

# CITY OF CORONA, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015



---

---

**CITY OF CORONA**

---

**Comprehensive Annual Financial Report****Table of Contents**Year Ended June 30, 2015

---

---

**INTRODUCTORY SECTION**

Table of Contents .....	i
GFOA Certificate of Achievement .....	iv
Letter of Transmittal .....	v
Elected and Administrative Officers .....	xi
Organizational Chart .....	xii

**FINANCIAL SECTION**

Independent Auditors' Report .....	1
Management's Discussion and Analysis (Required Supplementary Information) .....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	25
Statement of Activities .....	26
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	30
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	32
Statement of Revenues, Expenditures and Changes in Fund Balances .....	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities .....	36
Proprietary Funds:	
Statement of Net Position .....	38
Statement of Revenues, Expenses and Changes in Fund Net Position .....	42
Statement of Cash Flows .....	44
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	50
Statement of Changes in Fiduciary Net Position .....	51
Notes to Basic Financial Statements .....	53

---

---

**CITY OF CORONA****Comprehensive Annual Financial Report****Table of Contents**Year Ended June 30, 2015

---

---

**FINANCIAL SECTION, Continued**

## Required Supplementary Information:

Budgetary Information.....	125
Modified Approach for Reporting Infrastructure.....	130
Pension Trend Data .....	132
Other Postemployment Benefit Plan (OPEB) Information.....	138

## Supplementary Information:

## Nonmajor Governmental Funds:

Combining Balance Sheet.....	144
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	148
Budgetary Comparison Schedules .....	154

## Non-major Enterprise Funds:

Combining Statement of Net Position.....	169
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	170
Combining Statement of Cash Flows .....	171

## Internal Service Funds:

Combining Statement of Net Position.....	175
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	177
Combining Statement of Cash Flows .....	179

## Agency Funds:

Combining Statement of Changes in Assets and Liabilities .....	183
--	-----

---

---

**CITY OF CORONA****Comprehensive Annual Financial Report****Table of Contents**Year Ended June 30, 2015

---

---

<b>STATISTICAL SECTION</b> .....	185
Financial Trends:	
Net Position by Component .....	188
Changes in Net Position .....	190
Fund Balances – Governmental Funds .....	194
Changes in Fund Balances – Governmental Funds .....	196
Revenue Capacity:	
Water Sales by User Type .....	198
Assessed Value and Actual Value of Taxable Property.....	199
Potable Water Rates.....	200
Reclaimed Water Rates .....	201
Direct and Overlapping Property Tax Rates.....	202
Principal Water Customers .....	203
Principal Property Tax Payers.....	204
Property Tax Levies and Collections.....	205
Debt Capacity:	
Ratios of Outstanding Debt by Type .....	206
Ratios of General Bonded Debt Outstanding .....	208
Direct and Overlapping Governmental Activities Debt.....	209
Legal Debt Margin Information.....	211
Pledged Revenue Coverage .....	212
Demographic and Economic Information:	
Demographic and Economic Statistics.....	214
Principal Employers .....	215
Operating Information:	
Full-time Equivalent City Government Employees by Function/Program.....	216
Operating Indicators by Function/Program.....	217
Capital Assets Statistics by Function/Program .....	218



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Corona  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



December 16, 2015

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

It is with great pleasure that we present to you the City of Corona's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The report is published to provide the public, City Council, and the community detailed information about the financial position and operating results of the City as measured by the financial activity of its various funds.

The CAFR is presented in three sections: the **Introductory Section**, the **Financial Section**, and the **Statistical Section**. The *Introduction Section* contains a table of contents, this letter of transmittal, a list of elected officials, and an organizational chart. The *Financial Section* includes an opinion letter issued by our independent auditors, Lance, Soll, and Lunghard, LLP, Certified Public Accountants, and a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Auditing Standards Generally Accepted in the United States of America. The *Statistical Section* presents historical, financial, analytical, economic and demographic information, which are useful for further analysis and comparisons.

Responsibility for both the accuracy of the financial report and the completeness and fairness of the presentation resides with the City. To the best of our knowledge, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the CAFR.

The City of Corona's financial statements have been audited by Lance, Soll & Lunghard, LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unmodified ("clean") opinion of the City's financial statements for the fiscal year ended June 30, 2015.

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

The City prepared the CAFR using the financial reporting requirements outlined by the Governmental Accounting Standards Board (GASB) statements. GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the *Financial Section* of the CAFR.

The CAFR is a required component of continuing disclosure to the bond holders as covenanted by certain bond issues.

### **General Information 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. Based on data provided by the California State Department of Finance, the City's population was 160,287 as of January 2015, ranking 32 among all cities statewide. The City limits covered approximately 39.3 square miles.

The City of Corona was incorporated in 1896 under the general laws of the State of California. The City operates under a Council-Manager form of government. Five Corona citizens make up the Corona City Council and each is elected to a four-year term of office. The Mayor is appointed annually by and from the City Council. The City provides full services to its citizens, including: public safety (police and fire), streets and highways, electric, public library, parks and other public facilities, planning and zoning, public transportation (Dial-A-Ride and Corona Cruiser programs), housing and economic development programs. Water and water reclamation services are provided through the legally separate Corona Utility Authority, which functions as a department of the City of Corona. The Corona Housing Authority and the Corona Public Financing Authority are component units of the primary City government and are financially accountable by the City. Additional information on all of these legally separated entities can be found in the Notes to the Basic Financial Statements, under the Description of Reporting Entity section.

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

### **City of Corona's Local Economy**

Property tax continues to be the largest General Fund revenue source for the City in Fiscal Year 2014-2015. Total taxable assessed valuation in Corona for the year was \$17.2 billion, representing an increase of 2.5% from the previous year and 8.9% from two years ago. Sales tax is the other primary revenue source for the City. Taxable retail sales totaled \$3.3 billion in

Fiscal Year 2014-15, increased by 3.2% from the previous year and 10.0% from two years ago. Total property and sales tax constituted 73.1% of total general revenues for the governmental activities, which help to support all general government activities including public safety, public works, community services, housing, and economic development.

The City of Corona continues to maintain its position as the premier location for businesses looking to relocate and expand. Centrally located between Riverside and Orange counties, Corona's geographic position attracts highly educated and sought after labor force. Corona continues to see economic corrections with trends moving upward. Vacancy rates in industrial, commercial and office continue to see positive absorption. Industrial rates continue to hover at 2% while commercial vacancy has dropped to 5.3%. Office vacancy rates are on the decline as well, currently at 13%.

New industrial development has helped to expand Corona's job market, which is now surpassing pre-recession peaks. Job growth in Corona increased more than 5% in Fiscal Year 2014-15 with total employment numbers over 54,550. The majority of this growth was seen in the professional, management and technology sectors. Comparing to Orange County, the job market growth rate in Corona is more than 2% higher. This growth will continue to be fueled by more than 900,000 square feet of industrial development under construction, which is estimated to bring an additional 1,000+ jobs in the next 18 months. All of these factors have helped to reduce unemployment rate in Corona to a mere 5.5%, 1.5% below the Riverside County average.

Consumer spending continues to be on the rise driven by the local and regional labor market growth. The increased spending will continue to drive sales tax revenue increases into Fiscal Year 2015-16. Much of this consumer spending is seen in the automobile, hospitality and construction industries as consumers deferred purchases and maintenance of large ticket items during the recession. Increased automobile sales is a key indicator that consumer confidence has been restored and individuals are willing to take on long-term financial obligations.

Fiscal Year 2014-15 continued to see a booming housing market with increased median home prices and average rents for multi-family communities. With limited development opportunities, Corona has seen a lack in housing stock, a key driver for price and equity increase. Much of Corona's recent residential development has been multi-family housing. The pre-recession housing market forced many developers to sell condominiums rather than for lease product. The first phase of Corona's newest urban development was completed in 2012 and consisted of over 404 luxury apartments. Phase 2 is currently under construction and will add an additional 464 luxury units with 60,000 square feet of retail space, changing the North Main corridor into a bustling urban setting within walking distance to Riverside County's busiest Metrolink station. Increased multi-family development has also been observed in the Dos Lagos Community, the Montecito and Encanto developments will bring a total of 479 new luxury apartment units to the community.

With limited opportunities for large-scale new development, Corona continues looking for opportunities for redevelopment and expansion of underutilized properties. Through its



commitment to stimulate the local economy and expand its labor force, the City of Corona will continue to be the premier inland Southern California city to live, work, and play.

### **Long Term Financial Planning**

Moderate economic growth and concerns on pension liabilities have left many local governments' economic outlook vulnerable to the market and credit rating agencies. The City of Corona continues to see positive rating momentum as it consistently exhibited strong economies, improved fiscal governance, and enhanced financial position. Recent bond issues were well received when offered in the market. The revenue bonds issued in 2012 and 2013, the refunding Community Facility District bonds issued in 2014, and the refunding of former Redevelopment Agency's Tax Allocation Bonds issued in 2015 all received significant premiums, demonstrating investors' confidence in the City's strong local economy and sound fiscal management practices.

Many local governments statewide have seen more pressure due to the implementation of the GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Effective Fiscal Year 2014-15, net pension liability was required to be presented in the financial statements with expanded mandatory disclosures. This significant liability has become a real challenge from a credit perspective. Corona is not immune to the pressure created by the mounting municipal debt. In August 2014, the City received a credit review from Standard & Poor's (S&P), indicated a weakness in debt and contingent liabilities profile. However, due to the strong management, budgetary flexibility, liquidity, budgetary performance, as well as institutional framework, S&P affirmed the AA- long-term and underlying rating on Corona Public Financing Authority with a stable outlook. In its most recent rating on Corona Redevelopment Agency Tax Allocation Bonds in February 2015, S&P raised the underlying rating from A- to A while affirming the stable outlook. The rationale behind the increase was primarily due to good cash flow management and effective practice of setting aside sizable reserves, as commented by S&P.

The City has consistently applied effective fiscal management approaches to preserve revenue and cut spending; as a result, contingency reserves reached \$18.3 million as of June 30, 2015, equivalent to 15.7% of current year's General Fund operating expenditures.

Other funds have also been set aside as reserves for facility projects, future technology needs, capital replacement, debt service requirements, and other items.

By maintaining our commitment to fiscal responsibility and effective resource management, the City Council and the City leadership continue to enhance its fiscal plan with the goal to improve the City's overall financial well-being, and providing the highest level of services to our residents.

## **Financial Policies**

### Fund Balance Policy for the General Fund

The City established its reserves policy for the General Fund in June 2010. The contingency reserve was established at \$14.3 million, with the goal to increase to two months of regular general fund operating expenditures as recommended by the Government Finance Officers Association (GFOA). As of June 30, 2015, the contingency reserve balance was \$18.3 million.

### General Fund Expenditure Control Budget (ECB)

The City follows the General Fund Expenditure Control Budget (ECB) guidelines as outlined in the budget resolution. The Fiscal Year 2014-15 budget was the twenty-first 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 for meeting their goals as well as being assigned greater accountability for their performance in carrying out their mission. The ECB savings are categorized in the General Fund Balance under the classification of Committed Fund Balance.

### Debt Policy and Procedures

The City of Corona, following the best practice guidelines for debt management published by the Government Finance Officers Association (GFOA), develops and maintains a formal Debt Policy and Procedures to ensure that debt is issued and managed prudently. The purpose of this policy is to standardize the parameters for debt issuance and management, improve the quality of decisions, provide guidance for the structure of debt issuance to ensure the most prudent, equitable and cost-effective method of financing is chosen, and demonstrate a commitment to long-term capital and financial planning. The current policy was reviewed and approved by the City Council in September 2015.

### Investment Policy

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

## **Major Initiatives**

Corona's commitment to infrastructure improvements is documented by the City's five-year Capital Improvement Program.

In Fiscal Year 2015-16, the City's new Capital Improvement Projects (CIP) totaled \$36.3 million. This amount covers a wide range of categories including assessment districts, buildings and facilities, roads, bridges and freeways, street lighting and traffic signals, storm drainage, parks,

airport, housing programs, economic development initiatives, water, water reclamation, and electric utilities, as well as developer financed infrastructure.

The majority of the capital budget, or 46.6%, was for the water and water reclamation utilities, with a total amount of \$16.9 million. Major projects in these utilities include \$8.5 million for the Water Reclamation Facility No. 3 Decommissioning Force Mains, Pump, and Gravity Sewer Lines, and \$3.8 million for the Home Gardens Well 32 and 33.

The building and facilities category represents 17.6% of the overall City's new CIP budget, totaling \$6.4 million. The category of roads, bridges and freeways occupied 16.6% or \$6.0 million of the total CIP budget, with the primary funding sources from Measure A and Gas Tax.

**Awards and Acknowledgements**


The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Corona for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-fifth consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

The preparation of the CAFR on a timely basis was made possible by the efficient and dedicated service of the staff in Finance, especially Theresa Dailey and Patricia Song. Staff members have our sincere appreciation for their contributions to this report. We also acknowledge the cooperation and assistance of Lance, Soll & Lunghard, LLP, in completing the CAFR.

We thank the Mayor, City Council, and the City's executive management team for their strong leadership and support of the financial operations of the City, and for maintaining the highest standards of professionalism in managing the City's finances for the best interest of the citizens of Corona.

Respectfully submitted,

  
\_\_\_\_\_  
Darrell Talbert  
City Manager

  
\_\_\_\_\_  
Kerry D. Eden  
Assistant City Manager/ Administrative  
Services Director



# CITY OF CORONA

## Elected Officials and Executive Management

---

*Elected Officials*

- EUGENE MONTANEZ ..... Mayor
- JASON SCOTT ..... Vice Mayor
- DICK HALEY ..... Councilmember
- RANDY FOX ..... Councilmember
- KAREN SPIEGEL..... Councilmember
  
- AARON HAKE ..... City Treasurer

*Executive Management*

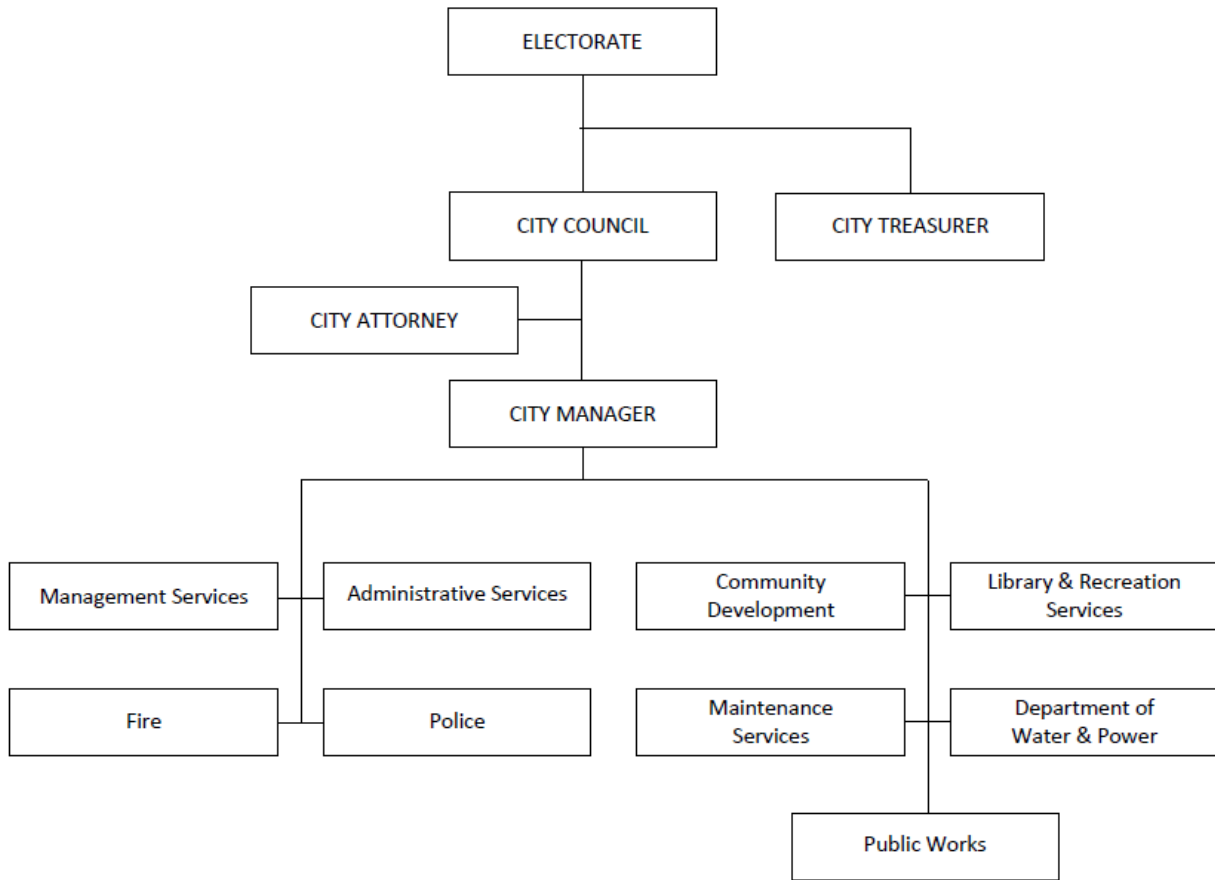
- DARRELL TALBERT ..... City Manager
- DEAN DERLETH..... City Attorney
- KERRY D. EDEN ..... Assistant City Manager/Admin Services Director
- MICHAEL E. ABEL..... Chief of Police and Assistant City Manager
  
- JOANNE COLETTA..... Community Development Director
- JONATHAN DALY ..... General Manager
- DAVID DUFFY ..... Fire Chief
- DAVID MONTGOMERY-SCOTT..... Library and Recreation Services Director
- NELSON NELSON..... Public Works Director



# CITY OF CORONA

## Organizational Chart

---



## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Corona, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corona, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the budgetary comparison schedules for the General Fund and the Development Fund; the Modified Approach for the City streets infrastructure capital assets; the schedule of changes in net pension liability and related ratios, the schedules of plan contributions, the schedule of proportionate share of the net pension liability, and the schedule of funding progress – other post-employment benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Solt & Lughard, LLP*

Brea California  
December 1, 2015







## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2015

The City of Corona's Finance team has prepared this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015, to assist users of this report to gain a better understanding of the City's financial health and history. The information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

#### FINANCIAL HIGHLIGHTS

The City of Corona's financial statements prepared for the fiscal year ended June 30, 2015 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). Two GASB statements that took effect during the year had significant impact to the City's 2015 financial statement presentation:

- (1) GASB Statement No. 68 – Accounting and Financial Reporting for Pensions, requires the recognition of the City's entire net pension liability and a more comprehensive disclosure of changes in pension liability and related ratios; and
- (2) GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, regulates the City's recognition of pension expense in the financial statements.

As the result of implementing GASB Statements 68 and 71, the City's overall net position decreased significantly comparing to the previous year. However, the reduction was not due to increase in pension debt, but the recognition of net pension liability and expense as required by these GASB statements. The changes required by GASB standards relate only to financial reporting and do not affect the City's financial condition.

#### Government-Wide

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$952.4 million (*net position*).
- The overall City's net position decreased by \$148.0 million from the previous fiscal year, primarily due to the implementation of GASB Statement No. 68 and 71 as discussed above. Additional information regarding the implementation of these two statements is provided in later discussion as well as in the Notes to the Financial Statements.

## CITY OF CORONA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED) YEAR ENDED JUNE 30, 2015

---

- Total expenses for governmental activities were \$140.5 million for Fiscal Year 2014-15. In addition to program revenues of \$77.6 million, taxes, lease and rental income, investment earnings, and other general revenue with a total of \$101.3 million provided sufficient funding for City-wide programs. Adding an extraordinary gain in the amount of \$5.0 million, governmental activities' revenues exceeded expenses by \$43.4 million. Combined with a beginning balance restatement of \$(195.6) million, net position for governmental activities decreased by \$152.2 million from the previous year.
- For business-type activities, program revenues exceeded expenses by \$18.3 million. Of the \$118.5 million total program revenues, \$100.8 million was from charges for services, \$4.2 million from operating grants and contributions, and the remaining \$13.5 million represents capital grants and contributions. Combined with investment earnings of \$0.9 million, a restatement of \$(15.0) million to the beginning balance, net position increased by \$4.2 million from the previous year.
- The City recognized an extraordinary gain in the amount of \$5.0 million in governmental activities on its government-wide financial statements. The amount represented capital assets incorrectly transferred to the Corona Successor Agency during the asset transfer review in accordance to Trailer Bill AB 1484. For additional information, please refer to Notes 19 and 20.I in the accompanying financial statements.
- The government-wide statement had a restatement of \$(210.6) million to its beginning net position, among which \$(195.6) million was in the governmental activities and \$(15.0) million in the business-type activities. The restatement was primarily due to the implementation of GASB Statement No. 68, by recognizing beginning balances of net pension liability for each activity type. As of July 1, 2014, beginning balance of net pension liability for the governmental activities were \$190.2 million, and \$14.7 million for business-type activities. Please refer to Note 18 in the accompanying financial statements for additional information.

#### **Fund Based**

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$166.5 million, an increase of \$28.0 million from the previous year. The net increase was the combined impact of positive operating result of \$11.9 million, a net transfer from internal services funds in the amount of \$0.6 million, and a restatement of \$15.5 million to the beginning fund balance.
- Governmental funds' beginning fund balance was restated by \$15.5 million, primarily due to the reclassification of unavailable revenue relating to loan and long-term receivables from deferred inflows of resources to fund balance.
- Of the total fund balance for all governmental funds, \$86.3 million, or 51.8% are either non-spendable or restricted due to the nature of the restriction. An additional amount of \$23.8 million was committed in the fund balance, including \$18.3 million committed to emergency contingencies, \$1.7 million in ECB savings, and \$3.8 million in designated revenues. The remaining \$56.5 million were assigned to specific City programs and projects. Please refer to Note 14 for additional information on the categorization of the governmental funds' fund balances.

## OVERVIEW OF THE FINANCIAL STATEMENTS

### Government-Wide Financial Statements

The government-wide financial statements are designed to give users a broad overview of the City's finances, in a manner similar to that of a private-sector business. They present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting.

There are two statements in the government-wide financial statements, the statement of net position, and the statement of activities. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net difference between the first and the last two elements is reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads. The statement of activities shows how the City's net position changed during the fiscal year.

Both of the government-wide financial statements distinguish between functions that are mainly supported by taxes and intergovernmental revenues and other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The first functions are identified in the statements as governmental activities, while the latter functions are reported as business-type activities.

Most of the City's basic services are reported in the governmental activities category, including the General Government, Fire, Police, Public Works and Maintenance Services, Library and Recreation Services, Community Development, and Economic Development. Property and sales taxes, franchise fees, business tax, investment income, and state and federal grants finance these activities.

The City operates its Water and Water Reclamation utilities through its component unit, the Corona Utility Authority. These activities are reported in the business-type activities category along with Electric, Transit and Airport services.

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

### Fund Financial Statements

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help 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 governmental fund financial statements can be found in the Basic Financial Statements section of this report.

**Proprietary funds**

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

**Fiduciary funds**

The City is the trustee, or fiduciary, for certain funds held to account for activities reported in this category which includes the Successor Agency, and the special taxes and assessments districts. The City's fiduciary activities are reported in separate statements of fiduciary net position, statement of changes in fiduciary net position (Successor Agency Trust only), and combining statement of changes in assets and liabilities (Pass-through Agency Fund only).

**Notes to Basic Financial Statements**

Notes to basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. They are presented immediately following the Basic Financial Statements section of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the General Fund and the 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 the agency fiduciary fund are presented in the Supplementary Information section of this report.

**GOVERNMENT- WIDE FINANCIAL ANALYSIS**

The government-wide financial analysis focus on the City's net position and changes in net position of the governmental and business-type activities for the fiscal year ended June 30, 2015.

As noted earlier, the City's net position as a whole decreased by \$148.0 million from the previous year. Aside from the \$(210.6) million restatement to the beginning net position, and \$5.0 million extraordinary gain, government-wide revenues exceeded expenses by \$57.6 million.

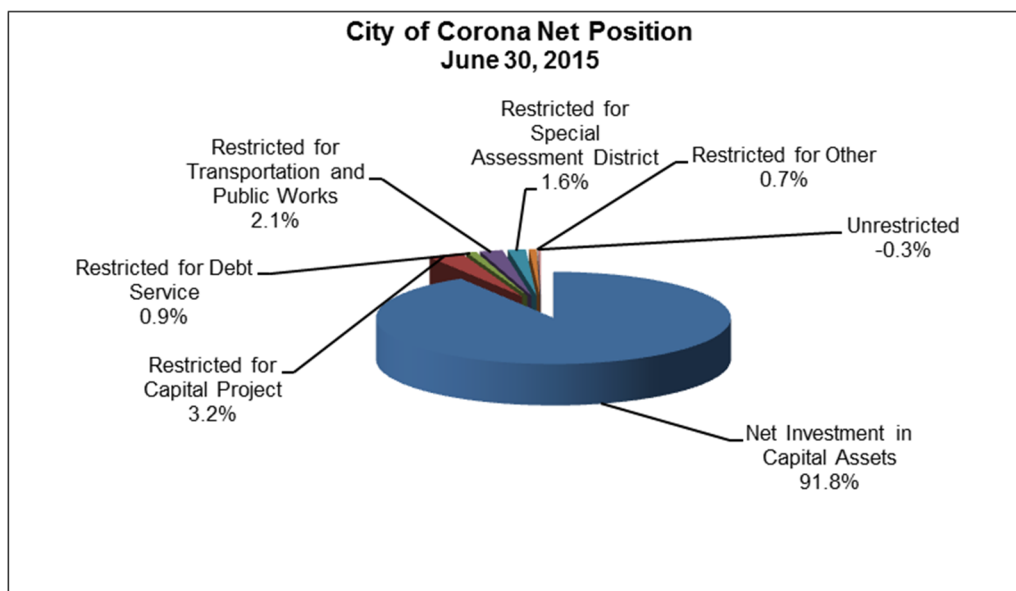
The largest portion, \$873.8 million or 91.8% of the City's net position reflects the net investment in capital assets such as land, buildings, machinery and equipment, less any related debt used to acquire those assets that were still outstanding. These assets are used to provide services to the citizens 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.

Of the total government-wide net position, 8.5% or \$81.2 million represents various resources subject to external restrictions on how they may be used.

**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

The graph below demonstrates the components of the City's net position at fiscal year ended June 30, 2015.



The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2015 with comparative data from the previous fiscal year:

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

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 236.0	\$ 225.3	\$ 134.3	\$ 127.4	\$ 370.3	\$ 352.7
Internal balances	174.0	173.9	(174.0)	(173.9)	-	-
Capital assets	638.1	611.3	385.7	365.4	1,023.8	976.7
<b>Total assets</b>	<b>1,048.1</b>	<b>1,010.5</b>	<b>346.0</b>	<b>318.9</b>	<b>1,394.1</b>	<b>1,329.4</b>
Deferred Pension Related Items	19.1	-	1.1	-	20.2	-
<b>Total deferred outflows</b>	<b>19.1</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>20.2</b>	<b>-</b>
Long-term liabilities	246.5	72.6	107.7	98.3	354.2	170.9
Other liabilities	47.1	40.3	30.6	17.8	77.7	58.1
<b>Total liabilities</b>	<b>293.6</b>	<b>112.9</b>	<b>138.3</b>	<b>116.1</b>	<b>431.9</b>	<b>229.0</b>
Deferred Pension Related Items	28.2	-	1.8	-	30.0	-
<b>Total deferred inflows</b>	<b>28.2</b>	<b>-</b>	<b>1.8</b>	<b>-</b>	<b>30.0</b>	<b>-</b>
Net investement in capital assets	587.8	557.3	286.0	275.2	873.8	832.5
Restricted	67.4	69.9	13.8	18.9	81.2	88.8
Unrestricted	90.2	270.4	(92.8)	(91.3)	(2.6)	179.1
<b>Total net position</b>	<b>\$ 745.4</b>	<b>\$ 897.6</b>	<b>\$ 207.0</b>	<b>\$ 202.8</b>	<b>\$ 952.4</b>	<b>\$ 1,100.4</b>

**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

Below is a comparison of the City's revenues and expenses for the current and prior year.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 38.6	\$ 37.8	\$ 100.8	\$ 104.5	\$ 139.4	\$ 142.3
Operating Grants and Contributions	11.8	12.6	4.2	1.6	16.0	14.2
Capital Grants and Contributions	27.2	20.8	13.5	4.2	40.7	25.0
General Revenues:						
Taxes:						
Property Taxes	38.6	36.5			38.6	36.5
Sales and Use Taxes	36.6	35.6			36.6	35.6
Other Taxes	10.6	9.1			10.6	9.1
Lease and Rental Income	9.8	9.8			9.8	9.8
Investment Earnings	2.0	2.3	0.9	1.2	2.9	3.5
Amortized Bond Issuance Premium			-	2.0	-	2.0
Other	3.7	2.1			3.7	2.1
<b>Total Revenues</b>	<b>178.9</b>	<b>166.6</b>	<b>119.4</b>	<b>113.5</b>	<b>298.3</b>	<b>280.1</b>
<b>Expenses:</b>						
General Government	24.5	24.0			24.5	24.0
Public Safety - Fire	24.1	23.1			24.1	23.1
Public Safety - Police	42.9	40.8			42.9	40.8
Public Works & Maintenance Services	33.5	39.6			33.5	39.6
Library and Recreation Services	6.6	4.4			6.6	4.4
Community Development	3.8	3.4			3.8	3.4
Economic Development	3.1	5.3			3.1	5.3
Interest on Long-term Debt	2.0	2.2			2.0	2.2
Water			55.7	58.1	55.7	58.1
Water Reclamation			26.5	29.2	26.5	29.2
Electric			15.2	13.4	15.2	13.4
Transit Services			2.5	2.3	2.5	2.3
Airport			0.3	0.3	0.3	0.3
<b>Total Expenses</b>	<b>140.5</b>	<b>142.8</b>	<b>100.2</b>	<b>103.3</b>	<b>240.7</b>	<b>246.1</b>
Gain on Sale of Capial Assets			-	2.5	-	2.5
Extraordinary Items - Successor Agency	5.0	(56.9)			5.0	(56.9)
Transfers		(0.9)	-	0.9	-	-
<b>Change in net position</b>	<b>43.4</b>	<b>(34.0)</b>	<b>19.2</b>	<b>13.6</b>	<b>62.6</b>	<b>(20.4)</b>
Net position - beginning of year	897.6	932.3	202.8	189.4	1,100.4	1,121.7
Restatement	(195.6)	(0.7)	(15.0)	(0.2)	(210.6)	(0.9)
<b>Net position - end of year</b>	<b>\$ 745.4</b>	<b>\$ 897.6</b>	<b>\$ 207.0</b>	<b>\$ 202.8</b>	<b>\$ 952.4</b>	<b>\$ 1,100.4</b>

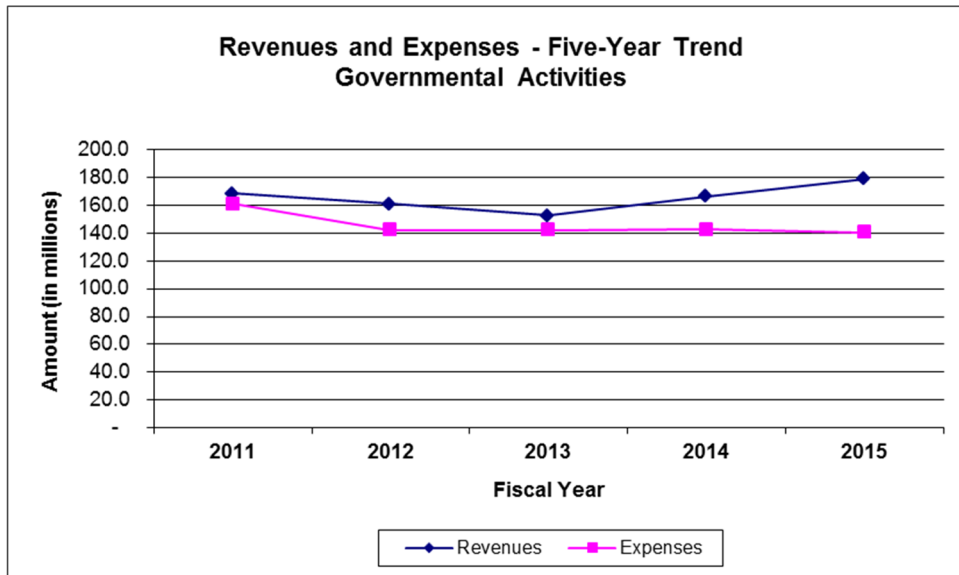


**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

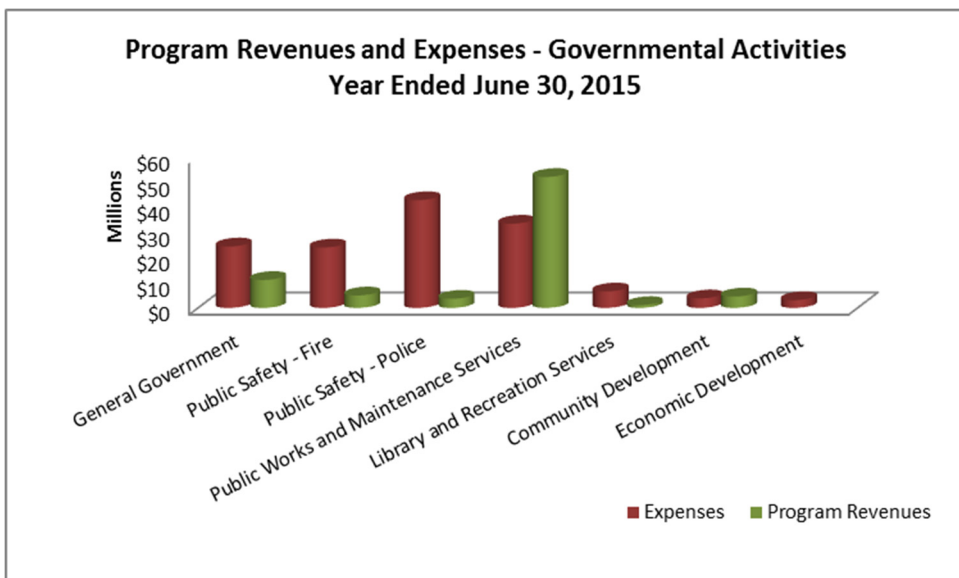
**Governmental Activities**

Total resources available during the year to finance governmental operations were \$885.9 million. This amount consists beginning net position of \$702.0 million, which includes a restatement of \$(195.6) million, program revenues of \$77.6 million, general revenues of \$101.3 million, and an extraordinary gain of \$5.0 million. Total uses in governmental activities during the year were \$140.5 million; thus, net position for governmental activities ended with \$745.4 million for fiscal year ended June 30, 2015.

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



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

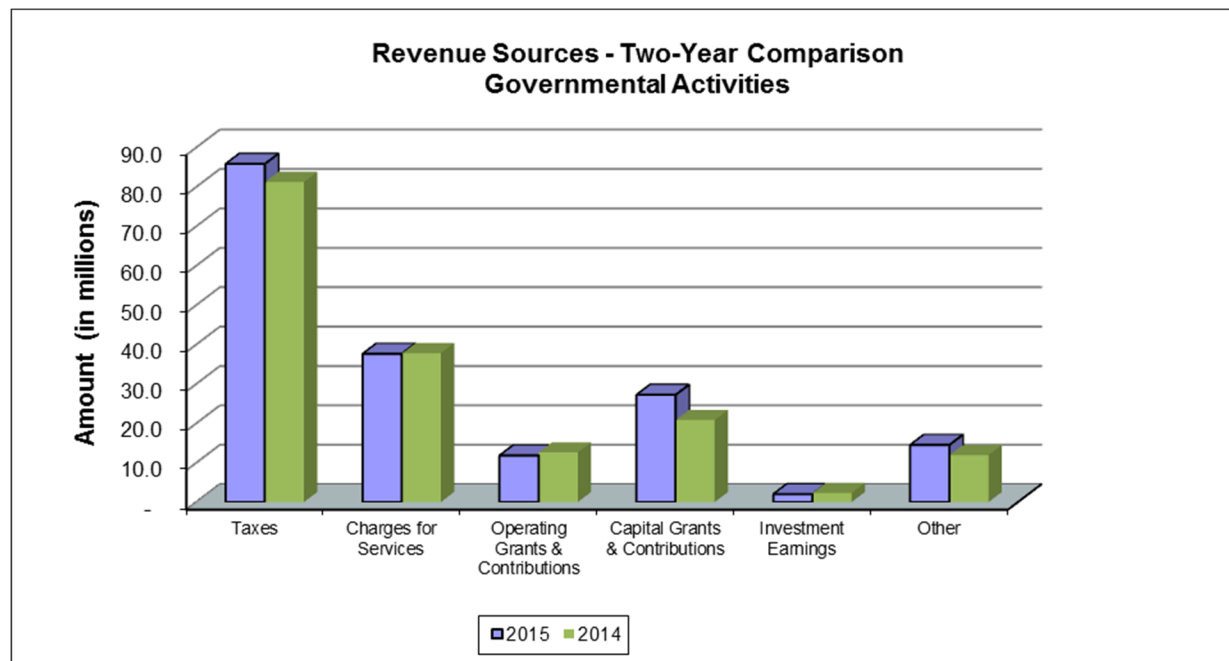


**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

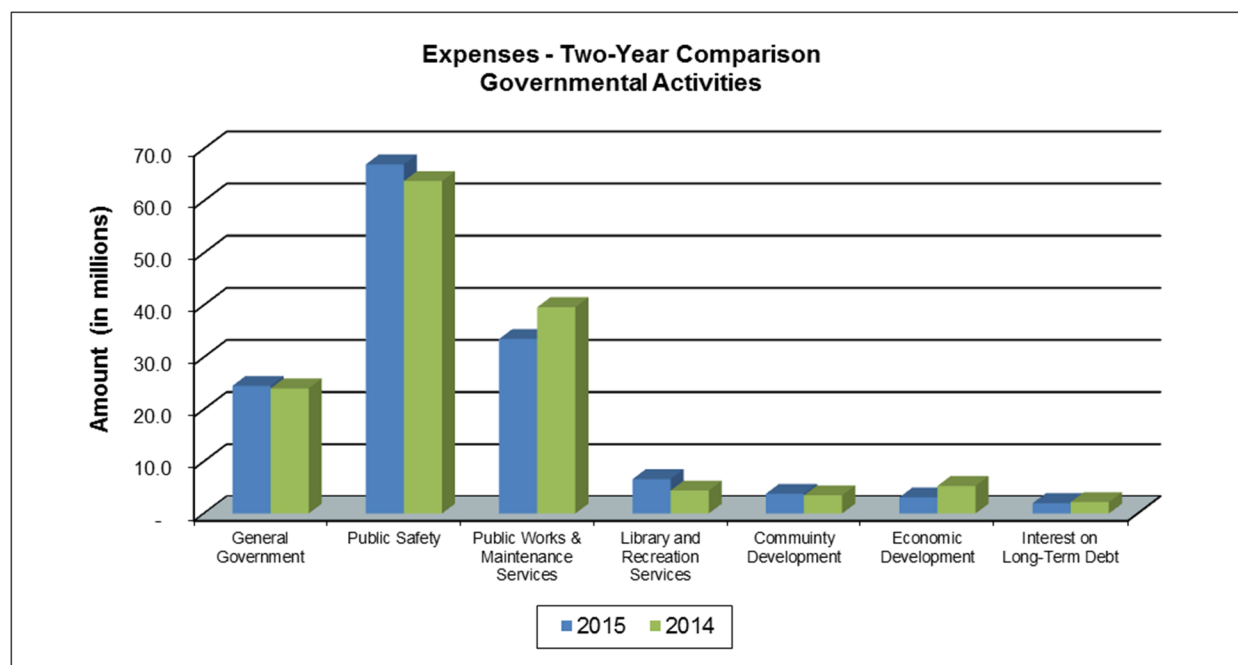
General government support services (administration, legal, human resources, financial, and information technology services) generate some revenues but are primarily funded from charges to the direct operating functions they support. The public safety functions (police and fire) generate program revenues as well, but property taxes, sales tax and other General Fund revenues fund the majority of its costs. The public works and maintenance services program is responsible for maintenance and construction of transportation system, with funding provided by gas tax, Measure A and various federal, state and local grant funding, as well as parks maintenance and facility maintenance functions primarily funded by property taxes, sales tax and other General Fund revenues. The funding source for library and recreation as well as community development services are primary from the general taxes with some from program revenues including various user fees.

The cost of all governmental activities for fiscal year ended June 30, 2015 was \$140.5 million, slightly decreased by \$2.3 million or 1.6% from the previous fiscal year. As shown in the statement of activities, the amount that the taxpayers ultimately financed for these activities was \$62.9 million, the remaining \$77.6 million was paid by various program revenues, including \$38.6 million by those who directly benefited from the programs, \$11.8 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and \$27.2 million from capital grants and contributions.

The following two charts illustrate the total revenue and expense for the governmental activities, excluding extraordinary loss for the fiscal years ended June 30, 2015 and 2014 respectively.



**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**



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

- Taxes comprise 48.0% of the total revenues from governmental activities. Of the total tax revenues, 45.0% were property taxes, and 42.7% were sales and use taxes. The remaining 12.3% were comprised of franchise fee, business license tax, transient occupancy tax, property transfer tax and dwelling development fee.
- Comparing to the prior year, property taxes increased by \$2.1 million. Assessed valuation and delinquency both showed improvement from prior year, resulted in the 5.8% increase.
- Sales and use taxes were the second largest revenue source in governmental activities. For the fiscal year ended June 30, 2015, total sales and use taxes increased by \$1.0 million from the previous year to \$36.6 million.
- Despite the increase of \$3.1 million in public safety cost, overall governmental expenses decreased by \$2.3 million comparing to the previous year. The City’s continued efforts in department restructuring and function streamlining contributed to the reduction in service cost, especially in the public works and maintenance services area.

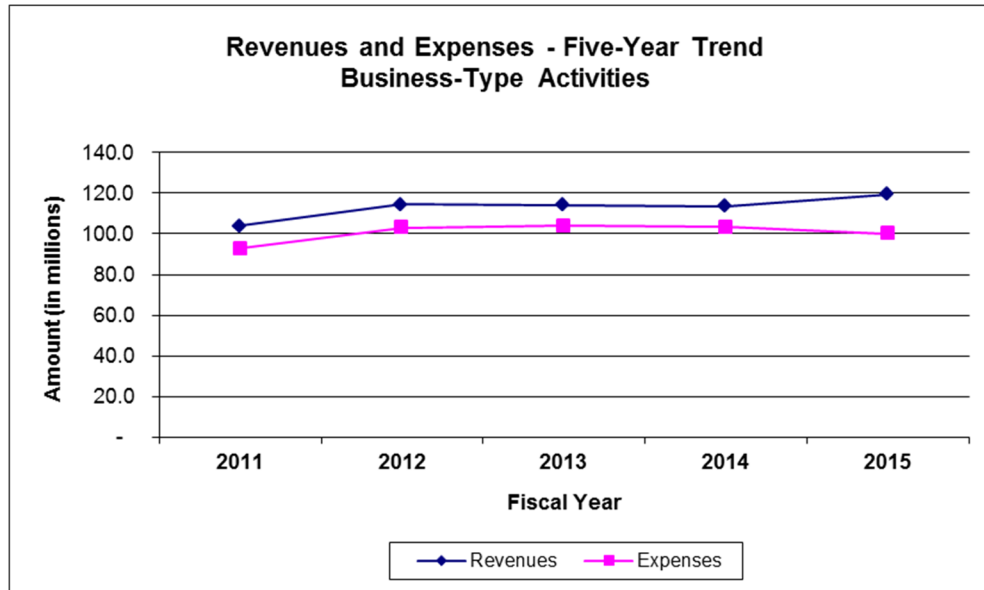
**Business-Type Activities**

The City’s net position in the business-type activities increased by \$4.2 million. The net increase due to operations was \$19.2 million, net against a restatement of \$(15.0) million to the beginning net position, overall net position were at \$207.0 million as of June 30, 2015.

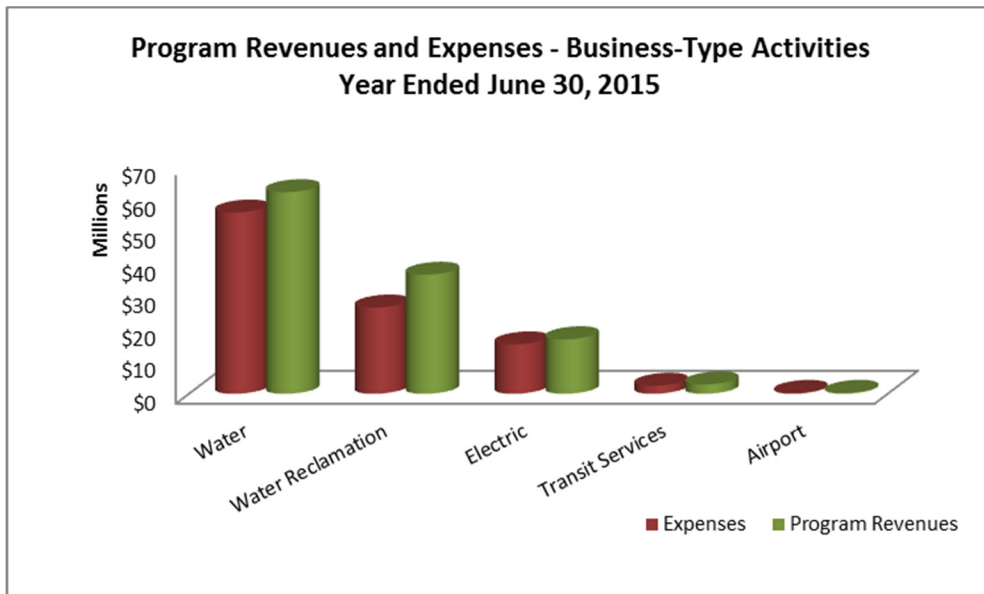
**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

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



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



**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

---

Total expenses of all business-type activities for the fiscal year ended June 30, 2015 were \$100.2 million, decreased by \$3.1 million from the previous fiscal year. As shown in the statement of activities, the amount paid by users of the systems was \$100.8 million, operating grants and contributions were \$4.2 million and capital grants and contributions were \$13.5 million, with total program revenue of \$118.5 million.

Total resources available during the year to finance business type activities were \$307.2 million. This amount consists net position at July 1, 2014 of \$202.8 million, restated by \$(15.0) million, program revenues of \$118.5 million, and general revenues of \$0.9 million. With the total expenses of \$100.2 million, net position at June 30, 2015 was brought to \$207.0 million.

Changes in major revenue sources and expenses for the business-type activities include:

- Charges for services decreased by \$3.7 million primarily due to statewide water conservation efforts. Cost for providing services (expenses) fell by \$3.1 million accordingly.
- Revenue from operating and capital grants increased by \$11.9 million during the year. The City has successfully secured several grants and funding agreements with various governmental agencies as well as developers to facilitate the City's operational needs and infrastructure improvements.

**FUND FINANCIAL ANALYSIS**

**General Fund**

The General Fund is the primary operating fund of the City. Fund balance for the General Fund increased by \$7.1 million for the fiscal year ended June 30, 2015, with an ending balance of \$98.9 million.

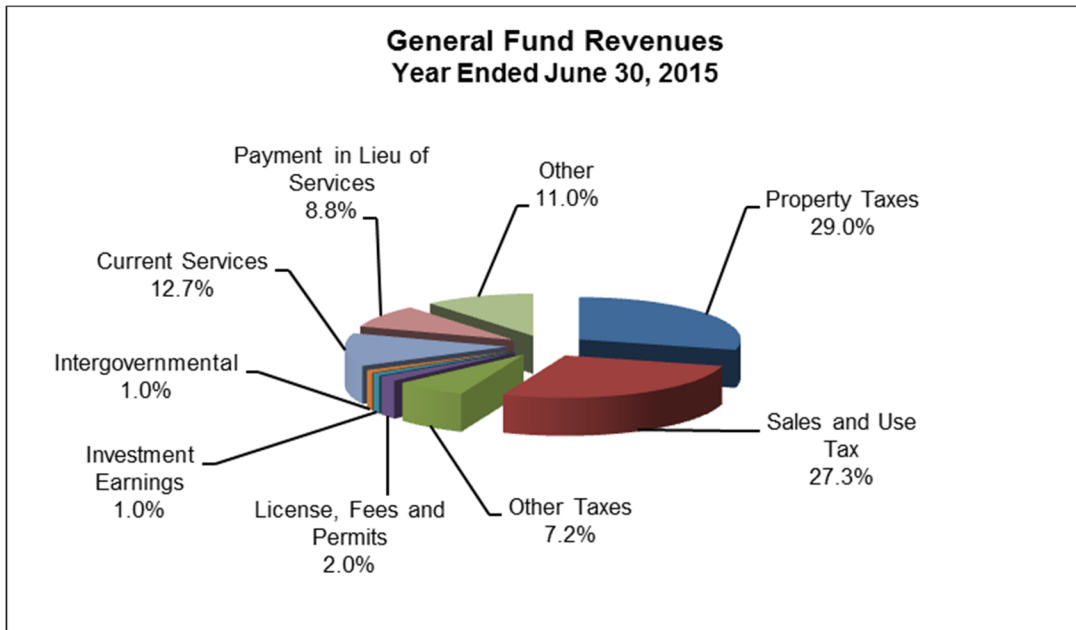
Below is a three-year trend analysis on the fund balance of the General Fund. For additional information, please refer to Note 14 in the accompanying financial statements.

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

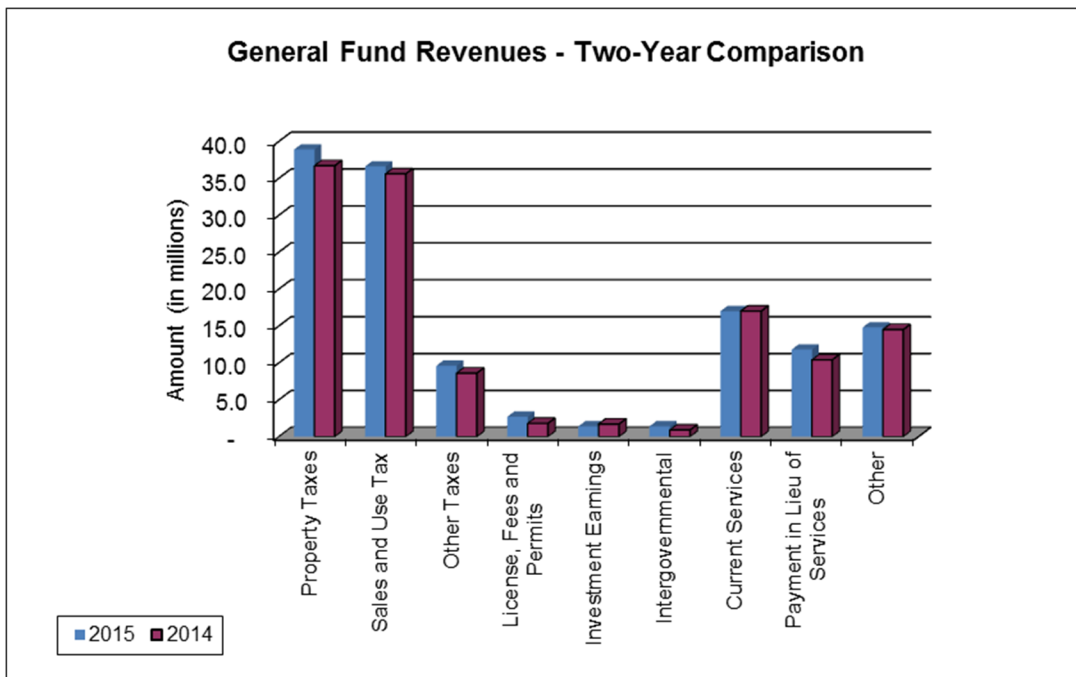
	<u>FY 2014-15</u>	<u>FY 2013-14</u>	<u>FY 2012-13</u>
Fund Balances:			
Nonspendable	\$ 24.4	\$ 23.6	\$ 22.8
Committed	23.8	23.5	22.8
Assigned	50.7	44.7	41.3
Total Fund Balance	<u>\$ 98.9</u>	<u>\$ 91.8</u>	<u>\$ 86.9</u>
Fund Balance - Beginning	\$ 91.8	\$ 86.9	\$ 76.6
Excess Revenues Over Expenditures	4.8	1.4	7.0
Transfers	2.3	3.5	3.3
Fund Balance - Ending	<u>\$ 98.9</u>	<u>\$ 91.8</u>	<u>\$ 86.9</u>

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

The graph below illustrates General Fund revenues by major sources:



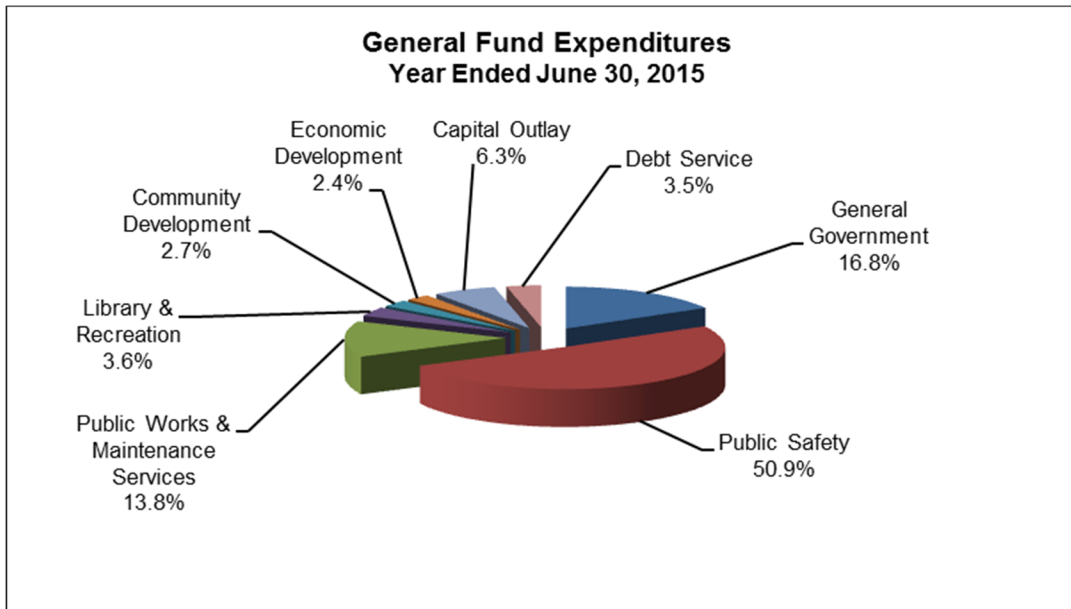
The increase in the General Fund’s fund balance for the current fiscal year was primarily contributed to the positive operating result. A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2015 and 2014 is presented below:



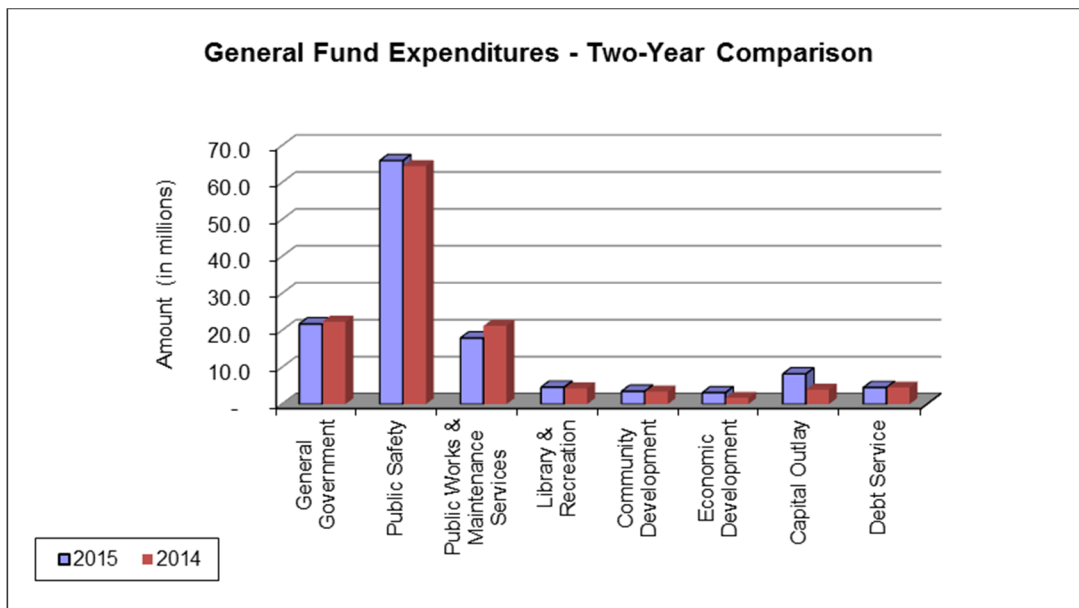
**CITY OF CORONA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

The graph below illustrates General Fund expenditures by category:



A two-year comparison of each General Fund expenditure category for the fiscal years ended June 30, 2015 and 2014 is presented below:



**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

---

Major factors toward the change in the General Fund's fund balance were:

- Property tax, sales tax and other taxes increased by a total of \$4.1 million or 5.0% from the previous year primarily due to increased assessed valuation and retail sales as local economy condition continued to improve during the year.
- Revenues from License, Fees and Permits contributed \$2.7 million to the General Fund in Fiscal Year 2013-14, represented a 54.2% increase. This was largely due to increased development activities during the reporting period.
- Incoming transfers of \$2.3 million were primarily from the Gas Tax special revenue fund, and Fleet Operations and Warehouse internal service fund for reimbursements of project costs and internal service charges.
- Public safety expenditure increased by \$1.5 million comparing to the previous fiscal year due to increased personnel costs.
- Expenditures reported in Public Works and Maintenance Services category decreased by \$3.3 million as a result of the City's continued effort in realignment of functions to maximize efficiency.
- Capital Outlay expenditures increased by \$4.3 million from the previous year, mostly for increased activities for projects include the Corona Community Center renovation, the animal shelter relocation, the City-wide camera system installation, and the Foothill Parkway extension.

**Other Major Governmental Funds**

The fund balance for the Development special revenue fund had an increase of \$4.0 million from the previous year as a direct result of increased development related revenues such as fees and permit. License, Fees and Permit revenue collected during Fiscal Year 2014-15 was \$6.1 million, represented a \$5.7 million increase from the previous year.

The Low/Mod Income Housing Asset capital project fund showed a \$14.4 million increase in fund balances in the current year, due to the reclassification of loans and long-term receivables from deferred inflows of resources to the non-spendable fund balance. The reclassification was reported as a restatement to the beginning fund balance. Please refer to Note 18 for additional information.

**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, 2015, net capital assets totaled \$638.1 million and \$385.7 million for the governmental and the business-type activities respectively. Depreciation on capital assets is recognized in the government-wide financial statements. Please refer to Note 6 of the accompanying financial statements for additional information.



**CITY OF CORONA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

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) condition assessments and summary of the results using a measurement scale; and (3) estimation of the annual amount to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City policy is to achieve an average rating of 71 for all streets. The average rating for the City’s streets at June 30, 2015 was 72, which is above the City’s policy level. The City is continuously taking action to prevent deterioration through an on-going street rehabilitation program funded in the Capital Improvement Program. The program is formulated based on deficiencies identified as part of the City’s Pavement Management System (PMS). It includes short-term maintenance activities such as pothole patching, street sweeping, and crack sealing. The City expended \$5.1 million on street maintenance for the fiscal year ended June 30, 2015. These expenditures delayed deterioration and maintained the street condition from the previous assessment. The condition of the streets slightly decreased from the average rating of 75 in the prior year. The City has estimated that the amount of annual expenditures required maintaining the current average PCI rating of 72 through the year 2019 is a minimum of \$4.8 million. Please refer to the Required Supplementary Information section of the accompanying financial statement for additional information.

The table below presents summary information on the City’s capital assets.

	<b>City of Corona's Capital Assets Net of Depreciation (in millions)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 65.0	\$ 63.1	\$ 5.3	\$ 4.9	\$ 70.3	\$ 68.0
Streets	178.5	177.2			178.5	177.2
Buildings and improvements	111.9	112.6	54.9	56.9	166.8	169.5
Machinery and equipment	7.9	7.7	36.9	38.9	44.8	46.6
Infrastructure	199.4	199.3	232.1	232.2	431.5	431.5
Construction in progress	75.4	51.4	36.9	22.5	112.3	73.9
Intangible assets			19.6	9.9	19.6	9.9
<b>Total Capital Assets</b>	<b>\$ 638.1</b>	<b>\$ 611.3</b>	<b>\$ 385.7</b>	<b>\$ 365.3</b>	<b>\$ 1,023.8</b>	<b>\$ 976.6</b>

**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

**DEBT ADMINISTRATION**

The City continued its efforts to reduce its long-term debt obligation. During the current year, the City paid off the 2001 Lease Revenue Bonds, Series A. The \$3.0 million Assessment District No. 91-1 Improvement Bonds were also paid in full in September 2015. In addition, the City defeased the 2005 Clearwater Cogeneration Certificates of Participation in the amount of \$23.8 million. The payment included unspent bonds proceeds and reserve fund of \$5.8 million, payment of \$7.8 million from the City of Riverside in accordance with the installment purchase agreement for the purchase of the power plant, and the City's cash contribution in the amount of \$10.2 million. Please refer to Note 8 of the accompanying financial statements for additional information.

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

<b>City of Corona's Outstanding Debt</b>						
(in millions)						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Loans and agreement payable	\$ -	\$ -	\$ 29.6	\$ 21.7	\$ 29.6	\$ 21.7
Lease payable	21.0	\$ 22.4			21.0	22.4
Revenue bonds	29.1	31.2	52.1	55.6	81.2	86.8
Certificates of participation			23.8	24.5	23.8	24.5
Special assessment district bonds	0.2	0.4			0.2	0.4
Unamortized bond premium			1.9	2.0	1.9	2.0
<b>Total Outstanding Debt</b>	<b>\$ 50.3</b>	<b>\$ 54.0</b>	<b>\$ 107.4</b>	<b>\$ 103.8</b>	<b>\$ 157.7</b>	<b>\$ 157.8</b>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original General Fund budget for Fiscal Year 2014-15 was \$126.6 million. Continuing appropriations of \$5.9 million from prior fiscal year capital improvement projects and grants was approved to carry over into the current fiscal year. In addition, \$4.2 million in committed purchase orders from the prior year was also added to the original budget to arrive at the adopted budget in the amount of \$136.7 million. The final budget for Fiscal Year 2014-15 was increased by \$6.8 million during the year to the amount of \$143.5. The supplemental budgetary changes included \$4.9 million of various projects such as Community Center renovation, and the construction of the City's new animal control facility. Operating budget for the Fire Department and Community Development Department was increased by \$1.5 million during the year in respond to the increased activity level.

Original Budget	\$ 126,567,168
Continued Appropriations	5,924,891
Encumbrances	4,239,696
Adopted Budget	<u>136,731,755</u>
Supplemental Changes	6,810,823
Final Budget	<u>\$ 143,542,578</u>

**CITY OF CORONA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTNUED)  
YEAR ENDED JUNE 30, 2015**

---

At June 30, 2015, the City's General Fund concluded the fiscal year with a favorable variance of \$14.1 million. The favorable variance included a \$7.6 million unspent capital outlay appropriation, which will be carried over to the next fiscal year. General Government enjoyed a savings of \$3.4 million, primarily attributable to the City's continued efforts in streamlining functions through organizational restructuring. Please refer to the Required Supplementary Information section of the accompanying financial statement for additional information.

Final Budget	\$ 143,542,578
Actual Expenditures	<u>129,459,930</u>
Favorable Budget Variance	<u>\$ 14,082,648</u>

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report, or need any additional financial information, please contact the City of Corona's Administrative Services Department at 400 South Vicentia, Corona, California, 92882, phone 951-279-3500 or e-mail [finance@ci.corona.ca.us](mailto:finance@ci.corona.ca.us).

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

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

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



## CITY OF CORONA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 167,594,926	\$ 87,773,401	\$ 255,368,327
Accounts Receivable, Net	2,894,755	12,162,979	15,057,734
Interest Receivable	428,630	221,479	650,109
Due from Other Governmental Agencies	34,331,277	3,096,941	37,428,218
Inventories and Prepayments	822,105	3,913,400	4,735,505
Deposits	-	40,000	40,000
Land Held for Resale	3,146,753	-	3,146,753
Restricted Cash and Investments	3,157,783	19,334,219	22,492,002
<b>Total Current Assets</b>	<b>212,376,229</b>	<b>126,542,419</b>	<b>338,918,648</b>
Noncurrent Assets			
Internal Balances	174,012,772	(174,012,772)	-
Long-term Receivable, Net	23,631,371	7,783,507	31,414,878
Capital Assets:			
Land and Construction in Progress	318,866,832	61,781,985	380,648,817
Other Capital Assets, Net of Depreciation	319,280,306	323,881,585	643,161,891
Total Capital Assets	638,147,138	385,663,570	1,023,810,708
<b>Total Noncurrent Assets</b>	<b>835,791,281</b>	<b>219,434,305</b>	<b>1,055,225,586</b>
<b>Total Assets</b>	<b>1,048,167,510</b>	<b>345,976,724</b>	<b>1,394,144,234</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	19,068,296	1,146,909	20,215,205
<b>Total Deferred Outflows of Resources</b>	<b>19,068,296</b>	<b>1,146,909</b>	<b>20,215,205</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	17,077,896	12,540,963	29,618,859
Unearned Revenue	2,840,297	2,913,016	5,753,313
Deposits	14,436,504	6,645	14,443,149
Interest Payable	655,590	-	655,590
Claims and Judgments Payable	2,888,237	-	2,888,237
Compensated Absences Payable	5,954,774	708,778	6,663,552
Long-term Debt, Net of Unamortized Premium	2,800,122	14,065,368	16,865,490
Liabilities Payable from Restricted Assets	406,239	380,066	786,305
<b>Total Current Liabilities</b>	<b>47,059,659</b>	<b>30,614,836</b>	<b>77,674,495</b>
Noncurrent Liabilities			
Claims and Judgments Payable	17,982,763	-	17,982,763
Compensated Absences Payable	2,265,956	354,138	2,620,094
Long-term Debt, Net of Unamortized Premium	47,485,185	93,384,534	140,869,719
Net Pension Liability	178,823,071	13,946,765	192,769,836
<b>Total Noncurrent Liabilities</b>	<b>246,556,975</b>	<b>107,685,437</b>	<b>354,242,412</b>
<b>Total Liabilities</b>	<b>293,616,634</b>	<b>138,300,273</b>	<b>431,916,907</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	28,185,624	1,808,676	29,994,300
<b>Total Deferred Inflows of Resources</b>	<b>28,185,624</b>	<b>1,808,676</b>	<b>29,994,300</b>
<b>Net Position</b>			
Net Investment in Capital Assets	587,861,831	286,045,985	873,907,816
Restricted for:			
Capital Projects	23,435,434	6,898,174	30,333,608
Debt Service	2,653,417	6,061,277	8,714,694
Specific Projects and Programs:			
Transportation and Public Works	19,206,895	830,088	20,036,983
Special Assessment District Projects	15,602,868	-	15,602,868
Development Projects	5,939,085	-	5,939,085
Other Purposes	560,289	-	560,289
Unrestricted	90,173,729	(92,820,840)	(2,647,111)
<b>Total Net Position</b>	<b>\$ 745,433,548</b>	<b>\$ 207,014,684</b>	<b>\$ 952,448,232</b>

CITY OF CORONA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General Government	\$ 24,481,334	\$ 10,990,209	\$ 68,884	\$ 79,649
Public Safety - Fire	24,052,304	3,142,720	1,233,205	597,199
Public Safety - Police	42,939,535	1,065,181	2,338,143	230,916
Public Works & Maintenance Services	33,544,227	20,011,693	7,146,540	25,034,932
Library and Recreation Services	6,559,251	1,014,872	117,745	-
Community Development	3,806,766	2,420,301	876,415	1,254,913
Economic Development	3,107,755	-	-	-
Interest and Fiscal Charges	2,016,105	-	-	-
<b>Total Governmental Activities</b>	<b>140,507,277</b>	<b>38,644,976</b>	<b>11,780,932</b>	<b>27,197,609</b>
<b>Business-Type Activities</b>				
Water	55,714,372	52,620,052	1,710,585	7,635,618
Water Reclamation	26,500,708	30,735,952	-	5,850,132
Electric	15,192,888	16,760,206	-	-
Transit Services	2,477,893	432,281	2,449,450	-
Airport	282,969	288,820	-	-
<b>Total Business-Type Activities</b>	<b>100,168,830</b>	<b>100,837,311</b>	<b>4,160,035</b>	<b>13,485,750</b>
<b>Total Primary Government</b>	<b>\$ 240,676,107</b>	<b>\$ 139,482,287</b>	<b>\$ 15,940,967</b>	<b>\$ 40,683,359</b>

**General Revenues**

Taxes:

- Property Taxes
- Transient Occupancy Tax
- Sales and Use Tax
- Franchise Tax
- Business Tax
- Property Transfer Tax
- Dwelling Development Tax
- Investment Earnings
- Other Income
- Lease and Rental Income
- Labor Abatement
- Gain/(Loss) on sale of capital asset

**Extraordinary gain/(loss)**

**Total General Revenues, and  
Extraordinary Items**

Change in Net Position

Net Position, Beginning of Year

Restatement of Net Position

Net Position, Beginning of Year, as Restated

**Net Position at End of Year**

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (13,342,592)	\$ -	\$ (13,342,592)
(19,079,180)	-	(19,079,180)
(39,305,295)	-	(39,305,295)
18,648,938	-	18,648,938
(5,426,634)	-	(5,426,634)
744,863	-	744,863
(3,107,755)	-	(3,107,755)
(2,016,105)	-	(2,016,105)
<b>(62,883,760)</b>	<b>-</b>	<b>(62,883,760)</b>
-	6,251,883	6,251,883
-	10,085,376	10,085,376
-	1,567,318	1,567,318
-	403,838	403,838
-	5,851	5,851
<b>-</b>	<b>18,314,266</b>	<b>18,314,266</b>
<b>(62,883,760)</b>	<b>18,314,266</b>	<b>(44,569,494)</b>
38,656,150	-	38,656,150
1,787,058	-	1,787,058
36,608,600	-	36,608,600
4,806,294	-	4,806,294
2,166,378	-	2,166,378
744,557	-	744,557
1,062,375	-	1,062,375
1,988,557	862,948	2,851,505
3,610,515	493	3,611,008
9,784,681	-	9,784,681
76,256	-	76,256
-	(10,207)	(10,207)
5,054,583	-	5,054,583
<b>106,346,004</b>	<b>853,234</b>	<b>107,199,238</b>
43,462,244	19,167,500	62,629,744
897,600,470	202,803,803	1,100,404,273
(195,629,166)	(14,956,619)	(210,585,785)
701,971,304	187,847,184	889,818,488
<b>\$ 745,433,548</b>	<b>\$ 207,014,684</b>	<b>\$ 952,448,232</b>





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

### **MAJOR FUNDS:**

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

### **Special Revenue Funds**

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

### **Capital Project Funds**

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

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

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

CITY OF CORONA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General</u>	<u>Special Revenue Funds Development</u>	<u>Capital Projects Funds Low Mod Income Housing Asset</u>
<b>Assets</b>			
Cash and Investments	\$ 73,224,274	\$ 20,881,999	\$ 4,530,537
Accounts Receivable	2,875,972	635	-
Interest Receivable	290,114	46,255	11,068
Due from Other Governmental Agencies	11,490,308	-	-
Due from Other Funds	15,706,088	-	-
Long-term Receivables, Net	8,053,751	-	4,784,652
Interfund Advances Receivable	15,983,495	202,445	-
Loans Receivable, Net	-	30,960	8,463,364
Inventories and Prepayments	341,538	-	-
Land Held for Resale	-	-	3,146,753
Restricted Assets:			
Cash and Investments	75,106	-	-
<b>Total Assets</b>	<b>\$ 128,040,646</b>	<b>\$ 21,162,294</b>	<b>\$ 20,936,374</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 10,963,139	\$ 466,213	\$ 4,292
Deposits	14,433,904	-	-
Due to Other Funds	-	-	-
Unearned Revenue	2,462,036	-	-
Interfund Advances Payable	-	14,756,996	-
Liabilities Payable from Restricted Assets	-	-	-
<b>Total Liabilities</b>	<b>27,859,079</b>	<b>15,223,209</b>	<b>4,292</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	1,290,433	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,290,433</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	24,378,784	233,405	16,394,769
Restricted	-	-	4,537,313
Committed	23,815,795	-	-
Assigned	50,696,555	5,705,680	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>98,891,134</b>	<b>5,939,085</b>	<b>20,932,082</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 128,040,646</b>	<b>\$ 21,162,294</b>	<b>\$ 20,936,374</b>

CITY OF CORONA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Investments	\$ 34,117,029	\$ 132,753,839
Accounts Receivable	7,227	2,883,834
Interest Receivable	81,193	428,630
Due from Other Governmental Agencies	22,840,652	34,330,960
Due from Other Funds	-	15,706,088
Long-term Receivables, Net	185,000	13,023,403
Interfund Advances Receivable	-	16,185,940
Loans Receivable, Net	2,113,644	10,607,968
Inventories and Prepayments	-	341,538
Land Held for Resale	-	3,146,753
Restricted Assets:		
Cash and Investments	3,082,677	3,157,783
<b>Total Assets</b>	<b>\$ 62,427,422</b>	<b>\$ 232,566,736</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 5,019,968	\$ 16,453,612
Deposits	2,600	14,436,504
Due to Other Funds	15,706,088	15,706,088
Unearned Revenue	378,261	2,840,297
Interfund Advances Payable	202,445	14,959,441
Liabilities Payable from Restricted Assets	406,239	406,239
<b>Total Liabilities</b>	<b>21,715,601</b>	<b>64,802,181</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue	-	1,290,433
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,290,433</b>
<b>Fund Balances</b>		
Nonspendable	2,298,644	43,305,602
Restricted	38,445,052	42,982,365
Committed	-	23,815,795
Assigned	119,994	56,522,229
Unassigned	(151,869)	(151,869)
<b>Total Fund Balances</b>	<b>40,711,821</b>	<b>166,474,122</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 62,427,422</b>	<b>\$ 232,566,736</b>

CITY OF CORONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

---

**Total Fund Balance - Total Governmental Funds** \$ 166,474,122

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 638,147,138

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

Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2014, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions. 17,977,854

Adjustment due to the changes in the proportionate share of the pension plan are recorded as deferred outflows of resources and amortized over the remaining service life. 1,023,762

The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds. These include:  
Unavailable revenue from property taxes 1,290,433

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (655,590)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. These include:  
Compensated Absences (8,162,656)  
Long-term Debt (50,285,307)

Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net pension liability. (178,012,223)

The difference between the proportionate share of the projected and actual earnings on the pension plan investments is reported as deferred inflows of resources and amortized over the remaining service life. (28,080,470)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide Statement of Net Position. 13,088,141

**Net Position of Governmental Activities** \$ 745,433,548



CITY OF CORONA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Special Revenue Funds Development</u>	<u>Capital Projects Funds Low Mod Income Housing Asset</u>
<b>Revenues</b>			
Property Taxes	\$ 38,896,950	\$ -	\$ -
Other Taxes	46,164,552	-	-
Licenses, Fees and Permits	2,738,242	6,097,173	-
Fines and Penalties	998,784	-	-
Special Assessments	-	-	-
Investment Earnings	1,433,057	191,446	48,422
Intergovernmental Revenues	1,348,202	-	-
Current Services	17,035,922	-	-
Payments in Lieu of Services	11,837,074	801,600	-
Other Revenues	13,808,683	3,539	1,187,113
<b>Total Revenues</b>	<b>134,261,466</b>	<b>7,093,758</b>	<b>1,235,535</b>
<b>Expenditures</b>			
Current:			
General Government	21,729,455	-	-
Public Safety - Fire	24,874,349	365	-
Public Safety - Police	41,050,157	-	-
Public Works & Maintenance Services	17,860,508	75,547	-
Library and Recreation Services	4,625,280	-	-
Community Development	3,526,813	-	100,577
Economic Development	3,107,755	-	-
Capital Outlay	8,170,123	1,804,551	-
Debt Service:			
Principal Retirement	2,532,900	970,000	-
Interest and Fiscal Charges	1,982,590	25,208	-
<b>Total Expenditures</b>	<b>129,459,930</b>	<b>2,875,671</b>	<b>100,577</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,801,536	4,218,087	1,134,958
<b>Other Financing Sources (Uses)</b>			
Transfers In	2,315,815	-	-
Transfers Out	-	(220,740)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,315,815</b>	<b>(220,740)</b>	<b>-</b>
Net Change in Fund Balances	7,117,351	3,997,347	1,134,958
Fund Balances, Beginning of Year, as Restated	91,773,783	1,941,738	19,797,124
<b>Fund Balances, End of Year</b>	<b>\$ 98,891,134</b>	<b>\$ 5,939,085</b>	<b>\$ 20,932,082</b>

CITY OF CORONA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>		
Property Taxes	\$ -	\$ 38,896,950
Other Taxes	-	46,164,552
Licenses, Fees and Permits	764,134	9,599,549
Fines and Penalties	43,103	1,041,887
Special Assessments	9,438,713	9,438,713
Investment Earnings	315,632	1,988,557
Intergovernmental Revenues	26,253,053	27,601,255
Current Services	241,062	17,276,984
Payments in Lieu of Services	-	12,638,674
Other Revenues	301,426	15,300,761
<b>Total Revenues</b>	<b>37,357,123</b>	<b>179,947,882</b>
<b>Expenditures</b>		
Current:		
General Government	5,944	21,735,399
Public Safety - Fire	-	24,874,714
Public Safety - Police	916,725	41,966,882
Public Works & Maintenance Services	9,840,997	27,777,052
Library and Recreation Services	52,712	4,677,992
Community Development	201,730	3,829,120
Economic Development	-	3,107,755
Capital Outlay	24,367,742	34,342,416
Debt Service:		
Principal Retirement	170,000	3,672,900
Interest and Fiscal Charges	56,959	2,064,757
<b>Total Expenditures</b>	<b>35,612,809</b>	<b>168,048,987</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,744,314	11,898,895
<b>Other Financing Sources (Uses)</b>		
Transfers In	-	2,315,815
Transfers Out	(1,518,405)	(1,739,145)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,518,405)</b>	<b>576,670</b>
Net Change in Fund Balances	225,909	12,475,565
Fund Balances, Beginning of Year, as Restated	40,485,912	153,998,557
<b>Fund Balances, End of Year</b>	<b>\$ 40,711,821</b>	<b>\$ 166,474,122</b>



CITY OF CORONA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015**

---

**Net Changes in Fund Balances - Total Governmental Funds** **\$ 12,475,565**

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

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

Capital Outlay	35,055,698
Deletions of capital assets during the current year	(793,564)

Depreciation expense on capital assets is reported in the government-wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures governmental funds.	(11,814,891)
---	--------------

Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the government-wide Statement of Activities:	
Property taxes	(240,800)
Long-term loans and receivables	(633,470)

Interest expense on long-term debt is reported in the government-wide Statement of Activities, but do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in governmental funds. This amount represents the change in accrued interest from the prior year.	48,652
---	--------

Long-term compensated absences are reported in the government-wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in the governmental funds. This amount represents the change from the prior year.	70,993
---	--------

Principal payment on long-term debt is not an expense in the government-wide Statement of Activities, but is considered an expenditure in governmental funds:	
Repayment of long-term obligations	3,672,900

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,272,480
---	-----------

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet operations, to individual funds. The funds' revenues and expenditures are included as governmental activities in the Statement of Activities but not in the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances.	(1,705,902)
--	-------------

Extraordinary gains and losses relating to capital assets transferred from the Successor Agency which are reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.	5,054,583
---	-----------

<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 43,462,244</u></b>
--	-----------------------------

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

### **MAJOR FUNDS:**

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

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

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

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

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

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

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

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 38,365,050	\$ 35,713,362	\$ 13,394,234
Accounts Receivable, Net	6,509,829	4,040,376	1,579,962
Interest Receivable	93,715	87,245	35,408
Due from Other Governmental Agencies	989,081	81,313	-
Inventories and Prepayments	2,819,017	-	1,094,383
Deposits	-	-	40,000
Restricted:			
Cash and Investments	6,534,754	3,692,739	1,100,000
<b>Total Current Assets</b>	<b>55,311,446</b>	<b>43,615,035</b>	<b>17,243,987</b>
Noncurrent Assets			
Interfund Advances Receivable	-	-	1,235,538
Long-term Receivable	-	-	7,783,507
Capital Assets:			
Land and Construction in Progress	41,380,578	16,561,492	3,764,388
Other Capital Assets, Net of Depreciation	199,362,523	110,413,609	12,188,294
Total Capital Assets	240,743,101	126,975,101	15,952,682
<b>Total Noncurrent Assets</b>	<b>240,743,101</b>	<b>126,975,101</b>	<b>24,971,727</b>
<b>Total Assets</b>	<b>296,054,547</b>	<b>170,590,136</b>	<b>42,215,714</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	594,279	369,477	152,835
<b>Total Deferred Outflows of Resources</b>	<b>594,279</b>	<b>369,477</b>	<b>152,835</b>
<b>Total Assets and Deferred     Outflows of Resources</b>	<b>\$ 296,648,826</b>	<b>\$ 170,959,613</b>	<b>\$ 42,368,549</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 6,795,284	\$ 3,312,453	\$ 2,288,672
Unearned Revenue	994,886	-	-
Deposits	5,500	-	-
Claims and Judgements Payable	-	-	-
Compensated Absences Payable	377,561	253,475	66,655
Long-term Debt	3,451,438	2,348,930	8,265,000
Liabilities Payable from Restricted Assets	210,868	169,198	-
<b>Total Current Liabilities</b>	<b>11,835,537</b>	<b>6,084,056</b>	<b>10,620,327</b>
Noncurrent Liabilities			
Interfund Advances Payable	-	-	1,066,499
Claims and Judgements Payable	-	-	-
Compensated Absences Payable	196,327	114,134	-
Long-term Capital Lease Payable	106,819,662	65,808,682	-
Long-term Debt, Net of Unamortized Premium	60,161,107	17,703,427	15,520,000
Net Pension Liability	7,226,609	4,492,954	1,858,523
<b>Total Noncurrent Liabilities</b>	<b>174,403,705</b>	<b>88,119,197</b>	<b>18,445,022</b>
<b>Total Liabilities</b>	<b>186,239,242</b>	<b>94,203,253</b>	<b>29,065,349</b>

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	937,177	582,665	241,021
<b>Total Deferred Inflows of Resources</b>	<b>937,177</b>	<b>582,665</b>	<b>241,021</b>
<b>Net Position</b>			
Net Investment in Capital Assets	177,130,557	106,922,742	-
Restricted for:			
Capital Projects	6,568,086	167,368	-
Debt Service	-	-	1,100,000
Transportation	-	-	-
Unrestricted	(74,226,236)	(30,916,415)	11,962,179
<b>Total Net Position</b>	<b>109,472,407</b>	<b>76,173,695</b>	<b>13,062,179</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 296,648,826</b>	<b>\$ 170,959,613</b>	<b>\$ 42,368,549</b>

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

Net Position per Statement of Net Position - Proprietary Funds  
 Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds  
**Net Position per Statement of Net Position**

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 300,755	\$ 87,773,401	\$ 34,841,087
Accounts Receivable, Net	32,812	12,162,979	10,921
Interest Receivable	5,111	221,479	-
Due from Other Governmental Agencies	2,026,547	3,096,941	317
Inventories and Prepayments	-	3,913,400	480,567
Deposits	-	40,000	-
Restricted:			
Cash and Investments	8,006,726	19,334,219	-
<b>Total Current Assets</b>	<b>10,371,951</b>	<b>126,542,419</b>	<b>35,332,892</b>
Noncurrent Assets			
Interfund Advances Receivable	-	1,235,538	-
Long-term Receivable	-	7,783,507	-
Capital Assets:			
Land and Construction in Progress	75,527	61,781,985	-
Other Capital Assets, Net of Depreciation	1,917,159	323,881,585	-
Total Capital Assets	1,992,686	385,663,570	-
<b>Total Noncurrent Assets</b>	<b>1,992,686</b>	<b>394,682,615</b>	<b>-</b>
<b>Total Assets</b>	<b>12,364,637</b>	<b>521,225,034</b>	<b>35,332,892</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	30,318	1,146,909	66,680
<b>Total Deferred Outflows of Resources</b>	<b>30,318</b>	<b>1,146,909</b>	<b>66,680</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 12,394,955</b>	<b>\$ 522,371,943</b>	<b>\$ 35,399,572</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 144,554	\$ 12,540,963	\$ 624,284
Unearned Revenue	1,918,130	2,913,016	-
Deposits	1,145	6,645	-
Claims and Judgements Payable	-	-	2,888,237
Compensated Absences Payable	11,087	708,778	55,177
Long-term Debt	-	14,065,368	-
Liabilities Payable from Restricted Assets	-	380,066	-
<b>Total Current Liabilities</b>	<b>2,074,916</b>	<b>30,614,836</b>	<b>3,567,698</b>
Noncurrent Liabilities			
Interfund Advances Payable	1,395,538	2,462,037	-
Claims and Judgements Payable	-	-	17,982,763
Compensated Absences Payable	43,677	354,138	2,897
Long-term Capital Lease Payable	-	172,628,344	-
Long-term Debt, Net of Unamortized Premium	-	93,384,534	-
Net Pension Liability	368,679	13,946,765	810,848
<b>Total Noncurrent Liabilities</b>	<b>1,807,894</b>	<b>282,775,818</b>	<b>18,796,508</b>
<b>Total Liabilities</b>	<b>3,882,810</b>	<b>313,390,654</b>	<b>22,364,206</b>

CITY OF CORONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	47,813	1,808,676	105,154
<b>Total Deferred Inflows of Resources</b>	<b>47,813</b>	<b>1,808,676</b>	<b>105,154</b>
<b>Net Position</b>			
Net Investment in Capital Assets	1,992,686	286,045,985	-
Restricted for:			
Capital Projects	162,720	6,898,174	-
Debt Service	4,961,277	6,061,277	-
Transportation	830,088	830,088	-
Unrestricted	517,561	(92,662,911)	12,930,212
<b>Total Net Position</b>	<b>8,464,332</b>	<b>207,172,613</b>	<b>12,930,212</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 12,394,955</b>	<b>\$ 522,371,943</b>	<b>\$ 35,399,572</b>
<b>Reconciliation of Net Position to the Statement of Net Position</b>			
Net Position per Statement of Net Position - Proprietary Funds		\$ 207,172,613	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds		(157,929)	
<b>Net Position per Statement of Net Position</b>		<b>\$ 207,014,684</b>	

CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
<b>Operating Revenues</b>			
Service Charges	\$ 54,315,263	\$ 29,944,021	\$ 15,934,812
Fees and Permits	1,155,126	199,390	-
Fines and Penalties	175,158	48,574	23,393
Other Revenues	1,024,298	544,024	802,266
<b>Total Operating Revenues</b>	<b>56,669,845</b>	<b>30,736,009</b>	<b>16,760,471</b>
<b>Operating Expenses</b>			
Personnel Services	7,775,226	4,858,709	1,801,281
Contractual	3,498,910	1,070,273	509,877
Materials and Supplies	21,844,653	9,421,921	2,834,061
Utilities	5,257,253	3,085,109	8,213,506
Depreciation and Amortization	6,846,687	4,518,964	1,007,167
Claims Expense	-	-	-
<b>Total Operating Expenses</b>	<b>45,222,729</b>	<b>22,954,976</b>	<b>14,365,892</b>
Operating Income (Loss)	11,447,116	7,781,033	2,394,579
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	386,056	329,339	126,460
Interest Expense	(10,383,109)	(3,519,150)	(48,541)
Operating Grants and Contributions	-	-	-
Gain (Loss) on Disposal of Capital Assets	(10,088)	-	(119)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(10,007,141)</b>	<b>(3,189,811)</b>	<b>77,800</b>
Income (Loss) Before Contributions and Transfers	1,439,975	4,591,222	2,472,379
Capital Grants and Contributions	5,296,581	5,850,132	-
Transfers Out	-	-	-
Changes in Net Position	6,736,556	10,441,354	2,472,379
Net Position, Beginning of Year, as Restated	102,735,851	65,732,341	10,589,800
<b>Net Position, End of Year</b>	<b>\$109,472,407</b>	<b>\$ 76,173,695</b>	<b>\$ 13,062,179</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds			
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds			
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>			

CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Operating Revenues</b>			
Service Charges	\$ -	\$ 100,194,096	\$ 6,966,208
Fees and Permits	34,047	1,388,563	-
Fines and Penalties	-	247,125	-
Other Revenues	660,159	3,030,747	932,999
<b>Total Operating Revenues</b>	<b>694,206</b>	<b>104,860,531</b>	<b>7,899,207</b>
<b>Operating Expenses</b>			
Personnel Services	378,574	14,813,790	897,505
Contractual	1,603,893	6,682,953	253,348
Materials and Supplies	185,574	34,286,209	2,775,489
Utilities	248,431	16,804,299	1,092,266
Depreciation and Amortization	344,390	12,717,208	-
Claims Expense	-	-	4,167,760
<b>Total Operating Expenses</b>	<b>2,760,862</b>	<b>85,304,459</b>	<b>9,186,368</b>
Operating Income (Loss)	(2,066,656)	19,556,072	(1,287,161)
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	21,093	862,948	-
Interest Expense	(755,642)	(14,706,442)	-
Operating Grants and Contributions	2,476,345	2,476,345	-
Gain (Loss) on Disposal of Capital Assets	-	(10,207)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,741,796</b>	<b>(11,377,356)</b>	<b>-</b>
Income (Loss) Before Contributions and Transfers	(324,860)	8,178,716	(1,287,161)
Capital Grants and Contributions	-	11,146,713	-
Transfers Out	-	-	(576,670)
Changes in Net Position	(324,860)	19,325,429	(1,863,831)
Net Position, Beginning of Year, as Restated	8,789,192	187,847,184	14,794,043
<b>Net Position, End of Year</b>	<b>\$ 8,464,332</b>	<b>\$ 207,172,613</b>	<b>\$ 12,930,212</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds		\$ 19,325,429	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		(157,929)	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>		<b>\$ 19,167,500</b>	



CITY OF CORONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Corona Utility Authority</b>		
	<b>Water</b>	<b>Water Reclamation</b>	<b>Electric</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 57,834,698	\$ 28,917,377	\$ 15,844,838
Cash paid to suppliers for goods and services	(30,293,173)	(11,918,018)	(10,877,322)
Cash paid to employees for services	(7,797,612)	(4,853,727)	(2,105,053)
Cash paid for current claims	-	-	-
Cash paid for long-term claims	-	-	-
Cash received from (payments to) others	804,664	484,676	802,266
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>20,548,577</b>	<b>12,630,308</b>	<b>3,664,729</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	-	-	-
Advance from other funds	-	-	(28,953)
Operating grants and contributions	-	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(28,953)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Receipts from long-term receivables	-	-	225,000
Proceeds from capital debt	9,864,651	637,031	-
Capital grants and contributions	5,296,581	5,850,132	-
Acquisition and construction of capital assets	(20,908,008)	(10,380,333)	(1,507,497)
Retirement on long-term debt	(4,047,549)	(2,163,931)	(695,000)
Interest payments of long-term debt	(10,383,109)	(3,519,150)	(48,541)
Gain (loss) on disposal of capital assets	(10,088)	-	(119)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(20,187,522)</b>	<b>(9,576,251)</b>	<b>(2,026,157)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	403,870	342,624	131,498
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>403,870</b>	<b>342,624</b>	<b>131,498</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>764,925</b>	<b>3,396,681</b>	<b>1,741,117</b>
Cash and Cash Equivalents at Beginning of Year	44,134,879	36,009,420	12,753,117
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 44,899,804</b>	<b>\$ 39,406,101</b>	<b>\$ 14,494,234</b>

CITY OF CORONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Corona Utility Authority</u>		
	<u>Water</u>	<u>Water Reclamation</u>	<u>Electric</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 11,447,116	\$ 7,781,033	\$ 2,394,579
<b>Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation and Amortization	6,846,687	4,518,964	1,007,167
(Increase) decrease in accounts receivable	2,589,581	(1,274,608)	(73,367)
(Increase) decrease in deposits receivable	-	-	(40,000)
(Increase) decrease in due from other governments	(219,634)	(59,348)	-
(Increase) decrease in inventories and prepayments	(57,610)	-	(498,266)
(Increase) decrease in deferred outflows of pension related items	(594,279)	(369,477)	(152,835)
Increase (decrease) in accounts payable and accrued liabilities	408,916	1,490,087	1,178,388
Increase (decrease) in unearned revenue	(400,430)	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	5,488	37,312	(17,310)
Increase (decrease) in liabilities payable from restricted assets	(43,663)	169,198	-
Increase (decrease) in pension liability	(370,772)	(245,518)	(374,648)
Increase (decrease) in deferred inflows of pension related items	937,177	582,665	241,021
<b>Total Adjustments</b>	<b>9,101,461</b>	<b>4,849,275</b>	<b>1,270,150</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 20,548,577</b>	<b>\$ 12,630,308</b>	<b>\$ 3,664,729</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Gain (loss) on disposal of capital assets	\$ (10,088)	\$ -	\$ (119)
Amortization of bond premium	(88,575)	(18,930)	-

CITY OF CORONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities- Internal Service Funds</b>
	<b>Other Enterprise Funds</b>	<b>Totals</b>	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 1,899,485	\$ 104,496,398	\$ 6,955,899
Cash paid to suppliers for goods and services	(2,037,153)	(55,125,666)	(3,756,769)
Cash paid to employees for services	(372,551)	(15,128,943)	(910,552)
Cash paid for current claims	-	-	(559,921)
Cash paid for long-term claims	-	-	(2,752,839)
Cash received from (payments to) others	(1,356,956)	734,650	932,682
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,867,175)</b>	<b>34,976,439</b>	<b>(91,500)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	-	-	(576,670)
Advance from other funds	(15,000)	(43,953)	-
Operating grants and contributions	2,476,345	2,476,345	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>2,461,345</b>	<b>2,432,392</b>	<b>(576,670)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Receipts from long-term receivables	-	225,000	-
Proceeds from capital debt	-	10,501,682	-
Capital grants and contributions	-	11,146,713	-
Acquisition and construction of capital assets	(230,388)	(33,026,226)	-
Retirement on long-term debt	-	(6,906,480)	-
Interest payments of long-term debt	(755,642)	(14,706,442)	-
Gain (loss) on disposal of capital assets	-	(10,207)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(986,030)</b>	<b>(32,775,960)</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	22,308	900,300	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>22,308</b>	<b>900,300</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(369,552)</b>	<b>5,533,171</b>	<b>(668,170)</b>
Cash and Cash Equivalents at Beginning of Year	8,677,033	101,574,449	35,509,257
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 8,307,481</b>	<b>\$ 107,107,620</b>	<b>\$ 34,841,087</b>

CITY OF CORONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		<b>Governmental Activities- Internal Service Funds</b>
	<u>Other Enterprise Funds</u>	<u>Totals</u>	
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (2,066,656)	\$ 19,556,072	\$ (1,287,161)
<b>Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation and Amortization	344,390	12,717,208	-
(Increase) decrease in accounts receivable	1,962	1,243,568	(10,309)
(Increase) decrease in deposits receivable	-	(40,000)	-
(Increase) decrease in due from other governments	(2,017,115)	(2,296,097)	(317)
(Increase) decrease in inventories and prepayments	-	(555,876)	(13,462)
(Increase) decrease in deferred outflows of pension related items	(30,318)	(1,146,909)	(66,680)
Increase (decrease) in accounts payable and accrued liabilities	745	3,078,136	377,796
Increase (decrease) in unearned revenue	1,863,476	1,463,046	-
Increase (decrease) in claims and judgments	-	-	855,000
Increase (decrease) in compensated absences	7,444	32,934	(9,920)
Increase (decrease) in liabilities payable from restricted assets	-	125,535	-
Increase (decrease) in pension liability	(18,916)	(1,009,854)	(41,601)
Increase (decrease) in deferred inflows of pension related items	47,813	1,808,676	105,154
<b>Total Adjustments</b>	<b>199,481</b>	<b>15,420,367</b>	<b>1,195,661</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,867,175)</b>	<b>\$ 34,976,439</b>	<b>\$ (91,500)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Gain (loss) on disposal of capital assets	\$ -	\$ (10,207)	\$ -
Amortization of bond premium	-	(107,505)	-



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

### **FIDUCIARY FUNDS:**

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

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

CITY OF CORONA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	Private- Purpose Trust Fund	Pass Through Agency Fund
	Successor Agency Trust Fund	
<b>Assets</b>		
Cash and Investments	\$ 7,303,549	\$ 1,169,393
Interest Receivable	-	90,832
Due from Other Governmental Agencies	-	233,667
Land held for resale	50,192,651	-
Restricted Assets:		
Cash and Investments	4,960,934	24,980,900
Capital Assets, Not Being Depreciated	531,522	-
<b>Total Assets</b>	<b>62,988,656</b>	<b>\$ 26,474,792</b>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Related Items	51,963	
<b>Total Deferred Outflows of Resources</b>	<b>51,963</b>	
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	1,014,823	\$ 975
Deposits	25,603	-
Due to Other Governmental Agencies	12,363,410	-
Long-Term Debt Due within One Year	1,420,000	-
Liabilities Payable from Restricted Assets	3,203	-
Long-Term Debt Due in More Than One Year	64,496,976	-
Net Pension Liability	631,880	-
Due to Bondholders	-	26,473,817
<b>Total Liabilities</b>	<b>79,955,895</b>	<b>\$ 26,474,792</b>
<b>Deferred Inflows of Resources</b>		
Deferred Pension Related Items	81,945	
<b>Total Deferred Inflows of Resources</b>	<b>81,945</b>	
<b>Net Position</b>		
Held in Trust for Successor Agency Activities	(16,997,221)	
<b>Total Net Position</b>	<b>\$ (16,997,221)</b>	

CITY OF CORONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Private- Purpose Trust Fund</u> <u>Successor Agency Trust Fund</u>
<b>Additions</b>	
Property Taxes	\$ 8,858,260
Investment Income	2,389
Rental and Lease Payment Received	311,694
Other Payment Received	12,524
<b>Total Additions</b>	<b><u>9,184,867</u></b>
<b>Deductions</b>	
Administrative Expenses	2,416,254
Developer Payments - OPA Approved by DOF	2,188,255
Debt Service Payments	3,382,290
Loss on Disposal of Land Held for Resale	4,273,618
<b>Total Deductions</b>	<b><u>12,260,417</u></b>
Extraordinary Loss	<u>(5,054,583)</u>
Changes in Net Position	(8,130,133)
Net Position, Beginning of Year	(7,472,788)
Restatement	<u>(1,394,300)</u>
Net Position, Beginning of Year, as Restated	<u>(8,867,088)</u>
<b>Net Position, End of the Year</b>	<b><u><u>\$ (16,997,221)</u></u></b>





---

---

**CITY OF CORONA**

---

Index to Notes to the Basic Financial Statements  
Year Ended June 30, 2015

---

---

1.	Summary of Significant Accounting Policies.....	55
2.	Cash and Investments .....	68
3.	Interfund Transactions .....	74
4.	Long-Term Receivables .....	79
5.	Land Held for Resale .....	79
6.	Capital Assets .....	79
7.	Compensated Absences Payable .....	83
8.	Long-Term Obligations.....	83
9.	Pledged Revenues .....	90
10.	Non-City Obligations .....	91
11.	Bond Requirements .....	92
12.	Pension Plan .....	93
13.	Other Post-Employment Benefits Other Than Pensions (OPEB).....	104
14.	Classification of Net Position and Fund Balances .....	106
15.	Risk Management .....	109
16.	Commitments and Contingencies.....	110
17.	Joint Venture.....	111
18.	Restatements.....	112
19.	Extraordinary Items – Corona Redevelopment Agency Dissolution .....	115
20.	Successor Agency Trust for Former Corona Redevelopment Agency.....	115
21.	Subsequent Events .....	122



**I. SIGNIFICANT ACCOUNTING POLICIES**

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

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

**a. Reporting Entity**

The City of Corona was incorporated in 1896 under the general laws of the State of California. The City operates under a Council-Manager form of government. Five Corona citizens make up the Corona City Council and each is elected to a four-year term of office. The Mayor is appointed annually by and from the City Council. The City provides full services to its citizens, including: public safety (police and fire), streets and highways, electric, public library, parks and other public facilities, planning and zoning, public transportation (Dial-A-Ride and Corona Cruiser programs), housing and economic development programs. Water and water reclamation services are provided through the legally separate Corona Utility Authority, which functions as a department of the City of Corona.

The financial statements include the financial activities of the City of Corona, the primary government, and its component units, which are the Corona Public Financing Authority (CPFA), the Corona Public Improvement Corporation (CPIC), the Corona Utility Authority (Authority), and the Corona Housing Authority (CHA). Financial information for the City and these component units are accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board. The City Council members, in separate session, serve as the governing board of the CPFA, the Authority, and the CHA, as such, these entities are presented on a blended basis.

**Blended Component Units**

**The Corona Public Financing Authority** is a joint powers authority organized under Section 6500 et seq. of the California Government Code on June 21, 1989, between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The CPFA's Board of Directors is the Corona City Council. The funds of the CPFA have been included in the governmental activities in the financial statements. Funds related to debt issued for proprietary activities are included in the business-type activities.

**The Corona Utility Authority** is a joint powers authority which was established on February 6, 2002 pursuant to a Joint Exercise of Powers Agreement between the City and the Agency in accordance with the Joint Powers Law (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) for the purpose of assisting the City in the leasing of the water and water reclamation utility systems. The Authority's Officers are the Corona City Council and the City's executive management. The funds of the Authority have been included in the business-type activities in the financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

---

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

**The Corona Housing Authority** was established on February 16, 2011, pursuant to the California Housing Authority Law codified under State of California Health and Safety Code, Section 34200 et seq. The City Council became the commissioners of governing board of the CHA. The CHA was formed for purposes of providing sanitary and safe housing for people of very low, low or moderate income within the City's territorial jurisdiction. This is achieved by building, acquiring, managing and maintaining residential rental units and providing financial assistance for rentals or ownership in the private real estate market. City staff provides management assistance to the CHA. Upon the dissolution of the former Corona Redevelopment Agency pursuant to Assembly Bill X1 26, the CHA elected to become the successor agency to the former Corona Redevelopment Agency's housing functions (Housing Successor). Pursuant to Senate Bill 341, the CHA oversees the Low and Moderate Income Housing Asset fund. The funds of the CHA have been included in the governmental activities in the financial statements.

**b. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

---

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

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

Governmental Funds

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

The following are the City's major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Development special revenue fund is used to account for park dedication fees, dwelling development taxes and other development impact fees received. The money is used to offset the burden resulting from new developments.
- The Corona Housing Authority (Housing Successor) accounts for the Low Mod Income Housing Asset capital project fund. It records transactions related to housing activities pursuant to SB 341 and as prescribed in the Housing Element of the City's General Plan.

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

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

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

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

Public Facility Project	HUD Grants
Planned Local Drainage	Other Grants

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

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

Assessment Districts

Public Financing Authority

Proprietary Funds

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

The following are the City’s major enterprise funds:

- The Water fund is used to account for the operation and maintenance of the City’s water utility, a self-supporting activity which provides services on a user charge basis to residents and businesses located in the City.
- The Water Reclamation fund is used to account for the operation and maintenance of the City’s water reclamation utility, a self-supporting activity which provides services on a user charge basis to residents and businesses located in the City.
- The Electric Fund is used to account for the operation of the City’s electric utility distribution system, a self-supporting activity which renders services on a user charge basis to businesses as well as residents located in the City.

Both the Water and the Water Reclamation utilities are owned by the Corona Utility Authority, a blended component unit of the City. The Authority operates both the Water and Water Reclamation systems pursuant to separate management agreements with the City.

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

Public Financing Authority

Transit Services

Airport

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

Fiduciary Funds

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

The City reports the following two types of fiduciary funds:

- The agency fund was established to account for receipt of special taxes and assessments used to pay principal and interest on related bonds that are not direct City liabilities, as well as receipt and disbursement of capital project bond proceeds related to bonds that are not direct obligations of the City. Agency fund is custodial in nature (asset equal liabilities) and do not involve measurement of results of operations.
- The private-purpose trust fund established in February 2011 accounts for the assets and liabilities of the Successor Agency to the former Corona Redevelopment Agency and its allocated revenue to pay estimated installment payments of the enforceable obligations until the obligations of the Successor Agency are paid in full and assets have been liquidated.

**c. Measurement Focus**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

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



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

**d. Basis of Accounting**

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

**Revenue – Exchange Transactions**

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

**Revenue – Non-Exchange Transactions**

Non-exchange transactions in which the City receives value without directly giving equal value in return, includes sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 1.F). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transaction also must be available (generally 60 days after year-end) before it can be recognized in the governmental funds. However, the City has adopted a 12-month recognition period for sales tax and grant revenues. Also, the City accrued highway users tax and AQMD funds received after the 60-day accrual period according to AB 7 and AB5 x8.

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

**Unearned Revenue**

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

**Expenses/Expenditures**

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Water Reclamation, Electric, Transit, and Airport funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash Management

The City pools cash resources of its various funds, including the Successor Agency Trust Fund to facilitate cash management. Cash in excess of current requirements is invested and reported as investments. It is the City's intent to hold investments until maturity. However, the City may, in response to market conditions, sell investments prior to maturity in order to improve the quality, liquidity or yield of the portfolio. Interest earnings are apportioned among funds based on ending accounting period cash and investment balances.

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.

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.

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

**f. Receivables**

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

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

Proprietary fund receivables are shown net of an allowance for uncollectible accounts. Allowances of uncollectibles were \$150,857 for Water, \$89,832 for Water Reclamation utility charges and \$46,982 for Electric utility charges as of June 30, 2015. 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

Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measureable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue. Taxes are considered past due on the above delinquent dates, at which time the applicable property is subject to lien, and penalties and interest are assessed.

The County of Riverside collects an administration fee from the City and the former Redevelopment Agency for its services. The City receives a percentage of the basic 1% ad valorem tax rate allowed on property within the City of Corona. Property tax rates for the City's general obligation debt are set by the City Council based on assessed valuations and debt service requirements. The assessed valuation is at "full cash value."

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

**h. Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Services provided are treated as revenues and expenses. Administrative overhead charges included with centralized expenses charged by the General Fund are included in the direct expenses of enterprise activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are eliminated as part of the reconciliation to the government-wide financial statements. Refer to Note 3 for additional information.

**i. Capital Assets**

The City’s assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$25,000 for non-infrastructure items and \$100,000 for infrastructure. The City has chosen the “modified approach” for reporting the streets subsystem of infrastructure capital assets. 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 shown below:

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

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

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 October 2014 and a final report was completed in October 2015. The condition assessments are performed every two 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 City's policy relative to maintaining the street assets is to achieve an average rating of 71 for all street segments. This acceptable rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. Please refer to the Required Supplementary Information section of this report for additional information on the modified approach.

For all other infrastructure systems, the City elected to use the “basic approach” as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 1999 and has completed an internal update for June 30, 2015. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for the construction/acquisition date; or 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

**j. Compensated Absences Payable**

Under certain circumstances and according to the negotiated labor agreements, employees of the City are allowed to accumulate annual leave. This amount is accrued in the government-wide and proprietary fund statements. Please refer to Note 7 for additional information.

**k. Long-Term Obligations**

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

In accordance to GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, debt issuance costs except for any portion related to prepaid insurance were recognized as expense in the period incurred. Premium or discount not considered as part of the reacquisition price was amortized over the life of the bond.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

**I. Net Pension Liability**

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so would not be recognized as an outflow of resources (expenses/expenditure) until then. The City has one of item that qualifies for reporting in this category. The item, deferred pension related items, is reported in the government-wide statement of net position.

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

**n. Fund Equity**

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

**Governmental Fund Balances**

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

---

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

the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

Fund balances are reported as unassigned for the residual amount when the balances do not meet any of the above criteria. The City does not have unassigned fund balances for the current reporting period.

The City considers restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. Please refer to Note 14 for additional information.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide and proprietary funds financial statements. Net positions were classified in the following categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

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

improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restricts imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

**o. Use of Estimates**

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

**p. Effect of New Accounting Standards**

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27 will improve the decision-usefulness of information in local government employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.



II. DETAILED NOTES ON ALL FUNDS

**Note 2: Cash and Investments**

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

**a. Cash Deposits**

The carrying amounts of the City's cash deposits were \$2,060,627 at June 30, 2015. Bank balances before reconciling items were \$2,071,657 at that date. All City's cash and investments as of June 30, 2015 were collateralized or insured with securities held by pledging financial institutions in the City's name. The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related funds.

**b. Investments**

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

- Securities issued by the U.S. Treasury;
- Notes or discount notes issued by agencies of the federal government, not to exceed 75% of the portfolio;
- Banker's acceptances, not to exceed 20% of the portfolio;
- Negotiable certificates of deposit issued by institutions insured by the federal government, not to exceed 20% of the portfolio;
- Repurchase agreements, not to exceed 10% of the portfolio;
- California Local Agency Investment Fund (State Pool);
- Corporate medium-term notes, not to exceed 30% of the portfolio;
- Commercial paper, not to exceed 25% of the portfolio, may not represent more than 10% of issuer's outstanding paper;
- Diversified management companies, as defined by Section 53601 (I) of the Government Code, not to exceed 10% of the portfolio;
- Bonds issued by the City, including bonds payable solely out of revenue from a revenue producing property owned, controlled or operated by the City, not to exceed 25% of the portfolio for combined municipal debt;

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 2: Cash and Investments (Continued)**

- Bonds, notes or other evidence of indebtedness of any local agency within the State, or State warrants, or treasury notes or bonds of the State not to exceed 25% of the portfolio for combined municipal debt;
- Bonds, notes or other evidence of indebtedness in any of the other 49 states, in addition to California, not to exceed 25% of the portfolio for combined municipal debt; and
- Mortgage-backed pass-through securities, collateralized mortgage obligations and asset backed securities not to exceed 15% of investing agency's surplus.
- In accordance with the City's investment policy, all securities are held by a third party custodian in the name of the City.

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

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

	2015	2014
Realized gain/(loss) on matured investments	\$ (605,850)	\$ (1,077,412)
Unrealized loss in changes in fair value of investments	669,743	1,105,422
Interest Income	2,787,612	3,457,511
Total investment income	<u>\$ 2,851,505</u>	<u>\$ 3,485,521</u>

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

**c. Summary of Cash and Investments**

The following is a summary of pooled cash and investments at June 30, 2015:

	Government-Wide Statement of Net Position			Fiduciary fund Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total	Net Position	Total
Cash and Investments	<u>\$ 167,594,926</u>	<u>\$ 87,773,401</u>	<u>\$ 255,368,327</u>	<u>\$ 8,472,942</u>	<u>\$ 263,841,269</u>
Restricted Cash and Investments	<u>\$ 3,157,783</u>	<u>\$ 19,334,219</u>	<u>\$ 22,492,002</u>	<u>\$ 29,941,834</u>	<u>52,433,836</u>
Total Cash and Investments					<u>\$ 316,275,105</u>

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

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight to the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The City's investments with LAIF at June 30, 2015 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 2: Cash and Investments (Continued)

As of June 30, 2015, the City had \$65,890,626 invested in LAIF. Fair value of the City's LAIF investments was \$65,915,399 as of June 30, 2015. This is arrived at by multiplying the City's LAIF account balance by a fair value factor determined by LAIF. The fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost, resulting in a factor of 1.000375979.

e. Risk Disclosures

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's Investment Policy limits the City's investment portfolio to maturities not to exceed five years at time of purchase. The investment maturities of the City's portfolio as of June 30, 2015 are presented below:

Investment Type	Investment Maturities (in Months)		
	12 Months or Less	12 Months to 60 Months	More than 60 Months
<b>Cash and Investments:</b>			
FFCB	\$ 1,275,752	\$ 2,033,377	\$ -
FHLB	7,842,502	16,490,284	-
FHLMC	-	31,813,211	-
FNMA	2,463,679	25,426,244	-
US T- Notes	-	37,826,508	-
LAI F	65,915,399	-	-
Federated	236,005	-	-
Wells Fargo Corp	-	2,550,409	-
Microsoft	-	2,319,826	-
US Bancorp	-	2,424,707	-
Cisco Systems	-	2,555,639	-
Wal- Mart Stores	-	1,469,366	-
Pfizer Inc	-	797,345	-
Tennessee Valley Authority	-	4,034,880	-
IBM Corp	-	3,612,230	-
Chevron Corp	-	2,100,969	-
Toyota Motor Corp	1,400,000	640,614	-
Bank of New York Mellon	-	1,299,129	-
Pepsico Inc	-	2,116,160	-
Chase CHAIT	-	1,950,006	-
Praxair	-	2,496,781	-
Ebay	2,926,745	-	-
Oracle	-	2,580,000	-
John Deere Capital Corp	-	2,292,198	-
American Honda Finance	-	2,791,635	-
Google Inc	1,730,439	-	-
Bank of Tokyo Mit/NY	3,996,188	-	-
Intel Corp	-	2,624,055	-
Apple Inc	-	2,474,725	-
United Tech Corp	-	197,841	-
Toyota ABS	-	3,520,123	-
Honda ABS	-	4,289,233	-
John Deere ABS	-	5,266,004	-
Costco Wholesale Corp	-	1,612,722	-
Qualcom Inc.	-	2,387,712	-
Deposits	2,060,627	-	-
<b>Total Investments</b>	<b>\$ 89,847,336</b>	<b>\$ 173,993,933</b>	<b>\$ -</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 2: Cash and Investments (Continued)

Investment Type	Investment Maturities (in Months)		
	12 Months or Less	12 Months to 60 Months	More than 60 Months
<b>Restricted Cash and Investments:</b>			
Cash and Cash in Escrow	\$ 4,137,289	\$ -	\$ -
Local Agency Investment Funds	4,744,611	-	-
Aim Government & Agency	349,927	-	-
Dreyfus Treasury Cash Mgmt	4,581,863	-	-
Federated Treasury Obligation	5,970,903	-	-
Bankers Bk Okla City	-	248,000	-
GE Cap Finl Inc	-	248,000	-
Goldman Sachs Bk USA New York	-	248,000	-
Goldman Financial Square MMKT	9,308,400	-	-
Discover Bank Greenwood Del	-	248,000	-
Meridian Bank Paoli PA	-	248,000	-
Morgan Stanley Prime Instl	9,413,860	1	2
Invesco STIT Treasury Private 1933	7,266,281	-	1
MBIA Financial Guaranty Ins Policy	-	-	-
FGIC Municipal Bond Insurance	-	-	1
FGIC Municipal Bond Debt Serv Reserve	-	-	1
MBIA Debt Service Reserve Surety Bond	-	-	-
Invesco Gov't Agency Private 1903	-	248,000	-
Synchrony Bank	872,002	-	-
Natixis Funding Corp	-	-	4,300,695
<b>Total Investments</b>	<b>\$ 46,645,136</b>	<b>\$ 1,488,001</b>	<b>\$ 4,300,700</b>

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

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

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 2: Cash and Investments (Continued)

As of June 30, 2015, the City had the following deposits and investments.

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Total</u>
<b><u>City Treasury:</u></b>			
Deposits	Not Rated	\$ 2,060,627	\$ 2,060,627
<b><u>Investments:</u></b>			
Medium Term Notes	AAA	12,079,188	
Medium Term Notes	AA+	6,509,605	
Medium Term Notes	AA	6,098,119	
Medium Term Notes	AA-	9,388,483	
Medium Term Notes	A+	15,690,369	
Medium Term Notes	A	10,029,725	
Medium Term Notes	A-1+	1,400,000	
Medium Term Notes	A-1	3,996,188	
Medium Term Notes	Not Rated	1,675,798	66,867,475
U.S. Government Agency Securities			
FFCB	AA+	3,309,129	
FHLB	AA+	24,332,786	
FHLMC	AA+	31,813,211	
FNMA	AA+	27,889,923	
U.S. Treasury	Not Rated	41,416,714	128,761,763
Federated	AAA	236,005	236,005
Local Agency Investment Funds	Not Rated	65,915,399	65,915,399
<b><u>Restricted Cash and Investments:</u></b>			
Cash & Investments with Fiscal Agent	Not Rated	48,332,382	
Water Reclamation Restricted Cash	Not Rated	679,420	
Electric Restricted Cash	Not Rated	1,100,000	
Transit Restricted Cash	Not Rated	1,810,786	
Retention & Escrow Accounts	Not Rated	511,248	52,433,836
<b>Total Investments</b>			<b>\$ 316,275,105</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 2: Cash and Investments (Continued)

The City's credit risk, expressed on a percentage basis as of June 30, 2015, is presented below:

Investment Type	Moody's Rating	S&P Rating	% of Investment
LAIF	NR	NR	24.83%
US T-Notes	AAA	AA+	15.61%
FHLMC	AAA	AA+	11.99%
FNMA	AAA	AA+	10.51%
FHLB	AAA	AA+	9.17%
John Deere ABS	AAA	NR	1.98%
Tennessee Valley Authority	AAA	AA+	1.52%
Bank of Tokyo-Mit UFJ	P-1	A-1	1.51%
IBM Corp	AA3	AA-	1.36%
Toyota ABS	AAA	AAA	1.33%
FFCB	AAA	AA+	1.28%
Ebay	A2	A	1.10%
Honda Motor Corporation	A1	A+	1.05%
Honda ABS	NR	AAA	1.01%
Intel Corp	A1	A+	0.99%
Oracle Corp	A1	AA-	0.97%
Cisco Systems	A1	AA-	0.96%
Wells Fargo Corp	A2	A+	0.96%
Praxair	A2	A	0.94%
Apple Inc	AA1	AA+	0.93%
US Bancorp	A1	A+	0.91%
Qualcomm Inc	A1	A+	0.90%
Microsoft	AAA	AAA	0.87%
Deere & Company	A2	A	0.86%
Pepsico Inc	A1	A	0.80%
ChevronTexaco Corp	AA1	AA	0.79%
JP Morgan ABS	NR	AAA	0.73%
Google Inc	AA2	AA	0.65%
Costco Wholesale Corporation	A1	A+	0.61%
Honda ABS	AAA	AAA	0.61%
Wal- Mart Stores	AA2	AA	0.55%
Toyota Motor Corp	P-1	A-1+	0.53%
Bank of New York	A1	A+	0.49%
Pfizer Inc	A1	AA	0.30%
Toyota Motor Corp	AA3	AA-	0.24%
Federated Govt Obligation Money Market Fund	AAA	AAA	0.09%
United Technology Corp	A2	A	0.07%
<b>Total</b>			<b>100.00%</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 3: Interfund Transactions**

**a. Current Interfund Receivables/Payables**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of current interfund balances as of June 30, 2015:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Major Funds:</b>		<b>Non-Major Funds:</b>	
General Fund	\$ 15,706,088	<u>Special Revenue Funds:</u>	
		Other Grants & Endowments	\$ 55,318
		<u>Capital Projects Funds:</u>	
	-	Public Facility Project	959,223
	-	HUD Grants	588,534
	-	Other Grants	14,103,013
<b>Total</b>	<b><u>\$ 15,706,088</u></b>	<b>Total</b>	<b><u>\$ 15,706,088</u></b>

**b. Long-Term Interfund Receivables/Payables**

At June 30, 2015, 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>
<b>Major Funds:</b>		<b>Major Funds:</b>	
General Fund	\$ 15,983,495	<u>Special Revenue Funds:</u>	
<u>Special Revenue Funds:</u>		Development	\$ 14,756,996
Development	202,445		
<u>Enterprise Funds:</u>		<u>Enterprise Funds:</u>	
Electric	1,235,538	Electric	1,066,499
		<b>Non-Major Funds:</b>	
	-	<u>Special Revenue Funds:</u>	
	-	Special Tax Districts	202,445
	-	<u>Enterprise Funds:</u>	
	-	Public Financing Authority	1,235,538
	-	Airport	160,000
<b>Total</b>	<b><u>\$ 17,421,478</u></b>	<b>Total</b>	<b><u>\$ 17,421,478</u></b>

The General Fund loaned the Development special revenue fund and expecting repayments when development activities commence. As of June 30, 2015, the balance of Interfund Payable to the General Fund was \$14,756,996.

The General Fund also loaned the Electric enterprise fund for certain capital improvement project. As of June 30, 2015, the balance payable from Electric to the General Fund was \$1,066,499.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

---

**Note 3: Interfund Transactions (Continued)**

The General Fund made a loan to the Airport fund, repayment was expected over a 27-year period with annual payment of \$15,000. As of June 30, 2015 the loan balance due from the Airport enterprise fund was \$160,000.

The Development special revenue fund advance of \$202,445 is being repaid by special assessments collected in a landscape maintenance district over a 10-year period with annual payments of \$56,035.

The Electric enterprise fund showed a receivable in the amount of \$1,235,538 from the Public Financing Authority enterprise fund as of June 30, 2015. This amount was the reserve funds prepaid by Electric in conjunction with the sale of the Cogeneration project to the City of Riverside.

**c. Internal Balances – Capital Lease**

Related Parties

In 2002, the City established the Corona Utility Authority (Authority) as a joint powers authority pursuant to a Joint Exercise of Powers Agreement between the City and the former Redevelopment Agency of the City of Corona in accordance with the Joint Powers Law (Articles 1 through 4 of Chapter 5, Division 7, title 1 of the California Government Code) for the purpose of assisting the City in the leasing of the water and water reclamation utility systems. The Authority's Officers are the Corona City Council and the City's executive management.

Capital Lease Obligations

In February 2002, the Authority entered into capital leases with the City to lease the City's Water and Water Reclamation facilities (Lease Agreements). The terms of the leases are 55 years. The leases will terminate on February 6, 2056, at which time the Authority could renew the capital leases of the Water and Water Reclamation facilities. The capital assets of the Water and Water Reclamation facilities were recorded at the City's historical cost, net of accumulated depreciation. The related debt has been recorded accordingly resulting in a lease payable for an amount equal to the net capital assets recorded on the City's financial statements.

Per the Lease Agreements, maximum lease payments are calculated with a discount rate of 6.0%. The original lease payments since Fiscal Year 2001-02 through Fiscal Year 2007-08 were established as 5.0% to 8.0% of the corresponding utility sales revenues of that year, equivalent to discounting the lease principal amounts by a range from 1.2% to 3.0%. Starting Fiscal Year 2008-09 and continued to the next fiscal year, the lease payment was calculated with a 3.5% to 4.0% growth factor over the previous fiscal year, equivalent to discounting the lease principal amounts by 3.2% for Water Utilities and 2.8% for Water Reclamation Utilities. In Fiscal Year 2011-12, the annual lease payment for Water Utility was calculated with a discount rate of 6.0% with a catch-up payment for the prior years in the amount of \$311,015, and the Water Reclamation Utility's lease payment was discounted at 5.7% of the lease principal amount. For fiscal year ended June 30, 2014, the lease payment for Water and Water Reclamation utilities were calculated with a discount rate of 5.0% and 4.4% respectively. For fiscal year ended June 30, 2015, the lease payment for Water and Water Reclamation utilities were calculated with a discount rate of 5.0% and 4.4% respectively.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 3: Interfund Transactions (Continued)**

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

The following Internal Balances – Capital Leases were outstanding at June 30, 2015:

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

Current Year Transactions

During Fiscal Year 2014-15, the following related party transactions were recorded by the City and the Authority:

<u>Leasee</u>	<u>Amount</u>
Water Utility	\$ 5,346,473
Water Reclamation Utility	2,876,048
<b>Total Payment from the Authority to the City</b>	<b>\$ 8,222,521</b>

Capital Lease Payments

At June 30, 2015, the future minimum lease payments required under the capital leases and the net present value of the future lease payments for the Water utility are presented below:

<b>Corona Utility Authority</b>		
<b>Future Lease Payments - Water Utility</b>		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ -	\$ 3,590,150
2017	-	3,397,942
2018	-	3,215,345
2019	-	3,041,878
2020	-	2,877,084
2021-2025	-	12,187,906
2026-2030	-	9,143,472
2031-2035	-	6,787,745
2036-2040	-	4,964,929
2041-2045	-	3,554,470
2046-2050	-	2,356,969
2051-2055	-	953,043
2056	-	34,918
Total Future Lease Payments	-	<b>\$ 56,105,851</b>
Amount to be Forgiven at End of Lease	106,819,662	
Present Value of Total Lease Payment	<b>\$ 106,819,662</b>	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 3: Interfund Transactions (Continued)**

At June 30, 2015, the future minimum lease payments required under the capital leases and the net present value of the future lease payments for the Water Reclamation utility are presented below:

<b>Corona Utility Authority</b>		
<b>Future Lease Payments - Water Reclamation Utility</b>		
Fiscal Year	Principal	Interest
2016	\$ -	\$ 2,041,048
2017	-	2,041,048
2018	-	2,041,048
2019	-	2,041,048
2020	-	1,932,246
2021-2025	-	8,210,357
2026-2030	-	6,200,320
2031-2035	-	4,644,992
2036-2040	-	3,441,509
2041-2045	-	2,510,275
2046-2050	-	1,789,706
2051-2055	-	1,543,555
2056	-	233,254
Total Future Lease Payments	-	\$ 38,670,406
Amount to be Forgiven at End of Lease	\$ 65,808,682	
Present Value of Total Lease Payment	\$ 65,808,682	

**d. 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 incurred expenditures on behalf of another fund. Significant one-time transfers were:

- \$1,236,239 from the Gas Tax special revenue fund to the General Fund for the reimbursement of street maintenance costs.
- \$419,960 from Warehouse internal service fund to the General Fund for reimbursement of excess indirect cost allocation charges.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 3: Interfund Transactions (Continued)**

Total transfers of \$2,315,815 are presented below:

<u>Transfers Out</u>	<u>Transfer In</u>
	General Fund
Development	\$ 220,740
Nonmajor Governmental	1,518,405
Internal Service Funds	576,670
<b>Totals</b>	<b>\$ 2,315,815</b>

**Note 4: Long-Term Receivables**

Long-term receivables on the governmental fund financial statement as of June 30, 2015 are presented by specific description so as not to be aggregated. The major receivable balances in the governmental funds which are not expected to be collected within one year are:

<u>Governmental Funds</u>	<u>Loans Receivable</u>	<u>Long-Term Receivable</u>
<b>Major Funds:</b>		
General Fund	\$ -	\$ 8,053,751
<u>Special Revenue Funds:</u>		
Development	30,960	-
<u>Capital Project Funds:</u>		
Low Mod Income Housing Asset	8,463,364	4,784,652
<b>Non-Major Funds:</b>		
<u>Capital Project Funds:</u>		
HUD Grants	2,113,644	-
<u>Debt Service Funds:</u>		
Assessment Districts	-	185,000
<b>Total</b>	<b>\$ 10,607,968</b>	<b>\$ 13,023,403</b>

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

- Various City/former Corona Redevelopment Agency loans totaled \$7,578,757 as of June 30, 2015. The loans were approved by the Oversight Board on May 30, 2013. Finding of Completion was issued by the California Department of Finance on April 8, 2013. Repayments of these City loans from the Successor Agency will commence after Fiscal Year 2014-15. Please refer to Note 20.c for additional information.
- Reimbursement receivables from developers for the Temescal Canyon Communications Tower in the amount of \$287,916; and
- Amount to be reimbursed by developers for South Corona area Community Facilities Plan for \$187,078.

**CITY OF CORONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 4: Long-Term Receivables (Continued)**

The Development special revenue fund reported loans receivable of \$30,960 for the sale of real property to a developer; the fund also reports a long-term receivable for future developer impact fees for the Temescal Canyon Public Safety Facility in the amount of \$1,280,264. Due to the uncertainty of collecting these funds, the City set aside an allowance for doubtful account for this item.

Long-term receivables from the Successor Agency Trust Fund in the amount of \$4,784,652 is reported under the Corona Housing Authority (CHA) in the Low Mod Income Housing Asset capital project fund. The amount represents the outstanding balance of the SERAF loan at June 30, 2015, which was assumed by the CHA as the housing successor upon the dissolution of the former Corona Redevelopment Agency. Please refer to Note 20.c for additional information. The fund also reported loans receivable from various developers with a total of \$8,463,364 at June 30, 2015.

The long-term receivable reported in the Assessments Districts debt service fund represents 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. The remaining long-term receivable balance is \$185,000 as of June 30, 2015.

Loans receivable in the amount of \$2,113,644 reported in the HUD Grants fund represented various outstanding HUD program loans as of June 30, 2015.

**Note 5: Land Held for Resale**

Land held for resale consists of real property acquired by the City and held for resale to private developers. The amount recorded as land held for resale and the corresponding fund balance classified as nonspendable as of June 30, 2015 was \$3,146,753.

**Note 6: Capital Assets**

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

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

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

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

Note 6: Capital Assets (Continued)

A summary of capital assets of the City as of June 30, 2015 is presented below:

	Restated Balance June 30, 2014	Reclassification from Successor Agency	Transfers from Business-Type Activities	Construction in Progress Completed	Additions	Deletions	Balance June 30, 2015
<b>Governmental Activities:</b>							
Capital assets not being depreciated:							
Land	\$ 63,130,838	\$ 744,007	\$ -	\$ 1,718,965	\$ -	\$ (630,485)	\$ 64,963,325
Streets	177,154,784	-	-	-	1,388,433	-	178,543,217
Construction in Progress	50,750,945	-	-	(2,995,608)	27,604,953	-	75,360,290
Total Capital Assets not being Depreciated	291,036,567	744,007	-	(1,276,643)	28,993,386	(630,485)	318,866,832
Capital assets being depreciated:							
Buildings and Improvements	205,262,442	7,251,555	-	-	-	(1,153,026)	211,360,971
Machinery and Equipment	28,878,302	12,574	87,884	1,276,643	788,601	(702,794)	30,341,210
Computer Software	172,329	-	-	-	-	-	172,329
Infrastructure	308,672,786	-	-	-	5,273,711	-	313,946,497
Total Capital Assets being Depreciated	542,985,859	7,264,129	87,884	1,276,643	6,062,312	(1,855,820)	555,821,007
Less accumulated depreciation for:							
Buildings and Improvements	(92,710,428)	(2,940,979)	-	-	(4,837,007)	1,000,396	(99,488,018)
Machinery and Equipment	(21,176,808)	(12,574)	(87,884)	-	(1,799,278)	692,345	(22,384,199)
Computer Software	(128,806)	-	-	-	(31,958)	-	(160,764)
Infrastructure	(109,361,072)	-	-	-	(5,146,648)	-	(114,507,720)
Total Accumulated Depreciation	(223,377,114)	(2,953,553)	(87,884)	-	(11,814,891)	1,692,741	(236,540,701)
Total Capital Assets Being Depreciated, Net	319,608,745	4,310,576	-	1,276,643	(5,752,579)	(163,079)	319,280,306
Governmental Activities Capital Assets, Net	\$ 610,645,312	\$ 5,054,583	\$ -	\$ -	\$ 23,240,807	\$ (793,564)	\$ 638,147,138

Governmental activity capital assets were restated by \$(626,971), due to the recognition of construction in progress that should have been expensed as repairs in prior years.

Refer to Note 18 for additional information on the restatement of beginning balances.

For the year ended June 30, 2015, accumulated depreciation on governmental activity capital assets and depreciation expense charged to each governmental function are presented as follows:

	Balance June 30, 2014	Current Year Depreciation	Accumulated Depreciation	Adjustments to Depreciation	Accumulated Depreciation June 30, 2015
General Governments	\$ 31,153,532	\$ 3,081,849	\$ 34,235,381	\$ 1,707,922	\$ 35,943,303
Public Safety - Fire	7,745,235	421,692	8,166,927	(669,721)	7,497,206
Public Safety - Police	6,933,195	763,979	7,697,174	(319,267)	7,377,907
Public Works	109,528,902	377,813	109,906,715	(104,984,965)	4,921,750
Maintenance Services	67,832,280	7,155,457	74,987,737	105,659,845	180,647,582
Library and Recreation	183,970	14,101	198,071	(45,118)	152,953
Total Depreciation Expense	\$ 223,377,114	\$ 11,814,891	\$ 235,192,005	\$ 1,348,696	\$ 236,540,701

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

Note 6: Capital Assets (Continued)

	Restated Balance June 30, 2014	Transfer to Governmental Activities	Construction in Progress Completed	Additions	Deletions	Balance June 30, 2015
<b>Business-Type Activities:</b>						
Capital assets not being depreciated:						
Land	\$ 4,958,969	\$ -	\$ -	\$ 291,721	\$ -	\$ 5,250,690
Water Reclamation Rights	9,780,000	-	-	9,864,651	-	19,644,651
Construction in Progress	22,473,765	-	(2,205,753)	16,618,632	-	36,886,644
Total Capital Assets not being Depreciated	37,212,734	-	(2,205,753)	26,775,004	-	61,781,985
Capital assets being depreciated:						
Buildings and Improvements	94,304,762	-	-	-	-	94,304,762
Machinery and Equipment	86,506,550	(87,884)	2,182,828	838,430	(4,033,114)	85,406,810
Computer Software	127,998	-	22,756	-	-	150,754
Infrastructure	308,982,366	-	169	5,435,536	-	314,418,071
Emission Reduction Credits	230,000	-	-	-	-	230,000
Total Capital Assets being Depreciated	490,151,676	(87,884)	2,205,753	6,273,966	(4,033,114)	494,510,397
Less accumulated depreciation for:						
Buildings and Improvements	(37,383,986)	-	-	(2,063,149)	-	(39,447,135)
Machinery and Equipment	(47,611,966)	87,884	-	(5,044,862)	4,025,374	(48,543,570)
Computer Software	(45,793)	-	-	(27,496)	-	(73,289)
Infrastructure	(76,794,089)	-	-	(5,540,729)	-	(82,334,818)
Emission Reduction Credits	(189,028)	-	-	(40,972)	-	(230,000)
Total Accumulated Depreciation	(162,024,862)	87,884	-	(12,717,208)	4,025,374	(170,628,812)
Total Capital Assets Being Depreciated, Net	328,126,814	-	2,205,753	(6,443,242)	(7,740)	323,881,585
Business-Type Activities Capital Assets, Net	\$ 365,339,548	\$ -	\$ -	\$ 20,331,762	\$ (7,740)	\$ 385,663,570

Business-type activity capital assets were restated by \$(15,000), due to the recognition of construction in progress that should have been expensed as repairs in prior years.

Refer to Note 18 for additional information on the restatement of beginning balances.

Business-type activities depreciation expense for capital assets for the year ended June 30, 2015, is as follows:

Water	\$ 6,846,687
Water Reclamation	4,518,964
Electric	1,007,167
Transit Services	307,093
Airport	37,297
Total depreciation expense - business-type activities	<u>\$ 12,717,208</u>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

**Note 6: Capital Assets (Continued)**

Below is a summary of infrastructure assets of the City as of June 30, 2015:

Description	Historical Cost	Accumulated Depreciation	Net Cost
<b>Government Activities:</b>			
<b>Modified Approach</b>			
Street Pavement System	\$ 178,543,217	\$ -	\$ 178,543,217
<b>Basic Approach</b>			
Curbing	78,004,748	(33,980,367)	44,024,381
Sidewalks	86,465,462	(36,593,346)	49,872,116
Signs and Lights	39,913,173	(12,621,556)	27,291,617
Storm Drains	103,663,314	(30,083,419)	73,579,895
Fiberoptics	5,899,800	(1,229,032)	4,670,768
Subtotal Basic Approach	313,946,497	(114,507,720)	199,438,777
<b>Total Governmental Activities</b>	<b>\$ 492,489,714</b>	<b>\$ (114,507,720)</b>	<b>\$ 377,981,994</b>
<b>Business-Type Activities:</b>			
<b>Basic Approach</b>			
Fiberoptics	\$ 235,951	\$ (131,004)	\$ 104,947
Curbing	200	(9)	191
Sidewalks	1,131	(52)	1,079
Electric	6,212,266	(966,450)	5,245,816
Signs and Lights	249,371	(24,937)	224,434
Water	218,850,764	(58,976,860)	159,873,904
Water-Reclamation	88,868,388	(22,235,506)	66,632,882
<b>Total Business-Type Activities</b>	<b>\$ 314,418,071</b>	<b>\$ (82,334,818)</b>	<b>\$ 232,083,253</b>

Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2015. These projects include street construction in areas of newly developed housing, pavement rehabilitation, and various water and water reclamation upgrades and replacements. At year end, the City's construction in progress totaled \$112,246,934.

The following material construction commitments existed at June 30, 2015:

Project Name	Contract Amount	Expenditures to date as of June 30, 2015	Remaining Commitments
<b>Governmental Activities:</b>			
Auto Center/BNSF Rail Road Grade Separation	\$ 21,521,992	\$ 17,052,691	\$ 4,469,301
Foothill Parkway Westerly Extension	42,031,945	9,519,341	32,512,604
Green River Road Improvements	4,294,477	445,012	3,849,465
Major Pavement Rehab	1,469,922	172,250	1,297,672
<b>Business-Type Activities:</b>			
WRF#2 Tertiary	8,345,727	3,382,646	4,963,081
<b>Total Construction Commitments</b>	<b>\$ 77,664,063</b>	<b>\$ 30,571,940</b>	<b>\$ 47,092,123</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

**Note 7: Compensated Absences Payable**

As described in Note 1, under certain circumstances and accordingly to the negotiated labor agreements, City employees are allowed to accumulate annual leave. The annual leave amount is accrued and accounted for as compensated absences in the government-wide and proprietary fund statements.

As shown in the table below, the long-term portion of this debt amounts to \$2,265,956 for governmental activities and \$354,138 for business-type activities at June 30, 2015. These amounts are expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the General Fund and the proprietary funds. The total amount outstanding at June 30, 2015 was \$8,220,730 for governmental activities and \$1,062,916 for business-type activities.

	<u>Balance July 1, 2014</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
Governmental Activities	\$ 8,301,642	\$ 5,876,550	\$ 5,957,462	\$ 8,220,730	\$ 5,954,774	\$ 2,265,956
Business-Type Activities	\$ 1,029,982	\$ 786,535	\$ 753,601	\$ 1,062,916	\$ 708,778	\$ 354,138

**Note 8: Long-Term Obligations**

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2015:

	<u>Balance July 1, 2014</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
<b>Governmental Activities:</b>						
Lease Payable	\$ 22,353,207	\$ -	\$ 1,397,900	\$ 20,955,307	\$ 1,445,122	\$ 19,510,185
Lease Revenue Bonds Payable	31,250,000	-	2,105,000	29,145,000	1,170,000	27,975,000
Special Assessment District Bonds	355,000	-	170,000	185,000	185,000	-
<b>Total Governmental Activities</b>	<b>\$ 53,958,207</b>	<b>\$ -</b>	<b>\$ 3,672,900</b>	<b>\$ 50,285,307</b>	<b>\$ 2,800,122</b>	<b>\$ 47,485,185</b>
<b>Business-Type Activities:</b>						
Installment Agreement Payable	\$ 1,104,332	\$ 9,864,651	\$ 1,202,762	\$ 9,766,221	\$ 545,495	\$ 9,220,726
Contracts Payable	690,390	-	-	690,390	-	690,390
Term Loan Payable	19,951,303	637,031	1,446,213	19,142,121	1,482,368	17,659,753
Revenue Bonds	55,605,000	-	3,455,000	52,150,000	3,665,000	48,485,000
Certificates of Participation	24,480,000	-	695,000	23,785,000	8,265,000	15,520,000
Unamortized Bond Premium	2,023,675	-	107,505	1,916,170	107,505	1,808,665
<b>Total Business-Type Activities</b>	<b>\$ 103,854,700</b>	<b>\$ 10,501,682</b>	<b>\$ 6,906,480</b>	<b>\$ 107,449,902</b>	<b>\$ 14,065,368</b>	<b>\$ 93,384,534</b>

**a. Lease Payable**

2012 Refunding Lease

On June 1, 2012, the City entered into the 2012 Refunding Lease agreement with Compass Mortgage Corporation, a private lender, in the amount of \$25,265,511 to refund the CPFA Lease Revenue 2002 Series B bonds originally issued in the amount of \$35,000,000 to pay the costs of the design, construction and acquisition of the City Hall facility. The 2002 Series B bonds were refunded in its entirety in September 2012. The 2012 Refunding Lease is payable over a fifteen-year period.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 8: Long-Term Obligations (Continued)**

As of June 30, 2015, the net present value of future minimum lease payments required under the capital lease was \$20,955,307. The future minimum lease payments are presented below:

<u>Fiscal Year</u>	<u>2012 Refunding Lease Payables</u>	<u>Lease Payment</u>
2016		\$ 2,135,122
2017		2,135,122
2018		2,135,122
2019		2,135,122
2020		2,135,122
2021-2025		10,675,612
2026-2027		4,270,245
	Total Minimum Lease Payments	25,621,467
	Less: Amount Representing Interest	(4,666,160)
	Present Value of Future Minimum Lease Payments	\$ 20,955,307

**b. Lease Revenue Bonds**

These bonds are special obligations of the CPFA secured by revenues primarily consisting of lease payments to be made by the City pursuant to various lease agreements. These bonds are reported as a liability of the City.

2001 Lease Revenue Bonds, Series A

The CPFA 2001 Refunding Lease Revenue Bonds, Series A were issued on May 10, 2001 in the amount of \$9,810,000 to refund the CPFA 1993 Public Improvement Refunding Bonds originally issued in the amount of \$21,295,000 to finance the acquisition of land to be developed as City park sites. The outstanding bonds bear interest at 4.75%. The bonds are payable pursuant to a lease agreement with the City. On September 1, 2014, the outstanding balance of \$970,000 was paid off, with interest payable of \$23,037.

2006 Lease Revenue Bonds, Series C

The CPFA 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 outstanding 2000 Lease Revenue Bonds, Series A of the CPFA. The outstanding 2000 Lease Revenue Bonds were defeased in September 2008. The 2006 Lease Revenue Bonds bear interest from 3.625% to 5.00% and are due in annual installments ranging from \$1,135,000 to \$1,770,000 through September 1, 2036. The bonds are payable from the revenues expected to be received by the CPFA from the City as lease payments for the acquired improvements.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 8: Long-Term Obligations (Continued)**

The annual debt service requirements for the 2006 Lease Revenue Bonds Series C are presented below:

Fiscal Year	2006 Lease Revenue Bonds		
	Principal	Interest	Total
2016	\$ 1,170,000	\$ 1,216,106	\$ 2,386,106
2017	1,220,000	1,172,940	2,392,940
2018	1,255,000	1,127,449	2,382,449
2019	1,305,000	1,079,449	2,384,449
2020	1,355,000	1,021,105	2,376,105
2021-2025	7,820,000	4,055,640	11,875,640
2026-2030	5,905,000	2,510,564	8,415,564
2031-2035	6,235,000	1,296,569	7,531,569
2036-2037	2,880,000	123,675	3,003,675
<b>Totals</b>	<b>\$ 29,145,000</b>	<b>\$ 13,603,497</b>	<b>\$ 42,748,497</b>

**c. Special Assessment District Bonds (Indirect City Liability)**

The payment of the special assessment district bonds 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 bonds are recorded as liabilities in the City's financial statements pursuant to GASB Statement No. 6.

Assessment District No. 90-1 Improvement Bonds

The \$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 \$170,000 to \$185,000 through September 2, 2015.

As of June 30, 2015, the outstanding balance was \$185,000 with interest payable of \$7,400. On September 2, 2015, the bonds were paid off.

**d. Installment Agreement Payable**

The following outstanding installment agreement payables were reported in the business-type activities as of June 30, 2015:

Issuance	Balance
Elsinore Valley Municipal Water District Agreement	\$ 901,570
Brine Line System Discharge Right Agreement	8,864,651
<b>Total Installment Agreement Payable</b>	<b>\$ 9,766,221</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**
**Note 8: Long-Term Obligations (Continued)**Elsinore Valley Municipal Water District Agreement

On December 1, 2008, the City and Elsinore Valley Municipal Water District entered into an agreement for a total of \$2,500,000 for the purpose of acquiring certain assets. The loan is payable over a period of 10 years at the rate of 4.277% interest in equal annual installments of \$250,000 through June 2019. The amount outstanding at June 30, 2015 was \$901,570. The future annual debt service requirements per the agreement are presented below:

Fiscal Year	Elsinore Valley Municipal Water District Agreement		
	Principal	Interest	Total
2016	\$ 211,435	\$ 38,565	\$ 250,000
2017	220,479	29,521	250,000
2018	229,911	20,089	250,000
2019	239,745	10,255	250,000
<b>Totals</b>	<b>\$ 901,570</b>	<b>\$ 98,430</b>	<b>\$ 1,000,000</b>

Brine Line System Discharge Right Agreement

On November 5, 2014, the City Council and the Corona Utility Authority Board authorized an agreement for the assignment of California Rehabilitation Center's wastewater discharge rights by and among the City of Corona, the Western Municipal Water District of Riverside County, the California Department of Corrections and Rehabilitation, and the City of Norco. The City of Corona purchased 750,000 gallons per day wastewater disposal right from the City of Norco through the Santa Ana Regional Interceptor (SARI) or Inland Empire Brine Line for a total amount of \$9,864,651. Initial principal payment of \$1,000,000 will be made in second half of Fiscal Year 2014-15, and the remaining balance will be amortized over 20 years with annual payments of \$600,000, and an interest rate of 3.0%. The future annual debt service requirements per the agreement are presented below:

Fiscal Year	Brine Line System Discharge Right Agreement		
	Principal	Interest	Total
2016	\$ 334,060	\$ 265,940	\$ 600,000
2017	344,082	255,918	600,000
2018	354,405	245,595	600,000
2019	365,037	234,963	600,000
2020	375,988	224,012	600,000
2021-2025	2,056,057	943,943	3,000,000
2026-2030	2,383,533	616,467	3,000,000
2031-2035	2,651,489	236,832	2,888,321
<b>Totals</b>	<b>\$ 8,864,651</b>	<b>\$ 3,023,670</b>	<b>\$ 11,888,321</b>

**e. Contracts Payable**

Contracts Payable arise from the acquisition of certain water and water reclamation facilities and represent amounts due to Western Municipal Water District payable from future water and water reclamation connection fees associated with the acquired facilities.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**
**Note 8: Long-Term Obligations (Continued)**

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, 2015 was \$690,390.

**f. Term Loans Payable**State Revolving Fund Loan Contract No. C-06-4802-110

On June 10, 2003, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. C-06-4802-110 for a maximum amount of \$30,228,817, for construction of facilities at the Water Reclamation Facility No. 1. These facilities will provide recycled water to existing and 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 \$1,944,995 through the year 2026. The amount outstanding at June 30, 2015 was \$19,142,121. Annual debt service requirements for the loan are presented below:

<b>State Revolving Fund Loan C-06-4802-110</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 1,482,368	\$ 462,627	\$ 1,944,995
2017	1,519,427	425,568	1,944,995
2018	1,557,413	387,582	1,944,995
2019	1,596,348	348,647	1,944,995
2020	1,636,257	308,738	1,944,995
2021-2025	8,815,721	909,255	9,724,976
2026	1,897,556	47,439	1,944,995
<b>Totals</b>	<b>\$ 18,505,090</b>	<b>\$ 2,889,856</b>	<b>\$ 21,394,946</b>

State Revolving Fund Loan Contract No. C-06-7834-110

On February 1, 2014, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. C-06-7834-110 for a maximum amount of \$14,997,145, for construction of facilities at the Water Reclamation Facility No. 2. These facilities will provide recycled water to existing and potential users within the City. The loan is payable over a period of 30 years at the rate of 2.1% interest in equal annual installments of \$679,420 through the year 2045. Annual debt service payments will begin once the maximum loan amount has been drawn-down. The balance of outstanding debt that has been drawn on this loan as of June 30, 2015 is \$637,031.

**g. Revenue Bonds**

The following outstanding revenue bonds were reported in the business-type activities as of June 30, 2015:

<b>Issuance</b>	<b>Balance</b>
\$35,880,000 Corona Utility Authority 2012 Water Revenue Bonds	\$ 33,405,000
\$20,890,000 Corona Utility Authority 2013 Wastewater Revenue Bonds	18,745,000
<b>Total Revenue Bonds</b>	<b>\$ 52,150,000</b>

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 8: Long-Term Obligations (Continued)**

2012 Water Revenue Bonds

On August 1, 2012, the Corona Utility Authority issued the 2012 Water Revenue bonds in the amount of \$35,880,000 (plus a premium of \$5.8 million) with interest rates ranging from 2.0% to 5.0% to refund several outstanding City debts and to fund certain capital improvement projects for the Water Utility. The CUA 2012 Water Revenue bonds possessed an underlying credit rating of "AA" from Standard & Poor's.

The refunded debts were the CPFA 1998 Water Revenue bonds and the recycled water portion of the 2003 Certificates of Participation (Clearwater Cogen/Recycled Water Project). Of the total proceeds, \$12.3 million was to fund for the construction of certain reservoir and blending facilities.

The outstanding bonds bear interest from 2.0% to 5.0% and are due in annual installments ranging from \$1,310,000 to \$2,240,000 through 2030 with term bonds in the amount of \$5,155,000 due on September 1, 2032. The bonds are considered a liability of the Water Utility fund.

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

Fiscal Year	2012 Water Revenue Bonds		
	Principal	Interest	Total
2016	\$ 1,335,000	\$ 1,414,325	\$ 2,749,325
2017	1,375,000	1,387,425	2,762,425
2018	1,390,000	1,359,700	2,749,700
2019	1,430,000	1,310,250	2,740,250
2020	1,485,000	1,259,375	2,744,375
2021-2025	8,350,000	5,303,675	13,653,675
2026-2030	10,490,000	3,115,175	13,605,175
2031-2033	7,550,000	578,500	8,128,500
<b>Totals</b>	<b>\$ 33,405,000</b>	<b>\$ 15,728,425</b>	<b>\$ 49,133,425</b>

2013 Wastewater Revenue Bonds

On June 26, 2013, the Corona Utility Authority issued the 2013 Wastewater Revenue bonds in the amount of 20,890,000 (plus a premium of \$2.1 million) with interest rates ranging from 2.0% to 4.0% to refund several outstanding City debts and to fund certain capital improvement projects for the Wastewater Utility. The CUA 2013 Wastewater Revenue bonds possessed an underlying credit rating of "AA" from Standard & Poor's.

The refunded debts were: the Biosolids Project portion of the 2003 Certificates of Participation (Clearwater Cogen/Recycled Water Project), the outstanding CPIC 1997 Certificates of Participation (Sunkist Plant), the State Water Resources Control Board loan contract # 6-807- 5850-0 (WWTP#1). Of the total proceeds, \$3.9 million was to fund the improvement of certain influent screening, aeration and centrifuge facilities at Water Reclamation Facility No. 1.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 8: Long-Term Obligations (Continued)**

The outstanding bonds bear interest from 3.0% to 4.0% and are due in annual installments ranging from \$590,000 to \$2,400,000 through 2028 with term bonds in the amount of \$2,860,000 due on September 1, 2031. The bonds are considered a liability of the Wastewater Utility fund. The annual debt service requirements for the 2013 Wastewater Revenue bonds are presented below:

Fiscal Year	2013 Wastewater Revenue Bonds		
	Principal	Interest	Total
2016	\$ 2,330,000	\$ 730,050	\$ 3,060,050
2017	2,400,000	647,100	3,047,100
2018	1,940,000	560,300	2,500,300
2019	2,015,000	481,200	2,496,200
2020	590,000	429,100	1,019,100
2021-2025	3,335,000	1,749,825	5,084,825
2026-2030	4,195,000	869,725	5,064,725
2031-2032	1,940,000	78,400	2,018,400
<b>Totals</b>	<b>\$ 18,745,000</b>	<b>\$ 5,545,700</b>	<b>\$ 24,290,700</b>

**h. Certificates of Participation**

The certificates of participation are special obligations of the issuer and are payable from specific pledged revenues of the issuer. The certificates are not payable from any other revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the principal and interest on these certificates.

2005 Clearwater Cogeneration Projects Certificates of Participation

The CPFA 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 3.50% to 5.00% due in installments of \$695,000 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 financed the completion of the City's Cogeneration Project (the Facility). The City purchased the Facility from the CPFA and pays the Purchase Payments pursuant to an Installment Purchase Agreement. On September 1, 2010, the City sold the Facility to the City of Riverside for a total consideration of \$53,405,600 through the Clearwater Purchase and Sale Agreement (the Agreement). The terms of the Agreement provide a lease purchase financing with semi-annual payments equivalent to the City's debt service requirements pertain to the Facility. The present value of the total purchase price was \$45,568,916, this amount was recorded as long-term receivables in the City's enterprise funds. A balloon payment of \$6,951,099 is due on September 1, 2015 to call the portion of the 2005 COPs that financed the remaining construction of the Facility.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 8: Long-Term Obligations (Continued)**

Approximately \$15.0 million of the proceeds of the Certificates financed the acquisition, construction and installation of the electric distribution facilities necessary to supply power to all Greenfield developments within the City. The City purchased such electric distribution facilities from the CPFA 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.

As of June 30, 2015, outstanding balance of the 2005 COP was \$23,785,000. On September 1, 2015, these bonds were fully defeased.

**i. Defeased Debt**

2001 Lease Revenue Bonds, Series A

The CPFA 2001 Refunding Lease Revenue Bonds, Series A matured in September 2014; accordingly, the bonds were paid in full on September 1, 2014. The total principal payment was \$970,000, with interest of \$23,037.

Assessment District No. 90-1 Improvement Bonds

The \$3,000,000 Assessment District No. 90-1 Improvement Bonds matured in September 2015; accordingly, the bonds were paid in full on September 2, 2015. The total principal payment was \$185,000, with interest of \$7,400.

2005 Clearwater Cogeneration Projects Certificates of Participation

On September 1, 2015, the City made a principal payment of \$23,785,000 and defeased the CPFA 2005 Certificates of Participation in its entirety. The principal payments consisted of payments from the City of Riverside in accordance with certain installment purchase agreement for \$7,785,000, the unspent bonds proceeds and reserve fund of \$5,822,190, and the cash payment from the City's Electric fund in the amount of \$10,177,810.

**Note 9: Pledged Revenues**

The City has pledged, as security for its water revenue bonds and certificates of participation it has issued, through the CPFA, a portion of the utility customer revenues, net of specified operating expenses, to repay \$75.9 million outstanding bonds as of June 30, 2015. These bonds were to provide financing for various capital projects of the City, including the construction of certain water system, water treatment facilities, and electric generation and distribution system. The bonds are payable solely from the City's utility customer net revenues and are payable through certain installment purchase agreements. Annual principal and interest payments on these bonds are expected to require less than 19.9% of net revenues. The total debt service remaining to be paid on the bonds is \$97,764,643. Principal and interest paid for the current year was \$6,158,900, and total customer net revenues was \$31,017,258.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

---

**Note 10: Non-City Obligations**

**a. Special Assessment District Bonds (Non-City Obligation)**

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

As of June 30, 2015, the balance outstanding were:

<u>Assessment District Bonds (Non-City Debt)</u>	<u>Balance</u>
\$ 855,000 A.D. No. 95-1 Improvement Bonds	\$ 435,000
\$ 1,624,200 A.D. No. 96-1 1996 A Improvement Bonds	855,000
\$ 685,000 A.D. No. 96-1 1997 A Improvement Bonds	390,000
\$ 1,605,000 A.D. No. 96-1 1997 B Improvement Bonds	960,000
\$ 2,657,100 A.D. No. 96-1 1999 A Improvement Bonds	1,735,000
<b>Total Special Assessment District Bonds</b>	<b>\$ 4,375,000</b>

**b. Community Facilities District Bonds (Non-City Obligation)**

These bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 as amended, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District and by the City Council. Neither the faith and credit nor taxing power of the City is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay the delinquency out of any available funds of the City. The City acts solely as an agent for those paying taxes levied and the bondholders.



**CITY OF CORONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 10: Non-City Obligations (Continued)**

The following is a list of the Community Facilities District Bonds currently active:

<b>Community Facility District Bonds (Non-City Debt)</b>	<b>Balance</b>
\$ 22,580,000 CFD 86-2 Refunding and Improvement Bonds	\$ 11,630,000
62,845,000 CFD 90-1 Refunding Bonds	28,395,000
19,505,000 CFD 97-2 Special Tax Bonds	12,575,000
6,485,000 CFD 2000-1, Series A Special Tax Bonds	5,250,000
1,610,000 CFD 2000-1, Series B Special Tax Bonds	1,340,000
20,295,000 Ref CFD 89-1, Series A District-Wide Local Bonds	11,120,000
15,715,000 Ref CFD 89-1, Series B Imp Area Local Bonds	8,395,000
3,675,000 CFD 2001-2 Special Tax Bonds	3,130,000
9,415,000 CFD 2002-4 Special Tax Bonds	8,420,000
6,135,000 CFD 2003-2 Special Tax Bonds	7,590,000
22,475,000 CFD 2002-1 Special Tax Bonds & Escrow Term Bonds	17,305,000
3,805,000 CFD 2004-1 Special Tax Bonds	3,365,000
10,280,000 CFD 2002-1 Improvement Area Special Tax Bonds	7,850,000
<b>Total Community Facilities District Bonds</b>	<b>\$ 126,365,000</b>

**c. Conduit Debt Obligations**

Not included in the accompanying financial statements are various conduit debt obligations issued under the name of the City and/or the Agency. The Bonds are not secured by or payable from revenues or assets of the City or Agency. Neither the faith and credit nor the taxing power of the City, the Agency, the State of California or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds nor is the City or the Agency in any manner obligated to make any appropriations for payments on these bonds. At June 30, 2015, the aggregate principal amount of Conduit Debt Obligations outstanding totaled \$23,660,135.

**Note 11: Bond Requirements**

The City adopted an administrative policy on bond compliances in July 2012. The purpose of the policy is to ensure all City bonds comply with applicable federal and state laws and regulations. The policy covers the investment and expenditure of bond proceeds, the use of bond-financed facilities and other administrative requirements including continuing disclosure, arbitrage calculation and records retention.

At June 30, 2015, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

**Note 12: Pension Plan**

**a. Defined Benefit Pension Plan – Miscellaneous Plan and Safety Police Plan**

**General Information about the Pension Plans**

**Plan Description**

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

**Benefits Provided**

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**
**Note 12: Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<b>Miscellaneous</b>	
	<u>Classic*</u>	<u>PEPRA</u>
	Prior to	On or after
Hire date	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	33.877%	33.877%
	<b>Safety Police</b>	
	<u>Classic*</u>	<u>PEPRA</u>
	Prior to	On or after
Hire date	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.7%
Required employee contribution rates	9.000%	12.750%
Required employer contribution rates	38.298%	38.298%

\*Closed to new entrants

**Employees Covered**

At June 30, 2015, the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	594
Inactive employees entitled to but not yet receiving benefits	32
Active employees	598
Total	<u><u>1,224</u></u>

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERSL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 12: Pension Plan (Continued)**

For the year ended June 30, 2015, the contributions recognized as a reduction to the net position liability was \$7,913,193 and \$5,650,100 for the Miscellaneous and Police Plans, respectively.

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

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety Police</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return*	7.50%	7.50%
Mortality Rate Table**	Derived using CalPERS' Membership Data for all Funds	

\* Net of pension plan investment and administrative expenses, including inflation.

\*\* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**


---

**Note 12: Pension Plan (Continued)**

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1-10*</b>	<b>Real Return Years 11+**</b>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

\* An expected inflation of 2.5% used for this period

\*\*An expected inflation of 3.0% used for this period

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 12: Pension Plan (Continued)****Changes in the Net Pension Liability**

The changes in Net Pension Liability for each Plan follows:

Miscellaneous Plan:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at: 6/30/2014 (Valuation Date of 6/30/13)</b>	<b>\$ 289,900,911</b>	<b>\$ 171,884,699</b>	<b>\$ 118,016,212</b>
<b>Changes recognized for the Measurement Period:</b>			
Service Cost	5,035,483	-	5,035,483
Interest on TPL	21,435,216	-	21,435,216
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions from the employer	-	7,913,193	(7,913,193)
Contributions from the employees	-	2,168,466	(2,168,466)
Net investment income	-	29,675,543	(29,675,543)
Benefit payments, including refunds of employee contributions	(13,231,513)	(13,231,513)	-
<b>Net changes during 2013-14</b>	<b>\$ 13,239,186</b>	<b>\$ 26,525,689</b>	<b>\$ (13,286,503)</b>
<b>Balance at: 6/30/15 (Measurement Date of 6/30/14)</b>	<b>\$ 303,140,097</b>	<b>\$ 198,410,388</b>	<b>\$ 104,729,709</b>
<b>Safety Police Plan:</b>			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at: 6/30/2014 (Valuation Date of 6/30/13)</b>	<b>\$ 183,723,079</b>	<b>\$ 114,905,084</b>	<b>\$ 68,817,995</b>
<b>Changes recognized for the Measurement Period:</b>			
Service Cost	4,618,139	-	4,618,139
Interest on TPL	13,684,244	-	13,684,244
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions from the employer	-	5,650,100	(5,650,100)
Contributions from the employees	-	1,462,671	(1,462,671)
Net investment income	-	19,983,092	(19,983,092)
Benefit payments, including refunds of employee contributions	(7,151,132)	(7,151,132)	-
<b>Net changes during 2013-14</b>	<b>\$ 11,151,251</b>	<b>\$ 19,944,731</b>	<b>\$ (8,793,480)</b>
<b>Balance at: 6/30/15 (Measurement Date of 6/30/14)</b>	<b>\$ 194,874,330</b>	<b>\$ 134,849,815</b>	<b>\$ 60,024,515</b>

## Notes:

- (1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.
- (2) Net of administrative expenses.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**
**Note 12: Pension Plan (Continued)****Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of each Plan, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.50%) or 1% point higher (8.50%) than the current rate:

	<u>Miscellaneous</u>	<u>Safety Police</u>
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 148,094,537	\$ 89,181,809
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 104,729,709	\$ 60,024,515
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 69,873,663	\$ 36,685,715

**Pension Plan Fiduciary Net Position**

The Plan's fiduciary net position may differ from the plan assets reported in the actuarial valuation due to several reasons. First, for the accounting valuations CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the actuarial valuation. In addition, difference may result from early closing and final reconciled reserves.

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

For the year ended June 30, 2015, the City recognized pension expense of \$8,208,471 and \$5,962,169 for the Miscellaneous and Safety Police Plans, respectively. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contribution subsequent to measurement date	\$ 15,003,649	\$ -
Difference between expected and actual experience	-	-
Change in Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(22,687,330)
<b>Total</b>	<b>\$ 15,003,649</b>	<b>\$ (22,687,330)</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 12: Pension Plan (Continued)**

\$15,003,649 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2016	\$ (5,671,832)
2017	(5,671,832)
2018	(5,671,832)
2019	(5,671,834)
2020	-
Thereafter	-

**b. Defined Benefit Pension Plan – Safety Fire Plan**

**General Information about the Pension Plan**

**Plan Descriptions**

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

**Benefits Provided**

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



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 12: Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<b>Safety Fire</b>	
	<u>Classic*</u>	<u>PEPRA</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.7%
Required employee contribution rates	9.000%	12.250%
Required employer contribution rates	12.250%	12.250%

\*Closed to new entrants

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as a reduction of the net pension liability for the plan was \$4,031,377.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The City reported net pension liabilities for its proportionate shares of the net pension liability of the plan, the balance was \$28,647,492.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014, was as follows:

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 12: Pension Plan (Continued)

	Plan Net Pension <u>Liability/(Asset)</u>
Balance at: 6/30/2013 (Valuation Date)	\$ 36,303,093
Balance at: 6/30/2014 (Measurement Date)	<u>28,647,492</u>
Net Changes during 2013-14	<u>\$ (7,655,601)</u>

For the year ended June 30, 2015, the City recognized pension expense of \$2,740,929. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contribution subsequent to measurement date	\$ 4,239,757	\$ -
Difference between expected and actual experience	1,023,762	-
Net difference between projected and actual earnings on pension plan investments	-	(7,320,294)
Adjustment due to difference in proportions	-	(68,621)
<b>Total</b>	<u>\$ 5,263,519</u>	<u>\$ (7,388,915)</u>

\$4,239,757 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2016	\$ (1,585,169)
2017	(1,585,169)
2018	(1,580,269)
2019	(1,614,546)
2020	-
Thereafter	-

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 12: Pension Plan (Continued)****Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table *	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

\* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 12: Pension Plan (Continued)**

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 12: Pension Plan (Continued)**

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

The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the discount rate of 7.50%, as well as what the City's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.50%) or 1% point higher (8.50%) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability	\$ 46,714,559	\$ 28,647,492	\$ 13,761,009

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**c. Defined Contribution Pension Plan**

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

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. The City requires the employee to contribute 6.2% of the 7.5% required by the Federal Government. The City's contribution for each employee and interest allocated to the employee's account are fully vested immediately. During Fiscal Year 2014-15, the City contributed \$19,558 on hourly salaries of \$1,517,999 with the employees contributing \$93,037.

**Note 13: Other Post-Employment Benefits Other Than Pensions (OPEB)**

In October 2007, the City Council executed the City of Corona Retirement Benefits Plan for funding the Other Post-Employment Benefits Other Than Pensions (OPEB). In March 2008, the Council passed a resolution authorizing the City to prefund its OPEB obligation through the California Employers' Retiree Benefit Trust Program (CERBT), an agent multiple-employer post-employment healthcare plan administered by the California Public Employees' Retirement System (CalPERS) Board of Administration.

**Plan Description**

The City's defined benefit post-employment healthcare plan provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. Eligible retirees may elect coverage through the City's contract with CalPERS healthcare benefits. The plan benefits are established and may be amended by the City Council.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 13: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)**

Under the plan, employees are classified into two tiers, which are based on hire date. Tier I participants were hired prior to a specific date based on bargaining group and are eligible to receive reimbursement of medical premiums at 100% or capped at the 2<sup>nd</sup> highest family premium rate available, determined by the employee's separation date. Tier II employees receive the minimum Public Employees Medical and Hospital Care Act (PEMHCA) benefits paid by the City. In addition, all eligible retirees are provided life insurance coverage of \$50,000 until age 70.

The CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CERBT in accordance with GASB Statement No. 43. That report may be obtained by contacting CalPERS at [FCSD-CERBT@CalPERS.ca.gov](mailto:FCSD-CERBT@CalPERS.ca.gov) or 888-CalPERS.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City Council. The CERBT program's funding policy provides for the contributions by the City at actuarially determined rates described as the Annual Required Contribution (ARC) of the employer. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as approved by the City Council. For Fiscal Year 2014-15, the City contributed \$6.4 million to the plan, including \$5.3 million for current premiums and an additional \$1.1 million to prefund the plan. The plan members pay the portion of premiums not paid by the City (e.g., in excess of capped amounts).

**Annual OPEB Cost**

The City's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For Fiscal Year 2014-15, the City's annual OPEB cost (expense) of \$6,387,548 for CERBT was equal to the ARC. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three fiscal years are presented below:

**Three-Year Trend Information for OPEB Plan**

<b>Fiscal Year Ending</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2013	\$ 6,676,885	100%	\$ -
6/30/2014	6,186,486	100%	-
6/30/2015	6,387,548	100%	-

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 13: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)**

**Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the Entry Age Normal Cost Method was used. The actuarial assumptions included a 7.5% percent discount rate and an increase in medical plan premium from 4.5% to 6.0% over the prior year's level for the next 5 years. The actuarial assumptions also included a salary increase of 3.25% per year, a 3.25% increase for amortization payment per year where determined on a percent of pay basis, and a 3.0% general inflation rate. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over thirty years. The remaining amortization period at June 30, 2015 was 22 years.

**Note 14: Classification of Net Position and Fund Balances**

**a. Government-Wide Financial Statements**

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

Net Investment in Capital Assets

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

Restricted

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

---

**Note 14: Classification of Net Position and Fund Balances (Continued)**

Unrestricted

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

**b. Fund Financial Statements**

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

- General Fund Emergency Contingency

The City's General Fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed as the declaration of a state or federal state of emergency or a local emergency as defined in Corona Municipal Code Section 2.52.020.

- Expenditure Control Budget Savings

The calculation of Expenditure Control Budget (ECB) Savings is established in the annual budget resolution adopted by City Council. The same budget resolution provides for the appropriation and use of these committed amounts by the request of the individual departments with Finance Director recommendation and City Manager approval.

- Designated Revenues

Designated Revenues are committed by minute action of the City Council. Upon receipt of the revenues and at the request of the specific department, funds may be appropriated for departmental use with the recommendation of the Finance Director, or with approval of City Council, depending on the amount of request.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 14: Classification of Net Position and Fund Balances (Continued)**

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

The fund balances of the City's governmental funds as of June 30, 2015 are presented below:

	General	Development	Low Mod Income Housing Asset	Other Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>					
Nonspendable					
Long-term Receivables	\$ 8,053,751	\$ -	\$ 4,784,652	\$ 185,000	\$ 13,023,403
Interfund Advances Receivable	15,983,495	202,445	-	-	16,185,940
Loans Receivable	-	30,960	8,463,364	2,113,644	10,607,968
Inventories and Prepayments	341,538	-	-	-	341,538
Land Held for Resale	-	-	3,146,753	-	3,146,753
Restricted					
Street Maintenance	-	-	-	18,639,765	18,639,765
Trip Reduction	-	-	-	567,130	567,130
Asset Forfeiture	-	-	-	212,620	212,620
Debt Service	-	-	-	18,256,285	18,256,285
Housing & Community Development	-	-	4,537,313	404,552	4,941,865
Other Grants	-	-	-	364,700	364,700
Committed					
ECB Savings	1,705,102	-	-	-	1,705,102
Emergency Contingency	18,300,000	-	-	-	18,300,000
Designated Revenues	3,810,693	-	-	-	3,810,693
Assigned					
Development	-	5,705,680	-	-	5,705,680
Developer Agreements	692,590	-	-	-	692,590
Debt Services	424,996	-	-	-	424,996
Budget Balancing Measures	38,951,177	-	-	-	38,951,177
Continuing Appropriations	9,000,296	-	-	-	9,000,296
City Equipment	1,097,119	-	-	-	1,097,119
Other Capital Projects	-	-	-	119,994	119,994
Other Purposes	530,377	-	-	-	530,377
Unassigned	-	-	-	(151,869)	(151,869)
<b>Total Fund Balances</b>	<b>\$ 98,891,134</b>	<b>\$ 5,939,085</b>	<b>\$ 20,932,082</b>	<b>\$ 40,711,821</b>	<b>\$ 166,474,122</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 15: Risk Management****a. Workers' Compensation Insurance**

The City's self-insured retention is \$1,000,000 with an excess policy insuring claims over \$5,000,000 up to a limit of \$50,000,000. Departments are charged a percentage of the total estimated insurance, claims expense and premiums based on payroll cost. The actuarial estimated liability for pending and incurred but not reported claims at June 30, 2015 has been included in the Claims Payable amount for the same reporting period. These liabilities are recognized on government-wide statements.

The following table presents claims and judgments payable for the City's workers' compensation self-insurance program for fiscal year ended June 30, 2015 and its four preceding years:

<b>Fiscal Year Ended June 30,</b>	<b>Claims Payable July 1,</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable June 30,</b>
2011	\$ 14,405,000	\$ 3,125,476	\$ (1,854,476)	\$ 15,676,000
2012	15,676,000	4,233,206	(2,062,206)	17,847,000
2013	17,847,000	2,379,549	(1,988,549)	18,238,000
2014	18,238,000	1,089,655	(1,852,655)	17,475,000
2015	17,475,000	3,511,384	(2,646,384)	18,340,000

Of the total liabilities, \$2,356,509 is due within one year or less. Claims are paid by the internal service funds.

**b. Liability Insurance**

The City's self-insured retention is \$500,000 with an excess policy insuring claims over \$500,000 up to a limit of \$10,000,000. A third party administrator administers claims. The actuarial estimated liability for pending and incurred but not reported claims at June 30, 2015 has been included in the Claims Payable amount for the same reporting period. These liabilities are recognized on government-wide statements.

The following table presents claims and judgments payable for the general liability self-insurance program, including property losses, for fiscal year ended June 30, 2015 and its four preceding years:

<b>Fiscal Year Ended June 30,</b>	<b>Claims Payable July 1,</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable June 30,</b>
2011	\$ 2,305,000	\$ 496,231	\$ (375,231)	\$ 2,426,000
2012	2,426,000	1,626,939	(1,016,939)	3,036,000
2013	3,036,000	802,402	(912,402)	2,926,000
2014	2,926,000	180,998	(565,998)	2,541,000
2015	2,541,000	251,204	(261,204)	2,531,000

Of the total liabilities, \$531,728 is due within one year or less. Claims are paid by the internal service funds.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 15: Risk Management (Continued)**

**c. Property Losses (excluding earthquake or flood)**

The City's property losses are covered by insurance policies for covered value of \$100,000,000 with deductibles ranging from \$2,500 to \$50,000. The estimated liability for pending and incurred but not reported claims at June 30, 2015 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.

**Note 16: Commitments and Contingencies**

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

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have material adverse effect on the financial position of the City.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ended June 30, 2015, the City's appropriations limit totaled \$428,042,609 and the City's appropriations subject to limitation were \$87,842,106.

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

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

On July 18, 2012, the City Council and the Corona Utility Authority Board approved addendum No. 6 to the Joint Exercise of Powers Agreement creating the Western Riverside County Regional Wastewater Authority (WRCRWA) admitted the City of Corona as a voting member of the WRCRWA. WRCRWA was formed as a joint powers authority in 1992 to construct and operate a regional wastewater conveyance, treatment and disposal system to serve its member agencies. Other member agencies include Home Gardens Sanitary District, Jurupa Community Services District, City of Norco, and Western Municipal Water District of Riverside County. To become a voting member of WRCRWA, the City was required to pay \$4.0 million as buy-in which represented membership and the WRCRWA's construction loan reserve requirement. In addition, the City was committed to the WRCRWA

**CITY OF CORONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**Note 16: Commitments and Contingencies (Continued)**

Treatment Plant Expansion project, which required the City to share the cost of the expansion with two other expanding member agencies. The estimated cost for the WRCRWA expansion project was approximately \$72.6 million; Corona's share is 39.5%. Construction began during Fiscal Year 2014-15 and the project is expected to be completed in August 2017.

As of June 30, 2015, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of City.

**Note 17: Joint Venture**

In July 2012, the City entered into an agreement with the Western Riverside County Regional Wastewater Authority (WRCRWA) and became a voting member of WRCRWA. WRCRWA was formed in 1992 pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies, for the purpose of constructing, maintaining, operating, and managing facilities for the collection, transmission, treatment and disposal of wastewater, the reclamation of wastewater, and the use of reclaimed wastewater for any beneficial purpose.

WRCRWA is composed of five member agencies: City of Corona, Jurupa Community Services District, Western Municipal Water District, Home Gardens Sanitary District, and the City of Norco. The member agencies support the operating costs and capital costs through fixed and variable rates established by WRCRWA's Board of Directors. The governing body of WRCRWA is a Board of Directors, which consists of ten individuals, two appointed by each member.

WRCRWA owns and operates an 8.0 Million Gallons per Day (MGD) tertiary wastewater treatment plant and will soon be expanded to 14.0 MGD. The plant's existing and proposed capacity owned by its member agencies are shown as follows:

Member Agencies	Current MGD	Proposed MGD
City of Corona	-	2.37
Jurupa Community Services District	3.25	6.00
City of Norco	2.20	2.70
Western Municipal Water District	1.93	1.93
Home Gardens Sanitary District	0.62	1.00
<b>Total</b>	<b>8.00</b>	<b>14.00</b>

The City's investment in WRCRWA for the fiscal year ended June 30, 2015 was \$4,000,000. At June 30, 2015, WRCRWA reported total asset of \$60,262,509 and total liabilities of \$11,197,869, with net position of \$49,064,640. Current year revenues exceed expenses by \$354,464. Audited financial information for WRCRWA can be obtained at Western Riverside County Regional Wastewater Authority, 450 Alessandro Boulevard, Riverside, CA 92517.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 18: Restatements****a. Restatement on Government-Wide Statements**

Restatements to net position made on the government-wide statements for Fiscal Year 2014-15 are summarized below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning Net Position, as reported	\$ 897,600,470	\$ 202,803,803
Restatements	<u>(195,629,166)</u>	<u>(14,956,619)</u>
Beginning Net Position, as restated	<u>\$ 701,971,304</u>	<u>\$ 187,847,184</u>

Restatement to Governmental Activities

- a) The City adjusted \$(64,625) of its beginning net position of governmental activities as a result of revenues over accrued in the previous fiscal year.
- b) Prior year construction costs paid for using grant funding that needed to be paid with City matching funds, resulted in the adjustment of \$(23,571) to the beginning net position of governmental activities.
- c) As discussed in Note 6, governmental activity capital assets were restated by \$(626,971), due to the recognition of construction in progress that should have been expensed as repairs in prior years.
- d) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position of governmental activities on the Statement of Activities has been restated by \$(190,216,006).
- e) The Pension Related side fund outstanding balance of \$2,944,517 was written off and included as part of the Net Pension Liability balance due to the implementation of GASB Statement No. 68.
- f) The City adjusted \$(7,642,510) beginning net position relating to long-term receivables recorded in the Low Mod Income Housing Asset Fund. The City set up a reserve for uncollectible accounts for the balances during the current year, since the amount was previously recognized as revenue in the government-wide statement, a restatement was made in Fiscal Year 2014-15.

Restatement to Business-Type Activities

- a) During the current year, the City adjusted \$(279,294) of its beginning net position of business-type activities relating to electric billing credits which applied to previous fiscal years.
- b) Beginning balance of capital assets was restated by \$(15,000) in business-type activities. This was due to the reclassification of costs reported as construction in progress that were for repairs and maintenance and therefore should have been expensed.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 18: Restatements (Continued)**

- c) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position of business-type activities on the Statement of Activities has been restated by \$(14,662,325).

**b. Restatement on Fund Statements**

Governmental Funds

Restatements to fund balance on the governmental fund financial statements for Fiscal Year 2014-15, are summarized as follows:

	Governmental Funds			
	General Fund	Development	Low Mod Income Housing Asset	Other Governmental Funds
Beginning Fund Balance, as previously reported	\$ 91,838,408	\$ 1,934,349	\$ 6,549,108	\$ 38,187,268
Restatements	(64,625)	7,389	13,248,016	2,298,644
Beginning Fund Balance, as restated	<u>\$ 91,773,783</u>	<u>\$ 1,941,738</u>	<u>\$ 19,797,124</u>	<u>\$ 40,485,912</u>

General Fund

- a) The City adjusted \$(64,625) of its beginning balance of fund balance in the general fund as a result of revenues over accrued in the previous fiscal year.

Development Fund

- a) Prior year construction costs paid for using grant funding that needed to be paid with City matching funds, resulted in the adjustment of \$(23,571) to the beginning fund balance of the Development Fund.
- b) The City adjusted \$30,960 in unavailable revenue relating to loans receivables, that per GASB 65, should be included as a component of fund balance, and classified as non-spendable. This adjustment had the effect of increasing fund balance accordingly.

Low Mod Income Housing Asset Fund

- a) The City adjusted \$13,248,016 in unavailable revenue relating to loans receivables and long-term receivables, that per GASB 65, should be included as a component of fund balance, and classified as non-spendable. This adjustment had the effect of increasing fund balance accordingly.

Other Governmental Funds

- a) The City adjusted unavailable revenue relating to loans receivables and long-term receivables in various other governmental funds, that per GASB 65, should be included as a component of fund balance, and classified as non-spendable. This adjustment had the effect of increasing fund balance in each respective fund accordingly.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

**Note 18: Restatements (Continued)**

Proprietary Funds

Restatements to net position on the proprietary fund financial statements for Fiscal Year 2014-15, are summarized as follows:

	Proprietary Funds				
	Water	Water Reclamation	Electric	Other Enterprise Funds	Internal Service Funds
Beginning Net Position, as previously reported	\$ 110,333,232	\$ 70,470,813	\$ 12,822,971	\$ 9,176,787	\$ 15,646,492
Restatements	(7,597,381)	(4,738,472)	(2,233,171)	(387,595)	(852,449)
Beginning Net Position, as restated	<u>\$ 102,735,851</u>	<u>\$ 65,732,341</u>	<u>\$ 10,589,800</u>	<u>\$ 8,789,192</u>	<u>\$ 14,794,043</u>

Water Fund

Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position of the Water Fund has been restated by \$(7,597,381).

Water Reclamation Fund

- a) Beginning balance of capital assets was restated by \$(15,000) in the Water Reclamation Fund. This was due to the reclassification of costs reported as construction in progress that were for repairs and maintenance and therefore should have been expensed.
- b) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position of the Water Reclamation Fund has been restated by \$(4,723,472).

Electric Fund

- a) During the current year, the City adjusted \$(279,294) of its beginning net position of the Electric Fund relating to electric billing credits which applied to previous fiscal years.
- b) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position of the Electric Fund has been restated by \$(1,953,877).

Other Enterprise Funds

- a) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position was adjusted in various nonmajor enterprise funds by \$(387,595).

Internal Service Funds

- a) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position was adjusted in various internal service funds by \$(852,449).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 19: Extraordinary Item – Corona Redevelopment Agency Dissolution**

In prior years, the City incorrectly transferred capital assets to the Successor Agency. During the current fiscal year, the capital assets were transferred back to the City and recognized the transfer as an extraordinary gain in the amount of \$5,054,583. The transfer relates to land, land improvements, and machinery and equipment in the amount of \$3,554,583, and \$1,500,000 relating to land held for resale. The land held for resale transfer was made to the City and capitalized under the buildings and structures classification.

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency**

The Successor Agency Trust for the former Corona Redevelopment Agency (Successor Agency) was established on February 1, 2012 in accordance to the Assembly Bill X1 26 that provides for the dissolution of all redevelopment agencies in the State of California. The establishment of the Successor Agency was approved by the City Council on January 11, 2012 through City Resolution No. 2012-004.

Effective February 1, 2012, successor agencies in the State will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated. The activities of the Successor Agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**a. Cash and Investment**

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

	<u>Amount</u>
Cash and Investments Pooled with the City	\$ 7,303,549
Cash and Investments with Fiscal Agent	<u>4,960,934</u>
<b>Total Cash and Investments</b>	<b><u>\$ 12,264,483</u></b>

The Successor Agency adopted all applicable City's rules, regulations, policies and guidelines by a resolution approved by the City Council on March 21, 2012. These rules, regulations, policies and guidelines were later approved by the Oversight Board. The City manages the Successor Agency's cash and investment in a consistent manner as the rest of its cash and investment pool. Refer to Note 2 for additional information regarding the type of investments and risks.



CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

**b. Capital Assets**

Capital assets of the Successor Agency June 30, 2015 are presented below:

	Balance at June 30, 2014	Transfer to City	Increases	Decreases	Balance at June 30, 2015
<b>Fiduciary Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 1,275,529	\$ (744,007)	\$ -	\$ -	\$ 531,522
Total Capital Assets not Being Depreciated	1,275,529	(744,007)	-	-	531,522
Capital assets being depreciated:					
Land Improvements	5,751,555	(5,751,555)	-	-	-
Machinery and Equipment	12,574	(12,574)	-	-	-
Total Capital Assets Being Depreciated	5,764,129	(5,764,129)	-	-	-
Less accumulated depreciation for:					
Buildings and improvements	(2,940,979)	2,940,979	-	-	-
Machinery and Equipment	(12,574)	12,574	-	-	-
Total Accumulated Depreciation	(2,953,553)	2,953,553	-	-	-
Net Capital Assets Being Depreciated	2,810,576	(2,810,576)	-	-	-
<b>Fiduciary Capital Assets, Net of Depreciation</b>	<b>\$ 4,086,105</b>	<b>\$ (3,554,583)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 531,522</b>

**c. Due to Other Governmental Agencies**

As of June 30, 2015, the Successor Agency reported due to other governmental agencies in the amount of \$12,363,409:

<u>Due to Other Governmental Agencies</u>	<u>Balance</u>
SERAF loan due to Corona Housing Authority	\$ 4,784,653
Former Redevelopment Agency/City Loan due to City	7,578,757
<b>Total Due to Other Governmental Agencies</b>	<b>\$ 12,363,410</b>

Supplemental Educational Revenue Augmentation Fund (SERAF) loan that was made in Fiscal Year 2009-10 to fund for the State's Proposition 98 obligations to schools. With the dissolution of redevelopment agencies on February 1, 2012, the City through Resolution No. 2012-005, elected not to retain the housing assets and functions previously performed by the former Corona Redevelopment Agency, and transferred all rights, assets, liabilities, duties and obligations associated with the housing activities to the Corona Housing Authority (CHA), a component unit of the City of Corona. California State Department of Finance (DOF) allowed the SERAF loan to be transferred to CHA, the Housing Successor, and be placed on the Recognized Obligation Payments Schedule (ROPS) for repayment in Fiscal Year 2014-15. The SERAF loan carried a balance of \$4,784,653 as of June 30, 2015.

CITY OF CORONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

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

The following is a summary of loans due to the City as of June 30, 2015:

<u>Amount Due to the City of Corona</u>	<u>Balance</u>
Main Street South Project Area 1994 Loan	\$ 66,991
Main Street South Project Area 2001 Loan	224,020
Temescal Canyo Project Area 2005 Loan	326,650
Temescal Canyo Project Area 2006 Loan	150,360
Main Street South Project Area 2007 Loan	328,112
Merged Project Area 2010 Loan	4,020,841
Temescal Canyon Project Area 2010 Loan	331,507
Corona Revitalization Zone 2011 Loan	2,130,276
<b>Total Amount Due to the City of Corona</b>	<b>\$ 7,578,757</b>

**d. Long-Term Obligations**

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

	<u>Restated Balance June 30, 2014</u>	<u>Incurred or Issued</u>	<u>Satisfied or Matured</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More than One Year</u>
1996 Project Area "A" Housing Set-Aside Tax Allocation Bonds	\$ 4,390,000	\$ -	\$ 4,390,000	\$ -	\$ -	\$ -
2004 Project Area "A" Tax Allocation and Refunding Bonds	22,760,000	-	22,760,000	-	-	-
2007 Temescal Canyon Project Area Tax Allocation Bonds	18,490,000	-	730,000	17,760,000	760,000	17,000,000
2007 Merged and Amended Project Area "A" Tax Allocation Bonds	25,855,000	-	460,000	25,395,000	485,000	24,910,000
Subordinate Tax Allocation Refunding Bonds, Series 2015A	-	16,895,000	-	16,895,000	-	16,895,000
Subordinate Taxable Tax Allocation Refunding Bonds, Series 2015A-T	-	3,140,000	-	3,140,000	-	3,140,000
Long-Term Agreement Payable	730,000	-	165,000	565,000	175,000	390,000
	<u>\$ 72,225,000</u>	<u>\$ 20,035,000</u>	<u>\$ 28,505,000</u>		<u>\$ 1,420,000</u>	<u>\$ 62,335,000</u>
				Unamortized Bond Premium	2,170,330	
				Unamortized Bond (Discount)	(8,354)	
				<b>Total</b>	<u>\$ 65,916,976</u>	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

Tax Allocation Bonds

The tax allocation bonds were special obligations of the former Corona Redevelopment Agency and were payable from specific pledged revenues. The City was not obligated for repayment of these debts, and therefore they were not reported as debt of the City.

<u>Issuance</u>	<u>Balance</u>
\$ 22,155,000 Redevelopment Agency, 2007 Temescal Canyon Project Area Tax Allocation Bonds	\$ 17,760,000
\$ 29,550,000 Redevelopment Agency, 2007 Project Area "A" Taxable Tax Allocation Bonds	25,395,000
\$ 16,895,000 Subordinate Tax Allocation Refunding Bonds Series 2015A	16,895,000
\$ 3,140,000 Subordinate Taxable Tax Allocation Refunding Bonds Series 2015A-T	3,140,000
<b>Total Redevelopment Tax Allocation Bonds</b>	<b>\$ 63,190,000</b>

1996 Project Area "A" Set-Aside Tax Allocation Bonds

On October 15, 1996, the former Redevelopment Agency of the City of Corona 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 (CPFA) 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 CPFA were resold concurrently to the underwriter. The outstanding bonds bore interest from 5.40% to 5.63% and were due in annual installments ranging from \$365,000 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.

This bond was refunded during the 2014-15 fiscal year with proceeds from the Subordinate Tax Allocation Refunding Bonds, Series 2015A, and the Subordinate Taxable Tax Allocation Refunding Bonds, Series 2015A-T. As a result of this refunding, the City experienced a net present value of savings in the amount of \$249,473.

2004 Project Area "A" Tax Allocation and Refunding Bonds

The \$36,910,000 of Redevelopment Project Area "A" 2004 Tax Allocation and Refunding Bonds were issued to refund the former Redevelopment Agency's 1994 Tax Allocation Refunding Bonds, which were issued to refinance the cost of public capital improvements benefitting the Agency's Merged Project Area "A". The bond issue reduced debt service payments for the former Redevelopment Agency by \$7,015,420 with an economic gain of \$3,226,023 or 8.233% as a percent of refunded bonds. The bonds bore interest from 4.50% to 5.35% and were due in annual installments ranging from \$1,785,000 to \$2,795,000.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

This bond was refunded during the 2014-15 fiscal year with proceeds from the Subordinate Tax Allocation Refunding Bonds, Series 2015A, and the Subordinate Taxable Tax Allocation Refunding Bonds, Series 2015A-T. As a result of this refunding, the City experienced a net present value of savings in the amount of \$2,149,757.

2007 Temescal Canyon Project Area Tax Allocation Bonds

The \$22,155,000 of Temescal Canyon Project Area 2007 Tax Allocation Bonds were issued to facilitate the transformation of a former mining facility and blighted area into developed backbone infrastructure improvements within the project area. The bonds bore interest from 4.00% to 4.50% and were due in annual installments ranging from \$700,000 to \$825,000, with term bonds of \$1,475,000 due November 1, 2022, \$1,515,000 due November 1, 2024, \$1,650,000 due November 1, 2026, \$2,760,000 due November 1, 2029 and \$3,155,000 due November 1, 2032. The escrow term bonds in the amount of \$3,465,000 bore interest at 4.50% and will be due November 1, 2032. The annual debt service requirements for the 2007 Temescal Canyon Tax Allocation Bonds are presented below:

<b>2007 Temescal Canyon Tax Allocation Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 760,000	\$ 763,146	\$ 1,523,146
2017	795,000	731,484	1,526,484
2018	825,000	698,056	1,523,056
2019	855,000	662,673	1,517,673
2020	860,000	626,093	1,486,093
2021-2025	4,485,000	2,554,478	7,039,478
2026-2030	5,350,000	1,482,913	6,832,913
2031-2033	3,830,000	263,700	4,093,700
<b>Totals</b>	<b>\$ 17,760,000</b>	<b>\$ 7,782,543</b>	<b>\$ 25,542,543</b>

2007 Project Area "A" Taxable Tax Allocation Bonds

The \$29,550,000 of Project Area "A" 2007 Taxable Tax Allocation Bonds were issued on a parity basis with the 2004 Tax Allocation Bonds to further facilitate the rehabilitation of a retail center and the development of mixed used commercial, hotel, office, and light industrial projects within the Merged Downtown project area. The bonds bore interest from 4.84% to 6.25% and were due in annual installments ranging from \$450,000 to \$1,140,000, with term bonds of \$23,850,000 due September 1, 2027. The annual debt service requirements for the 2007 Project Area "A" Tax Allocation Bonds are presented on the next page:

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

<b>2007 Project Area "A" Tax Allocation Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 485,000	\$ 1,563,629	\$ 2,048,629
2017	515,000	1,536,267	2,051,267
2018	545,000	1,506,814	2,051,814
2019	575,000	1,473,599	2,048,599
2020	605,000	1,436,700	2,041,700
2021-2025	6,605,000	6,452,095	13,057,095
2026-2028	16,065,000	1,652,463	17,717,463
<b>Totals</b>	<b>\$ 25,395,000</b>	<b>\$ 15,621,567</b>	<b>\$ 41,016,567</b>

**2015 Tax Allocation Refunding Bonds Series A**

The \$16,895,000 of the Subordinate Tax Allocation Refunding Bonds Series A were issued to refund a portion of the 1996 Set-Aside Tax Allocation Bonds and 2004 Project Area "A" Tax Allocation Bonds. The bonds bore interest from 3.00% to 5.00% and were due in annual installments ranging from \$1,635,000 to \$2,800,000, with term bonds of \$2,445,000 due September 1, 2023. The annual debt service requirements for the 2015 Tax Allocation Refunding Bonds Series A are presented below:

<b>2015 Tax Allocation Refunding Bonds Series A</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ -	\$ 708,944	\$ 708,944
2017	1,635,000	761,850	2,396,850
2018	2,460,000	737,325	3,197,325
2019	2,560,000	663,600	3,223,600
2020	2,665,000	563,200	3,228,200
2021-2024	7,575,000	995,750	8,570,750
<b>Totals</b>	<b>\$ 16,895,000</b>	<b>\$ 4,430,669</b>	<b>\$ 21,325,669</b>

**2015 Taxable Tax Allocation Refunding Bonds Series A-T**

The \$3,140,000 of the Subordinate Taxable Tax Allocation Refunding Bonds Series A-T were issued to refund a portion of the 1996 Set-Aside Tax Allocation Bonds and 2004 Project Area "A" Tax Allocation Bonds. The bonds bore interest from 1.00% to 1.50% and were due in annual installments ranging from \$765,000 to \$2,375,000, with term bonds of \$765,000 due September 1, 2017. The annual debt service requirements for the 2015 Taxable Tax Allocation Refunding Bonds Series A-T are presented below:

<b>2015 Taxable Tax Allocation Refunding Bonds Series A-T</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ -	\$ 32,779	\$ 32,779
2017	2,375,000	23,350	2,398,350
2018	765,000	5,738	770,738
<b>Totals</b>	<b>\$ 3,140,000</b>	<b>\$ 61,867</b>	<b>\$ 3,201,867</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

---

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

Pledged Revenue for Tax Allocation Bonds

Due to the dissolution of the former Corona Redevelopment Agency, the tax increment funds that were pledged to the bondholders were no longer received in full by the Agency. AB X1 26 restructured the former redevelopment agencies' revenue from tax increment to Redevelopment Property Tax Trust Fund (RPTTF). RPTTF funds are distributed semi-annually to the Successor Agency to pay enforceable obligations approved by the California State Department of Finance on the Recognized Obligations Payment Schedule (ROPS). The total principal and interest remaining on the Successor Agency tax allocation bonds were \$91,086,646 with annual debt service requirements as listed above. For the current year, the total RPTTF funds available to the Successor Agency for the payment of these indebtedness was \$25,846,421 and the debt service obligation on the bonds was \$7,296,507.

Long-term Agreement Payable

The former Redevelopment Agency of the City of Corona entered into an agreement with the County of Riverside Housing Authority on January 1, 1998, in which, the City of Corona has agreed to provide an annual pledge of \$218,000 from April 15, 1998, through April 15, 2018, relating to the \$2,405,000 Housing Authority of the County of Riverside Refunding Revenue Bonds, 1998 Series A (Corona Projects). At June 30, 2015, the outstanding balance was \$565,000.

**e. Asset Transfer Review**

The California State Department of Finance (DOF) conducted an asset transfer review of the Corona Successor Agency in August 2013. The review covered assets transferred from the former Redevelopment Agency to the City during the period between January 1, 2011 and January 31, 2012.

Unallowable transfers totaled \$74,631,894 were identified in the draft report issued to the Agency on January 23, 2014. Among the total amount, \$5,377,337 represented the repayment of loans between the City and the former Corona Redevelopment Agency. Cash transfer was reversed in Fiscal Year 2011-12. In Fiscal Year 2012-13, \$8,033,621 was transferred back from the CHA to the Successor Agency. In August 2013, land held for resale in the amount of \$56,854,230 was transferred from the CHA back to the Successor Agency. Finally, assets in the amount of \$4,366,706 that was transferred to the CHA were affirmed by the Oversight Board in two actions in April and May 2012.

In June 2015, the Successor Agency received the final asset transfer review report. No additional actions were required as a result of the issuance of this report.

**f. Long-Range Property Management Plan**

Pursuant to Health and Safety Code (HSC) Section 34191.5(b), the Successor Agency submitted a Long-Range Property Management Plan (LRPMP) to the DOF during the current fiscal year. The LRPMP was approved by the DOF on July 10, 2014. In accordance with HSC Section 34191.4, a Community Redevelopment Property Trust Fund (CRPTF) was set up by the Agency on August 1, 2014, all real properties and interests in real properties in the LRPMP were transferred to the CRPTF.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

---

**Note 20: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)**

**g. Commitments and Contingencies**

The Successor Agency is covered under the City of Corona's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 15.

At June 30, 2015, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

**h. Restatements**

Restatements to net position on the fiduciary fund financial statements for Fiscal Year 2014-15, are summarized as follows:

	<b>Successor Agency Trust Fund</b>
Beginning Net Position, as previously reported	\$ (7,472,788)
Restatements	(1,394,300)
Beginning Net Position, as restated	<u>\$ (8,867,088)</u>

- a) The Successor Agency Trust Fund has adjusted beginning net position by \$(730,000) relating to a long-term agreement payment with the County of Riverside Housing Authority that began in 1998, in which, the City of Corona has agreed to provide an annual pledge of \$218,000 through 2018.
- b) Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, beginning net position of the Successor Agency Trust Fund has been restated by \$(664,300).

**i. Extraordinary Item**

In prior years, the City incorrectly transferred capital assets to the Successor Agency. During the current fiscal year, the capital assets were transferred back to the City and the Successor Agency recognized the transfer as an extraordinary loss in the amount of \$5,054,583. The transfer relates to land, land improvements, and machinery and equipment in the amount of \$3,554,583, and \$1,500,000 relating to land held for resale.

**Note 21: Subsequent Events**

On October 15, 2015, a function specific layoff and reorganization occurred in the Administrative Services Department. This was focused primarily in the Finance Division, with some reorganization in other departments as well. As a result of this action, seven full-time positions were eliminated, along with the reorganization. The reorganization was the result of an on-going function specific evaluation of processes, in an attempt to allow the City to more efficiently and effectively enhance the quality of life for its residents.

## ***Required Supplementary Information***

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

- Budgetary Information
- Modified Approach for City Streets Infrastructure Capital Assets
- Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan
- Schedule of Plan Contributions – Miscellaneous Plan
- Schedule of Changes in Net Pension Liability and Related Ratios – Safety Police Plan
- Schedule of Plan Contributions – Safety Police Plan
- Schedule of Proportionate Share of the Net Pension Liability – Safety Fire Plan
- Schedule of Plan Contributions – Safety Fire Plan
- Other Post-Employment Benefits (OPEB) Plan Funding Progress





## 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.

An annual budget serves a fiscal period 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 annual 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 and known as *recurring costs*. Capital improvement projects are asset acquisitions, facilities, systems, and infrastructure improvements typically over \$50,000, and/or 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 funds most of the City services that are not required to be segregated. Corona follows the General Fund Expenditure Control Budget (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 a 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.
4. All appropriations are as originally adopted or as amended by the City Council and all unencumbered budgeted amounts lapse at year-end.

**CITY OF CORONA**

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2015**

---

5. Continuing appropriations are re-budgeted by the City Council as part of the adoption of subsequent year's budget
6. Legally adopted budget appropriations are set for the General Fund, special revenue, debt service and capital projects funds.
7. The legal level of budgetary control is at the department level. A Department Director may transfer appropriations within the department. Expenditures may exceed appropriations at this level in the General Fund to the extent provided for in the annual budget resolution adopted by the City Council. The City Council, by the affirmative vote of three members, may amend the budget to add or delete appropriations, transfer between appropriations within a fund or change appropriation transfers between funds.
8. Budgets for General Fund, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles.

As of June 30, 2015, total ECB savings including prior years' carryover was \$1,705,102. This amount was included in the committed fund balance in the General Fund. A list of ECB savings by department is presented below:

<u>Department</u>	<u>Total ECB Savings</u>
City Council	\$ 3,575
Management Services	25,251
Human Resources	33,327
Information Technology	296,614
Finance	67,540
Community Development	152,878
Police	1,002,315
Public Works	73,630
Library and Recreation Services	49,972
<b>Total</b>	<b><u>\$ 1,705,102</u></b>

The adopted budget for Fiscal Year 2014-15 was the twenty-first 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.

Major discrepancies between original budget and final budget are explained as follows:

**General Fund**

Starting from the original budget and adding the prior year continuing appropriations of \$5.9 million for capital projects and grants, and another \$4.2 million in committed purchase orders that were carried forward, there was a net budgetary increase of \$6.8 million in the General Fund. The changes to the final budget include \$4.9 million of various projects approved by City Council subsequent to the adoption of the budget, such as the renovations to the new Community Center and the new Animal Control Facility. An additional \$1.5 million was added to Community Development and Fire Department's operating budgets based on additional development related revenue received and Fire Department's reimbursement for services performed outside of the City.

**CITY OF CORONA**

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2015**

---

**Development Special Revenue Fund**

Continuing appropriations of \$9.4 million and \$1.2 million in committed purchase orders were carried forward from the prior fiscal year. In addition, a net budgetary increase of \$1.7 million was approved by City Council for various capital projects to arrive at the final budget amount of \$14.1 million for the Development special revenue fund.

Major discrepancies between final budget and actual expenditures are explained as follows:

**General Fund**

For Fiscal Year 2014-15, total revenues for the General Fund enjoyed a favorable variance of \$10.5 million comparing to the final budget. Other revenues had a favorable variance of \$3.8 million, related to lease payments, the sale of real estate and additional revenues received from developers for public improvements. The current services category also had a favorable variance of \$2.8 million as the result of the Fire Department's services outside of the City and higher than expected planning and development related fees, which includes related plan check and inspection fees. Revenue from licenses, fees and permits had an increase of \$1.5 million due to increased activity related to building permits. In the Payment in Lieu of Services category, revenue from the Cost Allocation Plan (CAP) charges decreased by \$0.8 million due to lower than anticipated internal activity level.

Actual expenditures had a favorable variance of \$14.1 million, largely due to the \$7.6 million in unspent capital outlay budget that will be carried over to the next fiscal year. Savings in other functional categories contributed to the other \$6.5 million favorable variance.

**Development Special Revenue Funds**

Actual revenue received for the fiscal year ended June 30, 2015 encountered a favorable variance of \$5.2 million comparing to the final budgeted amount, primarily due to increased development related activity and the start of the projects that were delayed in the previous year.

Total expenditures ended with a favorable budgetary variance of \$11.2 million, due to the capital outlay funds from projects not completed within the current fiscal year. These amounts will be carried over to the next fiscal year.

## CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2015BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 91,773,783	\$ 91,773,783	\$ 91,773,783	\$ -
<b>Resources (Inflows):</b>				
Property taxes	37,978,194	37,978,194	38,896,950	918,756
Other taxes	45,243,600	45,243,600	46,164,552	920,952
Licenses, fees and permits	1,234,010	1,234,010	2,738,242	1,504,232
Intergovernmental	553,349	553,349	1,348,202	794,853
Current services	14,081,104	14,081,104	17,035,922	2,954,818
Investment earnings	1,085,049	1,085,049	1,433,057	348,008
Fines and penalties	788,900	788,900	998,784	209,884
Payments in lieu of services	12,499,681	12,499,681	11,837,074	(662,607)
Other revenues	10,313,527	10,313,527	13,808,683	3,495,156
Transfers in	1,718,814	1,718,814	2,315,815	597,001
<b>Amounts Available for Appropriations</b>	<b>217,270,011</b>	<b>217,270,011</b>	<b>228,351,064</b>	<b>11,081,053</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	25,886,790	25,144,341	21,729,455	3,414,886
Public Safety - Fire	23,613,196	24,806,622	24,874,349	(67,727)
Public Safety - Police	41,402,903	42,191,473	41,050,157	1,141,316
Public Works & Maintenance Services	17,301,180	18,405,884	17,860,508	545,376
Library and Recreation Services	4,488,988	4,632,626	4,625,280	7,346
Community Development	3,083,388	3,526,815	3,526,813	2
Economic Development	4,449,546	4,489,193	3,107,755	1,381,438
Capital outlay	1,813,170	15,817,617	8,170,123	7,647,494
Debt service:				
Principal retirement	4,528,007	4,528,007	2,532,900	1,995,107
Interest and fiscal charges	-	-	1,982,590	(1,982,590)
<b>Total Charges to Appropriations</b>	<b>126,567,168</b>	<b>143,542,578</b>	<b>129,459,930</b>	<b>14,082,648</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 90,702,843</b>	<b>\$ 73,727,433</b>	<b>\$ 98,891,134</b>	<b>\$ 25,163,701</b>

## CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2015BUDGETARY COMPARISON SCHEDULE - DEVELOPMENT SPECIAL REVENUE FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 1,941,738	\$ 1,941,738	\$ 1,941,738	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	1,485,850	1,485,850	6,097,173	4,611,323
Investment earnings	183,210	183,210	191,446	8,236
Payments in lieu of services	170,880	170,880	801,600	630,720
Other revenues	-	-	3,539	3,539
<b>Amounts Available for Appropriations</b>	<b>3,781,678</b>	<b>3,781,678</b>	<b>9,035,496</b>	<b>5,253,818</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety - Fire	365	365	365	-
Public works & maintenance services	75,547	75,547	75,547	-
Capital outlay	1,661,538	13,979,915	1,804,551	12,175,364
Debt service:				
Principal retirement	-	-	970,000	(970,000)
Interest and fiscal charges	-	310	25,208	(24,898)
Transfers out	7,150	7,150	220,740	(213,590)
<b>Total Charges to Appropriations</b>	<b>1,744,600</b>	<b>14,063,287</b>	<b>3,096,411</b>	<b>10,966,876</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,037,078</b>	<b>\$ (10,281,609)</b>	<b>\$ 5,939,085</b>	<b>\$ 16,220,694</b>

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**JUNE 30, 2015**

---

**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; water reclamation 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, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments and summary of results using a measurement scale; and (3) estimation of annual amount needed to maintain and preserve the assets at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City conducted a study to update the physical condition assessment of streets within three regions of the City from October 2014 to October 2015. The prior assessment was completed in October 2014. 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 three classifications: arterial/major, 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 condition and 100 is assigned to the physical characteristic of a new street. The following conditions were defined:

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

The City Policy is to achieve an average rating of 71 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 October 1, 2015, the City’s street system was rated at a PCI index of 72 on the average for the entire network. A breakdown by condition is as follows:

<u>Condition</u>	<u>% of Streets</u>
Good to Excellent	69%
Fair	21%
Poor	7%
Very Poor	3%

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**JUNE 30, 2015**

---

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

The City's streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interest trenching operations; and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to prevent deterioration through an on-going street rehabilitation program funded in the Capital Improvement Program. The program is formulated based on deficiencies identified as a part of the City's Pavement Management System (PMS). It includes short-term maintenance activities such as pothole patching, street sweeping, and crack sealing. The City expended \$5,094,898 on street maintenance for the fiscal year ended June 30, 2015. These expenditures delayed deterioration, and maintained the street condition from the previous assessment. The condition of the streets slightly decreased from the average rating of 73 in the prior year to 72 in the current year. The City has estimated that the amount of annual expenditures required to maintain the current average PCI rating of 72 through the year 2019 is a minimum of \$4,800,000. A schedule of the estimated annual amount required to maintain and preserve the City's streets at the current level compared to actual expenditures for street maintenance for the last five years is presented below:

<u>Fiscal Year</u>	<u>Maintenance Requirement</u>	<u>Actual Expenditures</u>	<u>PCI Rating</u>
2010-11	\$ 6,800,000	\$ 4,675,239	81
2011-12	8,600,000	4,711,673	74
2012-13	5,100,000	5,347,401	75
2013-14	5,100,000	4,588,777	73
2014-15	4,800,000	5,094,898	72

As of June 30, 2015, approximately 31% of the City's streets were rated below the average standard of 71. This represents no change from the 2014 assessment when the City had 31% of its streets rated below 71. In the most recent physical condition assessment of all City streets, it was estimated that in addition to the minimum annual maintenance requirement of \$4.8 million, the total deferred work to rehabilitate all roads amounted to \$55.5 million as of June 30, 2015.



REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

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

MEASUREMENT PERIOD	<u>2015</u>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 5,035,483
Interest	21,435,216
Benefit Payments, Including Refunds of employee Contributions	(13,231,513)
<b>Net Change in Total Pension Liability</b>	<u>13,239,186</u>
<b>Total Pension Liability - Beginning</b>	<u>289,900,911</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 303,140,097</u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contribution - Employer	\$ 7,913,193
Contribution - Employee	2,168,466
Net Investment Income	29,675,543
Benefit Payments, Including Refunds of Employee Contributions	(13,231,513)
<b>Net Change in Fiduciary Net Position</b>	<u>26,525,689</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>171,884,699</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 198,410,388</u>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<u>\$ 104,729,709</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>65.45%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 27,078,868</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>386.76%</b>

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

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: There were no changes in assumptions.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 8,612,427
Contribution in Relation to the Actuarially Determined Contribution	<u>(8,612,427)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll (3) (4)	\$ 25,422,638
Contributions as a Percentage of Covered-Employee Payroll (3)	33.88%

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

**Note to Schedule:**

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Assets valuation method	Actuarial value of assets
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

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

MEASUREMENT PERIOD	<u>2015</u>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 4,618,139
Interest	13,684,244
Benefit Payments, Including Refunds of employee Contributions	<u>(7,151,132)</u>
<b>Net Change in Total Pension Liability</b>	<b>11,151,251</b>
<b>Total Pension Liability - Beginning</b>	<b>183,723,079</b>
<b>Total Pension Liability - Ending (a)</b>	<b><u>\$ 194,874,330</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contribution - Employer	\$ 5,650,100
Contribution - Employee	1,462,671
Net Investment Income	19,983,092
Benefit Payments, Including Refunds of Employee Contributions	<u>(7,151,132)</u>
<b>Net Change in Fiduciary Net Position</b>	<b>19,944,731</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>114,905,084</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b><u>\$ 134,849,815</u></b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b><u>\$ 60,024,515</u></b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>69.20%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 15,386,513</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>390.11%</b>

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

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: There were no changes in assumptions.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 6,391,222
Contribution in Relation to the Actuarially Determined Contribution	<u>(6,391,222)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll (3) (4)	\$ 16,688,133
Contributions as a Percentage of Covered-Employee Payroll (3)	38.30%

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

**Note to Schedule:**

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Assets valuation method	Actuarial value of assets
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

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

	<u>2015</u>
Proportion of the Net Pension Liability	0.46039%
Proportionate Share of the Net Pension Liability	\$ 28,647,492
Covered-Employee Payroll	\$ 9,308,854
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	298.78%
Plan Fiduciary Net Position	\$ 106,234,188
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.83%

**Notes to Schedule:**

Benefit Changes: No changes in benefits.

Changes of Assumptions: No changes in benefits.

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

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 4,239,757
Contribution in Relation to the Actuarially Determined Contribution	<u>(4,239,757)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 9,624,801
Contributions as a Percentage of Covered-Employee Payroll	44.05%

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

**Note to Schedule:**

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	Market value
Actuarial Assumptions	
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of enrollment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

CITY OF CORONA

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 JUNE 30, 2015

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN FUNDING PROGRESS**

A schedule of funding progress including the past three actuarial valuations is presented below:

**Schedule of Funding Progress - Other Post-Employment Benefit Plan**

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded Actuarial Accrued Liability (UAAL) (A) - (B)	Funded Ratio (B) / (A)	Annual Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((A - B) / C)
07/01/11	\$ 96,530,244	\$ 16,182,147	\$ 80,348,097	16.8%	\$ 50,192,076	160.1%
07/01/13	96,174,626	20,412,616	75,762,010	21.2%	44,512,395	170.2%
07/01/15	126,756,944	26,019,812	100,737,132	20.5%	46,879,660	214.9%

The City implemented GASB 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, on July 1, 2011. The most recent actuarial valuation for the City's OPEB plan was obtained as of July 1, 2015 for the two years ending June 30, 2016 and 2017.

Please refer to Note 13 for information regarding actuarial assumptions and amortization methods.

## ***Supplementary Information***

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

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





## ***Combining Financial Statements***

### ***Nonmajor Governmental Funds***

#### **Special Revenue Funds**

***Gas Tax Fund*** – This fund is used to account for receipts and expenditures of money apportioned under Street and Highway Code Section 2105, 2106, 2107 and 2107.5 of the State of California.

***Measure A Fund*** – This fund is used to account for money generated by a half percent sales tax approved by the voters in 1989. This money is used to maintain and construct local streets and roads.

***Trip Reduction Fund*** – This fund is used to account for allocations made by AB2766 known as the Clean Air Act. The money is used to provide means and incentives for ridesharing in order to reduce traffic and air pollution.

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

***Special Tax District Fund*** – This fund is used to account for revenues derived from annual assessments which are used to pay the cost incurred by the City for landscape maintenance, street light maintenance, and the City's Business Improvement District.

***Other Grants and Endowments Fund*** – This fund is used to account for receipts and expenditures of money received from various governmental grants and various library endowments.

#### **Debt Service Funds**

***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.

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

### **Capital Project Funds**

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

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

***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.



CITY OF CORONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds			
	Gas Tax	Measure A	Trip Reduction	Asset Forfeiture
<b>Assets</b>				
Cash and Investments	\$ 4,809,183	\$ 11,478,387	\$ 514,561	\$ 266,561
Accounts Receivable	-	-	-	-
Interest Receivable	11,748	28,041	768	651
Due from Other Governmental Agencies	-	4,422,457	51,808	-
Long-term Receivables	-	-	-	-
Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Investments	-	205,398	-	-
<b>Total Assets</b>	<b>\$ 4,820,931</b>	<b>\$ 16,134,283</b>	<b>\$ 567,137</b>	<b>\$ 267,212</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 222,884	\$ 1,792,260	\$ 7	\$ 4,059
Deposits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	50,533
Interfund Advances Payable	-	-	-	-
Liabilities Payable from Restricted Assets	8,613	291,692	-	-
<b>Total Liabilities</b>	<b>231,497</b>	<b>2,083,952</b>	<b>7</b>	<b>54,592</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	4,589,434	14,050,331	567,130	212,620
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>4,589,434</b>	<b>14,050,331</b>	<b>567,130</b>	<b>212,620</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,820,931</b>	<b>\$ 16,134,283</b>	<b>\$ 567,137</b>	<b>\$ 267,212</b>

## CITY OF CORONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Special Tax Districts	Other Grants & Endowments	Public Facility Project	HUD Grants
<b>Assets</b>				
Cash and Investments	\$ 15,650,228	\$ 512,765	\$ -	\$ 574,861
Accounts Receivable	5,846	1,320	-	-
Interest Receivable	38,232	1,188	-	-
Due from Other Governmental Agencies	246,095	69,928	873,870	679,199
Long-term Receivables	-	-	-	-
Loans Receivable	-	-	-	2,113,644
Restricted Assets:				
Cash and Investments	349,927	-	-	-
<b>Total Assets</b>	<b>\$ 16,290,328</b>	<b>\$ 585,201</b>	<b>\$ 873,870</b>	<b>\$ 3,367,704</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 482,415	\$ 29,880	\$ 66,494	\$ 87,236
Deposits	2,600	-	-	-
Due to Other Funds	-	55,318	959,223	588,534
Unearned Revenue	-	152,334	22	173,738
Interfund Advances Payable	202,445	-	-	-
Liabilities Payable from Restricted Assets	-	-	-	-
<b>Total Liabilities</b>	<b>687,460</b>	<b>237,532</b>	<b>1,025,739</b>	<b>849,508</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	2,113,644
Restricted	15,602,868	347,669	-	404,552
Assigned	-	-	-	-
Unassigned	-	-	(151,869)	-
<b>Total Fund Balances</b>	<b>15,602,868</b>	<b>347,669</b>	<b>(151,869)</b>	<b>2,518,196</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,290,328</b>	<b>\$ 585,201</b>	<b>\$ 873,870</b>	<b>\$ 3,367,704</b>

CITY OF CORONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Capital Projects Funds		Debt Service Funds	
	Planned Local Drainage	Other Grants	Assessment Districts	Public Financing Authority
<b>Assets</b>				
Cash and Investments	\$ 78,812	\$ 9,882	\$ 221,789	\$ -
Accounts Receivable	61	-	-	-
Interest Receivable	-	23	542	-
Due from Other Governmental Agencies	75,715	16,421,315	265	-
Long-term Receivables	-	-	185,000	-
Loans Receivable	-	-	-	-
Restricted Assets:				
Cash and Investments	-	96,531	-	2,430,821
<b>Total Assets</b>	<b>\$ 154,588</b>	<b>\$ 16,527,751</b>	<b>\$ 407,596</b>	<b>\$ 2,430,821</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 34,594	\$ 2,300,139	\$ -	\$ -
Deposits	-	-	-	-
Due to Other Funds	-	14,103,013	-	-
Unearned Revenue	-	1,634	-	-
Interfund Advances Payable	-	-	-	-
Liabilities Payable from Restricted Assets	-	105,934	-	-
<b>Total Liabilities</b>	<b>34,594</b>	<b>16,510,720</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	185,000	-
Restricted	-	17,031	222,596	2,430,821
Assigned	119,994	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>119,994</b>	<b>17,031</b>	<b>407,596</b>	<b>2,430,821</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 154,588</b>	<b>\$ 16,527,751</b>	<b>\$ 407,596</b>	<b>\$ 2,430,821</b>

CITY OF CORONA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	<b>Total Other Governmental Funds</b>
<b>Assets</b>	
Cash and Investments	\$ 34,117,029
Accounts Receivable	7,227
Interest Receivable	81,193
Due from Other Governmental Agencies	22,840,652
Long-term Receivables	185,000
Loans Receivable	2,113,644
Restricted Assets:	
Cash and Investments	3,082,677
<b>Total Assets</b>	<b>\$ 62,427,422</b>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	\$ 5,019,968
Deposits	2,600
Due to Other Funds	15,706,088
Unearned Revenue	378,261
Interfund Advances Payable	202,445
Liabilities Payable from Restricted Assets	406,239
<b>Total Liabilities</b>	<b>21,715,601</b>
<b>Fund Balances</b>	
Nonspendable	2,298,644
Restricted	38,445,052
Assigned	119,994
Unassigned	(151,869)
<b>Total Fund Balances</b>	<b>40,711,821</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 62,427,422</b>



## CITY OF CORONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>Gas Tax</b>	<b>Measure A</b>	<b>Trip Reduction</b>	<b>Asset Forfeiture</b>
<b>Revenues</b>				
Licenses, Fees and Permits	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	43,103
Special Assessments	-	-	-	-
Investment Earnings	45,408	105,081	3,100	1,807
Intergovernmental Revenues	3,985,237	7,809,254	197,437	-
Current Services	-	-	-	-
Other Revenues	10,691	20,234	-	-
<b>Total Revenues</b>	<b>4,041,336</b>	<b>7,934,569</b>	<b>200,537</b>	<b>44,910</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Public Safety - Police	-	-	-	235,615
Public Works & Maintenance Services	1,129,173	167,141	87,518	-
Library and Recreation Services	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	1,578,248	7,937,991	57,812	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>2,707,421</b>	<b>8,105,132</b>	<b>145,330</b>	<b>235,615</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,333,915	(170,563)	55,207	(190,705)
<b>Other Financing Uses</b>				
Transfers Out	(1,236,239)	-	-	-
<b>Total Other Financing Uses</b>	<b>(1,236,239)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	97,676	(170,563)	55,207	(190,705)
Fund Balances, Beginning of Year, as Restated	4,491,758	14,220,894	511,923	403,325
<b>Fund Balances, End of Year</b>	<b>\$ 4,589,434</b>	<b>\$ 14,050,331</b>	<b>\$ 567,130</b>	<b>\$ 212,620</b>

## CITY OF CORONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Special Tax Districts	Other Grants & Endowments	Public Facility Project	HUD Grants
<b>Revenues</b>				
Licenses, Fees and Permits	\$ 1,955	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Special Assessments	9,359,064	-	-	-
Investment Earnings	134,922	5,064	-	-
Intergovernmental Revenues	-	489,113	663,675	1,250,024
Current Services	14,727	226,133	-	-
Other Revenues	60,678	453	-	79,759
<b>Total Revenues</b>	<b>9,571,346</b>	<b>720,763</b>	<b>663,675</b>	<b>1,329,783</b>
<b>Expenditures</b>				
Current:				
General Government	5,942	-	-	-
Public Safety - Police	-	681,110	-	-
Public Works & Maintenance Services	7,553,489	-	-	-
Library and Recreation Services	-	11,712	-	-
Community Development	-	-	-	201,730
Capital Outlay	260,814	80,000	1,516,080	1,128,059
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	10,419	-	-	-
<b>Total Expenditures</b>	<b>7,830,664</b>	<b>772,822</b>	<b>1,516,080</b>	<b>1,329,789</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	1,740,682	(52,059)	(852,405)	(6)
<b>Other Financing Uses</b>				
Transfers Out	-	-	(282,166)	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(282,166)</b>	<b>-</b>
Net Change in Fund Balances	1,740,682	(52,059)	(1,134,571)	(6)
Fund Balances, Beginning of Year, as Restated	13,862,186	399,728	982,702	2,518,202
<b>Fund Balances, End of Year</b>	<b>\$ 15,602,868</b>	<b>\$ 347,669</b>	<b>\$ (151,869)</b>	<b>\$ 2,518,196</b>

## CITY OF CORONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	Capital Projects Funds		Debt Service Funds	
	Planned Local Drainage	Other Grants	Assessment Districts	Public Financing Authority
<b>Revenues</b>				
Licenses, Fees and Permits	\$ 762,179	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Special Assessments	-	-	79,649	-
Investment Earnings	181	51	1,174	18,844
Intergovernmental Revenues	-	11,858,313	-	-
Current Services	202	-	-	-
Other Revenues	129,611	-	-	-
<b>Total Revenues</b>	<b>892,173</b>	<b>11,858,364</b>	<b>80,823</b>	<b>18,844</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	2
Public Safety - Police	-	-	-	-
Public Works & Maintenance Services	903,676	-	-	-
Library and Recreation Services	-	41,000	-	-
Community Development	-	-	-	-
Capital Outlay	-	11,808,738	-	-
Debt Service:				
Principal Retirement	-	-	170,000	-
Interest and Fiscal Charges	-	-	34,024	12,516
<b>Total Expenditures</b>	<b>903,676</b>	<b>11,849,738</b>	<b>204,024</b>	<b>12,518</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(11,503)	8,626	(123,201)	6,326
<b>Other Financing Uses</b>				
Transfers Out	-	-	-	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(11,503)	8,626	(123,201)	6,326
Fund Balances, Beginning of Year, as Restated	131,497	8,405	530,797	2,424,495
<b>Fund Balances, End of Year</b>	<b>\$ 119,994</b>	<b>\$ 17,031</b>	<b>\$ 407,596</b>	<b>\$ 2,430,821</b>

## CITY OF CORONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Total Other Governmental Funds</b>
<b>Revenues</b>	
Licenses, Fees and Permits	\$ 764,134
Fines and Penalties	43,103
Special Assessments	9,438,713
Investment Earnings	315,632
Intergovernmental Revenues	26,253,053
Current Services	241,062
Other Revenues	301,426
<b>Total Revenues</b>	<b>37,357,123</b>
<b>Expenditures</b>	
Current:	
General Government	5,944
Public Safety - Police	916,725
Public Works & Maintenance Services	9,840,997
Library and Recreation Services	52,712
Community Development	201,730
Capital Outlay	24,367,742
Debt Service:	
Principal Retirement	170,000
Interest and Fiscal Charges	56,959
<b>Total Expenditures</b>	<b>35,612,809</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	1,744,314
<b>Other Financing Uses</b>	
Transfers Out	(1,518,405)
<b>Total Other Financing Uses</b>	<b>(1,518,405)</b>
Net Change in Fund Balances	225,909
Fund Balances, Beginning of Year, as Restated	40,485,912
<b>Fund Balances, End of Year</b>	<b>\$ 40,711,821</b>



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

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

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

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 4,491,758	\$ 4,491,758	\$ 4,491,758	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,819,000	3,819,000	3,985,237	166,237
Investment earnings	45,595	45,595	45,408	(187)
Other revenues	40,000	40,000	10,691	(29,309)
<b>Amounts Available for Appropriations</b>	<b>8,396,353</b>	<b>8,396,353</b>	<b>8,533,094</b>	<b>136,741</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works & maintenance services	1,284,594	1,287,659	1,129,173	158,486
Capital outlay	1,506,484	4,875,973	1,578,248	3,297,725
Transfers out	1,134,994	1,174,801	1,236,239	(61,438)
<b>Total Charges to Appropriations</b>	<b>3,926,072</b>	<b>7,338,433</b>	<b>3,943,660</b>	<b>3,394,773</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,470,281</b>	<b>\$ 1,057,920</b>	<b>\$ 4,589,434</b>	<b>\$ 3,531,514</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE A  
JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 14,220,894	\$ 14,220,894	\$ 14,220,894	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,707,000	3,707,000	7,809,254	4,102,254
Investment earnings	140,502	140,502	105,081	(35,421)
Other revenues	-	-	20,234	20,234
<b>Amounts Available for Appropriations</b>	<b>18,068,396</b>	<b>18,068,396</b>	<b>22,155,463</b>	<b>4,087,067</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works & maintenance services	167,141	167,141	167,141	-
Capital outlay	3,854,984	42,756,556	7,937,991	34,818,565
Transfers out	-	3,549	-	3,549
<b>Total Charges to Appropriations</b>	<b>4,022,125</b>	<b>42,927,246</b>	<b>8,105,132</b>	<b>34,822,114</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 14,046,271</b>	<b>\$ (24,858,850)</b>	<b>\$ 14,050,331</b>	<b>\$ 38,909,181</b>



CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 TRIP REDUCTION  
 JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 511,923	\$ 511,923	\$ 511,923	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	200,000	200,000	197,437	(2,563)
Investment earnings	4,735	4,735	3,100	(1,635)
<b>Amounts Available for Appropriations</b>	<b>716,658</b>	<b>716,658</b>	<b>712,460</b>	<b>(4,198)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works & maintenance services	257,125	200,164	87,518	112,646
Capital outlay	-	57,812	57,812	-
<b>Total Charges to Appropriations</b>	<b>257,125</b>	<b>257,976</b>	<b>145,330</b>	<b>112,646</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 459,533</b>	<b>\$ 458,682</b>	<b>\$ 567,130</b>	<b>\$ 108,448</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
ASSET FORFEITURE  
JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 403,325	\$ 403,325	\$ 403,325	\$ -
<b>Resources (Inflows):</b>				
Investment earnings	6,820	6,820	1,807	(5,013)
Fines and penalties	-	-	43,103	43,103
<b>Amounts Available for Appropriations</b>	<b>410,145</b>	<b>410,145</b>	<b>448,235</b>	<b>38,090</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety - Police	249,646	249,646	235,615	14,031
<b>Total Charges to Appropriations</b>	<b>249,646</b>	<b>249,646</b>	<b>235,615</b>	<b>14,031</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 160,499</b>	<b>\$ 160,499</b>	<b>\$ 212,620</b>	<b>\$ 52,121</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL TAX DISTRICTS  
JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 13,862,186	\$ 13,862,186	\$ 13,862,186	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	-	-	1,955	1,955
Special assessments	9,224,263	9,224,263	9,359,064	134,801
Current services	7,000	7,000	14,727	7,727
Investment earnings	102,945	102,945	134,922	31,977
Other revenues	30,500	30,500	60,678	30,178
Transfers in	45,276	45,276	-	(45,276)
<b>Amounts Available for Appropriations</b>	<b>23,272,170</b>	<b>23,272,170</b>	<b>23,433,532</b>	<b>161,362</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	9,000	9,000	5,942	3,058
Public works & maintenance services	7,645,282	8,263,962	7,553,489	710,473
Capital outlay	1,486,210	5,760,036	260,814	5,499,222
Debt service:				
Interest and fiscal charges	12,257	12,257	10,419	1,838
<b>Total Charges to Appropriations</b>	<b>9,152,749</b>	<b>14,045,255</b>	<b>7,830,664</b>	<b>6,214,591</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 14,119,421</b>	<b>\$ 9,226,915</b>	<b>\$ 15,602,868</b>	<b>\$ 6,375,953</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
OTHER GRANTS & ENDOWMENTS  
JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 399,728	\$ 399,728	\$ 399,728	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	410,211	410,211	489,113	78,902
Current services	215,000	215,000	226,133	11,133
Investment earnings	7,128	7,128	5,064	(2,064)
Other revenues	-	-	453	453
<b>Amounts Available for Appropriations</b>	<b>1,032,067</b>	<b>1,032,067</b>	<b>1,120,491</b>	<b>88,424</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety - Police	815,512	1,311,019	681,110	629,909
Library and recreation services	-	21,616	11,712	9,904
Capital outlay	-	80,000	80,000	-
<b>Total Charges to Appropriations</b>	<b>815,512</b>	<b>1,412,635</b>	<b>772,822</b>	<b>639,813</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 216,555</b>	<b>\$ (380,568)</b>	<b>\$ 347,669</b>	<b>\$ 728,237</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
 LOW MOD INCOME HOUSING ASSET  
 YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 19,797,124	\$ 19,797,124	\$ 19,797,124	\$ -
<b>Resources (Inflows):</b>				
Investment earnings	-	-	48,422	48,422
Other revenues	425,000	425,000	1,187,113	762,113
Transfers in	523,629	523,629	-	(523,629)
<b>Amounts Available for Appropriations</b>	<b><u>20,745,753</u></b>	<b><u>20,745,753</u></b>	<b><u>21,032,659</u></b>	<b><u>286,906</u></b>
<b>Charges to Appropriation (Outflow):</b>				
Community Development	195,078	200,033	100,577	99,456
<b>Total Charges to Appropriations</b>	<b><u>195,078</u></b>	<b><u>200,033</u></b>	<b><u>100,577</u></b>	<b><u>99,456</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 20,550,675</u></b>	<b><u>\$ 20,545,720</u></b>	<b><u>\$ 20,932,082</u></b>	<b><u>\$ 386,362</u></b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 PUBLIC FACILITY PROJECT  
 YEAR ENDED JUNE 30, 2015

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 982,702	\$ 982,702	\$ 982,702	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,550,000	2,550,000	663,675	(1,886,325)
<b>Amounts Available for Appropriations</b>	<b>3,532,702</b>	<b>3,532,702</b>	<b>1,646,377</b>	<b>(1,886,325)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	66,550	16,019,878	1,516,080	14,503,798
Transfers out	-	-	282,166	(282,166)
<b>Total Charges to Appropriations</b>	<b>66,550</b>	<b>16,019,878</b>	<b>1,798,246</b>	<b>14,221,632</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,466,152</b>	<b>\$ (12,487,176)</b>	<b>\$ (151,869)</b>	<b>\$ 12,335,307</b>

CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 HUD GRANTS  
 YEAR ENDED JUNE 30, 2015

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 2,518,202	\$ 2,518,202	\$ 2,518,202	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,429,117	1,429,117	1,250,024	(179,093)
Other revenues	-	-	79,759	79,759
<b>Amounts Available for Appropriations</b>	<b><u>3,947,319</u></b>	<b><u>3,947,319</u></b>	<b><u>3,847,985</u></b>	<b><u>(99,334)</u></b>
<b>Charges to Appropriation (Outflow):</b>				
Community Development	270,421	249,379	201,730	47,649
Capital outlay	1,158,696	2,072,730	1,128,059	944,671
<b>Total Charges to Appropriations</b>	<b><u>1,429,117</u></b>	<b><u>2,322,109</u></b>	<b><u>1,329,789</u></b>	<b><u>992,320</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 2,518,202</u></b>	<b><u>\$ 1,625,210</u></b>	<b><u>\$ 2,518,196</u></b>	<b><u>\$ 892,986</u></b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
 PLANNED LOCAL DRAINAGE  
 YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 131,497	\$ 131,497	\$ 131,497	\$ -
<b>Resources (Inflows):</b>				
Licenses, fees and permits	640,000	640,000	762,179	122,179
Current services	-	-	202	202
Investment earnings	-	-	181	181
Other revenues	327,517	327,517	129,611	(197,906)
<b>Amounts Available for Appropriations</b>	<b>1,099,014</b>	<b>1,099,014</b>	<b>1,023,670</b>	<b>(75,344)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works & maintenance services	967,517	971,052	903,676	67,376
<b>Total Charges to Appropriations</b>	<b>967,517</b>	<b>971,052</b>	<b>903,676</b>	<b>67,376</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 131,497</b>	<b>\$ 127,962</b>	<b>\$ 119,994</b>	<b>\$ (7,968)</b>



CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE  
 OTHER GRANTS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,405	\$ 8,405	\$ 8,405	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	21,013,540	21,013,540	11,858,313	(9,155,227)
Investment earnings	116	116	51	(65)
Transfers in	-	43,355	-	(43,355)
<b>Amounts Available for Appropriations</b>	<b>21,022,061</b>	<b>21,065,416</b>	<b>11,866,769</b>	<b>(9,198,647)</b>
<b>Charges to Appropriation (Outflow):</b>				
Library and recreation services	-	41,071	41,000	71
Capital outlay	-	34,417,246	11,808,738	22,608,508
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>34,458,317</b>	<b>11,849,738</b>	<b>22,608,579</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 21,022,061</b>	<b>\$ (13,392,901)</b>	<b>\$ 17,031</b>	<b>\$ 13,409,932</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
ASSESSMENT DISTRICTS  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1, as restated	\$ 530,797	\$ 530,797	\$ 530,797	\$ -
<b>Resources (Inflows):</b>				
Special assessments	100,605	100,605	79,649	(20,956)
Investment earnings	1,780	1,780	1,174	(606)
<b>Amounts Available for Appropriations</b>	<b>633,182</b>	<b>633,182</b>	<b>611,620</b>	<b>(21,562)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	170,000	170,000	170,000	-
Interest and fiscal charges	37,600	37,600	34,024	3,576
<b>Total Charges to Appropriations</b>	<b>207,600</b>	<b>207,600</b>	<b>204,024</b>	<b>3,576</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 425,582</b>	<b>\$ 425,582</b>	<b>\$ 407,596</b>	<b>\$ (17,986)</b>

CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,424,495	\$ 2,424,495	\$ 2,424,495	\$ -
<b>Resources (Inflows):</b>				
Investment earnings	6,304	6,304	18,844	12,540
<b>Amounts Available for Appropriations</b>	<b>2,430,799</b>	<b>2,430,799</b>	<b>2,443,339</b>	<b>12,540</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	1	2	(1)
Debt service:				
Interest and fiscal charges	10,000	10,000	12,516	(2,516)
<b>Total Charges to Appropriations</b>	<b>10,000</b>	<b>10,001</b>	<b>12,518</b>	<b>(2,517)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,420,799</b>	<b>\$ 2,420,798</b>	<b>\$ 2,430,821</b>	<b>\$ 10,023</b>

## ***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 of the component unit.

***Transit Services Fund*** – This fund is used to account for the operations of the City's transportation system for a fixed route and demand response service (Corona Cruiser and Dial-A-Ride) which, along with farebox revenues, receives grants from the Transportation Development Act (TDA).

***Airport Fund*** – This fund is used to account for the operations of the City's municipal airport. The airport provides services to general aviation aircraft for recreation purposes only. It is a self-supporting activity base on rental charges and state grants.



## CITY OF CORONA

**COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Public Financing Authority</b>	<b>Transit Services</b>	<b>Airport</b>	<b>Totals</b>
<b>Assets</b>				
Current Assets				
Cash and Investments	\$ -	\$ 206,828	\$ 93,927	\$ 300,755
Accounts Receivable, Net	-	3,265	29,547	32,812
Interest Receivable	875	4,007	229	5,111
Due from Other Governmental Agencies	-	2,026,547	-	2,026,547
Restricted:				
Cash and Investments	6,195,940	1,810,786	-	8,006,726
<b>Total Current Assets</b>	<b>6,196,815</b>	<b>4,051,433</b>	<b>123,703</b>	<b>10,371,951</b>
Noncurrent Assets				
Capital Assets:				
Land and Construction in Progress	-	75,527	-	75,527
Other Capital Assets, Net of Depreciation	-	1,725,933	191,226	1,917,159
Total Capital Assets	-	1,801,460	191,226	1,992,686
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>1,801,460</b>	<b>191,226</b>	<b>1,992,686</b>
<b>Total Assets</b>	<b>6,196,815</b>	<b>5,852,893</b>	<b>314,929</b>	<b>12,364,637</b>
<b>Deferred Outflows of Resources</b>				
Deferred Pension Related Items	-	30,282	36	30,318
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>30,282</b>	<b>36</b>	<b>30,318</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,196,815</b>	<b>\$ 5,883,175</b>	<b>\$ 314,965</b>	<b>\$ 12,394,955</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position Liabilities</b>				
Current Liabilities				
Accounts Payable and Accrued Liabilities	\$ -	\$ 144,330	\$ 224	\$ 144,554
Unearned Revenue	-	1,918,130	-	1,918,130
Deposits	-	-	1,145	1,145
Compensated Absences Payable	-	11,087	-	11,087
<b>Total Current Liabilities</b>	<b>-</b>	<b>2,073,547</b>	<b>1,369</b>	<b>2,074,916</b>
Noncurrent Liabilities				
Interfund Advances Payable	1,235,538	-	160,000	1,395,538
Compensated Absences Payable	-	43,677	-	43,677
Net Pension Liability	-	368,237	442	368,679
<b>Total Noncurrent Liabilities</b>	<b>1,235,538</b>	<b>411,914</b>	<b>160,442</b>	<b>1,807,894</b>
<b>Total Liabilities</b>	<b>1,235,538</b>	<b>2,485,461</b>	<b>161,811</b>	<b>3,882,810</b>
<b>Deferred Inflows of Resources</b>				
Deferred Pension Related Items	-	47,755	58	47,813
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>47,755</b>	<b>58</b>	<b>47,813</b>
<b>Net Position</b>				
Net Investment in Capital Assets	-	1,801,460	191,226	1,992,686
Restricted for:				
Capital Projects	-	162,720	-	162,720
Debt Service	4,961,277	-	-	4,961,277
Transportation	-	830,088	-	830,088
Unrestricted	-	555,691	(38,130)	517,561
<b>Total Net Position</b>	<b>4,961,277</b>	<b>3,349,959</b>	<b>153,096</b>	<b>8,464,332</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 6,196,815</b>	<b>\$ 5,883,175</b>	<b>\$ 314,965</b>	<b>\$ 12,394,955</b>

CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Public Financing Authority</b>	<b>Transit Services</b>	<b>Airport</b>	<b>Totals</b>
<b>Operating Revenues</b>				
Fees and Permits	\$ -	\$ -	\$ 34,047	\$ 34,047
Other Revenues	-	415,386	244,773	660,159
<b>Total Operating Revenues</b>	<b>-</b>	<b>415,386</b>	<b>278,820</b>	<b>694,206</b>
<b>Operating Expenses</b>				
Personnel Services	-	363,437	15,137	378,574
Contractual	-	1,528,123	75,770	1,603,893
Materials and Supplies	-	43,855	141,719	185,574
Utilities	-	235,385	13,046	248,431
Depreciation and Amortization	-	307,093	37,297	344,390
<b>Total Operating Expenses</b>	<b>-</b>	<b>2,477,893</b>	<b>282,969</b>	<b>2,760,862</b>
Operating Income (Loss)	-	(2,062,507)	(4,149)	(2,066,656)
<b>Nonoperating Revenues (Expenses)</b>				
Investment Earnings	3,719	16,277	1,097	21,093
Interest Expense	(755,642)	-	-	(755,642)
Operating Grants and Contributions	-	2,466,345	10,000	2,476,345
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(751,923)</b>	<b>2,482,622</b>	<b>11,097</b>	<b>1,741,796</b>
Changes in Net Position	(751,923)	420,115	6,948	(324,860)
Net Position, Beginning of Year, as Restated	5,713,200	2,929,844	146,148	8,789,192
<b>Net Position, End of Year</b>	<b>\$ 4,961,277</b>	<b>\$ 3,349,959</b>	<b>\$ 153,096</b>	<b>\$ 8,464,332</b>

## CITY OF CORONA

**COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Public Financing Authority</b>	<b>Transit Services</b>	<b>Airport</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ -	\$ 1,865,292	\$ 34,193	\$ 1,899,485
Cash paid to suppliers for goods and services	-	(1,795,823)	(241,330)	(2,037,153)
Cash paid to employees for services	-	(357,413)	(15,138)	(372,551)
Cash received from (payments to) others	-	(1,601,729)	244,773	(1,356,956)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>-</b>	<b>(1,889,673)</b>	<b>22,498</b>	<b>(1,867,175)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Advance from other funds	-	-	(15,000)	(15,000)
Operating grants and contributions	-	2,466,345	10,000	2,476,345
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>2,466,345</b>	<b>(5,000)</b>	<b>2,461,345</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(230,388)	-	(230,388)
Interest paid on capital debt	(755,642)	-	-	(755,642)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(755,642)</b>	<b>(230,388)</b>	<b>-</b>	<b>(986,030)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	3,573	17,636	1,099	22,308
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>3,573</b>	<b>17,636</b>	<b>1,099</b>	<b>22,308</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(752,069)</b>	<b>363,920</b>	<b>18,597</b>	<b>(369,552)</b>
Cash and Cash Equivalents at Beginning of Year	6,948,009	1,653,694	75,330	8,677,033
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 6,195,940</b>	<b>\$ 2,017,614</b>	<b>\$ 93,927</b>	<b>\$ 8,307,481</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ -	\$ (2,062,507)	\$ (4,149)	\$ (2,066,656)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	-	307,093	37,297	344,390
(Increase) decrease in accounts receivable	-	1,816	146	1,962
(Increase) decrease in due from other governments	-	(2,017,115)	-	(2,017,115)
(Increase) decrease in deferred outflows of pension related items	-	(30,282)	(36)	(30,318)
Increase (decrease) in accounts payable	-	11,540	(10,795)	745
Increase (decrease) in unearned revenue	-	1,863,476	-	1,863,476
Increase (decrease) in compensated absences	-	7,444	-	7,444
Increase (decrease) in pension liability	-	(18,893)	(23)	(18,916)
Increase (decrease) in deferred inflows of pension related items	-	47,755	58	47,813
<b>Total Adjustments</b>	<b>-</b>	<b>172,834</b>	<b>26,647</b>	<b>199,481</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ -</b>	<b>\$ (1,889,673)</b>	<b>\$ 22,498</b>	<b>\$ (1,867,175)</b>

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

There were no non-cash investing, capital or financing activities during fiscal year 2014-2015.





## ***Combining Financial Statements***

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

***Fleet Operations Fund*** – This fund is used to account for Motor Pool rental as the equipment is used. Surplus rental charges are accumulated in the fund to pay for equipment replacements as needed.

***Workers' Compensation Self-Insurance Fund*** – This fund was established on December 1, 1974 at which time the City became self-insured. Claims and administrative expenses are charged to this fund. Reserves are held by this fund to buffer the impact of unknown but potential losses.

***Liability Risk Self-Insurance Fund*** – This fund is used to account for expenditures in payment of claims, administrator's expense (including legal fees) and to establish reserves against future claims.

***Warehouse Fund*** – This fund is used to account for expenditures regarding distribution of inventory.



## CITY OF CORONA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Fleet Operations</b>	<b>Self-Insurance</b>	
		<b>Workers' Compensation</b>	<b>Liability Risk</b>
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 11,311,396	\$ 20,567,287	\$ 2,782,735
Accounts Receivable, Net	1,388	-	-
Due from Other Governmental Agencies	317	-	-
Inventories and Prepayments	140,567	340,000	-
<b>Total Current Assets</b>	<b>11,453,668</b>	<b>20,907,287</b>	<b>2,782,735</b>
<b>Total Assets</b>	<b>11,453,668</b>	<b>20,907,287</b>	<b>2,782,735</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Related Items	62,304	-	-
<b>Total Deferred Outflows of Resources</b>	<b>62,304</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred     Outflows of Resources</b>	<b>\$ 11,515,972</b>	<b>\$ 20,907,287</b>	<b>\$ 2,782,735</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 399,848	\$ 222,336	\$ 2,100
Claims and Judgements Payable	-	2,356,509	531,728
Compensated Absences Payable	53,225	-	-
<b>Total Current Liabilities</b>	<b>453,073</b>	<b>2,578,845</b>	<b>533,828</b>
Noncurrent Liabilities			
Claims and Judgements Payable	-	15,983,491	1,999,272
Compensated Absences Payable	2,897	-	-
Net Pension Liability	757,633	-	-
<b>Total Noncurrent Liabilities</b>	<b>760,530</b>	<b>15,983,491</b>	<b>1,999,272</b>
<b>Total Liabilities</b>	<b>1,213,603</b>	<b>18,562,336</b>	<b>2,533,100</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Related Items	98,253	-	-
<b>Total Deferred Inflows of Resources</b>	<b>98,253</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>			
Unrestricted	10,204,116	2,344,951	249,635
<b>Total Net Position</b>	<b>10,204,116</b>	<b>2,344,951</b>	<b>249,635</b>
<b>Total Liabilities, Deferred Inflows     of Resources, and Net Position</b>	<b>\$ 11,515,972</b>	<b>\$ 20,907,287</b>	<b>\$ 2,782,735</b>

## CITY OF CORONA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015**

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>Warehouse</b>	<b>Totals</b>
<b>Assets</b>		
Current Assets		
Cash and Investments	\$ 179,669	\$ 34,841,087
Accounts Receivable, Net	9,533	10,921
Due from Other Governmental Agencies	-	317
Inventories and Prepayments	-	480,567
<b>Total Current Assets</b>	<b>189,202</b>	<b>35,332,892</b>
<b>Total Assets</b>	<b>189,202</b>	<b>35,332,892</b>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Related Items	4,376	66,680
<b>Total Deferred Outflows of Resources</b>	<b>4,376</b>	<b>66,680</b>
<b>Total Assets and Deferred         Outflows of Resources</b>	<b>\$ 193,578</b>	<b>\$ 35,399,572</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ -	\$ 624,284
Claims and Judgements Payable	-	2,888,237
Compensated Absences Payable	1,952	55,177
<b>Total Current Liabilities</b>	<b>1,952</b>	<b>3,567,698</b>
Noncurrent Liabilities		
Claims and Judgements Payable	-	17,982,763
Compensated Absences Payable	-	2,897
Net Pension Liability	53,215	810,848
<b>Total Noncurrent Liabilities</b>	<b>53,215</b>	<b>18,796,508</b>
<b>Total Liabilities</b>	<b>55,167</b>	<b>22,364,206</b>
<b>Deferred Inflows of Resources</b>		
Deferred Pension Related Items	6,901	105,154
<b>Total Deferred Inflows of Resources</b>	<b>6,901</b>	<b>105,154</b>
<b>Net Position</b>		
Unrestricted	131,510	12,930,212
<b>Total Net Position</b>	<b>131,510</b>	<b>12,930,212</b>
<b>Total Liabilities, Deferred Inflows         of Resources, and Net Position</b>	<b>\$ 193,578</b>	<b>\$ 35,399,572</b>

CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Fleet Operations</b>	<b>Self-Insurance</b>	
		<b>Workers' Compensation</b>	<b>Liability Risk</b>
<b>Operating Revenues</b>			
Service Charges	\$ 2,766,612	\$ 3,479,405	\$ -
Other Revenues	931,128	-	-
<b>Total Operating Revenues</b>	<b>3,697,740</b>	<b>3,479,405</b>	<b>-</b>
<b>Operating Expenses</b>			
Personnel Services	817,857	-	-
Contractual	175,494	-	-
Materials and Supplies	1,378,557	723,700	636,193
Utilities	1,091,722	-	-
Claims Expense	-	3,868,669	299,091
<b>Total Operating Expenses</b>	<b>3,463,630</b>	<b>4,592,369</b>	<b>935,284</b>
Operating Income (Loss)	234,110	(1,112,964)	(935,284)
Transfers Out	(156,710)	-	-
Changes in Net Position	77,400	(1,112,964)	(935,284)
Net Position, Beginning of Year, as Restated	10,126,716	3,457,915	1,184,919
<b>Net Position, End of Year</b>	<b>\$ 10,204,116</b>	<b>\$ 2,344,951</b>	<b>\$ 249,635</b>

CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities - Internal Service Funds</u>	
	<u>Warehouse</u>	<u>Totals</u>
<b>Operating Revenues</b>		
Service Charges	\$ 720,191	\$ 6,966,208
Other Revenues	1,871	932,999
<b>Total Operating Revenues</b>	<b>722,062</b>	<b>7,899,207</b>
<b>Operating Expenses</b>		
Personnel Services	79,648	897,505
Contractual	77,854	253,348
Materials and Supplies	37,039	2,775,489
Utilities	544	1,092,266
Claims Expense	-	4,167,760
<b>Total Operating Expenses</b>	<b>195,085</b>	<b>9,186,368</b>
Operating Income (Loss)	526,977	(1,287,161)
Transfers Out	(419,960)	(576,670)
Changes in Net Position	107,017	(1,863,831)
Net Position, Beginning of Year, as Restated	24,493	14,794,043
<b>Net Position, End of Year</b>	<b>\$ 131,510</b>	<b>\$ 12,930,212</b>

CITY OF CORONA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds		
	Self-Insurance		
	Fleet Operations	Workers' Compensation	Liability Risk
<b>Cash Flows from Operating Activities</b>			
Cash received from customers and users	\$ 2,765,837	\$ 3,479,405	\$ -
Cash paid to suppliers for goods and services	(2,490,165)	(512,015)	(634,949)
Cash paid to employees for services	(830,536)	-	-
Cash paid for current claims	-	(497,086)	(62,835)
Cash paid for long-term claims	-	(2,506,583)	(246,256)
Cash received from (payments to) others	930,811	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>375,947</b>	<b>(36,279)</b>	<b>(944,040)</b>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Cash transfers out	(156,710)	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(156,710)</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>219,237</b>	<b>(36,279)</b>	<b>(944,040)</b>
<b>Cash and Cash Equivalents</b>			
Beginning of Year	11,092,159	20,603,566	3,726,775
<b>End of Year</b>	<b>\$ 11,311,396</b>	<b>\$ 20,567,287</b>	<b>\$ 2,782,735</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ 234,110	\$ (1,112,964)	\$ (935,284)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(775)	-	-
(Increase) decrease in due from other governments	(317)	-	-
(Increase) decrease in inventories and prepayments	(13,462)	-	-
(Increase) decrease in deferred outflows of pension related items	(62,304)	-	-
Increase (decrease) in accounts payable and accrued liabilities	169,070	211,685	1,244
Increase (decrease) in claims and judgments	-	865,000	(10,000)
Increase (decrease) in compensated absences	(9,757)	-	-
Increase (decrease) in pension liability	(38,871)	-	-
Increase (decrease) in deferred inflows of pension related items	98,253	-	-
<b>Total Adjustments</b>	<b>141,837</b>	<b>1,076,685</b>	<b>(8,756)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 375,947</b>	<b>\$ (36,279)</b>	<b>\$ (944,040)</b>

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

There were no non-cash investing, capital or financing activities during fiscal year 2014-2015.



CITY OF CORONA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>Warehouse</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers and users	\$ 710,657	\$ 6,955,899
Cash paid to suppliers for goods and services	(119,640)	(3,756,769)
Cash paid to employees for services	(80,016)	(910,552)
Cash paid for current claims	-	(559,921)
Cash paid for long-term claims	-	(2,752,839)
Cash received from (payments to) others	1,871	932,682
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>512,872</b>	<b>(91,500)</b>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Cash transfers out	(419,960)	(576,670)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(419,960)</b>	<b>(576,670)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>92,912</b>	<b>(668,170)</b>
<b>Cash and Cash Equivalents</b>		
Beginning of Year	86,757	35,509,257
<b>End of Year</b>	<b>\$ 179,669</b>	<b>\$ 34,841,087</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ 526,977	\$ (1,287,161)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase) decrease in accounts receivable	(9,534)	(10,309)
(Increase) decrease in due from other governments	-	(317)
(Increase) decrease in inventories and prepayments	-	(13,462)
(Increase) decrease in deferred outflows of pension related items	(4,376)	(66,680)
Increase (decrease) in accounts payable and accrued liabilities	(4,203)	377,796
Increase (decrease) in claims and judgments	-	855,000
Increase (decrease) in compensated absences	(163)	(9,920)
Increase (decrease) in pension liability	(2,730)	(41,601)
Increase (decrease) in deferred inflows of pension related items	6,901	105,154
<b>Total Adjustments</b>	<b>(14,105)</b>	<b>1,195,661</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 512,872</b>	<b>\$ (91,500)</b>

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

There were no non-cash investing, capital or financing activities during fiscal year 2014-20

## ***Combining Financial Statements***

### ***Agency Funds***

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



CITY OF CORONA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2015

	Pass Through Agency Fund			Balance 6/30/2015
	Balance 7/1/2014	Additions	Deductions	
<b>Assets</b>				
Cash and Investments	\$ 1,054,428	\$ 15,607,504	\$ 15,492,539	\$ 1,169,393
Accounts Receivable	15,834	-	15,834	-
Interest Receivable	90,675	249,617	249,460	90,832
Due from Other Governmental Agencies	295,949	233,671	295,953	233,667
Restricted Assets:				
Cash and Investments	56,753,189	130,688,519	162,460,808	24,980,900
<b>Total Assets</b>	<b>\$ 58,210,075</b>	<b>\$ 146,779,311</b>	<b>\$ 178,514,594</b>	<b>\$ 26,474,792</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 14,870	\$ 109,248	\$ 123,143	\$ 975
Due to Bondholders	58,195,207	38,492,546	70,213,936	26,473,817
<b>Total Liabilities</b>	<b>\$ 58,210,077</b>	<b>\$ 38,601,794</b>	<b>\$ 70,337,079</b>	<b>\$ 26,474,792</b>



# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b> – These schedules contain information to help readers to understand how the City's financial performance and well-being have changed over time.	
<b>1</b> Net Position by Component	<b>188</b>
<b>2</b> Changes in Net Position	<b>190</b>
<b>3</b> Fund Balances – Governmental Funds	<b>194</b>
<b>4</b> Changes in Fund Balances – Governmental Funds	<b>196</b>
<b><i>Revenue Capacity</i></b> – These schedules contain information to help readers to assess the City's most significant own-source revenues.	
<b>5a</b> Water Sales by User Type	<b>198</b>
<b>5b</b> Assessed Value and Actual Value of Taxable Property	<b>199</b>
<b>6a</b> Potable Water Rates	<b>200</b>
<b>6b</b> Reclaimed Water Rates	<b>201</b>
<b>6c</b> Direct and Overlapping Property Tax Rates	<b>202</b>
<b>7a</b> Principal Water Customers	<b>203</b>
<b>7b</b> Principal Property Tax Payers	<b>204</b>
<b>8</b> Property Tax Levies and Collections	<b>205</b>
<b><i>Debt Capacity</i></b> – These schedules contain information to help readers to assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>9</b> Ratios of Outstanding Debt by Type	<b>206</b>
<b>10</b> Ratios of Net General Bonded Debt Outstanding	<b>208</b>
<b>11</b> Direct and Overlapping Governmental Activities Debt	<b>209</b>
<b>12</b> Legal Debt Margin Information	<b>211</b>
<b>13</b> Pledged Revenue Coverage	<b>212</b>

## ***Statistical Section***

***Demographic and Economic Information*** – These schedules offer demographic and economic indicators to help readers to understand the environment within which the City's financial activities take place.

<b>14</b> Demographic and Economic Statistics	<b>214</b>
<b>15</b> Principal Employers	<b>215</b>

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

<b>16</b> Full-time Equivalent City Government Employees by Function/Program	<b>216</b>
<b>17</b> Operating Indicators by Function/Program	<b>217</b>
<b>18</b> Capital Assets Statistics by Function/Program	<b>218</b>

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





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

	Fiscal Year			
	2015	2014	2013	2012
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 587,861,831	\$ 557,314,076	\$ 542,474,178	\$ 547,427,503
Restricted for:				
Capital Projects	23,435,434	31,326,722	87,678,260	95,362,651
Debt Service	2,653,417	2,770,292	2,772,671	3,418,104
Transportation and Public Works	19,206,895	19,224,575	16,083,567	14,494,532
Special Assessment District	15,602,868	13,862,186	12,404,874	11,655,625
Development Projects	5,939,085	1,934,349	4,703,812	6,763,589
Other Purposes	560,289	803,053	1,173,375	708,280
Total Restricted	67,397,988	69,921,177	124,816,559	132,402,781
Unrestricted	90,173,729	270,365,217	265,060,487	251,564,898
<b>Total Governmental Activities Net Position</b>	<b>\$ 745,433,548</b>	<b>\$ 897,600,470</b>	<b>\$ 932,351,224</b>	<b>\$ 931,395,182</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ 286,045,985	\$ 275,218,430	\$ 281,276,333	\$ 274,761,353
Restricted for:				
Capital Projects	6,898,174	10,780,901		
Debt Service	6,061,277	6,813,257	8,435,288	10,969,563
Transportation and Public Works	830,088	1,317,690	130,390	637,926
Total Restricted	13,789,539	18,911,848	8,565,678	11,607,489
Unrestricted	(92,820,840)	(91,326,475)	(100,444,897)	(107,169,420)
<b>Total Business-Type Activities Net Position</b>	<b>\$ 207,014,684</b>	<b>\$ 202,803,803</b>	<b>\$ 189,397,114</b>	<b>\$ 179,199,422</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 873,907,816	\$ 832,532,506	\$ 823,750,511	\$ 822,188,856
Restricted	81,187,527	88,833,025	133,382,237	144,010,270
Unrestricted	(2,647,111)	179,038,742	164,615,590	144,395,478
<b>Total Primary Government Net Position</b>	<b>\$ 952,448,232</b>	<b>\$ 1,100,404,273</b>	<b>\$ 1,121,748,338</b>	<b>\$ 1,110,594,604</b>

Note: The City implemented GASB Statements No. 68 and 71 in fiscal years ended June 30, 2015.

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 512,867,317	\$ 457,625,412	\$ 451,393,337	\$ 456,849,781	\$ 458,250,349	\$ 422,767,976
26,795,896	80,695,897	85,200,711	73,254,682	20,417,055	
10,773,995	7,079,903	11,968,561	25,251,084	28,838,799	6,898,327
50,908,926	60,915,014	43,585,727	38,816,368	9,483,004	8,386,210
88,478,817	148,690,814	140,754,999	137,322,134	58,738,858	15,284,537
248,153,878	243,443,770	245,794,117	215,990,032	269,852,046	306,059,386
<u>\$ 849,500,012</u>	<u>\$ 849,759,996</u>	<u>\$ 837,942,453</u>	<u>\$ 810,161,947</u>	<u>\$ 786,841,253</u>	<u>\$ 744,111,899</u>
\$ 66,109,520	\$ 219,780,082	\$ 228,912,014	\$ 225,030,195	\$ 211,186,996	\$ 193,178,999
18,065,870	10,779,222	18,188,735	17,031,575	17,317,361	7,548,512
18,065,870	10,779,222	18,188,735	17,031,575	17,317,361	7,548,512
73,811,520	(82,129,735)	(110,940,686)	(119,578,075)	(122,594,604)	(129,904,898)
<u>\$ 157,986,910</u>	<u>\$ 148,429,569</u>	<u>\$ 136,160,063</u>	<u>\$ 122,483,695</u>	<u>\$ 105,909,753</u>	<u>\$ 70,822,613</u>
\$ 578,976,837	\$ 677,405,494	\$ 680,305,351	\$ 681,879,976	\$ 669,437,345	\$ 443,318,631
106,544,687	159,470,036	158,943,734	154,353,709	76,056,219	22,833,049
321,965,398	161,314,035	134,853,431	96,411,957	147,257,442	348,782,832
<u>\$ 1,007,486,922</u>	<u>\$ 998,189,565</u>	<u>\$ 974,102,516</u>	<u>\$ 932,645,642</u>	<u>\$ 892,751,006</u>	<u>\$ 814,934,512</u>

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

	Fiscal Year			
	2015	2014	2013	2012
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 24,481,334	\$ 23,974,508	\$ 22,853,992	\$ 20,551,027
Public Safety - Fire	24,052,304	23,062,147	22,702,313	21,506,851
Public Safety - Police	42,939,535	40,779,963	40,357,283	39,791,147
Public Works & Maintenance Services	33,544,227	39,591,302	43,533,983	41,086,166
Library and Recreation Services	6,559,251	4,417,913	2,825,606	2,640,592
Community Development	3,806,766	3,453,020		
Economic Development	3,107,755	5,344,121	6,877,725	12,860,222
Interest and Fiscal Charges	2,016,105	2,172,050	2,953,366	3,648,700
Total Governmental Activities Expenses	<u>\$ 140,507,277</u>	<u>\$ 142,795,024</u>	<u>\$ 142,104,268</u>	<u>\$ 142,084,705</u>
Business-Type Activities:				
Water	55,714,372	58,165,289	57,605,446	55,837,945
Water Reclamation	26,500,708	29,160,167	29,060,647	30,224,698
Electric	15,192,888	13,373,418	14,675,785	14,569,429
Transit Services	2,477,893	2,355,405	2,286,292	2,148,857
Airport	282,969	281,771	301,454	307,538
Total Business-Type Activities Expenses	<u>100,168,830</u>	<u>103,336,050</u>	<u>103,929,624</u>	<u>103,088,467</u>
Total Primary Government Expenses	<u>\$ 240,676,107</u>	<u>\$ 246,131,074</u>	<u>\$ 246,033,892</u>	<u>\$ 245,173,172</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	10,990,209	7,128,808	8,824,810	7,331,352
Public Safety - Fire	3,142,720	4,264,876	4,242,725	3,926,888
Public Safety - Police	1,065,181	2,070,221	3,011,565	3,079,224
Public Works & Maintenance Services	20,011,693	20,068,114	20,993,799	20,043,766
Library and Recreation Services	1,014,872	319,806	318,831	264,464
Community Development	2,420,301	3,316,624		
Economic Development		666,394	707,126	
Operating Grants and Contributions	11,780,932	12,555,412	13,760,057	12,350,047
Capital Grants and Contributions	27,197,609	20,783,935	5,620,168	8,977,103
Total Governmental Activities Program Revenues	<u>77,623,517</u>	<u>71,174,190</u>	<u>57,479,081</u>	<u>55,972,844</u>
Business-Type activities:				
Charges for Services:				
Water	52,620,052	55,937,613	53,906,208	50,243,765
Water Reclamation	30,735,952	30,626,667	30,620,212	29,472,121
Electric	16,760,206	17,182,310	17,138,240	16,531,675
Transit Services	432,281	406,202	415,615	633,355
Airport	288,820	316,402	280,915	265,838
Operating Grants and Contributions	4,160,035	1,640,359	1,635,598	1,531,791
Capital Grants and Contributions	13,485,750	4,225,256	3,453,420	11,730,500
Total Business-Type Activities Program Revenue:	<u>118,483,096</u>	<u>110,334,809</u>	<u>107,450,208</u>	<u>110,409,045</u>
Total Primary Government Program Revenues	<u>\$ 196,106,613</u>	<u>\$ 181,508,999</u>	<u>\$ 164,929,289</u>	<u>\$ 166,381,889</u>

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 21,771,013	\$ 23,778,004	\$ 23,387,380	\$ 22,014,630	\$ 17,944,188	\$ 17,000,514
23,066,539	23,849,351	23,118,471	22,465,104	19,824,613	19,372,402
40,465,516	44,573,946	40,723,499	38,811,288	35,418,464	35,290,552
43,036,551	44,328,099	44,683,918	41,695,145	48,092,399	41,156,855
2,745,336	3,108,194	3,142,627	3,539,703	3,156,248	3,233,627
15,368,206	18,283,224	19,061,398	17,679,157	31,450,231	18,317,214
14,655,640	13,471,571	16,447,756	14,913,380	12,348,977	9,164,552
<u>\$ 161,108,801</u>	<u>\$ 171,392,389</u>	<u>\$ 170,565,049</u>	<u>\$ 161,118,407</u>	<u>\$ 165,535,120</u>	<u>\$ 143,535,716</u>
46,791,524	48,080,241	46,284,613	48,772,948	42,980,979	39,968,554
25,940,578	27,212,393	27,164,627	27,937,584	25,431,501	23,411,865
17,638,508	21,951,228	21,962,931	23,590,548	24,688,495	20,279,523
2,078,197	2,309,727	2,256,556	2,128,258	1,773,529	1,663,358
328,658	316,270				
<u>92,777,465</u>	<u>99,869,859</u>	<u>97,668,727</u>	<u>102,429,338</u>	<u>94,874,504</u>	<u>85,323,300</u>
<u>\$ 253,886,266</u>	<u>\$ 271,262,248</u>	<u>\$ 268,233,776</u>	<u>\$ 263,547,745</u>	<u>\$ 260,409,624</u>	<u>\$ 228,859,016</u>
7,466,080	7,616,409	678,554	1,301,569	1,513,639	8,645,359
3,092,311	3,204,585	4,506,740	4,726,300	4,181,914	3,229,032
3,295,825	3,551,199	2,817,511	3,023,714	3,246,509	3,017,477
20,211,720	19,475,470	19,616,269	20,282,692	20,894,978	22,781,809
280,729	333,015	341,989	495,603	541,166	402,660
			1,713	1,168	-
18,683,384	11,711,125	9,404,577	8,165,995	8,270,729	7,794,735
<u>3,743,333</u>	<u>9,480,514</u>	<u>19,967,971</u>	<u>17,140,582</u>	<u>22,362,669</u>	<u>23,044,293</u>
<u>56,773,382</u>	<u>55,372,317</u>	<u>57,333,611</u>	<u>55,138,168</u>	<u>61,012,772</u>	<u>68,915,365</u>
48,103,987	50,979,766	49,629,071	44,795,972	43,261,136	36,548,936
27,361,203	26,779,144	26,569,560	23,379,820	21,824,979	20,211,966
17,247,983	23,891,958	23,896,507	24,824,172	24,466,921	20,962,161
364,830	412,928	371,714	363,101	316,671	270,679
297,638	286,546				
1,600,444	1,724,206	1,567,193	1,454,320	1,284,236	1,233,282
<u>3,261,322</u>	<u>4,728,651</u>	<u>6,702,937</u>	<u>19,829,148</u>	<u>31,702,614</u>	<u>12,696,552</u>
<u>98,237,407</u>	<u>108,803,199</u>	<u>108,736,982</u>	<u>114,646,533</u>	<u>122,856,557</u>	<u>91,923,576</u>
<u>\$ 155,010,789</u>	<u>\$ 164,175,516</u>	<u>\$ 166,070,593</u>	<u>\$ 169,784,701</u>	<u>\$ 183,869,329</u>	<u>\$ 160,838,941</u>

Continued Page 1 of 2

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

	Fiscal Year			
	2015	2014	2013	2012
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (62,883,760)	\$ (71,620,834)	\$ (84,625,187)	\$ (86,111,861)
Business-Type Activities	18,314,266	6,998,759	3,520,584	7,320,578
Total Primary Government Net Expense	<u>\$ (44,569,494)</u>	<u>\$ (64,622,075)</u>	<u>\$ (81,104,603)</u>	<u>\$ (78,791,283)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property Taxes	\$ 38,656,150	\$ 36,462,210	\$ 41,238,344	\$ 45,754,306
Sales and Use Tax	36,608,600	35,623,651	32,969,847	31,190,815
Other Taxes	10,566,662	9,099,819	8,249,945	8,546,497
Total taxes	<u>85,831,412</u>	<u>81,185,680</u>	<u>82,458,136</u>	<u>85,491,618</u>
Unrestricted Grants and Contributions		407	145,742	76,014
Gain/(Loss) on Sale of Capital Asset				
Investment Earnings	1,988,557	2,296,081	470,023	4,047,070
Lease and Rental Income	9,784,681	9,809,719	10,516,597	12,088,330
Miscellaneous	3,686,771	2,096,681	2,355,179	3,637,541
Extraordinary Items	5,054,583	(56,854,230)	(8,033,621)	57,030,346
Transfers		(916,819)	(547,690)	(163,000)
Special Items				
Total Governmental Activities	<u>106,346,004</u>	<u>37,617,519</u>	<u>87,364,366</u>	<u>162,207,919</u>
Business-Type Activities:				
Investment Earnings	862,948	1,189,440	2,450,042	4,019,878
Other Income	493	1,996,793	3,890,307	
Gain/(Loss) on Sale of Capital Asset	(10,207)	2,497,251		
Transfers	-	916,819	547,690	163,000
Total Business-Type Activities	<u>853,234</u>	<u>6,600,303</u>	<u>6,888,039</u>	<u>4,182,878</u>
Total Primary Government	<u>\$ 107,199,238</u>	<u>\$ 44,217,822</u>	<u>\$ 94,252,405</u>	<u>\$ 166,390,797</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 43,462,244	\$ (34,003,315)	\$ 2,739,179	\$ 76,096,058
Business-Type Activities	19,167,500	13,599,062	10,408,623	11,503,456
Total Primary Government	<u>\$ 62,629,744</u>	<u>\$ (20,404,253)</u>	<u>\$ 13,147,802</u>	<u>\$ 87,599,514</u>

Note: The City implemented GASB Statements No. 54 and 63 in fiscal years ended June 30, 2010 and 2012 respectively.

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ (104,335,419)	\$ (116,020,072)	\$ (113,231,438)	\$ (105,980,239)	\$ (104,522,348)	\$ (74,620,351)
5,459,942	8,933,340	11,068,255	12,217,195	27,982,053	6,600,276
<u>\$ (98,875,477)</u>	<u>\$ (107,086,732)</u>	<u>\$ (102,163,183)</u>	<u>\$ (93,763,044)</u>	<u>\$ (76,540,295)</u>	<u>\$ (68,020,075)</u>
\$ 59,090,960	\$ 62,049,578	\$ 66,704,669	\$ 67,566,221	\$ 63,121,766	\$ 50,973,502
28,505,050	26,543,193	29,791,137	35,894,694	39,684,799	39,915,335
7,802,237	7,660,365	8,570,003	8,496,030	9,396,886	9,556,368
<u>95,398,247</u>	<u>96,253,136</u>	<u>105,065,809</u>	<u>111,956,945</u>	<u>112,203,451</u>	<u>100,445,205</u>
686,338	481,295	674,076	720,480	1,977,907	3,710,301
	1,776,536			6,438,368	
3,380,168	7,204,417	10,177,941	12,225,922	9,602,364	4,875,430
11,646,814	7,347,933	6,955,049			
658,664	1,311,650	8,873,210	13,536,181	9,936,382	6,691,463
40,000	57,000	(201,503)	28,400	170,294	(1,458,852)
		9,653,196		7,996,099	
<u>111,810,231</u>	<u>114,431,967</u>	<u>141,197,778</u>	<u>138,467,928</u>	<u>148,324,865</u>	<u>114,263,547</u>
3,178,516	3,169,884	4,144,071	4,385,148	3,647,928	2,491,501
2,350,130					
(40,000)	(57,000)	201,503	(28,400)	(170,294)	1,458,852
<u>5,488,646</u>	<u>3,112,884</u>	<u>4,345,574</u>	<u>4,356,748</u>	<u>3,477,634</u>	<u>3,950,353</u>
<u>\$ 117,298,877</u>	<u>\$ 117,544,851</u>	<u>\$ 145,543,352</u>	<u>\$ 142,824,676</u>	<u>\$ 151,802,499</u>	<u>\$ 118,213,900</u>
\$ 7,474,812	\$ 10,096,548	\$ 25,177,706	\$ 32,487,689	\$ 43,802,517	\$ 39,643,196
10,948,588	8,572,826	13,278,914	16,573,943	31,459,687	10,550,629
<u>\$ 18,423,400</u>	<u>\$ 18,669,374</u>	<u>\$ 38,456,620</u>	<u>\$ 49,061,632</u>	<u>\$ 75,262,204</u>	<u>\$ 50,193,825</u>

Concluded Page 2 of 2

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

	Fiscal Year			
	2015	2014	2013	2012
General Fund				
Nonspendable	\$ 24,378,784	\$ 23,595,803	\$ 22,797,277	\$ 15,070,684
Committed	23,815,795	23,494,027	22,804,343	18,279,947
Assigned	50,696,555	44,748,578	41,298,885	43,205,474
Reserved				
Unreserved				
Total General Fund	<u>\$ 98,891,134</u>	<u>\$ 91,838,408</u>	<u>\$ 86,900,505</u>	<u>\$ 76,556,105</u>
All Other Governmental Funds				
Nonspendable	\$ 18,926,818	\$ 3,615,772	\$ 61,512,775	\$ 61,220,936
Restricted	42,982,365	41,755,471	22,103,295	27,425,735
Assigned	5,825,674	1,299,482	17,604,929	19,215,798
Unassigned	(151,869)			
Reserved				
Unreserved, reported in:				
Special Revenue				
Capital Projects				
Total all other Governmental Funds	<u>\$ 67,582,988</u>	<u>\$ 46,670,725</u>	<u>\$ 101,220,999</u>	<u>\$ 107,862,469</u>

*Note: Amounts presented in the prior years do not include restatements.*

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 15,112,080	\$ 19,708,805	\$ -	\$ -	\$ -	\$ -
18,072,691	17,597,806				
50,333,810	40,338,627				
		20,156,768	20,672,134	24,121,757	75,249,936
		54,773,799	58,818,482	70,716,157	
<u>\$ 83,518,581</u>	<u>\$ 77,645,238</u>	<u>\$ 74,930,567</u>	<u>\$ 79,490,616</u>	<u>\$ 94,837,914</u>	<u>\$ 75,249,936</u>
\$ 61,568,872	\$ 58,835,683				
35,292,020	41,491,338				
25,061,577	26,635,398				
	(769,101)				
		81,668,685	83,897,261	59,739,936	23685432
		39,029,410	34,241,391	34,462,913	40,645,962
		18,110,464	16,909,462	15,510,428	8347703
<u>\$ 121,922,469</u>	<u>\$ 126,193,318</u>	<u>\$ 138,808,559</u>	<u>\$ 135,048,114</u>	<u>\$ 109,713,277</u>	<u>\$ 72,679,097</u>



**CITY OF CORONA**

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

	Fiscal Year			
	2015	2014	2013	2012
<b>Revenues:</b>				
Property Taxes	\$ 38,896,950	\$ 36,721,899	\$ 39,447,422	\$ 45,754,306
Other Taxes	46,164,552	44,266,424	40,900,200	38,964,006
Licenses, Fees and Permits	9,599,549	2,777,719	2,462,107	5,817,125
Fines and Penalties	1,041,887	1,068,778	1,717,820	1,841,074
Special Assessments	9,438,713	9,439,079	9,477,719	9,296,683
Investment Earnings	1,988,557	2,296,081	470,023	4,047,070
Intergovernmental Revenues	27,601,255	29,487,199	15,312,882	15,731,101
Current Services	17,276,984	17,287,466	16,003,725	14,392,726
Payments in Lieu of Services	12,638,674	10,644,539	8,999,739	9,544,525
Other Revenues	15,300,761	14,900,407	18,919,899	17,714,051
<b>Total Revenues</b>	<b>179,947,882</b>	<b>168,889,591</b>	<b>153,711,536</b>	<b>163,102,667</b>
<b>Expenditures:</b>				
General Government	21,735,399	23,938,276	23,088,936	20,711,464
Public Safety - Fire	24,874,714	24,247,894	22,965,971	22,921,163
Public Safety - Police	41,966,882	41,161,796	39,770,719	41,751,356
Public Works & Maintenance Services	27,777,052	35,125,462	37,909,062	38,237,264
Library and Recreation Services	4,677,992	4,440,588	2,758,037	2,720,741
Community Development	3,829,120	3,422,846	3,019,174	2,971,829
Economic Development	3,107,755	2,529,859	816,342	9,560,505
Capital Outlay	34,342,416	23,609,928	7,769,015	4,349,725
Debt Service				
Principal	3,672,900	3,545,895	3,654,332	7,082,070
Interest and Fiscal Charges	2,064,757	2,210,669	2,719,421	7,547,454
<b>Total Expenditures</b>	<b>168,048,987</b>	<b>164,233,213</b>	<b>144,471,009</b>	<b>157,853,571</b>
Excess of Revenues Over/(Under) Expenditures	11,898,895	4,656,378	9,240,527	5,249,096
<b>Other Financing Sources/(Uses)</b>				
Loss from Sale of Land Held for Resale				
Issuance of Debt				
Principal Retirement				
Proceeds from Sale of Capital Asset				
Bond Premium				
Transfers In	2,315,815	3,767,587	3,771,227	4,533,758
Transfers Out	(1,739,145)	(1,124,534)	(1,250,885)	(5,582,646)
<b>Total Other Financing Sources/(Uses)</b>	<b>576,670</b>	<b>2,643,053</b>	<b>2,520,342</b>	<b>(1,048,888)</b>
<b>Extraordinary Items</b>		(56,854,230)	(8,033,621)	(19,852,703)
<b>Special Items</b>				
Net Change in Fund Balances	\$ 12,475,565	\$ (49,554,799)	\$ 3,727,248	\$ (15,652,495)
Debt Service as a Percentage of Non-capital Expenditures	4.3%	4.1%	4.6%	9.5%

Fiscal Year						
	2011	2010	2009	2008	2007	2006
\$	59,090,960	\$ 62,049,578	\$ 66,704,668	\$ 67,566,222	\$ 63,121,767	\$ 50,973,502
	35,900,324	33,859,090	37,687,694	44,025,594	47,968,446	47,243,504
	2,187,466	2,244,379	3,986,271	3,939,938	7,565,595	12,052,807
	2,168,820	2,625,345	1,643,556	1,602,034	1,678,525	1,778,880
	9,645,684	9,230,699	9,186,822	7,363,443	7,472,089	7,325,244
	3,380,168	7,205,344	8,221,715	10,324,740	8,337,386	4,093,836
	17,140,177	16,982,358	23,725,540	18,579,692	21,122,793	20,878,547
	13,724,789	13,469,450	15,015,541	16,746,141	16,547,413	16,156,862
	9,681,893	10,524,934	11,992,502	13,249,357	9,801,798	11,540,850
	16,833,436	11,586,690	11,854,846	11,337,159	11,567,679	10,514,261
	<u>169,753,717</u>	<u>169,777,867</u>	<u>190,019,155</u>	<u>194,734,320</u>	<u>195,183,491</u>	<u>182,558,293</u>
	20,335,688	20,752,739	26,442,100	26,165,731	22,859,400	19,262,583
	23,068,351	22,886,210	23,826,368	24,986,115	22,129,775	19,689,290
	39,523,177	43,154,254	41,009,396	42,602,945	39,637,054	36,165,060
	37,572,220	38,683,385	40,615,476	41,683,329	44,717,861	37,082,321
	2,694,192	2,925,121	3,228,510	3,910,240	3,609,419	3,432,052
	3,258,772	3,280,136	1,928,329	3,057,996	2,484,235	1,817,831
	10,942,983	18,776,318	14,337,175	13,347,887	28,636,781	12,533,710
	11,089,418	21,562,741	24,337,661	35,001,560	22,935,456	9,338,399
	7,578,502	8,139,799	13,837,430	5,984,493	5,466,814	6,824,654
	14,756,645	14,041,809	16,730,459	14,389,659	11,710,584	9,263,096
	<u>170,819,948</u>	<u>194,202,512</u>	<u>206,292,904</u>	<u>211,129,955</u>	<u>204,187,379</u>	<u>155,408,996</u>
	(1,066,231)	(24,424,645)	(16,273,749)	(16,395,635)	(9,003,888)	27,149,297
			(472,252)			
			5,167,326	35,874,600	51,338,901	
		2,400,000			6,739,350	
				30,601,167		
	79,529,457	17,440,737	21,302,803	(28,843,505)	37,438,933	26,507,505
	<u>(76,674,137)</u>	<u>(10,398,334)</u>	<u>(20,176,928)</u>	<u>(36,814,074)</u>	<u>(36,814,074)</u>	<u>(22,504,515)</u>
	<u>2,855,320</u>	<u>9,442,403</u>	<u>5,820,949</u>	<u>37,632,262</u>	<u>58,703,110</u>	<u>4,002,990</u>
			9,653,196		7,996,099	
\$	<u>1,789,089</u>	<u>\$ (14,982,242)</u>	<u>\$ (799,604)</u>	<u>\$ 21,236,627</u>	<u>\$ 57,695,321</u>	<u>\$ 31,152,287</u>
	14.0%	12.8%	16.8%	11.6%	9.5%	11.0%

**CITY OF CORONA****Schedule 5a  
Water Sales By User Type <sup>1</sup>  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Residential		Commercial		Industrial		Public Agency		Agricultural, Irrigation and Other		Total	
	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet Total	% Total
2006	26,630	66.2	3,848	9.6	1,573	3.9	3,546	8.8	4,607	11.5	40,204	100.0
2007	29,866	66.0	4,230	9.5	1,751	3.5	3,898	9.0	5,754	12.0	45,499	100.0
2008	27,598	67.5	3,803	9.4	1,557	3.8	3,039	7.4	4,870	11.9	40,867	100.0
2009	26,761	61.5	4,916	11.3	1,592	3.8	2,973	6.8	7,280	16.6	43,522	100.0
2010	23,752	64.5	4,404	12.0	1,216	3.3	4,278	11.6	3,165	8.6	36,815	100.0
2011	22,121	65.4	3,812	11.3	1,158	3.4	3,058	9.0	3,700	10.9	33,849	100.0
2012	22,735	65.5	3,662	10.6	1,184	3.4	3,355	9.6	3,768	10.9	34,704	100.0
2013	23,283	64.8	3,480	9.7	1,225	3.4	3,711	10.3	4,243	11.8	35,942	100.0
2014	23,979	66.8	3,188	10.8	1,254	4.7	597	1.9	8,077	15.8	37,095	100.0
2015	21,621	63.0	3,024	8.8	1,090	3.2	510	1.5	8,061	23.5	34,306	100.0

Note: 1) Amounts include reclaimed water sales.

Source: Corona Department of Water and Power.

**CITY OF CORONA****Schedule 5b****Assessed Value and Actual Value of Taxable Property****Last Ten Fiscal Years (in thousands of dollars)**

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	9,128,473	1,166,793	1,688,866	1,747,079	190,746	13,540,465	1.0043
2007	10,821,087	1,398,608	1,927,206	1,956,392	200,971	15,902,322	1.0025
2008	12,074,893	1,638,755	2,068,380	2,153,807	243,155	17,692,680	1.0018
2009	11,825,460	1,810,186	2,111,604	2,179,903	233,038	17,694,115	1.0012
2010	10,338,756	2,392,421	2,175,301	1,628,324	251,763	16,283,039	1.0006
2011	10,340,114	2,177,188	2,159,963	1,679,857	271,357	16,085,765	1.0000
2012	10,406,831	2,101,432	2,108,882	1,602,344	293,954	15,925,535	1.0000
2013	10,441,897	2,124,926	2,121,234	1,500,847	264,187	15,924,717	1.0000
2014	10,909,040	2,126,622	2,142,615	1,462,220	279,902	16,360,595	1.0000
2015	11,717,313	2,165,931	2,215,181	1,501,930	301,090	17,299,265	1.0000

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.

**CITY OF CORONA****Schedule 6a  
Potable Water Rates  
Last Ten Fiscal Years**

Fiscal Year <sup>1</sup>	Quantity Rate per 100 C.F. <sup>2</sup>	Monthly Base Rates								
		Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2005	1.21	12.38	16.24	23.24	40.49	59.08	100.97	155.12	284.87	418.99
2006	1.33	13.62	17.86	25.56	44.54	64.99	111.07	170.63	313.36	460.89
2007	1.44	14.71	19.29	27.60	48.10	70.19	119.96	184.28	338.43	497.76
2008	1.61	16.40	21.51	30.77	53.63	78.26	133.76	205.47	377.35	555.00
2009	1.77	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2010	1.81 <sup>3</sup>	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2011	1.85 <sup>4</sup>	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2012	1.92 <sup>5</sup>	18.44	24.18	34.59	60.29	87.98	150.37	230.99	424.21	623.93
2013	2.04 <sup>6</sup>	18.88	24.76	35.42	61.73	90.09	153.98	236.53	434.39	638.90
2014	2.10 <sup>7</sup>	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04
2015	2.10	19.23	25.23	36.09	62.90	91.80	156.91	241.02	442.64	651.04

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

2) For Fiscal Year 2009-10 and forward, the stated rate per 100 C.F. is for Residential Tier 1 of the Budget Based Water Rate Structure adopted with Ordinance No. 3025, effective March 19, 2010.

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

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

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

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

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

Source: City of Corona Department of Water and Power.

**CITY OF CORONA**

**Schedule 6b  
Reclaimed Water Rates  
Last Nine Fiscal Years<sup>2</sup>**

Fiscal Year <sup>1</sup>	Quantity Rate per 100 C.F. <sup>3</sup>	Monthly Base Rates								
		Ready-To-Serve Charge								
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2007 <sup>2</sup>	\$ 0.99	N/A	\$ 19.29	\$ 27.60	\$ 48.10	\$ 70.19	\$119.96	\$184.28	\$338.43	\$497.76
2008	1.26	N/A	21.51	30.77	53.63	78.26	133.76	205.47	377.35	555.00
2009	1.39	N/A	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2010	1.39	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2011	1.39	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2012	1.44	18.04	23.66	33.85	58.99	86.09	147.13	226.02	415.08	610.50
2013	1.48	18.53	24.30	34.76	60.58	88.41	151.10	232.12	426.29	626.98
2014	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52
2015	1.51	18.90	24.79	35.46	61.79	90.18	154.12	236.76	434.82	639.52

1) There are instances where the rates were changed during the

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

3) For Fiscal Year 2009-10 and forward, the stated rate per 100 C.F. is for Tier 1 of the Budget Based Water Rate Structure adopted with Ordinance No. 3025,

Source: City of Corona Department of Water and Power.

**CITY OF CORONA****Schedule 6c****Direct and Overlapping Property Tax Rates****Last Ten Fiscal Years (rate per \$100 of assessed value)**

Year	City Direct Rates			Overlapping Rates <sup>2</sup>			
	Basic Rate <sup>1</sup>	General Obligation Debt Service	Total Direct	Corona/Norco School District	Alvord School District	Metropolitan Water District	Riverside City Community College
2006	1.0000	0.0043	1.0043	0.0146	0.0731	0.0052	0.0180
2007	1.0000	0.0025	1.0025	0.0107	0.0580	0.0047	0.0180
2008	1.0000	0.0018	1.0018	0.0379	0.0526	0.0045	0.0126
2009	1.0000	0.0012	1.0012	0.0411	0.1064	0.0043	0.0125
2010	1.0000	0.0006	1.0006	0.0403	0.1255	0.0043	0.0124
2011	1.0000	0.0000	1.0000	0.0452	0.1195	0.0037	0.0150
2012	1.0000	0.0000	1.0000	0.0661	0.1185	0.0037	0.0170
2013	1.0000	0.0000	1.0000	0.0860	0.1389	0.0035	0.0170
2014	1.0000	0.0000	1.0000	0.0684	0.1757	0.0035	0.0177
2015	1.0000	0.0000	1.0000	0.0684	0.1757	0.0035	0.0177

**Notes:**

- 1) The City's basic property tax rate may only be increased by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.
- 2) Overlapping rates are those of local and county governments that apply to property owners within the City of Corona. Not all overlapping rates apply to all Corona property owners.

Source: Riverside County Auditor-Controller.

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

Water Customer	2015			2006		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
City of Corona	\$ 3,449,371	1	6.79%	\$ 1,701,816	1	5.09%
Corona-Norco USD	914,095	2	1.80%	575,308	2	1.72%
Eagle Glen Master HOA	223,140	3	0.44%	158,224	4	0.47%
Waterstone at Corona Pointe	189,379	4	0.37%			
Aseptic Solutions USA	186,247	5	0.37%			
EBB Creek Apartments, LLC	182,679	6	0.36%			
EWR, Inc	177,658	7	0.35%	103,653	6	0.31%
Eagle Glen Country Club, LLC	168,509	8	0.33%			
Integrated Protein Tech	156,585	9	0.31%	369,392	3	1.10%
ERP Operating Limited Partnership	149,446	10	0.29%	102,398	7	0.31%
Taylor Woodrow				104,543	5	0.31%
Archstone Communities				99,053	8	0.30%
PPC Baywood Venture LLC				97,167	9	0.29%
Capital Pacific Homes Inc.				82,432	10	0.25%
	<u>\$ 5,797,109</u>		<u>11.41%</u>	<u>\$ 3,393,986</u>		<u>10.15%</u>

Source: Corona Department of Water and Power.



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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Kaiser Foundation Health Plan Inc	\$ 200,868,646	1	1.16%	\$ 107,510,575	3	0.79%
Watson Laboratories Inc.	185,420,949	2	1.07%	\$ 155,916,232	1	1.15%
Castle and Cooke Corona Inc.	134,693,409	3	0.78%	83,018,045	5	0.61%
Rexco	113,208,309	4	0.65%			
Waterstone Apartments NF	91,549,073	5	0.53%			
Costco Wholesale Corporation	84,650,529	6	0.49%	72,707,659	7	0.54%
Dart Container Corporation of Calif	70,486,242	7	0.41%	77,991,559	6	0.58%
Artisan At Main Street Metro	63,059,997	8	0.36%			
Dos Lagos CRN	48,881,236	9	0.28%			
UHS Corona Inc.	48,751,316	10	0.28%			
Dairy Farmers of America Inc.				110,617,355	2	0.82%
Centex Homes				93,568,069	4	0.69%
PPC Baywood Venture				65,020,097	8	0.48%
Triana Investment				58,385,000	9	0.43%
IBM Credit LLC				43,416,989	10	0.32%
Total	<u>\$1,041,569,706</u>		<u>6.01%</u>	<u>\$ 868,151,580</u>		<u>6.41%</u>

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

**CITY OF CORONA****Schedule 8  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	18,409,599	16,237,649	88.20%	827,438	17,065,087	92.70%
2007	23,054,281	19,690,971	85.41%	1,439,660	21,130,631	91.66%
2008	25,254,270	20,898,139	82.75%	2,427,904	23,326,043	92.36%
2009	25,036,199	21,120,483	84.36%	2,092,540	23,213,023	92.72%
2010	22,628,536	19,921,737	88.04%	1,424,373	21,346,110	94.33%
2011	22,451,824	19,619,070	87.38%	1,155,344	20,774,414	92.53%
2012	22,448,815	20,689,087	92.16%	979,403	21,668,490	96.52%
2013	22,560,351	21,235,423	94.13%	808,121	22,043,544	97.71%
2014	23,176,657	22,171,735	95.66%	695,420	22,867,155	98.66%
2015	24,628,905	23,778,058	96.55%	-	23,778,058	96.55%

Note: 1) Amounts excluded debt service levies and former Redevelopment property tax increment.  
2) Amounts excluded interest and penalties.

Source: City of Corona Finance Department;  
Riverside County Auditor-Controller's Office.

**CITY OF CORONA****Schedule 9****Ratios of Outstanding Debt by Type****Last Ten Fiscal Years (dollars in thousands, except per capita)**

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Redevelopment Bonds	Lease Revenue Bonds	Loans Payable	Lease Payable	Long-Term Agreement Payable	Special Assessment Bonds
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
2008	1,445	90,940	73,390	569	583	6,882	2,225
2009	950	87,805	70,695	-	475	5,725	1,900
2010	-	85,075	67,905	-	-	4,530	1,435
2011	-	82,025	65,015	-	26	3,301	1,025
2012	-	-	62,020	-	25,283	-	660
2013	-	-	33,270	-	23,719	-	515
2014	-	-	31,250	-	22,353	-	355
2015	-	-	29,145	-	20,955	-	185

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

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

Business-Type Activities								
Installment Agreement Payable	Long-Term Installment Payable	Term Loan Payable	Certificates of Participation	Revenue Bonds	Contracts Payable	Total Primary Government	Percent of Personal Income	Per Capita
296	31,895	43,429	101,310	-	717	281,229	7.5%	\$ 1,944
173	31,070	43,322	100,590	-	717	333,321	8.4%	\$ 2,280
37	30,215	41,990	98,145	-	690	347,111	8.6%	\$ 2,354
2,000	29,325	39,625	95,645	-	690	334,835	8.5%	\$ 2,253
2,036	28,400	37,207	93,035	-	690	320,313	7.9%	\$ 2,130
1,764	27,435	34,724	90,320	-	690	306,325	7.4%	\$ 1,994
1,485	26,430	32,176	87,495	-	690	236,239	5.6%	\$ 1,539
1,299	-	21,362	64,380	60,791	690	206,026	4.9%	\$ 1,314
1,104	-	19,951	24,480	57,630	690	157,813	3.8%	\$ 992
9,766	-	19,142	23,785	54,067	690	157,735	3.8%	\$ 984

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

Fiscal Year	General Bonded Debt Outstanding				Total General Bonded Debt	Less Net Position Restricted for Debt Repayment	Net General Bonded Debt	Percentage of Actual Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
	General Obligation Bonds	Redevelopment Bonds <sup>3</sup>	Special Assessment Bonds	Lease Revenue Bonds					
2006	2,535	42,755	2,930	51,975	100,195	6,898	93,297	0.69%	645
2007	1,925	63,175	2,565	87,130	154,795	28,839	125,956	0.79%	862
2008	1,445	90,940	2,225	73,390	168,000	25,251	142,749	0.81%	968
2009	950	87,805	1,900	70,695	161,350	11,969	149,381	0.84%	1,005
2010	-	85,075	1,435	67,905	154,415	7,080	147,335	0.90%	980
2011	-	82,025	1,025	65,015	148,065	10,774	137,291	0.85%	894
2012	-	-	660	62,020	62,680	3,418	59,262	0.37%	386
2013	-	-	515	33,270	33,785	2,773	31,012	0.19%	198
2014	-	-	355	31,250	31,605	2,770	28,835	0.18%	181
2015	-	-	185	29,145	29,330	2,653	26,677	0.16%	166

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

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

**CITY OF CORONA**

**Schedule 11**

**Direct and Overlapping Governmental Activities Debt<sup>1</sup>  
As of June 30, 2015 (dollars in thousands)**

	Debt Outstanding	Est. Percentage Applicable <sup>2</sup>	Share of Overlapping Debt
<b>Direct and Overlapping Tax and Assessment Debt:</b>			
Metropolitan Water District	\$ 110,420	0.746%	\$ 824
Riverside City Community College District	227,097	20.686%	46,977
Alvord Unified School District	224,305	12.784%	28,675
Corona-Norco Unified School District	252,195	55.481%	139,920
Alvord Unified School District CFD No. 2006-1	7,760	8.337%	647
Corona-Norco Unified School District CFD No. 97-1	1,121	100.000%	1,121
Corona-Norco Unified School District CFD No. 99-1	2,818	100.000%	2,818
Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C	5,967	100.000%	5,967
Corona-Norco Unified School District CFD No. 00-1	2,040	100.000%	2,040
Corona-Norco Unified School District CFD No. 01-1, Imp Areas A & B	8,030	100.000%	8,030
Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C	12,980	100.000%	12,980
Corona-Norco Unified School District CFD No. 03-3, Imp Area A	4,610	100.000%	4,610
Corona-Norco Unified School District CFD No. 03-5	2,070	100.000%	2,070
Corona-Norco Unified School District CFD No. 04-2, Imp Areas 1 & 3	7,210	66.768%	4,814
City of Corona CFD No. 86-2 Refunding 2014 Series A	7,195	100.000%	7,195
City of Corona CFD No. 89-1 Refunding 2014 Series A	7,350	100.000%	7,350
City of Corona CFD No. 89-1 IA Refunding 2014 Series A	5,495	100.000%	5,495
City of Corona CFD No. 90-1	19,735	100.000%	19,735
City of Corona CFD No. 97-2 Refunding 2014 Series A	9,525	100.000%	9,525
City of Corona CFD No. 2000-1	5,795	100.000%	5,795
City of Corona CFD No. 2001-2	2,765	100.000%	2,765
City of Corona CFD No. 2002-1	23,150	100.000%	23,150
City of Corona CFD No. 2002-4	7,820	100.000%	7,820
City of Corona CFD No. 2003-2	6,725	100.000%	6,725
City of Corona CFD No. 2004-1	3,075	100.000%	3,075
California Statewide Communities Development Authority CFD No. 2002-1	4,020	100.000%	4,020
City of Corona 1915 Act Bonds	3,530	100.000%	3,530
<b>Total Overlapping Tax and Assessment Debt</b>			<b>367,673</b>
<b>Total Direct Tax and Assessment Debt</b>			<b>-</b>
<b>Total Direct and Overlapping Tax and Assessment Debt</b>			<b>\$ 367,673</b>
<b>Direct and Overlapping General Fund Debt:</b>			
<b>Overlapping General Fund Obligations</b>			
Riverside County General Fund Obligations	\$ 961,955	7.662%	\$ 73,705
Riverside County Pension Obligations	320,470	7.662%	24,554
Riverside County Board of Education COPs	1,835	7.684%	141
Corona-Norco Unified School District General Fund Obligations	26,755	55.481%	14,844
Alvord Unified School District General Fund Obligation Debt	2,027	12.778%	259
<b>Total Overlapping General Fund Obligations</b>			<b>\$ 113,503</b>
<b>Direct General Fund Obligations:</b>			
City of Corona General Fund Obligations	50,285	100.000%	50,285
<b>Total Direct General Fund Obligations</b>			<b>\$ 50,285</b>
<b>Total Direct and Overlapping General Fund Obligations</b>			<b>\$ 163,788</b>
Less: Riverside County self-supporting obligations			580
City-obligated debt supported by special assessment payments			185
<b>Total Net Direct and Overlapping General Fund Obligations</b>			<b>\$ 163,023</b>
<b>Total Gross Direct Debt</b>			<b>\$ 50,285</b>
<b>Total Net Direct Debt</b>			<b>\$ 50,100</b>
<b>Total Gross Overlapping Debt</b>			<b>\$ 481,176</b>
<b>Total Net Overlapping Debt</b>			<b>\$ 480,596</b>
<b>Gross Combined Total Direct and Overlapping Debt<sup>3</sup></b>			<b>\$ 531,461</b>
<b>Net Combined Total Direct and Overlapping Debt</b>			<b>\$ 530,696</b>

See Notes on the following page.

**Schedule 11**

**Direct and Overlapping Governmental Activities Debt<sup>1</sup>**

**As of June 30, 2015 (dollars in thousands)**

*Notes to Schedule 11*

- 1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Corona. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for the repaying the debt, of each overlapping government.*
  
- 2) 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.*
  
- 3) Amount excluded tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.*

**CITY OF CORONA**

**Schedule 12**

**Legal Debt Margin Information**

**Last Ten Fiscal Years (dollars in thousands)**

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value	\$ 17,299,265
Debt Limit (15% of assessed value)	2,594,890
Debt Applicable to limit:	
General obligation debt	50,285
Less: Amount set aside for repayment of general obligation debt	(185)
Total net debt applicable to limit	50,100
Legal Debt Margin	<u>\$ 2,544,790</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 2,031,070	\$ 2,385,348	\$ 2,653,902	\$ 2,654,117	\$ 2,442,456	\$ 2,412,865	\$ 2,388,830	\$ 2,388,708	\$ 2,454,089	\$ 2,594,890
Total net debt applicable to limit	57,896	88,377	82,869	77,845	72,435	68,339	60,498	56,989	53,603	50,100
<b>Legal debt margin</b>	\$ 1,973,174	\$ 2,296,971	\$ 2,571,033	\$ 2,576,272	\$ 2,370,021	\$ 2,344,526	\$ 2,328,332	\$ 2,331,719	\$ 2,400,486	\$ 2,544,790
Total debt applicable to the limit as a percentage of debt limit	2.851%	3.705%	3.123%	2.933%	2.966%	2.832%	2.533%	2.386%	2.184%	1.931%

*Note: Under State Finance Law, the City's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.*



**CITY OF CORONA****Schedule 13****Pledged Revenue Coverage****Last Ten Fiscal Years (dollars in thousands)**

Fiscal Year	Lease Revenue Bonds					Special Assessment Bonds				
	Lease Payments	Current Account Balance	Debt Service		Coverage	Special Assessment Collections	Current Account Balance	Debt Service		Coverage
			Principal	Interest				Principal	Interest	
2006	4,184	177	1,965	2,390	1.00	560	448	325	241	1.78
2007	4,501	272	2,025	2,626	1.03	543	77	365	214	1.07
2008	5,673	152	2,620	3,212	1.00	487	38	340	187	1.00
2009	5,663	150	2,695	3,118	1.00	571	28	325	162	1.23
2010	5,686	125	2,790	3,021	1.00	525	79	465	131	1.01
2011	5,677	126	2,890	2,915	1.00	376	152	410	97	1.04
2012	5,669	166	2,995	2,801	1.01	212	238	365	67	1.04
2013	30,825 <sup>1</sup>	11	28,750	2,075	1.00	212	5	145	47	1.13
2014	3,394	19	2,020	1,365	1.01	208	4	160	34	1.09
2015	3,373	19	2,105	1,281	1.00	192	1	170	22	1.01

Notes: <sup>1</sup> Includes the defeasance of 2002 Lease Revenue bonds.

<sup>2</sup> Includes the defeasance of the 1998 Water Revenue bonds.

<sup>3</sup> Includes defeasance of 1997 COPs and 2003 COPs.

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

Revenue Bonds				Certificates of Participation				
Utility Revenues	Debt Service		Coverage	Lease Payments	Current Account Balance	Debt Service		Coverage
	Principal	Interest				Principal	Interest	
2,285	795	1,493	1.00	4,520	335	450	4,390	1.00
2,286	825	1,462	1.00	5,077	343	720	4,710	1.00
2,288	855	1,429	1.00	6,764	346	2,445	4,665	1.00
2,281	890	1,393	1.00	6,761	323	2,500	4,582	1.00
2,281	925	1,356	1.00	6,861	220	2,610	4,476	1.00
2,281	965	1,316	1.00	6,859	224	2,715	4,367	1.00
2,278	1,005	1,273	1.00	7,063	24	2,825	4,261	1.00
29,597 <sup>2</sup>	26,430	1,491	1.06	7,391	22	2,935	4,154	1.05
3,187	1,165	2,022	1.00	60,552 <sup>3</sup>	2,143	60,080	2,611	1.00
5,689	3,455	2,234	1.00	1,063	756	695	1,123	1.00

**CITY OF CORONA****Schedule 14  
Demographic and Economic Statistics  
Last Ten Calendar Years**

	(1)	(2)	(3)	(4)	(5)	
Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	144,661	3,754,532	25,954	n/a	47,731	3.5%
2007	146,164	3,959,729	27,091	n/a	49,865	4.1%
2008	147,428	4,032,746	27,354	n/a	51,334	6.1%
2009	148,597	3,942,278	26,530	30.5	52,138	10.4%
2010	150,416	4,031,149	26,800	31.5	52,914	10.3%
2011	153,649	4,114,259	26,777	32.5	53,153	10.7%
2012	153,484	4,206,843	27,409	32.6	53,467	9.3%
2013	156,823	4,232,339	26,988	32.0	53,437	7.5%
2014	159,132	4,179,125	26,262	32.2	53,782	7.3%
2015	160,287	4,164,996	25,985	32.6	53,739	5.1%

Sources: 1) Population – California Department of Finance;  
2) Personal Income –Economics & Politics, Inc.  
3) Median Age – U.S. Census Bureau;  
4) School Enrollment – Corona-Norco Unified School District;  
5) Unemployment Rate – California Labor Market.

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Corona-Norco Unified School District	4,932	1	6.25%	5,285	1	6.85%
Corona Regional Medical Center	1,082	2	1.37%	1,060	4	1.37%
Kaiser Permanente	995	3	1.26%	1,242	3	1.61%
City of Corona	785	4	0.99%	1,018	5	1.32%
Fender Guitar	625	5	0.79%	800	8	1.04%
TWR Framing Enterprises	600	6	0.76%			
All American Asphalt	596	7	0.76%	950	6	1.23%
Monster Energy	500	8	0.63%			
Dart Container Corporation	420	9	0.53%	850	7	1.10%
CoreMark International	372	10	0.47%			
LDI Mechanical				600	10	0.78%
Watson Laboratories, Inc.				1,280	2	1.66%
Doorway Manufacturing				600	9	0.78%
Total	<u>10,907</u>		<u>13.81%</u>	<u>13,685</u>		<u>17.74%</u>

Source: City of Corona's Economic Development Division;  
California Labor Market.

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

Function/Program	Full-time Equivalent Employees									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Management Services	9.0	9.0	9.0	8.0	9.0	9.0	12.0	19.0	19.0	12.0
Legal & Risk Management <sup>1</sup>	6.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Services <sup>2</sup>	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Human Resources <sup>2</sup>	0.0	9.5	10.5	8.5	10.0	10.0	11.0	15.0	15.0	13.0
Information Technology	10.0	11.0	12.0	13.0	14.0	14.0	15.0	18.0	17.0	17.0
Finance <sup>2</sup>	0.0	23.0	23.0	27.0	32.0	32.0	36.0	41.0	42.0	41.0
Community Development <sup>3</sup>	22.0	18.0	17.0	17.0	21.0	21.0	27.0	24.0	26.0	21.0
Building <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.0	24.0	23.0
Police										
Officers	159.0	157.0	153.5	152.0	176.0	177.0	179.0	191.0	191.0	175.0
Civilians	65.0	64.0	61.0	60.0	72.0	67.0	72.0	91.0	91.0	87.0
Fire										
Firefighters and officers	112.0	112.0	111.5	112.0	121.0	121.0	121.0	124.0	124.0	111.0
Civilians	6.0	5.0	5.0	5.0	7.0	7.0	10.0	23.0	22.0	22.0
Public Works <sup>5</sup>	29.0	31.0	71.0	74.0	77.0	76.0	84.0	102.0	102.0	93.0
Maintenance Services <sup>5</sup>	38.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Development <sup>6</sup>	1.0	4.5	4.5	5.5						
Library and Recreation Services <sup>7</sup>	21.0	21.0	15.0	15.0	17.0	17.0	18.0	20.0	19.0	18.0
Department of Water and Power	115.0	112.0	109.0	112.0	107.0	112.0	113.0	111.0	130.0	146.0
Transit Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Community Services <sup>7</sup>	0.0	0.0	21.0	22.0	28.0	28.0	35.0	48.0	49.0	50.0
Redevelopment <sup>8</sup>	0.0	0.0	0.0	0.0	16.0	17.0	17.0	16.0	15.0	17.0
<b>Total</b>	<b>624.0</b>	<b>621.0</b>	<b>629.0</b>	<b>632.0</b>	<b>708.0</b>	<b>709.0</b>	<b>751.0</b>	<b>868.0</b>	<b>887.0</b>	<b>847.0</b>

Source: City of Corona Administrative Services Department.

Note:

- <sup>1</sup> Formerly City Attorney's Office. During Fiscal Year 2014-15, Risk Management Division merged into the City Attorney's Office and formed Legal & Risk Management Department.
- <sup>2</sup> Formerly Finance Department. During Fiscal Year 2014-15, Human Resources Department merged into Finance and formed Administrative Services Department.
- <sup>3</sup> During Fiscal Year 2014-15, Housing Division was merged into Community Development Department.
- <sup>4</sup> Building Department merged into Community Development Department during Fiscal Year 2008-09.
- <sup>5</sup> Public Works Department was reorganized during Fiscal Year 20013-14, various maintenance functions were removed from Public Works, and a new department, Maintenance Services was established to assume these functions.
- <sup>6</sup> Formerly Housing and Economic Development, during Fiscal Year 2014-15, the Housing component was merged into Community Development Department.
- <sup>7</sup> Parks and Community Services Department was dissolved during Fiscal Year 2013-14, Recreation Division was merged with Library and formed Library and Recreation Department, other functions was merged with Maintenance Services Department.
- <sup>8</sup> Redevelopment Department was dissolved in Fiscal Year 2011-12.

**CITY OF CORONA**

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

Function/Program	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police										
Physical Arrests	5,337	5,422	4,709	4,472	5,701	5,337	5,693	5,026	5,298	4,696
Parking Violations	4,098	4,119	3,612	4,976	6,541	3,241	6,768	8,165	9,806	8,147
Traffic Violations	11,133	11,147	9,316	8,691	9,456	10,087	13,357	11,389	11,931	13,923
Fire										
Emergency Responses	11,263	11,131	10,942	9,843	9,606	9,683	9,480	10,139	10,238	9,997
Fires Extinguished	346	397	415	326	318	378	387	439	515	499
Inspections	1,757	2,217	1,591	1,929	1,478	2,560	2,124	2,072	1,039	865
Public Works/Maintenance Services										
Street Resurfacing (miles)	72	72	48	8	71	85	70	6	173	10
Street Lights Repaired	846	598	808	1,093	1,811	1,775	1,991	1,721	1,307	1,336
Potholes Filled (sq. ft)	15,978	13,185	16,085	13,316	25,557	38,187	51,223	33,936	42,000	37,389
Parks and Community Services										
Sportsfields Participation	1,898,300	1,670,668	1,664,800	2,325,101	1,832,892	1,746,257	1,307,866	828,717	486,114	459,002
Comm. Centers/Gym/Pool	189,519	158,431	144,981	216,729	239,464	249,295	279,548	309,814	310,604	307,888
Other Activity Participation	232,264	244,593	247,768	232,701	211,533	259,179	249,407	217,500	153,301	126,542
Library and Recreation Services										
Volumes in Collection	167,432	136,128	174,585	170,435	169,188	166,163	177,028	175,648	165,102	165,474
Total Volumes Borrowed	2,049,674	1,942,829	1,846,625	1,991,581	2,034,932	1,262,964	1,191,239	966,152	540,612	673,450
Water										
New Connections	173	498	482	80	133	217	269	158	504	801
Water Main Repairs	84	49	36	37	46	45	6	6	10	9
Average Daily Consumption (millions of gallons)	32.6	34.9	32.0	31.0	30.2	32.9	39.0	36.5	35.0	35.2
Wastewater										
Average Daily Sewage Treatment (millions of gallons)	13.1	12.6	13.4	13.0	13.7	13.0	13.0	13.0	13.0	12.2
Transit Services										
Total Route Miles (round-trip) Passengers	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	44.4	44.7
Fixed Route	168,303	169,745	163,054	153,783	152,568	165,104	166,744	163,062	150,815	146,983
Dial-A-Ride	66,015	68,852	65,635	61,285	58,153	64,689	63,122	64,079	57,577	58,892

Source: Various City departments.

**CITY OF CORONA**

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

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	2	2	2	2	2	2	3	3	3	3
Patrol Units	59	53	53	53	60	65	65	74	74	66
Fire Stations	7	7	7	7	7	7	7	7	7	7
<b>Streets</b>										
Streets and Alleys (miles)	404	403	406	403	398	398	398	383	380	376
Streetlights <sup>1</sup>	12,022	11,888	11,271	11,353	11,237	11,733	11,682	11,711	11,688	11,300
Traffic Signals	173	170	169	169	170	168	166	161	163	157
<b>Library and Recreation Services</b>										
Total Park Acreage	376	376	376	376	376	376	376	364	364	342
Playgrounds	27	27	27	27	27	27	26	30	30	29
Baseball/softball diamonds	36	36	36	36	37	39	35	35	33	33
Soccer/football fields	18	18	18	18	18	17	15	15	14	14
Community Centers	7	7	7	7	7	7	7	7	7	7
Civic Center Auditorium Seating Cap	380	380	380	380	380	380	380	380	380	250
Fiesta Bandshell Seating Capacity	500	500	500	500	500	500	500	500	500	500
<b>Water</b>										
Water Main (miles)	694	681	681	677	676	684	670	670	622	606
Fire Hydrants	9,174	9,087	8,918	8,996	8,788	8,692	8,496	8,421	8,300	7,904
Storage Capacity (millions of gallons)	51	51	51	51	51	53	53	44	44	46
<b>Wastewater</b>										
Sanitary Sewers (miles)	452	444	444	444	442	447	445	436	394	382
Storm Sewers (miles)	172	171	166	166	168	168	165	161	154	148
Treatment Capacity (millions of gallons)	16	16	16	16	16	16	16	14	14	19
<b>Transit Services</b>										
<b>Minibuses</b>										
Fixed Route	6	6	4	4	5	5	5	5	5	5
Dial-A-Ride	11	10	12	10	10	9	9	9	9	9

Source: Various City departments

Note: <sup>1</sup> Includes only City-owned street lights.