	32,346,827	25,345,564
Parks and Community Services	12,371,034	11,736,757
Redevelopment	28,636,781	12,533,710
Library	3,609,419	3,432,052
Capital Outlay	22,935,456	9,338,399
Debt Service		
Principal	5,466,814	6,824,654
Interest and Fiscal Charges	<u>11,710,584</u>	<u>9,263,096</u>
Total Expenditures	<u>204,187,379</u>	<u>155,408,996</u>
Excess of Revenues over (under) expenditures	(9,003,888)	27,149,297
Other Financing Sources (Uses)		
Loss from sale of land held for resale	-	-
Proceeds from Long-Term Obligations	59,335,000	-
Principal Retirement	6,739,350	-
Bond Premium	-	-
Transfers in	37,438,933	26,507,505
Transfers out	<u>(36,814,074)</u>	<u>(22,504,515)</u>
Total other financing sources (uses)	<u>66,699,209</u>	<u>4,002,990</u>
Net change in fund balances	<u>\$ 57,695,321</u>	<u>\$ 31,152,287</u>
Debt service as a percentage of noncapital expenditures	9.5%	11.0%

Ten years of data is not available in this format

Fiscal Year					
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 42,349,910	\$ 32,265,783	\$ 28,924,050	\$ 26,238,648	\$ 24,153,481	\$ 21,345,165
40,815,213	34,923,016	29,994,105	30,396,922	25,281,839	22,397,927
10,871,748	11,984,841	12,949,501	10,958,482	11,224,714	9,884,567
1,508,004	1,700,005	1,713,495	1,407,628	1,105,048	1,562,990
6,923,091	6,581,157	6,482,026	8,098,106	8,488,067	9,175,512
2,776,118	3,907,468	4,781,225	7,422,121	10,604,860	6,654,778
11,927,288	18,489,977	19,285,666	18,378,750	17,242,467	18,182,327
15,518,676	13,470,119	12,901,807	11,880,438	11,634,689	11,187,411
9,165,515	8,238,819	9,753,105	8,128,085	8,104,304	10,180,117
8,626,151	3,313,914	9,015,827	5,805,563	7,059,195	20,806,659
<u>150,481,714</u>	<u>134,875,099</u>	<u>135,800,807</u>	<u>128,714,743</u>	<u>124,898,664</u>	<u>131,377,453</u>
18,497,239	25,270,857	20,615,021	15,389,630	12,474,703	10,934,920
-	-	-	-	72,942	53,967
17,947,422	16,848,544	14,609,632	12,621,139	11,692,537	12,308,088
35,815,820	32,023,189	29,667,758	24,595,721	22,639,931	19,790,239
21,272,214	24,809,152	20,726,962	14,915,970	13,339,928	12,817,205
10,443,414	9,888,299	9,122,985	9,579,412	8,398,504	7,119,520
8,112,135	7,742,841	9,433,505	1,098,150	2,734,282	466,867
3,268,099	3,215,633	3,350,674	2,658,331	2,323,887	2,161,886
19,846,407	28,640,837	14,613,566	44,483,618	33,820,224	30,328,142
4,723,597	4,812,429	8,144,624	8,637,494	22,581,210	6,383,331
10,498,967	4,958,286	17,823,737	11,490,362	14,360,876	12,257,100
<u>150,425,314</u>	<u>158,210,067</u>	<u>148,108,464</u>	<u>145,469,827</u>	<u>144,439,024</u>	<u>114,621,265</u>
56,400	(23,334,968)	(12,307,657)	(16,755,084)	(19,540,360)	16,756,188
-	(201,083)		(4,347,175)	(2,214,269)	-
38,210,834	-	36,065,000	5,181,235	22,810,000	-
(38,215,000)	-		-	-	-
799,695	-	-	-	-	-
16,343,861	21,865,917	50,142,916	9,208,761	34,670,544	7,411,765
(16,141,034)	(20,134,948)	(54,899,336)	(9,405,294)	(35,766,887)	(6,826,657)
<u>998,356</u>	<u>1,529,886</u>	<u>31,308,580</u>	<u>637,527</u>	<u>19,499,388</u>	<u>585,108</u>
<u>\$ 1,054,756</u>	<u>\$ (21,805,082)</u>	<u>\$ 19,000,923</u>	<u>\$ (16,117,557)</u>	<u>\$ (40,972)</u>	<u>\$ 17,341,296</u>
11.7%	7.5%	19.5%	19.9%	33.4%	22.1%

CITY OF CORONA

**Schedule 5a
Water Sales By User Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Residential		Commercial		Industrial	
	Acre	% of	Acre	% of	Acre	% of
	Feet	Total	Feet	Total	Feet	Total
1998	17,440	66.1	4,433	16.8	317	1.2
1999	21,218	64.7	5,465	16.7	379	1.2
2000	23,908	65.8	6,231	17.1	648	1.8
2001	23,116	66.9	5,728	16.6	485	1.4
2002	22,957	66.0	5,913	17.0	556	1.6
2003	25,896	65.1	6,723	16.9	557	1.4
2004	27,678	64.0	6,750	15.6	1,738	4.0
2005	24,905	67.0	3,463	9.0	1,450	4.0
2006	26,630	66.2	3,848	9.6	1,573	3.9
2007	29,866	66.0	4,230	9.5	1,751	3.5

Source: Corona Department of Water and Power

<u>Public Agency</u>		<u>Agricultural, Irrigation and Other</u>		<u>Total</u>	
Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet Total	% Total
1,821	6.9	2,374	9.0	26,385	100
2,496	7.6	3,227	9.8	32,785	100
2,543	7.0	3,026	8.3	36,356	100
2,214	6.4	2,988	8.7	34,531	100
2,435	7.0	2,922	8.4	34,783	100
2,904	7.3	3,699	9.3	39,779	100
3,493	8.1	3,563	8.2	43,222	100
3,271	9.0	3,391	11.0	36,480	100
3,546	8.8	4,607	11.5	40,204	100
3,898	9.0	5,754	12.0	45,499	100

Schedule 5b
Assessed Value and Actual Value of Taxable Property
Last Eight Fiscal Years (in thousands of dollars)

<u>Fiscal Year Ended June 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>
2000	4,203,138	711,264	962,113
2001	5,014,790	732,328	1,096,859
2002	5,720,734	740,122	1,197,804
2003	6,389,708	812,953	1,318,860
2004	7,013,653	863,630	1,415,667
2005	8,010,907	1,016,443	1,540,064
2006	9,128,473	1,166,793	1,688,866
2007	10,821,087	1,398,608	1,927,206

Ten years of data is not available

Source: HdL Coren & Cone, Riverside County Assessor Combined Tax Rolls

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.



<u>Other</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
1,187,810	96,769	6,967,556	1.0145
1,203,849	106,014	7,941,812	1.0135
1,277,060	64,803	8,870,917	1.0086
1,366,953	117,192	9,771,282	1.0079
1,489,990	171,882	10,611,058	1.0061
1,614,156	119,068	12,062,502	1.0053
1,747,079	190,746	13,540,465	1.0043
1,956,392	200,971	15,902,322	1.0025

CITY OF CORONA

**Schedule 6a
Ready to Serve Charges for Water Usage
Last Six Fiscal Years**

Monthly Base Rates

Fiscal Year (2)	Quantity Rate per 100 C.F.	5/8"	3/4"	1"	1 1/2"
2002	\$ 1.08	\$ 11.05	\$ 14.50	\$ 20.75	\$ 36.15
2003	\$ 1.08	\$ 11.05	\$ 14.50	\$ 20.75	\$ 36.15
2004	\$ 1.08	\$ 11.05	\$ 14.50	\$ 20.75	\$ 36.15
2005	\$ 1.08	\$ 11.05	\$ 14.50	\$ 20.75	\$ 36.15
2005	\$ 1.21	\$ 12.38	\$ 16.24	\$ 23.24	\$ 40.49
2006	\$ 1.33	\$ 13.62	\$ 17.86	\$ 25.56	\$ 44.54
2007	\$ 1.44	\$ 14.71	\$ 19.29	\$ 27.60	\$ 48.10

1) The separate Readiness To Serve Charge to be imposed within the Overlook Owners Area shall be the amount equal to the current Readiness To Serve Charge for Domestic Service plus the amount of \$10.00 per month. This separate amount of \$10.00 per month shall be imposed for the period of five (5) years from the date of adoption of Ordinance No. 2569 (March 6, 2002) for Overlook Owners. Upon expiration of said 5 year period, the Readiness To Serve Charge to be imposed within the Overlook Area shall be the amount as determined for Domestic Service. The City eliminated all surcharges charged to customers outside the City limits.

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

Ten years of data is not available



Monthly Base Rates

<u>2"</u>	<u>3"</u>	<u>4"</u>	<u>6"</u>	<u>8"</u>
\$ 52.75	\$ 90.15	\$ 138.50	\$ 254.35	\$ 374.10
\$ 52.75	\$ 90.15	\$ 138.50	\$ 254.35	\$ 374.10
\$ 52.75	\$ 90.15	\$ 138.50	\$ 254.35	\$ 374.10
\$ 52.75	\$ 90.15	\$ 138.50	\$ 254.35	\$ 374.10
\$ 59.08	\$ 100.97	\$ 155.12	\$ 284.87	\$ 418.99
\$ 64.99	\$ 111.07	\$ 170.63	\$ 313.36	\$ 460.89
\$ 70.19	\$ 119.96	\$ 184.28	\$ 338.43	\$ 497.76

**Schedule 6b
Direct and Overlapping Property Tax Rates
Last Eight Fiscal Years (rate per \$100 of assessed value)**

Year	City Direct Rates		
	Basic Rate	General Obligation Debt Service	Total Direct
2000	1.0000	0.0145	1.0145
2001	1.0000	0.0135	1.0135
2002	1.0000	0.0086	1.0086
2003	1.0000	0.0079	1.0079
2004	1.0000	0.0061	1.0061
2005	1.0000	0.0053	1.0053
2006	1.0000	0.0043	1.0043
2007	1.0000	0.0025	1.0025

Source: Riverside County Auditor-Controller

Ten years of data is not available

Note: 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.

^a 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.

Overlapping Rates^a

Corona/Norco School District	Alvord School District	Metropolitan Water District	Riverside City Community College
0.0237	0.1160	0.0089	0.0000
0.0237	0.1341	0.0088	0.0000
0.0237	0.1280	0.0077	0.0000
0.0237	0.1164	0.0067	0.0000
0.0237	0.0765	0.0061	0.0000
0.0237	0.0755	0.0058	0.0180
0.0146	0.0731	0.0052	0.0180
0.0107	0.0580	0.0047	0.0180

CITY OF CORONA

**Schedule 7a
Top Water Customers
Current Year and Four Years Ago**

<u>Water Customer</u>	2007		
	<u>Water Charges</u>	<u>Rank</u>	<u>Percent of Total Water Revenues</u>
City of Corona	\$2,060,263	1	5.19%
Corona-Norco USD	\$813,227	2	2.05%
Integrated Protein Tech	\$332,900	3	0.84%
Eagle Glen Master HOA	\$183,653	4	0.46%
Sierra Peak HOA	\$168,521	5	0.42%
Waterstone at Corona Pointe	\$144,210	6	0.36%
EWR, Inc	\$116,201	7	0.29%
ERP Operating Limited Partnership	\$115,510	8	0.29%
Castle & Cooke California, Inc.	\$110,126	9	0.28%
Taylor Woodrow	\$104,280	10	0.26%
Archstone Communities			
Hi-Country - Corona, Inc			
GTS Property Hollywood Inc.			
Matt Construction Corp.			
	<hr/>		<hr/>
	\$ 3,393,986		10.44%
	<hr/>		<hr/>

2003		
Water Charges	Rank	Percent of Total Water Revenues
1,368,847	1	5.06%
502,306	2	1.86%
232,557	3	0.86%
110,489	5	0.41%
87,150	9	0.32%
87,055	10	0.32%
90,729	8	0.34%
156,709	4	0.58%
98,758	6	0.36%
91,584	7	0.34%
<u>\$ 2,826,184</u>		<u>10.44%</u>

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

<u>Taxpayer</u>	2007		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Dairy Farmers of America Inc.	\$ 111,960,721	1	0.70%
Watson Laboratories Inc.	166,076,009	2	1.04%
Rexco	114,350,799	3	0.72%
Kaiser Foundation Health Plan Inc	132,382,725	4	0.83%
Princeland Properties Inc.	29,566,898	5	0.19%
UHS Corona Inc.	41,421,162	6	0.26%
Corona Energy Partners Limited	21,165,581	7	0.13%
Corona Springs	21,426,010	8	0.13%
Provident Group Crown Pointe	19,901,849	9	0.13%
YNS Shopping Plaza	22,108,493	10	0.14%
SBD Properties	-		-
Larry E. Bedrosian	-		-
General Western Lakeshore	-		-
Price Reit Inc.	-		-
ERP Operating Limited Partnership	-		-
Total	\$ 680,360,247		4.28%

Source: HdL Coren & Cone, Riverside County Assessor Combined Tax Rolls

2000		
<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
\$ 60,729,063	1	0.87%
72,101,231	4	1.03%
142,148,389	2	2.04%
14,806,786	9	0.21%
19,537,948	3	0.28%
51,241,075	5	0.74%
15,200,159	6	0.22%
15,167,946	7	0.22%
61,954,187	8	0.89%
51,976,852	10	0.75%
<u>\$ 504,863,636</u>		<u>7.25%</u>

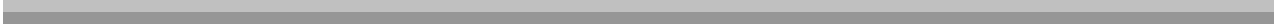
**Schedule 8
Property Tax Levies and Collections
Last Eight Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2000	\$ 10,363,359	\$ 9,553,479	92.19%
2001	12,107,442	11,214,012	92.62%
2002	13,399,495	12,645,821	94.38%
2003	14,732,029	13,947,475	94.67%
2004	15,932,786	14,583,817	91.53%
2005	17,960,358	16,344,312	91.00%
2006	18,409,599	16,237,649	88.20%
2007	23,054,281	19,690,971	85.41%

Source: City of Corona Finance, Riverside County Auditor-Controller

Ten years of data is not available

Note: Excludes Debt Service levies and Redevelopment Property Tax Increment



Delinquent Tax Collections	Total Collections to Date	
	Amount	Percentage of Levy
\$ 812,296	10,365,775	100.02%
533,203	11,747,215	97.02%
606,576	13,252,397	98.90%
763,871	14,711,346	99.86%
807,182	15,390,999	96.60%
1,369,934	17,714,246	98.63%
1,667,527	17,905,176	97.26%
2,300,224	21,991,195	95.39%

Schedule 9
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years (dollars in thousands, except per capita)

Year	Governmental Activities						
	General Obligation Bonds	Redevelopment Bonds	Lease Revenue Bonds	Loans Payable	Lease Payable	Long-Term Agreement Payable	Special Assessment Bonds
2000	\$ 6,925	\$ 52,380	\$ 15,625	\$ 3,865	\$ -	\$ -	\$ 17,975
2001	6,190	51,375	22,810	3,499	-	-	14,695
2002	5,410	50,320	22,560	3,115	65	-	10,555
2003	5,065	49,205	56,770	2,711	1,100	-	5,095
2004	3,955	48,030	55,840	2,308	976	-	4,025
2005	3,635	45,485	53,940	1,907	883	1,301	3,255
2006	2,535	42,755	51,975	1,485	787	1,115	2,930
2007	1,925	63,175	87,130	1,039	686	929	2,565

Ten years of data is not available

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

Business-Type Activities

Installment Agreement Payable	Long-Term Installments Payable	Term Loan Payable	Lease Payable	Capital Leases	Certificates of Participation	Contracts Payable
\$ -	\$ 42,425	\$21,989	\$ 110	\$ -	\$ -	\$ 739
-	35,585	21,097	85	-	5,940	717
-	34,900	20,789	58	-	5,685	717
-	34,190	19,233	-	-	73,450	717
-	33,455	18,194	-	172,628	73,175	717
432	32,690	35,171	-	172,628	101,760	717
296	31,895	43,429	-	172,628	101,310	717
173	31,070	43,322	-	172,628	100,590	717

continued

Schedule 9
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years (dollars in thousands, except per capita)

<u>Year</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2000	162,033	6.2%	\$ 1,317
2001	161,993	n/a	1,234
2002	154,174	5.0%	1,151
2003	247,536	7.9%	1,807
2004	413,303	n/a	2,914
2005	453,804	n/a	3,150
2006	453,857	n/a	3,137
2007	505,949	n/a	3,462

concluded

Schedule 10
Ratios of General Bonded Debt Outstanding
Last Eight Fiscal Years (dollars in thousands, except per capita)

General Bonded Debt Outstanding							
Year	General Obligation Bonds	Redevelopment Bonds	Special Assessment Bonds	Lease Revenue Bonds	Total	Percentage of Actual Value ^a of Property	Per Capita ^b
2000	\$ 6,925	\$ 52,380	\$ 17,975	\$15,625	\$ 92,905	1.33%	\$ 755.39
2001	6,190	51,375	14,695	22,810	95,070	1.20%	724.36
2002	5,410	50,320	10,555	22,560	88,845	1.00%	663.19
2003	5,065	49,205	5,095	56,770	116,135	1.19%	847.66
2004	3,955	48,030	4,025	55,840	111,850	1.05%	788.66
2005	3,635	45,485	3,255	53,940	106,315	0.88%	737.94
2006	2,535	42,755	2,930	51,975	100,195	0.74%	692.62
2007	1,925	63,175	2,565	87,130	154,795	0.97%	1,059.05

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

^a See Schedule 5 for property value data.

^b Population data can be found in Schedule 14.

Ten years of data is not available

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of June 30, 2007 (dollars in thousands)

Direct and Overlapping Tax and Assessment Debt:

Metropolitan Water District

Riverside City Community College District

Alvord Unified School District

Corona-Norco Unified School District

Alvord Unified School District CFD No. 2006-1

Corona-Norco Unified School District CFD No. 6

Corona-Norco Unified School District CFD No. 7

Corona-Norco Unified School District CFD No. 88-1

Corona-Norco Unified School District CFD No. 97-1

Corona-Norco Unified School District CFD No. 99-1

Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C

Corona-Norco Unified School District CFD No. 00-1

Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B

Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C

Corona-Norco Unified School District CFD No. 03-3, Imp Area A

Corona-Norco Unified School District CFD No. 03-5

Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3

City of Corona

City of Corona CFD No. 86-1

City of Corona CFD No. 86-2

City of Corona CFD No. 89-1

City of Corona CFD No. 90-1

City of Corona CFD No. 97-2

City of Corona CFD No. 2000-1

City of Corona CFD No. 2001-2

City of Corona CFD No. 2002-1

City of Corona CFD No. 2002-4

City of Corona CFD No. 2003-2

City of Corona CFD No. 2004-1

California Statewide Communities Development Authority CFD No. 2002-1

City of Corona 1915 Act Bonds

Total Direct and Overlapping Tax and Assessment Debt

Debt Outstanding	Est. Percentage Applicable ^a	Share of Overlapping Debt
\$ 359,115	0.829%	\$ 2,977
150,616	22.866%	34,440
46,425	15.950%	7,405
127,250	59.188%	75,317
8,920	16.860%	1,504
2,140	100.000%	2,140
365	100.000%	365
3,565	90.618%	3,231
1,537	100.000%	1,537
3,719	100.000%	3,719
7,660	100.000%	7,660
2,595	100.000%	2,595
10,675	100.000%	10,675
16,285	100.000%	16,285
5,830	100.000%	5,830
2,820	100.000%	2,820
4,900	100.000%	4,900
1,925	100.000%	1,925
1,235	100.000%	1,235
16,995	100.000%	16,995
27,810	100.000%	27,810
43,590	100.000%	43,590
16,320	100.000%	16,320
7,575	100.000%	7,575
3,480	100.000%	3,480
22,475	100.000%	22,475
9,265	100.000%	9,265
10,755	100.000%	10,755
3,805	100.000%	3,805
4,370	100.000%	4,370
8,450	100.000%	8,450
		\$ 361,449

continued

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of June 30, 2007 (dollars in thousands)

Direct and Overlapping General Fund Obligation Debt:

Riverside County General Fund Obligations

Riverside County Pension Obligations

Riverside County Board of Education COPs

Alvord Unified School District COPs

Corona-Norco Unified School District General Fund Obligations

City of Corona General Fund Obligations

 Total Gross Direct and Overlapping General Fund Obligation Debt

 Less: Riverside County self-supporting obligations

 Total Net Direct and Overlapping General Fund Obligation Debt

Gross Combined Total Debt

Net Combined Total Debt

Notes: 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.

Source: California Municipal Statistics, Inc.

Debt Outstanding	Est. Percentage Applicable ^a	Share of Overlapping Debt
\$ 643,021	8.951%	\$ 57,557
392,890	8.951%	35,168
10,275	8.951%	920
23,515	15.950%	3,751
104,900	59.188%	62,088
80,250	100.000%	80,250
		<u>\$ 239,733</u>
		1,663
		<u>\$ 238,070</u>
		\$ 601,182 (1)
		\$ 599,519

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue

concluded

**Schedule 12
 Legal Debt Margin Information
 Last Seven Fiscal Years (dollars in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value
 Debt Limit (15% of assessed value)
 Debt Applicable to limit:
 General obligation bonds
 Less: Amount set aside for
 repayment of general
 obligation debt
 Total net debt applicable to limit
 Legal Debt Margin

	Fiscal Year		
	2001	2002	2003
Debt Limit	\$1,191,272	\$ 1,330,638	\$ 1,465,692
Total net debt applicable to limit	<u>4,727</u>	<u>4,091</u>	<u>3,505</u>
Legal debt margin	1,186,545	1,326,547	1,462,187
Total debt applicable to the limit as a percentage of debt limit	0.40%	0.31%	0.24%

Notes: 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.

\$15,902,322
2,385,348

1,925

(767)
1,158
\$ 2,384,190

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$1,591,659	\$ 1,809,375	\$ 2,031,070	\$ 2,385,348
<u>2,871</u>	<u>2,298</u>	<u>1,719</u>	<u>1,158</u>
1,588,788	1,807,077	2,029,351	2,384,190
0.18%	0.13%	0.08%	0.05%

**Schedule 13
Pledged-Revenue Coverage
Last Eight Fiscal Years (dollars in thousands)**

Fiscal Year	Lease Revenue Bonds					Coverage
	Lease Payments	Current Acct Bal	Debt Service			
			Principal	Interest		
2000	\$ 1,568	\$ 1,232	\$ 760	\$ 925	1.66	
2001	16,139	1,168	15,625	1,126	1.03 ^a	
2002	1,179	26	250	956	1.00	
2003	1,827	2,209	790	1,749	1.59 ^b	
2004	1,931	1,511	930	2,499	1.00	
2005	3,306	1,068	1,900	2,450	1.01	
2006	4,184	177	1,965	2,390	1.00	
2007	4,501	272	2,025	2,626 ^f	1.03	

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

^a 1993 Public Improvement bonds were refunded by the 2001 Lease Revenue Refunding Bonds.

^b 2002 Lease Revenue bonds issued; capitalized interest used to make debt payments.

^c 2004 TABS issued in July 2004 partially refunded 1994 TABS.

^d 2003 COPs issued with capitalized interest.

^e 2005 COPs issued.

^f 2006 Lease Revenue bonds issued; escrow used to make 2000 LRB payment.

Ten years of data is not available

Special Assessment Bonds

Special Assessment Collections	Current Acct Bal	Debt Service		Coverage
		Principal	Interest	
\$ 4,594	\$ 3,528	\$ 2,940	\$ 1,547	1.81
3,752	3,666	3,280	1,298	1.62
3,291	3,525	4,140	1,019	1.32
1,410	5,579	5,460	617	1.15
822	1,411	1,070	355	1.57
582	1,020	770	283	1.52
560	448	325	241	1.78
543	77	365	214	1.07

continued

**Schedule 13
Pledged-Revenue Coverage
Last Seven Fiscal Years (dollars in thousands)**

Fiscal Year	Redevelopment Bonds				Coverage
	Net Property Tax Increment	Debt Service			
		Principal	Interest		
2000	\$ 5,847	\$ 955	\$ 3,065	1.45	
2001	6,038	1,005	3,015	1.50	
2002	7,082	1,055	2,961	1.76	
2003	7,377	1,115	2,902	1.84	
2004	8,691	1,175	2,840	2.16	
2005	9,306	39,455 ^c	2,545	0.22	
2006	10,324	2,730	1,952	2.20	
2007	14,559	1,735	2,109	3.79	

Water Revenue Bonds

Lease Payments	Debt Service		Coverage
	Principal	Interest	
\$ 2,091	\$ 445	\$ 1,648	1.00
2,283	660	1,628	1.00
2,287	685	1,603	1.00
2,286	710	1,577	1.00
2,284	735	1,550	1.00
2,286	765	1,522	1.00
2,285	795	1,493	1.00
2,286	825	1,462	1.00

continued

**Schedule 13
Pledged-Revenue Coverage
Last Seven Fiscal Years (dollars in thousands)**

Fiscal Year	Certificates of Participation					Coverage
	Lease Payments	Current Acct Bal	Debt Service			
			Principal	Interest		
2000	\$ 538	\$ 17	\$ 235	\$ 320	1.00	
2001	516	32	240	309	1.00	
2002	520	48	255	298	1.03	
2003	504	47	265	286	1.00	
2004	771	4,689	275	2,779	1.79 ^d	
2005	1,223	2,686	435	3,469	1.00	
2006	4,520	335	450	4,390	1.00 ^e	
2007	5,077	343	720	4,710	1.00	

concluded

**Schedule 14
Demographic and Economic Statistics
Last Eight Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2000	122,989	\$ 2,629,948	\$ 21,384	29.9	35,148	4.8%
2001	131,246	n/a	n/a	n/a	37,487	4.2%
2002	133,966	3,086,993	23,043	n/a	39,614	4.9%
2003	137,006	3,142,951	22,940	n/a	41,977	5.0%
2004	141,822	n/a	n/a	n/a	43,998	4.8%
2005	144,070	n/a	n/a	n/a	44,240	3.7%
2006	144,661	n/a	n/a	n/a	47,731	3.5%
2007	146,164	n/a	n/a	n/a	49,865	4.1%

Ten years of data is not available

Source: Population - California Dept of Finance; Median Age - U.S. Census; School Enrollment - CNUSD ;
Unemployment Rate - California Labor Market

**Schedule 15
Principal Employers
Current Year and Seven Years Ago**

Employer	2007			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	5,300	1	6.42%	3,200	1	6.13%
Dart Container Corporation	1,317	2	1.59%			
Watson Laboratories, Inc.	1,280	3	1.55%	1,000	2	1.91%
Kaiser Permanente	1,100	4	1.33%			
Corona Regional Medical Center	1,100	5	1.33%	800	3	1.53%
City of Corona	1,053	6	1.27%	700	5	1.34%
All American Asphalt	1,000	7	1.21%			
Fender USA Corona	800	8	0.97%	800	4	1.53%
LDI Mechanical	475	9	0.58%			
Doorway Manufacturing	350	10	0.42%			
Uniweb, Inc.	-		-	350	6	0.67%
Core-Mark	-		-	300	7	0.57%
Boone International	-		-	300	8	0.57%
Circle Seal Controls, Inc.	-		-	280	9	0.54%
International Food Source	-		-	250	10	0.48%

Source: City Economic Development Division, California Labor Market

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government			
Management Services	19	12	13
Human Resources	15	13	12
Information Technology	17	17	17
Finance	42	41	41
Planning/Economic Develop.	26	21	20
Building	24	23	22
Police			
Officers	191	175	167
Civilians	91	87	90
Fire			
Firefighters and officers	124	111	106
Civilians	22	22	26
Public Works	102	93	94
Redevelopment	15	17	17
Parks and Community Services	49	50	50
Library	19	18	19
Department of Water and Power	130	146	137
Transit Services (manages contract)	1	1	1
Total	887.0	847.0	832.0

Source: City of Corona Finance

**Schedule 17
Operating Indicators by Function/Program
Last Three Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police			
Physical Arrests	5,298	4,696	4,259
Parking Violations	9,806	8,147	8,657
Traffic Violations	11,931	13,923	16,885
Fire			
Emergency Responses	10,238	9,997	9,644
Fires Extinguished	515	499	503
Inspections	1,039	865	1,529
Public Works			
Street Resurfacing (miles)	172.51	9.80	11.75
Street Lights Repaired	1,307	1,336	1,158
Potholes Filled (sq. ft)	42,000	37,389	36,294
Parks and Community Services			
Sportsfields Participation	486,114	459,002	462,852
Comm. Centers/Gym/Pool Participation	310,604	307,888	303,460
Other Activity Participation	153,301	126,542	128,991
Library			
Volumes in Collection	165,474	165,474	161,495
Total Volumes Borrowed	673,450	673,450	722,032
Water			
New Connections	504	801	656
Water Main Repairs	10	9	38
Average Daily Consumption (gallons)	35,000,000	35,200,000	38,135,000
Wastewater			
Average Daily Sewage Treatment (millions of gallons)	13	12.245	12.21
Transit Services			
Total Route Miles (round-trip)	44.4	44.7	44.7
Passengers			
Fixed Route	150,815	146,983	162,423
Dial-A-Ride	57,577	58,892	66,481

Source: Various City Departments

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

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police			
Stations	1	1	1
Zone Offices	3	3	3
Patrol Units	74	66	58
Fire Stations	7	7	7
Streets			
Streets and Alleys (miles)	380.26	375.84	370.96
Streetlights	11,688*	11,300*	10,540*
Traffic Signals	163	157	153
Parks and Community Services			
Total Park Acreage	363.83	341.64	347
Playgrounds	30	29	30
Baseball/softball diamonds	33	33	32
Soccer/football fields	14	14	11
Community Centers	7	7	7
Civic Center Auditorium Seating Cap	380	250	250
Fiesta Bandshell Seating Capacity	500	500	500
Water			
Water Main (miles)	622	605.5	566
Fire Hydrants	8,300	7,904	7,611
Storage Capacity (millions of gallons)	43.6	45.9	40.9
Wastewater			
Sanitary Sewers (miles)	394.1	382.4	376
Storm Sewers (miles)	154.2	148.2	145.2
Treatment Capacity (millions of gallons)	14	18.5	15.5
Transit Services			
Minibuses			
Fixed Route	5	5	5
Dial-A-Ride	9	9	9

Source: Various City Departments

* Includes only city-owned

